

# **Social Enterprise: doing good without going bust**

David Floyd, Social Spider CIC

# Who am I?

- MD of Social Spider CIC
- Chair of Significant Seams CIC
- Publisher of Waltham Forest Echo community newspaper
- Writer and researcher on social investment for MoJ, Big Lottery Fund, Esmée Fairbairn & RBS
- Writer and lecturer on social enterprise and social investment

# What is a social enterprise? (1)

“a social enterprise is 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”

Department of Trade & Industry, 2002

# What is a social enterprise? (2)

“Social enterprises are businesses that trade to tackle social problems, improve communities, people’s life chances, or the environment. They make their money from selling goods and services in the open market, but they reinvest their profits back into the business or the local community. And so when they profit, society profits.

Social enterprises do not make profits for shareholders (because they don't have any) or exist to make their owners very wealthy. Social enterprises are in our communities and on our high streets – from coffee shops and cinemas, to pubs and leisure centres, banks and bus companies.”

Social Enterprise UK (website)

# Number of social enterprises in UK

- Department of Business, Innovation and Skills' Small Business Survey (published in 2013) estimates 70,000 social enterprises in the UK
- Estimated 5.2 million businesses in the UK – around 1.35% of business are social enterprises
- Social Enterprise Mark held by around 300 organisations / 60 B-Corps / Over 10,000 Community Interest Companies

# Commercial objectives

- Sell some products or services to some people or organisations
- Make a profit
- Sell some more products or services to some more people or organisations
- Buy small island in Caribbean



# Social objectives

Help person x to do something

Give person y something they need

Make z community a better place to live



# What is your business model?

All organisations have a business model - even if they don't sell things

Who pays for what you do and why?





# What's social about your enterprise?

a. It sells products/services to people that mainstream businesses don't serve

a. It sells products/services that mainstream businesses don't provide

a. It's based in area where a mainstream business wouldn't base itself

# What's social about your enterprise? (2)

- d. You employ groups of people that a mainstream business would employ
- e. Profits are reinvested in the business/used to cross-subsidise other activities
- f. The enterprise is owned by staff and/or the wider community

**Commercial vs Social?**

# Social objectives support commercial objectives

The Big Issue:  
Weekly current affairs  
magazine sold by  
homeless people

May sell fewer copies if  
not sold by homeless  
people



# Social objectives as USP

Divine Chocolate:  
Fairtrade chocolate

Customers who want  
some chocolate and  
have  
social conscience may  
choose Divine over other  
brands



# Commercialising 'additional social value'

Social Value Act and additional social value in public services - services meeting multiple objectives (eg. Bulky Bobs: collecting bulky waste and tackling unemployment)



Corporates and social value in supply chains - Deloitte & Give Me Tap - water bottles for staff



# Myths about Commercial vs Social

It is more social to make a small profit on selling a product or service than a big one

Customers will buy rubbish products and service from you because you're a social enterprise

# Commercial / Social split

Whether you start the business? / Whether you keep going?

Who you employ? / Whether you continue to employ them?

How decision are taken? / Who they're taken by?

Wages and conditions



# Case Study: Waltham Forest Echo

Community newspaper.

Owned by local charities and social enterprises.

Independent voice for community.

Funded via advertising

The image shows the front page of the Waltham Forest Echo newspaper. At the top left is a logo featuring a stylized leaf. The masthead reads "WALTHAM FOREST ECHO" in large, bold letters. Below the masthead, there are several columns of text and a large photograph. The main headline is "Money pours in for homeless Harry", with a sub-headline "Hundreds of pounds donated through a crowdfunding campaign to help get vulnerable man off streets". To the right of the headline is a photograph of a man sitting on a bench, wrapped in a green blanket. Below the main article, there are several smaller articles and advertisements, including one for "Colour the capital" and another for "THE STOW BROTHERS".

Your independent community newspaper

Sept / Oct 2015  
#17, Free

www.walthamforestecho.co.uk  
facebook.com/WalthamForestEcho  
T: @WFEcho  
C: WFEcho@walthamforest.gov.uk

**News**  
A new migrants centre has opened and aims to give support and advice.  
#1

**News**  
The voluntary sector in Waltham Forest is in a 'shy situation'.  
#4

**Interview**  
We meet some of the people trying to make the borough a greener place to live.  
#8

**Preview**  
Looking ahead to the fifth annual Stow Festival, a weekend of live music.  
#11

**Feature**  
Living on benefits in Waltham Forest? We talk to people hit by government cuts.  
#12

## Money pours in for homeless Harry

Hundreds of pounds donated through a crowdfunding campaign to help get vulnerable man off streets.

by James Corneil

£1,000 to fund TMCA accommodation for six weeks, long enough for the 36-year-old to find a job.

Harry can speak basic English and is skilled in computing but cannot work without a proof of address. In her heart-breaking appeal, Fran said: "After spotting Harry I was inspired to help him. He is a gentle man, with a good heart, and despite his situation will maintain positive and proactive in trying to help himself. He just needs a helping hand to get his start."

"Harry has the right to work and live in the UK and wants to make a life for himself here. All he needs is enough money to get him into accommodation so he is off the streets and can apply for a job. "Harry does not drink or take any drugs. The funds will get him started so he can make his own income. There are so many people we can't help, but we can help Harry."

Speaking to the Echo, Harry said Fran was "a star because" and was inspired by the generosity of people in Waltham Forest.

"I met this woman and she said she wanted to help me," Harry said. "I don't know why, she must have seen me on the street."

He is a nice human. A few other people promised to help me as well but have sadly backed out.

"There are not someone who might give me a job but need accommodation. I don't want to speak about what happened to me but I have nobody to go back to or I would do."

"I want to start a new life here. There are a lot of nice people here."

To help Harry find accommodation, visit: [www.fundraisingpage.org.uk/new-start-for-harry](http://www.fundraisingpage.org.uk/new-start-for-harry)

You can also donate to Shelter, the housing and homelessness charity that helps homeless families find somewhere to call home.  
Visit: <http://shelter.org.uk/donate>  
Tel: 0800 402 1044

## Colour the capital

Street art continues to spring up all across Waltham Forest, and now another local group has joined the list.

Fossil Recycling Project (FRP), which has an extensive array of second-hand goods in Ad Astra Avenue, unveiled the first of a series of street art murals in Heston Road, near 7th Avenue in Waltham Forest.

The colourful artwork was created by renowned Italian street artist Blu, whose "urban style and abstract motifs" are repeated throughout the piece.

It is part of FRP's "Colour the Capital" project which, in partnership with Urban Street Art, was just under £50,000 from the Big Lottery Fund last year. Five murals in total will be painted across three East London boroughs.

For more information, visit: [www.frp.co.uk](http://www.frp.co.uk)  
Email: [info@frp.co.uk](mailto:info@frp.co.uk)  
Or visit: [frp.co.uk](http://frp.co.uk)

**THE STOW BROTHERS**

See a reduction of our properties listed p. 7-10

**All organisations balance  
commercial and social aims**

**Thanks for listening!**

# Contact me

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