

# Page 1 : Defining your ambitions

Source: SocialEnterpriseUK

**There is no single regulator for social enterprises.** Unlike charities, social enterprises take a range of legal forms so they are regulated by a range of different bodies.

# Community Interest Companies are regulated by Companies house and the Community Interest Company Regulator

# Standard companies limited by share and guarantee are regulated by Companies House

# Social enterprises with charitable status are regulated by the Charity Commission

**In the end, being a social enterprise is about adopting a set of operational principles.**

# Having a clear social and/or environmental mission (set out in your governing documents)

# Generating the majority of your income through trade

# Reinvesting the majority of your profits to further the social mission

**What's the difference between a social enterprise and ethical business? The two are distinct ways of doing business.**

# A social enterprise's primary purpose is its social and/or environmental mission – it tries to maximise the amount of social good it creates balanced against its financial goals.

# An ethical business, on the other hand, tries to minimise its negative impact on society or the environment.

## A current developmental debate within the EU

Source: <http://www.europarl.europa.eu/oeil/popups/summary.do?id=1544915&t=d&l=en>

A new label, in the sector, should only be awarded to enterprises complying with the following criteria in a cumulative manner:

### 'The Social and Solidarity-based Enterprise'.

# The organisation should be a private law entity established in whichever form available in Member States and under EU law, and should be independent from the State and public authorities;

# Its purpose must be essentially focused on the general interest or public utility;

# It should essentially conduct a socially useful and solidarity-based activity, i.e. via its activities it should aim to provide support to vulnerable groups, to combat social exclusion, inequality and violations of fundamental rights, including at the international level, or to help protect the environment, biodiversity, the climate and natural resources;

# It should be subject to an at least partial constraint on profit distribution and to specific rules on the allocation of profits and assets during its entire life; in any case, the majority of the profits made by the undertaking should be reinvested or otherwise used to achieve its social purpose;

# It should be governed in accordance with democratic governance models involving its employees, customers and stakeholders affected by its activities.



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# Page 2 : Defining good governance

Source: <https://www.unescap.org/sites/default/files/good-governance.pdf>

The UN position is that ...the concept of "governance" is not new. It is as old as human civilisation. Simply put "governance" means: the process of decision-making and the process by which decisions are implemented (or not implemented). Governance can be used in several contexts such as corporate governance, international governance, national governance and local governance.

## Characteristics of good governance

Source: <https://www.gdrc.org/u-gov/g-attributes.html>

### Participation

All men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such broad participation is built on freedom of association and speech, as well as capacities to participate constructively.

### Rule of law

Legal frameworks should be fair and enforced impartially, particularly the laws on human rights.

### Transparency

Transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them.

### Responsiveness

Institutions and processes try to serve all stakeholders.

### Consensus orientation

Good governance mediates differing interests to reach a broad consensus on what is in the best interests of the group and, where possible, on policies and procedures.

### Equity

All men and women have opportunities to improve or maintain their well-being.

### Effectiveness and efficiency

Processes and institutions produce results that meet needs while making the best use of resources.

### Accountability

Decision-makers in government, the private sector and civil society organisations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organisations and whether the decision is internal or external to an organisation.

### Strategic vision

Leaders and the public have a broad and long-term perspective on good governance and human development, along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.

### Tim's Note:

We read much of governance today.

In civil society organisations we hear less of the details about, or definitions of, principle, I would argue..

Bullies on a board, mission drift in a large organisations, collusion and self interest - all can move a civil society organisation away from these basic tenets.

Agreeing on good governance as a first principle ensures another positive step to sustainability, we would argue.



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# Page 3 : Defining your SocEnt business strategy

Source: <https://hbr.org/2007/09/demystifying-strategy-the-what>

A good strategy provides a clear roadmap, consisting of a set of guiding principles or rules, that defines the actions people in the business should take (and not take) and the things they should prioritise (and not prioritise) to achieve desired goals.

As such, a strategy is just one element of the overall strategic direction that leaders must define for their organisations.

A strategy is not a mission, which is what the organisation's leaders want it to accomplish; missions get elaborated into specific goals and performance metrics.

A strategy also is not the value network — the web of relationships with suppliers, customers, employees, and investors within which the business co-creates and captures economic value.

Finally, a strategy is not a vision, which is an inspiring portrait of what it will look and feel like to pursue and achieve the organization's mission and goals. Visioning is part (along with incentives) of what leaders do to motivate people in the organization to engage in above average effort.

## Creating a vision and a mission

Source:

<https://blog.hubspot.com/marketing/inspiring-company-mission-statements>

A mission statement is intended to clarify the "what" and "who" of a company, while a vision statement adds the "why" and "how" as well.

As a company grows, its objectives and goals may change. Therefore, vision statements should be revised as needed to reflect the changing business culture as goals are met.

A mission statement often informs the vision statement, which describes where the company aspires to be in the future. These two statements are often combined to clearly define the organisation's reason for existing and outlook for internal and external audiences like employees, partners, board members, consumers, and shareholders.

### Using our tool-kits:

Source:

<http://www.enterprisingcommunities.today/business-tool-kit/>

Here you can explore your first steps in 'Human-centred Design', and also start thinking about your Echoing Green Pathway.

Both important elements in developing your mission and strategy in a way unique and particular to your project.

You can also use concepts of social impact to plan your road map for development.

Source:

[http://www.miningtheseem.org.uk/?page\\_id=918584](http://www.miningtheseem.org.uk/?page_id=918584)

Here, look for the Business Model Canvas from Strategyzer. All you need is one sheet and a pencil.



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## Page 4 : Defining your community audience

Source: <http://orangutanswing.com/conversations/5-things-every-strong-community-needs/>

Statement: I want my social enterprise to make jam for the community!!!

Q. How do you know anyone wants jam?

A. Everybody loves jam!

Q. Do they, how do you know?

A. Ask them!

The concept of melding audience to product or service is easily illustrated. Getting that answer pertinent and 'true' is slightly more difficult. Getting a group together, to ask any question, requires thought and then action, no matter how simple the proposition.

**"Some key points that a community needs to stay cohesive:**

### 1. Variation in age.

Multi-generational events feel more like community gatherings than when everyone's the same age.

### 2. Open doors.

In urban settings, people have the choice to participate in events where there will be other people. You always have the option of leaving a group. Or joining one.

### 3. Time and effort.

Sometimes, newcomers have a mistaken impression that community is built-in to a place when they arrive and all they have to do is join in. But that's not how it goes.

It takes work to build a community, it takes risks, and making our emotional selves vulnerable. It takes time, too. Then again, people can form instantaneous sense of belonging in a camp-like setting, even if it's just for a few hours... but even in these cases, there's someone doing a lot of background work to set that up, over time...

### 4. A leader(s).

Often-times it takes some kind of figure to organise things and keep people involved and connected.

### 5. Care.

If you care about people, and do things for them, that's what makes a community. Even if you don't like everyone in the group, knowing that you'd help them in a crisis is a key indicator of the bonds that are really there."

### Useful web link:

See our *Stir to Action* planning sheets – practical involvement in change!

[http://www.miningtheseem.org.uk/?page\\_id=918584](http://www.miningtheseem.org.uk/?page_id=918584)

#### Tim's Note:

Some of the best community decision meetings I have ever been to were shared in a garden, with food, across age, cultures, languages and faiths!



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## Page 5 : Useful web links – get ready for that second meeting

<http://www.miningtheseem.org.uk/>

A great place to find our news, books, tool-kits and enthusiasm for SocEnt development

<http://www.miningtheseem.org.uk/wp-content/uploads/2017/08/StartSocialEnterpriseGuide.pdf>

Possibly the best SocEnt Start-Up booklet in the world?

<http://www.enterprisingcommunities.today/>

Our sister site, news, information and developmental ideas

<https://www.the-sse.org/>

When you are ready, the go-to site for learning, engagement and creating effective delivery

<https://www.socialenterprise.org.uk/>

People, process and practice - everything in one place

<https://www.britishcouncil.org/society/social-enterprise/news-events>

Surprisingly useful, effective and diverse SocEnt news from other places. Explore

<http://euclidnetwork.eu/>

A membership site for European SocEnt thinkers and doers.  
But, nonetheless keeps you up to date...

### Statutory considerations:

<https://www.gov.uk/government/organisations/companies-house>

Companies House - clear resources on starting and running companies.

<https://www.gov.uk/government/organisations/hm-revenue-customs>

HMRC – tax should not be taxing?

### Gov.uk

<https://www.gov.uk/set-up-a-social-enterprise>

Starting a SocEnt – government advice

<https://www.gov.uk/setting-up-charity>

Starting a charity – government advice

### Also see:

<https://nbv.co.uk/>

NBV – encouraging enterprise in Notts, Derby and Leicestershire



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