



CabinetOffice
Office of the **Third Sector**

Social Enterprise Summit

Enhancing promotion and support for social enterprise

Social Enterprise and Finance Team
Office of the Third Sector
March 2010



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Executive summary

Introduction

- This policy document sets out the findings from a piece of work undertaken by OTS and BIS working with the sector to identify ways to enhance existing promotion and support for social enterprise.
- The key aims of this document are to:
 - (a) Map the 'social enterprise journey'.
 - (b) Map the social enterprise support and promotion landscape.
 - (c) Note gaps in the existing support structures.
 - (d) Set out actions agreed by government and the sector to join up better the existing support offer.
- The work takes forward the Office of the Third Sector (OTS) and Department for Business, Innovation and Skills (BIS) commitment following the May 2009 Social Enterprise Summit to find ways to enhance promotion and support for social enterprise.
- The work has benefitted from input from BIS, the East Midlands Regional Development Agency (*emda*), social enterprise network support bodies, in particular the Social Enterprise Coalition (SEC), and insight from a host of social entrepreneurs, sector support and advice bodies and other government departments.



Background

- The Social Enterprise Summit in May 2009 highlighted that, while there is a lot of support available for social enterprise (SE), it is not well signposted or joined up.
- Following the Summit, OTS and BIS committed to work with the sector and others to find ways to enhance existing promotion and support for social enterprise - to ensure that the existing landscape and infrastructure work effectively for social enterprise.
- At its meeting in September 2009, the Social Enterprise Growth and Development Forum (SEGDF) agreed to map the social enterprise journey and support landscape, and develop recommendations on areas where existing promotion and support for social enterprise could be better linked up.
- OTS worked with BIS, *emda* and SEC to research and map the social enterprise journey and support landscape to highlight ways existing promotion and support for SE could be better joined up. These were tested at a workshop of social entrepreneurs and sector support providers, and the actions listed below were agreed by the SEGDF in January 2010.
- BIS is currently carrying out a project under the OTS Social Enterprise Action Research programme to provide robust quantitative and qualitative evidence on the current business support needs of the social enterprise sector compared to mainstream SMEs. The action research will build on the conclusions highlighted here and comprises a two part analysis: a Social Enterprise Barometer Survey, followed by a 12 month engagement strategy with 25 social enterprises looking at their business evolution and business support needs.



Key findings

1. There is **much support available** to social enterprise, but the landscape is **complex to navigate** and **needs to be better joined up** with more sharing of information and best practice, as well as cross provider referrals and signposting.
2. **Business Link (BL) is the key to social enterprise getting the most out of publicly funded business support.** BL is starting to work better with and for social enterprise but there is still room for improvement (these issues are being addressed through the OTS funded Social Enterprise Business Support Improvement programme):
 - Improved communications and **joint working between RDAs and BL and SE support networks** to ensure that social enterprises are made aware of and able to access the full range of support available to them.
 - **Greater understanding by BL advisers of the business issues and opportunities** SEs face in accessing finance and coming to market.
 - **Increased awareness** of the unique needs of social enterprises **among BL advisers.**
3. The **sector is becoming more mature and visible** and must make the most of opportunities to join up existing promotion and support, including through the revamped SETAS, new SE Mark and the SE Ambassadors programme websites.



Actions

The SEGDF agreed to the following actions to help join up more effectively the existing business support and promotion landscape for social enterprises:

1. *emda* will undertake a regional review of the Solutions for Business portfolio to ensure that it is fully accessible to social enterprise.
2. *emda* will ensure that social enterprise issues are taken into account in the development of the Business Mentoring pilot.
3. SEEM, working with *emda* and OTS, will set up a regular working group of RDA SE leads and regional social enterprise bodies to support better joining up at the regional level and greater sharing of best practice at the national level. The group will be chaired by OTS.
4. BIS and OTS will ensure that the research and findings from the current work inform the BIS action research project into social enterprise business support.
5. BIS will work with OTS to look through the national adviser briefs it produces for the Business Link network, to ensure that they are not worded in a way that could suggest that social enterprises are not eligible to access the Solutions for Business products.
6. A representative from Business Link / businesslink.gov will work with the SETAS steering group to ensure that the revamped site complements and links effectively with Business Link and businesslink.gov.
7. OTS will publicise this work as part of the Social Enterprise Summit follow-up.



Methodology

- OTS worked with BIS, *emda* and SEC to undertake desk research to understand and map the **social enterprise journey** and support needs.
- The research also mapped the **social enterprise support and promotion landscape**; both mainstream / publicly-funded support as well as sector-provided support.
- The initial findings from the desk research were tested at a workshop attended by c35 social entrepreneurs, organisations promoting and supporting social enterprise, and officials from OTS, BIS, DCSF and *emda*.
- The workshop supported initial findings from the desk research that there is a lot of support available for SE (both mainstream/publicly funded and sector provided) but that the landscape is complex and difficult to navigate.
- This policy document is based on a range of qualitative and quantitative sources listed more fully in the bibliography.





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The social enterprise journey

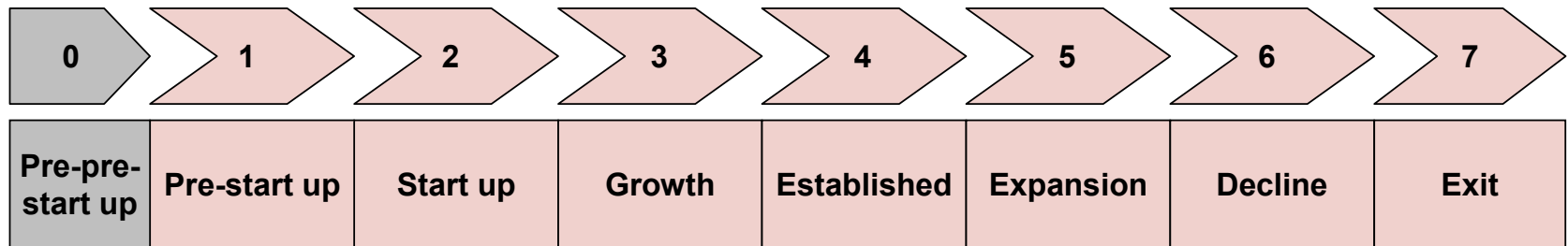
The social enterprise journey

1. All businesses start with an idea that is later implemented, maintained, grown or abandoned as appropriate in the life cycle of the business. This is the **business journey**.
2. Social enterprises follow a similar business journey, although the **value driven nature** of the 'triple bottom line' makes social enterprises **subtly different** to SMEs.
3. This difference accounts for the need to **raise awareness and drive understanding** of social enterprise among business support advisers and potential social entrepreneurs.
4. There are key '**pivot**' **points** on the journey when social enterprises have a **specific need** for support providers to have additional information and understanding about SE, for example around business models during pre-start, legal forms and governance structures during start-up, and accessing finance during the growth stage.
5. As a **social enterprise matures, it operates more like a conventional SME** and its business needs converge with mainstream business and become more **generic**. Business Link (BL) provides access to 30 'Solutions for Business (SfB) products to help businesses ensure they can access appropriate support at different stages in their journey.
6. The SEC and SSE surveys as well as anecdotal evidence indicate that social enterprises value **peer-to-peer support, mentoring** and **networking** throughout the business journey.
7. A recent NFEA paper states that most **SMEs also value peer-peer and mentoring support**, particularly during pre-start and start up.



Model 1 – the social enterprise journey

The model below shows the social enterprise journey through the seven stages of a business 'life cycle':



- Social enterprise needs are more specific to the sector during the early stages of the journey to help them meet their social aims.
- Areas of particular interest to social enterprises starting up may relate to legal forms, governance structures and employment advice.

- As social enterprises become more established they tend to face similar, generic concerns to SMEs through the mid and latter stages of the journey.
- There will continue to be areas where social enterprises will need to access different support to SMEs, however, such as when managing assets or complex financial income streams.

- Social enterprises, like most SMEs, really value peer to peer, mentoring and networking throughout all stages of the journey.



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The social enterprise promotion and support landscape

Social enterprise support landscape – overview

1. There are **many different kinds of business support available** to social enterprises:
 - Generic/mainstream (and some specialist) support through Business Link.
 - Enterprise agencies.
 - Specialist social enterprise support agencies.
 - Sub-sector specialist support (e.g. DTA, CDA, Social Firms UK).
 - Voluntary and community sector support organisations.
 - Public/private/pro bono corporate support.
 - Professional services (e.g. lawyers, accountants, careers advisers, some with specialist sector experience).
2. **Business Link (BL)** is the government funded **primary access channel for business support** in England, providing independent advice and impartial access to appropriate business support to all businesses, including social enterprises, via a network of business advisers, a national helpline and an online portal. BL provision is **contracted regionally** through the RDAs.
3. The **OTS Business Support Improvement Programme** is providing RDAs with £5.9m over 4 years to improve the business support system for SE and create a market for support. The programme has been **designed** in each region by the RDA in **conjunction with the regional social enterprise network** and BL provider.
4. Social enterprise **business support activities/interventions vary from region to region** depending on how developed the sector is and other regional issues.



Business Link support services

1. **Business link** provides three main types of service to all businesses, including social enterprises:
 - Specialist advice provision
 - Information, Diagnostic and Brokerage service (IDB).
 - Marketing and events organisation.
2. Business Link delivers a universal service using the **Information, Diagnosis and Brokerage** (IDB) model, which provides customers with tailored support by informing the customer, diagnosing issues and opportunities, and brokering SEs to appropriate services, from the public, private and third sectors.
3. The **OTS SE Business Support Improvement programme** aims to **improve the service provided by BL to social enterprises and to create a market for support** through: one-to-one advice; mentoring; training, workshops and events (for SEs and for BL advisers); grants and vouchers to access mainstream and specialist support; help for sector support providers to become accredited and join BL approved provider list.
4. BL National Customer Satisfaction Survey data on customer satisfaction does not support the common held view that satisfaction with BL is lower amongst social enterprises than amongst mainstream SMEs.



Business Link support process for social enterprises

Social enterprise

When **social enterprises** contact Business Link via telephone, email or letter, their query immediately goes to a gateway team

Business Link (gateway)

Business link provides three main types of service to all businesses, including social enterprises:

- Specialist advice provision
- Information, Diagnostic and Brokerage service (IDB).
- Marketing and events organisation.

Specialist advisers

- 42 dedicated **social enterprise specialist advisers** in 5 of the 9 regions.
- Advisers act as 'social enterprise champions' to help promote SE within BL.
- Specialist advisers improve credibility of BL.

Marketing and events

- **Marketing and events** teams organise conferences, seminars, workshops and business breakfasts to start SMEs thinking about improving performance. Some of these events are SE specific.

(1) Information

- Provide up-to-date, relevant high quality information.
- Respond to calls, emails and letters.
- Give some immediate advice.
- Refer customer to BL adviser or external organisation.

(2) Diagnostic

- BL advisers carry out free, in-depth business appraisal to identify issues / opportunities.
- Advisers develop an action plan with the SE (intensive assistance).
- Advisers respond to queries and emails.
- Advisers encourage social enterprises to access grants or vouchers to purchase specific services.

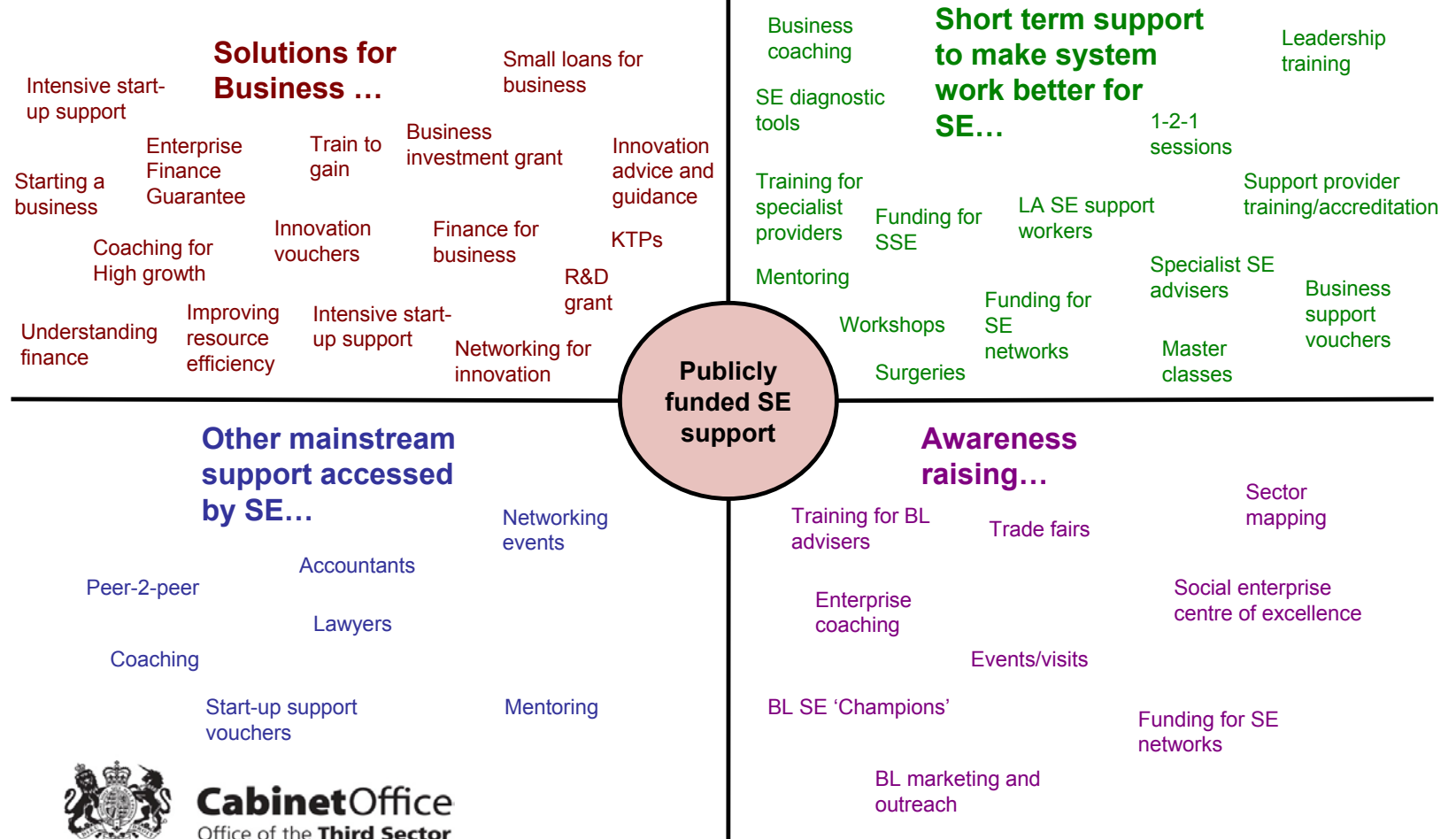
(3) Brokerage

- National standardised services (e.g. UKTI).
- Local Enterprise Agencies.
- Innovation centres / hubs.
- Private / public / third sector providers.
- BL stays in touch with SE to ensure brokerage is successful.



Mainstream / publicly funded social enterprise promotion and support

There is significant public investment in supporting social enterprise, both through mainstream business support and short term support to make the system work better for social enterprise...



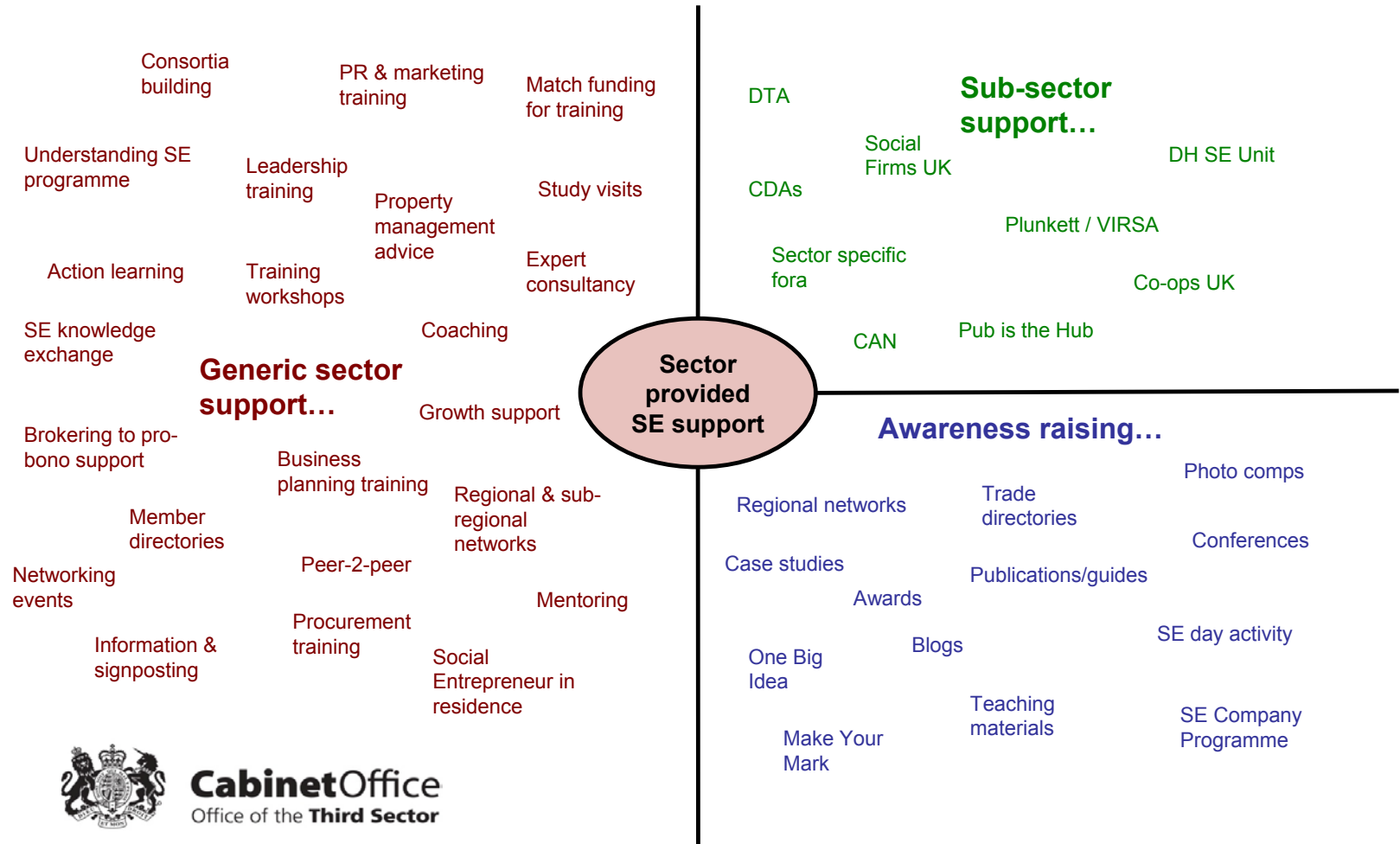
Sector provided promotion and support for SE

1. National, regional and local sector support bodies:
 - **raise awareness** of social enterprise and share knowledge.
 - provide **mainstream advice** (e.g. on finance or accounting).
 - provide **specialist advice** or support (e.g. on legal forms or governance).
 - provide **finance** (e.g. UnLtd or Bridges Ventures).
 - provide **personalised support** (e.g. peer-to-peer, networking, mentoring, events).
2. **National sector support bodies** include SEC, DTA, Co-ops UK, Social Firms UK, SSE, UnLtd, Plunkett, and CAN. The SETAS website lists SE training and advice providers.
3. **Local sector support bodies** include FE/HE institutions, local authorities, education and training bodies, enterprise agencies, and third sector specialist consultancies.
4. There are **social enterprise networks** in each of the 9 English regions that **raise awareness** of SE and **work with BL** to ensure that business support is appropriate and accessible to SE. Funding comes from RDAs, local authorities, Capacitybuilders and European Social Fund (ESF). Some are contracted by BL to provide specialist support.
5. The **Capacitybuilders £6m SE programme** is improving business support by supporting sector support providers, including helping them to engage with the BL system.
6. Some regional networks provide additional support, including topic specific **workshops** access to **peer-to-peer support and mentoring**, and **consultancy services**.



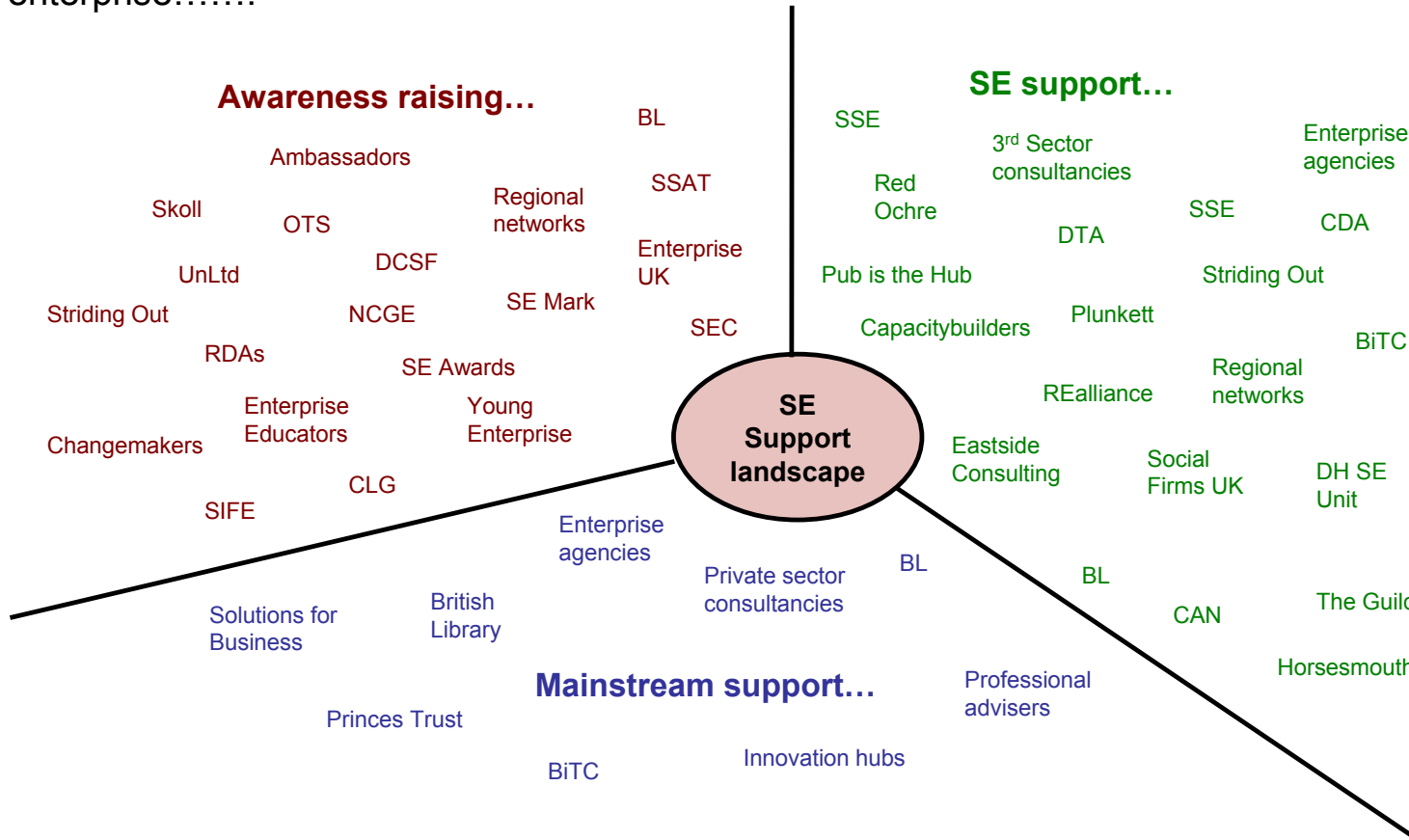
Sector provided social enterprise support

Increasingly the sector is able to offer its own support...



Summary: overview of social enterprise support landscape

Overall, there is a huge range and breadth of organisations supporting and promoting social enterprise.....





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Conclusions

Conclusions: enhancing promotion and support for social enterprises

1. **Links between mainstream and specialist SE support organisations need improving**, whilst recognising that BL is the primary channel for accessing expert business support.
2. Improved communications and **joint working between RDAs, SE support networks and BL** will help direct social enterprises to appropriate specialist support, such as peer to peer.
3. Qualitative feedback from the sector indicates that social enterprises want more peer to peer, mentoring and networking opportunities.
4. **Improved web-based information and signposting** for social enterprises could support navigation of a currently confusing and uncoordinated landscape. BL is the government-funded gateway which will help navigate some of this.
5. There is still work to be done to **raise awareness** of the needs of social enterprises amongst BL staff as we recognise that many social enterprises have reported difficulty in accessing the information they need. This issue is being addressed through the OTS funded SE Business Support Improvement programme.
6. Further work needs to be done to **help BL staff understand better the challenges** SEs face in accessing finance and coming to market – again this is being addressed through the OTS funded SE Business Support Improvement programme.



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