



where social impact meets business strategy

Social Enterprise

How your organization can do good ***and*** do well

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At: Chicago Community Loan Fund Workshop

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This Workshop's Goals

At the end of today's workshop, you will:

1. Gain a better understanding of the definition of a “social enterprise”
2. Learn about the many different business models that a social enterprise can undertake
3. Sketch out a social enterprise business model idea and receive feedback from others

Group Introductions

Please type into the CHAT BOX:

1. Your name
2. Your business / organization (and note if that's a social enterprise)
3. What do you hope to get out of today's workshop?

What is a Social Enterprise?

Per Social Venture Network's definition:

“A social enterprise is a business whose **purpose** is to change the world for the common good.”

From the book “The Art of Social Enterprise”:

“A social enterprise is an organization... whose commercial activities are **primarily driven by the desire** to create economically sustainable positive social change...”

Having a **Mission-Focused Intention** matters – it will drive all facets of your business decision-making, esp. difficult decisions.

Remain True to Your Mission.

“We don’t hire people to bake brownies; we bake brownies to hire people.”
– *Julius Walls, Jr., Former CEO of Greyston Bakery*

Mission-Driven Intention, with Dual Goals



Social Enterprise is agnostic to the legal structure – can be: nonprofits, for-profits, L3Cs, Benefit Corp.

One Formal Accreditation's Definition

“Social Enterprise Mark” – a U.K. based third-party certifier of social enterprises uses the following criteria to approve accreditation as a formal “social enterprise”:

1. Must be primarily dedicated to social and/or environmental objectives.
2. Must be an independent business.
3. Must earn at least 50% of income from trading (which can include service level grant agreements/contracts)
4. A principal proportion (at least 51%) of any profit made by the business must be dedicated to social/environmental purposes.
5. Must distribute residual assets for social/environmental aims, if the organization is dissolved.
6. Must demonstrate that social/environmental objectives are being achieved.

There is effort to introduce this in the US, but far from adopted at this point. Criteria may also evolve to fit the situation in this country.

Source: <https://www.socialenterprisemark.org.uk/assessment/#toggle-id-3>

Many Types of Social Enterprise Business Models

The Many Faces of Social Enterprise

<https://tinyurl.com/CiTTA-ManyFacesOfSE>

More Social Enterprise educational animations at: <https://tinyurl.com/CiTTA-Channel>

Types of Social Enterprises: Select List

A select list, and not mutually exclusive – a social enterprise can be multiple types in one:

- Employment: Permanent or Transitional Job Training
- Robin Hood
- Regenerator
- Waste to Value
- Other Ventures Focused on Environmental Sustainability
- Fee for Service
- Market Intermediary or Market Connector
- Cooperative
- The Disruptive Provider

Select Case Examples: Employment

A social enterprise that provides either transitional jobs or permanent jobs for populations with employment barriers, and often in conjunction with other supportive services as well.

TROSA (Triangle Residential Options for Substance Abusers)



We are a licensed treatment facility helping substance abusers become healthy, productive members of their communities and families.



Contact Us

[Program Services](#)

[Social Enterprises](#)

[How You Can Help](#)

[About Us](#)

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TROSA is an innovative, multi-year residential program that enables substance abusers to be productive, recovering individuals by providing comprehensive treatment, work-based vocational training, education, and continuing care.

We are a licensed facility dedicated to providing quality care and services.

HOW WE IMPACT THE COMMUNITY



4k

TROSA Moving performed more than 4,000 jobs last year, saving lives one move at a time.

[Learn more about our social enterprises](#)



90%

Nine out of ten of our program graduates remain sober one year after completing treatment.

[Learn more about our success stories](#)



170k

Last year we provided over 170,000 days of service to our residents.

[Learn more about our program services](#)

TROSA (Triangle Residential Options for Substance Abusers)



Mission: A licensed treatment facility helping substance abusers become healthy, productive members of their communities and families. **Location:** Durham, North Carolina

Social Enterprise Type: Non-profit. **Employment:** **Transitional Jobs** during 2-year program

Social Enterprise Businesses:

- TROSA Moving and Storage – *largest independent mover in Triangle region, voted “Best” in region*
- TROSA Thrift & Frame Stores – *gently used furniture, housewares, electronics, clothing, etc.*
- TROSA Lawn Care – *run and developed by a TROSA graduate, voted “Best” in region*
- TROSA Holiday Tree Lots

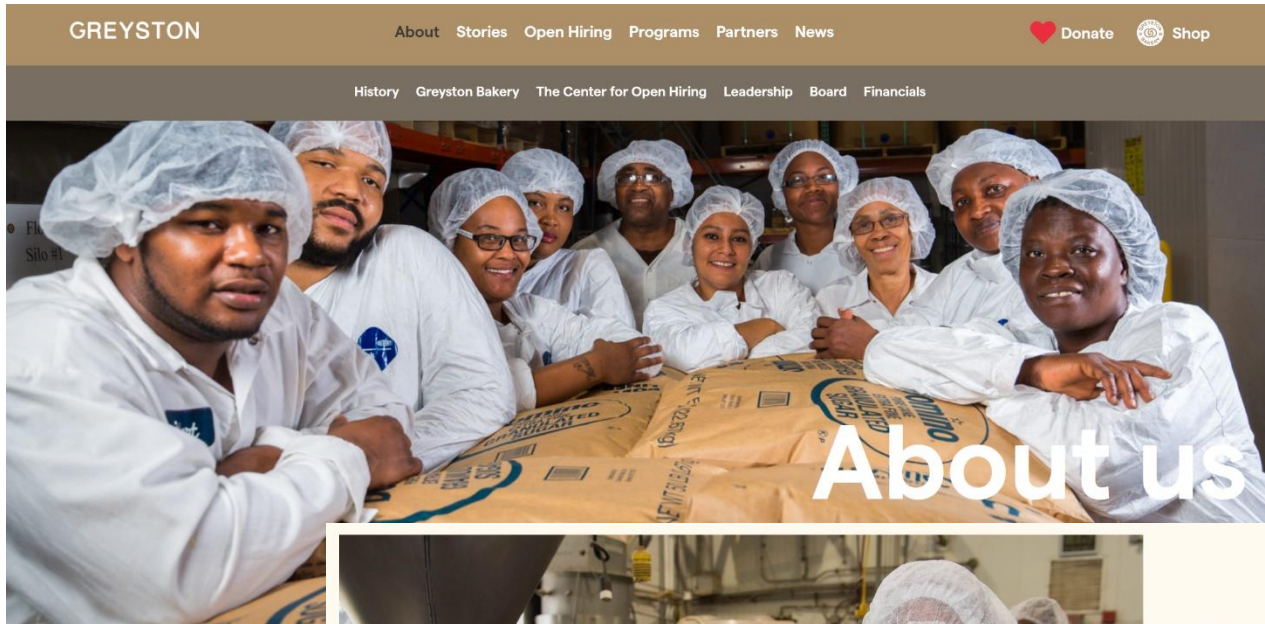
All managed & operated by residents and graduates of TROSA’s rehabilitation program.

Growth: Founded in 1994 by Kevin McDonald. \$18,000 in 1994 → \$21M in 2017 (72% is earned revenue)

Business decisions driven by mission-focused intention:

- Peer-based focus; turned down business opportunities that require solitary work

Greyston Bakery



Our bakers are on a mission.

Our bakers operate a world-class food processing facility that produces 35,000 pounds of brownies every day. They all joined our team through Open Hiring.



Greyston Bakery



Mission: To create thriving communities through the practice and promotion of Open Hiring™.

Location: Yonkers, NY

Social Enterprise Type: A for-profit Benefit Corporation that's owned by nonprofit Greyston Foundation.

Employment: Permanent Jobs.

Social Enterprise Business:

- Primary supplier of brownies for Ben & Jerry's – 35,000 pounds per day!
- Open Hiring™ Model for entry-level baker positions – hiring anyone willing to work, no questions asked. ~75% hired through Open Hiring™.
- Help employees remove obstacles to job success, e.g., finding quality child care, accessing safe housing.
- Annual full-time baker employee turnover: 12% vs. industry range of 30-70%

Bakery pays Greyston Foundation a management fee to cover shared service expenses. Excess profits from bakery operations either directed back to Greyston Foundation or reinvested into the Bakery.

Growth: Founded in 1982 by Zen Buddhist teacher Bernie Glassman. Consolidated revenue in 2017: \$21.8M, of which 84% from sales in for-profit operations.

A Couple of Examples of Chicagoland Employment / Job Training Social Enterprises

- **AutonomyWorks**



- Marketing Outsourcing for-profit social enterprise. **Long-term employment.**
- Founded in 2013 by Dave Friedman. Mission: *“create thousands of jobs for individuals with autism and similar abilities, directly and by supporting others.”*
- Leverages unique talents of detail-orientation and precision of individuals with Autism Spectrum Disorder (ASD), to provide solutions in “boring, repetitive” back-office work

- **Cleanslate**



- A LLC subsidiary of nonprofit parent, The Cara Program. **Transitional jobs.**
- Founded in 2005. Transitional jobs with support services, for individuals with significant obstacles to employment – esp. individuals with criminal backgrounds
- Services: Litter Removal, Landscaping, Power Washing, Public Ways, Graffiti Removal, Snow Removal

Select Case Examples:

Robin Hood

A social enterprise that redistributes its resources and profits to support less marketable activities – revenues come from those who can afford to pay. Paying customers may or may not use the same services as the beneficiaries.

Concordia Day (Chicago)

[Our Programs ▾](#)[Our Centers ▾](#)[Social Mission](#)[Parent Resources](#)[Contact Us](#)

Redefining early learning

Our programs guide children's
early experiences towards a
lifelong love of learning

Concordia Place / Concordia Day (Chicago)



Nonprofit Parent: Concordia Place – *serves all ages from birth to senior, “... to create involved communities where all our neighbors can gather, learn and grow”*



Social Enterprise: Concordia Day – *private-pay, market-rate early childhood learning centers (started in August 2016).*
“Robin Hood” model.

A “proactive solution to the ‘long-term-work-with-short-term-funding’ paradigm”

- Leverage >30 years of high-quality early learning curriculum and expertise
- Identified a market demand and willingness to pay for this service
- A different but related brand: reduces confusion yet builds on current brand equity
- Goal of 3 new centers by 2020: has launched 2 so far
- Margins support Concordia Place’s mission
- Expanded audience: Concordia Day families participating in fundraising for Concordia Place’s mission

Newman's Own



OUR MISSION

"LET'S GIVE IT ALL AWAY"
— PAUL NEWMAN

Learn how we give 100% of our profits to charity.

WHAT WE SUPPORT

Learn how our grantees are transforming lives with support from Newman's Own Foundation.

OUR PRODUCTS

Crafted like we're making them for our own family. Discover our tasty foods, drinks and more.

WHERE TO BUY

Looking for a specific product? Use our store locator to find your favorites near your.

Newman's Own



Mission: “100% Profits to Charity” – *“Our ‘100% of Profits to Charity’ commitment is ... a very important part of our story, it’s in our DNA, it’s why we exist, it motivates all of us, and it’s the true heart of Newman’s Own.”*

Social Enterprise Type: A for-profit social enterprise. **Robin Hood Model.**

Social Enterprise Business:

- All-natural food & beverage company co-founded by late actor Paul Newman in 1982.
- Gives 100% of after-tax profits to Newman’s Own Foundation (sole owner of Newman’s Own). Foundation gives grants to educational and charitable organizations.

Growth: Founded in 1982. In 2017, gave out more than 945 grants totaling over \$29M.

Select Case Examples: Environmental Impact Focus

A social enterprise that exists to cultivate environmental stewardship or reduce environmental damage.

Ocean Connectors



MISSION ▾

TEAM ▾

IMPACT ▾

KIDS ▾

ECO TOURS ▾

RESOURCES ▾

NEWS

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English

Español (Spanish)

MISSION



The Ocean Connectors mission is to educate, inspire, and connect underserved youth in Pacific coastal communities through the study of migratory marine life.

Our vision is to cultivate a future generation of passionate, globally-aware, and empowered coastal residents who take active steps to enjoy and protect ocean health.

Ocean Connectors



Mission: To educate, inspire, and connect underserved youth in Pacific coastal communities through the study of migratory marine life.

Vision: To cultivate a future generation of passionate, globally-aware, and empowered coastal residents who take active steps to enjoy and protect ocean health.

Location: San Diego, CA

Social Enterprise Type: Nonprofit. **Environmental Impact Focus + Robin Hood.**

Background:

- Developed a marine conservation curriculum for coastal community schools, grades 4th-6th, engaging students in hands-on environmental education. But, grants & donations not sustaining programs.

Social Enterprise Business:

- In 2015, launched paid Eco Tours (whale watching, wildlife kayaking, birding & biking)
- Proceeds support school programs (reaching ~4,000 underserved children a year; 70% continue to take positive environmental actions), **and** Eco Tours further educate tourists and locals on importance of ocean health & conservation
- Built on their assets: expertise in conducting school field trips, marine conservation curriculum, existing partnerships with whale watching company & wildlife refuge

Select Case Examples:

Fee for Service

Beneficiaries pay directly for the goods or services provided by the social enterprise.

Community Shop

**COMPANY
SHOP
GROUP**



**COMPANY
SHOP
GROUP**

At Community Shop, we stand shoulder to shoulder with the people who need us, building stronger individuals and more confident communities.

Community Shop is Company Shop Group's award-winning social enterprise. It's here to make positive changes in communities that need support.

What will you find there?



Community Store

Buy high quality food, drink and household products from well-known brands at deeply discounted prices. Surplus products, donated by top retailers, manufacturers and brands mean you can feed your family for less and help make sure perfectly good products don't go to waste.



Community Hub

The money we make in the Community Store helps us to provide all sorts of services through our Community Hub. These services cover everything from debt advice to home budgeting and are designed to help you feel inspired, improve your confidence and become the best version of you.



Community Kitchen

Good food always brings people together and our Community Kitchen café spaces are great places to grab a decent meal, hold a family event or meet with friends to chat and share stories. The bonds made here extend beyond our doors and out into our communities.

Community Shop



Mission: Providing flexible, sustainable services for surplus. By doing so, we stop good products going to waste, which benefits our partners, our members, our society and our environment.

Location: United Kingdom

Social Enterprise Type: Nonprofit, as part of a for-profit. **Fee for Service + Environmental Impact**

Background:

- Company Shop, a for-profit founded in 1985, is U.K.'s largest redistributor of surplus food and household products. Retailers sell surplus to them (vs. paying for removal); they then offer deeply discounted pricing for shoppers. Membership primarily for emergency & healthcare workers.

Social Enterprise Business:

- In 2013, launched nonprofit social enterprise, Community Shop
- Surplus donated by retailers. Deeply discounted prices (up to 70% off) on high-quality, top brand products for members – member must be on income support
- The scale of Company Shop enables this to work
- Profits support services for members, e.g., debt advice, home budgeting, etc.

Combined Impact:

- Returned £16.5 million to supply chain partners, and saved members £45 million, in 2018
- Helped create over 56 million meals in 2018

Select Case Examples:

Market Connector / Intermediary

A social enterprise that facilitates trade relationships, or helps distribute products/services, between beneficiaries and new / expanded markets.

HHP



Our Brands Make an Impression.
You Make the Difference.™

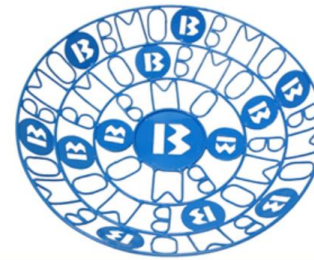
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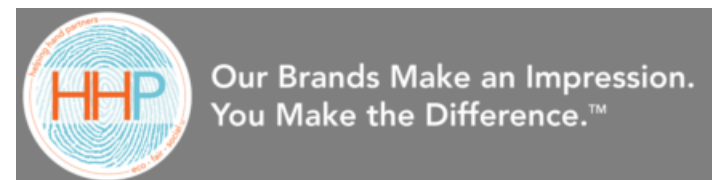
PROMOTIONAL PRODUCTS COMPANIES

Boost your brand - innovative solutions with a social impact



GOODS THAT DO GOOD™ Why Choose HHP? There is a statement we use often HHP: Make a Choice that Makes a Difference. It is at the core of our organization. Our lives are complicated with options

HHP



Mission: HHP/helping hand partners lifts communities by providing sustainable livelihoods and job opportunities for people with barriers to employment.

Location: Chicago, IL

Social Enterprise Type: Nonprofit. **Market Connector / Intermediary**

Social Enterprise Business:

- Founded in 2006, HHP supports social enterprises and fair trade artisans from around the world, who have a common goal of providing jobs to those with barriers to employment:
 - Introduces their goods to new distribution channels and a wider audience than otherwise possible
- HHP also started its own brand (1eleven) of spa products, directly employing individuals with barriers to employment in Chicago

Impact:

- 2012-2016: HHP purchased \$742,261 of goods from their social enterprise partners

Cooperatives

A for-profit or nonprofit business that is owned by its members who also use its services, providing virtually any type of goods or services.

***** Depending on their core mission, these may or may not be social enterprises by definition *****

Types of Cooperatives

- **Producer Cooperatives**

- Members are engaged in production in separate enterprises within an industry. E.g., farms, artist studios, fishing. Co-ops may buy equipment and insurance, hire managers and sales people, market and advertise together, or operate storage or processing facilities or a distribution network.

- **Worker Cooperatives**

- Owned and governed by some or all of the workers. These can be of a variety of sizes.

- **Consumer Cooperatives**

- Owned and governed by people who want to buy from the co-op. Can provide nearly anything people want – groceries, electricity, healthcare, etc.. Credit Unions provide financial services. Range from very small (e.g., a food buying club in a rural village) to very large (e.g., a multi-million dollar supermarket in the city).

Types of Cooperatives *(continued)*

- **Housing Cooperatives: a type of consumer co-op**
 - Each resident member owns a share of the co-op that owns the whole property. Can be a single house to thousand-unit apartment complexes. Various types to cater to different affordability (e.g., limited equity co-ops, market-rate).
- **Retail or Purchasing or Shared Services Cooperatives**
 - Independent businesses formed co-ops to increase efficiency in purchasing supplies and/or providing services (e.g., ACE Hardware, Carpet One).
- **Social Cooperatives**
 - Provide social services (e.g., care for children, elderly, individuals with disability), and integration of disadvantaged and marginalized individuals into the workforce. Many are also workers-owned. Most developed in Italy.

Generating Social Enterprise Business Model Ideas

Some Considerations in Choosing Business Type

- Can you form a business that is a directly-related business to your mission?
 - For example:
 - Your mission is about lifting individuals out of poverty → a business that hires and trains them can be a good fit
- Inventory your assets and core competencies, and ask:
 - What do you already have and are already good at doing? Can you leverage that and sell it for a price?
- Also consider a business that would promote your mission directly to an expanded audience
- **Most of all, would the new venture align with your mission – i.e., will it provide a Mission Lift (not a mission drift)?**

Your Social Enterprise Business Model Ideas

Before we break you up into small groups, first take 5 minutes to individually write down your answers to these questions:

1. What is the social and/or environmental problem you are trying to solve?
2. What products or services can you offer? How & where will you deliver them?
3. Who are the paying customers? Be specific. *Note these can be the beneficiaries (fee for service) or a different group (Robin Hood).*
4. How would this social enterprise and its earned revenue help achieve your mission? Think broadly.

Don't worry about the feasibility yet nor the detailed launch / operational approach – this exercise is all about jotting down ideas.

Breakout Discussion (~25 minutes)

In your breakout group:

- Take turn and share your social enterprise business model idea
 - ~3 mins. to share + ~3 mins. for feedback *per person*
 - Be mindful of giving enough time to others to share too!

You will get a 5-minute warning, and then a final-minute warning, before you are brought back into the Main Room.

Main Room Group Sharing

Back in the Main Room:

- Did any business idea sound particularly promising? Why?
- Did anyone receive really useful feedback, and did that feedback change your business idea?

In General:

- What are some key takeaways from today's presentation and/or small group discussions?
- Any Questions?

A Few Closing Words about Social Enterprises

- Make sure the social enterprise is helping you achieve “mission lift,” not resulting in “mission drift”
- Mission may open doors or be a tie-breaker, but you will lose business if your quality, service and price are not just as good as, if not better than, competitors
- There are risks with any new business venture – be sure to understand them
- Instill an entrepreneurial and continuous learning culture, and be ready to fail fast and learn fast

Social Enterprise Alliance & Its Chicago Chapter

Consider joining as a member!

Social Enterprise Alliance:
<https://socialenterprise.us/>

Social Enterprise Alliance Chicago Chapter:
<http://socialenterprisechicago.org/>



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Thank You!