

Introduction to Social Enterprise



**Southside Partnership
Training in Collaboration with
CramdenTECH**

Agenda

- Social Enterprise versus Commercial Business
- ‘Need’ for the Enterprise – Problem Solving
- Environmentally and socially responsible goods and services
- Setting up an Enterprise - Legal forms
- Running and Funding the Enterprise

Your Perceptions

When you think of social enterprises, what type of organisations do you think of?



Four Elements of Success

The 60 second Lesson!

- Contacts – Who do you know who can help you?
- Cash Flow – How will you generate revenue?
- Business Model – what are you doing that someone is prepared to pay for? How is a model different from a business plan?
- Team – No one gets the job done alone!

Nature of Social Enterprise

- Social Enterprises are revenue generating businesses.
 - Goal 1: To generate revenue
 - Goal 2: To achieve social, cultural, community economic and/or environmental outcomes
- Social Enterprises are revenue generating businesses with social objectives, whose profits are re-invested for its social purpose

Social Enterprise Vs Commercial

- Identifying the triple bottom-line: social outcomes, economic outcomes, environmental outcomes
- Identifying the change you want to bring about

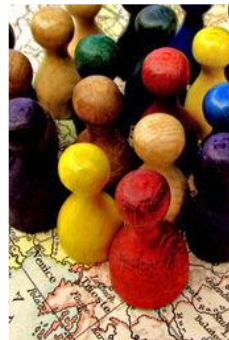
Sources of Income Generating Ideas



Family, Friends,
Interests



Problems,
improvements



Community
Needs, Trends

Problem-Solving

- How to identify the 'Need' or 'Problem' that a social enterprise can solve? Possible to use a Process:
- Examine existing and future needs of target audience (community/buyers)
- Examine how these needs are being met
- Examine the resources available
- Read about trends and new ideas

Setting up a Social Enterprise

- Selecting a legal form:
 - Company limited by guarantee
 - Co-operative
 - Private company with shareholders
 - Trusts, unincorporated associations?

Running a Social Enterprise

- What are the challenges of running and funding a social enterprise?
 - Sources of finance: bank loans, social finance, member contributions, traded income, fundraising events, grants, LEADER
 - Size of market opportunity: buyers, competitors, alternatives
 - Skillset of promoters: business experience, commitment
 - Staff and human resources: employees, work schemes, volunteers
 - Sustainable operations: traded income growth, cost control
 - Support from wider community: buyers, suppliers, events

Funding Versus Fundraising

- Funding Strategy considers the sources of funding whilst fundraising strategy considers how you will obtain donor support



Sources of Funding

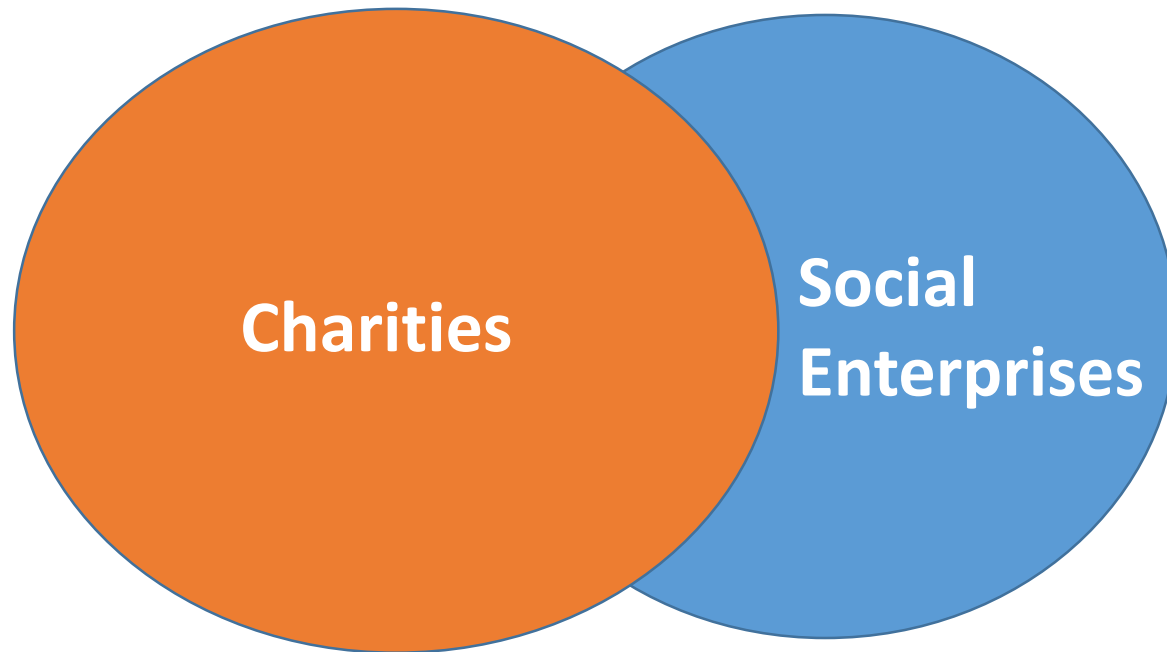
Sources of Finance and Funding:

- Grants for service provision
- Grants for capital investment or start-up
- Bank loans or social finance
- LEADER funding
- Trading Income: goods and services
- Cash donations
- Corporate donations and philanthropy
- Memberships
- Trading Vouchers
- Benefit-in-kind: volunteer days, work placements

Implications for Social Enterprises?

Implications of Charitable Status

Financial and Governance Regulations apply to charities. Charities Regulator and Revenue Commissioners implications.



- Reserves
- Reporting Standards
- Employees/Directors
- Wind-Up
- Traded Income
- Nature of Grants Sought
- Target Market

Compiling Funding Applications

Remember:

- *People invest in people*
- *Provide funder with change they can believe in – outcomes and outputs*
- *Know why you need the money, why you need it now and why you can be trusted to spend it*

Terminology - Outcomes and Impact

Inputs: *Resources you put in*

Outputs: *Services you deliver or facilities you offer*

Outcomes: *Changes that result from your work. The 'difference' your work makes. Show you that your aims have been met*

Impact: *Long-term changes resulting from your work*

Fundraising Plans

Fundraising Plans:

- Competing events
- Revenue targets
- Logistics, volunteers, staff and all associated costs
- Marketing and PR
- One off or annual event
- Revenue spin-off e.g. merchandise, advertising
- Simple fundraising plan template for communication purposes

Review

- What are the next steps for your initiative or group? What are the implications for you of being or becoming a social enterprise?

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