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london

Social Enterprise London

Balancing the 'S' and 'E'

– an introduction to
social enterprise

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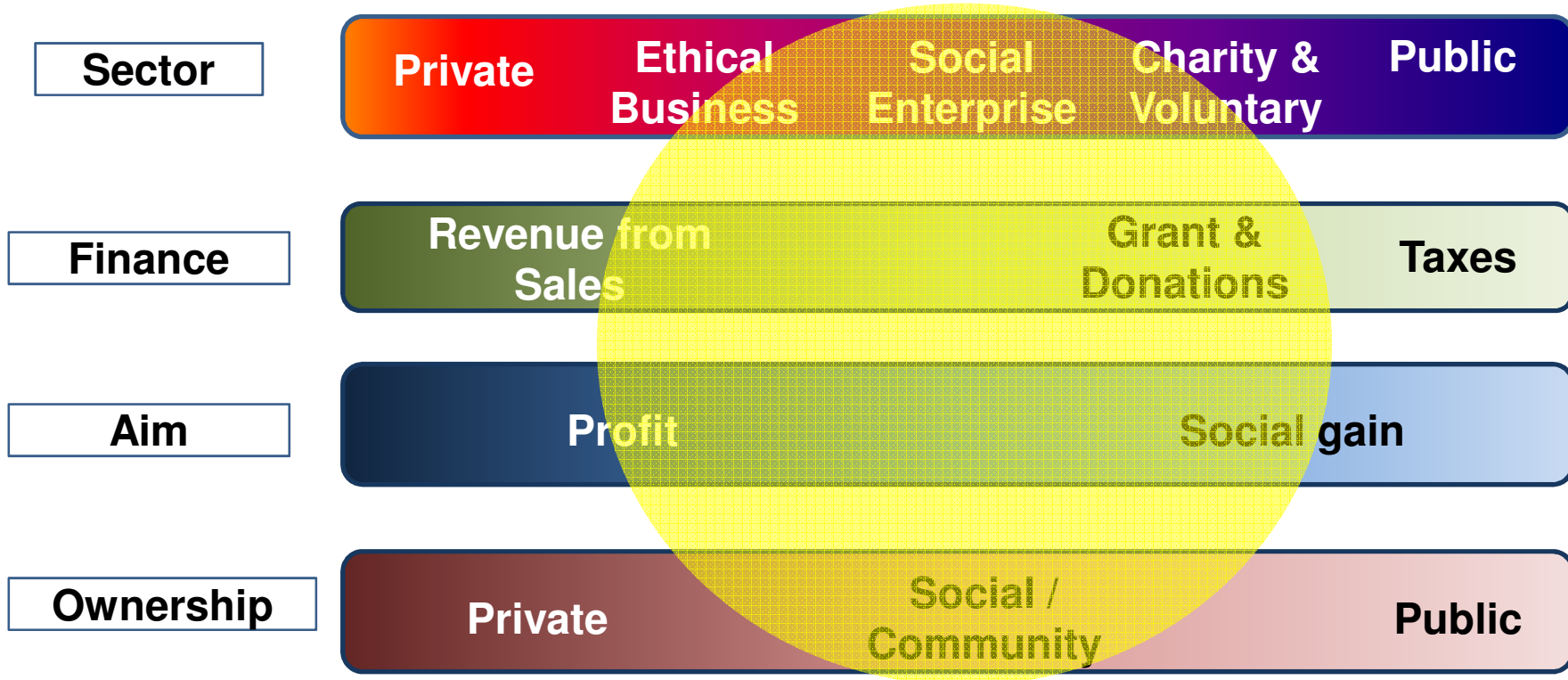
What is social enterprise?

“A business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners”

-- DTI 'Social Enterprise: a strategy for success' 2002



Social enterprise – key characteristics





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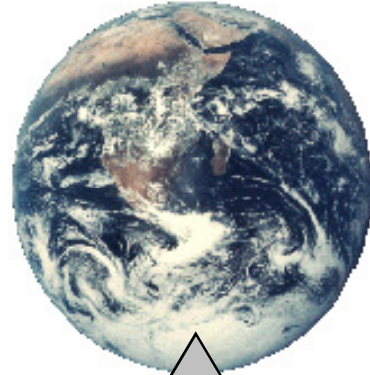
What does this mean?

- **Organisation with explicit social aim**
- **Income derived from the sale of goods or services**
- **Profit is for activities supporting social aim i.e. reinvestment, funding of social programmes, or profit-sharing (co-ops)**
- **Alternative business model with multiple bottom lines ie. combines financial sustainability with social / environmental missions**

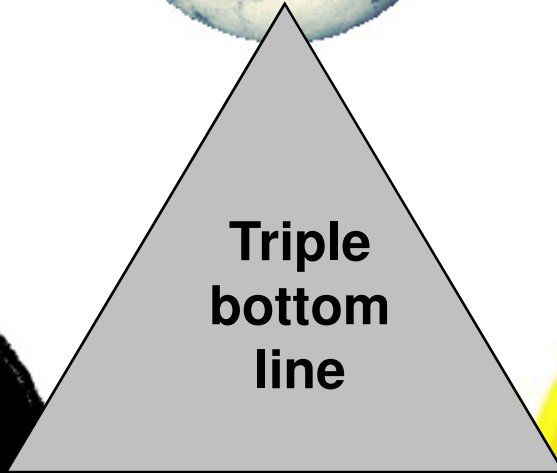




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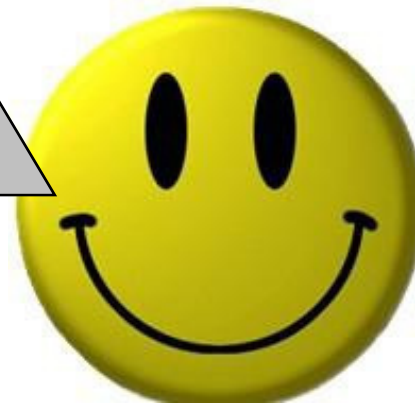
Planet



Triple
bottom
line



Profit



People



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Some organisational types

- **Development Trust**
- **Co-operative**
- **Credit Union**
- **Social Firm**
- **Intermediate Labour Market**
- **Trading arm of charities**





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Social enterprise in the UK



- There are over 62,000, with a combined turnover of £27bn
- 3.3% of working population engaged in social entrepreneurship
- 1.9% of the population are trying to start up a social venture
- Start ups particularly common in ethnic minority communities





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Social enterprise in London



- **Approx 3,400 social enterprises in London**
- **The majority are SMEs with less than 10 employees, and a turnover less than £0.5m**
- **Main sectors are business services and retail**
- **Social enterprise provides over 100,000 jobs, with a combined turnover of £4bn**



Social enterprise in the cultural and creative industries

Film
makers

Publishers

Magazines

Web
design
agencies

Common social aims include:

- using the arts to create social value:
eg. enabling disadvantaged or vulnerable people to develop skills and confidence by working in media
- regenerating communities through arts and creative activity
- strong environmental practices in printing / design

Community
radio
stations

Media
training
organisations

Cinema

Theatres

Music
labels

Graphic
design
agencies



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Benefits of being a social enterprise

- Flexible and innovative business model
- Diversification and control of revenue sources offers potential for enhanced sustainability
- Independent revenue offers ability for organisation to follow strategic vision rather than funding outcomes
- Credible offer to take on public service provision
- Appeals to public appetite for ethical trading
- Often addresses local needs with local participation and offers employment opportunities for beneficiaries





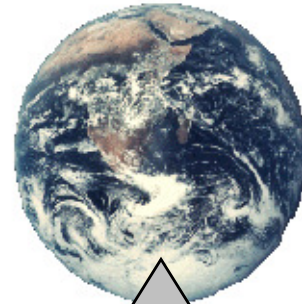
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Challenges

- **Generating sufficient revenue to sustain organisation**
- **Blending business skills with social awareness**
- **Addressing stakeholder needs**
- **Balancing social and financial objectives**

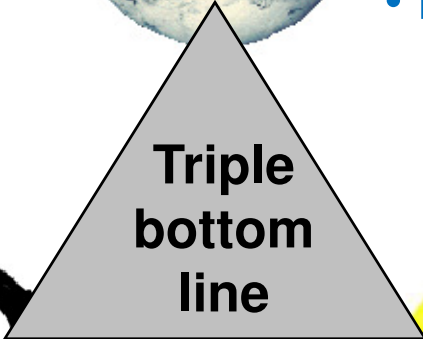


Measuring success



PLANET

- Carbon footprint
- Energy consumption
- Recycling targets

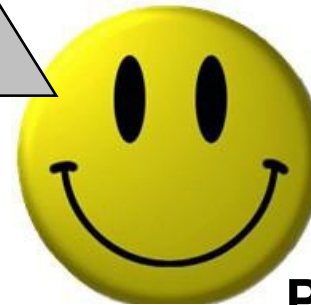


Triple
bottom
line



PROFIT

- Profitability: Profit & Loss account
- Liquidity: Cashflows
- Solvency: Balance sheet



PEOPLE

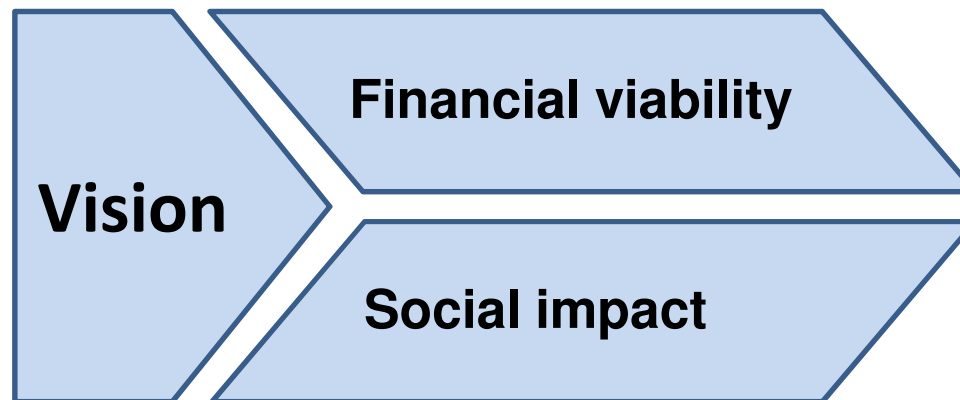
- Social outcomes
- Impact tools such as SROI, SIMPLE



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Balancing the 'S' and 'E'

There will be
trade-offs ...



.... you cannot create social value without being commercially sustainable.

Having a strong vision for what you are trying to achieve will provide a framework for making decisions.





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Thank you

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