

# Social Enterprise Strategy



In response to the Department of Community and Rural Affairs Survey for “Developing the Potential of Social Enterprise in Ireland: Online Consultation”, the Irish Social Enterprise Network has provided answers that may assist in the completion of the form.

These answers are supplementary and are aimed at aiding you in your responses.

## Your Vision

### **5. Being optimistic, but realistic, what would be a desirable future for the social enterprise sector in Ireland in the next 5-10 years?**

We believe in a recognised vibrant and healthy social enterprise sector that plays a leading role in the Irish economy. We believe in a social enterprise sector that has full access to:

- business supports,
- financial products,
- legal models,
- favourable support from government as a recognised sector and
- a unified approach to building organisations that are good for the economy and for society.

We believe in a supported network of social enterprises dealing with social enterprise specifically.

Ireland can be a global leader in social enterprise development and advocate for being the ‘best country in the world for social enterprise’.

## The changes required ...

### **6. Is the concept of social enterprise currently well understood in Ireland?**

We believe that social enterprise sector is poorly understood in the wider general population. Even within the sector, the terms can be misinterpreted and misunderstood. Social enterprise is more widely understood in comparative locations such as Scotland for example. In Scotland, social enterprise is more widely spoken about, recognised and advocated for as part of the social and enterprise landscape.

### **7. How can we ensure that more people in Ireland learn about social enterprise and its potential?**

We believe that a networked social enterprise sector (as distinct from the community and voluntary sector and the private profit-making sector), being well represented and with assistance from government, can be the best advocates for the sector. Through a defined strategy with support from all stakeholders, more people can find out about social enterprises through campaigns, case studies, information sessions, networking events, international best practice, education and training and by showcasing best practice.

We can ensure that more people in Ireland learn about social enterprises by:

- Supporting a national network for social enterprises
- Developing a live register of social enterprises
- Develop trading links with the public and private sector
- Give training and weight to procurement and supply chains
- Allow social enterprises to gather and share on specific theme e.g. health, education etc.
- By developing guides and how-to information etc.

## **8. What actions can be taken to encourage and support more socially entrepreneurial people and communities in Ireland to start a social enterprise?**

Social Enterprise is a growing sector internationally and more social entrepreneurs are beginning new ventures every day. However, there is no onramp for social enterprises starting out. There is a need for local, regional and national 'one-stop-shop' locations in getting ideas off the ground or taking organisations to their next level. Social enterprises require access to the same business supports that are afforded to the private sector. Mentoring, grants and other forms of support offered by the Local Enterprise Offices and the Partnerships amongst others as well as additional support in providing employment opportunities and measuring their social impact. Start your own social enterprise courses should be run in all local areas.

We note that many social enterprises in Ireland and elsewhere are set up by charities and other nonprofits, either as separate income-generating businesses, complementary businesses or just as more viable business models. Support for these start ups and expanders is to be equally encouraged and supported by the national enterprise support structures such as LEOs.

## **10. What type of finance do Irish social enterprises need to support their feasibility (pre-start-up), start-up, sustainability and growth?**

Social Enterprises require easy access to finance that might normally be available to trading private enterprises. Startup grants can be vital to many communities beginning a social enterprise where voluntary labour is often the only way to begin.

Community Shares programmes should be supported to encourage community buy-in on social enterprise projects.

There are some grants that are in the space of social enterprise, however, there is a cost of grants including social impact and social return on investment measurement, compliance and corporate governance structure

A legal entity social enterprise is required to encourage equity investments and social impact investors who would purchase stakes in social enterprises. Ireland does not have these formal structures and therefore may miss out on finance that is available to other countries.

Training in how to access social finance is also necessary and supports should be provided in accessing appropriate support funding.

## **12. What business support should be available to Irish social enterprises and how should this be provided?**

Social Enterprises require all the supports that are afforded to private profit-making organisations including mentoring and coaching, training programmes for staff and for the board. Scaling and international trading supports, exporting and social franchising as well as other supports.

A 'one-stop-shop' should be provided with regularly updated information on getting a social enterprise off the ground.

Local supports being developed should be encouraged and anyone regardless of location or circumstance should be able to access those supports.

## **13. Are there enough opportunities for people to develop the skills required to lead and manage a social enterprise?**

There are not enough opportunities for people wanting to become involved in the sector. There are only so many social enterprises in Ireland and the existing jobs are often paid from a small list of sources. Often times, many social enterprise jobs are supported through C.S.P., C.E., Tús and other programmes which are only open to people in certain geographic and economic conditions.

We would like to see more opportunities becoming open in Ireland for people to develop their leadership and management skills. This can be done through mentoring, coaching, training, networking and national conferences as well as through incubators and accelerators and other successful social enterprise support models.

Included in this we would also like to see community and voluntary organisations encouraged and supported to develop social enterprises either as separate business units or as an alternative business model for their organisation. Many existing social enterprises, in Ireland and in other countries are established through this route.

## **14. What learning or training could usefully improve leadership and business skills in the sector?**

Social Enterprises face many of the same issues as private trading organisations. Training needed would include sales, marketing, PR, strategy, social enterprise management, finance, fundraising, HR, social franchising, exporting, social impact measurement, operations and business planning.

In addition, specific support should be given to social enterprises for better utilising community benefit clauses in public contracts and meeting social impact clauses.

Each training would benefit from being delivered with real examples of social enterprises both in Ireland and internationally that could serve as role models for social enterprises undertaking training.

Training and coaching from international models and practitioners is vital.

Peer to peer learning through network sessions such as those offered through the Irish Social Enterprise Network opens up social enterprises to each other and their collective challenges. There is a significant role to be played by a network in advocating for gaps and responding to the needs with a unified voice.

**15. What measures could be put in place to enable Irish social enterprises to take on more employees and support people furthest from the labour market?**

Social Enterprises that are given the support necessary to grow and develop should be able to compete in the sector.

Social enterprises are not often aware of how to use employment initiatives, such as Job Plus Subsidy, expansion of CSP etc. It is difficult to access these initiatives and more effort should be made to allowing social enterprises to utilise these mechanisms.

**16. Is the social enterprise sector adequately represented in Ireland?**

No. The work of the Irish Social Enterprise Network has shown that without core funding to kick start social enterprises into self organising and reflecting, it can become quite difficult. Compared to other countries such as in the UK, US, Italy, Spain etc, there is no adequate representation of social enterprise.

The Irish Social Enterprise Network continues to push for the recognition of social enterprise as a sector and work with national and international partners on their recognition.

**17. What should be done to enable Irish social enterprises to come together to speak with a strong voice and have their views adequately represented?**

As seen from international best practice, social enterprises need to be supported with their own network. The work of the Irish Social Enterprise Network has been to form a basis for which social enterprises can create a shared understanding, develop a voice and create a

**18. To what extent is there potential for social enterprises to take on a growing role in the delivery of public services in Ireland?**

First, many social enterprises are already delivering public services in Ireland (Early Years and Childcare, Section 39, Arts organisations, Community Enterprise Centres, Community Radio) but tend to label themselves as the funder would like to see them. It would be beneficial to see greater awareness among public bodies of social enterprises as potential social-mission service provider. Social enterprises are well placed to follow the service agreement funding model advocated by the Departments of Finance, Health et al.

## **19. What steps should be taken to unlock public sector commissioning and procurement opportunities in Ireland?**

Existing legislation allows for community benefit clauses in contracts. There are two sides to the opportunity, both from the contractor side and the contractee.

**Contractor/ Procuring:** Procurers need to be upskilled and aware of community benefit clauses to be included in tenders. These clauses can bring considerable economic and social benefit when tendered correctly and will provide additional outcomes to a commissioning process.

**Contractee/ Social Enterprises:** Social Enterprises need to be upskilled and trained in winning contracts and in getting into the supply chain of private companies that will benefit from partnering with a social enterprise in delivering parts of a community benefit clause.

**Reserved Contracts:** It is possible to reserve contracts for social enterprises where the contractor believes that the current tender (run by a social enterprise or other) is performing well and can continue to benefit from the work offered by the social enterprise.

## **20. How can we cultivate new relationships and business opportunities with the private sector?**

There are many ways that social enterprises can engage with private and public sectors. However, the foundation that such relationships are developed is on a funded social enterprise network. As can be seen from international best practice, a representative body run by and for the social enterprise sector is best placed to independently coordinate meet the buyer events, set guidance, inform members of opportunities, give a voice to private companies on how to incorporate social enterprises and many more case studies and examples that can be given to encourage the sector. Some of the many ways private enterprises can be involved in the sector are as such:

*Public Procurement:* Public tenders can include community benefit clauses that private enterprises may win. However, these private enterprises often team up with social enterprises to assist in meeting the benefit requirements

*Private procurement:* Many private enterprises are looking to support social enterprises and their work and are stepping away from CSR, to being 'good to the core' of all the company operations. This means potential and opportunities for social enterprises able to deliver products and services to corporate partners and to scale.

*Social Enterprise Procurement:* Many social enterprises also procure and engage with private companies on a day to day basis for raw materials and more. This area can be developed to better educate private enterprises on what it means to have a social enterprise as a client.

*Meet the buyer:* Many meet the buyer events can be centred on the role of social enterprises and the social impact that a social enterprise can bring to a private company supply chain.

*BuySocial.ie:* The Irish Social Enterprise Network holds the international 'BuySocial' brand on behalf of social enterprises in Ireland. This online directory can bring a one stop shop to sourcing social enterprise products and services.

## **21. How can we raise awareness of social enterprise amongst the general public and encourage purchasing by consumers?**

General upskilling and support will allow social enterprises to sell their products better directly to businesses and consumers. The priority should be given to these supports on an individual social enterprise level.

The Irish Social Enterprise Network have just developed and are in beta testing of 'BuySocial.ie' website, a one stop shop for finding social enterprises and their products and services. Giving weight to such platforms, which are run and used by the sector itself, will best showcase the scope of products being offered by social enterprises currently.

Campaigns that have been successful in other parts of the world should be adopted by Ireland and can be run through the Irish Social Enterprise Network. These campaigns include

- Social Enterprise 'Places'
- BuySocial
- SocialValue Week
- Social Saturday

## **22. In Ireland, social enterprises can take a number of legal forms each with benefits and limitations. Should there now be a distinct and recognisable legal form introduced for social enterprises?**

Social Enterprise legal recognition is holding the sector back. Many social enterprises are companies limited by guarantee. Many social enterprises are restricted in trading by being a charity in addition. We believe that there is a need for a social enterprise legal form.

*Community Interest Companies:* We advocate for a social enterprise legal form such as the Community Interest Company that exists in the UK and other countries. <https://www.socent.ie/community-interest-companies/>

*Benefit Corporation:* We believe the need to introduce a Benefit Corporation legal status as can be seen in the US, Italy and other countries adopting triple bottom line reporting structures. <https://www.socent.ie/b-corps/>

*Cooperatives:* It needs to be easier to set up a cooperative in Ireland. It is difficult to form cooperatives in Ireland particularly worker and consumer focussed cooperatives. Support and guidance is necessary from government in building a cooperative movement.

**23. How should we measure the social impact of social enterprises and how can they be supported to do so?**

Social Impact measurement globally is still evolving as a process and as a sector. However, there are leaders in best practice in 'Social Return on Investment' and other measures that are worth giving weight to.

*SROI:* Social Value International has a model of best practice adopted by SROI practitioners. This model of training and development can be used to train the next generation of social enterprise leaders.

*BCorp:* The international BCorp model should be a recognised and accepted Irish standard in company reporting. The model is used in the US and in Italy and is being rapidly adopted globally.

*Community Interest Company:* There is a community interest test that must be satisfied for CIC's to

*GIIRIS:* There is standard international reporting that can measure triple bottom lines and is used in conjunction with benefit corporations legal form.

**24. Take this opportunity to share any other ideas or comments:**

The Irish Social Enterprise Network seeks financial support to build our network into a sustainable organisation representing the best interests of social enterprise. A body set up by social enterprises, for social enterprises is best to determine how the sector should grow and develop and succeed in playing a vital role in Ireland's economy.