

What *Social Enterprise* Can Do... In Your *Community*



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What social enterprise can do...

Healthy and sustainable communities have vibrant and diverse economies. They are inclusive and offer opportunities for everyone. They enjoy and celebrate the arts and culture, and they have a solid social foundation of relationships and organizational networks. Sustainable communities recognize multiple kinds of capital: financial, yes, but also social, cultural, environmental, built, and human capital. A sustainable community is a “system” in which all these kinds of capital in interaction will support its future. Creating healthy communities is a goal to be shared by all community members: government, business and community sectors.

A social enterprise is a type of business that is specifically designed to promote and build healthier and more sustainable communities. A social enterprise is a business, operated by a non-profit, that is directly involved in the production and/or selling of goods and services for the blended purpose of generating income and achieving social, cultural, and/or environmental aims. Social enterprises are one more tool for non-profits to use to meet their mission to contribute to healthy communities.

Social enterprises can offer needed goods or services for a community, sometimes reversing the underlying causes of community distress and decline. They can contribute to the dynamics and vitality of communities through the cultural sector and by addressing environmental issues. They can build important social relationships and networks that strengthen communities. Through targeted employment they create opportunities for the chronic unemployed and under-employed, or those facing industry adjustment employment challenges.

Today, social enterprises are experiencing an unprecedented evolution and emergence as a valuable tool for community development and sustainability. What ten years ago might have been advanced as merely a minor innovative twist is now recognized as a significant element within the non-profit sector. Social enterprise is gaining an important role in public policy objectives and is achieving new levels of market success and social impacts.

While strengthening the services and supporting the sustainability of community service organizations is an important function for social enterprises, they also perform critical functions for the local community & economy, and for the entire society. Among these are:

- » **Stimulating Economic Revitalization:** In communities ravaged by the loss of an industrial or commercial base or otherwise caught in a downward spiral, a new social enterprise can be a key element of needed economic diversity and of the early stages of new economic development, particularly in inner-city and depressed rural communities
- » **Reducing Poverty:** Many social enterprises provide the training, skills, resources, and related opportunities for a living wage; produce affordable housing; and promote appropriate support systems to move low-income persons permanently out of poverty.
- » **Creating Employment Opportunities:** Social enterprises meet labour market issues not met through the mainstream traditional private sector labour market. Where conventional businesses do not hire workers with, say, mental disabilities, social enterprises can choose and structure the work so that the abilities of the workers are used productively.
- » **Addressing Environmental Issues:** Recycling, education, eco-tourism, car-sharing--these are all social enterprise models that address critical environmental issues.
- » **Providing Accessible Health Care:** For rural communities, immigrants, low-income families, seniors, and others, social enterprises can offer affordable and accessible health care.
- » **Facilitating Social Innovation:** Most social enterprises will be exploring new models and methods to address and solve social issues. Some even see this as their major task.
- » **Building Social Capital:** A key element of healthy communities is the presence of productive and fulfilling personal and organizational relationships--social capital that strengthens communities and organizations. Social enterprises seek and build such relationships.
- » **Enhancing Cultural Capital:** Creating cultural capital (for example, festivals, theatres, specialized libraries, and the like) is a major component of the social enterprise landscape.
- » **Integrating Immigrants:** New Canadians can be a vital sector in many communities, and the effective integration of their skills and culture can be offered through specialized social enterprises.
- » **Providing basic services and products to an underserved community:** Some communities may not even have readily accessible and reasonably priced food stores, or specialized types of housing (such as an inn or, more significantly, affordable housing), and social enterprises are effective and efficient at helping meet such basic needs.

You will find social enterprises engaged across the full spectrum of business and industrial categories, including retail, catering, recycling, transportation, temp agencies, janitorial services, light manufacturing, fulfillment services, document shredding, couriers, fair trade products, cafes and coffee shops, landscaping, arts and entertainment, bicycle repairs, printing, child care, health care, commercial and residential construction and rehabilitation, recreation, wood products, tourism, translation and interpretation services, crafts, education, publishing, legal services, technical consulting services, and agriculture/agricultural products.



Photo Courtesy of: Brian Harris

A Closer Look

Up to this point this brochure has described social enterprises and their aims in general terms, but now let us look more closely at some of the functions that have been identified here and the way that some specific social businesses have successfully performed those functions.

Stimulating economic revitalization

Traditional methods for revitalizing depressed communities attempt to attract conventional businesses to enter into these 'less than desirable' markets, using programs of costly tax incentives or, say, building an industrial park that tries to entice a branch of a large corporation. Local citizens, on the other hand, with local knowledge and support, can blend the business element and the resultant employment with other social outcomes in an enterprise that uses resources already present. These social enterprises can be a base for long term development and stimulate the local economy through the economic multiplier-- local purchasing and employment. Barbour Living Heritage Village illustrates the advantages. It is a project in a section of Newtown, NF, which consists of canals and small islands. (Newtown has been called the Venice of Newfoundland!) The project focused on tourism to create or expand, among other businesses, a restaurant, gift/craft shop, art gallery, and theater, to bring an abandoned village back to life. It is now the economic hub of its region.

Additional Examples:

- » Queen Charlotte Culinary Cooperative (QC3)
- » Inner City Renovation

Reducing poverty

Traditional methods of addressing this issue have value as stop gaps, but they are not generally moving people out of poverty. Social enterprises are innovative models to create the avenues for exiting permanently from poverty, especially in terms of skills development and meaningful employment. Many people employed in the social enterprise sector are the individuals who require a very supportive work environment, something not often available in the private sector. EMBERS is a non-profit that currently operates three programs: It founded Staffing Solutions, a temp employment agency, many of whose clients are in recovery from substance abuse and get this opportunity to advance their careers and improve their skills. Another program provides business counseling and training to those with disabilities and to others who want to start a micro-enterprise; in 2009 alone they worked with 60 budding entrepreneurs. And finally there is an asset development program which helps potential business owners to build savings that will capitalize their companies.

Additional Examples:

- » JustWork Economic Initiative
- » Hope in Shadows



Photo Courtesy of: Brian Harris



Creating employment opportunities

For decades governments have invested billions of dollars into employment training and skills development to assist individuals outside the labour market find a means to participate in it. Such programs focus only on the supply side of the labour market, attempting to prepare people for jobs. But the social enterprise can also work the demand side, offering training, yes, but also the jobs that are needed, particularly for marginalized groups. After all, the conventional private sector business model requires prior specific skill levels and immediate efficiency returns to meet the expectations of profit first. But the social enterprise can forego that restriction and prepare its employees for the jobs in its business. The model of a blended return on investment (Social ROI as well as Economic ROI) allows the social enterprise to incorporate a different employment strategy. An especially successful example is Starworks, a light manufacturing business with multiple international and national corporate and government contracts. Starworks employees are persons with developmental disabilities, but testimonials from its customers praise the quality of their products and demonstrate the source of Starworks' profitability.

Additional Examples:

- » [The Right Stuff](#)
- » [Larry's Cycle](#)

Addressing environmental issues

Many environmental issues are now a matter of mainstream activities, but a significant number of these were originally developed by social enterprises. Among the social enterprises that have been followed by conventional businesses is the Co-operative Auto Network (The Car Co-op) of Vancouver, BC. It is a local, non-profit co-operative, incorporated to operate an environmentally responsible car joint-ownership and rental company that fosters the idea of car-sharing and raises awareness about its benefits over private ownership. The Car Co-op shows how to improve air quality, reduce stresses on green space, and eliminate many non-point sources of pollution. However, there remains a very broad range of other environmental issues that are addressed mainly through social enterprise initiatives. In particular this occurs in regard to innovative models and in rural areas, where the market can only be met if profit is not the sole goal of the enterprise.

Additional Examples:

- » [O.U.R. Ecovillage](#)
- » [Raven Recycling](#)



Providing Accessible Health Care

Social enterprises have demonstrated far-reaching success in being a catalyst for accessible and affordable health care in both urban and rural communities. They were the growing point in Saskatchewan for the invention of Medicare many decades ago. Today social enterprise health services are filling market and service gaps the government and the private sector do not adequately meet. Social enterprise health services include ambulance co-ops, home care services, physical facilities to attract health practitioners, targeting a specific community health need, and demonstrating full and comprehensive service delivery models that can be lower-cost and produce healthier outcomes. One neighborhood in Vancouver organized its own health service centre. Mid-Main Community Health Centre offers local families and individuals their own physician, dentist, pharmacist, and nurse, as well as group programs for special problems like diabetes or chronic kidney disease or smoking cessation. Throughout Canada, especially in Quebec, many such services are organized as multi-stakeholder co-ops, involving all combinations of professional service providers, users, and all other workers or organizations with a stake in a healthy community.

Additional Examples:

- » [Strathcona Health Society](#)
- » [Health and Home Care Society of BC](#)

Facilitating Social Innovation

Social enterprises often are exploring new models and methods to address and solve social issues. Social innovation means finding new, creative and effective ways to meet the social challenges in our communities. Social enterprise by its nature plays a key role in this area of community development. In addition to their singular models of innovation from the various examples across these pages, there are social enterprise models that are catalyzing collective responses and fostering innovation. For one example, the members of Common Thread own and operate individual sewing enterprises that provide a fair wage and meaningful, supportive work experiences for themselves and their co-workers. But by working together, the collective sewing capacity of the several small enterprises can meet larger and more lucrative orders. A more ambitious mission animates another social enterprise, the Centre for Social Innovation. Operating in a downtown building in Toronto, it specifically seeks to spark and support new ideas for tackling social, environmental, economic and cultural challenges in Toronto and in Canada generally. It offers cheaper downtown office space for those working on new solutions to old and new problems (both individuals and organizations) and also offers them supportive services.

Additional Examples:

- » [Planned Lifetime Advocacy Network \(PLAN\)](#)
- » [Prince George Native Friendship Society](#)



Photo Courtesy of: Jaime Kowal



Building Social Capital

The evidence of the value of social capital in all communities has been well documented by researchers like Robert Putman and John Helliwell. Social enterprises often focus directly on specific social capital outcomes or indirectly have social capital outcomes for individuals, organizations, and businesses. Social enterprises are often the bridge that connects across sectors and among diverse groups. Social enterprises which employ and engage marginalized community members are key facilitators of providing these individuals with options for relationships and social inclusion. A good example is [The Cleaning Solution](#), which provides employment to persons with mental health issues who are generally isolated from participation in meaningful relations. The Cleaning Solution offers not only a job but the opportunity and support for building relationships on and off the job. A still different sort of social enterprise may focus on strengthening a community's service organizations by helping them to build a mutual benefit network. An example is the [United Community Services Co-op](#). UCSC is a co-op of community organizations. It facilitates bulk purchasing for its members and provides other services such as a model employee record keeping and payroll system and a client database and tracking system. It also conducts research on topics of significance to its members.

Additional Examples:

- » [Providence Farm](#)
- » [Richmond Family Place](#)

Enhancing Cultural Capital

Rarely concerned with profits per se, cultural activities especially fit the business model of social enterprise with ticket sales, membership fees, and ancillary shops as the main source of income aside from contributions and grants. As conventional funding sources diminish for this sector, a greater emphasis is being placed on business acumen to preserve and grow the delivery of this important element of a healthy community. An Aboriginal initiative exemplifies the way in which enhancing cultural activities is woven into the economy and life of the Sto:lo nation which has occupied the Fraser River valley for as much as 9000 years. A longhouse and the gallery and public programs housed at [Xa:ytem](#) offer a unique opportunity to learn about Sto:lo history, spirituality, archaeology, and holistic healing.

Additional Examples

- » [Public Dreams](#)
- » [Vancouver Folk Music Festival](#)



Integrating Immigrants

Social enterprises go far beyond the traditional ‘welcome’ of new immigrants. They focus on building their assets and achieving new levels of success in their new home. Rather than a program or a workshop on “How to be Canadian,” these social enterprises engage new immigrants as workers in their businesses while at the same time offering them support and orientation to the task of becoming part of a new land. Malalay Afghan Women's Sewing & Crafts Co-operative, a grass-roots initiative that promotes equality and economic security for Afghan immigrant and refugee women, exemplifies this sort of immigrant focus.

Additional Examples:

- » [AMSSA](#)
- » [Mosaic](#)

Providing services and products to an underserved community

When a community does not have the sort of business (such as a food store) to meet a basic need that any community will have, it is because the market represented does not seem able to support such a business. A social enterprise, understanding the community and its resources--and not dependent upon a market-level ROI--can step in to fill the gap. Often the social enterprise becomes successful enough to demonstrate that a conventionally profitable market exists. The Vancouver Farmers Market, as a young non-profit organization, has found the demand for its services to be so vigorous that in a couple years or so it has spread to four locations for weekly summer/fall operations and also conducts a bimonthly central winter market.

Additional Examples:

- » [Neil Squire Solutions](#)
- » [United We Can](#)

More information?

All of these outcomes help build healthy and sustainable communities. Of course, they are not easily achieved. But over the years we have learned more and more about how social enterprises can be created and sustained. Enterprising Non-Profits (enp) has continued with research and development to produce a set of resources that will be useful to anyone who seeks to foster this approach to healthier and better communities. Additional information can be found at the following locations:

- » **Enterprising Non-Profits Website** | www.enterprisingnonprofits.ca *enp provides an annotated resource library, a social enterprise business directory, a social enterprise development podcast series, and access to expert advice on legal, business, and human resources topics.*
- » **Social Enterprise Purchasing Toolkit** | www.enterprisingnonprofits.ca/sepurchasing/ *Produced by enp, the Social Enterprise Purchasing Toolkit is designed to facilitate the integration of social values into purchasing decisions, resulting in healthier communities and a stronger market for social enterprises.*
- » **The Canadian Social Enterprise Guide** | www.enterprisingnonprofits.ca/projects/the_guide *The Canadian Social Enterprise Guide is designed to assist non-profit organizations assess their readiness and plan for the development of social enterprise. The manual includes practical information and worksheets for both staff and board of non-profit organizations considering social enterprise.*
- » **Demonstrating Value (DV)** | www.demonstratingvalue.org *Demonstrating Value offers simple management solutions that will enable you to use information more effectively to run your organization, plan for the future, and show your value to the community.*
- » **The Canadian Centre for Community Renewal** | www.cedworks.com/ *The Canadian Centre for Community Renewal is a source of expertise and resources in starting and strengthening CED organizations, revitalizing communities, developing community-minded businesses, CED curriculum design and delivery.*
- » **3rd Canadian Conference on Social Enterprise** | www.enterprisingnonprofits.ca/CCSE_CCES *Held on November 19th and 20th, 2009 in Toronto, the two-day Policy Forum, was part of the Third Canadian Conference on Social Enterprise. A total of 27 strategy recommendations were identified by the six policy forum discussion groups, these can be downloaded on the website.*
- » **Social Enterprise Council of Canada (SECC)** | www.seccouncil.ca/ *The Social Enterprise Council of Canada (SECC) is an alliance of social enterprise leaders who leverage their networks, knowledge and experience in order to build a strong and enabling environment for social enterprise.*

Website addresses of Social Enterprise Examples:

- » Barbour Living Heritage Village | barbour-site.com
- » Queen Charlotte Culinary Cooperative (QC3) | hgccfoods.ca
- » Inner City Renovation | www.icdevelopment.ca
- » EMBERS | www.embersvancouver.com
- » JustWork Economic Initiative | www.justwork.ca
- » Hope in Shadows | www.hopeinshadows.com
- » Starworks | www.starworks.ca
- » The Right Stuff | www.communityskillscentre.com
- » Larry's Cycle | www.larryscycle.ca
- » Co-operative Auto Network | www.cooperativeauto.net
- » O.U.R. Ecovillage | ourecovillage.org
- » Raven Recycling | www.ravenrecycling.org
- » Mid-Main Community Health Centre | www.midmaincommunityhealth.net
- » Strathcona Health Society | www.strathcona-health.ca
- » Health and Home Care Society of BC | www.carebc.ca
- » Common Thread | www.commonthreadcoop.ca
- » Centre for Social Innovation | www.socialinnovation.ca
- » Planned Lifetime Advocacy Network (PLAN) | www.plan.ca
- » Prince George Native Friendship Society | www.pgnfc.com
- » The Cleaning Solution | www.cleaningsolution.ca
- » United Community Services Co-op | www.ucscoop.com
- » Providence Farm | www.providence.bc.ca
- » Richmond Family Place | www.richmondfamilyplace.ca
- » Xa:ytem | www.xaytem.ca
- » Public Dreams | www.publicdreams.org
- » Vancouver folk Music Festival | thefestival.bc.ca
- » Malalay Afghan Women's Sewing & Crafts | www.malalaycooperative.com
- » AMSSA | www.amssa.org
- » Mosaic | www.mosaicbc.com
- » The Vancouver Farmer's Market | www.eatlocal.org
- » Neil Squire Solutions | solutions.neilsquire.ca
- » United We Can | www.unitedwecan.ca