

# Social Enterprise: Winning with 2012

[www.sel.org.uk/2012](http://www.sel.org.uk/2012)

## BRINGING SOCIAL ENTERPRISE INTO PRIVATE SECTOR SUPPLY CHAIN

*POLICY UPDATE #2 (July 2008)*

### About this Policy Update

This Policy Update is produced as part of the project 'Social Enterprise: Winning with 2012', a national project started in 2007 with support from the Office of the Third Sector (OTS), bringing together a partnership between Social Enterprise London (SEL) and the Social Enterprise Coalition (SEC). For more information about the project, please visit [www.sel.org.uk/2012](http://www.sel.org.uk/2012)

Winning with 2012 is built on consultations with social enterprises, to both gauge and promote interest in 2012 opportunities, and to provide a platform for them to express their needs and priorities. The consultation is conducted via a series of Enterprise Events that we hold in different regions across the country as well as via direct communication with the relevant organisations.

### Who this Policy Update is for?

We want to provide social enterprises with a voice to influence the policy development process. The main ideas received from the ongoing consultations are channelled to policy-makers, who are the primary target audience of this Policy Update. We also make recommendations for social enterprises and their support networks.

In addition to this Policy Update, we meet with key stakeholders to constructively convey thoughts and ideas on behalf of social enterprises. **We would welcome the opportunity to discuss any aspect of social enterprise involvement in the delivery and legacy of the 2012 Games with interested stakeholders.**

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### Background

The potential for the 2012 London Olympic and Paralympic Games to catalyse social, environmental and economic benefits for the city – and the country as a whole – has been widely recognised. A theme that distinguished the London bid from others in July 2005 was the commitment to ambitious environmental, social and sustainability principles, ensuring that the Games leave a meaningful long-term legacy for communities in London and the UK.

#### What is social enterprise?

- Social enterprise is a **business model** that can offer many of the **social, environmental and sustainability outcomes** hoped for by government and the London 2012 Olympic and Paralympic organisations. Operating across a range of economic, social and environmental outputs, social enterprise helps achieve the 'multiple bottom line', and brings wealth and empowerment to communities which may be otherwise marginalized, including ethnic minorities (BAME), disabled people and women.
- Social enterprises take on a range of different company forms and legal structures, including Community Interest Company, Industrial & Provident Society, Limited Company, Trust, and Co-operatives. They operate over many different industry sectors including arts and design, childcare, sport and leisure, finance, health and social care and transport.

#### Social enterprise and 2012 procurement

- The Olympic Delivery Authority's Procurement Policy accepts that small and medium-sized enterprises (SMEs), businesses owned by BAME people, women, and disabled people and **social enterprises** are particularly important in developing the Olympic Promise, locally, regionally and nationally.

- Approximately 7000 direct opportunities, and 75,000 supply chain opportunities will arise from the 2012 Games. As of June 2008, 650 companies have already won over £2 billion worth of work supplying the Olympic Delivery Authority (ODA). Over 70 per cent are small and medium (SMEs) sized businesses.
- The ODA is committed to opening up as many opportunities to all organisations including social enterprises as is practical. As the major opportunities for smaller organisations are within the supply chains of the ODA's major contractors, the ODA has also made a commitment to encourage upper tier contractors to open up their opportunities.
- CompeteFor.com is the chosen website of London 2012 for the publication of Games-related contract opportunities. The CompeteFor team has worked hard to promote the system, including to social enterprises via the 2012 Enterprise Events we organise under this project. However, at the moment, the system is not configured to count the number of social enterprises that have registered. To address this, SEL has proposed that a new business category "social enterprise" is added to the registration process and we hope the CompeteFor team will take this on board.
- Not all supply chain opportunities will be published on CompeteFor. It is estimated that 20,000 supply chain opportunities (out of the 75,000) will eventually be published on CompeteFor. The other 55,000 may remain in the existing supply chain of the upper tier contractors.

*There needs to be more engagement between the private sector and social enterprise*

- SEL welcomes the combined efforts of the London 2012 and the CompeteFor teams in engaging with social enterprises, and we hope this will continue. We share the ODA's vision to see more BAME, women and disabled people-owned businesses and social enterprises operating in the supply chain
- To ensure the vision is achieved, there needs to be more engagement between the private sector and social enterprise. As stated above, it is estimated that 55,000 of the 75,000 supply chain opportunities may remain within the existing supply chains of upper tier contractors. To open up these opportunities to social enterprise, buyers need to know more about social enterprise, their ability to deliver, and the added value social enterprise can bring to their business.
- Various private sector bodies - from national organisations like the Confederation of British Industry and the Federation of Small Businesses to local chambers of commerce – are working on issues around the 2012 Games. Some social enterprise membership bodies are also actively promoting 2012 business and support opportunities to their members. But the co-operation between the private sector and social enterprise bodies is still in its early stages. There is a clear room for improvement, especially given the potential benefits if the capabilities are synergised (see below).
- Similarly, the private sector could be made better informed about social enterprise and the added value that social enterprise can bring. There are social enterprises that can deliver to exacting standards and provide good value for money, while at the same time uniquely bring about additional social benefits, but many are not yet prominently featured on the private sector "radar".
- A stronger working relationship between the private sector and social enterprise that starts now and continues after the 2012 Games would be an Olympic legacy in itself.

*What social enterprise can offer to the private sector?*

- As an example, Pluss Organisation Ltd, a company based in South West England, has a manufacturing department capable of supplying various products such as signs and banners, including Braille and tactile signs. They create additional social impact by training and employing people with disability. By opening up private sector supply chains to organisations like Pluss, 2012 buyers and upper tier contractors can be assured of getting high quality products and good value for money, while at the same time enabling people with disability to be employed and trained.

- By working with social enterprises through their supply chains, private sector companies could demonstrate their commitment to corporate social responsibility (CSR) and at the same time transform lives through profitable business activities, ensuring success as measured against a triple bottom-line.
- Having social enterprise as a supplier will also enable private sector bidders to show to the ODA and LOCOG how they could help achieve London 2012's vision for inclusion and supplier diversity. Additionally, many social enterprises are environmentally friendly and ethical businesses. Given the commitment to make the Games a "One Planet 2012", working with social enterprise could help make the overall bid stronger.
- Social enterprises are not looking for handouts. They understand that business is won on a competitive basis and that they must prove their capacity to deliver exactly what the buyers want. Given the opportunity, social enterprises can produce valuable social impacts, providing better value for money to the buyers.

## Recommendations

SEL believes that, if the vision to have more diverse supplier base in the supply chain of 2012 upper tier contractors is to be achieved, there should be a more rigorous effort to connect private sector companies with social enterprises.

Specifically, we recommend that:

- CompeteFor should add the new business category "social enterprise" to the registration process so that it would be easier to identify social enterprises on the system. This will enable companies who are interested in working with social enterprise to search for them using CompeteFor. It will also allow London 2012 to accurately measure their achievements in diversifying the supply chain.
- The ODA and LOCOG should connect their upper tier contractors with social enterprises, and encourage both parties to learn about each other. SEL has initiated discussions with the ODA on this matter and we will continue to support the ODA as necessary. We will also engage with LOCOG and upper tier contractors.
- Social enterprise membership bodies should engage with business associations at national and local levels (such as the CBI, FSB, and the local chambers of commerce) to explore the possibility of encouraging their members to work with each other.

## About 'Social Enterprise: Winning with 2012'

**Social Enterprise: Winning with 2012** is a national project funded by the Office of the Third Sector (OTS) and is comprised of a partnership between Social Enterprise London and Social Enterprise Coalition.

There are two sides of this project:

- representing the voice of social enterprise from across the country to policy-makers and procurers.
- providing up-to-date information, particularly about business opportunities, from policy-makers and procurers to social enterprises across the country.

To get in touch, please send email to Wan Saiful Wan Jan ([wan@sel.org.uk](mailto:wan@sel.org.uk)) or call 020 7022 1920.

Please also visit the project microsite: [www.sel.org.uk/2012](http://www.sel.org.uk/2012)

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