A guide for business development agencies on how to support the development of Social Economy Enterprises

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Foreword

This document has been produced within the SEEING Project (Social Economy Enterprises for Innovation and Growth), which was an EU project, running from September 2012 to February 2014, with the financial support from the European Commission, DG Employment and Social Affairs.

The objective of the SEEING project was to explore how local authorities can work more strategically with social economy enterprises and social entrepreneurs as a means to create social inclusion, innovation and economic growth in the local area.

The document is part of a "toolbox" consisting of policy recommendations, three templates which can help local authorities, local business development agencies and local financing institutes to structure and focus their work and activities towards Social Economy Enterprises and Social Entrepreneurs.

The SEEING project consisted of partners from Denmark (Kolding Municipality from the Region of Southern Denmark, South Denmark European Office and Merkur Bank), from UK (Devon County Council from South West UK, Devon Community Foundation, Well UK and Peninsula Enterprise) and from Belgium (Idelux and Vielsalm municipality from Province Luxembourg, Les Hautes Ardennes and Filtrans).

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The toolbox is a product of a fruitful collaboration and exchange of experiences and ideas between the partners, and a testing phase in the project, where the partners have worked with local stakeholders to test the tools in "real life".

You can find the entire toolbox on the SEEING website on www.seeing-project.eu

If you have any questions or comments to the material, you are welcome to contact any of the project partners. You can find the contact details on the website.

We wish you good reading and use of the SEEING Toolbox.

Best regards,

Lars Rasmussen, Director of Social Affairs, Kolding Municipality, Denmark
Henriette Hansen, Project Manager, South Denmark European Office

Introduction

The objective of this template is to equip regional or local business development agencies (LBDA) with tools, resources and access to information that can help them to provide relevant support for social economy enterprises. The template can help a business development agency to ask themselves the right questions in the process of considering how to approach the challenge. Ultimately this template can be developed into a 'road map' for the agencies to help structure their delivery.

The road map could include 4 different <u>phases</u> and the questions that need to be asked can be categorized in 4 different <u>topics</u>.

Phases
Phase 1: Preparation
Phase 2: Strategy
Phase 3: Research
Phase 4: Delivery

Topics
Topic 1: Policies and regulation
Topic 2: Training
Topic 3: Networking
Topic 4: Developing the market for social enterprises

The different phases in the road map

Preparation → Strategy → Research → Delivery

Phase 1: Preparation
Prior to planning their social enterprise support activities, LBDAs should consider the following:

1) What is their rationale / appropriateness for being the lead organisation to provide advice, counselling and training for social entrepreneurs / social economy enterprises?

2) What incentive / motivation does the business development agency have for supporting the sector? Are the potential economic benefits and social impacts identified and understood?

3) What are the roles and expectations of the local authority and the regional / local business development agency? What other organisations may be involved in the development and delivery?

4) Which processes are in place to oversee the strategy and implementation of the planned support? (reporting, monitoring and evaluation).

5) What are the outputs and outcomes expected from social enterprise support programmes / interventions?

Phase 2: Strategy

The business development agency should develop a **road map/a strategy** setting out its objectives, i.e. to create economic growth and social impact through social enterprise, by providing appropriate support and a nurturing environment to encourage growth. Furthermore the agency should agree an **implementation plan** where they describe the concrete activities.

1) It should identify if there are particular sectors which have already emerged, or have the potential to develop, i.e. in delivering services usually within the public sector, such as health & social care. The strategy should take account of the specialist knowledge and resources required to support these areas.

2) The needs of public sector 'spin outs' into new social enterprise structures should be embedded in the strategy, and any additional requirements (culture change, etc).

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3) It should agree whether the approach should be differentiated (i.e. targeted specifically at social enterprises), partially integrated, or fully included within mainstream business support.

    a. If differentiated:

        i. Will it provide robust and adequate guidance on the 'business' elements of running a social enterprise (finance, marketing, etc)?

        ii. At what point will it be 'dovetailed' in to mainstream support?

    b. If integrated:

        i. How will this provide appropriate support, e.g. around the social enterprise legal structures and governance?

        ii. Will those delivering the support understand the distinctive characteristics, benefits and capabilities of social enterprise?

        iii. Will there be sufficient opportunities to network with others who share the ethos of social enterprise?

There will be opportunities for sharing knowledge, practice and ideas across both sectors, e.g. the private sector should be able to learn importance of embedding social value in delivery.

Phase 3: Research

The business development agency should conduct comprehensive research into the support needs of social enterprises, existing provision and potential. This should reflect

the local, regional and national context and opportunities. The research should identify what resources are needed and most appropriate to provide the advice and guidance required.

It is recommended to base the research on the 4 topics highlighted in this template: Policies and regulation, Training, Networking, Developing the market for social enterprises. (See the following pages)

Phase 4: Delivery

1) E.g. equip your employees to advice the social entrepreneurs.
2) Produce information materials, brochures, web sites.
3) E.g. facilitate a network for social entrepreneurs/Social Economic Enterprises.

The following principles should be adopted:

1. Ensure that advisers and supporting staff have the knowledge, skills and expertise to provide appropriate and relevant business support to social enterprises. (See Topic 2: Training)
2. Design the service to be accessible and inclusive to social entrepreneurs from all equality groups.
3. Produce relevant supporting information material, brochures and web resources. These may be particularly focused on accessing finance, and identifying sources which are targeted at the sector.
4. Facilitate networks (local and regional) for social enterprises to help them share knowledge, expertise and practice. Consider how this may help the sector to collaborate, e.g. for tender opportunities. (See Topic 3 Networking)
5. Ensure that regulations and legal framework, governance and accountability are adequately covered in the support provided, e.g. the specific regulations which apply (see also topic 1).
6. Provide support for the local / regional economy to create market opportunities to help create market opportunities for social enterprises. (See Topic 4: Developing the market for social enterprises)

7. Appropriate support at all stage of the social enterprise lifecycle should be designed, with the in-put of relevant representative organisations (local social enterprise networks, etc). Delivery may include workshops, seminars, mentoring, action learning opportunities, online resources, e-learning tools, etc.

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Research questions in relation to the 4 topics

When a LBDA has to create a road map/strategy they may benefit from undertaking some research in relation to the 4 topics: Policies and regulation; Training; Networking; Developing the market for social enterprises.

Policies and regulations

To provide proper advice the LDBA needs to know about the policies and regulations that relate to the field of Social Economy Enterprises.

1) **The LBDA should consider which policies and regulations they should pay attention to**
   a) The national/EU level (List the specific policies and regulations)
   b) The local/regional local level (List policies and regulations)

2) **The LBDA should make sure that they have continually access to updated information about policies and regulations.**
   a) Do websites, with updated information about national/local policies and regulations, exist? (Please identify links)
   b) Is it possible to develop a <u>contact list</u> with the most relevant contact people in the Local Authority or other national institutions? *(e.g. legal advisers in the Social Department, the Labour Market Department, the Industry/Business Department etc or persons from national institutions that work with the social economy).* (Try to make such a list and make this information available for the social entrepreneurs).

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3) **The LBDA should develop a <u>brochure / website </u> with useful information for social entrepreneurs interested in tendering for public services (information about the procedures with respect to cooperation between the <u>Local Authority</u> and the <u>social entrepreneurs</u>) - what is important to mention?**
    (E.g. rules about social clauses the right contact persons in the Local Authority (the Purchasing Department or Labor Market Department).
   (Please mention the specific information that the social entrepreneurs/Social Economic Enterprises might need) E.g. information and guidance on:

   a) Best practice and the legal framework for including disadvantaged unemployed people.
   b) The possibility of internships for students or unemployed.
   c) Senior contacts that might be helpful.

d) The details of social clauses.

e) Policies which ensure the social entrepreneurs ability to tender equitably.

f) The terms and conditions that a Social Economy Enterprise will need to fulfill to proof its potential to deliver the contract fully.

g) Information about potential collaboration with other suppliers in public and private sectors, and issues that arise from this, such as lead organization, the supply chain, sharing the contract, contractual agreement with partners - whether subcontractors are used, etc.

h) Information on how to demonstrate impact as opposed to outcomes, if you deliver a service rather than supplying goods. (Specific guidelines should be given on social value).

i) Other things?

Training

4) **The agency should do some research: What kind of relevant national, regional and local <u>offers</u> exist when it comes to <u>upgrading your skills</u> as a manager of a Social Economic Enterprise? (Training, consulting, mentorship etc).** (Please mention specific offers and add links)

a) Consulting offers?

b) Mentoring offers?

c) Training

 i) E.g. accessing and managing finance

 ii) Information about how best to engage people with long term limiting health conditions and disabilities

 iii) People management – staff and volunteers

 iv) Property & asset management

b) Other things? (Continue the list)

5) **If the agency should offer training in how to lead a social economic enterprise they should consider following issues:**

a) What kind of specific teaching materials exist? (Please mention specific offers and add links)

b) Do any online courses/or online materials exist? (Please mention specific offers and add links)

c) Who should provide support, training and mentoring for the social entrepreneurs?

6) **Issues to consider in relation to the Social Entrepreneurs' marketing strategy: The Social Economic Enterprise must learn to build a "business case" and a strategic business idea. They have to be good at communicating, what the customers can buy and <u>what social purpose</u> the costumers support when purchasing.**
   a) What kind of teaching materials can be helpful here? (Please mention specific proposals or links)
   b) How to measure and communicate the social value that the Social Economic Enterprises create?

Networking

The LBDA should try to create a relevant <u>network</u> of social entrepreneurs.

7) **Consider whether relevant national, regional and local <u>offerings</u> already exist.**
   a) National offers? (Please mention specific offers)
   b) Regional offers? (Please mention specific offers)
   c) Local services? (Please mention specific offers)

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8) **Consider whether the agency should facilitate a new network for social entrepreneurs?**
   a) Can you mention advantages/disadvantages?

9) **If the agency wants to facilitate a new local network for social entrepreneurs they should consider the following:**
   a) Undertake research: What are the 'magic ingredients' that make a Social Economic Enterprise network function well?
   b) What good practice is there to demonstrate Social Economic Enterprise networks?
   c) What should be the purpose of such a network?
   d) Who should be involved in its development?
   e) Who should manage it?
   f) How should it be funded? (subsidy, grant, membership fees/subscription?)
   g) How can the agency or The Local Authority provide an on-going strategy support for Social Economic Enterprise networks?

Creating a market

10) To create a market for Social Economic Enterprises the agency must focus on two different areas:

- **<u>Internal focus</u> (the Purchasing Department in the Local Authority) and**
- **<u>External focus</u> (the consumers and business in the private sector).**

Internal focus:

a) Do some research into and identify whether the Local Authority has a good tradition for buying products or services from Social Economic Enterprises.

b) To what extent does the Local Authority incorporate social clauses in their tender specifications?

c) Consider what can be done to improve the co-operation between the Local Authority and Social Economic Enterprises.

External focus:

d) Should the LBDA help increase <u>visibility</u> (make easy access to an overview of the products and services offered by the Social Economic Enterprises)

   i) How to create interest amongst private sector business to purchase from Social Enterprises?

   ii) How to create interest amongst private consumers to purchase from Social Enterprises? (Identify any websites/Apps that promotes supply and demand for products and services that already exist)

e) If the Local Authority or the agency chose to create a website in order to create awareness about Social Economy Enterprises - what should this website contain?

f) Consider whether it would be an advantage or a disadvantage to develop a brand/mark for Social Economy Enterprises?

Action Planning – what to do?

Topics and Phases	Policies and regulations	Training	Networking	Developing the market for social enterprises
Preparation				
Strategy				
Research				
Delivery				