# YOUTH SOCIAL ENTREPRENEURSHIP HUB

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The KIT for start-up and management of social enterprises has been planned and developed taking into account the methodology used for creating and managing the Youth Entrepreneur Social Hub and the Profile of Young Social Entrepreneur. The goal of this KIT is to provide both trainers and trainees a step by step approach on how to develop social enterprises, starting with the understanding of basic concepts and institutional frameworks of setting up a social enterprise in Europe (specifically in Belgium), moving on to building and promoting the newly established enterprise.

Building on the first output that had the vision to create an environment and culture that encourages more young people to start and grow social businesses by identifying what are the required competences to start-up and manage successfully a social enterprise, the KIT will offer trainees the required knowledge and instruments to take their idea to the next level. Trainers will be able to introduce to potential trainees a step by step approach on how to develop a social enterprise,

The document is divided in five chapters, as follows:

- Basics in social entrepreneurship;
- Institutional Framework;
- Steps for establishing a social enterprise;
- Finance for social enterprises and how to cope with risk?
- How to promote a social enterprise?

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**The chapter's objectives are to:**
- ✓ Introduce the definition of social enterprises at EU level;
- ✓ Present the differences between social enterpreneurship and social enterprises;
- ✓ Present the societal problems addressed by social entrepreneurs;
- ✓ Explain the notions of social innovation and social impact

**Objectives for trainers:**
- ✓ To introduce various useful information about the concept of social enterprises at EU level (specifically in Belgium) and explain various notions such as social innovation and social impact;

**Objectives for trainees:**
- ✓ To understand what a social enterprise is and how it works;
- ✓ To be able to understand the similarities and differences between social enterprises and social entrepreneurship;
- ✓ To be able to identify the societal problems addressed by social entrepreneurs;
- ✓ To be able to define social innovation and social impact;

**Methods for training**
- ✓ Explanation & Debate
- ✓ Group Discussions & Tutorials
- ✓ Case studies (Belgium)

| Social enterprise – definition & characteristics |
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## EU level

To have a unique definition of social enterprise is almost impossible. In fact, many definitions exist since several organisational forms are used in Europe and around the World. In Europe, social enterprises were born from the tradition of the social economy, which is characterised by principles and values listed above: solidarity, social cohesion, and the primacy of the individual over capital, social responsibility, democratic management, not-for-profit driven and reinvestment of the profit in the enterprise itself.[1]

**The Organisation for Economic Co-operation and Development (OECD)** gives the following definition of social enterprises: "any private activity conducted in the public interest, organised with an entrepreneurial strategy, but whose main purpose is not the maximisation of profit but the attainment of certain economic and social goals, and which has the capacity to bring innovative solutions to the problems of social exclusion and unemployment".[2]

In the last decade, the European Commission has identified the social economy and social enterprises as innovative responses to the current economic, social and environmental challenges, in which social entrepreneurs are striving to make a significant impact on society, the economy and the environment.[3]

**The Social Business Initiative (SBI),** launched in 2011, was an important package of actions to support the development of social enterprises. It contained 11 priority measures, organised in three themes: facilitating access to funding, improving the visibility of social entrepreneurship and simplifying the regulatory environment.[4]

In the SBI the European Commission has proposed the following operational definition of social enterprises: "an operator in the social economy whose main objective is to have a social impact rather than make a profit for its owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible

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[1] Diesis, How social enterprises contribute to sustainable food systems. Observation and Best Practices, 2016
[2] OECD, Policy Brief on Social Entrepreneurship, 2013
https://www.oecd.org/cfe/leed/Social%20entrepreneurship%20policy%20brief%20EN_FINAL.pdf
[3] European Commission, A map of social enterprises and their eco-systems in Europe Synthesis Report, 2015
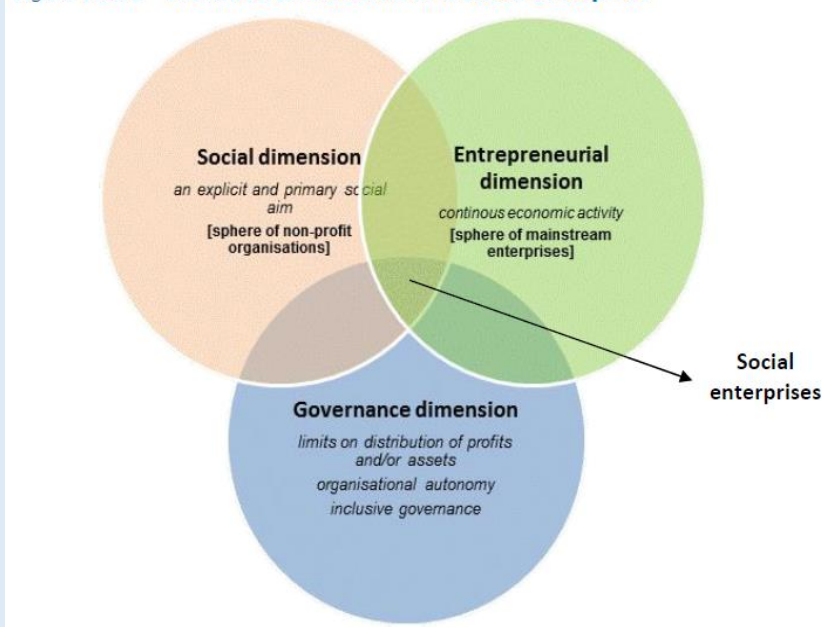file:///C:/Users/Utente/Downloads/Synthesis%20report%20FINAL.pdf
[4] The Social Business Initiative of the European Commission file:///C:/Users/Utente/Downloads/sbi-brochure-web_en.pdf

manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities".[5] [6]

"A social enterprise is a business run for a social purpose, where specific and well-defined social goals are translated into an organisation, which often performs activities of general interest and is managed in an entrepreneurial way, keeping a constant balance between its social and the economic dimensions. Social enterprises are able to provide solutions to social problems thanks to an entrepreneurship and is economically sustainable approach in some ways more effective and efficient than what could be done by the institutions alone. Social enterprises apply commercial and entrepreneurial strategies to maximise improvements in human and environmental well-being. In these kind of enterprises the profits earned are mainly reinvested in supporting their social mission. The presence of constraints on profit and asset distribution, ensures the consolidation of the organisations and the pursuit of their goals in the long term".[7]



Figure ES1.1   The three dimensions of a social enterprise

Nowadays, social enterprises are present in almost every sector of the economy, serving the needs and interests of their communities and society. Indeed, social enterprises are versatile organisations, which address areas of unmet social need and create new social opportunities where other actors have failed to act. Having in mind the impact they have on the environment and society as part of their long-term vision and strategy, ultimately they contribute to smart and sustainable growth.[8]

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### Belgium

Belgium has a very specific and unique political asset. This is why the definition of social enterprise slightly changes from region to region. In fact, there is not a real consensus in Belgium as to what constitutes a social enterprise and, more precisely, where the boundaries should be placed around this notion. As a general thing, social economy and social enterprises are not used as synonyms.[9]

In Belgium the social economy is present at all levels of federal and regional power, but the competences are mainly in the hands of the regions. Indeed, working to maintain federal competence ensures Belgium a strong position on this subject vis-à-vis of the European Union.

The definition of social enterprises changes from the regions:

→ **In Wallonia and Brussels**: In Wallonia and Brussels, a social enterprise is defined as the more entrepreneurial subset of the social economy, or as a synonym for the social economy. It is seen as any economic activity developed by associations, cooperatives, mutual and foundations and which not aims for profit maximisation.[10]

→ **In the Flanders**: Social economy is legally defined as a set of 'social entrepreneurial values' developed within various organisational forms and activity sectors. Social economy appears as one sub-set of social enterprise and social entrepreneurship in Flanders.[11]

Indeed, in the European Commission mapping study of Social Enterprises and their eco-systems – Belgium country report it is stated that "The social economy appears as one sub-set of social enterprise and social entrepreneurship in Flanders, while in Wallonia it is the other way around. Nevertheless, these regional differences in terms of conceptual interpretation tend to fade away in a context of internationalisation of discourse and practices in this domain, and also when examining concrete social enterprise realities and eco-systems, as described in this report."[12]

Focus on the French speaking Belgium, legal and practical framework:

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[9] European Commission, Social enterprises and their eco-system. Country report: Belgium, 2020
[10] https://www.econosoc.be/
[11] https://www.socialeeconomie.be
[12] European Commission, Social enterprises and their eco-systems: A European mapping report. Updated country report: Belgium, 2016

A unanimous definition of the social economy was put forward by the Walloon Council for Social Economy - the CWES, included in the Walloon decree of November 20, 2008 and in the Brussels ordinance of April 26, 2012:

"The social economy is made up of economic activities, producing goods or services, carried out by companies, mainly cooperatives and / or for social purposes, associations, mutuals or foundations, whose ethics are reflected in the set of the following principles:

- purpose of service to the community or to members, rather than purpose of profit
- management autonomy;
- democratic decision-making process;
- primacy of people and work over capital in the distribution of income. "

Recently, in the Brussels Capital region, an ordinance of July 23, 2018 relating to the approval and support of social enterprises, started from the principles identified by the network "EMES" (Emergence of social enterprises in Europe)[13] to define the business of social economy.

The EMES network has existed since 1996, it brings together university research centers and recognized individual researchers, with the financial support of the European Union. Its objective is to gradually build a European corpus of theoretical and empirical knowledge on the social economy and social entrepreneurship. The network, pluralist as much by the disciplines involved as by the methodologies adopted, studies questions linked to the "third sector".

The EMES network has created a set of 3 indicators:

1. **Economic indicators**

a. Continuous activity of producing good / service for a transaction

b. Economic risk

c. Paid employment (diff from Repair Café)

2. **At the service of the community (Social is not helping people (at the CPAS) but well serving the community)**

a. Community service

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[13] https://emes.net/?id=100

b. Citizen initiative

c. Distribution of profit limitation

### 3. Governance

a. A high degree of autonomy (especially compared to public pvr)

b. Independent decision-making capital (e.g. 1 person / 1 vote)

c. Integration of business stakeholders.

These principles are a horizon, a set, an ideal-type. These characteristics are not necessarily found all together in reality but serve as a benchmark, a compass.[14] Social economy actors in Belgium are also based, and follow, these principles.

In this framework, it is relevant to cite ConcertES, a concertation platform for organizations representing the social economy in French-speaking Belgium. It is an entity that defends all of the interests of the social economy with political bodies. ConcertES is responsible for representing the social economy, members, cooperators, workers, investors and other stakeholders mobilized by social enterprises. As a single point of contact with regional and federal authorities, ConcertES offers an innovative and stimulating space for reflection for its member federations.[15]

The association was initiated by three transversal social economy federations - FEBECOOP, SAW-B and SYNECO.[16]

### *Social entrepreneurship & social enterprises – similarities & differences*

Social enterprise and social entrepreneurship are two terms that shouldn't be used as synonyms.[17]

Indeed, social enterprises are entities defined at EU level by the SBI and in several countries by national laws, that can shape them according to different aspects, but that all have the

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[14] https://emes.net/?id=100
[15] https://concertes.be/
[16] To find more information about social enterprises in French speaking Belgium:
https://observatoire-es.be/ : Pole of expertise and reflection, which brings together, in one place, all the data relating to the social economy in French-speaking Belgium.
http://www.projetvisesproject.eu/-Projet-VISES-: The VISES project is a 4-year project that brings together 21 partners to highlight what social and solidarity-based businesses bring to the dynamism of territories and good- to be from their inhabitants.
[17] Belinda Luke and Vien Chu, Queensland University of Technology. Social enterprise versus social entrepreneurship: An examination of the 'why' and 'how' in pursuing social change. 2013.

same basic characteristics: a social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for its owners or shareholders.

However, social entrepreneurship is a wider concept that "covers a broad range of activities and initiatives, including social initiatives occurring in profit-seeking businesses, institutionalised entities explicitly pursuing a social goal, relations and practices that yield social benefits, entrepreneurial trends in non-profit organisations, and ventures developed within the public sector". This means that social entrepreneurship does not only include the activity of social enterprises. [18] Indeed, it has to be underlines that social entrepreneurship is Anglo-Saxon current of thought, which targets initiatives are broader than the social economy and also based very much on individual initiatives and market logics which underpin the activity.[19]

According to the glossary of the study carried by the European Commission "A map of social enterprises and their eco-systems in Europe", the terms are not synonyms and have two distinct definitions:

| Social enterprise | Social entrepreneurship |
|---|---|
| According to the European Commission's Social Business Initiative (SEC(2011)1278), a social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities. | The term 'social entrepreneurship' emerged in the 1990s in Anglo-Saxon countries. It covers a broad range of activities and initiatives, including social initiatives occurring in profit-seeking businesses, institutionalised entities explicitly pursuing a social goal, relations and practices that yield social benefits, entrepreneurial trends in non-profit organisations, and ventures developed within the public sector. |
| | Such initiatives can be undertaken by individuals, non-profit organisations, public agencies or non-profit organisations in partnership with for-profit enterprises in an attempt to balance corporate profit with a commitment to social responsibility. They are neither necessarily finalised to production, nor expected to remain stable through time. In general, social entrepreneurship is interpreted as an activity undertaken by specific individuals or groups, without referring to the |

[18] European Commission (Directorate-General for Employment, Social Affairs and Inclusion Directorate C Unit C2), A map of social enterprises and their eco-systems in Europe, 2016.
[19] http://www.saw-b.be/EP/2009/A0916.pdf

organisational features and constraints (governance models, non-distribution of profits, etc.) backing the pursuit of social goals.

### *Societal problems addressed by social entrepreneurs*

As the report of the GECES, "Social enterprises and the social economy going forward. A call for action from the Commission Expert Group on Social Entrepreneurship (GECES)", states that social enterprises "have proven to be able to engage in many and varied general interest fields of activity and tackle a variety of needs that arise in society." [20]

This is why, besides contributing to economic growth of the country and community in which they are in, with their social enterprises, social entrepreneurs are able to solve, or help to solve, some societal problems that are often unmet by the public and private sector. In this sense, we can affirm that the complete the services provided by public bodies and institutions.

Or, without responding to a societal problem, they act with a service purpose to the community in various sectors (IT, communication, transport ...) and are distinguished by their democratic governance processes in particular.

Indeed, the phenomenon of social enterprises is a bottom-up reality, it is therefore normal that social entrepreneurs are able to understand and better interpret the demand that comes from the neediest social groups. Knowing how to best take advantage of this "new" demand, or knowing how to best take advantage of changes in an existing demand, social enterprises can adapt their offer and continuously innovate it.

The same report above mentioned, identifies five main contributions to societal problems that social enterprises and entrepreneurs address with their work:

✓ **They contribute to the decrease unemployment by developing and creating high-quality and inclusive jobs**

On one hand, social enterprises can contribute to decrees unemployment as many social enterprises have as objective job placement and trainings for professionals in order to increase their possibility of labour integration. Plus, social enterprises have the capacity of matching at best talents to the rights jobs, contributing like this to labours force's employability.

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[20] Commission Expert Group on Social Entrepreneurship (GECES), Social enterprises and the social economy going forward A call for action from the Commission Expert Group on Social Entrepreneurship (GECES), 2016.

On the other hand, since maximising their profit is not the objective of social entrepreneurs and their enterprises, social enterprises face better times of crises, when they are sustainable ans viable realities, and are able to create jobs even when traditional enterprises have to cut them. Moreover, "with their innovative approaches, the social economy and social

enterprises pave the way for new job opportunities in areas that are not exploited by either traditional businesses or by public entities".[21]

✓ **They fight and propose solutions to social exclusion and poverty**

Many social enterprise have as goal to promote social inclusion and fight poverty. They do so by providing services of general interest to the citizens and more important to vulnerable and excluded persons. Indeed, many social enterprises are specialised in access to housing, healthcare, assistance for elderly or disabled persons and the inclusion of vulnerable of many groups.[22]

✓ **They contribute to the welcome, inclusion and integration of migrants and refugees in Europe**

Social enterprise and entrepreneurs play an active role in the inclusion and integration of migrants. Many of them are specialised on the welcoming and housing process, other in language courses, trainings of different forms, job placement etc. However, many social enterprises also contribute to the social and cultural inclusion of migrants, through artistic and cultural activities, which include both migrants and local citizens.

✓ **They help relaunch local economy by increasing territorial and community-based economy**

Since social enterprise are bottom up realities, that often are born from citizens needs, they are most of the time deeply tooted in their territories of origin. These new economic realities can play an important asset in local communities: indeed it can help to bring new ideas and solutions to unmet needs, but also to revitalize economic realities in danger.

✓ **They fight gender discrimination by promoting gender equality and employment solutions that promote work-life balance**

[21] Commission Expert Group on Social Entrepreneurship (GECES), Social enterprises and the social economy going forward A call for action from the Commission Expert Group on Social Entrepreneurship (GECES), 2016.
[22] Commission Expert Group on Social Entrepreneurship (GECES), Social enterprises and the social economy going forward A call for action from the Commission Expert Group on Social Entrepreneurship (GECES), 2016.

On one hand, numerous social enterprises are specialised in gender equality, supporting women in many different situations and women empowerment. On the other, social enterprises also offer and promote working conditions that allow women to have a better work-life balance; they also usually promote women scaling up and holding high management and senior positions.

In general social enterprises are characterised by inclusive models of governance, that include in the decision making of the enterprise their employees, formally and/or informally.

Beside responding to these main societal problems, it is worth mentioning that social enterprises also respond to other needs in other fields of activities such as: digitalization, transport and communication, adaptation to climate change, etc.

> ### *Social innovation and social impact*

Social enterprises lead to social innovation and positive social impact. This is why they are crucial for the socio-economic development of the society and for its wellbeing.

## What is Social innovation?

Social innovation defined as it follows by the first BEPA report on social innovation: "*Social innovation relates to new responses to pressing social demands by means which affect the process of social interactions. It is aimed at improving well-being. [...] Social innovations are innovations that are social in both their ends and their means. Specifically, we define social innovations as new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. They are innovations that are not only good for society but also enhance society's capacity to act.*"[23]

'Innovation' means the creation of new solutions through new forms of organization and interaction. 'Social' refers to the kind of value that this innovation is concerned to deliver. Social enterprises try to maximize improvements in human and environmental well-being,

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[23] BEPA, Empowering people, driving change: Social innovation in the European Union. Bureau of European Policy Advisors, 2010 https://ec.europa.eu/migrant-integration/librarydoc/empowering-people-driving-change-social-innovation-in-the-european-union

often through new business ideas. This does not mean that social enterprise and social innovation are the same thing. Surely, social enterprises are to be considered one of the most important and effective types of organization undertaking social innovation to offer solutions to the most pressing social problems. However social innovation does not refer to any particular sector of the economy, but rather to innovation in the creation of social outputs.

Indeed, this is what is stated also in Social enterprises and their eco-systems in Europe: Comparative synthesis report: "Social innovation refers to developing new ideas, services and models to better address social issues. As a concept, social innovation may refer to a product, production process, idea, social movement or a combination of the above. Basically, the concept comes rather close to the term social entrepreneurship, in cases in which the latter is used to refer to an approach driving positive social change. Sometimes, social entrepreneurship is indeed referred to as an approach generating social innovation".[24]

## What is Social impact?



According to the report and glossary prepared by the expert group on social entrepreneurship (GECES) at the Commission, social impact is "The reflection of social outcomes as measurements, both long-term and short-term, adjusted for the effects achieved by others (alternative attribution), for effects that would have happened anyway (deadweight), for negative consequences (displacement), and for effects declining over time (drop-off)."[25] [26]

Moreover, social impact is also defined by IAIA (International Association for impact assessment) as "social impacts include all the issues associated with a planned intervention (i.e. a project) that affect or concern people, whether directly or indirectly. Specifically, a

[24] European Commission, Social enterprises and their eco-system. Country report: Belgium, 2020
[25] European Commission – GECES, Proposed approaches to social impact measurement in European Commission legislation and in practice relating to EuSEFs and the EaSI, 2014. https://op.europa.eu/en/publication-detail/-/publication/0c0b5d38-4ac8-43d1-a7af-32f7b6fcf1cc
[26] European Parliament, Briefing. Measuring social impact in the EU, 2017.
https://www.europarl.europa.eu/RegData/etudes/BRIE/2017/603930/EPRS_BRI(2017)603930_EN.pdf

social impact is considered to be something that is experienced or felt in either a perceptual (cognitive)  or a corporeal (bodily, physical) sense, at any level, for example at the level of an individual person, an economic unit (family/household), a social group (circle of friends), a workplace (a company or government agency), or by community/society generally. These different levels are affected in different ways by an impact or impact causing action."[27]

## CHAPTER II: INSTITUTIONAL FRAMEWORK

**The chapter's objectives are to:**
- ✓ To present the institutional legal frameworks of establishing social enterprises at EU level (case studies for Belgium);
- ✓ To present types of social enterprises in Belgium;

**Objectives for trainers:**
- ✓ To introduce various useful information about what types of social enterprises that can be found at EU level and what are the institutional legal frameworks;

**Objectives for trainees:**
- ✓ To understand what are the main steps of the EC in defining, developing and promotion of  social enterprises;
- ✓ To identify types of social enterprises in Belgium;

**Methods for training**
- ✓ Explanation
- ✓ Group Discussions & Tutorials
- ✓ Case studies (Belgium)

- **Legal Frameworks**

> *EU level*

Here are the main steps of the European Commission in defining, developing and promoting the social enterprise as a business reality for booting European economy:

**Social Business Initiative (2011)**

The Social Business Initiative was launched in 2011 and aims to support the development of social enterprises both in the short and long term. The SBI has been an important step for the EU: it was the first time that a specific policy only for the promotion of the social enterprise was created.[28]

The EC has decided to create the Social Business Initiative in order to enhance the development of the social enterprises model: "The Commission seeks to support the development of social enterprises and to learn from their experiences in support of the whole of the economy".

Indeed, social enterprises have the "capacity of capacity (…) to provide innovative responses to the current economic, social and, in some cases, environmental challenges by developing sustainable, largely non-exportable jobs, social inclusion, improvement of local social services, territorial cohesion, etc."

The SBI identified eleven main priorities enclosed in three macro areas of intervention: 1. facilitating the access of the social enterprise to financing; 2. increase the visibility of social entrepreneurship and 3. improve the legal context.

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[28] European Commission. Communication From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions. Social Business Initiative Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation, 2011 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52011DC0682&from=EN

| Theme 1: Making it easier for social enterprises to obtain funding | Theme 2: Increasing the visibility of social entrepreneurship | Theme 3 : Making the legal environment friendlier for social enterprises |
|---|---|---|
| Put forward a European regulatory framework for social investment funds | Identify best practices by establishing an exhaustive register of social enterprises in Europe. | Simplify the rules regarding legal recognition as a European Cooperative Society ; put forward a regulation creating a legal status for European foundations. Conduct a study on the situation of mutual societies. |
| Encourage the development of microcredit in Europe, specifically by improving the related legal and institutional framework. | Create a public database of labels and certifications applicable to social enterprises in Europe. | Make quality and working conditions more important criteria for the awarding of public procurement contracts, particularly for social and health services. |
| Set up an EU financial instrument to provide easier access to funding | Help national and regional governments introduce measures to support, promote and finance social enterprises. | Simplify the rules for awarding public aid to social and local services (which would benefit many social enterprises). |
| Make social enterprises an investment priority of the European Regional Development Fund and European Social Fund | Create a multilingual information and exchange platform for social entrepreneurs, business incubators and clusters, as well as social investors. Increase the visibility of EU programmes to support social entrepreneurs and make it easier to obtain funding | |

## Start up and scale up initiative (2016)

In November 2016, the European Commission published the "Europe's next leaders: the Start-up and Scale-up Initiative".[29] This Initiative aims to give entrepreneurs the opportunity to become world leading companies. It gathers all the possibilities that the EU already offers and adds a new focus on venture capital investment, insolvency law and taxation.[30]

The main proposals of the Startup and Scale up initiative are:

[29] European Commission. Communication from the commission to the European parliament, the council, the European economic and social committee and the committee of the regions. Europe's next leaders: the Start-up and Scale-up Initiative. 2016https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016DC0733&from=EN

[30] Europe's next leaders: the Start-up and Scale-up Initiative Page on the DG Grow website: https://ec.europa.eu/growth/content/europes-next-leaders-start-and-scale-initiative_en

- To remove barriers for startups to scaleup in the Single Market.
- To create better opportunities for partnership, commercial opportunities and skills.
- To facilitate the access to finance.[31]

A section of this initiative is dedicated to social economy and social enterprises. Indeed, it says that social economy "start-ups have high potential for innovation and positive impact in economy and society at large. Their business model — combining economic efficiency with

societal-centred objectives— has proven very resilient. And there are good prospects for such start-ups, due to increasing demand for social innovation and the rise of new technologies and collaborative platforms. In addition, many have potential for scaling proven business models which could be replicated in other territories". [32]

This is why the Initiative wishes to overcome the difficulties that these social economy start-up have in securing funding and support (due to the lack of recognition of their potential and the in exploitation of modern technologies), by:

- ✓ Launching the "European Investment Fund new financial instruments to boost lending to social enterprises, as well as new social impact equity instruments under the European Fund for Strategic Investments";
- ✓ Encouraging social startups to scale up ;
- ✓ "Facilitate uptake of new technologies, use of new business models51 and to support impact financing of the social economy and social enterprises throguh EU development/neighborhood policies and international fora".[33]

## EFSI social impact instruments (2016)

Since investing in the social sector is a priority for the EU, one of the objectives of the European Fund for Strategic Investments (EFSI), which is part of the Junker Plan, was to support strategic investments in social enterprises.[34]

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[31] "A new initiative for startups to start and scale up in Europe" article in the News page on the website of the European Commission: https://ec.europa.eu/digital-single-market/en/news/new-initiative-startups-start-and-scale-europe
[32] European Commission. Communication from the commission to the European parliament, the council, the European economic and social committee and the committee of the regions. Europe's next leaders: the Start-up and Scale-up Initiative. 2016 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016DC0733&from=EN
[33] European Commission. Communication from the commission to the European parliament, the council, the European economic and social committee and the committee of the regions. Europe's next leaders: the Start-up and Scale-up Initiative. 2016 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016DC0733&from=EN
[34] "EFSI in the social sector" page in the European Commission website: https://ec.europa.eu/commission/strategy/priorities-2019-2024/jobs-growth-and-investment/investment-plan-europe-juncker-plan/investment-plan-results/efsi-social-sector_en

The EFSI supports social economy and social enterprises ecosystem having a positive social impact in the EU through innovative mechanisms developed under the EFSI Equity Instrument. EFSI supports social impact investors in providing risk capital financing to social enterprises in their early, growth or expansion stage, and include:

- Social Incubators/Accelerators Facility;
- Social Business Angels Co-Investment Facility;
- The pilot Payment-by-Results Instrument.[35]

Moreover, EFSI also reinforced the capacity of the EaSI Programme, the program for the development of Employment and social innovation.[36]

Plus, social investors can also benefit from other tools of the Junker Plan, such the European Investment Advisory Hub and the European investment project portal.

### Action plan for social economy (2020-2021)

After the steps previously presented, the EC decided to take its engagement for the development of social economy and social entrepreneurship a step forward. A European Action Plan for social economy will be developed in 2020 and 2021. In the mission letter from President of European Commission Von Der Leyen to Commissioner for Jobs and Social Rights Nicolas Schmit, it was stated that a European action plan for social economy is going to be created "to enhance social innovation". [37]

This action plan and its roadmap was also mentioned in the Communication of the EC "A Strong Social Europe For Just Transitions" in the section Creating more jobs. Indeed, it is stated that "Creating more jobs is about more than growth. This is even more true for the social economy, which serves social needs. Some 13.6 million people work in the social economy in Europe. Social enterprises and organizations can generate engagement,

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[35] "Social Incubators/Accelerators Facility, comprising investments in or alongside financial intermediaries, typically social impact funds, linked to incubators or accelerators, which provide an array of business support resources and services to help accelerate the growth and success of early stage social enterprises. A supplementary transaction cost support mechanism is being developed to help intermediaries targeting the market segment with small ticket sizes for social enterprises.
- Social Business Angels Co-Investment Facility, comprising investments alongside business angels or in business angel funds, including private individuals or non-institutional investors who invest into social enterprises at seed, early stage as well as expansion and growth stage that at the core of their business model pursue social impact.
- The pilot Payment-by-Results Instrument supporting the development of social impact market in Europe and the scale- up of social service provision by the private sector through innovative outcomes-based financing mechanisms, complementing public sector provision of essential social services." From "EFSI in the social sector" page in the European Commission website: https://ec.europa.eu/commission/strategy/priorities-2019-2024/jobs-growth-and-investment/investment-plan-europe-juncker-plan/investment-plan-results/efsi-social-sector_en
[36] EaSI programma website: https://ec.europa.eu/social/main.jsp?catId=1081&langId=en
[37] Ursula Von der Leyen, European Commission. Mission letter to Nicolas Schmit, Commissioner for Jobs and Social Rights. 2019 https://ec.europa.eu/commission/commissioners/sites/comm-cwt2019/files/commissioner_mission_letters/mission-letter-nicolas-schmit_en.pdf

initiatives and returns in local communities while bringing everyone closer to the labour market. The social economy provides innovative solutions in education, health care, energy transition, housing and the delivery of social services. It can also be a pioneer in local green deals by creating alliances in territories involving citizens and enterprises in the climate transition. The Commission will launch in 2021 an action plan for the social economy to enhance social investment and social innovation and boost the potential of social enterprises to create jobs, including for those furthest from the labor market". [38]

In order to be able to deliver this Action plan in 2021, the CE has started a co-creation process of this plan with actors and stakeholders of the Social Economy field. An European Summit in Manheim will be organized at the end of November 2020 to allow EC's representatives and Social economy stakeholders to interact and co-create this plan.

## Belgium

In Belgium, there are, a set of laws, national and regional, and public provisions related to specific legal forms, sectors of activity, and social mission types. [39]

Social enterprises operate mainly as association, but there are also foundations, mutual, cooperatives and social purpose companies (often these two categories were combined until the 2019 reform, which has introduced a social enterprise accreditation).

Legal provisions for all legal forms are regulated at federal level, even if many public policies for social enterprises are develop at regional one. The most important legal frameworks for Belgium are:

- The Company Law of 1995: with this the social purpose company framework was created. "All types of organizations could adopt the social purpose company status, provided that they were "not dedicated to the enrichment of their members", and their statutes complied with a series of conditions.". However, this legal status was adopted by very few organizations (only 375 in 2017). [40]
- Law on social purpose company of 2019: with this new law, only the cooperatives can get the accreditation of "social enterprise", that is not a legal form, through a new scheme if they possess all the required conditions (9 in total). However, a very large number of social enterprises have thus developed without using the social purpose

[38] European Commission. Communication From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions A Strong Social Europe For Just Transitions. 2020. https://ec.europa.eu/commission/presscorner/detail/en/fs_20_49
[39] European Commission, Social enterprises and their eco-system. Country report: Belgium, 2020
[40] European Commission, Social enterprises and their eco-system. Country report: Belgium, 2020

company legal framework but rather by adopting an associative (VZW/ASBL), cooperative (without a formal social purpose), mutual or, to a lesser extent, company by share form.[41]

- Amendment on the law on associations of 2019: the goal was to strengthen the entrepreneuralisation of associations. This law is now part of the Code of Companies. Now associations can develop economic activities of industrial and commercial nature, even as their main activity; the income has to be allocated to the achievement of disinterested purpose. The distribution of profits is prohibited in an association. This is why an association can behave as a social enterprise.

- It is also important to specify that there is not a specific label for social enterprises, but there are many other labels developed at national and regional level.[42]

*Specific legislation*

Until the appearance of this law, the legal framework was fragmented, containing normative acts that regulated the activity of each entity in what we call social economy. Thus, there were normative acts regulating the activity of mutual aid houses, credit unions and credit unions or federations, as well as non-governmental organizations.

**Types of social enterprises**

**EU level**

As you can see from the map below, there is not a European definition and common legal framework for social enterprises. The European Union has however set the basis, given some definitions and recognize sources of funding for social enterprises.

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[41] European Commission, Social enterprises and their eco-system. Country report: Belgium, 2020
[42] European Commission, Social enterprises and their eco-system. Country report: Belgium, 2020

DENMARK
Act on Registered SEs (711/2014)

GERMANY
Social and cultural cooperatives under Cooperatives Act (2006)
Regulation on Sheltered Workshops (2016)

BELGIUM
Code on Companies and Associations (2019)

LUXEMBOURG
Law on Full Employment (41/2009)
Law on Societal Impact Companies (ISIS) (2016)

UNITED KINGDOM
Community interest companies (CIC) under Companies Act (2004)

FRANCE
Law on Employment [..] Support for Social and Professional Integration, [..] (91/1991) revised in 2018
Law on Collective Interest Cooperative Societies (SCIC) (2001)
Framework Law on Social and Solidarity Economy (2014)

ITALY
Law on Social Cooperatives (381/1991)
Legislative Decree on SEs (155/2006)
Reform of the Third Sector and SE (106/2016)

SPAIN
Law on Social Initiative Cooperatives (DIS) (27/1999)
Law on Social Integration Enterprises (44/2007)
Legislative Royal Decree on PWDs (1/2013, revised 9/2017)

PORTUGAL
Social solidarity cooperatives under Cooperatives Code (51/1996)
Law on Private Institutions of Social Solidarity (IPSS) (172-A/2014)

ALBANIA
Law on SEs (65/2016)

GREECE
Limited liability social cooperatives (KoiSPE) under Law on Mental Health Services (2716/1999)
Law on Social Economy and Social Entrepreneurship (4019/2011)
Law on Social and Solidarity Economy (4430/2016)

Legend:
- Standing alone legal status for social enterprise
- Legal status for social enterprise within broader recognition
- Adjustment of cooperative regulation
- Adjustment of company law

FINLAND
Act on SEs (1351/2003, revised 924/2012)

CZECH REPUBLIC
Social cooperatives under Business Corporations Act (90/2012)

LATVIA
Law on SEs (2017)

LITHUANIA
Law on SEs (IX-2251/2004)

POLAND
Act on Vocational and Social Rehabilitation and Employment of PWDs (776/1997)
Act on Social Cooperatives (2006)

SLOVAKIA
Act on Employment Services (5/2004, revised in 2008)
Act on Social Economy and SEs (112/2018)

HUNGARY
Government Decree on Social Cooperatives (141/2006)

SLOVENIA
Act on Vocational and Social Rehabilitation and Employment of PWDs (776/1997)
Act on Social Entrepreneurship (20/2011, revised in 2018)

ROMANIA
Law on Protection of PWDs (448/2006)
Law on Social Economy (219/2015)

SERBIA
Act on Professional Rehabilitation and Employment of PWDs (36/2009)

CROATIA
Act on Vocational Rehabilitation and Employment of PWDs (157/2013)

BULGARIA
Act on Integration of PWDs (81/2004)
Act on Enterprises of Social and Solidarity Economy (240/2018)

Source: European Commission (Directorate-General for Employment, Social Affairs and Inclusion Directorate C Unit C2), Social enterprises and their eco-systems in Europe: Comparative synthesis report, 2020. P.58

## Belgium

In the report Social enterprises and their eco-systems. Country report: Belgium, four approaches/ideal types were identified, each associated with one or several of the traditions of the social enterprises in Belgium, but no restricted to one legal form or public policy in particular. [43]

We can identify three ideal types of social enterprise in Belgium:[44]

| Ideal type | Model 1: Associative entrepreneurial approach to general interest | Model 2: Public entrepreneurial approach to general interest | Model 3: Combining mutual and general interest | Model 3: Combining private and general interest |
|---|---|---|---|---|
| Underlying dynamics | General interest | General interest | Mutual interest + general interest | Private interest + general interest |
| Social aim | Inherent in the statutes | Inherent in the statutes | Either present from start or added to mutual interest | - Variable<br>- Challenge of social aim demonstration and prioritization |
| Economic dimension | Under certain conditions (e.g. | Under certain conditions (e.g. | OK | OK |

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[43] European Commission, Social enterprises and their eco-system. Country report: Belgium, 2020
[44] European Commission, Social enterprises and their eco-system. Country report: Belgium, 2020

| | | | | |
|---|---|---|---|---|
| | >25% market resources) | >25% market resources) | | |
| **Participatory governance** | - Democracy: Yes<br>- Challenge of participation (members ≠ beneficiaries) | - Democracy: Yes<br>- Challenge of participation (public bureaucracy) | - Democracy: Yes<br>- Challenge of participation (members = beneficiaries) | Democracy and participation not inherent in this model |
| **Privileged organisational vehicle** | Association, foundation and cooperative accredited as social enterprise | Association and cooperative accredited as social enterprise | Cooperative, mutual and cooperative accredited as social enterprise | Various (incl. business and independent worker) |
| **Main resources** | Public subsidies with growing public and private contracts | Public subsidies with growing public and private contracts | Mixed incomes | Mixed incomes |
| **Boundary line** | Economic dimension | Economic dimension and democratic/ participatory governance | Social dimension (general interest) | Social dimension & democratic/ participatory governance |

## CASE STUDY 1

| COMMUNA | |
|---|---|
| **Website**<br>http://www.commune.be |  |
| **Location**<br>Brussels, Belgium | |
| **Starting date**<br>2013 | |
| **Number of employees**<br>10 | |

**Description**

In 2013, Communa was created by five students who wanted to be different. They were inspired by many Brussels initiatives that facilitated grouped housing in empty buildings: a community gathered quickly around the project.

To mitigate the negative consequences of real estate vacancy, Communa rehabilitates the unused spaces by putting them temporarily at the disposal of citizen projects. These shared places intermingle culture and creation, innovative economic activities, community life and housing. While promoting innovation and socio-cultural diversity, Communa stops the phenomenon of real estate vacancy at the source and transforms it into an opportunity for local development.

Revitalizing existing infrastructure and promoting the use of recycled materials in innovative ways can create value and significantly reduce environmental impact. Communa values what already exists and places value on use, the circular economy and reuse.

The people who occupy the premises pay a free and conscious monthly contribution to Communa. In this way, they cover the expenses related to the occupation, reimburse the costs related to the rehabilitation of the place and participate in the running costs of Communa in activating other places. The free and conscious contribution offers everyone the opportunity to participate at the level of their means, in an honest and united way.

### CASE STUDY 2

| BEERFOOD | |
|---|---|
| **Website**<br>www.beerfood.be |  |
| **Location**<br>Brussels, Belgium | |
| **Starting date**<br>2017 | |
| **Number of employees**<br>4 | |
| **Description** | |
| | |

The Beerfood project aims to promote brewery grains (malt waste for making beer) in the human diet and therefore, diffuse a more sustainable way of living, consuming and producing. These grains will serve as a basis for healthy, local and responsible products that will be processed in the Brussels-Capital Region (cereal bars, chips, biscuits, waffles, breads, etc.).

To produce a beer, malted cereals are needed: they are crushed and infused in hot water to extract the sugars. This rest, which is no longer necessary for the manufacture of beer, are the dredges. These often end up in garbage or as food for livestock. Except that in Brussels, so these grains are often unused.

However, these residues are very interesting from a nutritional point of view because they are rich in fibres and proteins. As a result, the three entrepreneurs created the crackers. With the number of breweries in Brussels, the raw material was not lacking: the Brussels Beer Project, the Nano Brewery of the Hermitage and Beerstorming supply with their grain. The reuse makes possible not only to fight against the food waste, but their transformation may help the creation of local employment.

For the moment, there are three tastes in the colors of Belgium. Black Lord (black), smoked onions, yellow sir (yellow), mustard and rosemary, and red queen (red), beetroot and fennel.

## CASE STUDY 3

| COOP IT EASY | |
|---|---|
| **Website** <br> www.coopiteasy.be |  |
| **Location** <br> Brussels, Belgium | |
| **Starting date** <br> 2015 | |
| **Number of employees** <br> 8 (in September) | |
| **Description** | |
| | |

In 2015, a team of IT volunteers challenged itself to implement a management system based on Odoo for the BEES Coop, a well-known Food Coop in Schaerbeek. Soon enough, other new transition projects contacted BEES coop to get the same system.

Two of the IT volunteers decided it was time to offer their services to all other amazing social economy actors. And this marked the beginning of Coop It Easy.

Coop It easy aims to provide open source and professional IT tools and services to social economy actors. They can then focus on activities that will directly contribute to a better society. They believe that their clients, through their activities, will contribute to the emergence of a fairer and more sustainable society. In that case, IT tools and services are means that Coop It Easy can use to empower our clients and indirectly participate ourselves to these changes. Their clients are more than just clients: they give important insights about ways to improve their services and better match their needs.

Coop It Easy believes in social innovation and want every actor, large and small structures, to have access to their services. That's why they have a different price for every project.

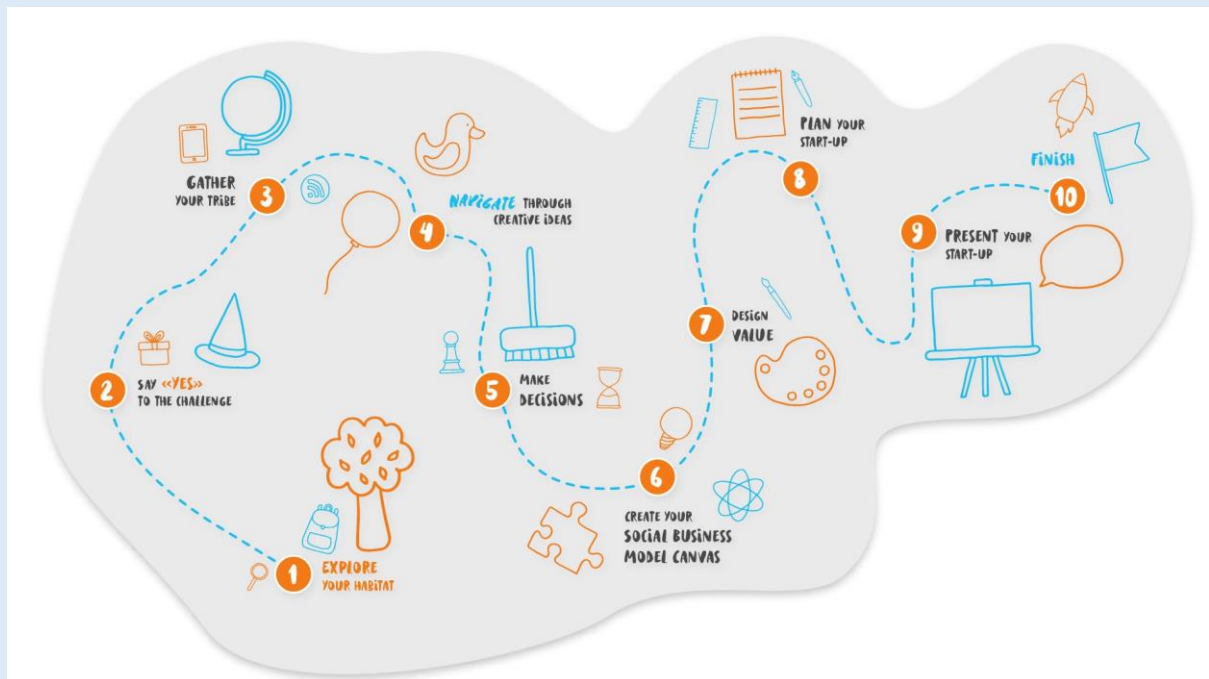## CHAPTER III: STEPS FOR ESTABLISHING A SOCIAL ENTERPRISE

The chapter's objectives are to:

- ✓ Introduce a step-by-step approach to social business development with various useful tools;
- ✓ Propose some key issues that young people should consider when planning her/him social enterprise;
- ✓ Present various case studies to better understand social business characteristics;

Objectives for trainers:

- ✓ To introduce various useful tools in the process of creating / developing social enterprises;
- ✓ To develop a social business idea with the participants using social business canvas;

**The social entrepreneurship journey** guides the participant through **9 missions from self-assessment to idea generation,** taking decisions, creation of social business canvas or planning the start-up of the social business. All the missions will help the participant to acquire the tools that will give most of the skills needed for her/him entrepreneurial journey.

Main elements necessary from the previous chapters in the development of a social business idea:

- The major differences between social enterprises and the other economic agents:
- Duality of goals – economic together with social goals
- Democratic decision-making process involving various stakeholders (members, customers, suppliers) of the social enterprise
- Limited distribution of profit
- Focus on the welfare of the communities and of the customers

All types of organisations (cooperatives, associations and foundation, mutuals, limited liability companies etc) could be social business if they satisfy the above mentioned characteristics (see Chapter 2....).

## Developing a social business idea

In order to develop your social business idea, your entrepreneurial journey must go through the following steps:

- Explore your habitat
- Choose the challenge
- Define the motivation, mission, vision and objectives
- Choose your team
- Navigate through creative ideas
- Make decision

## Step 1. Explore your habitat

The first step of your journey as social entrepreneurs is to **Explore your habitat.** Why? Because in the world where you live you can find a need that is not fully accomplished and this can be transformed in a business idea. Before generating ideas, you should follow next stages:

- ✓ look around at the socio-economical context where you live;
- ✓ identify main challenges and their effects;
- ✓ define the roots by analyzing and mapping the personal strengths;
- ✓ define your purpose statement.

**What you have to do**? Observe the local context and analyze various aspects of people everyday life. Think about your city/town/region and explore a wide range of aspects:

- Which is the age structure of the population? There are more young people? There are more elderly people?
- What types of public services (social services, transport, utilities etc) exist?
- What leisure facilities exist for kids/teenagers/adults/elderly?

- What educational facilities exist? What kind of health services they need?
- What types of health services exist?
- What are the main challenges for environmental protection?
- How are elderly people's lives improved by technology?
- Where people do shopping? What challenges do adults face when shopping?
- What businesses exist and why? How these business sell their products/services?
- What problems remain unsolved?

- What does the city's cultural life look like?
- Do people feel safe?

After you analyze and obtain answers to all these questions and more others, gather insights as follows:

Discover – As you try to remember, make a list of things that people are satisfied and dissatisfied with.

Unpack data – After gathering the information, it is time to collate it. In 30 minutes, transform your notes into headline quotes.

Extract insights – Find deeper connections that lead to insights. Go from things like "education" to conclusions such as "Young people are unhappy because of the lack of opportunities to practice what they learn."

Next stage is to develop a **problem solving analysis** that can be done with various techniques: problem tree analysis, fishbone diagram, causes and effects diagram, analogies, 5 whys, etc. The most used problem solving analyzes are based on establishing the causal relationship between phenomena: causes - problem - consequences. One of the most intuitive and used tool is the problem tree analysis that offers a pictorial representation of a problem, its causes and its consequences - the roots are the causes, the trunk is the problem and the branches are the effects of the problem. It implies the following phases:

- ✓ Identify the major problems affecting the socio-economic context where you live. For each problem, you will have to carry out a separate problem tree analysis.
- ✓ Analyze the problem - the negative aspects of a given situation are identified, establishing the cause and effect relationship between the observed problems.
- ✓ Propose solutions - The negative situations of the problem tree are converted into solutions, expressed as "positive achievements".

The next stage is **to define the roots by analyzing and mapping the personal strengths** that can help you create your own future. This implies to assess your strengths and

weaknesses. Why weaknesses are also important? Because is important to know what kind of help/consultancy you will need in the future. To analyze your personal strengths and weaknesses, complete the following fields:

- Your abilities and skills
- Your interests
- Personality

- Personal and professional connections
- Professional experience
- Other tangible and intangible resources

After all these stages, you should **define your purpose statement.** To do this, you should make five simple things:

1. Write down three to four activities you very much enjoy.

2. Briefly describe the people or groups you like spending time with.

3. On another piece of paper, write down how you intend to help others, using three to four verbs.

4. Use the following sentence as the foundation for your purpose statement: "I would like to help THESE PEOPLE using THESE ACTIVITIES."

5. Share your statement with others. If you lack confidence or feel embarrassed, you've got more work to do.

## Step 2. Choose the challenge

After you explore the socio-economic context, analyze the problems, define solutions for the identified problems, asses your strengths and weaknesses and establish your purpose statement, it's time to decide on the challenge you can best contribute to solve.

You should consider at which challenge do you commit to solve, given your purpose statement and personal strengths. If for solving a challenge, you do not have skills or abilities to deal with it will be very difficult to create a business. Of course, there is also the opportunity to acquire new skills and abilities through lifelong learning programs. And if your purpose statement is different than what is needed for solving the challenge, your future business will be difficult to be implemented.

## Step 3. Define the motivation, mission and vision

It is very important that a young people be clear about her/his motivation for developing a social enterprise. That's why two main issues that should be addressed by young people:

- Why do you want to start an enterprise?
- Why a social enterprise is the best solution for your ideas?

**Motivation.** Why do you want to start an enterprise? Why do you want to start a social enterprise?

It's important to answer to some questions in this first stage:

- Why do you want to run a business?
- Do you understand the risks?
- What are the alternative options for you?
- Do you have a good business idea?
- Are you flexible enough to learn from mistakes?
- Do you know enough about social enterprise?

*Table 1. Key differences between social enterprises and private sector companiee*

|  | Social Enterprises | Private Companies |
|---|---|---|
| Aims | Have twin aims: economic one (focus on commercial/trading) and an explicit social or environmental purpose. | Focus on trading. |
| Profit distribution | Profit is distributed according to the activity within the social enterprise, and not according to the registered capital held. | Profit is distributed by dividends according to the registered capital held. |

| Governance | The decision-making process (for strategic decisions) is slower because it involves consulting all the people involved. | It is a fast process where the decisions are made by a manager. |
|---|---|---|
| Right to vote | Based on the principle 'one person, one vote', irrespective of the number of shareholders. The members equally share control. | Based on the number of shareholders and of shares held by them. The shareholder holding most of the share has the power to control the decisions. |
| Stakeholders involvement | There is a very broad range of stakeholders involved: customers, community, suppliers etc | No stakeholders' involvement. |
| Funding composition | A complex funding composition: from economic activities (sales income, commercial contracts, service level agreements), but also grants. | From economic/trade activity. |
| Investment return | Members invest not for the return on their investment, but because they are the beneficiaries of the products or services. When leaving the social enterprise, the members only get what they invested. | The initial investment is paid according to its commercial value at the time of the withdrawal. The initial investment is compensated by primate dividends. |
| Customers | Focus on the needs of the communities or of the clients. | Focus on the client. |

Adaptation: Petrescu, C., (2012), Good Practices Guidelines on Social Enterprises within Roma Communities, UNDP; Forth Sector Development (2004), A business planning guide to developing a social enterprise; Jarka Chloupková, 2002, European Cooperative Movement –Background and common denominators

**Vision** shows what the social enterprise **wants to become** in the futures.

### Why is the vision important?

The vision, together with the values of the company, is what determined the strategic action of social enterprise. Without a coherent vision, it is hard to discuss about a development strategy of social enterprise. A common vision motivates the shareholders to go in the same direction.

Vision represents the projection of a mental image of the desired future (what do we want to achieve?). The vision must be:

**Specific** – it must correspond to the situation, culture, and values

**Idealistic** – it must reflect high ideals and standards of excellence

**Clarifying** – why it is necessary to take action and the direction of the action

**Challenging** – it must stimulate its members to develop new ways of achieving it

## Mission - Mission statement shows what a social enterprise wants to achieve.

**A mission statement must include:**

**Mission –** the reason of the organization's existence

**Purpose –** what it wants to achieve at the end of the mission

**Methods –** the established ways by which the organization wants to achieve its purpose

**Values –** the principles and ideas guiding the members of the organization towards achieving the goal of the organization

## Step 4. Choose your team

An enterprise includes employees, even if we discuss about 1 or 5 people employed. Also, you should take into account to involve other people in the management team as shareholders. If you don't have all the required skills needed, maybe an option should be to gather people that have other skills as shareholders. That's why to launch your start-up is necessary to find and recruit the most suitable people for your team.

It's important and helpful to connect a group around an idea from the start. By doing this, you'll make the challenges and your entrepreneurial journey more fun, valuable and enriching.

## Step 5. Navigate through creative ideas

To choose the best idea for your social business is important at the beginning to create a long list of enterprise ideas through a brainstorming process that involve your shareholders,

team and other stakeholders (for example – potential customers, potential suppliers). A good brainstorming focuses on quantity and creativity of ideas.

**Some questions that can stimulate the ideas within the brainstorming process could be:**

- What are you already good at?
- Who benefits, or could benefit, from the services/products you provide?
- What is going on in the market?

- What are the competitors doing?
- What is the added value of your service/product?
- What are your potential customers' biggest needs?

**Sources of business ideas:**

- Products/services that directly fulfill your mission offered by other enterprises
- Existing product/service delivered in a new geographic segment
- Existing product/service delivered to a new customer segment

**Approaches to idea generation could be:**

- An innovative product – it's the best solution, but very often it's only an adaptation and improvement of an existing one. To develop a new product/service you should find a niche within an existing market. Take care: a completely new product/service is very rare!
- Replication – you should look at other products/services and if they satisfy an unmet need in your community/region/country it might be worth considering replication.
- Franchise (including social franchise) – to buy a franchise means that you buy the right to use a specific trademark/business concept that has been already tested (see BUY SOCIAL! or McDonald). Franchises have a lower failure rate because most of the potential problems have already been solved.
- Buying an existing business – could be a good options, but you should investigate why the business is sold, how much investment is needed etc.
- Public sector procurement – at the EU level there is a specific public procurement dedicated to social enterprises (reserved contracts or procurement with social clauses). Provision services to public sector agencies represents a good market for an enterprise, but you should look at what type of services are required by public procurement.

## Step 6. Make decision

In this stage, you should take decision over two main issues: what business idea will be developed and what type of social enterprise you will create.

As a result of the brainstorming process probably you will have far more ideas that you can analyze in-depth and develop in a business plan. Now it is important to reduce the number of ideas by evaluating the market potential of the idea and its probability of success.

To evaluate the strength of business idea you should think about:

- Does this idea have market potential?
- Can the product/services be clearly defined?
- Does the product/services address a significant customer problem? Are they willing to pay?
- Does your idea have a competitive advantage?
- How much investment is required?
- How difficult is to enter the market?
- How big is the market?

To decide on the business idea that you want to develop, take into consideration two factors: the impact of the challenge and effort required to implement it. Take into account all the challenges and create a matrix with the impact level increasing from bottom to top and the effort level increasing from left to right. *(Error! Reference source not found.)*

- High Impact, Low Effort: The best ideas! Do it!
- High Impact, High Effort: Further study is required.
- Low Impact, High Effort: Better avoid these.
- Low Impact, Low Effort: Further study is required.

After you decision what business idea will be developed, is important to establish the goal of the social enterprise. **Goal of the social enterprise** must show the result of the entire activity of the organization and it must channel this activity towards a single reference.

## THE GOAL MUST RESPOND DIRECTLY TO THE MISSION!!!

There is a wide range of social enterprises types as seen in previous chapters and that is why it's important to understand better each type characteristics. To choose easy what type is best for you is fundamental to think about:

- What do you want to achieve by running this social enterprise?
- Which approach to social enterprise development best fits with your motivation?
- Which approach best fits with your mission, vision and values?
- What is the best legal structure for developing your new social enterprise?
- What potential sources of investment are there for developing your social enterprise?
  What implications are there for you in receiving this type of investment?

## How to develop a business plan – Social business canvas

After you decided what business idea should be developed, it is time to make an in-depth analyze of it and to create a business plan. We propose to you an easier and more interesting tool for business plan development – social business model canvas (Osterwalder&Pigneur, 2010). It is a chart with twelve blocks representing the fundamental elements of a social business. (**Error! Reference source not found.**).

Is important to complete each of the blocks in this order:

- **Segments: Beneficiaries** – describes the main beneficiaries of your social business. There are two types of beneficiaries: customers that buy your product/services and other people that can benefit without a payment. Usually a social business has beneficiaries that do not pay anything but are crucial for the business model;
- **Segments: Customers** – this block defines the groups of people or organizations that your enterprise aims to reach and serve. In order to better satisfy customers, you should group them into distinct segments based on various criteria: needs, behaviors, skills, interests etc. Client segmentation is very important because this offers you insights for your products development, distribution channels and so on.

According to Osterwalder&Pigneur (2010), there are some situations in which customer groups should be considered as separate segments:
- ❖ Their needs require and justify a distinct offer
- ❖ They are reached through different Distribution Channels
- ❖ They require different types of relationships

❖             They have substantially different profitability
❖ They are willing to pay for different aspects of the offer

- **Types of intervention** - describes the type of product that will deliver the value. The questions that can help you to define the intervention are: What is the format of your intervention? Is it a workshop? A service? A product?
- **Value Proposition**: Social value propositions - **For social business, you should consider also:** Impact Measures (How will you show that you are creating social impact?)
- **Value Proposition**: Customers value propositions – defines the bundle of products and services that create value for a specific Customer Segment. This value proposition is the main characteristic of a product/services that satisfy the customer needs/interests. For this value, customers choose your product/service. When you define the value proposition of your business idea is important to think to:  What value

- do you deliver to the customer? Which one of our customer's problems are you solve? Which customer needs are you satisfying? What bundles of products and services are we offering to each Customer Segment?
- **Channels** – presents the communication and distribution channels that a company use to deliver the value proposition to its customers. These represent the customer touch points with your product/services and are very important. These channels aim to: raise awareness about the company product/services among customers; help customer to assess the value proposition; allow customers to purchase product/service; provide support to customers. Main questions that help you to define channels are: How are you reaching your beneficiaries and customers? How an
- enterprise communicates with and reaches its customer segments to deliver a value proposition?
- **Revenue Streams** - represents the cash a social enterprise generates from each Customer Segment. There are two types: 1) transaction revenues resulting from one-time customer payments and 2) recurring revenues resulting from ongoing payments to either deliver a Value Proposition to customers or provide post-purchase customer support. To establish the revenue streams you must answer to the question: For what value is each Customer Segment truly willing to pay? Then, you should fix your price mechanisms.
- **Key Resources** – presents the key assets needed to make the social enterprise work. You should describe what resources will you need to run your activities – human resources, finance, physical resources, intellectual ones, information  etc
- **Key Activities** – describes what things a social enterprise should do to make the business work. For this you should mentioned what programme and non-programme activities will your organisation be carrying out.

- **Partners and key stakeholders** – defines the network of suppliers and partners needed to make the social business work. Who are the essential groups you will need to involve to deliver your programme? Do you need special access or permissions?
- **Cost Structure** – describes all costs incurred to operate a business model. What are your biggest expenditure areas? How do they change as you scale up?
- **Surplus** - describes where you plan to invest your profits.

# SOCIAL BUSINESS MODEL CANVAS

| KEY RESOURCES | KEY ACTIVITIES | TYPES OF INTERVENTION ② | SEGMENTS ① | VALUE PROPOSITION ③ |
|---|---|---|---|---|
| What resources will you need to run your activities? People, finance, access? | | What is the format of your intervention? Is it a workshp? A service? A product? | **Beneficiary**  Who benefits from your intervention? | **User Value Proposition** |
| | | | | **Impact Measures** |
| **PARTNERS + KEY STAKEHOLDERS** | | **CHANNELS** ⑥ | **Customer** ④ | How will you show that you are creating social impact? |
| | | | | **Customer Value Proposition** ⑤ |
| Who are the essential groups you will need to involve to deliver your programme? Do you need special access or permissions? | What programme and non-programme activities will your organisation be carrying out? | How are you reaching your users and customers? | Who are the people or organisations who will pay to address this issue? | What do your customers want to get out of this initiative? |

| COST STRUCTURE | | SURPLUS | REVENUE | |
|---|---|---|---|---|
| What are your biggest expenditure areas? How do they change as you scale up? | | Where do you plan to invest your profits? | Break down your revenue sources by % | |

**The chapter's objectives are to:**

- ✓ Present various financing tools that support the development of social enterprises at EU level and Belgium;
- ✓ Introduce to the concept of risk and risk management;

**Objectives for trainers:**

- ✓ To introduce to trainees potential means of financing for their enterprises;
- ✓ To present to trainees the concept of risk and how to cope with it;
- ✓ To propose how to build strategic partnerships and local communities;

**Objectives for trainees:**

- ✓ To identify main financing tools for developing a social enterprise;
- ✓ To understand how a social enterprise works and how to deal with risk;
- ✓ To understand how to build a strategic partnership

**Methods for training**

- ✓ Explanation & Debate
- ✓ Group Discussions

### Belgium

We have mainly analysed the French part of Belgium and the city of Brussels.

The main tools to support young people in the creation of social enterprises are the following:

### The 1989

The 1819 is a free public service of the region of Brussels. It is a unique information point for anyone who wants to start, expand or develop their business in Brussels in a professional way and who seeks information and help to do so.

The 1819 service is also focused on spreading a culture of entrepreneurship and raising awareness in particular among young people, women and job seekers in Brussels.

They provide free support by telephone, via the website, via e-mail, via information sessions and networking events, or at their offices (information point), in French, Dutch or English.

*The 1819 advisors don't just offer an attentive ear for questions. They also help articulate the entrepreneur needs more clearly as well as to better structure the entrepreneurial idea and give feedback. The advisors will be able to identify the specific organization (incubator, hub, financial institutions, etc.) that can best guide the entrepreneur or provide him/her with specific information, adapted to him/her profile, needs or activity, branch, etc.*

*On their website, the entrepreneur will also be able to complete its business plan: https://1819.monbusinessplan.be/main/?locale=en*

### CoopCity

Coopcity aims to inform, educate and inspire future entrepreneurs on social entrepreneurship in Brussels, with the objective of promoting a responsible and sustainable for of doing business. Through its various support programs, Coopcity helps entrepreneurs to set up their projects and supports existing social enterprises in the development of their activities.

Coopcity set up a centre for social, cooperative and collaborative entrepreneurship in Brussels by providing entrepreneurs with incubator programs and and a co-working space.

In a nutshell, Coopcity provides:

- o A single contact point for aspiring entrepreneurs and/or entrepreneurs
- o Collective support
- o

- o  Tailor-made coaching
- o  Innovative tools and expert advice from the Coopcity mentors, tutors and staff
- o  Spaces for working, discussing and being inspired
- o  *A network of entrepreneurs and partners*

Coopcity proposes four programs:

- o  The SEEDS programme is aimed to help one or more people who wish to turn their idea into reality by launching a project that meets a social and/or environmental need in Brussels. The selected projects will also aim to create sustainable jobs and be part of a spirit of collaboration.

- o  The BLOSSOM programme is aimed at social enterprises that have been in operation for two years and wish to be supported in their development strategy.

- o  The POLLINIZE programme supports socially innovative and job-creating multi-actor projects in Brussels.

- o  The INNOVATE programme gives tailor-made support to a collective, company or association active in the Brussels Region to assess their social impact, test new products or services in a secure environment or involve their employees or beneficiaries in decision-making.



| SEEDS | BLOSSOM | POLLINIZE | INNOVATE |
|---|---|---|---|
| Lancer son entreprise sociale à Bruxelles | Développer son entreprise sociale à Bruxelles | Construisez des partenariats en réponse aux besoins du territoire | Expérimenter l'innovation sociale dans votre projet |
| Détails du programme | Détails du programme | Détails du programme | Détails du programme |

**Declic en Perspectives**

Déclic en Perspectives' wish to raise awareness about social economy as an option for aspiring social entrepreneurs.

Declic en PerspectivES offer, through different training programmes, to support people who wish to start a social business, but who have yet to find or test their project idea and / or have not yet dared to take the first step. Their approach promotes the development of a critical spirit and is based on the use of tools of collective intelligence and structuring of ideas.

They have programs different entrepreneurial phases:

| | | |
|---|---|---|
| **Explore** | For the ones that want to take action and bring a deeper meaning to their life, but I don't know how to do it yet | "La tournée des possible" program 3 days in group to discover the challenges of a social economy sector and meet inspiring actors. |
| **Dare** | For the ones that want to start a project but don't know where to start | "La Ruche" programme 6 days of training on weekends to develop a project.<br><br>"Declic Tour" programme 8 days to go from idea to action. |
| **Create** | For the ones that wish to join a community of change and network | "Recherche associées" project An evening to join a project or to find teammates. |

| 01 EXPLORER | 02 OSER | 03 CRÉER |
|---|---|---|
| "J'ai envie d'agir et d'avoir plus de sens dans ma vie mais je ne sais pas comment y parvenir." | "J'ai envie d'entreprendre un projet mais je ne sais pas par où commencer." | "J'ai envie de rejoindre une communauté d'acteur de changement" |
| **LA TOURNÉE DES POSSIBLES** | **LA RUCHE** | **PROJET RECHERCHE ASSOCIÉS** |
| 3 jours en collectif pour découvrir les enjeux d'un secteur de l'économie sociale et rencontrer des acteurs inspirants. | 6 jours de formation les weekends pour développer un projet. | Une soirée pour rejoindre un projet ou pour trouver des coéquipiers. |
| En savoir plus | En savoir plus | En savoir plus |

**LE DÉCLIC TOUR**

8 jours en itinérance pour passer de l'idée à l'action.

En savoir plus

## Credal

Crédal is a cooperative whose purpose is to promote a more just and supportive society, particularly with regard to the use of money. Crédal proposes in Belgium:

- o Credit via micro-credits options: These are loans intended to start or develop a small business or larger entrepreneurial projects with social, societal or environmental added value.
- o Project support and mentoring: Crédal informs, supports, leads, initiates the development of activities and alternative and participatory economic models and puts itself at the service of people, groups and institutions carrying emancipatory projects, respectful of people and the environment, and concerned about the common good.

## Village Partnaire

The Village Partnaire is part of the network of business centers in the Brussels-Capital Region. Its actions contribute to the economic dynamics of urban neighbourhoods of Brussels by developing activities and jobs.

The Village Partenaire offers:

- Accomodation. The Village Partenaire provides entrepreneurs with offices and a series of services. The mission of the Partner Village is to provide the best possible conditions for the viability of projects carried out by entrepreneurs or small and medium-sized enterprises in the launch phase.

- Mentoring. The local economy office is a coaching service for business creation. Its mission is to support anyone wishing to create or develop their own activity in Brussels.
- Networking and cooperation. The Village Partenaire is also a place of collaboration and sharing, a place to work while taking advantage of the synergies and the dynamism created by exchanges between the other hosted enterprises.

### Group One

Group One is an organisation whose mission is to facilitate the transition to a sustainable economy. It aims to help everyone to reveal their potential to take action and create the job of their dreams: every entrepreneur should be able to become an incredible lever of change towards a sustainable economy.

Their objective is for young people to develop new skills, human and entrepreneurial, because they are the entrepreneurs of tomorrow.

They offer four types of services:

- For the entrepreneurs: Support aspiring entrepreneurs from the beginning of their idea to the creation of their business. Aspiring entrepreneurs can benefit from a personalized support to create their sustainable project. Group One considers a sustainable entrepreneur an individual who seeks to develop a project with a sustainable economic model and who, mindful of environmental and social issues, aims to bring societal added value.
- For the young people: Raise curiosity and develop an entrepreneurial spirit among young people.
- For the territories: Facilitate the economic and sustainable development of a territory
- Support structures: Train and support within other support structures

## Nos services

. . . . .

**1. Entrepreneurs**

Accompagner les porteurs de projet de l'idée à la création de leur entreprise

EN SAVOIR PLUS ➡

**2. Jeunes**

Susciter l'envie et développer l'esprit d'entreprendre auprès des jeunes

EN SAVOIR PLUS ➡

**3. Territoires**

Faciliter le développement économique et durable d'un territoire

EN SAVOIR PLUS ➡

**4. Structures d'accompagnement**

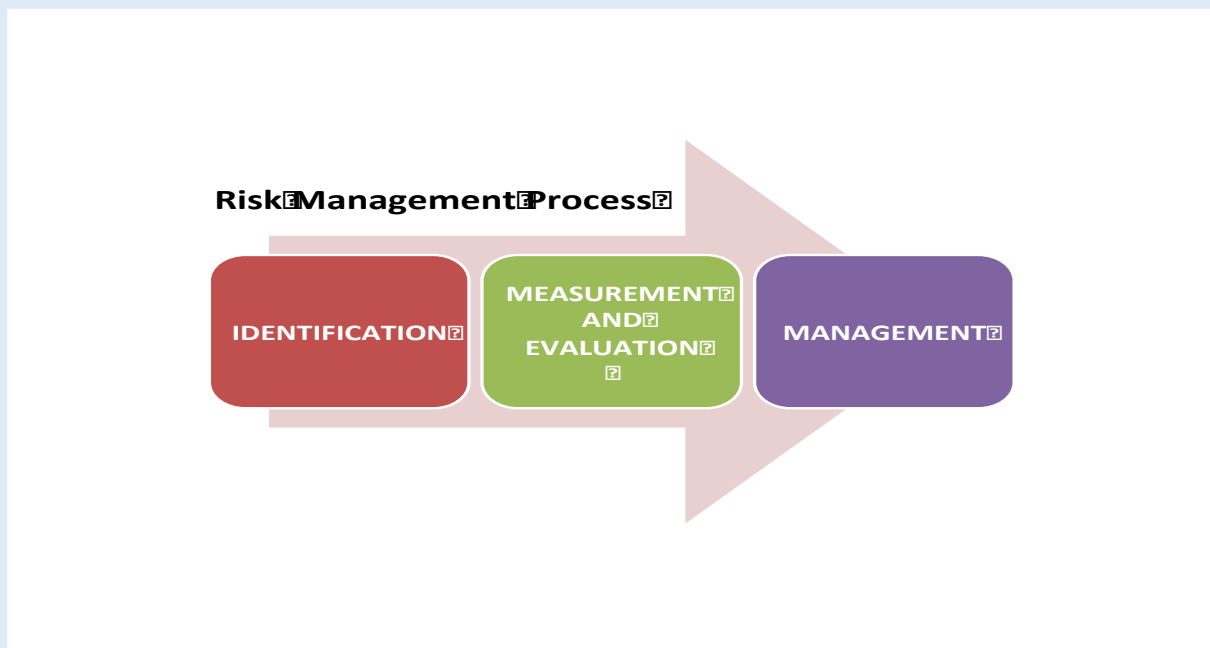Former et accompagner au sein d'autres structures d'accompagnement

EN SAVOIR PLUS ➡

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*HOW TO COPE WITH UNCERTAINTY, AMBIGUITY & RISK?*

*What is the risk management?*

Every entrepreneur, in facing any business activity, must assume the so-called business risk. But the risk, for a enterprise, can concern many other more specific aspects such as: critical situations or natural events, the functioning of the production machinery, the reliability of the IT systems, pollution, civil liability, the perishable nature of products, the transportation of values, the safety of goods and people within a factory.

All these factors can harm and affect economic stability especially for small and medium-sized enterprises. Today, therefore, the figure of the risk manager is increasingly spread, in charge of reducing the risk of potentially negative events for the corporate financial

statements. The risk manager, also called **Assurance manager** (specialized in insurance aspects), he/she is an internal figure with a medium-high role of manager or manager, which involves responsibility and decision-making autonomy. He/she acts above all in large companies, but now even small businesses are realizing that the function is indispensable: often in this case it is the same entrepreneur who directly assumes the title of **Enterprise risk manager**.

**Risk Management Process**

IDENTIFICATION

MEASUREMENT AND EVALUATION

MANAGEMENT

*Grafic: made by Consorzio Ruini*

## Who is the risk manager?

The Risk manager is the one who prevents and manages any type of risk, the repercussions of which can fall on the company's financial statements. He/she also deals with the management of so-called "pure" risks, linked to the entire business of the company under observation

Its main tasks follow a specific procedure:
- ➤ risk identification;
- ➤ risk measurement, the potential impact of which on the company in question must be carefully assessed, to prevent one of them from turning into a negative event.

This assessment depends on the product of two factors: the probability of events multiplied by the size of the impact:

- determination of intervention priorities;
- determination of risk management methods.
- The use of this procedure results in a significant reduction in waste, time losses, the probability of major damage and, consequently, leads to a reduction in insurance premiums.



Hence the recent importance of the Risk manager.
Finally, if he works in the new E-Risk sector (internet risks), he/she must be able to manage:

- the security of the means of payment;
- continuity of services;

- the problem of data and information protection.

Today the reference framework is **ERM Enterprise Risk management** (2004).

The implementation of a correct integrated business risk management model can follow the risk management approach defined by the Committee of Sponsoring Organizations of the Treadway Commission (CoSO) and recognized internationally as best practice.

The CoSO Report defines Enterprise Risk Management (ERM) as:

*"A process, activated by the Board, management and the entire corporate structure, oriented to the application of the strategy defined by the company, aimed at identifying potential events that could compromise the business trend and risk management within the defined risk appetite, and which provides reasonable assurance that the business objectives will be achieved".*

The risk is represented by any event that could compromise the achievement of the corporate objectives. It is an inherent component of each business initiative, which will therefore involve the analysis of potential benefits and threats. Risk is the combination of the probability of an event happening and the effects it will produce.
The different types of risk:

- ❖ **STRATEGIC**: are the risks that could threaten the current competitive position and the achievement of the company's strategic objectives. They can in particular be

linked to macroeconomic variables, the economic and financial system, initiatives implemented by customers and suppliers, the evolution of the regulatory scenario, the evolution of technology, etc.

- ❖ **OPERATIONAL**: These are the risks of losses inherent in company operations, deriving from: human errors; the incorrect functioning of internal processes and systems; unlawful conduct connected with fraudulent conduct by managers, employees or outsiders; legal risks; inadequate behavior in conduct with customers and suppliers; etc.

- ❖ **FINANCIAL**: They represent the category of risks most immediately perceived by companies, also thanks to the ever increasing attention and sensitivity attributed by the Basel legislation and the implementation of the IAS, as well as requests for additional information to be provided in the financial statements advanced by national civil law. Financial risks include liquidity risk, credit risk and market risks.

- ❖ **COMPLIANCE**: The compliance risk expresses the risk deriving from the non-compliance with laws, regulations and internal regulations. These risks can give rise to negative effects connected with, penalties, fines, economic losses and, in the most serious cases, damage to the corporate reputation with consequent losses, claims for compensation, loss of image, etc.

- ❖ **PURE**: Pure risks are linked to external events that can negatively affect the enterprise. This category includes the so-called "insurable" risks, that is associated with events such as natural disasters, damages, accidents or accidents that can generally cause damage to third parties, as well as terrorist acts, robberies, thefts, etc.

- **What skills must the risk manager possess?**



The Risk manager is a figure who must bring together the professionalism of the engineer and economist. In fact, he must know the production systems, the operation of the plants, the science of materials, and so on, but he must also be an expert in administrative procedures, connected to personnel management and must be able to make econometric forecasts, interpreting the statistical data. The Risk manager must know all the characteristics of each department, which is why his is considered a transversal and multifunctional profession. The requirements required to carry out this profession are therefore, in summary, a strong ability to analyze and evaluate costs / benefits, knowledge of the world and insurance products, the ability to deal. For the skills of the E-Risk manager, more often called Security manager. Finally, he/she must possess intuition and confidentiality.

- **What training SHOULD a risk manager have?**

The Risk manager is a graduate in economic-financial disciplines (economics and commerce, business economics, banking, financial and insurance sciences) or in management engineering. A specialized Master is often required, which includes an internship in a company, preferably insurance, preferably brokerage, and attendance at refresher courses, organized by some specialized associations such as, for example in Italy, ANRA and main management institutes.

*SOCIAL ENTREPRENEURS AND THE TEAM*

*The Social Enterprise is a private entity that has a stable and main business activity of general interest, not for profit and for civic, solidarity and social purposes.*

- *What are the main organs of a Social Enterprise?*

The Social Enterprise has the following bodies:

➢ **Shareholders' meeting**: brings together all the company's members;
➢ **Board of directors**: is elected by the shareholders' meeting and administers the company;
➢ **President**: legally represents the company;
➢ **Board of statutory auditors**: is the supervisory body over the administration of the company.

✓ **IT CAN HAVE STAFF**

✓ **THE MEMBERS OF THE GOVERNING BODY CAN BE PAID**

✓ **IT CAN HAVE VOLUNTEERS**

✓ **IT CAN BE A THIRD SECTOR BODY**
IT IS A THIRD SECTOR BODY

✓ **IT MAY HAVE COMMERCIAL REVENUES**
IT IS NECESSARILY A COMMERCIAL ENTITY

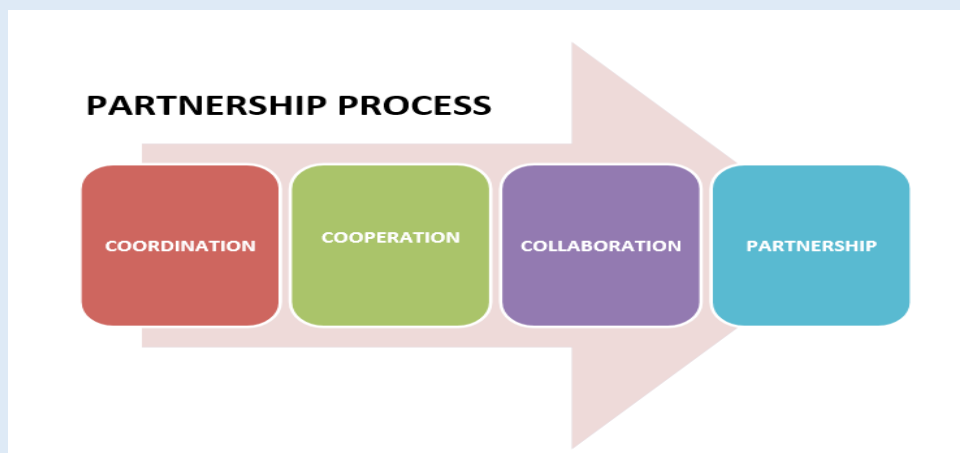**BUILDING STRATEGIC PARTNERSHIP AND LOCAL COMMUNITIES**

- **Definition of partnership**

When we think in terms of partnership, we generally refer to the concepts of collaboration, coalition, network, task group, work group, cooperation and others; all these terms describe an idea, but do not define a single type of relationship or structure. Actually, in the economic field, the word "Partnership" identifies the relationship that is established between different organizations that join together and orient their activities in order to achieve a common goal.

This common goal can be defined both by the difficulty of raising funds and by the ambition to improve the quality of life of the community; likewise, the organisations involved can only represent a minority or all segments of the community on which the action is intended. Moreover, there are a variety of motives for starting a partnership, and therefore also a number of different ways to start. The initial impetus can be **locally driven**, or bottom-up (that is, on the basis of the needs of a specific region), and **policy driven**, or top-down (when someone at the central level finds the partnership approach to fit well for the solution to a certain type of problem), and this leads to two common types of partenship:

➢ Community based: local nonprofits may find that their values fit each other well, even if they are offering different types of services
➢ Government based: Partnerships involving local government institutions (especially in the health and education sectors) can provide greater access to the populations to whom the service is offered and are also important for their data files.

At any rate, coordination, progresses to cooperation and collaboration are the steps which lead to partnerships, as shown in the continuum outined below:



**PARTNERSHIP PROCESS**

COORDINATION    COOPERATION    COLLABORATION    PARTNERSHIP

*Grafic: made by Consorzio Ruini*

Actually, the entire process is not so strict, and it may happen that an organization will not necessarily work through all steps with each organization it develops a relationship with.

Sometimes it only moves forward through a couple of stages and results in cooperation among organizations, whereas, others might result in a full partnership.

"A partnership is strategic when it provides your organization with the means and methods for advancing your mission. Strategic partnerships can later develop into stakeholder groups that can leverage greater influence in reaching elected officials and policymakers". (Engaging your community – A toolkit for Partnership, Collaboration and Action, pag. 11)

When several organizations come to a full partnership, they have to share the same goals and the same vision, as well as a strategy to be developed on a shared analysis of the issues at stake. To do this, partners must be familiar with the people, the iussues and the history of the community, and must be aware of their community assets and deficiencies: this is the right way to define a succesful strategy.

The main risk that can be encountered in building a partnership is to be very strict, rational and obsessive in respecting the rules. Therefore, a "realistic" approach to the partnership must be realized, capable of grasping the formal and the informal, even before establishing the objectives and the rules, that is to say, it is necessary to work on the trust between the actors involved in the partnership.
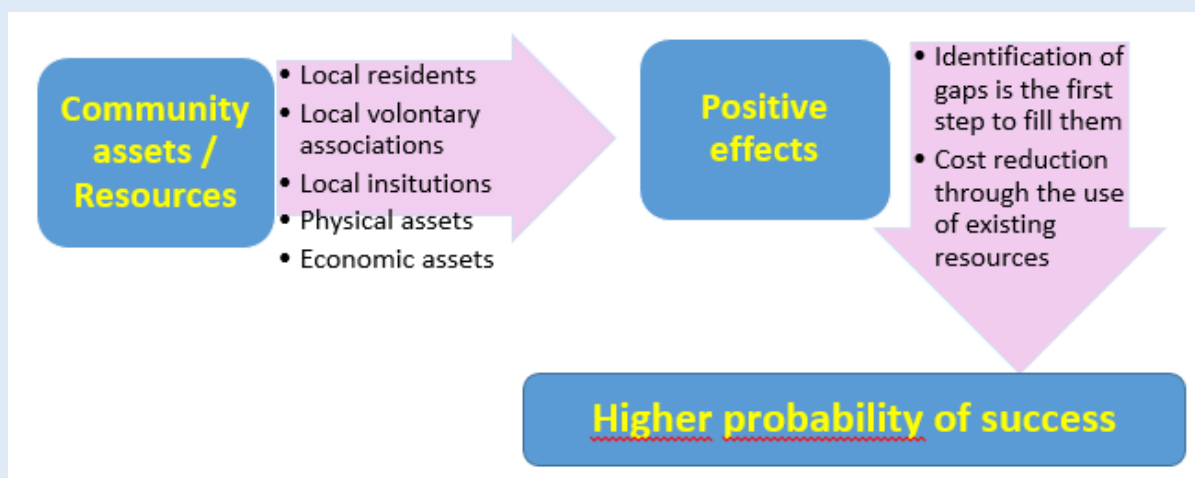
## This is why:

 ➢ A partnership is built only with those who really want to cooperate;
 ➢ A partnership cannot be considered as representing the totality of interests in the field;
 ➢ A partnership must be willing to vary the actors involved, according to the principle of the "open door".

### • Community Assets

In order to target activities, a community assestment usually focuses on identifying gaps in services, but the real factor that will lead to successful strategies for the community is to identify, acquire and make use of the existing resources in the area, which can be used to improve the quality of community life.

There are five categories of resources, or community assets: **local residents,** willing to contribute to the project by sharing their skills, experiences, passions and capacities; **local voluntary associations**, clubs and networks; **local insitutions** (such as schools, libraries, parks...); **physical assets** (the land, the buildings, the infrastructure, transportation...); **economic assets** (local products of common use, businesses, economic or barter relationships...).

Grafic: made by Consorzio Ruini

- **Conclusions and expected results**

We can therefore say that through partnerships we will achieve:

➢ **the efficiency of actions**: partnerships achieve scale economies by avoiding duplication of efforts and promoting the use of complementary methods or resources in a coordinated and synergistic way;

➢ **the effectiveness of actions**: partnerships fill the gaps in services - as no organisation could do by itself - dealing with real needs closely related to issues that concern several dimensions (various actors and perspectives) and several levels (local, regional and national) of society;

➢ **the relevance of an action**: partnerships bring together all actors in defining the issue and its solution; this can increase the sense of ownership, especially at regional and local level;

➢ **the sense of appropriation** of the object of work: by conferring powers and responsibilities on the subjects, partnerships develop their strategic and operative capacity;

➢ **constant learning** through the sharing of competences and experiences among actors;

➢ **encouragement of understanding and mediation** between different cultures or organisational objectives, characteristic of the actors involved (e.g. between public and private sectors);

The partnership promotes the awareness of "being together" between different actors, and this is a great added value. Through the partnership it is possible to bring out both the critical points and the potential of the local system, in order to achieve the enhancement of its strengths as well as the best management of its weaknesses. In this way, a genuine spirit of collaboration replaces competition, making partnership an efficient method for public relations and the construction of public policies.

## CHAPTER V: HOW TO PROMOTE A SOCIAL ENTERPRISE

**The chapter's objectives are to:**

✓ Introduce a step-by-step approach to marketing and social media platforms;

**Objectives for trainers:**

✓ To introduce various useful tools in the process of building a marketing and social media campaign for a social enterprise;
✓ To present what crowdfunding is and how it can be an useful tool;

**Objectives for trainees:**

✓ To understand main stages in the development of marketing strategy for a social enterprise;
✓ To use social media platforms to promote a social enterprise;
✓ To understand how crowdfunding works;

**Methods for training**

✓ Explanation & Debate
✓ Coaching/Mentoring
✓ Tutorials

***What is a marketing strategy?***

A marketing strategy refers to a business's overall game plan for reaching prospective consumers and turning them into customers of the products or services the business provides. A marketing strategy contains the company's value proposition, key brand messaging, data on target customer demographics, and other high-level elements.

Marketing strategies should ideally have longer lifespans than individual marketing plans because they contain value propositions and other key elements of a company's brand, which generally hold consistent over the long haul. In other words, marketing strategies cover big-picture messaging, while marketing plans delineate the logistical details of specific campaigns.

Whether it's a print ad design, mass customization, or a social media campaign, a marketing asset can be judged based on how effectively it communicates a company's core value proposition. Market research can be helpful in charting the efficacy of a given campaign and can help identify untapped audiences, in order to achieve bottom-line goals and increase sales. (Investopedia).

## What should it include?

### 1. Make visuals part of your social media strategy

Every visual strategy should include:

- ❖ Audience research. Do some background on your audience's interests and think about what type of visual content they'd like to see;
- ❖ Create a mood board. Add content, color palettes, and other visuals that will help shape your direction;
- ❖ Themes. Mix things up with recurring themes or pillars. Air France's Instagram feed, for example, includes a combination of destination shots and airplane photos;
- ❖ Platform. Consider how you should adapt your visual strategy for each social channel;
- ❖ Timing. Make sure to post visuals on social at peak times. But think big picture, too. Will you need more visual content around certain holidays? Planning ahead will help you better manage your budget and production calendar.

### 2. Get to know the creative basics

Here are some basic best practices for creating social media visuals:

- Have a clear subject. It's usually best to have a single focal point in your image.
- Use natural light. If your image is too dark, it's harder to see. But don't overexpose your images, either.
- Make sure there's enough contrast. Contrast provides balance, is easier to read, works better in black and white environments, and is more accessible.
- Choose complementary colors. Get familiar with a color wheel: https://www.canva.com/colors/color-wheel/;
- Keep it simple. Make sure your visual is easy to understand.
- Don't over edit. Resist the temptation to press all the buttons. Subtly is a good policy when it comes to filters and features. Increase saturation with caution.

## 3. Take advantage of free tools and resources

If you keep reading, you'll find some below.

## 4. Understand image copyright

Sourcing images isn't always easy—especially when it comes to understanding copyright. But it's important, especially since there are serious consequences for misuse.

Read all the fine print when using stock photos, templates, and illustrations. If anything is unclear, inquire with the image owner or site for more detail.

The same goes for licensing and contracting. When drawing up contracts with artists, it should be clear where you intend to use creative, who owns the rights to it, etc.

## 5. Size images to spec

One of the biggest crimes you can commit when sharing visuals on social media is using the wrong size.

Images with the wrong aspect ratio or low resolutions can be stretched, cropped, and crunched out of proportion—all of which reflects poorly on your brand.

And don't ignore aspect ratio. Why? Some platforms auto-crop image previews based on aspect ratio. So if yours is different, you could end up with an unfortunate crop, or have important info left out.

**A few social media image sizing hacks:**

- ✓ Want to share a horizontal photo in a Story? Create a background or use a template so it doesn't look small and sad.

✓ Stories and other vertical content display differently depending on the device being used.

✓ Don't put anything important in the upper and lower 250-310 pixels.

✓ Preview how Instagram will crop a vertical photo on your grid by looking at the filter thumbnails before you publish.

✓ Check your analytics to see what devices your audience uses. If there's a trend, size accordingly.

✓ Not enough room for your content? Animate it or rasterbate it. Not sure what that means? Check out the examples below.

## 6. Be tasteful with text

➤ Whether you plan to create quote images, stylized typography, or use text overlays, less is always more when it comes to word count.

➤ Text in visuals should always be bold, legible, straightforward, and concise. Make sure there's enough contrast between the text and background so that it's readable. The Web Content Accessibility Guidelines (WCGA) recommend using a contrast of 4.5 to

➤ What's the best image-to-text ratio? It depends, and there are exceptions. In general, Facebook finds that images with less than 20% text tend to perform better.

➤ If you plan to use text as an overlay, make sure the visual leaves room for it. Or use a solid background.

➤ The text should always improve—not obscure—your creativity.

➤ Here are a few tips to keep in mind when including text in images:

➤ Triple check spelling and grammar.

➤ Choose type wisely. Font can affect both tone and legibility.

➤ If you need to mix fonts, pair a serif with a sans serif.

➤ Avoid green and red or blue and yellow colour combos. According to WCAG, they're more difficult to read.

➢ Keep line length short.

➢ Look out for orphan words. Leaving one word on the last line can look odd.

➢ Animate text to make it stand out.

## 7. Add your logo, where appropriate

If you plan your visuals to be shared, it may be a good idea to include a logo.

## 8. Be mindful of representation

Are you reinforcing gender or racial stereotypes with your visuals? Do you promote body positivity?

These are a few of the questions you should be asking when making visual content for social media.

Doing so is not just socially responsible, it's smart. It's much easier for someone to imagine themselves using a product or service if they see someone that looks like them doing it. Look at your audience analytics, or the demographics of your desired market, and factor them into your creative process.

Representation should be about more than just optics. If you have the means to diversify your team, do it. Hire women and creators of color. Bring as many perspectives to the table as you can.

At the very least, try to get feedback from as many voices as possible before sending your creative off into the world.

## 9. Add a little animation

With upward of 95 million posts shared on Instagram every day, a little animation can go a long way to helping your content stand out.

GIFs and videos are a great way to add movement and narrative to your visuals. They can range from high-production IGTV films, to subtle photo animations, a.k.a cinemagraphs.

Reformation, for example, does a good job of riffing on standard photoshoots by using video to add moves… dance moves, that is.

## 10. Optimize for SEO

Yes, your visuals can and should be optimized for search engine optimization (SEO), too. Especially since the popularity of visual search continues to grow with tools like Pinterest Lens, Google Lens, and Amazon's StyleSnap. Googlebot can't "read" pictures though, so you need to tell it what's in the picture via alt tags.

Pinterest may be the most important platform when it comes to optimizing for SEO. Just like other search engines, it's important to include the right keywords in your visual descriptions and alt tags. (Hootsuite)

Below we have detailed several marketing channels, some of which might be applicable for marketing your product or service:

1. online presence: Company website/ platform, SEO
2. social media presence: Facebook, LinkedIn, Twitter, Instagram, Blog, YouTube and Flickr
3. online promotion: Google Ads, Google AdWords, Microsoft Bingpress releases; TV; Radio
4. mailing marketing; Newsletters

**A successful marketing strategy could demonstrate the following key performance indicators (KPIs):**

● increase in visits and page hits on the website

● increase in mentions or reviews in the media or social media

● increase in customer enquiries

● increase in customer sales (the ultimate objective)

**To monitor success, it's therefore important to capture the relevant information related to these measures of success. For example:**

● the website should have a web analytics tool to measure the number of visits or page views or pages visited etc.

● email and social media alerts can be set up to flag up mentions of a brand name appearing in online articles

● the conversion rate of customer enquiries to sales can be monitored using your client management system

● details about how people found out about your brand can be captured so you can analyze the results from different marketing channels quickly and easily

You will need to set performance targets for each of your KPIs so your marketing team has focus and clarity on what success looks like, and progress will need to be monitored each month.

### *How to use social media to promote yourself?*

**1. ASSESS YOUR ASSETS:** The first action you should take before engaging in online marketing or social media marketing and engagement is to look at what you're trying to promote. What are your assets? Who are your target customers? It may seem obvious. But, A Bay Area airport had small planes for rent. But business was slow because they were simply targeting pilots trying to rack-up hours. Turns out there was a larger audience they could target through social media, tourists looking for aerial Bay Area tours. Business took-off

**2. SIGN-UP FOR SOCIAL MEDIA:** Facebook, Twitter, Google+, YouTube and LinkedIn. Facebook allows you to create a business page.  Make sure you read the rules for businesses first. You can even 'create a page' through your personal account, if your business allows you to do so. That makes it easy for small business owners to manage it. On LinkedIn, every employee becomes your best advocate.

**3. FIND A SOCIAL MEDIA MANAGER:** Managing multiple social networks is daunting. So, before you start posting content, requesting friends and adding followers, sign-up for a social media manager such as Ping.fm and HootSuite. It allows you to manage all of your accounts on one site and schedule your messages to deploy so you don't have to sit over it all day. It also allows you to review the success of the tweets real-time with click-through statistics.

**4. POST UPDATES:** It's important to have content on your social media pages before you start adding friends and followers. When you try to find friends, they're going to look at the page to see if they want to follow you. So you need to give them a reason to follow you first. Provide valuable information about the industry. Post pictures of your business or people enjoying your business. On YouTube, post videos of your business, customer experiences, and encourage customers to make their own. You can also 'favorite' other YouTube users' videos and they will end up on your page. If you're a small airport, posting cool aerobatic videos of the Patriots' Jet Team is a possibility that would add value to those who 'subscribe'

to your page. Also, share those videos on your other accounts such as Twitter, Facebook and even LinkedIn.

Note: keep your videos shorts (preferably under one minute), use subtitles in order to reach followers from different countries or backgrounds.

**5. FIND FRIENDS AND FOLLOWERS:** Twitter and Google+ are the easiest. Search keywords to find followers. On Twitter, if you're a small airport, for example, search 'pilot. You can also search 'flying.' Searching your town and surrounding areas as well to find key influencers, news outlets, bloggers and city officials. Also, search for large players in your market.

*So, your first priority should be building that relationship with people, not pitching your service or product. Give them story ideas and leads that have nothing to do with your business. (Forbes)*

It is important to know what your target audience is in order to pick the best social media platforms to engage them. For example, Instagram is a platform that engages rather young people and which requires visual content and a small amount of written one. Facebook is rather a community-like platform, which can be better used if you want to be directly contacted by your customers.

*On Facebook: Don't forget to pay attention to your best hours in terms of reaching. They depend on each day you are posting. You can pre-schedule the posts for an entire week in order to remain connected to your followers.*

Facebook offers you the possibility of creating sponsored posts - these are a key feature. It is better to promote your key posts - like the ones related to crowdfunding, your best-selling products, feedback from your clients.

*Don't forget about social media campaigns - a series of related posts that have the same focus point. It is easier to use catchy hashtags that will accompany your every post in order to be discovered easier by your followers or your potential ones.*

Combine videos and images - only-text posts are the ones that attract the least amount of followers and have the smallest reach and engagement. Use Facebook stories (and don't forget about the Instagram ones) to post more interactive and visually appealing content. They work well in keeping the audience aware of coming soon types of products for example.

*Don't forget about the difference between reach and engagement:*

Reach measures how many people have seen your post. With some paid support (recommended), your post's reach can increase exponentially. Reach is a good indicator of how well you are getting your product or business name out there, and INTO PEOPLE'S NEWSFEED.

Engagement metrics indicate interactions beyond just simply views. Facebook defines engagement as including all clicks, not only comments, likes and shares. It's important to understand that just because your post has a high Reach, doesn't mean you will have high engagement.

The more people engage with your posts and create stories, the more likely the post will appear in your consumer's newsfeed and be viewed by their friends as well. Posts with highly engaged users are more likely to indicate a consumer's intent to purchase or loyalty. Engagement on a post means the consumer is "leaning in" and willing to take the time and share their connection with your product or business.

*So what can you do to get more engagement on your posts?*

*Create content with your customer (and not your business) in mind - what's most important to them and what would they like to share?*

Ask questions or solicit feedback, especially for text-only posts

Include images that connects to your consumer

Include some sort of branding on your posts but not in an "advertising" way

Reward participation/engagement on your posts

Track the People Who Like Your Page metric to see if your content is relevant to your target audience (Social Media Today)

*Don't forget the infographics - they are an appealing way of sharing technical information or statistics.*

Be funny: use memes if they are appropriate and related to the content. Create funny captions, steal the heart of your followers with jokes.

Note: VISUAL CONTENT

Only post high quality images, videos and so on. Don't use irrelevant or repetitive images. You can pick a color palette or/and a filter and stick to them - it is better to be easily recognisable.

You don't need to hire a content creator or a copywriter. There are several online tools that can be used to create content:

https://www.canva.com/: you can create images, infographics, animations and more.

https://www.befunky.com/: fast image adjustments

https://evernote.com/products/skitch: allows you to customize your screenshots

http://www.apperto.com/typorama/: allows you to create typographic designs even PowerPoint

## FUN FACT! Let's take a look at the numbers:

63% of social media is made up of images

50% of all Internet users have re-posted a photo or a video they have found online

content with relevant images receives 94% more views than content without

according to an ongoing research survey by Software Advice and Adobe, 80+% of survey respondents pointed to images being very important or important for their marketing optimization on social media. (QuickSprout)

### On Instagram:

Use quality content from the visual point of view. It is recommended to work with a digital creator or an illustrator to give your brand a face. It is better if your posts keep the same design frame.

Instagram is a great platform to promote your products. Use influencers to promote your products - if they are posting reviews of your products or posting pictures or stories alongside you will definitely increase your reach and engagement - and your sales.

Instagram is the best platform to organise giveaways - which is an interactive way to reach out to new people (usually in a giveaway you request people to follow your page and tag other friends that might be interested in your products). Pick a winner and let him or her

create some posts using your products and forward them to your platform. Besides being interactive, this allows people to test the quality of your products.

Use Instagram Business to have access to your posts' insights. Turn your most engaging posts into ads and update the content based on performance.

Once you've run your first ad, interpret how your ad performed with Insights so you can incorporate your findings into your next paid promotion. You can create multiple ads with Ads Manager for the same campaign to see which photos and videos perform the best.

Keep your audience demographics in mind as you create photos and videos. Now that you know information like the top cities and countries, age ranges and gender of your followers, keep that in mind as you plan your content.

For instance, the majority of your followers are 23-28 years old in Sydney. Incorporate elements in your photos and videos that this audience appreciates, like using local language or referencing current local trends. This way, your photos and videos can speak to the people that make up your community. (Instagram Business)

**Kind reminder**: 50% of businesses on Instagram worldwide created at least one story during a typical month and ⅓ of the most viewed Instagram stories are from businesses. (Instagram Business)

On both Facebook and Instagram it is important to stay connected to your community by responding fast to their private messages and their comments. Interact with them, send GIFs, be appealing, give them the details that they need.

Don't forget to put your location on every platform in order to let your customers reach out to you easier. Pin your location on Google Maps.

Connecting with the press

It is important to promote your business beyond social media. In order to do that you can reach out to journalists. We recommend that you create a database with all your important contacts - journalists, other business owners, influencers, NGOs, people from the public administration or politics, depending on which are your areas of expertise.

Organize small receptions where you present your new products and let people interact with them. Invite the press, influencers, the community and other business-owners that represent an interest to you.

Don't forget to clearly explain what the motivation behind your social enterprise is - underline the scope and the impact of your social enterprise to the community, explain how your business idea was transformed into a functional social enterprise and in this way, create the story behind your products.

### Crowdfunding

Crowdfunding uses the power of social networking and the internet to spread the message about the causes you care about. Whether you're raising money for a personal emergency, a memorial, IVF, or even just to support your favorite charity, crowdfunding is a simple way to find some financial relief.

If you find yourself in any kind of financial emergency, crowdfunding is an obvious choice. Crowdfunding is one of the quickest ways to get the money you need, so it's the perfect choice for an emergency or a time-sensitive situation. Donations are processed in a timely manner so you receive your funds within a matter of days.

One of the many benefits of crowdfunding is how easy it can be to gather support online. Spreading the word through social media with your friends and family is the best way to ensure you're receiving as many donations as possible. Once your community is aware of your campaign, they can then share it within their own network to help you gain more support.

Many crowdfunding sites advertise free fundraising, but it's important to be aware of any possible platform, payment processing, or other fees that might exist on the site you choose. You'll want to research which crowdfunding site has the lowest fees so you can make your fundraiser truly count. These are the most common crowdfunding fees:

Payment processing fees: These are standard fees that any website dealing with money needs to charge to process payments. Standard payment processing fees are around 2.9% + $0.30 per donation.

Platform fees: A platform fee can range from 1%-5%. Crowdfunding sites charge this fee to help cover business expenses, but there are some sites that charge a 0% platform fee, which helps you keep more of your donations.

Sign-up fee: Some sites charge a one-time sign-up fee. Since there are countless free options, be sure to avoid sites that require you to pay a fee to use their service. (crowdfunding.com)

The most popular crowdfunding platforms:

gofundme: https://www.gofundme.com/

kickstarter: https://www.kickstarter.com/

patreon: https://www.patreon.com/


fundly: https://fundly.com/

justgiving: https://www.justgiving.com/

indiegogo: https://www.indiegogo.com/

quirky: https://quirky.com/

Note: you can also use Facebook to raise money.