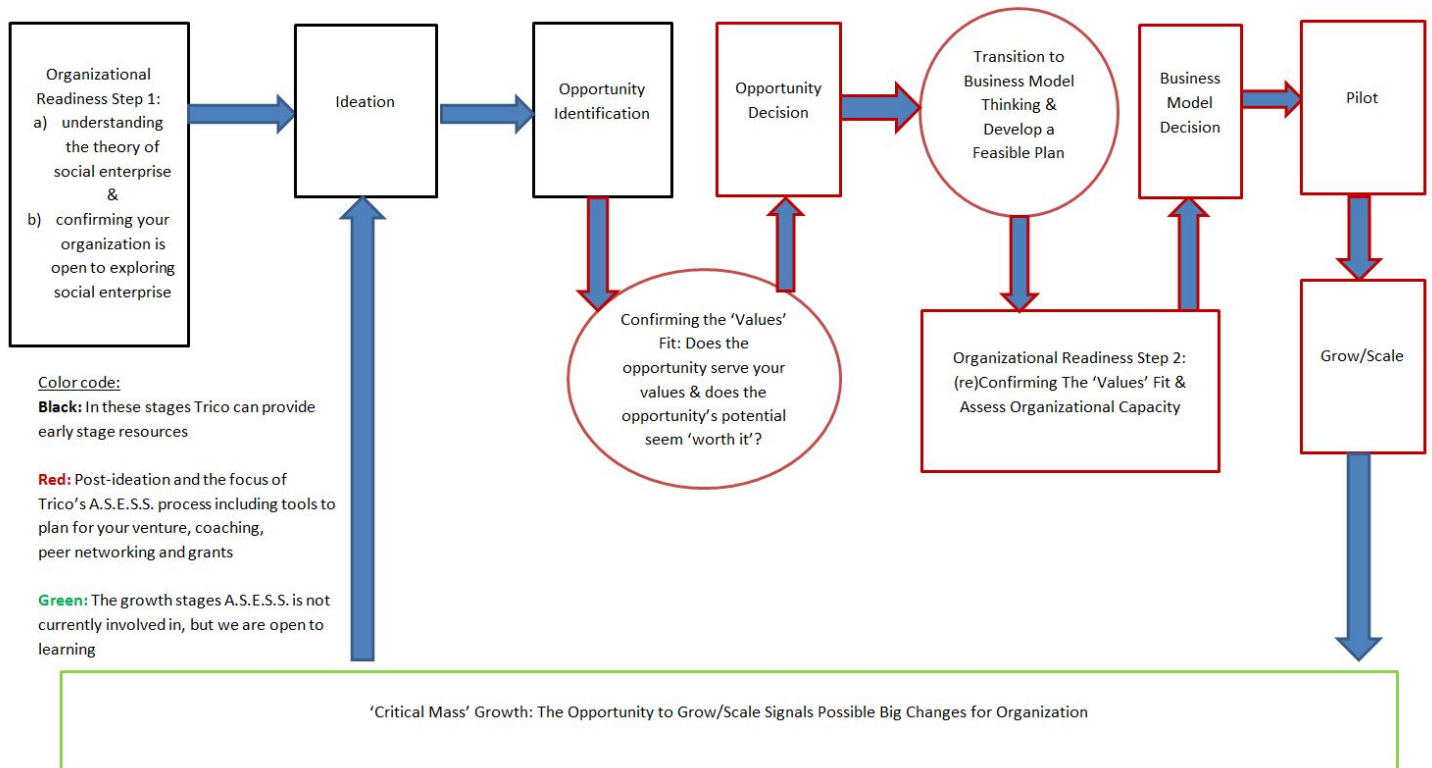


Your Social Enterprise Journey

Planning and testing is a key component to the development of your social enterprise. It will allow you to identify and mitigate risks to your organization, it will allow you to determine the best venture to fulfil your goals and will lay out a plan for how you will reach these goals.

There are a number of steps involved in determining if social enterprise makes sense for your organization and even more steps to take and things to consider while starting up your social enterprise. The steps have been called a development path or a planning process, however it is important to keep in mind that these are general stages we see a number of organization work through and your individual process will be unique.

The Development Path of a Social Enterprise



- Each piece of the planning process builds upon the others. Therefore, by exploring the early stages of the path, you are minimizing the surprises and work in later stages.
- Fail fast, fail quickly- Ideally you want to realize your plan is not feasible or needs tweaking as early as possible to minimize the use of precious resources such as time and money.
- Testing your ideas/ plans, making changes/ iterating, and seeking feedback should cross all stages of the planning process.

Organizational readiness

In some non-profit organizations, social enterprise may be a completely new concept. Other organizations may have been involved in market activities related to their mission for years without ever labeling it as social enterprise. In both cases, organizational readiness is an important piece to their social enterprise journey.

A common piece of advice is that, “culture eats strategy for breakfast” (Peter Drucker) and many organizations struggle with introducing and balancing the mentality of selling things in an open/competitive market (as compared to fund raising) into their non-profit organizations. Board members, staff and the clients of your services can all dig in their heels and be resistant to change. This is why taking the time to make sure all members of your team understand what social enterprise is, how it can affect your key stakeholders, and the demands a social enterprise can make, is important. Making sure everyone is on the same page and have shared goals is an important piece to assure your social enterprise flourishes and furthers your mission.

There are two important steps in this process: first, you must assure that your organization understands the theory of social enterprise. Second, you must confirm that your organization is open to exploring whether social enterprise is an option that will allow you to achieve your mission in a new way. While you may not know yet which business model your social enterprise will employ, this is an important stage in determining if it is a possibility for you.

What does this look like?

Here you will provide your team with information on social enterprise, discuss your goals of starting a social enterprise and gauge your team’s attitudes toward social enterprise. This process can examine the alignment of social enterprise to your mission and whether this is the right time to start-up the enterprise for your organization.

While you may not know exactly what business you will be running or industry you will be entering, at this stage it is important that your team shares a common understanding of social enterprise and that your team is open to the concept of social enterprise within your organization. Organizational readiness will re-appear once you decide on which social enterprise idea to pursue. Then organizational readiness will involve determining if your organization can and wants to pursue that particular social enterprise idea.

High-Level Questions to consider

- To what degree does your team understand the concept of social enterprise and do you all share a common understanding?
- Social enterprise readiness and sense of urgency:
 - Does your team understand the link between social enterprise and their mission?
- Is the timing right?
 - Is your organization in a financially stable position that allows it to give the venture a grace period to grow?
 - Starting a social enterprise will not solve dysfunctional behaviour- Is your Board and team functioning as planned and do they have the capacity to handle additional activities?
 - Does your organization have an existing strategic plan and is/can social enterprise be tied to it?

- What resources is your team willing to commit?
- Business readiness- Does your team have the right resources to build on?
 - Do you have staff, board and volunteers with experience/expertise in business, finance, marketing, legal and other areas relevant to operating a social enterprise?
 - Who is leading and acting as an internal champion? Is there more than one person and what role do they play in your organization? Are they influential or decision makers within your organization?
 - Does your organization have the required capital to invest in the enterprise development?

Need some help exploring these questions?

Trico Foundation- Moving Past Add-ons and Division: Social x Entrepreneurship <https://tricofoundation.ca/moving-past-add-ons-and-division-social-x-entrepreneurship/>

Innoweave- Introduction to Social Enterprise webinar <http://www.innoweave.ca/en/modules/social-enterprise>

Canadian Revenue Agency- What is a Related Business
<http://www.cra-arc.gc.ca/vdglly/chrts-gvng/srs-rltdbsnss-eng.html>

Chartered Professional Accountants Canada- 20 Questions Directors of Not-for-Profits Should Ask About Social Enterprise
<https://www.cpacanada.ca/en/business-and-accounting-resources/strategy-risk-and-governance/not-for-profit-governance/publications/social-enterprise-questions-for-nfp-directors>

Canadian Social Enterprise Guide (Ch. 3) - Organizational Readiness Page 29
<https://tricofoundation.box.com/s/4u5h8s2nuv9vsnaz3tmhobr54ngvp6ei>

Canadian Social Enterprise Guide - Organizational Readiness - Agency Self-Assessment Questionnaire Page 39- 40
<https://tricofoundation.box.com/s/4u5h8s2nuv9vsnaz3tmhobr54ngvp6ei>

Ideation

Ideation can be a very fun part of your planning process as it can be a chance to get your team together and hold a session where they are encouraged to think outside of the box. During this stage, the ideation team will explore the ideas/ assets they have and how they can be translated in the marketplace. Some of these of ideas will be outside of the realm of possibility, but a good ideation session embraces new thinking and should end with 3 or 4 ideas that your team would like to explore further through research. This leg of the development path often results in the production of an ideation report. Not all of the ideas you hone in on will be feasible or make sense for your organization. Which leads us into the next step of the planning process where we will begin to screen out ideas.

Need some help with this?

One great site you will want to check out is www.socialenterpriseinstitute.ca here you can find a number of resources to assist you. Check out their module “3. Opportunity Identification” where you will find ideation resources that will take you through rating your existing ideas, generating new ideas and brainstorming. Please note that while these resources are free you must create a user account in order to access them. Thanks to the folks at the Social Enterprise Institute for compiling this great resource!

Opportunity identification

Now that you have determined that your organization is open to and, hopefully, excited about the idea of social enterprise, this stage is about picking the idea that you want to explore further. The process is like peeling an onion (only, hopefully, without the crying) as you go deeper and deeper in understanding what will make your venture tick, if you are up for it and if it truly excites you. Opportunity identification is an exciting chance for your team to examine what they do well and how their strengths are valuable to consumers. The important questions to keep in mind through this process are:

- How can social enterprise allow us to maximize our assets?
- How does this social enterprise allow us to move our mission?

We have hundreds of ideas every day, but the opportunity identification process will allow your team to examine these ideas with a critical lens based on the feasibility of these ideas. Think of what you currently do well and what your mission is; keep in mind the ease of implementation of these ideas; and ask people outside of your organization and field about what they value as consumers. The idea you choose to move forward with should be relatively easy to implement based on your current activities and should have high potential for impact related to achieving your mission.

The main piece to keep in mind is that this is a process of exploration and it is important to not be stuck to one idea. You likely won't move ahead with the first idea you identify and you need to be flexible to assure that you explore every possibility and end up on the best path forward.

What does this look like?

We have seen groups go about this process in different ways. For many, this stage of the development path has been achieved through an ideation session (mentioned above) and the screening of these ideas that could occur in-house or be led by an outside consultant. This session can involve only your high level staff and Board or can include all team members. The piece to keep in mind is that the more engaged individuals are in the planning process, the more invested they will likely be in wanting to see it succeed in the future. During this session the team will dive deeper into the three or four ideas that were identified in their ideation work (above). This is a time to screen in or out the ideas based on the research you have done, the alignment to your organization and the ideas' ability to achieve the social and financial goals you desire. At the end of this process you will likely have narrowed down your list of ideas to one or two high potential ventures that you would like to explore further.

Questions to consider

- Strengths and activities:
 - What is the mission of your organization? How do our proposed ventures link to our mission?
 - How do you achieve this mission (activities)? How do our current activities align with the
 - What gaps do you see?
 - What physical and intellectual resources do you have access to? For example:
 - Do you have a building/ space?
 - Do you have curriculum?
 - How do these proposed ventures align with the resources we have?
 - Team/ Board assets
 - Do either of these groups have any skills you have yet to utilize?
 - What about industry specific knowledge related to the ideas you have proposed?
 - Do you have any key partnerships that could tie into your social enterprise?
 - Are you currently engaged in any business activities?
 - Have you been in the past?
 - Who are your current customers?
 - Have your current customers identified a need?
 - Is there a way to expand your current operations to fill an identified need for your existing customer base?
 - How do these activities align with your proposed ventures?
- What are the potential ventures to explore further:
 - What is the product?
 - Who are the customers?
 - Who is buying your product (customer) vs. who is benefitting from the sale of that product (beneficiaries)?¹
 - Why are you the right organization to offer this product/ service (unique value proposition)?
 - How does the social enterprise you are exploring tie into your mission?
 - How does this idea build upon your assets?
- Have you done preliminary research on the market you are looking to enter?²
- Have you thought about piloting your idea to see if there is a need/ demand?

Need some help exploring these questions?

Canadian Social Enterprise Guide (Ch. 4) Idea Identification and Feasibility Analysis Page 45
<https://tricofoundation.box.com/s/4u5h8s2nuv9vsnaz3tmhobr54ngvp6ei>

Development Impact & You – Problem Definition

¹ If you are having a difficult time identifying your customers and beneficiaries, check out our blog at <https://tricofoundation.ca/who-do-you-serve-differentiating-beneficiaries-and-customers/>

² Market research is key to planning your social enterprise, check out the Toronto Enterprise Fund’s resources <http://www.torontoenterprisefund.ca/resources/thinking/market-research>

<http://diytoolkit.org/tools/problem-definition-2/>

Assessing Initial Potential Scorecard (see key documents on left hand side of the page) Page 53

<https://tricofoundation.box.com/s/4u5h8s2nuv9vsnaz3tmhobr54ngvp6ei>

Development Impact & You Worksheets – Evidence Planning

<http://diytoolkit.org/tools/evidence-planning-2/>

Development Impact & You Worksheets – Fast Idea Generator

<http://diytoolkit.org/tools/fast-idea-generator-2/>

Development Impact & You Worksheets – SWOT Analysis

<http://diytoolkit.org/tools/swot-analysis-2/>

Trico Foundation- Who Do You Serve? Differentiating Beneficiaries and Customers <https://tricofoundation.ca/who-do-you-serve-differentiating-beneficiaries-and-customers/>

The Social Enterprise Institute www.socialenterpriseinstitute.ca Check out their courses on the readiness assessment, opportunity identification and the success equation when exploring what social enterprise will mean for your organization. Please note that while these resources are free you must create a user account in order to access them.

This step leads you into the Alberta Social Entrepreneurship Support System (A.S.E.S.S.) and we thought it would be helpful to give you a sneak peek of the issues and questions that this toolkit targets:

- Exploring the idea you want to develop;
- Choosing your Beneficiaries & Customers;
- Understanding the things your target Beneficiaries & Customers must do to benefit from your venture;
- The steps you must take to benefit your target Beneficiaries & Customers;
- Analyzing the most competitive alternatives;
- Stakeholder engagement: exploring your allies & opponents;
- Identifying your five year out operating costs;
- And flagging assumptions associated with your venture that will assist you to transitioning into a pilot.