



**ten sixty six  
enterprise**

## Social Enterprise

This document is intended to;

- [Provide a definition of a Social Enterprise](#)
- [Describe what you need to start a Social Enterprise](#)
- [Provide guidelines for writing a Business Plan](#)
- [List additional resources available online](#)
- [List the different types of Legal Structures available](#)

### Definition of a Social Enterprise

*“A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners.”*

# What you need to start a Social Enterprise

- **A service or product to sell & a group or community who want it**
  - Your Social Enterprise needs to sell a product or service in order to earn income.
- **Social and business aims**
  - Establishing the aims of your Social Enterprise directs you in the way your business will operate. For example, an aim may be 'To train local residents in IT skills allowing them greater opportunity to enter the conventional job market.'
- **Marketing research**
  - You need to collect evidence and information that shows sufficient demand for your service/product and that your business idea is viable. Will your product/service generate enough income to cover your costs? This part of business development is crucial. Your evidence must back up your assumptions.
- **Management Board/Partners**
  - The organisation will need to be constituted as a legal entity run by a Board of Directors (also known as a Board of Management). They will be responsible for managing the business and employing and managing staff. So you will need to draw together a group of like-minded individuals from your target community to help you.
- **Business plan**
  - A business plan tells you and other interested parties, such as potential funders, how you will set up and run the business. The evidence and research that you have collected will be used in the business plan to back up your financial projections. Download the Ten Sixty Six Enterprise Business Plan Guidelines for more information.
- **Training**
  - You will need to identify the skills your Board Members, Management and Employees should have and the training you and they need to help you manage and run the business.
- **Start up funding**
  - You will need money to pay for start up costs, possibly to purchase equipment and to provide for some initial running costs. Your business plan will help you work this out i.e. how much, what for, how funded and so on.
- **Commitment**
  - Running a business is not easy. Being a Board Member is a substantial and unpaid commitment.

# Social Enterprise - Business Plan Guidelines

## What is a Business Plan?

A blueprint and communication tool for your business; a device to help you set out how you intend to operate the business; a road map to tell others how you expect to get there.

## Typical Contents of a Social Enterprise Business Plan -

Note: for more detailed information on each section you may also refer to the Business Plan Guidelines on our website at [www.1066enterprise.co.uk/download2.htm](http://www.1066enterprise.co.uk/download2.htm)

### Title page

- With title, contact names and details

### Contents page

- A simple, numbered list of the main sections
- Pages should be numbered

### Executive summary

- Describe the key business & social objectives of the proposed social enterprise
- Describe the level of funding required to start the project
- Provide details of the various stakeholders and management board
- Describe the benefits of the social enterprise to its potential funders
- Describe the current status of this new social enterprise

### Mission Statement, Aims & Objectives

- Set out your Mission Statement
- Set out what you aim to achieve and by when in the future
- This can be broken down by period e.g. 12 months, 36 months, etc

### Market Research (include sections as appropriate)

Population:

- Geographic area
- Target market/community
- Demographic profile and trends
- Size of families
- Average income
- Consumer habits

Local health & environmental issues:

- Green spaces
- Housing conditions
- Spatial management

Other providers/competitors:

- The services they offer
- Their approach to products and services
- The consumers they target
- Their prices
- The possibility of providing complimentary services
- The possibility of collaboration
- Their strengths & weaknesses
- Other issues

Local needs:

- A description of the need for the product/service in the area.
- A description of the potential customers/community for the social enterprise service & their numbers
- Target market Customers ability to pay
- Potential for developing them into stakeholders or members of the management board
- A description of the need for other related services (youth services, training, etc.)

## Description of the service

- Describe the social enterprise's services
- Outline any uniqueness, special features and benefits
- Outline a quality strategy for the delivery of services

## Description of Legal Structure

- Describe proposed legal structure for the new social enterprise
- See page 9 for 'Legal Structures for a Social Enterprise - At a Glance'

## Board Members & Roles

- Show the composition of the Board & list brief CVs
- Explain the role of Board members

## Social Enterprise Team & Roles

- The team involved in running the social enterprise with their respective functions and including brief CVs
- Roles to filled, when and how they will be recruited
- Qualifications being sought and experience required
- Diagram depicting staff team relationships

## Operational Plan

Key objectives to be achieved by the social enterprise and by when

- Ethos of the organisation
- Opening hours
- Equipment and other resources
- Details of premises
- Management controls for the delivery of effective service e.g.
  - health and safety policies
  - accident prevention

- equal opportunities
- fire protection
- preventing the spread of infection
- safe operating activities
- handling complaints
- encouraging staff training and development
- promoting quality within the organisation.

## Implementation Plan

- Liaising with regulatory bodies regarding registration requirements
- Securing premises
- Carrying out conversion and or building works
- Employing staff

## Marketing the Social Enterprise

Describes how the social enterprise will be positioned and promoted to:

- Potential stakeholders
- Potential customers

Communication and advertising strategies:

- Define the social enterprise's identity and ethos (mission, values, striking the right balance between social and business approach, quality focus)
- Using social auditing as a means to define the social enterprise's image (Note: Social auditing is a process that enables an organisation to assess and demonstrate its social, economic, and environmental benefits and limitations. It is a way of measuring the extent to which an organisation lives up to the shared values and objectives it has committed itself to.)

Identifying various communication channels:

- Partners,
- Stakeholders
- Board and Management members
- Local groups or initiatives

Packaging:

- Defining the look and feel of stationery, promotional material, products and premises in the context of a social enterprise

Pricing policy:

- Defining pricing in the context of a social enterprise
- Outline the fee structure
- Outline how fees will be collected
- Terms & Conditions and any penalties for non-payment

## SWOT analysis

- Strengths and Weaknesses related to the Social Enterprise and its Management Team and Board
- Opportunities and Threats related to the external environment in which the Social Enterprise operates

## Risk analysis

- Positive and negative returns: how to deal with them in a social enterprise
- Possible constraints such as: planning permission, legal requirements, policies, insurance, time factors

## An exit strategy

All good business plans include a section that lays out the benchmarks you'll use in deciding when to dispose of the business. The strategy could be based on a financial figure, revenue growth, the market's reception to your idea, or a consensus among top management and Board members.

## Financial information

Provide information about the costs of starting the social enterprise, including capital and revenue costs. This would be summarized in the following:

- Breakeven Analysis
- Cashflow forecast and the assumptions
- Profit and loss account
- Balance sheets
- Assumptions

## Appendices

- Include any supporting documentation
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## Additional Resources you may find helpful

- Copies of the Social Enterprise Coalition's publication titled "Unlocking the potential - a guide to finance for social enterprises" is available at £10.00 inclusive plus P&P from; [http://www.socialenterprise.org.uk/resources\\_advsearch.php?action=publications&id=25](http://www.socialenterprise.org.uk/resources_advsearch.php?action=publications&id=25)
- [www.socialenterprise.org.uk](http://www.socialenterprise.org.uk)  
Set up in 2002, SEC provides a co-ordinated voice for social enterprise and enables stakeholders to work more closely together to develop the sector. The site also contains a very comprehensive links page. <http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1077475650>  
General UK business site with a great page of links if you need information on business plans, finance and IT for start-ups.
- [www.sel.org.uk](http://www.sel.org.uk)  
Social Enterprise London is a development agency, established to promote social enterprises in London. An important organisation involved in leading-edge work.
- <http://www.cooperatives-uk.coop/SimplyLegal>  
This guide provides new and expanding third sector organisations and social enterprises with essential basic knowledge about legal structures available to them. Using the guide will help organisations to understand the main features of each legal form and enable them to take that first and important step in deciding which

structure best meets their needs. Take legal advice before making your final decision.

- <http://www.cicregulator.gov.uk>  
Community Interest Companies (CICS) are limited companies with special additional features created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage.
- [www.sse.org.uk](http://www.sse.org.uk)  
The School for Social Entrepreneurs was founded by the late Lord Young of Dartington, the UK's leading social entrepreneur. This school runs an international programme for social entrepreneurs and an action learning network to support local and regional social entrepreneurs' programmes around the UK.
- [www.socialenterprisemag.co.uk](http://www.socialenterprisemag.co.uk)  
The first magazine devoted to accessible, comprehensive news and practical help for everyone currently involved or looking to get involved in social enterprise.
- [www.novasscarman.org/](http://www.novasscarman.org/)  
The Scarman Trust is a national charity, founded by Lord Scarman to promote active citizenship. The trust pioneers ways of directly investing in 'can-do' people from excluded communities across the UK.
- [www.abcul.org](http://www.abcul.org)  
The UK source for information on the growing number of credit unions.
- [www.access-funds.co.uk](http://www.access-funds.co.uk)  
Want to know where to get funding? This site provides free, frequently updated information on non-profit sector funding sources from central government, devolved governing bodies, the EU and quangos.
- [www.can-online.org.uk/](http://www.can-online.org.uk/)  
The website to visit for anyone wanting to find out more about UK social entrepreneurs.
- [www.forumforthefuture.org.uk](http://www.forumforthefuture.org.uk)  
The Forum's Sustainable Economy Programme (SEP) aims to show how environmental sustainability, along with economic and social well-being, can be jointly achieved through a process of sustainable development.
- [www.icof.co.uk/index.php](http://www.icof.co.uk/index.php)  
ICOF, a pioneer community develop financial institution (CDFI), has been providing loan finance for co-operatives, employee-owned businesses and social enterprises for 27 years.

#### Hastings & Brighton Area

- [www.hastingstrust.com](http://www.hastingstrust.com)  
Hastings Trust website giving contact information and details of their strategy to create active partnerships between the public, private, voluntary and community sectors and to enable them to work together for the economic, environmental and social regeneration of Hastings.
- <http://www.decoda.org.uk>  
Decoda is a Social Enterprise based in Hastings and provides Mentoring services to aspiring Social Entrepreneurs.
- <http://www.bhbcp.org.uk>  
The Brighton & Hove Business Community Partnership brings together social and commercial enterprises in their area.