Blue Social
Growth

Blue Social Growth Handbook

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CHAPTER 1: INTRODUCTION

1.1 WHY A BLUE SOCIAL GROWTH HANDBOOK?

This handbook seeks to help promote enterprise and social enterprise, by and for refugees and migrants, and by entrepreneurs within the Blue Growth economy on European islands and coastal areas.

The Blue Social Growth project seeks to pilot test approaches to learning included in this handbook, and in an e-learning platform targeting learners from all four partner countries, as well as international participants.

To help promote enterprise and social enterprise, and to enable significant pilot testing across different approaches, the handbook has three distinct target audiences:

1) REFUGEE AND MIGRANT ENTREPRENEURS THEMSELVES

European wide research (Deloitte et al, *Talent Displaced: The Economic Life of Syrian Refugees in Europe*, 2018) shows that many refugees with business backgrounds do not set up in business in their host country. They may face multiple barriers, and this handbook addresses two of these:

- their lack of knowledge about the new local economy they find themselves in
- their potential lack of confidence in taking up enterprising opportunities in that local economy.

The handbook outlines a process that enables refugees to explore enterprising opportunities within the local economy and access coaching support to enable them to turn such opportunities into an enterprise.

The handbook therefore adopts a proactive approach, creating an enabling process for refugees and their host communities to explore, identify and develop enterprises, rather than being responsive just to those refugees who themselves come forward with a potential enterprise idea.

To be effective, the content and exercises in this handbook need to be simple, without many words and academic explanations. Above all it adopts a coaching approach as the only effective methodology for supporting refugees and migrants into enterprise.

2) THOSE WHO SUPPORT REFUGEES AND MIGRANTS, WHETHER FROM PROFESSIONAL ORGANISATIONS, LOCAL HOST COMMUNITIES OR ESTABLISHED MIGRANT COMMUNITIES.

The handbook provides this group with clear ways to (a) gain economic literacy, (b) explore enterprising opportunities within local economies and (c) understand the principles of an effective coaching approach. Together these provide the basic skills for supporting refugee or migrant entrepreneurs effectively.

Some in this group will become mentors to refugee and migrant entrepreneurs, as well as to the social entrepreneurs (the third target group). However, to become an experienced coach requires more than learning from a manual or book, and those who want to become an effective coach will need to access additional training for this.

3) SOCIAL ENTREPRENEURS WHO WANT TO BENEFIT REFUGEES AND MIGRANTS OR DEVELOP THE BLUE GROWTH ECONOMY WITHIN THEIR ISLAND OR COASTAL COMMUNITIES.

The flow of refugees and migrants to European countries has received extensive media coverage and has become a significant issue within European political discourse. There are therefore many potential individuals, especially on some European islands that have received large numbers of refugees, who want to help constructively in welcoming and integrating refugees and migrants. One effective route to do this is by setting up social enterprises that can engage with, involve and benefit refugees and migrants. Social entrepreneurs are a significant target group, not least for the e-learning platform.

To target these different groups effectively, the handbook focuses on **practical workshops, tools and exercises,** supported by **short knowledge bites.**

For coaches, the handbook enables them to link to all kinds of practical entrepreneurial skills that may be useful to refugees and others as they develop their enterprise or social enterprise. These resources are made available **for entrepreneurs and any supporting them** to dip into when needed. Whether they are needed will depend very much on the individual entrepreneur and how their enterprise is evolving. It is not necessary for every entrepreneur to work through every section or chapter of the handbook. Instead they can pick and choose what is useful to them as they develop their enterprise or social enterprise.

This means that different users will use different sections of the handbook.

- **Entrepreneurs** who already have an enterprise idea, or have already set up in business, may go straight to **Chapters 6 to 9.**
- **Chapters 2 and 3** focus on exploring the local economy and identifying enterprising opportunities. They will be particularly relevant to **local communities** who want to encourage new enterprising activity in their area, and to **potential entrepreneurs**, including among **refugees** and **migrants**, who want to identify suitable enterprises they could set up themselves.
- **Chapter 4** on coaching will be relevant only to **coaches** and **support workers**, while **Chapter 5** on social enterprises is relevant to any who want to **set up or support social enterprises.**

The table below summarises the approach of this handbook.

OUTLINE OF HANDBOOK AND TARGET GROUPS

HANDBOOK	REFUGEE AND MIGRANT (R&M) ENTREPRENEURS	ENTERPRISE COACHES FOR R&M ENTREPRENEURS AND SOCIAL ENTREPRENEURS	SOCIAL ENTREPRENEURS TARGETING REFUGEES, MIGRANTS AND/OR BLUE GROWTH
Chapter 1 Introduction	Purpose and target groups / engaging positively with refugees and migrants / sustainable development		
Chapter 2 Exploring and sharing: local economies, values, vision	Integration with local community Exploring local economy and assets	Experience of community-based workshops	Explore local economy Engage with R&Ms
Chapter 3 Economic literacy and enterprise ideas	Gaining economic literacy Identifying enterprising ideas	Experience of community-based workshops	Gain Economic literacy and identify enterprise ideas
Chapter 4 Coaching and GROW model		Learning about coaching, GROW model and other tools	
Chapter 5 Social enterprise	For those who want to set up a social enterprise	Learning about social enterprise	Learning about key features of social enterprise
Chapter 6 Business planning	For developing their enterprise	Functional tools to support coaching clients	For developing their social enterprise
Chapter 7 Marketing			
Chapter 8 Business finance			
Chapter 9 Networking and partnerships			
Chapter 10 Tell your Story!			

1.2   DEVELOPMENT PRINCIPLES

Two key principles underpin the approach in the handbook.

1) THE FIRST PRINCIPLE: TO ENGAGE POSITIVELY WITH REFUGEES AND MIGRANTS

- to help their integration into their new context;
- to support their efforts to create a new life for themselves; and,
- to enable them to contribute in concrete ways to the new local communities they find themselves in.

An important aspect of the first chapters of the handbook is to support joint activities which involve both refugees and migrants on the one hand, and local host communities on the other. This builds understanding and empathy, as well as integration, and enables both to work together in collaborative and cooperative ways to maximise the positive impacts on local communities and economies.

This will also have an additional positive impact on the local Blue Growth economy, because local communities will enhance their economic literacy and their understanding of their local economy, and will identify enterprising opportunities which they can develop. In this way the impact of the handbook's approach can reach more widely than refugee and migrant communities themselves.

A similar approach applies to the potential social entrepreneurs who engage in the learning opportunities offered by the handbook and e-learning platform. Integration, understanding and empathy are critical for the success of their social enterprises.

Moreover, the e-learning platform will allow all learners to engage with each other through the platform, creating a community of individuals from four or more countries all seeking to have a positive impact on their island or coastal communities, by supporting refugees and migrants, the development of the Blue Growth economy or both. This will enable the sharing of knowledge, experience and innovation, and create a peer network to support individual learners.

2) THE SECOND PRINCIPLE IS A FOCUS ON SUSTAINABLE DEVELOPMENT.

Any local enterprise or social enterprise, any community development, whether by refugees, migrants or anyone else must contribute to truly sustainable development, which takes into account **economic, social, cultural and environmental** factors, and not just **economic** factors.

The diagram below provides a summary of sustainable development as delivered through economic development, social progress and environmental responsibility. The most productive and sustainable development action takes place in the middle of the diagram: it is in the middle, where all of the economic, social and environmental development activities work together as one.

This handbook aspires to support the principles of sustainable development as a guiding framework for all action.

Diagram sourced from Weconomics Ltd (weconomics.co.uk)

SUSTAINABLE DEVELOPMENT AND THE EU

The overall aim of the EU Sustainable Development Strategy was to identify and develop actions to enable the EU to achieve a continuous long-term improvement of quality of life through the creation of sustainable communities able to manage and use resources efficiently, able to tap the ecological and social innovation potential of the economy and in the end able to ensure prosperity, environmental protection and social cohesion. (2001)

In the EU, a key issue is to mainstream sustainable development thinking into various parts of the Europe 2020 Strategy. The Strategy, which was adopted in 2010, contributed to moving Europe out of the crisis and laying the foundations for a more sustainable future built on smart, sustainable and inclusive growth.

SUSTAINABLE DEVELOPMENT AND THE UN

The 2030 Agenda for Sustainable Development including the 17 Sustainable Development Goals was adopted by all the UN member states in 2015 (and endorsed also by the EU: see here).

The main principles of the 2030 Agenda are integration, universality, inclusion and transformation, and the Agenda integrates in a balanced manner the three dimensions of sustainable development-economic, social and environmental.

1.3 EMPATHY AND EMOTIONAL SUPPORT

Experiencing being made a refugee, having to migrate or even being a victim of human trafficking can severely affect people's emotional, economic, social and relational well-being.

It is important to recognise that enabling people to address trauma and other emotional conditions effectively may require highly skilled therapeutic interventions that individuals cannot acquire, except through professional training and practice.

At the same time, when community and other support workers engaging with refugees, asylum-seekers and migrants adopt a humane approach involving empathy, altruism and solidarity, this approach can of course contribute significantly to the refugees' emotional well-being, including feelings of being safe and being accepted.

It is also important to recognise that refugees, asylum-seekers and migrants often do not want to be defined by their apparent vulnerability. A Scottish report (SCDC, Widening the Welcome, 2018) states: 'As a result of having survived their experiences, many refugees are amongst the most resilient people in our communities. ... refugees do not define themselves by their vulnerability and want to be self-reliant as soon as possible, and to contribute economically and socially to their new home. Focusing on vulnerability can reinforce the notion that refugees are unable to act autonomously, either individually or collectively in their own interest, until they deal with issues relating to trauma, immigration status and health. There is a fine balance between providing a holistic humane response to need and unintentionally creating over-reliance.'

Some rules of thumb:

1. Treat each refugee, asylum-seeker or migrant as an individual human being, not as a psychological, mental health or societal "case". Remember that every person's experience of and reaction to trauma is different, so do not make assumptions about their emotional or mental well-being, about their vulnerability, or about how they might want to address these.
2. Treat each refugee, asylum-seeker or migrant with empathy, altruism and solidarity, and with emotional intelligence.
3. Be aware that refugees, asylum-seekers or migrants are likely to come from contexts that may have different, sometimes very different, social, cultural and religious, emotional and relational norms, values and beliefs from your own. What you assume should be helpful to them may not turn out in practice to be so.
4. Seek appropriate professional help if refugees, asylum-seekers or migrants need or want to address issues of trauma and emotional distress.

'Victims of trafficking and migration carry some labels, even in our society and they feel them, creating a space between we and they. If you yourself can be free of these prejudgements, you can work with these people...' 'Some of our potential partners would like to take photos for making public the victims they rescued, and increase their visibility. We want to present positive aspects of the beneficiaries not stereotypes of poor, weak people, we want to show what these people can do, what they succeed in doing' (Romanian counselling psychologist, from SOG-TIM, Entrepreneurial and Co-creation Skills Handbook)

Providing practical support and help involves selflessness and a lot of dedication and motivation. The key question to ask yourself is, how can I be most helpful to this person? And, as always, remember your own immediate answer to this question may not be the answer the refugee or asylum-seeker might give. You need to discover from them what they think is most helpful.

Altruism is unselfish behaviour or any action done for the benefit of the other, simply out of a compassionate desire to help, not because you feel any kind of obligation or are seeking to fulfil any need of your own.

Building trusting relationships is essential. For these, skills like active listening and helpful questioning styles, emotional intelligence, confidentiality, compassion and non-judgement and other characteristics of effective coaching are critical to release self-motivated action, self-reliance and resilience.

Emotional intelligence is equally important for building trusting and helpful relationships. According to Goleman, **emotional intelligence** embraces two aspects of intelligence: personal competence (understanding yourself, your goals, intentions, responses, behaviour) and social competence (understanding others and their feelings).

When supporting refugees, asylum-seekers and migrants, understanding them and their feelings is important. Just as important, if you are going to be helpful to them, is understanding and managing **your own emotional responses** to them and their feelings.

CHAPTER 2: EXPLORING AND SHARING, LOCAL ECONOMIES, VALUES, VISION

2.1 INTRODUCTION AND CONTEXT

This chapter is targeted at members of the community or community organisations, local government or agencies, whether professional facilitators and support workers or volunteers and others, who want to engage with refugees, migrants, the local community, social entrepreneurs and others to:

- **Explore enterprise opportunities in your local economy**
- **Share values and aspirations to build mutual understanding and respect**
- **Create a joint vision for your community and local economy**

Refugees who are resettled find themselves in a local economy that may be VERY different from what they know from back home. They often bring many **assets** and **resources**, e.g. many skills and much expertise relevant to enterprise, as well as business experience and other assets, but they may not know how best to apply these to make the most of **opportunities in their new local economy**. The exercises in this chapter help them to explore those opportunities.

Refugees and those supporting them could explore, on their own, the local economy they find themselves in, and this chapter provides helpful questions, exercises and activities that they can do on their own or with their support workers.

However, for **integration** to succeed, **local communities** are equally important.

Scotland's *New Scots Refugee Integration Strategy, 2018-2022* is "grounded in an approach that places refugees and asylum seekers at the heart of the communities in which they reside. As such, it recognises that, for approaches to integration to succeed, they must be about working in and with local communities, as well as with refugees and asylum seekers."

It is likely to be more effective to do the exercises in this chapter together with the local host community. Members of the host community will also learn more about their local economy, including seeing it through the fresh eyes that refugees bring. Maybe they will discover economic opportunities that they did not spot before!

Why not organise a workshop that brings together new members of the community like refugees with people who have been around for a while, or for a long time? You don't need lots of resources for this. These are the basics you will need.

RESOURCES

- Participants: refugees, members of host community, local representatives and stakeholders
- An empathetic facilitator and, if needed, an interpreter
- Venue: a suitable meeting space in a community venue
- Materials: flipchart and markers, paper, pens and perhaps clipboards
- IT: participants' smartphones; if available, also laptop, wifi and projector or smartboard
- The online Artoolkit resource (see additional resources at the end of this chapter)

Note that you will not be able to do all the exercises in this chapter in a day-long workshop. You must decide which exercises are the most important and appropriate for the group you are engaging with.

2.2 EXPLORING LOCAL ENTERPRISES AND ECONOMIC ACTIVITIES

EXERCISE 1 ICE-BREAKER: GETTING TO KNOW EACH OTHER: OUR NAMES

Ask each participant to introduce themselves not just with their name, but also explaining:

- what does my name mean?
- how or why did I get my name?

Depending on numbers, this exercise can be done in the full group sitting in a circle. Or you can break the group into pairs, where participants introduce each other in pairs. You can then even get each participant to introduce their partner's name and story to the full group.

EXERCISE 2: TELLING STORIES ABOUT JOURNEYS AND MIGRATION

It is likely that many of the participants, whether recent refugees/migrants or not, will have stories of their origins within their families, among their ancestors, and this will often include **stories of migration.** This is particularly true of many islanders. Telling these stories can be helpful in sharing across the boundaries of local residents and in-coming migrants. And even if some participants have been rooted in their island community for generations, there will inevitably be many relatives who have migrated off, and sometimes back to, the island. So they can tell of those stories. Or you can simply ask participants to imagine what is like to be a migrant, imagine what it is like to be an islander, and share and discuss those feelings.

You can see **examples of such story-telling** in the Artoolkit resource, for example 'We migrants' (on pp.23-24 of the Artoolkit pdf). You can watch a short video about this particular workshop at: ARTOOLKIT - We migrants - Natasa Milojevic from Serbia (1:40 mins).

As Natasa explains, 'The aim of this workshop is identification of migrants' origins among participants. They have to recognize migrations as human need for realizing themselves. The concept of the workshop is activating the participants to think about the feelings of both migrants and locals.'

However, **BE CAUTIOUS.** For refugees and asylum seekers their stories of migration may well be traumatic stories, and it may be inappropriate to ask them to retell such stories in a community workshop. By retelling them they may have to share their vulnerabilities. In some cases they may not want to retell these stories if they fear it could impact their safety and status in their host country.

In these cases it would be better to refocus the story-telling on the **resilience** and other **assets** they used to make their journeys, on the **psychological and social capital** they drew on. For example, the strengths, abilities and skills they used, the strategies they adopted to keep them moving on their journey, the wisdom and insight that sustained their hope, the solution-seeking behaviours they used to arrive at their destination. If you want to take this approach, look at the Additional Resources on the **Resilience Plan** in Section 4.4 of the next chapter of this handbook to help your reflection and preparation.

EXERCISE 3: I NOTICE, I WONDER: GO WALKING OR TAKE A RIDE

The easiest way to find out about your local economy is to go for a walk or take a ride through your town, your village, your island. You will get to know the place better and you will observe all kinds of enterprises and economic activities. If you go with someone who has lived in the community, they will be able to share information that you may not be able to see, like what kind of jobs people do in a particular workplace.

It does not matter so much where you go. If you are in a small town or village you may be able to go most places. If you are in a bigger town or even a city, choose some streets that are convenient.

As you go round, take notice and ask yourself some of the following questions:

- what shops and stalls, businesses and offices, community spaces and buildings do you see? What do they do? What do they sell? What services do they provide?
- What kind of jobs do you think people do in the businesses and offices?
- What assets do you see? … for example, service providers and suppliers, premises for rent or potential businesses to sell through, …
- What do you think is missing in this place? … for example, no take-away or hairdresser, no crafts or furniture recycling, no photography or IT services, no places to sit.

Have **FUN. Don't exclude anything.** Feel free to **stop and chat** with people, workers, entrepreneurs and others you meet. Ask them questions like, What are you looking for? What do you do? What kind of business do you run? There are no right or wrong answers, just **observing**, just **noticing**. And everyone will notice different things, so it is good to have many people going round, perhaps in pairs or small groups. If there are language challenges, then take an interpreter also.

When you return **draw a rough map of the places you have been** on a piece of flip chart paper. Mark recognisable landmarks, such as public squares, parks, religious buildings or government offices. Then add all the shops, businesses, offices on the map, other community spaces and buildings and other assets that you and others have found. If you want, you can colour code the map with different colours for economic, social, health, etc. assets. Add notes in speech bubbles or on post-it notes to different places about what kind of jobs people do there, what services they provide, even what gaps there are, what's missing.

Look at your map, and discuss ...

What have you noticed? What have you learnt? What assets are available to the local economy? Are there potential ideas for enterprise that are beginning to emerge? Write these on a flipchart.

EXERCISE 4: I NOTICE, I WONDER: EXPLORE THE INTERNET AND MEDIA

Not every enterprise and economic activity is visible on streets and roads.

Find a local newspaper and look at the business adverts. Go on your smartphone and check out local business directories. Find web and social media sites for your local area.

Ask yourself the following questions:

- What other businesses and services are available in this local area?
- What are they offering?
- What kind of jobs do you think people have in these businesses?
- What assets like services or suppliers are available locally?
- What do you think is still missing in this place?

Again, don't exclude anything. Just add notes or post-its around the edge of your map to fill out the picture, the map of the local economy, including businesses and activities that are not visible when walking around.

Look again at your map, and discuss.

What have you noticed? What have you learnt? What assets are available to the local economy? Are there potential ideas for enterprise that are beginning to emerge? Add to the flipchart.

EXERCISE 5 - ASSETS THE 4AS

Explore the following:

ASSETS – 'what we have in this community, this area': natural, physical, social capital, cultural, financial

ABILITIES – 'what we can do': people's skills, knowledge, experience

ATTITUDES – 'what we believe': people's values and passion, how they support and behave to each other, their track record of action

ACTION – 'what we can do' using these assets, abilities and attitudes

List out all the positive assets, abilities and attitudes that can support action.

Everyone in the group can contribute to this. Fill out one flipchart for assets, one for abilities, one for attitudes. If appropriate, you could use different colours, one for the positive assets, abilities and attitudes that are already in this community and place, a different colour for those positive assets, abilities and attitudes that refugees and migrants who have recently moved here bring.

Under **Assets** participants might list physical assets like beaches, land, forests and hills or mountains, as well as community buildings, health centres and schools, shops, factories and enterprises, and empty buildings. Assets could also be less tangible like cultural activities, food traditions, tourism destinations and support networks and agencies for refugees.

Under **Abilities** and skills, participants might list small farmers, electricians, plumbers and other trades, teachers and health visitors, book keepers and business women, language and cultural skills (music, art, poetry, etc.), as well as business skills and business experience that refugees bring.

Under **Attitudes**, participants might list a supportive local island community and volunteers; people who feel strongly about integrating refugees and growing their local economy, and who are keen to be involved; an entrepreneurial spirit and work ethic that refugees may have; energetic and supportive local officials.

Throughout, it is best if participants list, for example, actual places or actual names of people, rather than generalisations about the local economy.

Put up all the charts on the walls and discuss. **What do you notice? What do you learn?**

If any ideas for actions, for enterprise opportunities emerge from the discussion, add those to a fourth flipchart on **Actions.** And include the enterprising ideas from the previous exercises!

2.3 EXPLORING OUR VALUES

EXERCISE 6: EXPLORING AND SHARING VALUES AND ASPIRATIONS

For integration to succeed, and for individuals and communities to share solidarity, it is important 'that we understand each other, … in particular that we understand our different needs, aspirations and values, … that we discover our similarities and our differences, … that we find mutual respect.

In pairs or small groups, discuss the following questions:

- What do I want most for myself and my family?
- What is "wealth", what is really important to me and how does it improve my life? (Wealth is more than money, e.g. spiritual wealth and family. What is important to me? safety and security? health and well-being? high income? sufficient income? supportive family networks? welcoming community? freedom? …). And how wealthy would I like my community to be and how would I know when it is?
- What are the most important values for me when engaging with other people? (e.g. trust? respect? honesty? directness? kindness? …)

Write each answer to any of these questions on a separate post-it note and put them up on flipcharts.

When everyone has done so, let participants look at the answers. Then discuss in the full group.

What do you notice? What do you learn? Is anyone surprised by any answer? Discuss these.

Are there big differences within the group or do you share many values and aspirations?

If you like, the group can sort answers and come up with the three most important ones.

Seph Fontane Pennock and Hugo Alberts (positivepsychology.com) suggest that exploring values can also help **build resilience**, which may be particularly important to refugees and migrants, as well as to fragile remote communities. "Past research findings suggest that connecting to personal values can help people be more resilient in the face of stress" and, "the goal of this exercise is to motivate clients to actively deal with a challenging event by helping them to get in touch (again) with their personal values. Simply put, this exercise is about managing stress by knowing what you value."

Pennock and Alberts suggest being **creative** in this exercise, using drawing, photos, collages, apps, presentations, etc. so that you can create a visual reminder of your values, and put it somewhere you can see it every day.

If appropriate, sharing these values, and the visual reminders, with others at the workshop, best in pairs or small groups, can again help beyond personal resilience in building rapport and mutual understanding and respect.

EXERCISE 7: SHARING OUR STORY, SHARING OUR VALUES

Another effective tool for sharing what is important to us, our values, and for building solidarity, as well as sharing the expertise, experience and knowledge individuals bring, is to invite participants at the workshop to tell stories from their life, in the local community, in the countries where refugees, asylum-seekers and migrants have come from. In some cases this may be an easier way of sharing than more formally structured processes.

'Developing Multiculturalism through the art of story-telling' from the Artoolkit resource (pp.33-34 of the pdf) suggests each participant in the workshop tells a short story about the basic beliefs and values of his or her culture or shares a local legend or other story that is important for their community.

EXERCISE 8: MY VOICE

The My Voice tool is a simple tool (developed by Weconomics Ltd) that supports learning to **speak out** about what we believe in terms of our local economy. This can be an effective tool at this point in the workshop, following all the exploration of the local economy and sharing of values that has happened so far.

Individual participants are asked to think of an issue that is very important to them within the local economy. They are given 2 minutes to think of this and prepare to explain the issue and why they feel strongly about it. They each get 1 minute to present their issue. The rule is that participants must stick to their time and must be allowed to speak without interruption and with everybody respecting them by listening carefully.

This exercise will give the group a sense of what issues within the local economy are emerging for members of the groups, where their aspirations and passions lie.

2.4 DEVELOPING OUR VISION

Creating a joint vision for the local community and local economy, in which every participant's contribution is valued, is a further tool for sharing values and aspirations, for enhancing mutual understanding and solidarity. It can be a very effective tool for integration, demonstrating how everyone can contribute so much to the local community in the meantime.

Remember that in the case of refugees, their aspiration may, or may not be, to eventually return home. But even if they do want to return they can still contribute so much to the local community in the meantime.

EXERCISE 9: BUILDING AN ISLAND TO CREATE A VISION

There are many ways that groups can create joint visions. One of these, called building a country, is demonstrated in the Artoolkit resource (pp. 11-12 of the pdf). We call it building an island, getting the group to build their island, to "create all the possibilities for everyone, not just ourselves".

Watch a short video about this exercise: ARTOOLKIT - Building your country - Meri Chachava from Georgia. "The approach of firstly doing and then reflecting on the 'why?' question can help you in reaching the objectives."

You will need colourful papers, perhaps recycled materials, tags, scissors, markers, paper glue and flipcharts. Drawing on Meri's own description, this is how the activity works:

- Ask the group to build their ideal island by using different kinds of materials.
- Give different tasks to the participants to create their own roles in the community
- or you can allow each participant to choose what aspects, buildings, etc. they want to work on.

The task can be accomplished with different layers, such as thinking about one day on this island, or thinking about needs or communication or lifestyle.

Stimulate the group work with questions and reminders during the process

When the group has created their vision, discuss.
How do you feel? What do you notice? What do you want to do now?

EXERCISE 10: 5-3-1 BACKWARDS PLANNING

This is another tool for building a **joint vision** which is sourced from Weconomics Ltd. See the Backwards Planning chart below for why such planning can be effective. This tool is most often done stepping forward 5, 3 and 1 years ahead. However, the facilitator must decide the appropriate timeframe for the group in terms of their short, medium and long-term objectives. For young people, a 2 to 3-year timeframe may be more appropriate. For newly arrived refugees a 1 to 2-year timeframe may work best.

Step one
Participants line up at the back of a room standing side by side and the facilitator explains how the tool will work. The facilitator explains that this will be an exercise in which the participants will **imagine the successful future** of the community and its local economy. **They are asked to use present tense language when speaking on this tool**, such as "over here is the workshop" or "this is the restaurant and here is the kitchen" and not "I want to do this" or "we may do that".

Step two

The participants are told that they are now walking forward to **five years time** and they walk forwards to the front of the room. At the front of the room they are asked to imagine the community and local economy is **the best that it can be** from each of their perspectives. **They are asked not to judge anybody's ideas and to imagine that there is no restriction on resources.** They then take it in turns to describe what they see. The facilitator ensures that they use present tense language. When they have finished, they are asked how it makes them **feel** to experience their success.

Step three

Participants are then asked to move backwards to **three years time** and again asked to describe what they see.
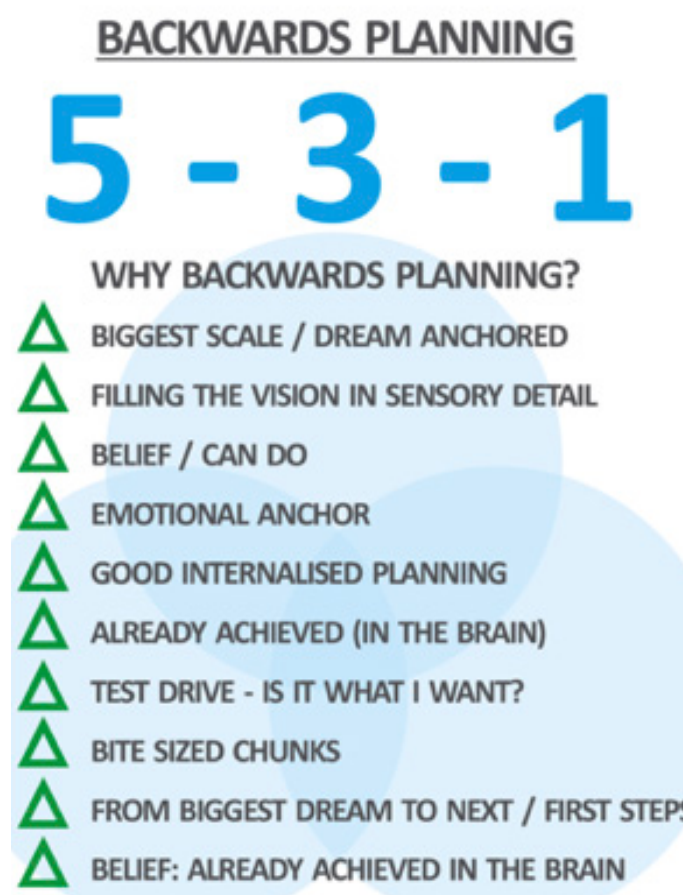
Step four

The participants are then asked to move back to **year one** and again asked what they see. The idea is that they are breaking their big vision into short, medium and long-term objectives and smaller components that are easier to imagine and achieve.

Step five

Participants are asked what they will need to get to their year one vision, what they have already, and what they still need.

Step six

Participants are asked to rate on a scale of 1-10 how important it is to them to achieve their vision.

BACKWARDS PLANNING

5 - 3 - 1

WHY BACKWARDS PLANNING?

△ BIGGEST SCALE / DREAM ANCHORED
△ FILLING THE VISION IN SENSORY DETAIL
△ BELIEF / CAN DO
△ EMOTIONAL ANCHOR
△ GOOD INTERNALISED PLANNING
△ ALREADY ACHIEVED (IN THE BRAIN)
△ TEST DRIVE - IS IT WHAT I WANT?
△ BITE SIZED CHUNKS
△ FROM BIGGEST DREAM TO NEXT / FIRST STEPS
△ BELIEF: ALREADY ACHIEVED IN THE BRAIN

2.5 ADDITIONAL RESOURCES FOR EXPLORING AND SHARING

ARTOOL MARKET – ART FOR INTERCULTURAL DIALOGUE

The Artoolkit resources come from a youth focused project, Mandala – meeting is an art.

 "Art is a universal language that, thanks to its communicative power, allows the connection of experiences and feelings, helps to build relationship regardless of origin, status or language and at the same time can also constitute an opportunity for social release for people in disadvantaged conditions." (p.42 of pdf)

Here are some of the other tools to build dialogue and connection that you might want to consider, each with a link to a short video:

- ARTOOLKIT - Create an imaginary culture and community - Sara Cuéllar from Spain (pp.7-8 of pdf) which uses drama.

- ARTOOLKIT - How to engage young migrants and refugees? - Tomasz Glinski from UK (pp. 9-10 of pdf) about video-making: "Art is working for community work, not just creating a film … working about personal, social, cultural problems."

- ARTOOLKIT - The art of small steps - Lusine Sahakyan from Armenia (pp.15-16 of the pdf) which uses drawing, story-telling and discussion to generate empathy "to understand what they feel, how they feel when they go to another country."

- ARTOOLKIT - Empathyart - Sarai Torres from Spain (pp.37-38 of the pdf). "The activity tries to put yourself in someone else's place when you have to leave your country and start your life in an unknown place. The tool is based on describing and painting feelings and establishing a later discussion on how they have felt."

CHAPTER 3: ECONOMIC LITERACY TO GENERATE AND SUPPORT ENTERPRISE IDEAS

### 3.1 PURPOSE AND FOCUS OF THIS CHAPTER

This chapter is targeted at members of the community or community organisations, social enterprises or businesses, local government or agencies who want to run activities that deliver **economic literacy** that enables residents to understand the basics of how a local economy functions. Above all, the activities help **identify new enterprising opportunities** and **match individuals with those opportunities.** The activities in this chapter are for workshops that can involve anyone from the local community, including refugees and migrants, and will **promote integration** between refugees and their host community.

Purposes:

- **deliver rapid economic literacy on the local economy for local communities that enables them to understand how the local economy works and see opportunities within that local economy**
- **identify opportunities for enterprise and social enterprise within the local economy**
- **enable individuals to identify enterprise opportunities that they could develop locally**

This chapter also strongly reinforces the importance of the **triple bottom line.** Traditionally, the triple bottom line for businesses has focused on economic, social and environmental objectives. Cultural objectives are now sometimes added, and these may be particularly important for refugees and their integration.

The triple bottom line has been a strong focus within the **social enterprise sector,** where enterprises seek to engage in economic activities to further social, cultural and environmental objectives. Here is the **Sustainability Triangle** diagram from Alan Kay:

Diagram 2: Sustainability Triangle
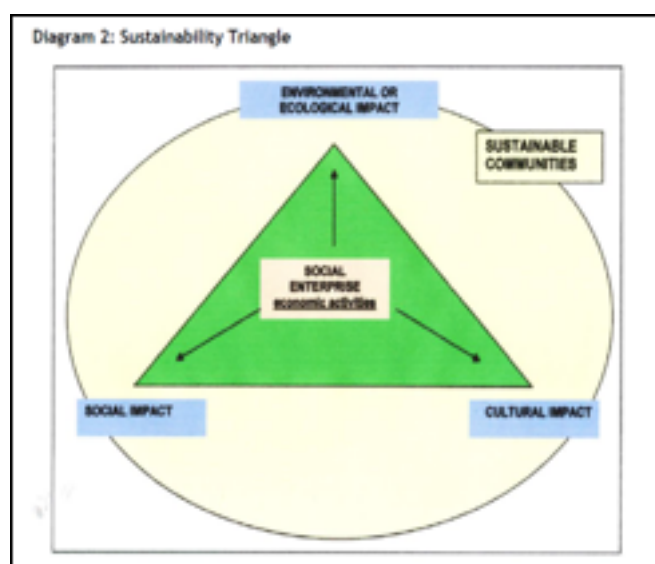
Alan Kay, Guide to Social Enterprise Planning, JUST the Business, 2012

This chapter draws on approaches developed for three decades and more in the UK and the US. The New Economics Foundation's Plugging the Leaks programme was instrumental in bringing them together and developing them further. Many practitioners have also developed them through their work, and this chapter draws on such developments by the founders of Weconomics Ltd and of CoDeL. The former developed and applied them in international development. The latter delivered enterprising workshops for all senior pupils across the Outer Hebrides in Scotland.

EXERCISE 1: MAPPING ASSETS

In the previous chapter, Exercise 5 provides an initial list of **local assets**: physical **A**ssets, **A**bilities/skills and **A**ttitudes/values that can lead to and support **A**ction (the 4 **A**s model).

At the beginning of this workshop, depending on the participants in each of the workshops, you can display the results of the 4As exercise from the previous workshop, repeat the same exercise in this workshop, or explore local assets more deeply.

Starting this workshop with assets is important in setting the right tone for the workshop, **focusing on the positives that are available,** on existing **psychological, social and economic capital** that can provide enterprising opportunities, rather than focusing on what is missing. Focusing on what is missing is a deficit approach which rarely generates new and creative ideas.

The 4As model tends to focus on physical assets and people. To draw out more assets, you can list assets out under specific categories like:

- culture (e.g. traditions, festivals, museums, music, dance and art)
- organisations (e.g. public services, social enterprises, charities)
- businesses, business networks and business support services
- government and economic institutions and agencies, support organisations and funding streams, etc.

Put up all the charts on the walls and discuss. **What do you notice? What do you learn?**

And, if any ideas for actions, for enterprise opportunities emerge from the discussion, add those on post-it notes to an additional flipchart on **Actions** (one idea per post-it).

EXERCISE 2: QUICK COMMUNITY VISIONING

If you have done a visioning exercise under Chapter 2 of this handbook, bring that along to this workshop. Chapter 2 introduced the 5-3-1 Backwards Planning Tool.

If you do not have a visioning exercise from previous workshops, you may want to facilitate a quick visioning exercise with the participants.

A quick way to do this (sourced from Weconomics Ltd) is to ask participants to break into small groups and using colour pens, draw their **vision** on a flipchart sheet for what the community would like in **3 to 5 years time** if it became **the best it could be** for them and their families. Ask them not to think of restrictions or challenges, just to draw what they would love to see. Groups then present their drawings to the other participants. After each group has done this, you can ask them to work to create a joint vision on a large roll of paper (or flipcharts stuck together) that combines the visions from each group. Ideally, participants will NOT use any writing as this is a sensory exercise.

An alternative exercise starts with a **visualisation exercise** to generate a future **vision** for the local community and economy, **from the different perspectives of each individual,** including any refugees.

- Ask participants to close their eyes and imagine or visualise what they would like the local island/community to look like in 3 to 5 years time, the best it can be. Ask them, in their minds, to walk around the area they have chosen to look at, and use all their senses (what they see, hear, smell, feel, etc.). A variant is to ask participants to imagine showing a visitor around to see some of the great developments that have happened within their island/community over the last 3 to 5 years.
- Participants then record what they saw, in pictures (rather than words) on a large sheet of paper (flipcharts sellotaped together) using different coloured marker pens.

Let participants know that if any of them have gone into a negative space during this exercise, they should feel free to talk to the facilitators, if they wish to. This is important, as refugees, for example, may find some of this exercise challenging, e.g. if their vision takes them back to their home country.

At the same time this exercise can prove really helpful in generating completely **new perspectives** from newcomers about potential futures of the local island/community.

3.2 DEVELOPING ECONOMIC LITERACY: EXPLORING RESOURCE FLOWS

This series of exercises exploring resources that flow in and out of the local economy is critical for sharing **economic literacy** about how the local economy works. The process **identifies many potential ideas and opportunities** for enterprise or community action, many of which people may never have thought about, whether from among the refugees or the host community. It is equally important for focusing thinking on **sustainable enterprise and development.** The simple ideas in this section are powerful tools to promote understanding, identify opportunities and reinforce values.

EXERCISE 3 A: THE LEAKY BUCKET

Have fun! To demonstrate resource flows, get a bucket and drill some holes in the bottom in advance of the workshop. Buy a packet of dry lentils. Pour the lentils into the bucket. (What happens? They leak out through the holes.) Ask: **What do you notice? What is happening?**

Finally, link this to the next part of the exercise on resource flows. The leaky bucket represents the local economy, and resources flow into it, and then leak out. Let's look at this in greater detail.

(For a much more elaborate exercise with the leaky bucket, using water (!), see Ward and Lewis, Plugging the Leaks, pp.44-5.)

EXERCISE 3B: RESOURCE FLOWS

Use the images below to explore resource flows in the local economy. Start by putting large copies of the images in the left hand column below (representing resource in-flows) up on the wall or on flipchart stands, and ask for examples of where **water, energy, consumer goods, money** comes from to flow into the local economy.

Put each idea on a post-it note, and attach to the right image (blue post-it notes for water, yellow for energy and different colours for the other two). Then ask for suggestions for the images in the right hand column below (representing resource out-flows). You can also combine these images into a large flipchart as seen in the illustration.
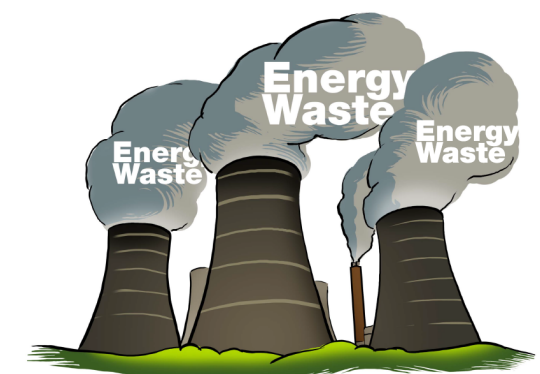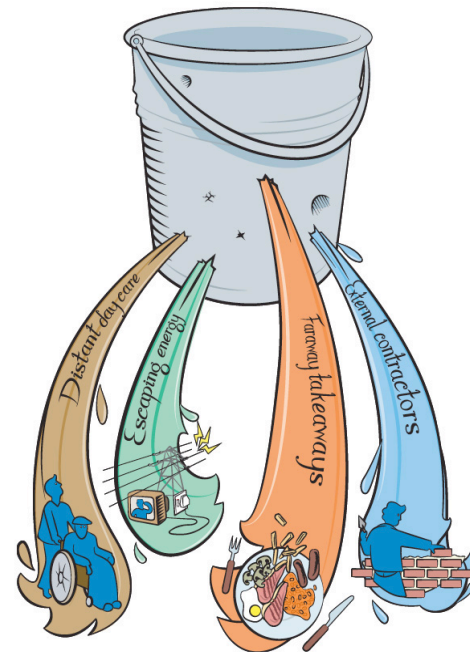
Images from the Plugging the Leaks website (the Sustainable Communities tool in the Toolkit) and from Bernie Ward and Julie Lewis, Plugging the Leaks: Making the most of every pound that enters your local economy, NEF 2002

Put each idea on a post-it note, and attach to the right image (blue post-it notes for water, yellow for energy and different colours for the other two). Then ask for suggestions for the images in the right hand column below (representing resource out-flows). You can also combine these images into a large flipchart as seen in the illustration.

*Note all four resource inflows at the top, and all four resource outflows at the bottom, with arrows pointing from the top to the **people/ community** in the middle and from them to the images at the bottom. Note also the dotted line above and below the people indicating the boundaries of the **local economy.** Within this boundary resources are local to the island/community, those beyond the boundary come from or go beyond the island/community. Finally note the different coloured post-its depending on which resources they depict.*

Once the group has generated some good examples of resource flows in this way, break into small groups which work on more examples of resource in and out-flows in each category. Provide each group a copy of the images (displayed as in the illustration) and different coloured post-it notes. At the end of the group work, let each group present some examples they have added to the charts.

Ask, **what have you learnt?** Discuss the difference between **renewable** and **non-renewable** resources. You may want to introduce the Three Rs exercise here (see the additional resources at the end of this chapter).

EXERCISE 3C: THE MULTIPLIER

More fun! Bring 37 fairtrade chocolate coins and let six participants demonstrate how money multiplies or doesn't in Localton compared to Leakyville **(see the additional resources at the end of this chapter).** Here are some potential results:

	Localton: 80% of money stays local		Leakyville: 20% of money stays local	
	enters	Remains	Enters	Remains
	100	80	100	20
	80	64	20	4
	64	51	4	1
	51	41	1	0
	41	33		
	33	...		
Total	**500**		**125**	

EXERCISE 3D: PLUGGING THE LEAKS

Ask yourself, **what can plug the leaks in the island/local economy?**

In the workshop, participants are now well tuned into resource and money-flows. Ask them to return to their small groups and identify initiatives and enterprises that can 'plug the leaks' they have identified. Give them time to consider options. Using a fifth colour of post-it note, ask participants to record their enterprising ideas on post-it notes. Whether their ideas are simple or complex, it is one idea only per post-it. Here are some helpful questions to generate thinking:

- How can we keep more money here? How can money be kept circulating locally?
- What new or existing businesses, social enterprises, cooperatives or community projects can stop some of the resources leaking out of the local economy? … can deliver goods and services that we have to buy in?
- How can we use more local resources for our economic activities?
- How can we make use of some of our waste products as inputs for other activities? How can we reduce our waste?
- Can we buy in bulk to reduce costs?
- Are there strategic initiatives that we can lobby organisations and agencies to do to get more money circulating locally?

At the end of this session let all the small groups put all the ideas on the wall, or on a big flipchart.

EXERCISE 4: CHOOSING MY ENTERPRISE IDEA TO DEVELOP

This exercise converts some of the enterprise ideas bubbling up into **opportunities** for individual participants, or groups of participants, whether refugees or from the host community. The participants identify those ideas that they would most like to take forward themselves (generating commitment on their part), get a sense of what others are interested in (important for collaboration and networking and for giving a sense of market demand), and start planning how to turn their chosen idea into reality.

EXERCISE 4A: GROUPING AND PRIORITISING ENTERPRISING OPPORTUNITIES

Give participants the time to look at all the ideas for plugging the leaks that they have put up on the wall. If participants want they can group similar ideas by moving the post-it notes close to each other.

Next give each participant **sticky dots** that they can place on the post-it notes with what they consider the best ideas. For this, give each participant:

- 2 red dots to mark ideas they would like to commit to take forward, or lead in practice
- 4 blue dots indicating they are willing to offer support to the idea that others will lead
- 8 yellow dots to affirm the idea as good for the island/local economy, and which they would use if available, but for which they won't be offering practical support

This process encourages participants to review and engage with all the ideas that have emerged from previous exercises, and to decide on which they **like best**, and especially to focus on ideas that they themselves could take forward as a **practical enterprise opportunity.** The process also provides some **market intelligence** about what ideas others in the group consider practical and useful in the local context.

3.3: PLANNING AND NETWORKING FOR ENTERPRISE

EXERCISE 5A: INDIVIDUAL ENTERPRISE PLANS

The final part of the workshop is to allow participants to develop an initial **outline plan** for the enterprise idea they would like to take forward. To ensure that those who may be less confident get the opportunity to develop their own idea, this exercise is best done in pairs. Each person develops their own idea, but with the help of one peer. Ask them to answer the following questions. You can design a simple format for this, if you like.

- Name of your enterprise or initiative
- Strapline for your enterprise
- Description of what your enterprise will do (one sentence)
- Unique selling point
- What passion of mine does the enterprise serve?
- What benefits will it bring to my community?
- What strengths do I bring to the enterprise?
- What challenges will I face?
- What resources are already available to me?
- What additional resources do I need?

The workshop facilitators should go round supporting individuals in developing their plans, but only if needed.

EXERCISE 5B: PRESENTING ENTERPRISE IDEAS AND GAINING SUPPORT

At the end of the workshop each participant should present their enterprise plan to the full group. This **presentation circle** is important not just to affirm individual's plans but to help all participants realise **how many potential exciting enterprise opportunities there are,** … and how different people, whether among the refugees or within the host community, want to take different enterprise opportunities forward.

The circle also provides opportunities for others to **affirm ideas** and **offer their support.** This has significant potential to enhance **integration**, especially when members of the host community can offer advice, contacts and practical support to refugees, AND when refugees can do so for members of the host community. This creates a web of support that contributes to integration, and starts blurring the distinction between refugees and host community.

Why not invite other members of the community along, as well as representatives of organisations that can provide enterprise support (business support agencies, community development workers, refugee support workers, local bankers, etc.)?

Each participant presents their idea. Adopting a coaching approach (see the next chapter), it is critical at this point that other people in the circle do NOT respond negatively to any idea, but only positively. And if they feel inspired by any idea

they hear, let them offer the potential entrepreneur support (with advice, contacts, networks, etc.).

At the conclusion of the workshop you should inform participants how you will be following up to support them in **turning their enterprising ideas into reality** (through coaching and other support set out in the next chapter of this handbook), and where they can access more support (for example from within the community or from relevant agencies).

3.4: ADDITIONAL RESOURCES

GROUP EXERCISE: THE THREE R'S

Group Exercise: Participants are asked to draw three Rs at the top of a piece of flipchart paper and draw two lines to create three columns, one for each R. This provides a column each in which to write examples. Participants are told that the three **R**s stand for **Recycle**, **Renew** and **Replace.**

Step one
Explain that if an item or material being used within a local business, social enterprise or community group is not from a renewable source, then that item should be **recycled** for use in something else so that it is not thrown away and ends up filling waste disposal sites or polluting. This is particularly true of waste products, because re-using them could also save the business money. This item could also be **renewed** through cleaning or some other method – e.g. old furniture being sanded and re-varnished. Finally the item should be **replaced** with another material that comes from renewable resources if it cannot be recycled or renewed.

Step two
Ask the participants to fill in all three columns of their chart with as many ideas as possible in 15 minutes. Option: Groups present their answers.

Renewable means that as a resource it can be replaced after being used: e.g. wood from trees can be replaced by planting more trees.

Non-renewable means that it cannot be replaced at the same rate that it is used: e.g. petrol and diesel and plastic.

Bio-degradable means that if thrown away it will, reasonably quickly, break down into dust or be consumed by bacteria.

GROUP EXERCISE ON LOCAL MONEY FLOWS: MULTIPLIER CHOCOLATE COIN DEMONSTRATION
Source: New Economics Foundation

Time
20 minutes

Materials
37 chocolate coins
3 glasses (or transparent jars)

Set up

- Ask for six volunteers from the audience and divide them into two groups of three on either side of you.
- Explain that this is a fun way to look at the multiplier effect, which helps us identify how much income is generated for a community from a source of income.

Localton

- Identify the first group as Localton (or whatever you want to call it) where everyone spends 80% of their income locally.
- Give the first person 10 chocolate coins, representing €/£10 of income into the community.
- Explain that the person with the coins then spends money on all sorts of things.
- On average, about 80% of that spending is local, so they should hand 80% of their income over to the next person; restate for the group that this means the person is handing over €/£8 or 8 chocolate coins to the next person. The 2 remaining coins should be placed in one of the glasses or jars which is the non-local jar and can be set to one side of the two groups or held by the facilitator or another participant.
- Explain again that the second person also spends on average about 80% locally, so they hand 80% of their income on to the next person. Explain that since 80% of 8 is roughly 6 coins (it is actually 6.4 but just round down). Restate that the person is handing €/£6 or 6 chocolate coins over to the next person. The 2 remaining coins should again be put in the non-local jar.
- If possible let the group make these calculations so it's more participative, but you have to feel that out and just do the maths for everyone if that makes it easier for the participants.

Leakyville

- Now switch to the other group, who you call Leakyville (or whatever) because everyone in that town spends only 20% of their income locally.
- Explain that again we are starting with the same amount of income into the community, and hand over the €/£10 or 10 chocolate coins to the first person.
- Explain that person also spends on all sorts but that only 20% is spent

locally, which means that person gives the next person €/£2 or 2 chocolate coins. The 8 remaining coins should be put in the non local jar.

- Explain that the next person spends 20% of their income, which is 40c/p, but we'll round that to 1 chocolate coin. The 1 remaining coin should be put in the non-local jar.

The multiplier jars

- First, ask all participants to put all their remaining coins in your glass jar that you were using for the non-local spending.
- Now is the key learning aspect of the demonstration
- On a table in front of both groups (or near them), place two transparent glasses or jars of the same size.
- One represents the multiplier effect for Localton and one for Leakyville.
- Key explanation: The multiplier effect measures how much income is generated for a community based on an initial investment; people often get confused and look at the two groups and say 'But they've got 6 coins left and they've got 2; isn't that what we're talking about'. No, what is left is not the same as the multiplier effect. Again, the multiplier effect measures the income generated on the path from the first person to the last person. We add all the income up that was generated along the way to come up with the multiplier effect.
- Start with Localton and state that we're going to calculate your multiplier effect.
- Ask the first person to state how much income they received (they should reply €/£10).
- So ask them to put 10 chocolate coins in their multiplier glass or jar, taking the coins from the common pot (the one they just put all their coins into).
- Then go to the next person and ask that person how much they received as income (they should reply €/£8).
- Ask that person to put 8 chocolate coins in the multiplier glass or jar.
- Then ask the same of the third person and have them put in 6 coins (by now you will need to use the extra chocolate coins you have handy – remember you need 37 coins in total).
- Then contrast this with Leakyville by going through the same steps with the second glass or jar.

FYI, you can do the multiplier part alongside Localton and Leakyville as they go through spending (e.g. putting 8 + 6 + 4 coins into the Localton multiplier glass or jar as they spend it). This is an alternative, but there is a risk of too much going on at once, and of not fully grasping the difference the multiplier makes. But, you can try both out and see the reaction.

Counting the multiplier effect

- Explain that they can probably see the difference in the multiplier effect just by looking at the two glasses or jars, but also do a quick count.
- Turn to Localton and ask them to consider how much their multiplier effect is; coach them if needed with adding together 10+8+6=24.
- Turn to Leakyville and do the same (10+2+1=13).
- Identify the difference and explain the relevance and the potential impact.

CHAPTER 4: AN INTRODUCTION TO A COACHING APPROACH AND THE GROW MODEL

4.1 INTRODUCTION

This chapter is targeted at those supporting potential entrepreneurs and social entrepreneurs, rather than the entrepreneurs themselves. The principles and skills set out in this chapter are relevant to anyone supporting others to launch an enterprising initiative, but particularly those engaging with groups like refugees, migrants and other marginalised groups who may be regarded by others as particularly "vulnerable". This chapter seeks to focus attention on the assets and abilities that such individuals or groups bring, and to build on these to further develop their psychological, social and economic capital. The principles and skills are of course relevant to anyone coaching or supporting others, whether for enterprise or not.

This section of the manual draws on the Making Spaces model developed by Weconomics Ltd. This model builds on the economic literacy and functional skills, including for identifying enterprising opportunities and local resources and assets, that we have covered in Chapters 2 and 3 of this handbook.

It builds on these by following up with specialised enterprising coaching to support the development of a clear vision and plan, to build functional and **psychological resources** for action, and helps access **local assets/resources** and **support networks.** This approach is reflected in this section.

Making Spaces Model is ideally suited to refugees, migrants and other marginalised groups who may want to set up a business or social enterprise, being based on a fundamental principle of human engagement: **being valued** and **being able to offer value.**

The model was developed for people in low-income or fragile contexts who are in a vulnerable situation, who believe they lack the ability and resources to bring about change. It targets those who show enterprising behaviour but do not have the confidence or face barriers to starting an enterprise. By placing them at the centre of thinking, planning and action, it seeks to build **self-confidence, self-belief, autonomy, agency** and **resilience** and so maximise their potential. It opens space for them to understand their own situation and take **their own action** to improve this.

The Model releases their own ideas and experience, energy, passion and resilience while helping them to explore their new local context and local networks. By building their psychological resources and building on their skills, the Model also reduces their dependence on others, builds positive feelings and a can-do attitude, confidence and belief, and increases the likelihood that they will succeed.

4.2 PRINCIPLES OF EFFECTIVE COACHING

If refugees, migrants and potential social entrepreneurs have been through the workshops in Chapters 2 and 3 of this handbook, they will have come up with many good enterprising ideas. Some of them will want to take their ideas forward in practice, turning their idea into a viable business or social enterprise. For them to achieve this, the support of a coach can be really helpful.

The coach is not an adviser, not someone who will direct them what steps they need to take next. Instead the coach accompanies the entrepreneur on their journey, creating a safe and courageous space for them to develop their ideas and to launch and sustain their enterprise.

For the coach to do so effectively, it is important that they adhere to the 10 principles outlined below. Before you start supporting an entrepreneur, read these principles and reflect deeply on how well you adhere to them. Even skilled coaches need to continue to remind themselves of these principles as they often do not accord with what is common practice in human interactions.

THE TEN PRINCIPLES OF EFFECTIVE ENTERPRISE COACHING

These key principles of coaching ensure the greatest impact in terms of releasing energy for refugees, migrants and/or social entrepreneurs to set up enterprises. Without these principles it is all too easy to fall into a directive approach that maintains dependency rather than building autonomy and agency. This is particularly important for refugees, migrants and social entrepreneurs who want to set up an enterprise; to succeed they will have to rely on their own entrepreneurial energy and resilience.

It is not possible to overemphasise these principles, both because of the positive impact they can deliver, and because so often even skilled support workers forget them in their desire to help.

'We have an innate wish to help the people we are managing [or supporting]. This often leads us to go into 'rescue' mode. However, often the outcome of this approach is that we don't allow the people … to make their own mistakes or discover the resources within them to solve their own problems. Therefore, we subtly suggest that we have all the of the answers and they don't!' Social Enterprise Academy

Principle 1
An approach where the objectives and content for every meeting and discussion are owned by the client, with the coach carefully following wherever the client chooses to go in any meeting or discussion.

Principle 2
An approach that follows the passion and energy of the refugee, migrant or social entrepreneur, rather than directing them or offering them advice as an "expert". Remember the client is an expert on their own situation and probably on many other things, too. And if their circumstances constrain their ability to tap into their passion and energy, adopt an approach that helps them search, test and find that passion and energy.

The most powerful driver of sustainable action is **passion.** *This emotional resource works in unison with the vision and functional and psychological information and resources carefully hard wired into the brain during coaching to create resilience to barriers and disappointments and a strong desire to succeed.*

Principle 3
An approach based on engagement, trust and support that releases action by the client rather than the coach or support worker directing or controlling it, that builds self-confidence, self-belief, autonomy, agency and resilience rather than dependency by being "with" them rather than doing 'to' or 'for' them. Build rapport by listening carefully to and believing in the client.

Principle 4
An approach where the client does the thinking and decision-making, and takes the action. The result is that the learning is well anchored in the brain of the client along with the positive thoughts and feelings associated with this experience. When added to a strongly anchored vision, this gives the client self-confidence, self-belief and dignity and means that the vision and planning is all anchored within their own mind. The help for themselves is coming from within themselves and it feels good. It is always available to them going forward, building self-reliance. 'Help from within enables.' The reverse is true when all or most of the help comes from outside. 'Help from without disables.' (Samuel Smiles, Self Help, 1859)

These first principles are among the most challenging for so many of us who are used to giving advice, and are often all the more challenging in a refugee context where refugees or migrants are seen as particularly vulnerable.

Principle 5
An asset-based approach, only looking at what is good and the best possible outcome for the idea and the client. Keep a disciplined focus on the positive, on what can work rather than on what can't work, that builds on assets that are there rather than on trying to find assets that aren't there. By positively approaching every aspect of the refugee, migrant or social entrepreneur's idea only from their own perspective, the approach builds the psychological resources so vital for success and generates positive feelings about themselves and what they have done and plan to do.

Principle 6
An approach that embraces processes, questions and tools that anchor vision, thinking and reflection, learning and decision-making within the mind of the refugee, migrant or social entrepreneur and not of the coach, business adviser or mentor. In particular, this may involve an approach involving active listening, open questions and a non-judgemental attitude ...

Principle 7
An approach that is rooted in active listening, when you listen and watch with your whole self, to their words of course, but also to their non-verbal behaviour, body language and emotions. And showing that you are listening and demonstrating that you care about what the other person is saying through eye-contact, encouraging responses (even just an "ah ha") which support the other person without interrupting them.

"When someone really hears you without passing judgement on you, without trying to take responsibility for you, without trying to mould you, it feels damn good. . . When I have been listened to and when I have been heard, I am able to re-perceive my world in a new way and to go on. It is astonishing how elements which seem insoluble become soluble when someone listens. How confusions which seem irremediable turn into relatively clear flowing streams when one is heard." Carl Rogers, psychologist

Principle 8

An approach within which the coach relies predominantly on effective open questions, if they need to intervene at all. The coach mainly uses good open questions to provide an easy and comfortable opportunity for their client to develop their own thinking. An example of one of most effective questioning styles: If the client for example mentions "design", and then pauses, the coach may just repeat "design?" as a question, no more than that.

Principle 9

An approach that is non-judgemental. Do not judge them or their idea or issue. Let them work these through themselves and decide for themselves if they are viable. This requires turning off your own analytical thinking in order to be most effective in allowing the client to do as much thinking and analysis as possible themselves.

Principle 10

An approach that delivers a safe and courageous space where the refugee, migrant or social entrepreneur can feel relaxed, confident and brave, enabling them to explore, understand and even experience or 'test drive' (in their mind and feelings) their idea clearly before even starting, building a clear vision of success as well as understanding of local resources and assets, and how to access them, and how to identify and/or grow their own support networks that will help them deliver their idea.

And some useful tips:

- For many people, the most important tip is to **stop talking!** You are there to listen and enable the client to find their own solutions, and your talking often hinders this or contributes very little to it.
- **Find a relaxed space to meet.** Do not sit behind a desk, counter or other physical barrier that will create a psychological barrier or power dynamic between the client and coach. Instead sit in chairs at a 90 degree angle to each other as this psychologically creates a shared space in which to explore.
- **Do not take notes** as this is likely to make the client feel that you are "analysing" them and may indeed lead to them subconsciously leaving the decisions and actions to you as coach.
- Be prepared to **allow the client to talk about other things.** Refugees and migrants may confront many issues, and if one or more is agitating or distracting them from the focus of the coaching session, it may be better to ask what is bothering them and allow them to talk about it.

- And avoid injecting your own particular perspectives into the coaching sessions, while also using tools that enable the client to understand different views that other people may have and why this is important.
- When needed and helpful, **seek to clarify and summarise** to make absolutely sure that you have understood what the other person is saying. It remains critical that you do this in a way that ensures that the other person retains control of the discussion, and that you do not stray into giving advice or your own perspectives. The focus of these tools is to ask, 'Have I understood you correctly or not?'.

Enterprise coaching will also enable the client to access training, if needed, in business related skills (business planning, finance and book-keeping, costing and marketing, negotiating and contracting, regulation and taxation), and some of this will be covered in later sections of this handbook. But the principles above are listed first. Without these, the training in business skills is less likely to succeed and may well stifle their passion and energy that is critical for the success, sustainability and resilience of the enterprise they set up.

To repeat again, this approach seeks to build resilience and avoid dependency creation. This coaching methodology keeps all of the development and resulting action with the client. This in turn gives the client a lot more belief and confidence in themselves, in their idea and in their own likely success. By working in this way along with the other built–in support mechanisms, the action of the client and their idea itself are much more likely to succeed and be sustainable. This also reduces the client's dependency on others and makes them more likely to take sustainable action in other ways. Collectively within a community this can have the impact of changing self-belief and sustainability within the community itself.

Finally, it is essential that if the coach wants to get good at what they do, that they arrange to have lots of practice coaching others. It is also good if the coach gets together with other coaches once a month to share practice, learning and feedback from the field. In such sessions they can also learn how to observe and give feedback to other coaches as part of their own learning and ability to reflect on the behaviour of their own clients and themselves, improving the level of effectiveness of their own coaching.

4.3 THE GROW MODEL

One of the most common coaching frameworks is the GROW model covering **Goals, Reality, Options and Way Forward or Will.** Traditionally this is described in the following kind of terms:

The **Goal** is the end point, where the client wants to be, and has to be defined in such a way that it is very clear to the client when they have achieved it, e.g. by defining Smart goals (**s**pecific, **m**easurable, **a**greed/**a**ccepted, **r**ealistic and **t**ime-phased).

The **Reality** focuses on where the client is now. What are their issues, their challenges, how far are they away from their goal?

The **Options** enable the client to generate different possibilities, responding to questions like, What have you thought of so far? What other choices do you have? What else could you do if you knew you wouldn't fail? If you had more time, what would that enable you to try? What advice would a trusted friend be giving you? But this phase concludes with making choices amongst the different options. Some coaches even make the **O** stand initially for **Obstacles** ("There will be Obstacles stopping the client getting from where they are now to where they want to go. If there were no Obstacles the client would already have reached their goal. Once Obstacles have been identified, the client needs to find ways of dealing with them if they are to make progress. These are the Options.", Wikipedia).

Finally, the **Way** Forward or **Will**, involving committing to action, converts the Options into action steps which will take the client to their Goal, and getting the client to rate, e.g. on a scale of 1 to 10, their willingness to take these steps.

> In practice this traditional approach to the GROW model can be unhelpful. It is all too easy to get bogged down in the current realities, challenges and obstacles. Starting with SMART goals can inhibit imagination and dreaming, by focusing on what is apparently 'realistic'. This can easily undermine passion, energy and the positive motivating feeling generated by tools like the 5-3-1 Backwards Planning Tool, where the client imagines, and in the present tense, the best possible future unconstrained by restrictions.

In practice, therefore, it is better to adapt the GROW model as follows.

First, it is helpful to start with the **Topic** (the GROW Model is now often described as the T-GROW model), to decide on what the client wants to talk about and focus on in the coaching sessions.

Next, use an imaginative approach to GOAL setting, like the 5-3-1 Backward Planning Tool. **'If you could do or achieve this idea any way that you wanted to, without any restrictions, what would it look like in 5 years time?** And the purpose at this point is not to make their goals SMART, but to ensure that they imagine that achievement in the most sensory way possible as though it has already happened. In this way the goals become anchored in the client's brain, and act as a motivating resource for them well beyond the coaching sessions.

The next step is to use tools like the **Backward Planning Tool** that enable the client to move that motivating goal closer to the present, in steps that create a road map of action towards their inspiring goals, so that the Goal stage ends with a clear outline of the stages or milestones towards their goals. The **Planning Alternative Futures with Hope (PATH)** framework builds on the same understanding and creates a structured framework for this process.

Here is an illustration taken from Imagine Better in New Zealand. You can find many more, and equally colourful, if you do an internet search for Planning Alternative Futures with Hope and click on images.
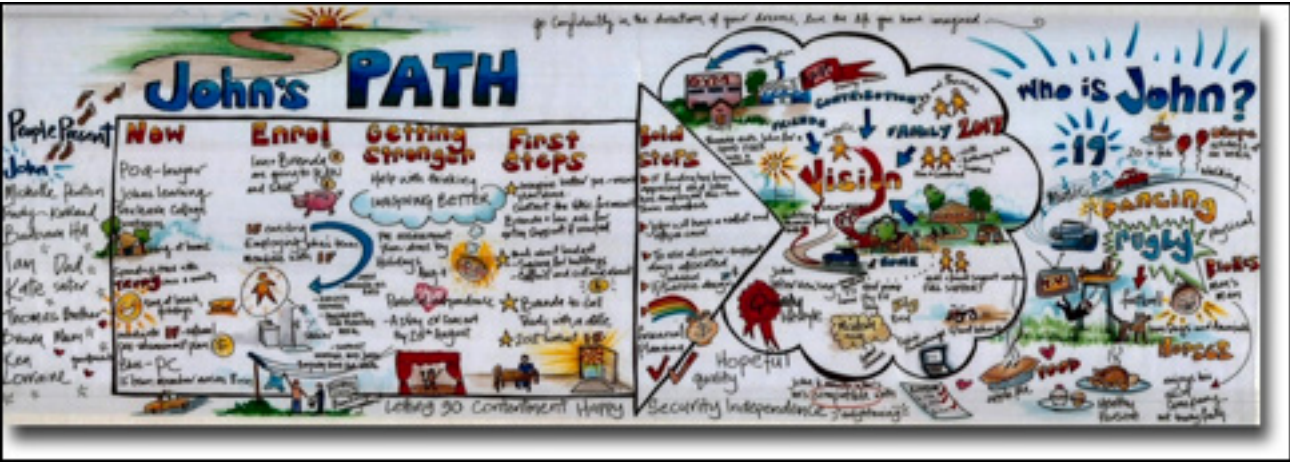
You can find basic templates for planning your own alternative future with hope here and here (p.4). Books and resources on PATH are available from the Inclusion Press, e.g. here and here.

Note in particular the order in which you do this tool, a form of backward planning also, for example:

1. **Dream or Vision**
2. **The Positive and Possible Goal (in 5 years)**
3. **Now**
4. **People to help me**
5. **Stay strong or build Strength**
6. **The First Year**
7. **Next 3 months**
8. **First Steps**

For **Reality**, an effective alternative is to focus on **Resources**:

> - what resources will you need for your idea?
> - what resources do you already have for your idea?
> - What resources are readily available within the local economy (as identified in the 4As tool about local assets in Chapters 2 and 3 of this handbook)?
> - What do you still need and how will you get these?

In this approach, **Options** then becomes an opportunity to look at alternative routes along the road map that could also allow the client to achieve their goals. The coach opens space for the client again so that they can have a second go at expanding their idea. The coach may ask: What are three more ways of doing the same idea that are different to what they have already said?

This is to widen their thinking, and to provide the client with resilience and motivation in the future, even in the face of obstacles. If their original action plan meets obstacles they know that there are alternative routes which will allow them to reach their goals anyway. The coach must of course be careful to make it clear that they are not suggesting that the original idea wasn't good as this may show judgement of the idea, but try to serve the client well by enabling them to stretch their idea wider.

Finally, the **Will** stage (a) allows the client to feel and reflect on how committed they are to their idea, now that they have had the chance to explore it in much greater depth, and (b) to map out an action plan, a Way forward, that will enable them to take the first actions to achieve their goals.

At the end of this process, which may extend over several coaching sessions, ask the client to rate, e.g. on a scale of 1 to 10, their willingness to move forward with their ideas.

If it is high, then subsequent coaching sessions will focus on developing their enterprise idea in practice, supporting them in using some of the practical enterprise skills set out in the next sections of this handbook.

4.4 ADDITIONAL RESOURCES: THE RESILIENCE PLAN (THE FOUR S'S)

Source: positivepsychology.com: click on "download tools" and download the three positive psychology exercises.

Seph Fontane Pennock and Hugo Alberts argue that "resilience is not a trait that people either have or do not have. It involves behaviours, thoughts, and actions that can be learned and developed in anyone (McDonald et al., 2012). One way to develop resilience is to draw on one's learning from similar challenges in the past, to remember what he or she already knows, but may have forgotten. What was it exactly that enabled a person to get through a period of illness, or a divorce, or being laid off at work? That is, which supports did they call on, what strategies did they use, what sagacity did they hold onto, and what solutions did they find. These resilience resources are also known as the 4 S's. This tool helps people unpack their personal resources for resilience by giving them a framework (The 4 S's) to bring out what specifically works for them. … The goal of this tool is to help clients devise a personal resilience plan based on their existing resources (that is, what has helped them bounce back from difficulties in the past)."

The authors advise that "the beauty of this tool is that clients trust their resilience plan, given many if not all of the resources have worked for them in the past. No matter how ridiculous it may seem to another person to listen to a particular pop song over and over again, or to buy a bar of particularly expensive chocolate, or to re-read a children's book, the client knows it helps them. In this way, these resilience plans are highly individualized and thus personally meaningful and useful."

The core of the exercise is to reflect on a recent example of where you showed resilience, overcoming a challenge or set-back, and identify:

- the supportive people who kept you standing
- the strategies that kept you moving
- the wisdom and insight ("sagacity") that gave you comfort and hope
- the solution-seeking behaviours you used

Then use these insights to develop a resilience plan to deal with a current difficulty and challenge.

MY RESILIENCE PLAN

Supports that keep me upright	**Strategies** that keep me moving
Sagacity that gives me comfort and hope	**Solution-seeking behaviours** that I can use

CHAPTER 5: SOCIAL ENTERPRISES

5.1 INTRODUCTION

This chapter provides information and learning for those who have a specific interest in social enterprises, either entrepreneurs or community groups wanting to set up a social enterprise, or support workers and business advisers providing support for social enterprises.

Do you have an enterprise idea that will benefit refugees or migrants, or your local island, coastal or other community? If so, your enterprise will clearly have a social and/or environmental purpose. It will be more than a business that will earn you income and profits. It will be a **social enterprise!**

Social enterprises thrive on the assets of their leaders and workers, with their **passion, vision, commitment** and **values,** who are determined **to make a difference** to individuals, communities, society, the environment, the world, and to build psychological, social and economic capital for people.

Social enterprises are also designed as enterprises that engage in economic activities **to generate income and profits that can be reinvested** in the enterprise to increase the impact that it will have and to make it sustainable (not dependent on grants).

Exciting! Also challenging! But you are not alone.

The EU describes social enterprises as follows:

A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities.

The EU and your social enterprise

Documents on EU policy towards social enterprise are available here through the Euclid Network

Social enterprises are part of the social economy. There are **2 million social economy enterprises in Europe**, representing 10% of all businesses in the EU. More than **11 million** people – about 6% of the EU's employees – work for social economy enterprises. They have different legal forms and various objectives ranging from agriculture and banking to provision of employment and sheltered workshops.

You are definitely not alone! But that does not take away the challenges. Remember the Sustainability Triangle in Chapter 3?

The **Sustainability Triangle** makes clear that in your social enterprise you will mix social, cultural and/or environmental purposes with business and economics. This is what makes a social enterprise different: it has a **triple bottom line**. This is how social enterprise bridges the gap between charitable organisations and private businesses. This is not always easy to do.
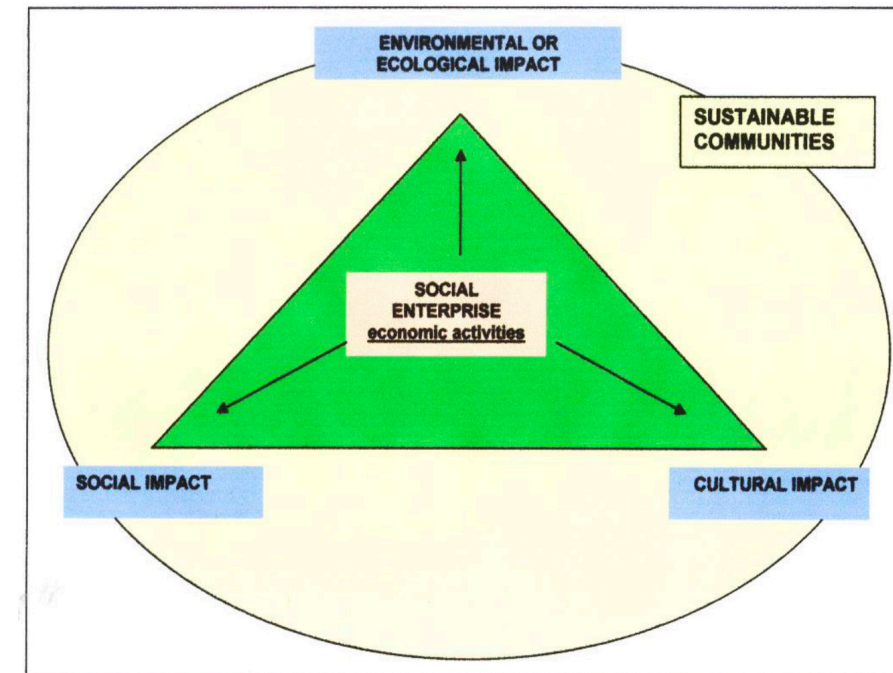
Alan Kay, Guide to Social Enterprise Planning, JUST the Business, 2012

5.2 EXPLORING THE BOTTOM LINE

Here is a matrix that can help you think through the options you may have along the **impact axis** as well as the **profitability axis.**
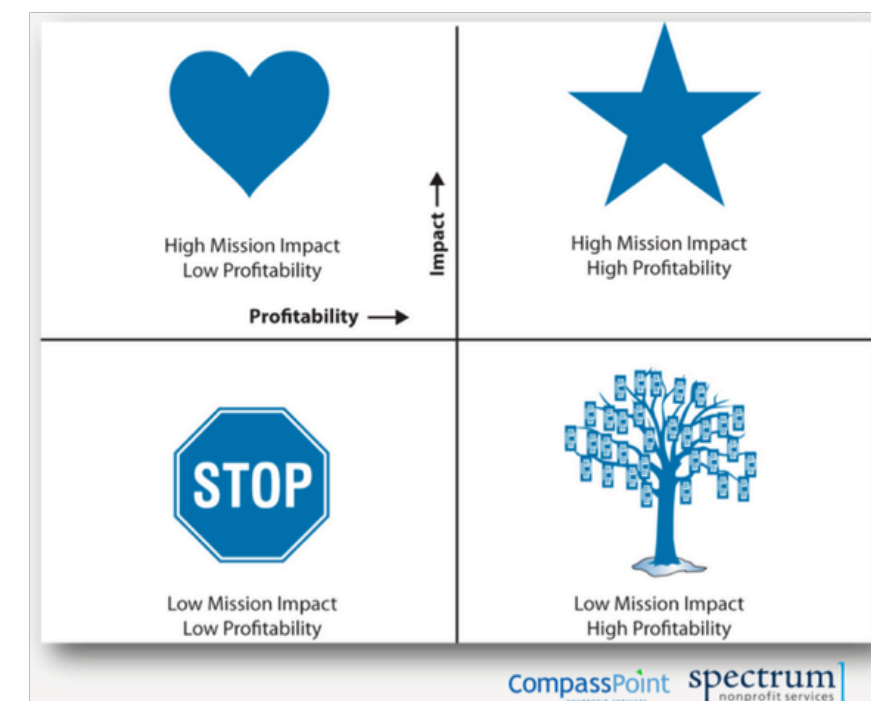
Source: Jeanne Bell and Steve Zimmerman, Nonprofit Sustainability: Making Strategic Decisions for Financial Vitality; see www.nonprofitsustainability.org

The matrix seeks to explore the relative merits of different activities against the 'bottom lines' of social impact and financial contribution made.

Social enterprises must be purpose driven, but also aim to generate income rather than wholly dependent upon grants and donations.

EXERCISE 1: ASSESS YOUR ACTIVITIES

Assess the proposed activities of your social enterprise against this matrix.

- Which quadrants will your activities fall into?
- Are there ways you could increase your impact and/or your profitability?

EXERCISE 2 (BEST DONE WITH A GROUP): THE TRIPLE BOTTOM LINE

To help you explore social, cultural and environmental aims further – the triple bottom line of economic, social/cultural and environmental impacts, – think of different organisations you know in your local economy or country. List them under the following headings:

- private businesses
- charities and community groups
- environmental organisations
- social economy organisations

Then discuss for each business or organisation whether they are interested in social, cultural, economic and environmental issues. You could add appropriate symbols by each one (e.g. a tree to indicate their interest in environmental issues).

EXERCISE 3: YOUR BUSINESS IMPACT

Now reflect again on the impacts you want to achieve through your social enterprise. List out all the impacts you expect your own social enterprise to have:

- **Social impacts**
- **Cultural impacts**
- **Economic impacts** (e.g. for your local economy)
- **Environmental impacts**

For each impact, reflect on whether they are positive or negative.

- If positive, how can you enhance this impact even further?
- If negative, how can you reduce this impact or eliminate it altogether?

5.3 SOCIAL ENTERPRISE VALUES

You will no doubt have a strong sense of the purpose of your social enterprise, its raison d'être. But have you articulated the values that you want to inform your enterprise and the way you operate?

Values reflect what is really important to you, and underpin and guide your vision, mission and strategy (see Section 6.3 in the next chapter of this handbook). In a social enterprise your values should also fit with your purpose, and with the people you are seeking to benefit.

EXERCISE 4: EXPRESSING MY VALUES

Write down all the values that are really important to you generally, and for running the social enterprise you want to set up.

If you want you can write each value on a different piece of paper or post-it note. You can then organise these by how you feel about each one, for example, … which values are most important to you, that you couldn't do without? Which would be good, but not essential?

Now review the values set out in Knowledge Bite 2 at the end of this chapter. For each one, ask yourself:

- How important is this value to me?
- How would I express the value to better reflect what is important to me?

Are there any additional values not in this list that I would like to uphold as part of my social enterprise?

5.4 ASSESSING YOUR SOCIAL IMPACT

Because you want to launch a social enterprise which will have a **positive impact,** you have to be sure:

- what impact you are having in practice
- whether you could enhance that impact
- that people (like refugees and migrants) and communities (like island and coastal communities) are experiencing a positive impact or whether they feel they could do better if your enterprise did things differently.

Measuring your impact is critical for any social enterprise. Funders who invest in your enterprise will also want to know that you are achieving the best possible impact with their investment.

The assessment cycle from the Social Impact Navigator

Measuring impact is not always easy, but fortunately there are many resources that can help you. Here are some:

www.impactwizard.eu
www.social-impact-navigator.org
www.evaluationsupportscotland.org.uk
SCDC's Achieving Community Empowerment
www.theoryofchange.org

5.5 THINKING CREATIVELY

To be successful you will need to be creative and innovative. In later sections of this handbook you can develop your social enterprise plan in significant detail, and in a very logical manner.

However, remember, as a social enterprise, you are often trying to tackle some really challenging social, cultural, economic and environmental issues. Linear planning found in business plans, logic models and other such frameworks may not be the best way to frame your own social enterprise. A diagram taken from design innovation may be helpful to encourage you to think creatively and innovatively. That's what the best social enterprises do.
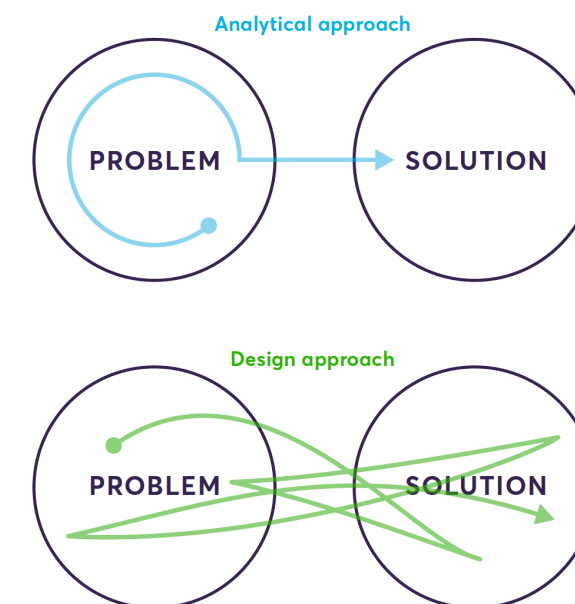
Adapted from Quaggiotto, G., Leurs, B. & Hazeldine, S. (2016, July 5) "Fall in love with the solution, not the problem." Sourced from NESTA (2019) and from http://www.nesta.org.uk/blog/falllove-solution-not-problem

If you need linear planning for your enterprise, then a very useful framework to use is the **Logic Model** (which is increasingly used across Europe). It helps you plan out the impacts you want to achieve, and how you will do so. The model then provides the framework for you to track and measure your impact in the future.

Some of the websites listed above use the oldest logic model: inputs, activities, outputs and outcomes (see wikipedia on the logic model). However, it is more helpful to use models that have been developed further.

Here is a helpful example of the **Wisconsin Logic Model** that is often used in Scotland (for a helpful briefing on how to use this model, see Evaluation Support Scotland here. The boxes are taken from this briefing):
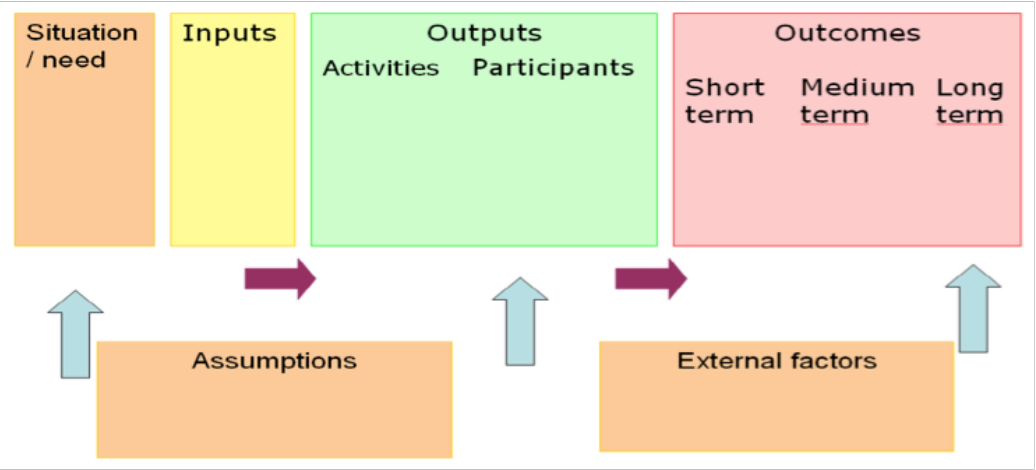
This kind of logic model gives you a causal **roadmap** or a pathway of cause and effect. From the model you can then begin to identify the things that tell you whether you are making expected progress: what you will want to measure and how, so that you can tell in the future whether you are having the expected outcomes or not.

In Knowledge Bite 3 at the end of this chapter, you can find questions you might ask to help you develop your own Logic Model.

5.6 CO-CREATION SKILLS

A traditional business is set up to benefit the entrepreneur and the investors. A social enterprise however is primarily set up to **benefit people and/or the environment.** Traditional social services have also sought to benefit people in need, but often in a top-down manner where professionals decide what is best for their clients. Innovative social enterprises aim to involve individuals and groups in their design and delivery, not just through consultation, but also in **co-creating, co-designing, co-producing.**

This is especially relevant when thinking about social enterprises to benefit refugees and migrants. In line with the coaching principles outlined in Chapter 4 of this handbook, simply delivering services, however beneficial, may create dependency. Fully involving your target groups in co-creation, both co-designing and co-producing your services, is likely to build self-confidence, self-belief, autonomy, agency and resilience among your target group rather than dependency. Co-creation taps into the assets, the psychological, social and economic capital that individuals and groups bring rather than assuming they are just recipients of help.

You can learn more about co-creation and co-production in **Knowledge Bite 4** at the end of this chapter. Genuine co-creation is a significant challenge for social enterprises that private businesses often do not face, and may require a very different set of skills. The following table reflects some of these skills (drawing on insights from whole system leadership: see here, for example).

Be a Good Listener	Awareness of Self and Others	Awareness of Community
Being able to suspend judgement to listen and learn from others.	Being aware of your own feelings, motivations and beliefs, and those of other people and considering how these help or hinder effective decision-making.	Having a firm understanding of the different groups, organisations and needs in your community, and being constantly aware and open to the ever-changing nature of these needs.
Suspend Certainty, Embrace Uncertainty	**Seek Diverse Perspectives**	**Be Adaptive and Learn from Mistakes**
Seeing beyond your own situation in order to obtain a broader and potentially more accurate world view.	Through inclusion of all voices, there is potential for conflicting opinions to generate discussion resulting in innovative solutions which satisfy everyone.	Reflecting and learning from your own actions/patterns of behaviour before deciding on a solution. Taking a step back from the whole situation and considering all opinions before making decisions.
Have an Open Mindset	**Empower Others**	**Be Resourceful**
Be open to change and learning from others. Take on board new ideas or feedback from stakeholders with an open mindset and willingness to change and adapt.	Cultivate an environment where people feel comfortable and supported to challenge themselves and try new things.	Consider what resources are available to you and how best these can be utilised for the community's common purpose.

EXERCISE 5

Reflect on these questions:

- How good are you at each of the skills outlined in the table above?
- How are you going to involve the people you would like to benefit in your social enterprise: just through consultation or through genuine co-creation?

EXERCISE 6

Hold an activity session to discover the talents, skills or experiences held by those you seek to benefit, among refugees and migrants, within your community. You may be surprised to discover assets and attributes which might prove to be very valuable to the community action or enterprise you hope to inspire.

In pairs, find out two or three things your partner is good at and then, as a pair, discuss how those skills, experiences or knowledge could be useful or valuable for collective action.

Feedback to the whole group about the skills, talents or experiences that your partner has. Review all the skills, talents or experiences available within the whole group and review the design of your enterprise in the light of these assets available within your community.

5.7 REVISITING DESIGN

In this chapter you have covered critical features of social enterprises: **values, mixing social purpose and business,** assessing your **social impact** and **co-creation** skills so that you can work together effectively with refugees, migrants, members of your local island or coastal community, and others.

In the next chapter you will move on to business planning. While this process will start with creating an inspiring vision, later sections will move you into a more analytical and logical process. Before you go there, why not revisit design now? Reflect on what social enterprise is emerging for you. Rather than just following a linear process through this manual, why not loop back now and reflect on what you have designed so far, and ask yourself two questions:

- could I do things differently?
- could I do things better?

Two items may help you in your reflection. First, the Transformational Engagement Exercise in **Knowledge Bite 5** at the end of this chapter will encourage you to think of three alternative actions to meet each of your goals, not just the actions you may have focused on so far. It will also introduce you to reflecting on what stakeholders you need to engage with, which you will develop further in the later chapter on networking.

Second, another diagram from innovation design will help you revisit your design in the light of all the insights and learning you have derived from this chapter on social enterprise.

So, use the **Double Diamond design process diagram** (developed by the Design Council in the UK) to revisit your social enterprise design. Revisit what problem you are trying to solve, and reflect on the best design for your social enterprise following these four stages:

- **Discover:** The process begins with examining the nature of the problem by trying to look at it in new ways and gathering insights.
- **Define:** Once you have generated these new insights, you then narrow down and define an area to focus on.
- **Develop**: Next, you move on to generating ideas, exploring potential solutions and testing out multiple possible solutions.
- **Deliver:** Once you have identified the best solution, you then move into planning how you will deliver it.

This diagram comes from NESTA (2019) again. Why could it be helpful?
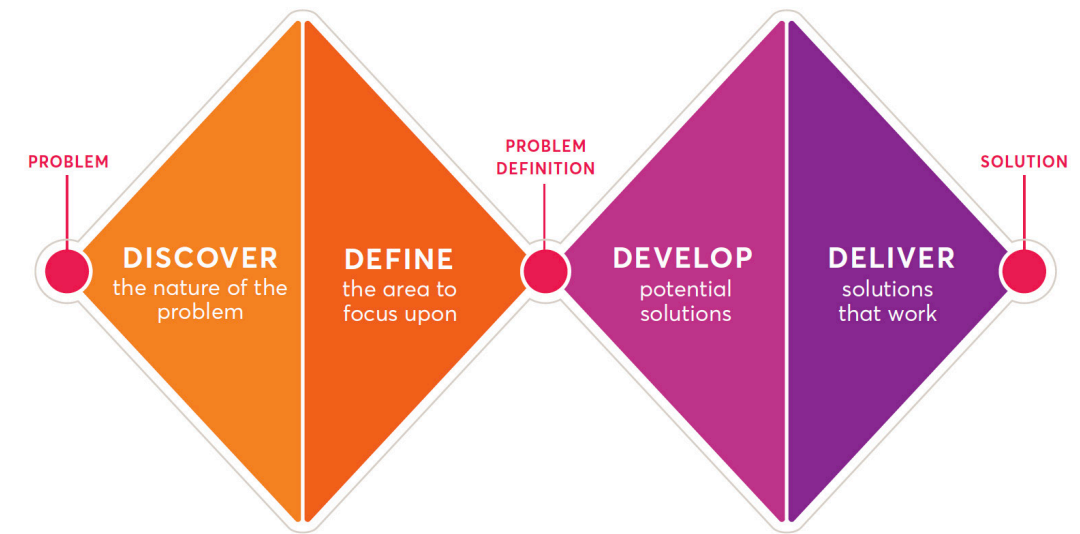
"The Double Diamond demonstrates the value of both divergent and convergent activities; opening up a problem and then narrowing down again, opening up ideas for solutions and then narrowing down again. Both activities are crucial."

"We often see that people begin with a defined problem; they believe that they already know what the problem is. A core element of design however, represented in the Discover phase, is taking a step back and exploring the problem. Although you might think that it is clearly defined, if you go through the Discover process you might find that the nature of the problem is different, particularly if you look at it through the perspective of people, especially the people you want to benefit through your social enterprise."

And **don't** engage with this design diagram only in a linear process:

"Although this diagram suggests that the design process is a linear sequence of steps, you might find yourself jumping back and forth between the stages. For example, you might unpack your problem area, define your focus and then build a prototype, but discover that some knowledge is missing that means you need to go back to the discover phase. This is where the principle of iteration is important, and that by iterating and improving you will ultimately come up with a better design."

You will continue to iterate and improve your social enterprise design throughout this handbook. You have done much exploration already. There is more still to come. Enjoy **revisiting** and **iterating, innovating** and being **creative.** In this way you will design a great social enterprise that can contribute to transforming people, communities and the environment. Good luck!

Why is social enterprise design so challenging?

The following diagram, drawing on concepts of innovation design, points to an important dimension that often makes social enterprise challenging.
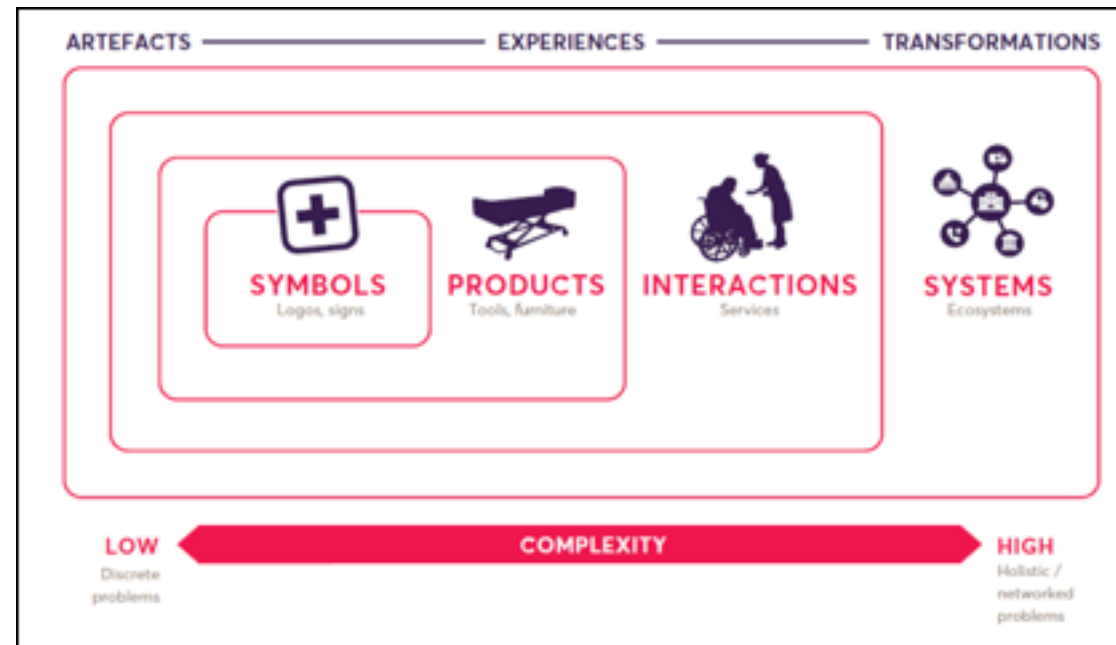
Four levels of design
from Buchanan, R. (2001) "Design research and the new learning", Design Issues, 17(4), 3–23

sourced from NESTA, Playbook for innovation learning (2019)

The diagram clarifies the different levels of design. As NESTA (2019) explains, "The tricky thing about defining design is that, by its very nature, design exists on many levels. This diagram helps to bring clarity by categorising design activity into four orders. It illustrates how design as a discipline has moved from the traditional concept of visual or tangible artefacts through to orchestrating interactions and experiences, and to transforming systems.

"For example, designing a symbol or a logo is relatively straightforward, but designing for systems is much more complex and multifaceted. It involves many actors, often with varying or conflicting objectives, and is concerned with situations that might change over time. Design thinking, in that sense, often refers to the mindset and skills needed for the latter two orders – interactions and systems."

Social enterprises usually operate at the level of interactions and often seek also to transform systems. No wonder social enterprises can be so challenging!

SOCIAL ENTERPRISE VALUES

There are many values that are important to social enterprises. The boxes on the following pages contain a list drawn up by John Pearce, who was considered the Scottish pioneer in community enterprise, as reproduced by the Social Enterprise Academy.

Core values

Common good	Having a purpose which benefits humanity and/or the planet rather than working for individual gain. Assets are held and profits used for the benefit of society
Co-operation	People and organisations work together for mutual benefit
Subsidiarity	Where policies and practices rest with people at the lowest, or most local possible level. This implies a preference for organisations which are appropriate to local conditions and which can be owned and controlled by local communities
Democracy	Structures such that each person involved in their governance shares equal rights to participate in decision-making
Inclusivity	Ensuring that all persons in society have an equal right and an equal opportunity to participate in or to benefit from the social enterprise without discrimination as to race, gender, sexual orientation, ability, religion, political belief or social and economic disadvantage
Good work	Seeking to undertake work which is socially or environmentally useful and which therefore enhances the quality of life while at the same time offering acceptable rewards and working conditions
People-centred	Addressing the needs and wishes of people rather than serving the interests of capital
Sustainability	Ensuring work and practices safeguard both human and ecological diversity and the resources of the planet for future generations
Accountability	Accountable both to their own stakeholders and to the wider community

Operational values

Partnership	Seeking to work in partnership with many other agencies in order to achieve their objectives
Professionalism	Aim to be professional in work and approach
Quality	Aiming to undertake work of the highest quality
Innovation, creativity and risk-taking	To be innovative (or creative) in all that they do and therefore are willing to take risks
Commitment to a local area	Commitment to a particular place and to be seen as belonging to it
Openness, accessibility and approachability	Ensuring that no barriers prevent people from accessing their services
Trust	Seeking to build relations of trust with all those stakeholders with whom they interact on a regular basis
Participation	Ensuring stakeholders both have the opportunities and are encouraged to participate in the democracy of the organisation
Listening	Listening to stakeholders even if they do not accept or agree with what is being said
Fair trade	Ensuring that trading relations are based on fairness
Caring	Caring for the people within the organisation as well as those it seeks to serve
Celebration	Celebrating achievements as part of their caring and sharing approach

Political values: *These may vary substantially depending on the organisation. Here are some generic examples*

Favouring the most vulnerable in society	Always working on the side of the most vulnerable in preference to aiding the more able
Distribution of wealth	Working towards a more even distribution of wealth and resources within society
Equity or social justice	Working towards a more fair and equitable society

KB   **SOCIAL ENTERPRISE KNOWLEDGE BITE 3**

QUESTIONS THAT CAN HELP IN DEVELOPING YOUR LOGIC MODEL

	Questions
Situation	What is the problem or issue and for whom? How do we know? Why is this a problem? Who cares if it is resolved? Who else is helping to resolve this issue and how do we fit in? What do we know about factors affecting this issue (from research or experience) ?
Inputs	What resources do we need or are we using? (staff, volunteers, equipment, technology , money, buildings)
Outputs	What are we doing? Do we need to do it? Who are we reaching or targeting?
Outcomes	What change do we expect as a result of those outputs/activities? Why is this important? Does that lead onto anything else? What will happen immediately? What is the longer term change? And what can happen along the way? What is a typical journey for our beneficiaries or service users?

	Questions
Assumptions	**Is it meaningful / worth doing?** You may have accurately identified a problem but other people might be more concerned about other problems. Ask yourself " who cares and why"? **It is plausible?** Can those activities really deliver those outcomes? Are you setting yourself up for failure by promising too much? Do you understand how you bring about change in the short and long term? Can the outcomes be sustained? **Is it doable?** Do you have enough resources to deliver your activities? Are your activities practical as well as desirable? Do you have enough commitment form relevant partners? **Is it testable?** Will you be able to tell if things are progressing or not? Will you be able to convince others?
External Factors (this is like a risk analysis)	What changing factors might help or hinder your work with, or impact on the people and communities you want to benefit? (Political, economic, environmental, demographic, technological, legal) Can you do anything about these factors? What agencies can support or threaten your work?

SOCIAL ENTERPRISE KNOWLEDGE BITE 4

Co-production and co-creation

Co-production has often been used in assessing public services, such as social care: see, for example, the following:

New Economics Foundation report
"Co-production is not about consultation or participation – except in the broadest sense. The point is not to consult more, or involve people more in decisions; it is to encourage them to use the human skills and experience they have to help deliver … services."

And here are some of the elements of co-production they draw attention to:

- Provide opportunities for personal growth and development to people, so that they are treated as assets, not burdens on an overstretched system.
- Invest in strategies that develop the emotional intelligence and capacity of local communities.
- Use peer support networks instead of just professionals as the best means of transferring knowledge and capabilities.
- Devolve real responsibility, leadership and authority to 'users', and encourage self-organisation rather than direction from above

Co-production in social care: What it is and how to do it

"Co-production is not just a word, it's not just a concept, it is a meeting of minds coming together to find a shared solution. In practice, it involves people who use services being consulted, included and working together from the start to the end of any project that affects them.

"A way of working whereby citizens and decision makers, or people who use services, family carers and service providers work together to create a decision or service which works for them all. The approach is value driven and built on the principle that those who use a service are best placed to help design it.

"A relationship where professionals and citizens share power to plan and deliver support together, recognising that both have vital contributions to make in order to improve quality of life for people and communities.

"There is a difference between co-production and participation: participation means being consulted while co-production means being equal partners and co-creators.

"A distinction has also been made between co-production and co-creation. In co-production, people who use services take over some of the work done by practitioners. In co-creation, on the other hand, people who use services work with professionals to design, create and deliver services."

Design Council, Red Paper on Co-creating services in health

"Distributed and collaborative approaches will only be effective if they enable co-created services. At the heart of the approach is a new role for users who will no longer be just on the receiving end of services. Instead they will be vital to the design and delivery of services, working with professionals and frontline staff to devise effective solutions."

KB

SOCIAL ENTERPRISE KNOWLEDGE BITE 5

Transformational Engagement Exercise

Task 1
Draw a Table with four columns. On the first column (No1) make a list of your goals for the next 6 months; write also the biggest issues and challenges that your venture is facing now. Leave a space of three lines between each item on your list. On the next column (No2) next to each goal/issue/challenge write at least three alternative actions that you could adopt to achieve this goal or resolve this issue. On the next column to the right (No3) next to each course of action write the names of organisations or people that could help you implement these actions (these could be big companies and local businesses, professionals and public officials, community groups and social economy enterprises, the people you seek to benefit and volunteers from within your community, etc.). On the last left column (No4) write next to each organisation or person your feelings about them and about working with them. Do you trust them? Do you share the same values? What is the feeling you will have if you would work with them and you would meet the goal you have set?

Take a coloured pen or highlight the text in Word and mark with red the 4 goals or issues that are top priority; this could be based on the importance of the issues in column No1 or it could be based on your feelings and emotions from the last column No4. It's up to you how you want to define your priorities. Now mark with orange the 4 issues that are second level priority and go on changing the colour you use. Reflect on the feelings and emotions that are associated with each group of goals if you were to achieve them.

Task 3

This step is really up to you if you want to do it. Work with Column No4. See which feelings are similar and put them in broader categories of feelings. Such categories could be labelled: safety, fun, creativity, love, fear, roots, freedom, harmony, happiness, anger, distrust. The labels will emerge from your own words used in column No4. Now create a drawing with these groups of feelings and in each position where you place your category of feelings write the goals/issues/challenges that were associated with these feelings and the names of organisation's and people. Now reflect on your drawing, it may give you valuable information on which are your priorities and on what you really want to achieve, with whom and in which order.

1. Who are the key players in your eco-system? What is your relationship to them? Do you trust them?
2. What other stakeholders have you not thought of before?
3. How are other ventures incorporating fringe stakeholders in your surrounding?

CHAPTER 6: BUSINESS PLANNING MODEL

6.1 WHY A BUSINESS PLAN?

You have developed your enterprise idea: now in order to turn that idea into reality you need a business plan.

"A **business plan** is a document that summarizes the operational and financial objectives of a business and contains the detailed plans and budgets showing how the objectives are to be realized. It is the road map to the success of your business. For anyone starting a business, it's a vital first step." (https://www.thebalancesmb.com/business-plan-2947267)

Developing a business plan is mainly to **help you** develop your enterprise idea. The main value of a business plan is to help you think through the practicalities of your future business, **to give it the best chance of success**.

The business plan structure that we provide in this chapter will also allow you to reflect on the **assets and strengths** you bring to your enterprise: your vision and passion, your qualities, experience and skills, and your support networks. And Knowledge Bite 1 at the end of this chapter includes an exercise to explore your **motivations**, while Knowledge Bite 4 gives an exercise to help you **to build confidence in your abilities**.

"A good Business Plan is a living, breathing document that you constantly refer back to, continually scribble on with new ideas and suggestions and that guides your daily work." (Social Ventures Australia)

You will also need a business plan to approach **funders and investors**, so that you can convince them of the potential of your business.

And if you don't have an enterprise idea yet, **don't worry!** Exercises in Chapter 3 of this Manual can help you explore and identify enterprising opportunities in your local area and local economy. And in Knowledge Bite 1 at the end of this chapter you will find **3 exercises to generate business ideas**. And Knowledge Bite 2 provides **3 exercises to explore your business ideas** if you have more than one that excites you.

6.2 WHAT'S IN THE BUSINESS PLAN?

The initial outline of a business plan at the end of this Chapter will help you address the main components for planning your business. The outline covers:

- Your proposed business name and a strapline
- Your mission and objectives
- What inspired you, and what skills, experience and qualities you bring to the business
- Your services or products, and your operations
- Market research and marketing
- The social, economic and environmental impacts of your business
- and some initial financial analysis.

You will be able to develop some of these sections in greater detail in later chapters. This will include developing the financial analysis, which you will only just begin in this initial business plan.

Instead of a business plan you could also develop a **business model canvas** (here and here).

A business model canvass "is a strategic management and lean start-up template for developing new or documenting existing business models. It is a visual chart with elements describing a firm's or product's value proposition, infrastructure, customers, and finances" (wikipedia).

However, it is easier for now to follow the business plan model outlined above to help you think through your business or social enterprise.

At the end of this chapter you will find additional materials to help you develop your business idea. We will also be looking at these areas, using the knowledge bites at the end of the chapter.

Business Planning Knowledge Bites
1. 3 exercises to generate business ideas
2. 3 exercises to explore your business ideas
3. Overcoming mind barriers
4. Building confidence in your abilities
5. Improving your environmental and social impacts

6.3 SETTING YOUR VISION AND MISSION

So, having generated and explored potential business ideas, your next task is to look at how you can make them happen. You need a road map and a clear destination!

For any business you need to create:

- **A Vision**: What is your dream? Where do you want to end up and why? Your vision statement needs to be something inspiring and aspirational, something that is easily remembered and easily communicated.
- **A Mission**: A practical statement that tells you how and what you are going to do to deliver your vision.
- **A Value statement**: What is really important to you that underpins and guides your vision, mission and strategy
- **A Strategy**: How you will go about ensuring your mission is successful.

A strategy is further defined by a series of linked objectives, which will be achieved by meeting targets which are SMART

- **S:** specific
- **M**: measurable
- **A**: achievable
- **R**: realistic
- **T:** time-bound

- **Objectives:** An outcome you intend to achieve e.g. 'to reach the North Pole', 'to become self-financing'.

- **Targets:** Targets add the specific information like the measurement, methods and time-scales for meeting an objective. A target defines when you know you have succeeded e.g. 'to arrive safely at the North Pole marker within 3 weeks of setting out from Greenland' or 'to generate £50,000 in sales income by 2020'. You may need more than one target to meet each objective.

The best way to start creating a vision and mission is to do a visioning exercise, like the 5-3-1 Backwards Planning Tool in Chapter 2 of this handbook, where you imagine how it feels to have achieved the best possible outcome for your business or social enterprise in 5 years time.

Experiencing how it feels in great detail and with all the senses will anchor a clear vision and mission in your brain, and you will feel good.

The difference between a vision and mission is sometimes confusing. This is an example taken from materials for social enterprise from Businesslink, London (2009, no longer available on the web):

When questioned about their vision, most people actually come up with a mission statement. A common way to clarify the vision behind the mission statement is to keep asking the question, "why?" until you have discerned the dream behind the delivery mechanism.

Social entrepreneur: "I want to create a school."

Workshop Leader: "Why do you want to build a school?"

SE: "Because none of the existing schools in the area are any good"

WL: "Why is that important to you?"

SE: "I want the children in the area to get a better education"

WL: "Why?"

SE: "Because we are never going to get out of the cycle of deprivation, poor health, unemployment that plagues this area until we do"

WL: "Why is that important?"

SE: "Because I want all the children in this area to have the best chance to improve their lives"

This final statement is the vision. Building the school is the mission, the business plan, for fulfilling the vision.

"We are going to build a school for 500 children, to provide excellent learning opportunities, staffed with the best teachers and with the best equipment."

This is effectively the mission statement, the business plan explanation that allows the vision to be fulfilled.

When the school is built that particular mission is completed but the vision behind it remains in place. What will be the next mission to allow the vision to be fulfilled – building a children's clinic? Your team then creates the next mission statement, checks that it is still relevant for delivering the vision, and gets on with it.

When you start you keep your vision as the guiding principle and it should remain so. The vision is what is communicated to all the people in the enterprise, and conveyed to all stakeholders, supporters and potential supporters – "We want to ensure that all the children in this area have the best chance to improve their lives".

EXERCISE 1:
Develop the vision, mission and values statement, the strategy, objectives and targets for your business or social enterprise now.

6.4 SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACTS

A key section of the business plan focuses on the expected social, economic and environmental benefits that your business or social enterprise will bring. To help you fill out this section of your business plan, why not ...

- revisit the **triple bottom line** at the beginning of Chapter 5 in this handbook, and work through the first 3 exercises in that Chapter?
- look at Knowledge Bite 5 at the end of this chapter, on **improving your environmental and social impacts**
- check out the following resources on the internet

EU Policy on Corporate Social Responsibility and Responsible Business Conduct

What is Corporate social responsibility (YouTube, 3:22 mins)
A Comprehensive Guide to Social Value (UnLtd Webinar, 52:50 mins)

And when you want to assess and prove the impacts you actually have in practice, why not review the resources in the rest of Chapter 5, and check out the following webinar:

How to create a one page impact report (UnLtd Webinar, 57:57 mins)

6.5 SWOT ANALYSIS

It is also important to look at your business from all angles, and not just the positive ones. A SWOT Analysis is a simple strategic planning tool used to evaluate the **s**trengths, **w**eaknesses, **o**pportunities and **t**hreats of a business. Strengths and weaknesses are **internal** factors. Opportunities and threats are **external** factors. Here are examples of questions to ask:

STRENGTHS

- What advantages do you/does your enterprise have?
- What values do you bring that will help your enterprise?
- What do you do better than anyone else?
- What unique, valuable and/or low-cost resources do you have access to?
- What do people in your market and in your community see as your strengths?
- What are your characteristics? Are any of these strengths?

WEAKNESSES:

- What could you improve?
- What should you avoid?
- What are people in your market and in your community likely to see as weaknesses?
- What do your competitors or other social enterprises do better than you?

OPPORTUNITIES:

- Where are the good opportunities facing you?
- What are the interesting trends you are aware of?
- Do your strengths open up any opportunities?
- Would eliminating any weaknesses create opportunities?

Opportunities can come from changes in: technology/markets, government policy, social patterns, lifestyle, local events, etc.

THREATS:

- What obstacles do you face?
- What is your competition doing?
- What is changing in the environment for social enterprises and community groups?
- Is changing technology threatening your position?
- Could any of your weaknesses threaten your business?

EXERCISE 2:
Do a SWOT analysis for your business or business idea by filling out the following chart.

STRENGTHS	WEAKNESSES
OPPORTUNITIES	THREATS

6.6 PITCHING YOUR BUSINESS PLAN

The standard meaning of "pitch" is to toss something lightly, like a ball. In this meaning, when you pitch your business idea, it is like tossing it to someone, hoping that they will like it and back it with cash or support!

In preparing to pitch your business plan, you can think of the following questions:

- What's your business?
- What is your vision and mission?
- What impact or difference will you make?
- How will you set up your business?
- What will you sell?
- Whom will you sell to?
- What is your USP, your unique selling point?
- How will you be financially viable?
- How will you demonstrate your impact?
- Why should I believe you will make this business a success?

However, to pitch your business plan effectively, you need to use an **elevator pitch.**

An elevator pitch is a brief, persuasive speech that you use to spark interest in what your business will do. A good elevator pitch should last no longer than a short elevator ride, say 30 to 45 seconds at most.

When you have thought about the above questions, ask yourself,

What is most important for me to share with others? What will capture their interest, their imagination?

To answer these questions you also need to ask yourself:

- Who is your audience?   (What are they interested in? What sort of language do they respond to? If you spark their interest, what might they do, how might they help you? What resources do they have to help you?)
- And what do you want to achieve from pitching to this audience?

Once you have written an elevator pitch, practice it! Say it out loud and see how long it takes. Keep shortening it to the main points you want to put across. Practice it until you can deliver it naturally and confidently.

SOME VIDEOS ON PITCHING YOUR BUSINESS:

Powerful Pitch: How to start a Pitch or Presentation (2:32 mins)

How to pitch your business in 60 seconds (1:52 mins)

And here are two examples of an elevator pitch about a New Economics Foundation project, Local Alchemy, seeking to reinvent local economies by focusing on the triple bottom line (economic, social and environmental impacts).

 "We're all so busy that we have to try and make our activities achieve several aims. If we can, we combine dropping off a child at a party, getting more petrol and posting Auntie Mabel's birthday present into one trip rather than three. It's the same with Local Alchemy. Local Alchemy is trying to improve the economy round here, make people better connected and look after the environment. There are only so many projects we can do, so let's try and make every project achieve each of these three things."

"Think of Local Alchemy as being all about magic. Medieval alchemists sought to magically create gold and succeeded in creating the modern science of Chemistry. Today Local Alchemy is all about helping to create a more vibrant local economy by bringing together the magical local ingredients – or assets – which can make this happen. The local community, local business, local charities and NGOs, government agencies, and most of all local people, are the key ingredients required to make the magic work. It is possible to achieve a win-win situation for everyone with the community, the environment and the economy all better off. Would you like to be involved in a little Local Alchemy magic? You could let me have your telephone number and I will call to talk some more about it?"

6.7 THE BUSINESS PLAN OUTLINE

So here is a business plan outline. Start filling it out. Don't worry if you can't yet fill the pricing and marketing sections or the financial information, we will look at these later on!

I. PERSONAL DETAILS
Your name:
Contact details:

II. SUMMARY, VISION, MISSION AND OBJECTIVES
Business Name:
Give a strapline for your business (a short easily remembered phrase so people recognise your business.)
Describe your business idea. Why will it work?
Your Vision (What is your dream? What do you want to achieve for yourself and for your community? – something inspiring and aspirational, something that is easily remembered and easily communicated)
Your Mission (a practical statement that tells you how and what you are going to do to deliver your vision)
What do you and your business hope to achieve over the next year?

Where do you want your business to be in the next five years?

III. INSPIRING YOU

What inspired you to develop this business idea? Why do you want to set up this business?

What are the values that have inspired your choice of business, that will guide how you run the business?

What qualities, experience and skills do you have that will help you run your business?

What additional skills do you need? Include all that could be improved by training.

What support is already available to you (e.g. from friends, family, community, agencies)?

What additional support do you need to launch your business?

IV. SERVICE, PRODUCTS AND OPERATION

Describe in detail the service or products your business will sell.

When will you start your business, and what are the critical events that MUST happen to launch your business successfully?

Where will your business be based and why?

Will you run the business by yourself or with others. Will you employ others? Why?

Outline a typical working day in your business.

V. MARKET RESEARCH

Who will your customers/users be? Outline the different groups of customers/users you will target.

How do you know there is demand for your product or service?

Who are your competitors, and where are they based?

What do your competitors do well? What do they not do so well?

Why will customers/users buy from you?

VI. MARKETING

What business image will you portray to attract customers/users? What is your Unique Selling Point?

What prices will you charge (e.g. high, medium or low) and why? How do these compare with your competitors?

What are the main ways you will promote your business? Why would you use each one?

VII. IMPACTS

What social benefits will your business have for the islands, your target group, your community?

What economic benefits will your business have for islands, your target group, your community?

Will your business have any environmental benefits? What will you do to enhance / mitigate any environmental impacts?

VIII. FINANCIAL ANALYSIS

List your start-up costs, including the costs of any equipment.

What will you be investing in your business?

Month One	Year One

What will your main costs be? What will it cost to run your business (each month or over a year)?

FIXED COSTS (Costs that stay the same no matter how many products and services are sold)	VARIABLE COSTS (Costs that change with the number of products and services sold)

Do you know your profit margins and the break-even point?

Do you know what sources of finance might be available to you? Which will you seek to access?

KB **BUSINESS PLANNING KNOWLEDGE BITE 1**

3 EXERCISES TO GENERATE BUSINESS IDEAS

EXERCISE 1: TEN WAYS TO FIND IDEAS

There are many ways to find business ideas – here are ten suggestions!

- Copying somebody else's successful idea
- Combining two or more ideas in a new way
- Solving problems for people
- Developing your hobbies and building on your skills
- Listening when people say 'if only....'
- Looking for 'gaps' in the market
- Improving a product or service
- Looking at what things do rather than what they are
- Thinking in new ways – be creative, imaginative, outrageous
- Finding out what the 'competition' is bad at

Ask yourself these 10 questions and record what ideas emerge. Then reflect on which ideas you feel most excited and passionate about, and why? This will help you prioritise which ideas you would like to take forward as a business or social enterprise.

EXERCISE 2: CREATIVITY

If you haven't come up with an innovative enterprise or business idea yet, you can use one of the creativity techniques below to develop your idea.

- Analyse which technique would best suit your purpose and why, using the table below. The table provides weblinks to explain each technique.
- Use your chosen technique to generate enterprise or business ideas
- If you want, use another technique to generate more ideas
- Reflect on each idea. Which do you feel most excited and passionate about, and why?

Write down your chosen idea here:

If you already have an idea, analyse which technique would be most helpful to improve or fine-tune your idea and why. Then go through the same process above, with the following variation:

1. Use your chosen technique to generate suggestions for improving your enterprise or business idea
2. If you want, use another technique to generate more suggestions
3. Reflect on each suggestion. Which do you feel most excited and passionate about, and why?

Write down all the suggestions you would like to implement here:

Technique	Reasons why I would use it	Reasons why I would not use it
Lateral thinking see wikipedia		
Brainstorming see wikipedia		
Brainwriting see mindtools.com		
Six thinking hats see deBono Group		
Five Ws and H Ask yourself these questions: Who, what, why, where, when and how		
Scamper see litemind.com		

EXERCISE 3: EXPLORING YOUR MOTIVATIONS

Reflect on the following questions which can help you in understanding yourself and your actions. There are no right or wrong answers, so just write what comes to your mind.

- Write one activity you did recently (simple activity like doing dishes, shopping, visiting someone) and describe your goal for doing the activity and a motivation for doing it. Was there a reward included for finishing the activity?   If so, what was it?

- What habits and reminders can you create to keep you motivated?

- If you could turn back time, knowing what you know now, would you do something differently? What is it?

- Do you learn from your mistakes? Write a situation when you did a mistake and learned afterwards.

- If money was no issue, what would you do all day?

- What is fun for you?

- What is the one goal that if you reach it everything else will be easier or unnecessary?

- What is the one step you could do right now to be closer to reaching your goals?

- What is the topic of conversation where you would gladly participate for hours.

Look over your answers.

What have you learnt about yourself?

Are there any new insights about yourself that you discovered?

Has this reflection triggered any new enterprise ideas for you?

And if you have already chosen your enterprise idea, ask yourself:

In the light of this exercise, how do you feel about

- the vision, social purpose and values of your enterprise?
- your services and your beneficiaries?
- your own role in the proposed enterprise?
- What do you want to change in your plans or do differently in your enterprise?

BUSINESS PLANNING KNOWLEDGE BITE 2

3 EXERCISES TO EXPLORE YOUR BUSINESS IDEAS

EXERCISE 1: PRIORITISING YOUR BUSINESS IDEAS

There are many ways that you can explore the business ideas that have emerged for you, and that you feel passionate about.

One of the very simplest is prioritising your ideas along the following parameters: how hard or easy they are to do successfully, and whether the impact will be high or low in terms of what you want to achieve through your business.

Place the business ideas you have generated in the following matrix:

	Easy to do	Hard to do
High Impact		
Low Impact		

EXERCISE 2: EXPLORING YOUR BUSINESS IDEAS

Another simple way to reflect on your business ideas is to ask yourself the following questions: **Who, what, why, where, when and how**

Here are some of the questions you can ask about:

Purpose:
- What do you want to do?
- Why do it?
- What else will you do?

People
- Who will do it in addition to yourself?
- What will they do?
- Why these people?
- Who else could do it?

Means
- How will you do it?
- Why that way?
- How else could it be done?
- What will it cost?

Sequence

- When will you do it?
- Why then?
- When else could it be done?

Place

- Where will you do it?
- Why there?
- Where else could it be done?

EXERCISE 3: DO YOU NEED TO GIVE YOURSELF TIME TO DEVELOP YOUR BUSINESS IDEA?

Watch Adam Grant's TED talk on the surprising habits of original thinkers.

Adam Grant argues that "Originals are nonconformists, people who not only have new ideas but take action to champion them. They are people who stand out and speak up. Originals drive creativity and change in the world."

However, "Know that being quick to start but slow to finish can boost your creativity, that you can motivate yourself by doubting your ideas and embracing the fear of failing to try, and that you need a lot of bad ideas in order to get a few good ones."

When you're told that you're going to be working on a problem, and then you procrastinate, but the task is still active in the back of your mind, that is when you start to incubate. Procrastination gives you time to consider divergent ideas, to think in nonlinear ways, to make unexpected leaps.

KB BUSINESS PLANNING KNOWLEDGE BITE 3

OVERCOMING MIND BARRIERS
(Taken from the resources on the Plugging the Leaks website)

"Faced with the choice of changing ones mind (set?) and proving there is no need to - almost everyone gets busy on the proof !" (J K Galbraith, Economist & Philosopher)

"The chains of habit are too weak to be felt until they are too strong to be broken." (Samuel Johnson)

Everything that makes up "you", hopes, memories, pain, fear, pleasure, values and morals is embroidered in a web of 100 billion brain cells. On average each brain cell is connected 1000 times with other neurones making a total of 100,000 billion connections. All that we think, see, learn and do depends on the firing of the brain cells and the transmission of electro chemical impulses down this vast web. Our mental processes are constantly moulding and reshaping the connections between the networks of brain cells.

Mind barriers occur because we are all "programmed" to some extent and we spend very little time thinking about what we are thinking about and how we are thinking. The information we hold within our minds has been built from previous experience / events and will contain preconceptions that we develop – our mind barriers. Mind barriers will influence our behaviour and affect the way we perform and behave.

Organisations are run by people so that you can say that organisations themselves have identities with minds, wills and intelligence. Many organisations have also been in existence for a number of years and so histories, tradition and rules will have built up in the core (the mind) of the organisation. The culture of any organisation can become a corporate immune system which does not allow new ideas to pass, demonstrating a "cannot and should not do" culture, rather than a can-do culture.

Mind barriers can be:

Perceptual: preventing you perceiving a situation correctly.

Emotional: We all have an ego. It is here in the unconscious that ideas are scrutinised. This scrutiny - dependent on our mental landscape - can limit / block ideas. They could be thrown out for a number of reasons, which then interferes with our freedom to generate, pursue and manipulate ideas. It could also limit the way we then communicate with others.

Cultural mind barriers develop from where / how we have been brought up. They include beliefs, morals, values, habit, learning, rules and traditions.

Environmental, determined by our current social and physical environment.

Intellectual: not thinking about how you are going to think or not choosing the right thinking strategy.

Expressive: blocks in the way you communicate both to yourself and others.

Unlocking mindset barriers can support and generate new ideas and changed behaviours to boost enterprising capabilities of people and communities.

EXERCISE 1: IS YOUR MIND PROGRAMMED?

Look at this picture and ask yourself: Is this Mona Lisa's enigmatic smile?

Now turn the picture the right way up to see.

EXERCISE 2: YOUR OWN MIND BARRIERS

Look at the following examples and reflect on your own mind barriers.

EXERCISE 3: MIND BARRIERS IN YOUR COMMUNITY

Look at the following examples and reflect on the mind barriers in your community.
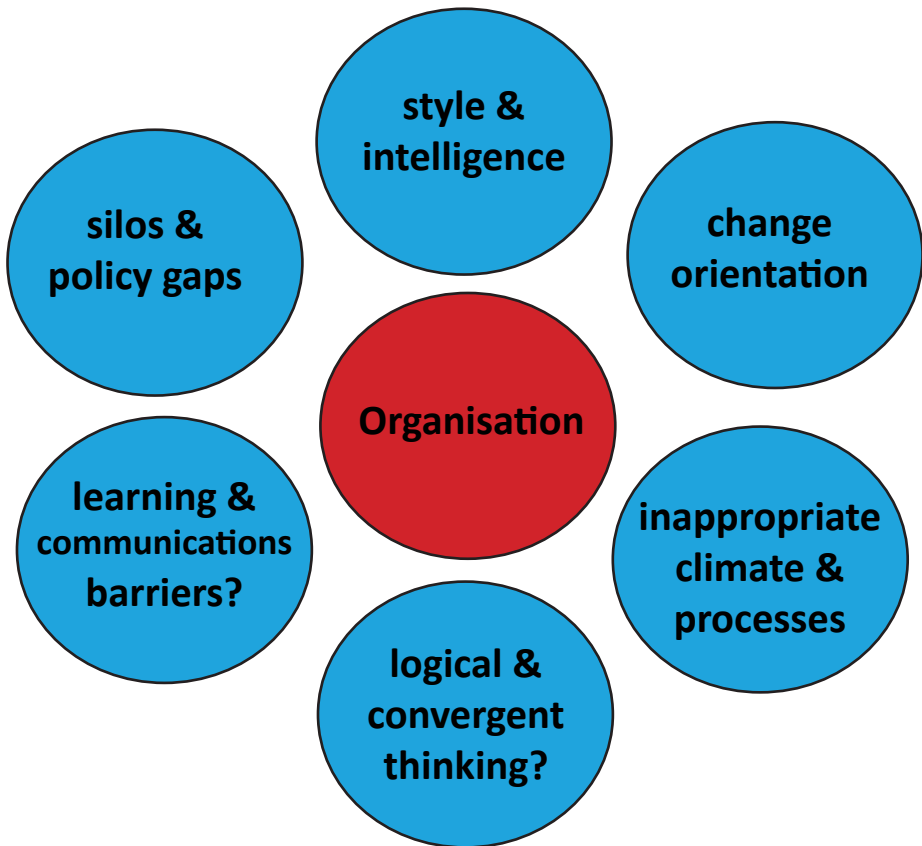
"The land of opportunity is an attitude. It is an openness to new ideas, a willingness to listen, an eagerness to learn, a desire to grow and a flexibility to change "
from *A. Peacock in the Land of Penguins by J Gallagher et al.*

BUSINESS PLANNING KNOWLEDGE BITE 4

BUILDING CONFIDENCE IN YOUR ABILITIES

It is sometimes difficult to recognise your own abilities that you can use to benefit your business or social enterprise. Why not sit with someone you know and trust and discuss with them what your abilities are. You can help them identify their abilities too.

In your discussion include any skill or experience, whether it is directly related to your business or not. It could be sports and cooking as much as business planning. Deliberately explore unusual abilities as well as standard qualifications or skills.

Why not capture your key abilities in a personal crest or shield that will help you remember what you discovered about yourself?

Own Coat of Arms
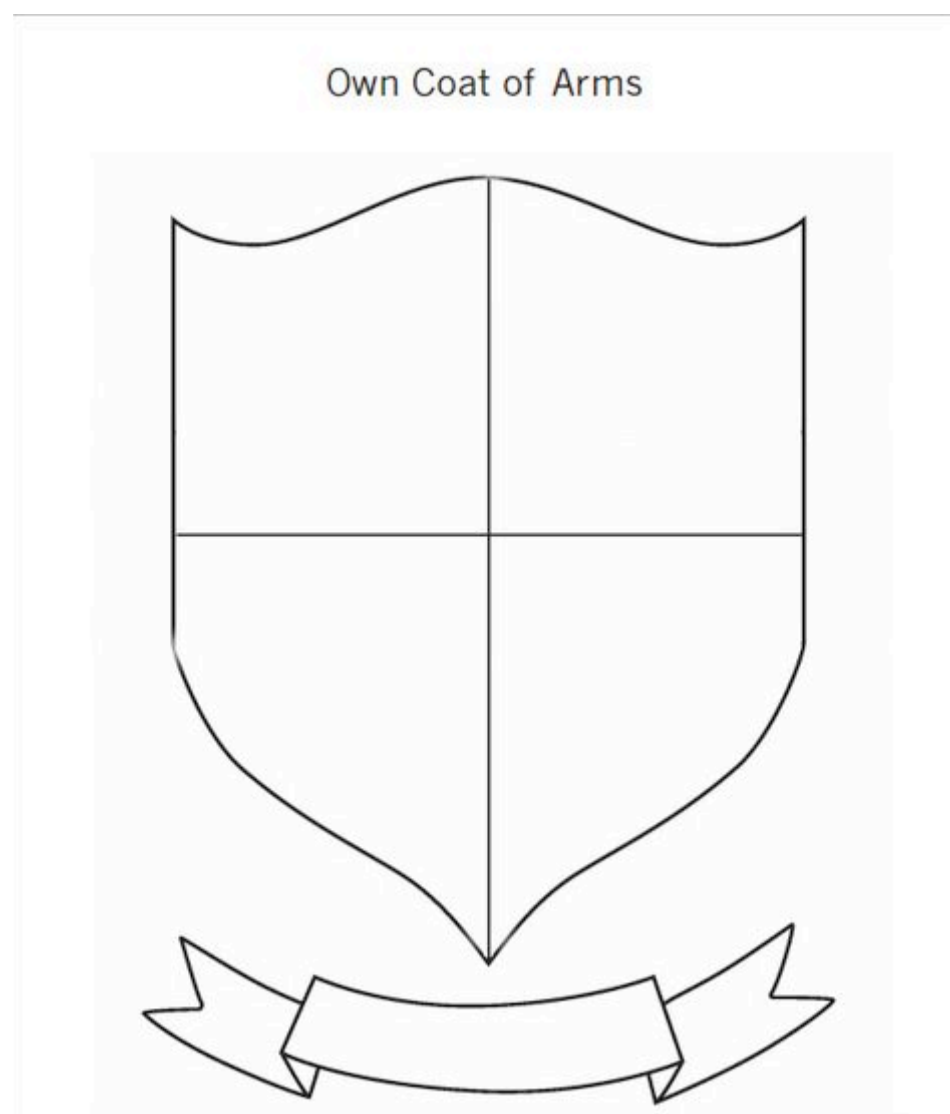
BUSINESS PLAN KNOWLEDGE BITE 5

IMPROVING YOUR ENVIRONMENTAL AND SOCIAL IMPACTS
(Adapted from the resources on the Plugging the Leaks website)

ENVIRONMENTAL
Powerful questions to ask about your environmental impacts

- what is your enterprise's impact on the natural environment?
- how much energy do you use?
- how much water do you use?
- how much and what types of waste do you produce?
- how far do your products or staff travel and by what means?
- do you use chemicals or minerals that are harmful to the environment?
- are your raw materials from renewable resources?
- can your products be reused or recycled at the end of their life?
- do you comply with relevant environmental legislation?
- how do you affect your local environment and biodiversity?

Ideas for improving your environmental impacts

- Minimise waste at source – not creating it at all.
- Re-use or recycle more of your waste
- Manage outside areas for the benefit of wildlife
- Reduce water and electricity use, and switch to renewable energy suppliers
- Invest in generating your own renewable energy
- Lower the room temperature (costs rise by 8% for every 1°C increase).
- Don't heat unused space. Reduce heating during holidays and weekends.
- Install insulation and draught proofing
- Insulate hot water pipes and tanks
- Do not overheat your water in the taps
- Use the most energy efficient lighting
- Turn off lights when not needed
- Use daylight. It's free, so keep windows clean and clear.
- Switch off equipment when not in use.
- Look at other ways you could reduce your energy use
- Explore ways to use less water, including installing low-flush toilets
- Use long-life rather than short-life products and minimise the use of goods that will end up in landfill
- Avoid disposable cups and other products
- Use recycled materials
- Increase recycling
- Buy materials in large packs to avoid excessive packaging
- Use biodegradable packaging
- Use eco-friendly products and cleaning materials
- Buy fairtrade, organic and ethical products
- Minimise carbon emissions

- Buy from local suppliers
- Minimise pollution caused by driving
- Car sharing
- Use public transport and encourage employees to use public transport
- Reduce your transport impacts by reducing the need to travel
- Organise meeting times around public transport timetables
- Use recycled paper and other recycled products
- Look for new product ideas that involve recycling, for example
- Reduce how much you print or photocopy
- Print on reused or recycled paper, and print double sided
- Turn scrap paper into useful notepads
- Reuse envelopes
- Hold events with environmental themes
- Influence your customers and suppliers to take similar measures

SOCIAL
Powerful questions to ask yourself

- who does your enterprise affect?
- what positive impacts do you deliver for your clients, for your local community?
- can you recruit skilled and motivated staff locally?
- how do you interact with your community?
- do you generate significant volumes of traffic locally?
- do you receive complaints about your enterprise from members of the community ?
- do you purchase fairly traded and ethical products?
- do you support your local economy by sourcing materials and products locally?

Some ideas for generating more positive social impacts
- Get involved in your community, and get your enterprise and employees involved as well
- Enable social interaction as part of your enterprise e.g. if you run a shop, have chairs where people can sit and chat.
- Have a presence at local events, such as fairs.
- Display educational material/information, and signposting to organisations that can offer support to people
- Provide local employment to have a positive impact on your community
- Provide secure jobs, rather than casual ones
- Take on apprentices from the local community
- Work with the local community, local schools, colleges and universities to support and attract skilled and motivated staff.
- Make training for your staff available to others within your community
- Use local suppliers to impact positively on your community and local economy
- If you are in the food industry, promote and support healthy eating within your community.

- Work with other businesses to provide a sense of community and community support
- Promote better environmental practices among local businesses, including, for example, working together to reuse and recycle materials
- Reduce any risks that your business may pose to individuals or the local community

CHAPTER 7: MARKETING

7.1 THE MARKETING CHALLENGE

There is only a MARKET for a product or service if there is a DEMAND for it, i.e. if buyers or users have a need or desire for the product or service. The MARKET is where buyers and sellers come together.

Some quotes on marketing

- Marketing is the creative process of satisfying customer needs profitably / effectively.
- People buy products or services to avoid or remove problems (pain), or to aspire to something better (gain). Mostly, it is a combination of these things.
- There is only a market for a product or service if there is a demand for it. Many potential customers have needs but this only becomes a market opportunity when it is backed by a willingness and ability to pay for the service.
- Marketing is a natural instinct…. Chiefly natural ability and common sense … with a few basic rules added.
- Make or supply what you can sell … instead of trying to sell what you can make or supply.
- 90% of business failures are caused by getting the market wrong.

Find out more about marketing by looking at these videos

The Secret Behind Coca-Cola Marketing Strategy (8:15 mins)

Marketing Plan Sample - 5 Simple Steps to Market Any Business (7:37 mins)

There is no luck, only good marketing (TEDx Talk, 11:55 mins)

A key section in your **business plan** is looking at your market. The initial business plan included in the previous chapter asks the following questions:

Market Research

- Who will your customers/users be? Outline the different groups of customers/users you will target.
- How do you know there is demand for your product or service?
- Who are your competitors, and where are they based?
- What do your competitors do well? What do they not do so well?
- Why will customers/users buy from you or use your service?

Marketing

- What business image will you portray to attract customers/users?
- What is your Unique Selling Point?
- What prices will you charge (e.g. high, medium or low) and why? How do these compare with your competitors?
- What are the main ways you will promote your business? Why would you use each one?

7.2 CUSTOMERS, SERVICE-USERS AND STAKEHOLDERS

For a social enterprise, marketing may have a **different focus** from a typical business – on your service-users or 'beneficiaries', not all of whom will necessarily pay for the goods and services themselves.

A social enterprise will also have a wide range of **stakeholders** (the local government, funders, etc.) who have an interest in your business because of **its special social purpose.**

So a social enterprise may have to market itself to **customers, service-users** and **stakeholders**. With a social enterprise organisation, people may be both customer and 'beneficiary'!

EXERCISE 1: MY CUSTOMERS, SERVICE-USERS AND STAKEHOLDERS
Draw up three lists:

- one for all your actual and potential service-users or 'beneficiaries'
- another for your customers
- and the third for your stakeholders.
- Do any individuals, groups or organisations appear in more than one of your lists?

MORE VIDEOS

The first videos in this section draw attention to the need to associate your product with **positive feelings and emotions,** rather than focusing on the product itself. Likewise, Simon Sinek's TED Talk Start with why – how great leaders inspire action (18:04 mins) recommends focusing on the why rather than the what.

Social enterprises potentially have an advantage in this area, as they are often driven by their **purpose rather than their product.** So focus on why you are engaging in social enterprise before you talk about what you do. And if you are tired of corporate marketing and manipulation, take a look at the webinars that UnLtd has put up focusing on **social enterprise**, including marketing, such as:

How to Market your Social Venture…on a shoestring (UnLtd Webinar, 57:36 mins)

How to write an ethical marketing plan (UnLtd Webinar, 56:42 mins)

7. 3. CUSTOMER'S PERSPECTIVE

A key aspect of marketing is to understand and see things from the customer or service-user's perspective, so that you can design an attractive customer offer. The same applies to social enterprises, who may need to see things from their customer's perspectives, but even more so from their service-user's or 'beneficiary's'.

Have you ever heard the phrase: "You can't be everything for everybody"? The same proves true with marketing. Your marketing can't appeal to every single person, which is why market segmentation can be such an effective strategy.

Doing your research on your customers will allow you to divide your target market into **segments,** i.e. smaller, more manageable groups based on common ground they share. Simply put, customers of each market segment have similar characteristics that businesses can use to optimise their marketing, advertising and sales efforts.

The purpose of segmentation is that you are able to introduce a more tailored message that will be received successfully.

The following questions will help you understand the customer's perspective:

- What does your potential customer or service-user **HEAR** about your service, and from whom and where?
- What does the potential customer or service-user **FEEL** about your enterprise, product or service? What is their emotional reaction? Negative, supportive, excited, fearful of risk, satisfied with their existing supplier, etc.?
- What does your potential customer or service-user **DO** now. Are they already accessing your product or service from a competitor, or are they not buying or using it at all? Is it a routine purchase or one-off?
- What does your potential customer or service-user **SEE**? What advertising do they see about similar products and services? What do they see about your enterprise, for example in the news? What do they see in your building? Equipment? Décor? Lots of other customers or service-users?
- What does your potential customer or service-user **THINK** about your product or service, about those provided by your competitors? What do they think about the reasons for, or the process they have to go through to buy your product or access your service.

EXERCISE 2: CUSTOMER'S PERSPECTIVE
Choose some examples of customers or service-users from the lists you drew up earlier for Exercise 1. For each group discuss:

- what do they hear?
- what do they feel ?
- what do they do?
- what do they see?
- what do they think?

If you would like to reflect on your customers in greater detail, and explore how to see things from their perspective to define your market segments, an additional two Knowledge Bites at the end of this chapter provide the following exercises:

- Customer Persona Exercise
- Customer Empathy Exercise

7.4 THE MARKETING MIX
At the core of your marketing challenge is the task of attracting new clients/service-users/audience and retaining existing clients/service-users/audience. To achieve this you need **the right marketing mix.** Traditionally the marketing mix has been summarised by the **4 Ps:**

The right **Product**, sold at the right **Price,** in the right **Place**, using the most suitable **Promotion**!

- The quality of the **Product** or service, how well it meets needs, how it compares to competitors, is generally more convincing than any advertisement.
- The **Place** where a product or service is available is also hugely important, for example whether in a specific location, in different outlets or over the internet.
- **Price** is obviously critical, whether you charge to cover costs, to increase profit margins, or subsidise another service, whether you provide discounts or not, etc.
- **Promotion** includes every form of communication relevant to marketing.

Sometimes the 4 Ps are extended to 7 Ps, especially when marketing services.

- **People** are critical to the success of your enterprise: customers and service-users, the board of directors, and especially the staff and volunteers who deliver your services. They are an integral part of your 'product'. If they do a poor job, your service users will tell other people to avoid your services. If they do a good job, even exceed the expectations of your service-users, they will tell others and you will attract more business or clients.
- **Physical** evidence is the office layout and décor, staff appearance, letterheads – all the tangible things that can influence how your audience feels about you.
- While the **process** incorporates how your service users are involved, what they have to do to access or buy your service or to engage with your social enterprise.

EXERCISE 3

You have discovered the best trainers in the world! They cost £35 and they look good. They are for sale in one shop in Miami and are only advertised on the shop 's website. Ask yourself:

- Is the Product good?
- Is the Price right?
- Is the Place right?
- Is the Promotion right ?

How could you adjust Place and Promotion to make this product a success?
Did you get it correct?

Answer: Product and place were good, but place and promotion weren't right. Very few people may know about the trainers and even fewer would travel to one shop in Miami to buy them.

7.5 PRICING

Setting the right price for a new product or service can be one of the biggest challenges for any new enterprise. Working out how much it costs to produce your product or deliver your service is relatively easy, but pricing is set by the market place. You must take into account what customers are prepared to pay and what competitors are charging, but you also need to make a profit.

Setting the price too high will lose you customers. Undercharging will reduce your profits. The prices you charge should reflect both your costs and the strength of the market. Set a price that is high enough to cover the costs, but low enough to be competitive.

Pricing also reflects the image you present to the market. Pricing communicates messages about the quality of the products or services offered and positions your business in the marketplace. For example, a higher price may suggest higher quality to potential customers. If so, you will have to ensure that your product or service lives up to their expectations. **The basic pricing rule is to price your product or service at the level which your customers expect to pay for the quality you are delivering.**

Some customers may be willing to pay a **premium** for a product which you have produced **ethically,** differentiating yourself from other suppliers. However, pricing within the social economy can sometimes work in the opposite direction. People may feel the price you are charging customers or service-users is too high, is too "greedy". They may think you are providing a service, not running a business for profit, and may have little understanding of the real costs of producing goods or delivering services.

So, you need to understand the impact of pricing on your profitability and be able to choose the best pricing strategy for your business. And remember, being competitive is by no means always being cheaper; you can provide a better product or service, or provide better customer service.

There are two broad approaches to pricing.

The first is **cost plus pricing**. You calculate your direct costs of production or delivery and apply a percentage mark-up on top of the direct costs in order to cover the fixed costs and overheads (costs that are incurred regardless of whether any products are produced or sold) so that you can make a profit.

The second is **value-based pricing.** This is based on what the market will bear. The impact of factors such as fashion, convenience and market share affect the price level that can be achieved.

The following table shows the effect on the total cost for each product (for example a new widget) if the business increases the number of units made:

Number of widgets produced	100	150	200
Direct (variable) cost per widget	£50	£50	£50
Total overhead (fixed) costs	£30,000	£30,000	£30,000
Fixed cost per widget	£300	£200	£150
Total costs to produce a widget	£350	£250	£200

If you have a service-based business, you need to be able to calculate your average daily or hourly cost. In making the calculation it is important to remember that not all working hours will be productive and that most service businesses have low direct costs and high fixed costs.

You can also think of the two extremes of pricing:

High volume/low price – usually associated with businesses like supermarkets. A €0.01 mark-up on 1 million individual items sold will give a €10,000 gross profit.

Low volume/high price – applies where there is a more selective market. A €1 mark-up on 10,000 items will still give a €10,000 gross profit.

The following table shows how you might generate gross profits (before overheads) of €35,000 but with different pricing strategies – as you raise the price your sales volume goes down.

Selling price	€45	€50	€55
Number of units sold	1400	1167	1000
Revenue from sales	€63,000	€58,350	€55,000
Direct (variable) costs	€28,000	€23,350	€20,000
Gross profit	€35,000	€35,000	€35,000

There are also a number of different strategies that you can use for pricing:

- Pricing low to penetrate the market and gain customers, get them hooked and then slowly raise the price
- Loss leaders (you make a loss on some products to attract customers to look at other products)
- Cheap sources of (surplus) stock
- Local, low-cost production
- Discounting arrangements
- Special offers
- Price 'loading' (where customers are prepared to pay high prices)

7.6 PROMOTION

Web-based promotion, websites, blogs and especially **social media** are now essential and often regarded as the most effective promotional tools. However, for a local social enterprise, for example, this may not always be the case.

While targeting stakeholders like funders, supporters and public authorities through the internet may be very valuable, in terms of your primary service users or 'beneficiaries', meeting people **in the local community**, getting your message out through **word of mouth,** may be as important or even more important than the internet. This is particularly the case for some client groups, like the elderly who may not be as familiar with the internet, and for those who cannot access the internet.

Traditionally, there were many other ways of promoting your products and services, many of which are still very valid.

- Flyers
- posters
- business cards
- direct mailing
- personal letters
- e-mails
- newspaper ads and articles
- radio and TV ads and programmes
- bold guarantees
- community and other events
- referrals
- sponsorship
- strategic alliances

And **networking**, both face-to-face and on the web, is critical to promoting your enterprise. It can also be the most cost effective tool, as personal recommendations can be key source for attracting new customers (see Chapter 9 on networking and partnerships).

For networking face-to-face you may want to use your elevator pitch as introduced in the previous chapter.

EXERCISE 4

Make a list of the top five promotional tools that you would like to use for your enterprise. For each one, analyse it using the following framework:

Promotional tool: e.g. attending local events

PROS	CONS

- **COST:**

- **TIMESCALE:**

- **EFFORT:**

A great way to promote your social enterprise product or service is also to highlight what makes it different to, and more attractive than, your competitors. This is called **branding** and you can find out more about this in **Knowledge Bite 4** at the end of this chapter.

Being able to explain the **positive impact of your product or your service** is an important part of your promotion. It is also the next section on your business plan before finances. You can look at your **environmental and social impact** in Chapter 6 (Section 4) and in Knowledge Bite 5 at the end of that chapter

MARKETING KNOWLEDGE BITE 1
MARKET RESEARCH

Some of the questions that you will ask about marketing are very simple.

- Who will buy?
- Why will they buy? (both rational and emotional factors)
- How much will they be willing to pay?
- When and where will they buy?
- How much will they buy?

There are different techniques for researching a market. The ways open to a social enterprise or small business are likely to be fewer than for a larger organisation, simply because of money. In many cases you will be the one who does the research.

Your research might be

- **quantitative**, asking all participants the same set of questions to get a numerical answer, or
- **qualitative**, exploring people's feelings and attitudes by allowing them to express themselves individually

Some basic research methods for smaller enterprises include

- Web research looking for market and industry information (trade associations and member organisations, local and national governments may all have relevant data)
- Also check out your competitors and what they are offering on their websites. In addition, try the products and services – this is a great route to understanding the market
- Desk research, studying directories and other literature in libraries and elsewhere
- Internet based surveys targeted at customers and service-users
- Face-to-face interviews or focus groups with customers and service-users, competitors, suppliers, ex employees of competitors

Some tips
- Don't take negative comment personally. You can often learn more from criticism and improve your enterprise because of it
- Be open to findings that are not what you expect and respond to them.

You can design a simple market research plan using the following table.

What do you want to find out?	Target customer/ service-user/ beneficiary/ stakeholder	How will you collect data (e.g. web, survey, focus group)	When?	Who?	Who will you sample if necessary?	How will you recruit participants?

MARKETING KNOWLEDGE BITE 2
CUSTOMER PERSONA EXERCISE

This exercise was devised for businesses delivering products or services. It can apply equally to a social enterprise providing a product or service for a social purpose.
You may also find it relevant to apply the template in this exercise to your service-users or 'beneficiaries'. The questions that are usually asked by marketing experts may well make you reflect in new ways, from new angles, about your service-users. Why not try it?

EXERCISE PART A

Think about the product/service you have in mind. If it is a totally new one, right down the major characteristics and unique features of your product/service. If it is an innovation or development of an existing product/service, define here why it is innovative and different from the existing one and why yours is unique.

Characteristics and unique features of my product/service

Think about the market you are addressing and, together with any information you have on your customers, think whether you aim at one market or customer segment, or you are addressing different segments.

EXERCISE PART B

Use the Customer Persona Template provided to create the profile of your main customer type. If you want to reflect on another market segment, do the exercise again for this different customer type.

Name_____

Photo

DEMOGRAPHICS
- Age
- Gender
- Ethnic origin
- Education
- Occupation
- Salary / household income
- Location: urban / suburban / rural
- Family

VALUES & GOALS
- What do they value in their personal or professional life?
- What are their personal or professional goals?
- What are their hobbies/interests?
- What role they have in company they work for?

CHALLENGES/PROBLEMS
- What kind of problems or challenges impact the realisation of their goals?
- How could you help them to achieve their goals?
- How can you help them in overcoming the problems or challenges?
- What kind of problem or challenge they want to solve with your product or service?

MOTIVATIONS
- What is important to them when considering a product or service like you are offering?
- What motivates them to select your product or service?
- What experience are they looking for in your product or service?
- What drives their decision making processes?
- Who influences their decisions?

ANNOYANCES/FRUSTRATIONS
- What are the pain points of this person related to your product or service?
- What is their most common objection sfor engaging with your business, or buying your product or service?
- What are some of the potential turn-offs that would make the customer not return to your business?

INFORMATION SOURCES
- Where do they get their information from?
- What information sources do they use to get information on thre type of products and services you offer?

EXERCISE PART C

Now that you have analysed this customer type in much greater detail, decide whether they remain a key market segment to target or not.

And if you have reflected on your service-users or 'beneficiaries', what new insights have you gained from assessing them with this marketing tool? What will you change as a result?

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MARKETING KNOWLEDGE BITE 3
EMPATHY MAP EXERCISE

Download the Empathy Map below and based upon the potential customers or service-users you have identified, fill in this empathy map for your product or service. Do this for each of the customers or service users you have identified
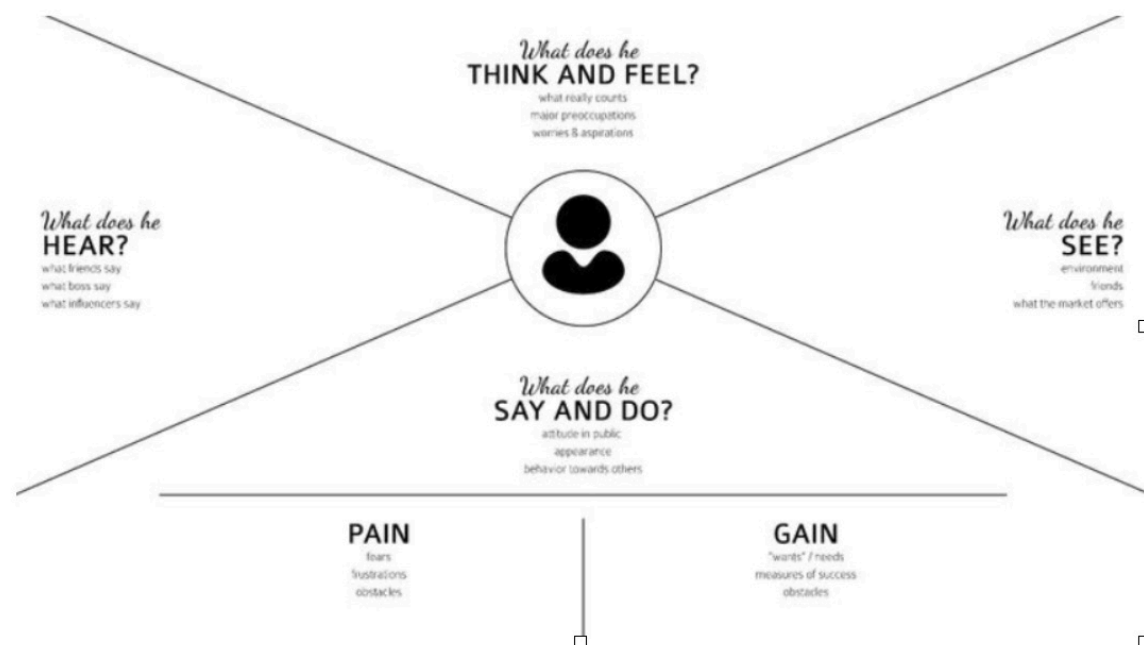
Once you have done this, think about your product or service and how you can improve it to make it fit even better the specific needs and demands from your potential customers or service users.

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MARKETING KNOWLEDGE BITE 4
BRANDING

There are many different definitions of branding:

"A brand is the idea or image of a specific product or service that consumers connect with, by identifying the name, logo, slogan, or design of the company who owns the idea or image."

"Branding is not just about getting your target market to select you over the competition. It's also about getting your prospects to see you as the sole provider of a solution to their problem or need"

"A name, logo, slogan, and/or design scheme associated with a product or service."

"Branding is a way of clearly highlighting what makes your product or service different to, and more attractive than, your competitors"

"A brand goes much deeper than just your company logo. You could define a brand as a set of associations that an existing or potential customer has of a company, product, service or individual. These associations can be the result of your own efforts and actively promoted through marketing and corporate identity. Branding also reflects your customers' experiences of your business and affects every interaction you have with your customers and suppliers. Branding is your attempt to harness these associations to help your business perform better.

"Effective branding can elevate your product or business into something unique, instead of being just one commodity among many similar others. Standing out from your competitors is particularly important in competitive markets." (Social Enterprise Academy).

EXERCISE

A brand must reflect your true values, your strengths as an enterprise or organisation. Ask yourself

- What is my enterprise good at (values, quality, price, skills, innovation, etc.)?
- Which of these strengths can underpin any branding we develop?
- Can my enterprise or organisation consistently deliver the promises associated with our brand?
- What branding will work best for my enterprise or organisation, from designs and logos to softer inputs, for example, of how staff present themselves in public situations?

Remember that you want to create those positive associations. These may be based as much on emotions as rational thinking on the part of customers or service users. Look again at the Simon Sinek TED Talk on Start with why.

There are many places on the internet that you can access with tips about creating an attractive brand. However, these are the four key ingredients that you need to consider:

- The **big idea**, a summary of your enterprise', product or service's 'personality', and what makes it different.
- Your **vision**, where your enterprise or organisation wants to go
- Your **values** and what your business stands for
- Your **personality,** how you want your enterprise or organisation to come across.

Obviously, for effective branding you need to know what your service-users, customers or stakeholders want and value. Unless your branding strategy delivers against this, it will fail.

And you need to be consistent with your brand across all that you do, from logos and stationery to customer service.

8.1 What is Business Finance?

At the heart of any business or enterprise you want to set up is money. Money to get started, money to run your business, money to be able to make the impact you want. In this chapter you will find the following aspects of money and finance for a business or enterprise.

Sources of finance and funding
You need finance and investment to get started as a business or enterprise, and to grow. Sources of finance could be your own savings, loans from banks or other financial institutions, equity (shares) from investors, enterprise grants and sometimes finance through family or business networks. Social enterprises may also be able to source donations and grants, soft loans, patient capital and community shares, government and public sector contracts.

Costs and pricing
Whether you want to run your own business or a social enterprise, understanding your true costs will be a critical success factor. There are two main types of costs: variable and fixed costs. Using these, you can calculate the point at which your enterprise will break even, beyond which you can generate a profit or surplus

Full-cost recovery
A term used in the social economy, when an organisation is able to recover its full costs for delivering its activities for social impact. Recovering your full costs is critical if your social enterprise is going to survive.

Cash-flow
Whether you are a private business or a social enterprise, running out of cash is a major risk factor. You can be making a nice profit on paper, but if you run out of money in your bank account you will go out of business.

Three financial statements
Three financial statements allow you to keep right about your business or enterprise: (1) a profit & loss or income & expenditure statement; (2) a balance sheet and (3) a cashflow statement.

A glossary of financial terms
Confused about all the different words? See the Knowledge Bite at the end of this chapter for a quick guide to some key words relevant to your business or enterprise.

8.2. SOURCES OF FINANCE AND FUNDING

You need finance and investment to get started as a business or enterprise, and to grow. Sources of finance could be your own savings, loans from banks or other financial institutions, equity (shares) from investors, and enterprise grants. Some entrepreneurs may also be able to access finance through their family or business networks.

All of these sources of finance may be relevant to social enterprises.

Social enterprises may also be able to access additional finance, as they are set up to achieve social, cultural, environmental and/or economic purposes rather than generate profits for the entrepreneur and other investors.   Such additional finance is also called **social finance.**

Additional sources of finance for social enterprises can be:

- donations from the public
- grants from charitable foundations and public authorities (from local government to European funding streams)
- crowd-funding over the internet
- community shares (where shares are sold to residents of a defined community or network, to raise capital for an enterprise that will benefit that community)
- soft loans and patient capital (for example from social finance or community development finance institutions), and
- government or other public sector contracts targeted at socio-economic outcomes (where a public authority or agency pays the social enterprise to deliver on outcomes that the public authority would like to achieve for the people it serves).

This means that a social enterprise may have more sources of start-up finance to approach than a private business. But this is not always the case. Whether a social enterprise can issue investment shares will depend on its legal structure.

A social enterprise that is owned by the community or by a charity may not be able to put up assets as security often needed for bank loans. And a social enterprise may not be able to afford to repay loans at commercial rates of interest.

Internet links and videos on Social Finance and Social finance providers .

http://inaise.org/en/members/list-of-members/

https://socialspacemag.org/understanding-social-finance/

https://evpa.eu.com/membership/our-members

https://www.youtube.com/watch?v=qzjbUov4PEk

https://www.youtube.com/watch?v=Pl8c5ooHfWs

Once up and running most social enterprises continue to have **mixed income streams.** These often include grants and donations, public contracts as well as sales. This can often be an advantage for a social enterprise, but it also brings its own challenges.

For example, banks require robust business plans and financial forecasting while social economy or charitable funders and donors may primarily focus on the socio-economic impact of your work. Being able to manage these different sources of finance, including their different reporting requirements, can be a challenge for any social enterprise

If you do apply for **grant funding**, make sure what you want to do through your social enterprise matches the criteria of the grant funder you are applying to. **This is very important**: all too often social enterprises and charities find themselves seduced by funding opportunities to do things that they did not intend to do, or are not part of their mission. By causing mission-drift, this may prevent you from reaching your stated goals.

EXERCISE 1: MIXED INCOME STREAMS

Think of a social enterprise you know well whose accounts are publicly available. Calculate percentages for the different income streams that social enterprise is accessing:

Source of income	Percentage of total income
Sales (including contracts)	
Loans	
Equity	
Grants	
Donations	
Other (please specify:)	

EXERCISE 2: POTENTIAL SOURCES OF FINANCE FOR MY ENTERPRISE

- Ask entrepreneurs and social entrepreneurs, business and social enterprise advisers, and relevant networks
- explore on the internet

… what sources of finance and funding might be available to your own business or social enterprise.

List all of these funders in the following table and ask yourself what are the pros and cons for each source of finance.

Source of finance	Pros for my enterprise	Cons for my enterprise

8.3. COST

Whether you want to run your own business or a social enterprise, understanding your true costs will be a critical success factor. There are two main types of costs: variable and fixed costs.

Variable costs are costs that vary according to activity levels: the more widgets you produce or clients you support, the higher the cost. If the materials for one widget cost €10, then the materials for 10 widgets will cost €100. If delivering a mentoring session costs 2 hours of your staff time, then 10 mentoring sessions will cost 20 hours.

Fixed costs are costs which do not vary according to the activity level, and are often called overheads or core costs. These may include the manager's salary, the rent of your premises or your marketing budget.

EXERCISE 3: YOUR ENTERPRISE COSTS

List out all the variable and fixed costs that your enterprise will incur when it is up and running. If you already have figures for individual costs, add these too. But the primary purpose of this exercise is to make sure you are aware of all the different costs you are likely to incur.

If you are struggling to think of costs, you can look at the sample cash flow statements in Knowledge Bites 2 and 3 at the end of this chapter.

8.4 PRICING

One of the simplest ways of relating pricing to costs is calculating your **break-even point**. Break-even is achieved when the number of 'things' (products or services) sold less the cost of producing these 'things' is the same as the fixed costs.

$$\text{BREAK-EVEN POINT} = \frac{\text{FIXED COSTS}}{\text{SELLING PRICE PER UNIT - VARIABLE COSTS PER UNIT}}$$

For this calculation, you need key information, especially on what it costs to produce each unit, e.g. each trainee trained, each chair sold, each support session delivered.

EXERCISE 4: WORKING OUT THE BREAK-EVEN POINT

The Peperoni Pizza restaurant only sells pepperoni pizzas and has 2 types of costs, variable and fixed:

VARIABLE	FIXED
• FLOUR: €0.50 • YEAST: € 0.05 • WATER: €0.01 • CHEESE: €3.00 • PEPPERONI: €2.00	• STAFF: €1,500 • RENT: €3,000 • INSURANCE: €200 • ADVERTISING: €500 • UTILITIES: €450
TOTAL A: €5.56 PER PIZZA	TOTAL B: €5,650 PER MONTH

Based on the total A, we now know that our Pizza Restaurant must price its pizzas at €5.56 or higher just to cover those costs. If its selling price for each pizza is €10, how many pizzas does Peperoni Pizza Restaurant need to sell at €10 each to cover all those fixed monthly expenses?

Profitability is reached when sales or income cover **all** costs, both variable and fixed.

At its simplest, pricing your product or service can be done so that your total sales and income cover all your costs (both variable and fixed), and more ... generating a profit or surplus.

You can find another simple example of break even analysis on p.30 of this pdf: A business planning guide to developing a social enterprise.

In practice, pricing can be one of the most difficult decisions in any business.

- you need to ensure that you cover all your costs,
- you need to consider what customers are willing to pay
- you also need to consider what your competitors are charging.

You may want to charge a low price for a product or service, in the expectation that people will want to buy more of it. But it is essential that you charge enough to pay for all your overheads, and ensure financial security for your organisation.

And sometimes a low price discourages people buying if they think the product or service is too cheap, and therefore of poor quality. Do you always buy a product on the basis of price only?

A significant challenge for pricing for social enterprises is that the buyers or service-users often do not pay for what they are purchasing. The social enterprise may be paid, for example by a public agency or local government, and pricing may be influenced by a wide range of factors, which are out of the social enterprise's control.

And if the social enterprise gets grants to deliver the product or service then the local community or service-users may have views on what is a reasonable or "fair" price to charge (usually lower than what the social enterprise would need to charge to cover all its costs!).

Here are some **key pricing strategies** for businesses. Even if they are not always suitable if you are running a social enterprise, they are still interesting to consider.

- **Price skimming** - starting with a higher price to offset your start-up costs, and reducing them later
- **Penetration pricing** - starting low to attract customers, and then increasing the price
- **Loss leader** - lowering prices on a number of key products to attract customers who will then buy other products
- **Differential pricing** - having different prices for different groups or areas. Some social enterprises operate differential pricing depending on what they feel different groups of service users can afford. Those groups that can afford more can cross-subsidise those that can afford less.

Youtube video on social enterprise pricing: Social entrepreneurs: What fair price should you set? https://www.youtube.com/watch?v=UUhATMO7PeU

8.5 FULL COST RECOVERY

You have learnt that it is important to cover all your costs, both variable and fixed. But it can be difficult to assign the fixed costs to activities. This may be the case, for example, where a social enterprise can attract grant or other subsidised funding to deliver a particular activity and where the funder is interested primarily in the activity, not in the enterprise overall. All too often with such funding the enterprise fails to charge the real costs, including all the overhead or core or fixed costs. But recovering its full costs is critical for its survival.

So how do you calculate the proportion of overheads or core costs that 'belong' to each activity?

Get a copy of your accounts (or your financial forecasts) and analyse these: identify all the direct costs for a project, and identify all the overhead costs. In addition to the direct costs, you will need to look for overhead or core costs like the following:

- managerial costs
- admin, finance, marketing, IT and other support costs
- rent, lease or mortgage payments
- fundraising costs
- governance and other strategic costs

Now you need to decide on the way in which **you will allocate overhead costs to each of your activities**. You could do this in a number of different ways:

- by the number of staff or volunteers or both involved in each activity
- by the time staff or volunteers spend on each activity
- by the costs of staffing for each activity (e.g. if some activities may require more highly paid staff than others)
- by the floor space needed for each activity
- by the number of active service-users for each activity
- by expenditure on each activity, or by income from each activity
- using different methods for different kinds of overhead costs

What you choose will depend on what makes most sense for your enterprise.

- Employees tend to be an enterprise's largest cost, so that this measure is often chosen for allocating overhead costs.
- However, if you run a shop and a cafe, you might allocate overheads according to the floor space each of these activities takes up in your building.
- If you are primarily selling goods, for example recycled or affordable goods, you might want to allocate overheads according to the income you generate from each category of good.

It will all depend on what makes most sense to you and your enterprise, and to the funders who support you and want to know that you have charged a reasonable rate of overheads, not one that seeks to generate excessive profits from the activity they fund.

The key is that you are able to fairly allocate overheads or core costs, and to recover your full costs of each activity, at the very least to break even.

8.6. CASHFLOW

Not recovering your full costs is one of the most common risks facing social enterprise. But whether you are a private business or a social enterprise, **running out of cashflow** is another **major risk factor.** You can be making a nice profit on paper, but if you run out of money in your bank account, because you have spent money on activities for which you have not yet been paid, you will go out of business.

EXERCISE 5: HAPPY PRODUCTS CASHFLOW EXERCISE

Work through the Happy Products Cashflow Exercise in Knowledge Bite 2 at the end of this chapter which will show you the difference between profit & loss and cashflow.

Having sufficient cashflow, sufficient money in your bank account to cover your costs at that time, is critical for your survival and success as a business or enterprise.

So, as well as budgeting, you should also do careful cashflow projections, to see if any potential problems are likely to arise in the future. You can then plan to prevent them.

EXERCISE 6: CASHFLOW PROJECTIONS

Adapt the cashflow spreadsheet in Knowledge Bite 3 to your proposed business or enterprise and complete cashflow projections for your business or enterprise over the next year. Will there be any months in the next year when you will not have enough money in the bank to pay all your bills?

8. 7 FINANCIAL STATEMENTS

Any business or enterprise will need to have three main financial statements:

1/ Profit and loss or income and expenditure statement
This shows the financial results of an enterprise over a year. It compares the income against the expenditure needed to create that income during that period. It includes non-cash items such as depreciation. The surplus or deficit is carried forward to the next year through the balance sheet.

2/ Cashflow statement
We have already seen the importance of cashflow, and the cashflow statement shows how money has flowed through the organisation in a particular period, normally coinciding with the profit and loss statement. The cashflow records **incoming and outgoing cash** at the time it is paid/received (in contrast to the profit and loss statement which records income and expenditure when items are invoiced, not when they are paid). So cashflow is different from profit. And, as we stated earlier, many businesses go under because they run out of cash, even if they are recording a profit.

3/ Balance sheet
This is a summary of the organisation's assets and liabilities to determine whether the business is solvent or not. Assets include

- current assets like cash and investments,
- prepayments and money owed to the business (by debtors),
- fixed assets like equipment, stock and buildings
- intangible assets like reputation and goodwill.
- 'Liquid' assets are assets which can be converted into cash within a year.
- Liabilities are, for example, cash owed to others and loans.

Fixed assets + current assets must exceed current liabilities, otherwise the business is insolvent.

> Current assets less current liabilities = net current assets, or working capital
> Fixed assets + net current assets = reserves, or equity

CONGRATULATIONS! You have now completed the main sections of your business plan, including on marketing and finance. This is a significant achievement. Well done.

Remember that your business plan is "a living, breathing document that you constantly refer back to, continually scribble on with new ideas and suggestions and that guides your daily work." (Social Ventures Australia)

And there are more chapters in this handbook to help you develop your business even further, for example about **networking and partnerships**.

Good luck as you take your next steps of turning your business or social enterprise into reality, and as you join **the millions of entrepreneurs and social entrepreneurs across the world.**

KB **FINANCE KNOWLEDGE BITE 1**

FINANCE GLOSSARY

Annual Accounts / Audited Accounts	The set of accounts (made up of a 'profit & loss' or 'income & expenditure' statement and a 'balance sheet'), which are checked at the end of the financial year by an independent auditor or accountant.
Assets	Can be current assets like cash, investments and money owed to the organisation (by debtors), fixed assets like equipment and buildings, and intangible assets like reputation and goodwill.
Balance sheet	a summary of the organisation's assets and liabilities to determine whether the business is solvent or not.

Break Even	Break-even is the point at which your income covers your expenditure (both variable and fixed costs) and you do not make a profit or a loss.
Budget	A budget lays out the anticipated costs for the next year in a simplified format, normally an income and expenditure format. The budget gives staff guidance as to how much they can spend on each 'cost centre'.
Cash Flow Forecast/ Statement	A financial statement that predicts or shows how money flows in and out of your organisation over a period of time.
Cost Centre	The label given to an aspect of expenditure. It can also be used to represent a discrete activity, where all income and expenditure is assigned to that one cost centre.
Cost of sales	The costs which vary according to how many products or services are sold. Also called variable costs.
Depreciation	A charge made each year to the income/expenditure (or profit/loss) statement, which represents how much should be assigned towards the eventual replacement of an asset owned by the organisation. The most straightforward way is to estimate how long the asset will last, and divide the purchase price of the asset by the number of years of life, and put one year's value into the statement, but there can be a number of ways of deciding how much depreciation to charge. Depreciation is not a cash item, so it does not appear in the cashflow statement. The value of fixed assets in the balance sheet will include the depreciation charged in that year.
Expenditure	What your money is spent on. In your accounts you will have a series of headings to reflect the different things your organisation spends money on.
Fixed assets	A term used for tangible assets such as buildings, equipment etc.
Fixed Costs/ Overheads	Costs which stay the same regardless of how many products you sell or services you provide (e.g. CEO's pay, rent, internet connection, insurance)
Full cost recovery	A term used in the social economy, when an organisation is able to recover its full costs under a service-level or grant agreement, for example. This means that the organisation can claim not only the direct costs of running the service against the contract or grant, but also the overheads and central services such as accounting, management and supervision costs, depreciation, etc.

Income / Expenditure or Profit/Loss Statement	The financial statement that sets out the income and expenditure of an organisation, usually over a year, and calculates the profit/surplus or the loss/deficit an organisation makes. Businesses normally use the profit and loss statement or forecast, as they aim to make a profit. Some organisations in the social economy, like charities or social enterprises, may use an income and expenditure statement, and may call 'profit' or 'loss' 'surplus' and 'deficit'.
Income	Money coming into your business. Money can 'flow' into your business from varied sources or 'income streams'.
Internal audit	A system whereby the organisation undertakes checks that its expenditure is being incurred properly, there is no fraud occurring, and there is a system for authorising expenditure (e.g. a purchase order system)
Petty Cash	Cash - coins and notes - usually kept in a locked 'tin' for small day to day expenses. Receipts are kept in the tin and it should be checked on a regular basis. Money can be withdrawn from the bank to replenish the petty cash. Petty cash expenditure should also be recorded on the main accounts spreadsheet.
Reserves	The amounts that the organisation has built up over time. For charities, they fall into unrestricted reserves (e.g. donations or grants given for general use) or restricted (grants given for a specific purpose which can thus only be used for certain items of expenditure). Reserves may also include amounts built up through surpluses in previous years. Good practice in the UK is for a voluntary organisation to have reserves to cover six months' of operating costs.
Unit cost	How much it costs to deliver a single 'unit' of your product or service. To calculate unit cost you must attribute reasonable proportions of direct and indirect costs to each activity you carry out and be able to divide this by the number of 'units' you deliver. Unit cost calculations can be complex and you must be clear about what the 'unit' is, i.e. childcare place, supported employment opportunity, reclaimed furniture item.
Variable costs	Costs that rise as your sales or delivery levels increase, such as additional raw materials, extra labour and transport.

KB   **FINANCE KNOWLEDGE BITE 2**

HAPPY PRODUCTS EXERCISE
START-UP PROFIT & LOSS AND CASH-FLOW PROJECTIONS.

Key facts:

You have a loan of €5,000 to start up your social business.

Your products are priced at €50.

You expect to sell the following number of products:

Month1	130	Month4	195
Month2	140	Month5	225
Month3	155	Month6	250

Your customers will have 60 days credit (the money will therefore come in 2 months after the sale).

Each unit costs €15 for the purchase of materials.

Your suppliers have to be paid within 30 days (1 month) after purchase.

Your overheads will be €2500 per month.

Q1 What profit will you make in the first six months if you achieve your sales targets?

Set out profit and loss in the following table:

P&L Months 1-6	Itemised	Total
Sales		
Cost of sales		
Gross profit		
Overheads		
Net profit		

Q2 When will you be in a position to repay the loan?

Complete the first six months cash-flow in the table below to find out:

	M1	M2	M3	M4	M5	M6	TOTAL
Cash from sales							
Payments to suppliers							
Overhead costs							
Total cash payments							
Net inflow/ outflow							
Cash at start of month							
Cash at end of month							

ANSWERS

Q1 What profit will you make in the first six months if you achieve your sales targets?

Set out profit and loss in the following table:

P&L Months 1-6	Itemised	Total
Sales	1095 @ €50	54750
Cost of sales	1095 @ €15	-16425
Gross profit		38325
Overheads	6 @ €2500	15000
Net profit		23325

Q2 When will you be in a position to repay the loan?

Complete the first six months cash-flow in the table below to find out:

	M1	M2	M3	M4	M5	M6	TOTAL
Cash from sales			6500	7000	7750	9750	31000
Payments to suppliers		(1950)	(2100)	(2325)	(2925)	(3375)	(12675)
Overhead costs	(2500)	(2500)	(2500)	(2500)	(2500)	(2500)	(15000)
Total cash payments	(2500)	(4450)	(4600)	(4825)	(5425)	(5875)	(27675)
Net inflow/ outflow	(2500)	(4450)	1900	2175	2325	3875	3325
Cash at start of month	5000	2500	(1950)	(50)	2125	4450	
Cash at end of month	2500	(1950)	(50)	2125	4450	8325	

PROJECTED CASH - FLOW FORECAST for period ending ....

Business Name: ....

INCOME	Month 1 (€/£)	Month 2 (€/£)	Month 3 (€/£)	Month 4 (€/£)	Month 5 (€/£)	Month 6 (€/£)	Month 7 (€/£)	Month 8 (€/£)	Month 9 (€/£)	Month 10 (€/£)	Month 11 (€/£)	Month 12 (€/£)	Total (€/£)	Year 2 (€/£)	Year 3 (€/£)
Cash Sales															
Credit Sales															
Other Income (Loans, Grants etc)															
A. TOTAL INCOME															
EXPENDITURE															
Materials/Stock															
Other Direct Costs															
Employee Wages															
Employee Taxes and Insurance															
Rent and Rates															
Heat, Lights, Electricity															
Insurance															
Repairs & Maintenance															
Admin, Postage & Stationery															
Advertising & Publicity															
Telephone and Internet															
Travelling & Motor Expenses															
Professional Fees															
Other Costs															
Bank Charges/Interest															
Leasing Charges															
Loan Interest Repayments															
Loan Capital Repayments															
Capital Expenditure															
Own Drawings (what your business pays you)															
Taxes															
Sales Tax or VAT															
B. TOTAL EXPENDITURE															

1

CHAPTER 9: NETWORKING AND PARTNERSHIP

Developed by EOLAS, Erasmus+ Blue Social Growth's partner in Spain, this chapter brings an essential dimension to what can make Social Enterprise business really successful and is packed with useful references.

9.1 WHY NETWORK?

Networking is potentially one of the most essential personal skills for anyone in business, and in particular for those starting their entrepreneurial venture. It will help you build strong relationships with, and learn from, peer-entrepreneurs and other businesses, for example, or social enterprises and other social economy organisations, or funders and other stakeholders.

Networking events bring together a wide range of entrepreneurs and stakeholders in an environment where they can **share, create and develop ideas**. You will find people with a range of different experience and backgrounds at these events. Attending networking events can be a crucial step for any entrepreneur.

The main benefits from networking are:

1. Access to knowledge and different perspectives
2. New opportunities for your business.
3. Greater visibility for you as an entrepreneur and for your business.

VIDEOS

Check out the following resources:
What Is Networking, Anyway? 3:25 mins
What is the benefit of networking for entrepreneurs? 1:39 min
Networking Fundamentals 4:34 mins

WEB RESOURCES

Why networking is important for your startup
Three Forms of Networking (look at the first table in this article)

By regularly attending business and social events, you will get to know other people, and they will begin to recognise you. This can help to **build your reputation** as a knowledgeable, reliable and supportive entrepreneur whom people will remember when you come to launch your business or social enterprise.

9.2 WHERE AND HOW TO NETWORK

One of the easiest ways to build up a network is to attend events. Nowadays, there are often specific networking events, aimed at bringing together a wide range of

(would-be) entrepreneurs, from different backgrounds and sectors, as well as relevant stakeholders from outside the business world, with the aim of establishing links and synergies. Events are also a good moment to get in touch with owners and managers of existing and well-established businesses or social enterprises, to see if there are possibilities of working together. Events and face-to-face networking can:

- give you perspectives and views from others on your sector or business, …
- serve as the first steps to establishing channels of cooperation with others, … inspire and motivate you
- generate a feeling of community for yourself with others, but also for others with yourself.

> The sustainability, viability and growth of your business or social enterprise depend not only on having sufficient customers, clients or service users, but also on your ability to make connections with others and learn from them. Especially if you are a sole-entrepreneur, these connections will be vital to the success of your enterprise.

VIDEO

3 Networking Mistakes to Avoid for New Entrepreneurs   1:33 min

But networking does not only take place at physical events, there are many more channels and ways to network, both face-to-face as well as online. Below we give an overview of different options, with some examples of such activities.

Be aware, networking is not just randomly getting to know people and making connections. For the effort to be useful, you need to have a systematic approach to networking. Meeting somebody and making the person part of your network are two different things. **Networking requires systematic building and maintenance.** Through previous experience you probably already have a lot of contacts. Don't forget these "passive connections" and turn them into assets in your network.

> **The Do's of networking**
>
> - **Be authentic.** Networking is a deliberate effort, but it does not mean you need to change you personnality. Networking is a natural activity all professionals do: you do not need to feel uncomfortable.
> - **Do not let fresh connections fade out.** For example, quick follow-up emails will help you to build on the initial connection you establish the evening before .
> - **Find connections:** you do not need to pretend a love of golf or fishing, but if you find a connection, use it! It is is easy to learn about your partner in the information age. Just a simple fact like having kids of the same age can be a tremendous ice-breaker.
> - **Explore new networks:** creating a connection to a completely new group of people can often yield surprising benefits.
> - **Make networking an integral part of all activities of your organisation.** While they are people with stronger and weaker networking capabilities, everyone should see it as one of the routine duties. Give training if needed.
> - **Prepare your pitch:** be always prepared to present a good pitch about your company and business goals.

VIDEOS

Watch some useful tips to take your networking to the next level.
Are you struggling with networking?   5:35 min
Overcoming your Networking fears   3:30 min

9.3 RESOURCES FOR NETWORKING IN YOUR LOCAL AREA AND REGION

Local networking and attending networking events in your local area can be highly beneficial. Knowing the local community has great advantage, particularly if you are setting up a local business or service and you may find collaborators, suppliers, investors or customers right on your doorstep.

WEB RESOURCE
The importance of networking with local businesses in your area

EXERCISE
Ask members of your community, other entrepreneurs and stakeholders about sources of support for business or social enterprise in your area or region.

- Make a list of these, with contact names and other details. Now you are ready to get in touch with these potential sources of support.
- Make the most of this opportunity for your business or social enterprise.

9.4 RESOURCES FOR NETWORKING INTERNATIONALLY

Depending on the type of your business or social enterprise, you may also want to look into national or even international networking events. Obviously it is important to ensure you select the most relevant events to you and your business or social enterprise.

WEB RESOURCES

We have selected the following web resources to inspire you and open your eyes. However, we recommend you search for those specific ones which fit your needs.

Europe (and global)	• Blue Islands, which aims to identify, address and mitigate the effect of the seasonal variation of waste generated on Mediterranean islands as an effect of tourism. • Enterprise Europe Network tries to help companies innovate and grow internationally, providing them advice and support, as well as partnership and networking opportunities, including for rural enterprises. • European Small Islands Federation (ESIN) for transnational cooperation opportunities. • EUROPECHE representing artisanal and large scale fishermen in the European Union. • INSULEUR (Network of the Insular Chambers of Commerce and Industry of the European Union) to improve economic and social conditions in European insular regions. • MARITTIMOTECH fosters business creation in the nautical, biotechnologies, tourism and energy sector in Italy and France, with a specific orientation towards sustainability, green and blue economy. • MPI is an association which aims to bring people together in order to empower their businesses and ideas. • NAFSA, the Association of International Educators, is the world's largest non-profit association dedicated to international education and exchange. • IR GLOBAL is a company that regularly organises international networking events such as "On the road" or "Dealmakers". • Association to Advance Collegiate Schools of Business (AACSB) • European Foundation for Management Development (EFMD) • Global Business School Network (GBSN)
Greece	• Impact Hub Athens • The Nest, the Hellenic Centre on Social Entrepreneurship & Social Innovation (see here for English description)
Italy	• Avanzi • FabriQ • FORMEVER LAB • Get It! • SocialFare • Social Innovation Teams

Scotland	• CEIS • CEMVO Scotland • Firstport • Just Enterprise • SENSCOT • Social Enterprise Academy, Scotland • Social Enterprise Scotland • Social Enterprise UK
Spain	• Confederación Empresarial Española de la Economía Social CEPES including a Directory of social economy entities • Creas • FEADEI - Federación de Asociaciones Empresariales de Empresas de Inserción • Momentum Project • Social Nest • Upsocial
International	• Ashoka • Erasmus for Social Entrepreneurs • European Microfinance Network • European Network for Social Enterprises and Impact-Driven Leaders (Euclid) • Global Social Entrepreneurship Network • Impact Hub network, with hubs in more than 50 countries • Netural (based in Matera, Italy) • Social Enterprise Academy

9.5 ON-LINE NETWORKING

Although the importance of meeting people face-to-face can never be over-estimated, in the early stages of starting a business you may find online networking beneficial as well. **Joining online networking groups can save you time and money – most are free and you won't have the travelling expenses.** You might also find online networking less intimidating when you are starting to develop your business idea and gathering initial feedback. So make sure that the first impression others have of you on Facebook, Twitter and LinkedIn is a positive one.

So how do I go about it when I have identified an interesting contact on-line and I want to start creating a quality (and hopefully lasting and fruitful) business relationship with them? Here are some tips:

The How to's of online networking

1. When you first establish the contact, make sure to stress and highlight the affinity relationship, i.e. what you have in common. This can be because you are in the same line of business, received similar training or education, have friends in common, etc. The bond tends to be stronger when more things align and are in common.
2. Explain why you are interested in connecting with the other person. Don't only present yourself and your business, but also indicate what you want to learn about them. Be open and honest about the expectations you have for the connection established, e.g. exploring business opportunities, mutual learning or exchanging experiences.
3. If you feel there is a connection, you can propose to speak in person (virtually that is), using different tools available for video-conferencing. At this stage it is recommended to use a video connection, as for the first time "real live" contact people like to see the person they are talking to (and if needed interpret their body language).
4. Plan for an initial 20 minute conversation that includes a brief introduction of who you are and what your professional accomplishments and future goals are, and ask them to do the same. Then follow with an open question and answer session on both sides. Do not forget to thank them for their time, ask them if you can help them in any way, and offer to reciprocate information on a topic of interest to them.
5. Create a strategy for staying in touch periodically, through a social or business networking tool or general emails or meetings, if appropriate.
6. Ask for recommendations of other people they suggest you talk to or other ideas of how you might get closer to your professional goal. As the person gets to know you better, they may be willing to share information on contacts. But as in the non-virtual world, networking is a process and it takes time to have trusted relationships and normally a bit longer when it is done only online.

WEB RESOURCES

How to build a business by Networking, Online or In-Person

5 effective skills for online communication

9.6 NETIQUETTE

When networking on-line is it is necessary to bear in mind certain norms and rules, the first one being "netiquette", that is the networking norms of the real world applied to an on-line environment.'

When inviting someone to connect, do not immediately send the invitation to like the company or fan page, or, even worse, send instant publicity to their mailbox. First check their interests and then see if it matches what you offer.

So what are the main principles that should guide your on-line networking? … and you will see they are not that different from "the real world":

- **Reciprocity**: it is not about promotion, it's about giving and taking. So you should not only share your own content, you should also promote others (and their content). **A good rule of thumb is share 3 times more than your own promotional content**. If others see you share their content, in most cases they will share yours. However, do not expect them do so, as this might lead to disappointments. It is not a rule that if you share their content they must do the same with yours.
- **Respect**: if you show respect to others on-line, you will earn their respect in return. It is as simple as "do not do to others what you would not do to yourself". Once you gain respect the next step is to gain trust, which is the basis for on-line cooperation.
- **Trustworthiness**: build relationships even before you need help from anyone. In this way you create a supportive and trustworthy community around you (and your business), which can be of great support whenever you have requests or need help.
- Be aware that your behaviour should be consistent over time, and **be aware that there is NO WAY BACK for what you have published online: "WHAT IS ONCE ON-LINE STAYS ON-LINE!"**

VIDEOS

What is Netiquette & Why is it Important?   1:48 min
UnLtd Webinar – How to use social media effectively 55:05 mins
UnLtd Webinar – Top Tips on Blogging 53:22 mins
How to build strong relationships in business & personal life 7:32 min

WEB RESOURCES

10 Basic rules of netiquette

20 Social Networking Sites for Business Professionals worth looking at and joining to help your networking efforts.

Networking Groups you could join to grow your business.

Where to Find Networking Events?

9.7 ENGAGING IN PARNERSHIPS

There are many different reasons for creating partnerships, almost as many as there are entrepreneurs and enterprises. Nonetheless there are several main motivations to engage in a partnership.

1. **Optimisation and economy of scale:** these partnerships take the form of buyer-supplier relationships set up to reduce costs, and often involve the sharing of infrastructure. An example is a bicycle producer who buys wheels from a specialist bicycle wheel manufacturer who can produce the wheels at a quality and price the bicycle manufacturer could never do.
2. **Reducing risk and uncertainty**: the business environment is characterised by uncertainty and quick changes. Engaging in a partnership can reduce the risk and uncertainty of operating in a specific market. For example, you can cooperate with others in developing an on-line presence to sell products and coordinate delivery, but each sells their own products through the on-line shop.
3. **Acquiring resources and activities:** it is impossible for a new entrepreneur or enterprise to own all the resources they need, and you will rely on others to provide you with specific resources or to realise certain activities. These partnerships focus on acquiring knowledge or gaining access to customers. For instance, you might hire a company specialised in marketing and or social media to run your campaigns, marketing activities and social media. Partnerships can also provide good opportunities for you to develop new skills and capabilities.

These motivations for partnership apply as much to social enterprise as to private business.

Partnerships in the social enterprise sector may be particularly valuable to the partners because they:

- share the same values and purpose to which they all want to contribute
- are willing to share learning and tips on how to do things successfully based on their own experience
- want to provide better outcomes for their clients or service-users
- may be too small to apply for public and other contracts on their own, but can do so as a partnership
- want to improve the long-term sustainability of services
- may seek partnerships with private business who can provide resources and support for social enterprises (see webinar below).

VIDEOS

Establishing Strategic Partnerships 1:19 min
Tips for Social Entrepreneurs -- Partnerships 1:27 min
UnLtd Webinar - How to engage corporate partners in supporting social entrepreneurs
46:06 mins

WEB RESOURCES
The importance of Partnership in business

9.8 TYPE OF PARTNERSHIPS

There are different levels of cooperation from low level to very intense, and cooperation can also differ in time, it can be one-off or long term, and anything in between. It can be with one business/organisation or more at the same time.

Overall the most common types of partnerships are:

1. **Strategic alliances between non-competitors:** this is cooperation between two or more entities that share resources with the aim of developing a specific activity which is mutually beneficial to them. An example is a producer of fruit that forms an alliance with a laboratory to find new ways to re-use damaged or non-sellable fruit.
2. **Co-opetition: strategic partnerships between competitors:** this is cooperation with other entrepreneurs or businesses which could be considered competitors of yours. Think for example of different restaurants in a relatively small area. They might want to partner in promoting the area in order to attract customers to the area. The concentration of different restaurants can become the main selling point for the area, even while the restaurants continue to compete with each other for customers once they have come to the area.
3. **Formal consortium or joint venture to develop new business activity:** in this two or more entrepreneurs/enterprises pool their resources with the aim of realising a specific task (developing a new product/project, delivering a new service, etc.). A consortium is bound by a formal partnership agreement; a joint venture is a separate and independent legal entity set up by the partners. By pooling capital, resources and expertise from the different partners, consortia and joint ventures may be a good way to reduce the risk to each enterprise, or to enable the partners to bid for larger contracts than they could individually. This is particularly the case for social enterprises bidding for public contracts in competition with much larger businesses. The terms of any such partnerships must be specified very clearly – the roles and responsibilities of the different partners, and what they get out of it, including the allocation of profits.
4. **Buyer-supplier relationships to assure reliable supplies:** this is a stable relationship and cooperation you engage in with either your supplier(s) or your buyer(s). For example, a marmalade producer is heavily dependent on sourcing sufficient fruit, and of the right quality. The fruit producer ensures delivery of the right quantity and quality, and at the right time, while the marmalade producer agrees to purchase a guaranteed minimum amount of fruit.

9.9 MAINTAINING PARTNERSHIPS

Once the partnership has been created, it needs, just like any relationship in life, to be maintained, taken care of and nurtured

- **"Do not go and shoot for all"**: identify the relationships you already have and think which ones are the most important to you and your enterprise. Then rank them for importance, based upon the criteria most valuable to you.
- **"Show they are important for you"**: once you have identified the most important relationships, you should think how to ensure this is reflected in your own behaviour and the way you engage with them. The most important ones need to be nurtured, e.g. by responding promptly to requests.
- **"Provide premium service, more often"**: a business or professional partnership stands or falls with the value the partners get out of it. So the best way to take care of your partners, is to provide them with more value, and if possible more often. To do so, find out what is important for them and adapt the value you offer to their needs.
- **"It's not all about business"**: offering value and building stable relationships is not only pure business; personal aspects and connections are also important. Show interest in them as people, and the business relationship will be stronger because of the personal connections.
- **"Clone your best relationships"**: analyse what are the traits and characteristics of your most important and best functioning relationships. Then go out and find more with these traits and characteristics. You cannot copy them exactly, but if you have affinity with a certain type of person, for example, partnerships with people like that have a better chance of lasting.
- **"Let me introduce you….."**: if your partners consider you offer more value, more often and you are "good to do business with" they will be happy to put you in contact with others from their own networks and partnerships. It works both ways, as they will be doing their own contacts and partners a favour by getting in touch with you. Do not be afraid to ask if you are looking for a particular type of contact or partner.
- **"Everyone is important"**: although your most important partners receive "special attention", this does not mean that you should stop there. You should always provide them your premium service, but it is good business to provide premium service and value to others also. Who knows, they might become your most important partners in the future!

WEB RESOURCE
See source: ENTANGLE Project, "Key Partnerships"

CHAPTER 10: STORYTELLING

We conclude this handbook with a chapter on storytelling, as a valuable tool for social enterprises to:

- explore their mission, vision, strategy, values … , and
- engage and involve their partners, service-users/clients and other stakeholders.

As such this chapter complements approaches and exercises from many of the previous chapters.

If you have completed the previous sections of the handbook, you can use storytelling, as set out in this final chapter, to:

- review and reshape your learning and plans for your enterprise
- summarise your learning in a powerful story that can communicate the essence of your enterprise

This chapter also links back to Chapters 2 and 3 in which participants told migration stories, explored the local economy and visioned a positive future, including using some of the same tools.

This chapter also provides a creative story-telling approach to social enterprises and their purpose that complements the more linear approaches often demanded in business plans, design and planning frameworks.

So it is a good way to conclude your journey of exploration, as the stories you tell will also reflect the journey of exploration you have just travelled along.

10.1   INTRODUCTION TO STORYTELLING

The success of a social enterprise or venture or project is measured by the impact made in the community through the success of the venture: **the more successful and sustainable the venture, the bigger its capacity to realise its social objectives!** To maximise your impact it is vital to reach your target audiences, and storytelling can be an important tool for gaining the attention of your different stakeholders and engaging them in the venture.

In your social enterprise venture you will be working with or for a specific group of people at risk, e.g. immigrants and victims of trafficking. In such socially oriented ventures, it is not only important to tell the story of your venture but also to engage with the target group and community to ensure their support and involvement, enabling them to shape and deliver the venture to best meet their needs. Storytelling can be a good way to do so.

Although not the focus of this chapter, bear in mind that stories can help your organisation internally as well. If the organisation is well managed and characterised by good relations and supportive communication among staff and the

community, it can do better work for its users. For this purpose the focus of storytelling is on the development of competences, leadership, teams and the process of learning and evaluation, i.e. on internal organisational development.

In this chapter we understand storytelling to be the more conscious and planned acts of storytelling, where stories are told for certain purposes, for example to inspire change, to convince or to share knowledge. In giving accounts of everyday events in our lives, storytelling also tries to make meaning out of situations and why these occurred.

So what makes a story attractive? Linguist Robert de Beaugrande states that the 'Interest Factor' is crucial. A story which is boring will not get the message across and bore the crowd before the message even pops up in the story, while an entertaining story is easily accepted with or without a message.

Interest in a story can be sparked through different mechanisms like:

- uncertainty, exaggeration or unexpected events
- understandable goals/intentions/feelings of the protagonist, and identification with the problems of the protagonist
- one or more turning points
- creativity: using analogies, metaphors, tragedy, comedy, surprises
- discontinuity, e.g. interrupted by apparently 'irrelevant' episodes or a story in a story (think of 'a thousand and one nights').

The structure of a story is critical as stories answer the need to transform and organise information into meaningful structures. Although there are different views and definitions of story structure, for the purpose of this chapter we will focus on the structure of a typical folk tale.

Cynthia Kurtz (*Working with stories*, 2014) proposes the following structure of a folk tale:

1. **Context** – introducing the setting and characters, explaining the state of affairs
2. **Turning point** – the dilemma or problem or initiating event that starts the story rolling
3. **Action** – how the people in the story respond to the dilemma or problem
4. **Reversal** – complications, further difficulties, challenges, things going wrong
5. **Resolution** – the outcome of the story and reactions to it.

Here is an example of simple short story which follows this structure:

There is a woman watering the plants on a balcony **(context)** and the door to the balcony closes behind her, with no way of getting back in. **(crisis)**

A doctor passes by and the women shouts, "Help, I am stuck on the balcony, can you help me down." **(action)**

The doctor writes a prescription directing her to breathe slowly and keep calm as stress is not good for the heart, and throws it up to the balcony and moves on.

Then a priest comes along and the women again asks for help. The priest says a prayer and throws his Bible up on the balcony and moves on.

Then a friend walks by (decisive action): "Hey, Mark, it's me! Can you help me out?" The friend climbs up to the balcony. **(reversal / transformation)**

The women says: "Are you stupid? Now we're both stuck here!"

The friend says: "Yes, but I know how to pick the lock of your balcony door so we can get in." **(ending).**

10.2 TELLING THE STORY OF YOUR VENTURE

Cynthia Kurtz suggests five elements or questions, which you can use to shape your story:

1. **Goals:** Why do you want to embark on this venture/project?
2. **Focus:** What is the venture/project about?
3. **Breadth:** What will the venture/project set side by side?
4. **Scope:** How big will the venture/project be?
5. **Plan:** How will you carry out the venture/project?

And if you have already started creating your venture, and even defined the business model, you can revise your model based on the answers you provide for each of these steps, and thus fine-tune it even further.

Question 1 - **goals** - is about finding out what you think you want and why. The aim is to get a clearer view on what you want and as important, why. Is it about getting new ideas; solving problems; resolving conflicts; grasping emerging trends; helping people, etc. Choose which items or goals are the main ones, and good practice would be to choose no more than three such items.

Brainstorming about "what if" situations can help you on the way:

- What would have happened if the venture was successful ?
- What would I have missed or what would I regret if my venture failed?

You can also ask peers, your community or other stakeholders to join in the brainstorming and then identify common ground and patterns which can help you to get a clearer idea.

In **Question 2 - focus** - you think what your venture or project is about, focussing on the what (rather than the 'why' in question 1). So, it can be a topic (e.g. ethical fashion), a decision (e.g. a cooperative or a company), an aim (e.g. improving services for immigrants), a perspective (citizens' views on victims of trafficking), etc.

If you need help, a good option is to ask your community, networks and stakeholders. Think about from whom you would like an answer (e.g. your potential service-users, other social entrepreneurs, etc.) and from whom you can expect an honest answer. Then think about what you would like to know, and why you want to know that. Imagine yourself being invisible, what would you like to observe, see, witness, and why?

Question 3 – breadth reflects on what will make your venture or project succeed. You need to find out, for example, who you need to involve. If you are creating a cooperative for organic marmalade in which you want to employ vulnerable adults, you need to find out what the perspectives within your community are, and this can only be done by including all relevant partners (e.g. the potential clients, suppliers, customers, etc.).

This step is about comparing things next to each other;
- Structures, e.g. cooperative, company
- Groups: vulnerable adults, other community members, local businesses, etc.
- Timeframes, e.g. market demand today and in 3 years' time
- Locations: local, regional, national, global

Here you should think again: if your venture/project succeeds, what has made it succeed, and of course what would have made it fail? This can help you to focus on the breadth of your venture/project.

In **Question 4 - scope** - is partly about the number of answers you need to the questions above to be able to define the story of your venture/project. While Questions 1 to 3 align with many of the typical questions about the focus of a venture or project from an enterprise or business plan perspective, they also aim to collect the right information for you to plan and craft the story of your own venture/project.

Here you need to think about the balance: too many answers can generate confusion and instead of helping you to shape the story can make it diffuse; too few can make the story too thin. The importance in fact lies less in the numbers than in the meaningfulness. What you need is not so much many answers but some meaningful answers, and you do not need a large number of these.

In **Question 5 – plan** - you need to analyse the answers obtained, try and find patterns and think about how to make sense of the answers. Only then can you start with crafting your story and planning on how to disseminate and communicate your story. Planning for your story is explained in more details further down, but there are several things you need to bear in mind when using storytelling as part of the communication and marketing of your venture/project.

- **Make sure the story aligns with your philosophy:** your venture (or the brand of your product/service) will have its distinct origin and values. The right story is the one which respects those values.
- **Segment the target:** defining which group is the target of your brand/product/service is essential (and one of the most important parts of the business model). Knowing precisely who you are targeting, will allow you to better reach them. Our story needs to connect to this target audience.
- **Connect the story to a daily activity for your target audience:** it is important your target audience can identify with the story. A daily activity which is part of their normal life can help in connecting with them.
- **Coherent structure:** make sure the story has a structure (see 10.1) and the different parts (introduction, core and conclusion) are coherent.
- **Reach:** Of course you need to reach your target audience to be able to have an impact, so you need to think about how to share and distribute your story and select the right media to use (in relation to your target audience).

10.3 STORYTELLING WITH YOUR COMMUNITY

In a social venture, it is important to ensure that the story aligns not only with your potential customers, supporters and/or investors, but also aligns and connects with your beneficiaries. But both aspects should not be seen as two separate worlds between which you have to choose, in fact that are different sides of the same coin.

The stories of your beneficiaries can support the story of why the venture was created and explain its origin. The way in which the needs of the beneficiaries are addressed is the story of your social impact and can help to differentiate your venture and thus its products and services.

It is not enough to simply show numbers about the Euros spent on the cause or beneficiaries, you have to show the impact of these efforts.
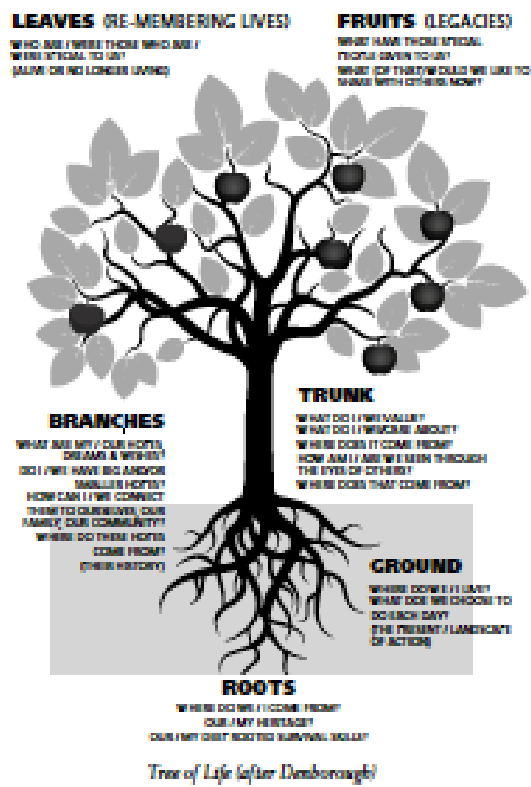
This part focuses on how to use storytelling to work with your beneficiaries and align their stories in a respectful and ethical manner with the values and impact of the venture. To be able to tell the story of your beneficiary community and embed it into your venture´s story, you need to know how to work with them and their stories. At the same time, their stories, which reflect their needs and aspirations, can help you to focus better and to fine-tune your venture.

There are many different techniques and tools which can be used in engaging with your beneficiary community and work on stories, but all have in common that they are participatory, as it creates a space for enabling us to listen to each other's experiences, desires, hopes, problems and frustrations, and participate in these stories.

Depending on the goal, there are different techniques and tools, which are more appropriate than others. As there are many, this part only presents a selection of them, you can also search for more, there are many different options out there.

TOOL	WHAT FOR?	HOW?
Maps	Allows you to explore how the community feels about the area or space where they live, work, etc. and the resources, assets and facilities available. There are many ways of mapping and many tools to use. Mapping provides a powerful view of the community and the local economy. It can show gaps in knowledge and even reveal what participants understand as "their community" and who is part of it, or not.	Take a large blank sheet of paper and start mapping relevant institutions, organisations, associations, informal groups and other stakeholders. You might list the names of the key persons within each of these. Look out for the connections (personal, professional, geographical or any other) amongst these different groupings, and between them and the wider community. You might want to identify in particular those people who provide the connective tissue amongst all the different groupings, who are respected, who get things done, etc. The idea is to identify those people who are trusted and have a long reach within the community. Here are three types of key people you might identify: **Hubs** – those who know the most people, and can help expand the network of the venture and help disseminate information rapidly. **Gatekeepers** are those who provide the critical, perhaps only, link between an important part of the network and everyone else, they help people to focus on moving things on within the network. **Pulse-takers** support the integrity and perspective of the community, they are there because of their judgement or insight. They may be the ones to mobilise in times of turmoil.
Venn or Chapati Diagrams	These can be used to analyse the roles and relationships of groups and individuals and the links between them. They can be useful for defining boundaries between the different stakeholders who will impact your venture, and whom your venture will impact in turn.	It is constructed collectively by a group, starting with a large circle that represents the whole community. Circles of different sizes are then added inside the main one to represent the relative importance of different organisations or groups within the community; and outside the main circle to represent external organisations with a presence or influence on the community. Once the diagram is completed, use it to discuss the roles of the various groups and individuals and the implications for the success and processes of your venture.
Transect walks	A type of mapping that involves actually going to a specific area with members of your community and observing, asking questions and listening while you walk around. It is especially useful in those cases where the focus of your venture is on specific (limited) locations or sites, e.g. a neighbourhood or educational centre(s).	
Timelines	Represent the changes in the local community over time. It is especially useful when recording and monitoring the changes your venture wants to make (and is making) within the local community. Timelines are a good way of visualising and highlighting important markers and milestones, and give a wider (time-related) context to the issues. They can also be used to detect trends over time.	The exercise can be done by a group but also on an individual basis (where the individuals record their personal experiences on the same chosen topic). The best thing is to break it down into events and milestones. For example, 1. Explain what the exercise is about, set the topic and if possible give an example. 2. Divide participants into small groups. 3. Each group decides on the start and end of the timeline (within any parameters that may have been set at the start of the exercise). The end date can be the present moment or any moment in the future. 4. Start with the end date and ask group members to work backwards, each telling descriptive stories (imaginative or real ones), with titles. Each group might end up with 3 to 5 stories that describe the state of affairs, and how it changed, from the beginning to the end of the timeline. 5. Each group marks key events or milestones, and asks themselves: "What happened before that? And before that? …". In this way they tend to identify significant changes such as problems, times of joy/despair, learning moments, …. All these can be represented in different coloured post-it notes. 6. Then each group reviews their timeline taking into account questions like: What have they learned from it? What has surprised them? What do they like or dislike? What if they were going to build it all over again? 7. The results from each group are shared and everyone has a look at all the timelines. This might lead to adding more details to some of the timelines. 8. Discuss the timelines within the full group and focus on the patterns or conflicting views.

Problem tree	This allows you to analyse the cause and effect of a particular problem and the relation between them. A good tool to explore what the community thinks about the problem you are addressing together, what are the causes and what are the effects. And be ready for surprises, as other members of the community might see things very differently than you do.	Questions for each part of the problem tree: 1. Roots: Where do we come from? Our heritage? Our deep rooted survival skills? 2. Ground: Where do we live? What do we choose to do each day? (The present and the landscape of action) 3. Trunk: What do I/we value? What do I/we/care about? Where does it come from? How am I/are we seen through the eyes of others? Where does that come from? 4. Branches (horizons): What are my/our hopes, dreams & wishes? Do I/we have big and/or smaller hopes? How can I/we connect them to ourselves, our family, our community? Where do these hopes come from? (their history) 5. Leaves (Remembering lives): Who are / were those special to us? (alive or no longer living) 6. Fruits (Legacies): What have those special people given to us? What (of that) would we like to share with others now? Taken from Denborough, D (2008), Collective narrative practice: Responding to individuals, groups, and communities who have experienced trauma, Dulwich Centre Publications, Adelaide

10.4   STORY CRAFTING, PLANNING AND ACTION

Now the contours of a future 'story' should emerge. It's up to you to communicate it as a story, or a strategy, or a plan, or a vision. This strategy, plan or vision, can be filled with explanatory stories that will provide meaning and sense to the overall strategy, plan or vision. You need to make sure that is leads to a shared commitment and sparks concrete action, as this is what you need to make your venture a success.

At this stage you have collected the story and identified the opportunity. But before crafting the story make sure you have taken into consideration the following issues (and always relate these issues to the aim of your story):

- Is it a problem that can now be solved, a challenge you can take on, a transformation you hope to achieve, or a personal story?
- Look at what you have extracted and select the stories or story elements you consider fit for the purpose and the audience you have in mind. What will be the message?
- And what will be the frame? Think of what the role of the story will be for the future, what the audience would be sensitive to. Which shape should the future story have? Will it be a hero's journey, a folk tale, an epic, a vision story, a personal story?
- How much detail will be necessary? Will you tell one story or are you planning episodes?

So, to start crafting your story you can use a structure called the "**story spine structure**". The structure below comes from Kenn Adams, an actor and playwright who used it as an exercise for improvisation theatre (see David Hutchens, *Circle of the 9 Muses, A Storytelling Field Guide for Innovators and Meaning Makers, 2015).*

a. **Once upon a time... / Every day...** (this is the setting today)
b. **But one day...** (catalyst event)
c. **Because of that... / And because of that... / And because of that...** (actions and consequences, repeat as needed)
d. **Until finally** (climax / moment of change / transformation)
e. **And that is why... / And ever since...** (key learning / a different world)

Use this as a starting point and add details (and maybe episodes) if it makes things more meaningful.

Another approach to crafting the story is using **"story skeletons".** In essence this is breaking the story down into chunks with important elements and that are easy to remember. There are two types, the 3-part skeleton and the 5-part skeleton.

The **3-part skeleton** is based upon three elements:

1. Opening (setting)
2. Problem
3. Solution

You start off with concentrating the story into three sentences, one for each of the elements. Once you are happy with these you can start adding detail to each section.

The **5-part skeleton** is of course more detailed, and it is similar to the folk story structure we saw in 10.1 above.

1. Opening (setting)
2. Rising action (theme, desired state)
3. Climax (change)
4. Falling action (real transformation)
5. Ending (conclusion, insight, desired state achieved)

Once you have established the structure of your story, you should start thinking about how to reflect and depict the story. There are various visualisation aids and tools that can help you, especially if you want to share your story in a visual or digital way across different (social) media, and directed towards different audiences and stakeholders. We will give three examples. However feel free to explore other tools and means and find the one most suited for yourself and your purposes.

Timeline visualisation: get yourself a big sheet of paper, draw a timeline and then start visualising the different situations or steps of the story (i.e. the spine or the skeleton). You can for example explain the (hi)story of your business, or how the product or service came to life, you can also use it to show the (hi)story relating to your service-users and how your activity supports them.

Infographic: this is not merely "a visual representation of information or data" (Oxford Dictionary) but a collection of imagery, charts, and minimal text that gives an easy-to-understand overview of a topic. It thus tells a story. It is very powerful when you want to visualise data. Why not check out this web resource:

Storytelling With Data: How To Communicate Visually And Effectively

Digital stories: if you want you can also visualise your story through a video. To do so you will need a storyboard which helps you to plot your story in a sequential order. The best thing is to start with sketches and drawings instead of the mere copying of images. These sketches are for yourself as a guideline for you as you elaborate your video.

So start with your outline, then put one or two sentences in each section, and then think of an image or moving fragment that represents your words and aligns with them. You have to decide what you want to see and show with your words: is it a video, a photo, a drawing ...?

Check out this video on how to create digital stories using PowerPoint

If you are interested in exploring storytelling more deeply, read the downloadable book by Cynthia Kurtz "Working with stories" and also check " How to Craft a Business Story."

CONGRATULATIONS!

You have been on a journey of exploration developing your plans and enterprise, whether it is a business or a social enterprise, run by individuals like yourself or by groups, seeking to have a positive impact on so many different fronts: social, cultural, economic and/or environmental.

Your journey may well have included:

- working with communities exploring their local assets and the local economy and identifying opportunities within it. These communities may have been island or coastal communities, and/or included refugees and migrants (Chapters 2 and 3)
- exploring opportunities to use social enterprise to deliver positive outcomes (Chapter 4)
- exploring how to engage most effectively, using the best coaching principles, with individuals and groups that you want to target (Chapter 5)
- developing business and marketing plans, and exploring enterprise finance (Chapters 6 to 8)
- exploring networking and partnering opportunities to enhance your enterprise and its impact (Chapter 9)
- telling and hearing stories about your enterprise and your journey of exploration, about individuals and groups you are targeting, and about the positive outcomes and futures that you want to create together (Chapter 10).

GOOD LUCK WITH YOUR ENTERPRISE!