Social Entrepreneurship - Customers & Beneficiaries, Processes, Resources

James Finnie, CEIS
• UK’s foremost Social Enterprise development agency
• Formed in 1984
• Based in Govan
• 65 staff
- Social Enterprise?
- A Scottish perspective
- Global trends
- Resources: Social Shifters support programme
- Questions
What is a Social Enterprise?

Non-Profit Distributing - Asset Locked

1. Unincorporated Organisations
   - Voluntary organisations and trusts

2. Charities
   - Charitable approach
   - Employing staff
   - Core costs grants
   - Some income generation

3. Social Enterprise
   - Business approach
   - Trading to be financially self-sufficient
   - CICs by guarantee

Profit Distributing

4. CICs by shares

5. Mission Locked
   - Socially Responsible Business
   - Businesses with social and/or environmental remit

6. Profit Maximising
   - Mainstream Business & CSR

Third Sector

Private Sector
What is a Social Enterprise?

1. A trading business – selling goods and services – but whose primary objective is to achieve social and/or environmental benefit.

2. Profits are reinvested in the business or in the beneficiary community – and not distributed to private owners, shareholders or investors.

3. If the company dissolves the assets are reinvested in another organisation with similar aims and objectives.

4. Constituted and managed in an accountable and transparent way – particularly with regard to the community they serve.

5. Distinct from the local or national Government.
• Founded by CEIS in Scotland in 2008 as a Community Interest Company (CIC).

• Purpose is to grow the development of social enterprise through global collaboration, sharing of best practice and strategic planning.

• Addis Ababa 2019
• Edinburgh 2018
• Christchurch 2017
• Hong Kong 2016
• Milan 2015
• Seoul 2014
• Calgary 2013
• Rio De Janiero 2012
• Johannesburg 2011
• San Francisco 2010
• Melbourne 2009
• Edinburgh 2008
Social Enterprise Example:
Social Enterprise World Forum

Click here for video:
https://www.youtube.com/watch?v=DYeT86YLYxc&feature=emb_logo
No Global Definition Exists

SEWF – SOCIAL ENTERPRISE CHARACTERISTICS?

MISSION PRIMACY
• Social enterprises have a clear and primary social or environmental mission set out in their governing documents.

TRADING INCOME
• Social enterprises should generate the majority of their operating revenue through trade.

INVESTMENT of SURPLUS
• Social enterprises should reinvest the majority of their profits in pursuit of mission.

INDEPENDENT of STATE
• Social enterprises should be independently controlled and autonomous of state.

ORGANISATIONAL CONTROL
• Social enterprises should be majority controlled in the interests of social mission.
Social Enterprise:
A Scottish Perspective
Sector Growth

6,025
Social enterprises operating in Scotland

+16%
Growth in the number of social enterprises between 2015 and 2019

Yearly Growth:
- 2015: 5,199
- 2017: 5,600
- 2019: 6,025

Y-axis: Number of social enterprises
# Economic Contribution

<table>
<thead>
<tr>
<th></th>
<th>Social Enterprise(^1)</th>
<th>Textiles(^2)</th>
<th>Chemical Sciences(^2)</th>
<th>Life Sciences(^2)</th>
<th>Tourism(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies</td>
<td>6,025</td>
<td>550</td>
<td>235</td>
<td>771</td>
<td>14,540</td>
</tr>
<tr>
<td>Employees</td>
<td>88,318</td>
<td>9,000</td>
<td>11,750</td>
<td>39,900</td>
<td>206,000</td>
</tr>
<tr>
<td>Gross Value Added (GVA)</td>
<td>£2.3bn</td>
<td>£322m</td>
<td>£1.4bn</td>
<td>£2.4bn</td>
<td>£3.9bn</td>
</tr>
</tbody>
</table>

Sources:
1 Social Enterprise in Scotland - Census 2019
2 Scottish Enterprise, October 2019
Governance, Leadership & Fair Working Practice

**Characteristics of Trustees/Board Members**
- 54% Female
- 3% Black and Minority Ethnic
- 2% Young person
- 11% Disability or long-term health condition

**Characteristics of CEO or Equivalent**
- 65% Female
- 3% Black and Minority Ethnic
- 3% Young person
- 16% Disability or long-term health condition

**Scottish Enterprises Paying the Living Wage**
- 75% in 2019
- 72% in 2017
- 68% in 2016

- 1:2.5 The average differential between the lowest and highest paid employee
- 94% Of social enterprises have a pay differential not exceeding 1:5
# Reported Beneficiaries

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>76%</td>
<td>People with mental health problems</td>
</tr>
<tr>
<td>68%</td>
<td>Individuals with a learning disability</td>
</tr>
<tr>
<td>65%</td>
<td>Individuals with a physical disability</td>
</tr>
<tr>
<td>58%</td>
<td>Long-term unemployed</td>
</tr>
<tr>
<td>49%</td>
<td>Young parents</td>
</tr>
<tr>
<td>41%</td>
<td>Alcohol or drug addiction/dependency</td>
</tr>
<tr>
<td>41%</td>
<td>Older people losing independence</td>
</tr>
<tr>
<td>35%</td>
<td>People with convictions</td>
</tr>
<tr>
<td>33%</td>
<td>Young people leaving care</td>
</tr>
<tr>
<td>31%</td>
<td>Homeless / coming out of homelessness</td>
</tr>
<tr>
<td>28%</td>
<td>Refugees and asylum seekers</td>
</tr>
<tr>
<td>20%</td>
<td>Veterans / ex-military</td>
</tr>
</tbody>
</table>

Source: Social Enterprise Census Survey, 2019
• Social Enterprise initially formed in 2014.

• Stores in Edinburgh, Glasgow and online that sell products designed by artists living in Scotland, every penny spent by customers goes directly to those who create the products.

• Each artist/designer (300 and growing) pays a nominal rent for a display space. That rent pays for staff, marketing and upkeep while the artists retain 100% of their profits.

• Completed the Firstport Launch Me accelerator programme.
Social Enterprise Example: Scottish Design Exchange

Click here for video: https://www.youtube.com/watch?v=x1xjPYMtAKI&feature=emb_logo
...Enabled by Policy & Strategy

Community Empowerment (Scotland) Act 2015

BUILDING A SUSTAINABLE SOCIAL ENTERPRISE SECTOR IN SCOTLAND
ACTION PLAN 2017-20

The Scottish Government
Riaghaltas na h-Alba
“It is abundantly clear that a much deeper, faster and more ambitious response is needed to unleash the social and economic transformation needed to achieve our 2030 goals.”

United Nations Secretary-General António Guterres
Sustainable Development Goals Report 2019
Global Trends

• A global movement
  • Global forums, competitions, awards

• Developing policy landscape
  • Social Enterprise policies or strategies are appearing nationally and regionally, e.g. Ireland, India, Manitoba, Quebec, Newfoundland (Can), Bangladesh, South Korea, Singapore, Victoria (Aus)...
• Established in Addis Ababa, Ethiopia in 2005.

• Aim is to educate children and youth on a mass scale, through the creation and distribution of innovative, entertaining, culturally relevant media and materials.

• Covers topics including health education, character building, literacy, and female empowerment.

• Tsehai Loves Learning is currently broadcasting on Ethiopian Television on Saturdays, reaching up to ~5 million children. The program is now adapted to radio to reach an additional ~20 million children.
Social Enterprise Example: Whiz Kids Workshop

Click here for video:
https://www.youtube.com/watch?v=nQ_wlU57swA&feature=emb_logo
Global Trends

• The rise of Tech for Good
  • Funders, investors, incubators

• The rise of social investment
  • Patient, flexible, repayable finance focused on social impact
  • Risk v return v impact
• **Peek Vision** is a social enterprise that brings better vision and health to everyone. It develops technology to create sustainable access to eye care.

• The Peek Vision Foundation is a registered charity in the UK. It wholly owns a trading company, Peek Vision Ltd, which is a legal manufacturer of medical devices and develops products and services to bring eye care to people worldwide. All profits generated by the Company’s activities ultimately belong to the Foundation.

• Two products:
  • Peek Acuity is a smartphone-based vision check app to check visual acuity using only an Android smartphone.
  • Peek Retina is a portable ophthalmoscope that enables you to view and capture retinal images on your smartphone.
Social Enterprise Example:
Peek Vision

Click here for video:
https://www.youtube.com/watch?v=BKjOuSAaZp4&feature=emb_logo
Global Trends

• The move towards scale and global reach

• Scale of ambition & impact

• Corporate engagement
  • Sponsorship, incubators, support programmes, funds
• **Formed in Edinburgh in 2012.** Employs 70 people across chain of five social enterprise sandwich shops in Scotland, Social Bite Delivers and Edinburgh restaurant.

• **2015 Social Bite Fund** started to end homelessness in Scotland. From the **CEO Sleep Out** in 2016, raising £550,000, **The World’s Big Sleep Out** events are now global, with 50,000 expected to sleep out in 2019.

• Invested £3M to create **Housing First** program, matched by £6.5M Scottish Govt funding, to secure 830 mainstream flats for entrenched rough sleepers to be able to move into over a three year period.
Social Enterprise Example: Social Bite

Click here for video:

https://www.youtube.com/watch?v=EQH6Bg93YAY&feature=emb_logo
• Formed in Aberdeenshire in June 2019 as a Company Limited By Guarantee. Social Enterprise that specialises in life story work for children and parents who have come together through adoption, permanent foster care and donor conception.

• Allows them to achieve a strong sense of personal history, pride in their identity and a place of belonging in the community by providing them with life story work and photography through a life book/album.

• Currently developing the idea and expanding on commercial services (body image positive, training to social workers and organisations)

• Received support from Firstport as a Start It awardee.
• INCH Architecture + Design was founded in August 2012 as a Company Limited By Guarantee. It is a dynamic, innovative, social enterprise architecture, design and research practice founded in Glasgow and working throughout Scotland.

• Any profit derived is intelligently introduced back into the practice, allowing it to continually commit to its social objective and company ethos.

• INCH is dedicated to good quality architecture and design, produced in accordance with social, environmental and physical needs.
Scotland is recognised as a global leader in Social Enterprise.

Enabled by a diverse ecosystem of support, the ambition of mainstreaming Social Enterprise is becoming a reality, with Social Enterprise becoming increasingly prevalent in many sectors.

By 2028, Social Enterprise will be taught in every one of Scotland’s 5,046 schools.

Social Enterprise is now a global movement.
Summary

• People and planet face challenges on an unprecedented scale.

• As it stands - none of the UN Sustainable Development Goals will be met by 2030.

• Over fifty percent of the world’s population is now under the age of 30, the highest youth population in history... and they want to do business in a different way.

• Youth activism is everywhere.

• Higher Education can be the engine room for social enterprise growth in the future.
SOCIAL SHIFTERS

A Social Enterprise Support Programme for Higher Education in Scotland
The Scottish Government is committed to growing the contribution of higher education to the development of social enterprise in Scotland. The *Building a Sustainable Social Enterprise Sector in Scotland Action Plan 2017-20*, specifically outlines:

**Action 1C.5. PROVIDING INSPIRATION ON CAMPUS.** We will develop the potential of Scotland’s universities to stimulate social entrepreneurship through teaching, knowledge transfer and business incubation.
Social Shifters:
A Social Enterprise Support Programme for Higher Education in Scotland

• Two year support programme to support and grow social enterprise activity within Scotland’s universities.

• Fully funded by the Scottish Government’s Third Sector Unit in support of Scotland’s Social Enterprise Strategy 2016-26.

• Delivered by two of Scotland’s foremost social enterprise support agencies:
  • Community Enterprise in Scotland (CEIS)
  • Firstport

• Bespoke social enterprise digital learning resources provided by the Social Enterprise Institute.
Social Shifters: What’s in it for Social Entrepreneurs?

- **Inspiration.** Inspiring stories from a diverse global network of social entrepreneurs doing world-changing work.

- **Community.** The chance to join a community of Social Shifters from around the world, learning to build ventures with purpose and profit.

- **Bespoke e-learning.** Free access to bite-sized, video based e-learning: a digital toolkit from the experts at the Social Enterprise Institute.

- **Bespoke Support.** Free, on-campus 1-2-1 access to Scotland’s leading social enterprise start-up agency.

- **A user-led approach.** We want members to help us shape this digital space, and play a pivotal role in it’s evolution.
What is Social Shifters?

Click here for video overview: https://www.youtube.com/watch?v=7gr6Cq794hw
WHAT DOES THE CONTENT COVER?

We guide you through all the foundational steps necessary to get your idea out into the world.

8 STEPS TO STARTUP
What is Steps to Startup?

Click here for video overview: https://vimeo.com/313189143
# SOCIAL BUSINESS MODEL CANVAS

A tool to help plan, communicate and refine your business model in a simple, visual way.

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**THIS TOOL WILL HELP YOU TO:**

- Quickly sketch out business models for multiple ideas
- Structure discussions and give your business ideas shape
- Zero in on the things that will make your venture a success
- Easily share a one-page business plan and get feedback
- Continually refine your business plan as you test assumptions

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**ABOUT THE TOOL:**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Management</th>
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</thead>
<tbody>
<tr>
<td>Level of Involvement</td>
<td>Requires dialogue with others</td>
</tr>
<tr>
<td>Ease of Use</td>
<td>★★★★☆☆☆☆☆</td>
</tr>
</tbody>
</table>
On Campus 1-2-1 Support

• Firstport is Scotland’s development agency for start-up social entrepreneurs and social enterprises.

• You will receive free, on campus 1-2-1 business support to help build your social enterprise idea.

• You will receive help to apply for Firstport’s start-up funding programmes.

Social Entrepreneurs Fund – Start It
Up to £5,000 of start-up funding for individuals with a business idea that addresses a social, environmental, and/or community issue.

Social Entrepreneurs Fund – Build It
Up to £25,000 of funding for individuals who have tried and tested an idea and want to turn it into their full-time job.

Social Entrepreneurs fund – Boost It
Boost It is a pilot new fund to help social enterprises that have been trading for up to three years to strengthen their businesses so they can successfully sustain trading.

LaunchMe
LaunchMe is Scotland’s social enterprise accelerator. It is a business support and investment readiness programme that helps ambitious social enterprises to scale and make a greater impact.

Who for?
Ambitious social enterprises looking to scale

What do I get?
Intensive business and investment readiness support, plus seed funding

Where do I apply?
Applications are currently closed for this programme
• Social Shifters is a two year programme to support and grow social enterprise activity within Scotland’s universities.

• Fully funded by the Scottish Government’s Third Sector Unit and delivered by two of Scotland’s foremost social enterprise support agencies.

• Bespoke world leading social enterprise digital learning resources provided by the Social Enterprise Institute.

• We now wish to engage with students and staff from all perspectives:
  • Social challenges competitions, e.g. Hult Prize, Enactus, Converge: Impact Challenge
  • Incubator and enterprise support programmes
  • Student associations
  • Teaching faculties
Want to know more? Get in touch...

James Finnie
Community Enterprise in Scotland (CEIS)
James.Finnie@ceis.org.uk
07850 527381

Free Resources

• 1-2-1 Support on Campus
• Anna Lynch, Firstport
  • Anna@firstport.org.uk / 0131 564 0331

• Steps-to-Startup e-learning courses
  • https://eiapp.eri.ed.ac.uk/w2l/Uk-Social-Enterprise

• Join Social Shifters
  • https://socialshifters.co/