

COI 

Social enterprise identifier: Background reading for identifier steering group (8 May)

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Purpose of this paper



- To re-familiarise steering group members of COI's original September 2008 research
- To introduce headline findings from COI's Phase One research on behalf of OTS, February – April 2009

Steering group members are asked to review the following information ahead of the group's meeting on 8 May.

Further detailed proposals will be shared at the meeting.

Concepts for group to review in advance



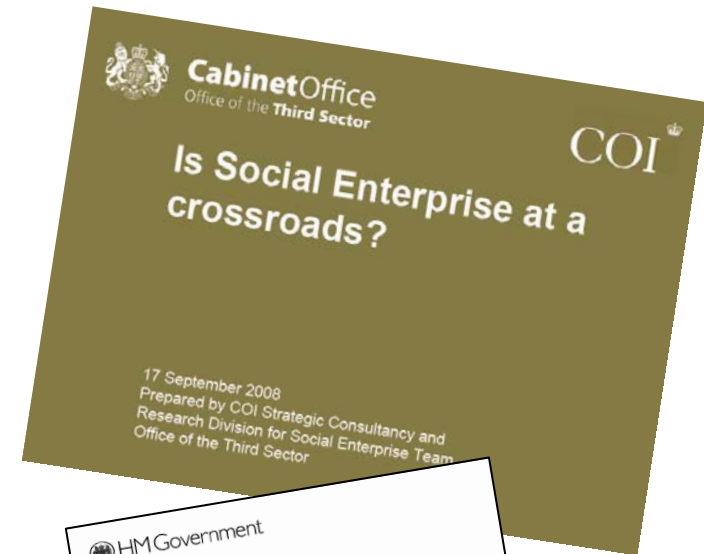
1. Opportunities and challenges for a social enterprise identifier
2. Purpose of the social enterprise identifier
3. Audiences for the social enterprise identifier
4. Values that the social enterprise identifier should embody
5. Messaging that the social enterprise identifier should use

Overview of work to date

1. Original COI research conducted on social enterprise in September 2008: ***Is social enterprise at a crossroads?***
2. OTS commitment originally informed by **Social Enterprise Coalition** recommendation:

“...A key support to all social enterprises during the recession would be to promote understanding of it to a wide range of audiences including public sector procurers and key influencers in society. Research by the COI has shown that recognition and understanding of social enterprise by such audiences is limited. COI has recommended further investigation into what a broad-based identifier (but not accreditation) - of social enterprise may look like. The Coalition recommends that OTS fund further work in this area and work with the Coalition and other stakeholders (including RISE) to raise awareness of social enterprise...” (SEC submission, January 2009)

3. COI commissioned by Office of Third Sector to take forward commitment 2.2.2. in ***Real Help for Communities*** Action Plan
4. COI undertook stakeholder interviews and desk research in **Phase One**, February to April 2009



COI Phase One interviews

- **18 stakeholder interviews** carried out between February and April 2009
- Interviews aimed to understand:
 - How social enterprises currently identify themselves
 - Attitudes to and appetite for a social enterprise identifier
 - What the purpose, audience and governance of an identifier should be
 - Stakeholder perceptions of existing identifiers for social enterprises
 - Learning from existing identifiers that can be built upon and taken forward
- Findings were anonymised and comments not attributed to individuals

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Key identifier stakeholders



OTS strategic partners



Other relevant stakeholders



Opportunities and challenges for identifier

COI recommends the sector now needs to



1. **Rapidly increase** awareness and understanding amongst key audiences outside sector
2. **Capitalise on** current interest in social enterprise via wider and clearer identity
3. **Assert itself** as sector in its own right, rather than voluntary or not for profit subset
4. **Collaborate** and work together to agree a common sector identity by concentrating on and emphasising **what social enterprises have in common**



Opportunity is now

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Social enterprise needs to capitalise on current appetite by better promoting its role and identity

- **Economic demand:** Highlighted by current economic situation, public are looking for someone to trust via a new business model
- **Ethical demand:** There is growing public demand for social, environmental and ethical issues to be addressed¹:
 - 42% of 18-29 yr olds seek information on business's ethical credentials
 - 59% choose product / services on basis of company's reputation
 - 57% will boycott product / services on basis of company's reputation
- **Business opportunity:**
 - Desire from public sector commissioners for new approaches to improve service delivery through partnership with the third sector
 - Private business organisations more aware of their social responsibility and are looking for partnership opportunities
 - Opportunity to inspire others to be entrepreneurs, and improve quality and size of current social enterprise organisations
 - Government support to help develop sector identity is currently available 9

Challenge for social enterprise



For most, social enterprise is a sector “in waiting” which needs to raise awareness and define itself

- HPI Research shows there is a major challenge to build awareness and engagement
 - Social enterprise is **not well known or understood**
 - Sector is in the **embryonic stage**, with many **fragile start ups**
 - Needs to overcome **confusion with the voluntary sector**
 - Need to inspire and convince others of sector’s **commercial viability and sustainability** (especially given current economic climate)
 - Not currently fulfilling its true potential as **the leading sector** within socially driven commercial businesses.
- Social enterprise sector is more often characterised as:
 - vague, woolly, confused
 - rooted in small cottage industry
 - worthy, inefficient, not dynamic
 - grant dependant
 - not for profit sector

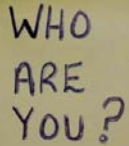
Seize the moment



Sector must *work together* on identifier to capitalise on current opportunity

- Sector must capitalise on this via a **readily visible and clear identifier**:
 - To raise the profile of who and what the sector is
 - To help social enterprises identify themselves and their unique proposition
 - To inspire others to join, support and grow the movement
- Social enterprise identifier needs to have **maximum public impact** and **greater inclusivity** if the sector is to be mainstreamed:
 - Too narrow a definition risks excluding emerging, genuine or high profile social enterprises (and splitting the sector)
 - Current identifiers may be meaningful to those in sector, but may not yet be meaningful to wider audiences or have fast enough take-up to meet demand
 - Wider awareness raising would complement and lead to increased take-up of social enterprise
- Continuing internal debate about definitions of social enterprise and legal status **continues to be a hindrance to achieving this**

Challenge of finding an identity



WHO
ARE
YOU?

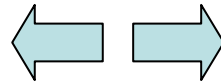
Identifier needs to find a practical, workable way of gathering together a diverse movement

- Social enterprises and entrepreneurs remain a **disparate group** with different interests and attachment to different sub-sectors¹:
 - Over half (54%) work in Health & Social Care and Community or Social Services
 - Two thirds have charitable status
 - 95% describe mission as helping people and 23% also seek to help environment
 - 5% had the environment as their sole focus
- There remains a **tension within the sector** between:
 - Those who are business focussed and want to make a difference
 - Those with voluntary mindset who reticently seek to find new income sources
 - Those working to social outcomes, and those able to articulate their social benefit
- Nearly a third of interviewees suggested² that some businesses **may not define themselves as social enterprises** owing to, for example:
 - Not realising their activities qualify them as an enterprise
 - Belief that their personal or sub-sector identity is sufficiently strong
 - Fear of losing market advantage by identifying themselves as social enterprise ¹²

Summary of tensions

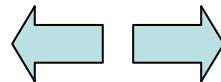


Inclusive movement



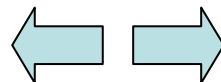
Exclusive definitions of social enterprise

Clear understanding of what social enterprise is amongst external audiences / customers



Ongoing, internal sector debate about social enterprise that makes it difficult to agree clear proposition for audiences

Attractive sector to work in that combines social good with attractive business ethos



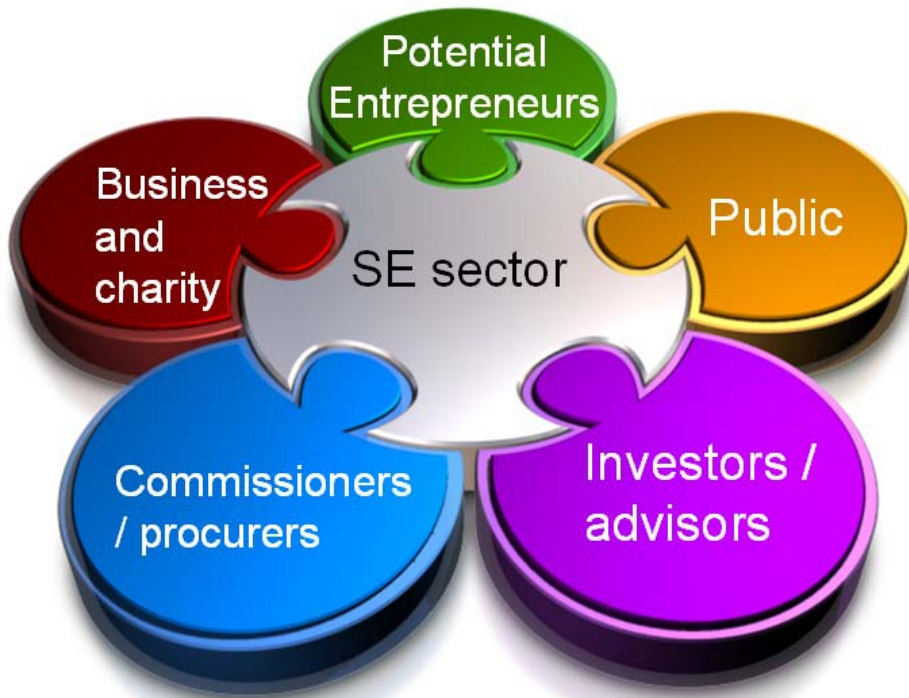
Limiting “not for profit” mentality in some parts of the sector that can limit potential growth and recruitment

There is a bigger opportunity to drive awareness and understanding of social enterprise based on broad values and principles

Proposed audiences for identifier

- The following slides outline COI's initial thinking on identifier
- These concepts will be revisited during presentation on 8 May

Audiences for identifier



1. Potential entrepreneurs ('warm prospects'):
 - Younger educated BMEs
 - Educated talent
 - Midlife private sector career changers
2. Current social enterprises
3. Public health and local authority commissioners / business to business procurers
4. Wise head investors with capacity in current economic climate
5. Public (ABC1 demographic, <45 years old)
6. Businesses and charities who could be inspired by social enterprise

Diversity of audiences

- Diverse audiences with different needs from an identifier
- A single sector identifier will not be able to respond to all these audiences (and their needs)
- There is an opportunity to look at how a coherent family or linked scale of identifiers can:
 - Raise awareness and understanding about the sector **whilst also...**
 - Responding to unique audience and business needs
- A **practical solution** and **way forward** on this opportunity is possible



Potential values and messaging for identifier

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Values of social enterprises

Common values identified amongst disparate social enterprises



Trusted



Collaborative
Community



Change Activist



Positive
Passion



Joined up
local knowledge



Flexibility



Sustainable
Enterprise



Creative
Independence

Values wanted by audience type

Different audiences will be motivated or interested in different social enterprise values



Proposed identifier principles



COI identified the following principles are widely common and recognised within sector

- 1. Have a social mission at the heart of everything you do**
- 2. Trading is a core element of your income and your business model**
- 3. Profits are primarily re-invested into your social purpose**
- 4. Measure your social outcome and take action to improve your impact**

Proposed identifier messaging



Messaging needs to ensure language is reflective of social enterprise values

- Needs to counteract **'not for profit'** only associations that the sector is often confused with or subsumed within
- Must emphasise that social enterprise is being led and promoted by the movement itself, and not government
- Needs to leverage and invest social enterprise with **positive commercial values**
 - Business edge
 - Passion, drive and ambition
 - Innovative
- Must promote social enterprise as **viable business option and career path**
 - Opportunity for successful, profitable career as well as doing good
 - Dynamic, entrepreneurial focus key for start ups

“The perception is that social enterprise is too alternative, not for me, place for people with disabilities or unable to work fully, a temporary place to work”

“We have to show conservative institutions like the CBI that we are not weird and strange but represent the future for sustainable business”

Steering Group members are asked to review this background information as preparation for meeting on 8 May.

Further detailed proposals will be outlined at the 8 May meeting.

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