



Diversifying Funding - Social Enterprise



- What Is Social Enterprise?
 - Opportunities
 - Challenges
- Should We Make the Transition?
- How Do We Make The Transition?
- Selling Services
- Sources of Support
- Q&A

What are Social Enterprises?

BIS "...**businesses** with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or community, rather than being driven by the need to maximise profit for shareholders and owners".

- A concept not a business model

Types of Social Enterprise



Social Firms

- Employment is the primary purpose
- Development Trusts
- Community Enterprises
- Credit Unions
- Trading Arms
 - Profit as THE goal

www.socialenterprisewm.org.uk/social-enterprise/types-of-social-enterprsie/



What ISN'T Social Enterprise?

- Trading without making profit
- Spending grants
- Fairtrade, organic etc
- Not paying or underpaying staff

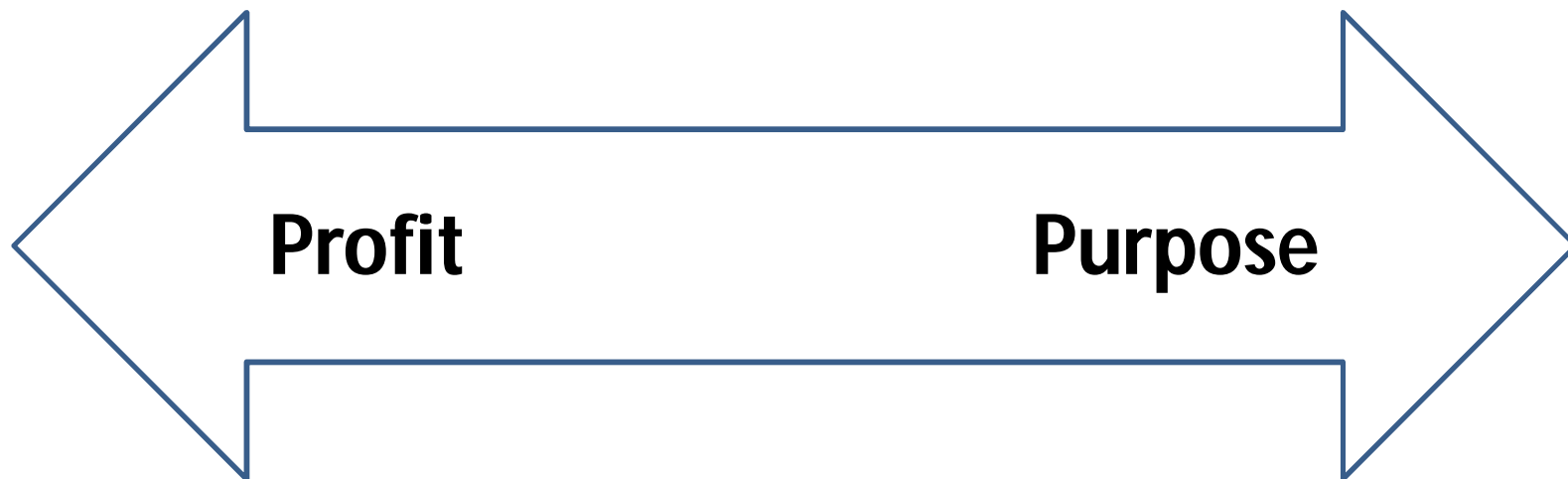
...but a social enterprise may elect to do some or all of these things.



What Is Social Enterprise?



- Community of Benefit
- Business – Survive or Thrive
- Where are you?



- **More than** (just) (personal) **profit**



Scales – Not Ducks!



Challenges - Market

- Hostility (?) toward grant-making
- Diminishing Public Services Budget
- Entry of national plcs
- Change, change, change
- Double-dip?
 - private sector confidence
 - public confidence

Opportunities - Market

- Public Services – 1% or 5%
 - Health and Social Care
 - LA / NHS
- Local Government
 - Roads
 - Grounds
 - Payroll?
- Individual Budgets

Opportunities – Market cont!

- Public Awareness
 - Products - Divine Chocolate, BeluWater
 - Spending Reform
- Smart Spending
 - People prefer “good” especially local
- Outcomes not Outputs
- Solutions not (just) Products

What can we sell?

What's The Market

- Identify Customer Needs
 - LA, PCT, GP Consortia – JSNA
 - Market Analysis for products
- Identify Gaps
- Ask Questions!
- Identify your Skills and Strengths
 - USP

What can we sell?

- **P**roduct linked to your existing work
- **P**rocess
 - 'how' you work e.g. creating jobs for people disadvantaged in the labour market
- **P**rofit
 - selling a product or service that enables you to re-invest the profits e.g. Running conferences

Should We Make the Transition?

- Market
- Skills – Board, Management and Staff
- Legal – does your constitution allow trading in this area?
- Are there other options?
 - Public fundraising
 - Merger
 - Acquisition (franchise)
 - As we are!

Is it all or nothing?



PURE PURPOSE



PURE PROFIT

Remember the ducks...



Should We Make the Transition?



- Transformation or change?
- Consider
 - Displaced Impact - Trading Arm
 - "New" rather than "Different"
 - Who will notice what?
 - Staff
 - Volunteers
 - Service Users

To run a Social Enterprise...



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- Have a clear Community of Benefit
- Have a clear market to exploit
- Have the skills required to run a Social Enterprise
 - Risk Management
 - People Management
 - Financial Management
 - Volunteer Management?
- Have a vision
- Know what you know, and what you don't



Risks of Transformation



- Mission Drift
- Wasted Effort / Resources
- Reputation



Preparing For Change



- Decide what to focus on
- Get Help!
- Plan the process
- Engage staff and volunteers
- Tell your community of benefit



Finding Support

What can you expect?



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- Feasibility study support
- Help with writing a business plan
- Advice on legal structures
- Support with sourcing finance
- Advice on governance
- Managing cashflow
- Access to further resources



Financing Change



- All investors
 - Minimise Risk
 - Maximise Return
- Track Record
- Sound argument
- Social Investors
 - Seek Social Return
 - "Understand"




Finding Support

www.socialenterprisewm.org.uk/help-advice/

Search options:

Where are you based?



1. Birmingham and Solihull
2. Black Country
3. Coventry and Warwickshire
4. Herefordshire
5. Stoke on Trent and Staffordshire
6. Telford and Shropshire
7. Worcestershire

Industry sector

Choose a sector

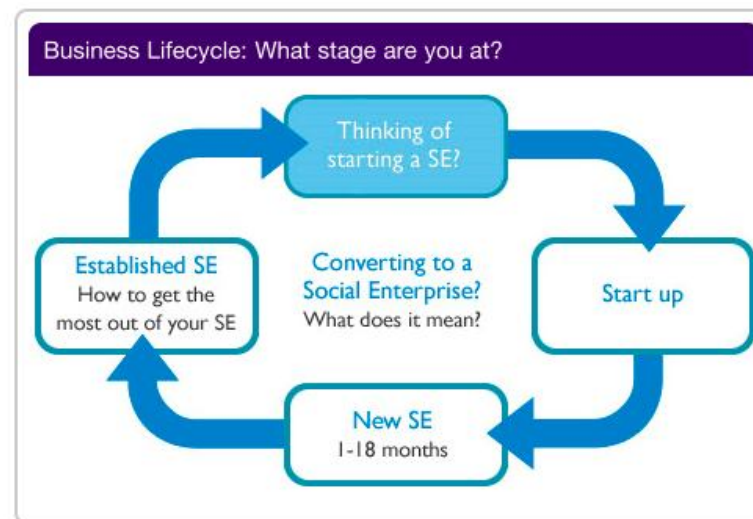
Business Advice topic

Choose a topic

Keyword

Browse providers A-Z

A B C D E F G H I J
K L M N O P Q R S T
U V W X Y Z



How do we sell?



- Get Talking
 - Public & Private Customers
 - Private & 3rdSector Delivery Partners
- Get Shouting
 - Web
 - Press
 - Events
- Those who do, do. Those who might, won't

How do we sell?



- Sell Products
- Sell Services
- Mission can help marketing
- Make it easy to find what you sell





Open Floor

Questions and Answers

