

# GETTING STARTED WITH SOCIAL ENTERPRISE

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April 12, 2017



**Strengthening the Circle**  
*A Native Nonprofit Leadership Program*



**interSector Partners, L<sup>3</sup>C**  
What's *your* bottom line?



A year from now you may  
wish you had started today.

Karen Lamb

# Welcome and Introductions

interSector Partners, L3C

- Rick Zwetsch
- Caryn Capriccioso



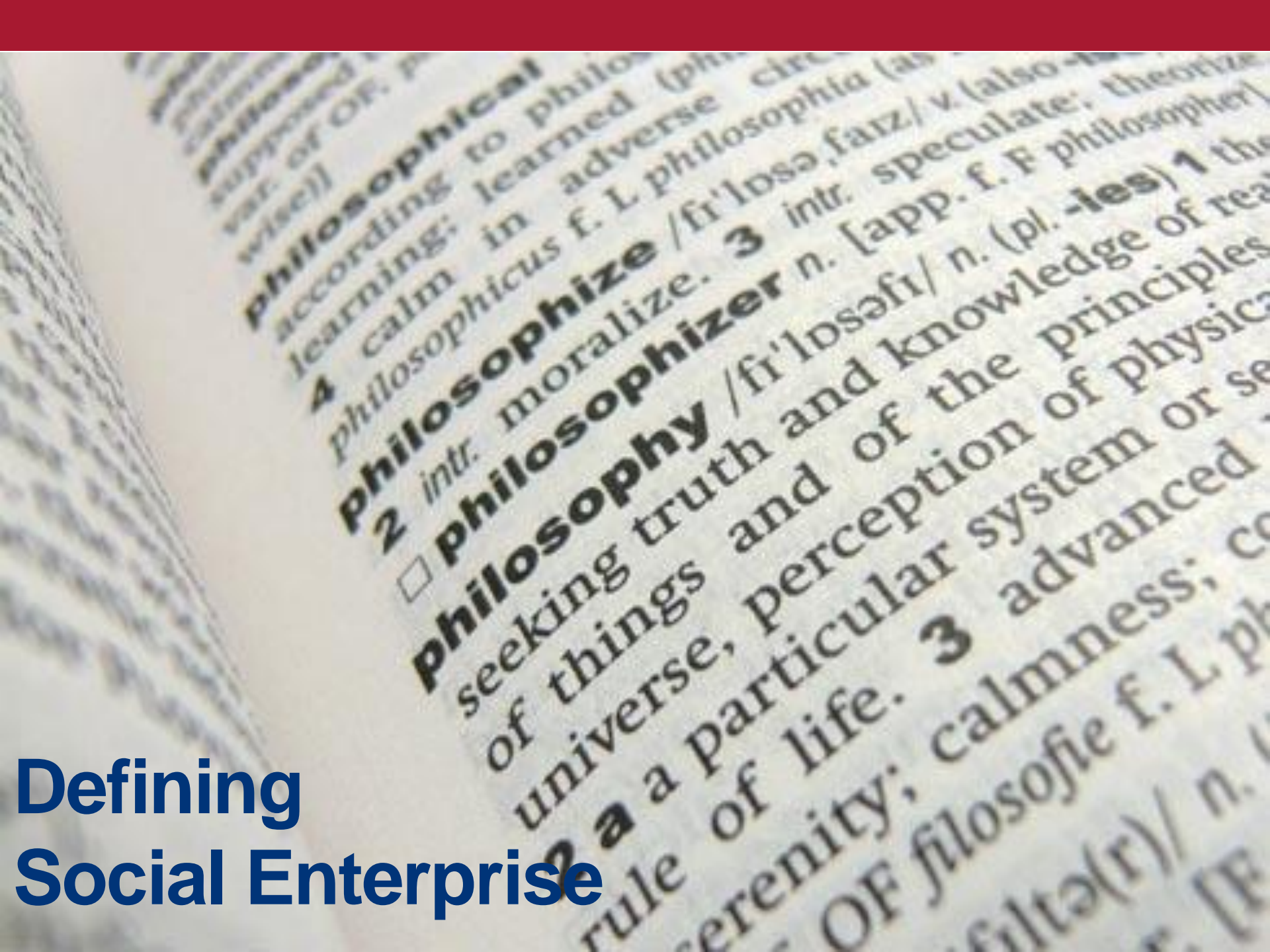
interSector Partners, L<sup>3</sup>C  
What's *your* bottom line?

# Tell Us About You

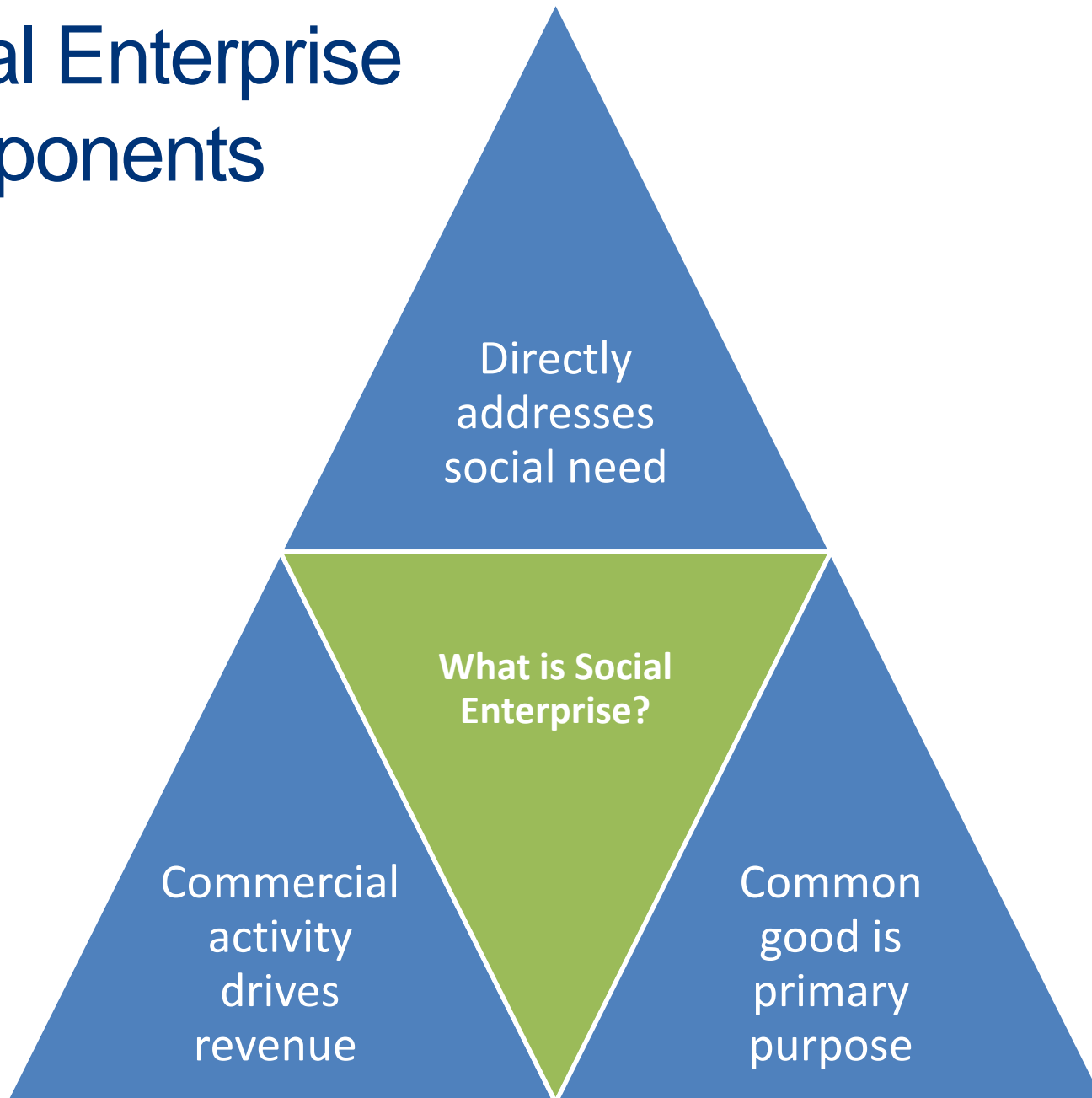




# Defining Social Enterprise

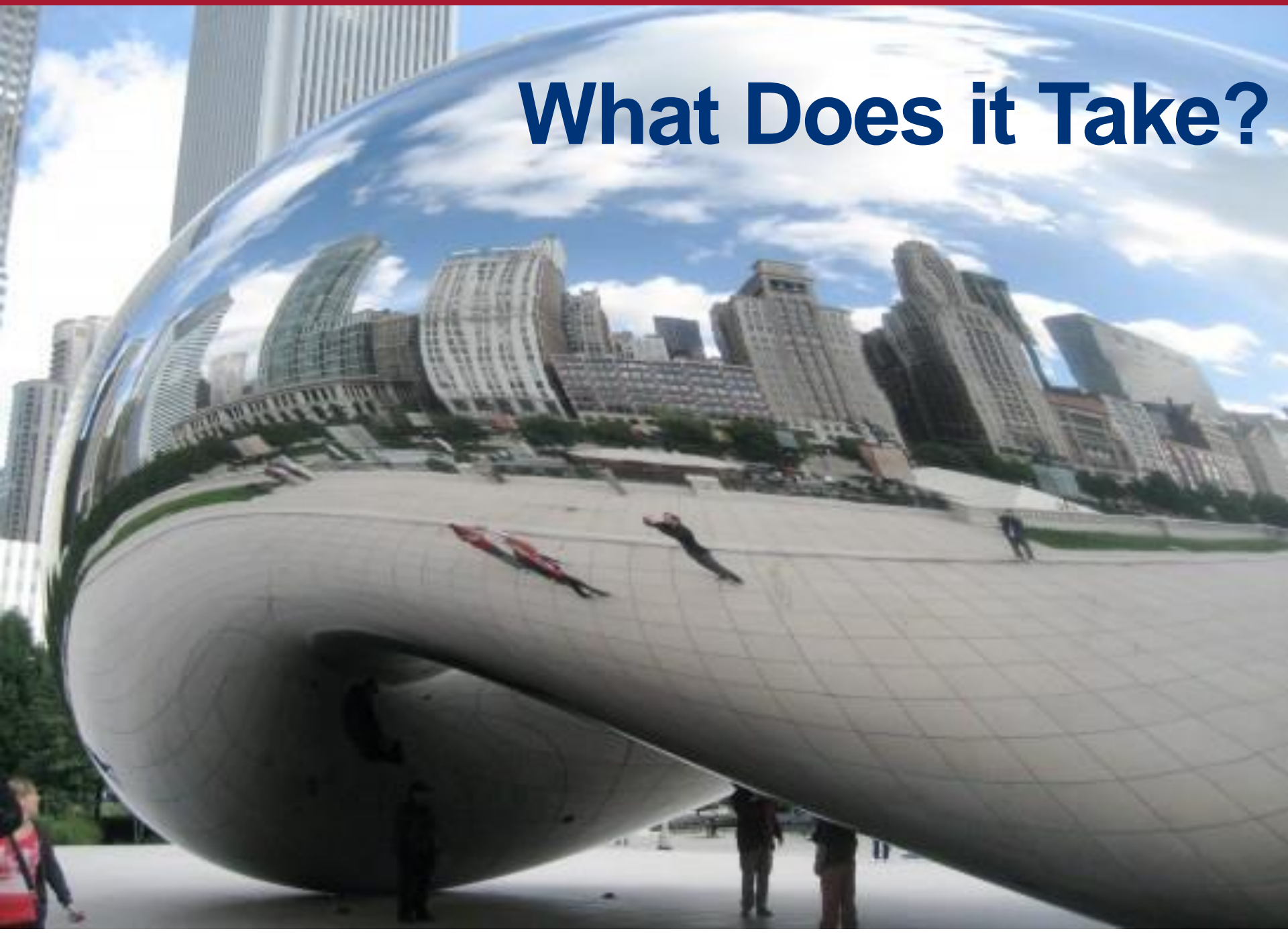


# Social Enterprise Components



Source: Social Enterprise Alliance

# What Does it Take?



What does it take?

4% say  
product or service



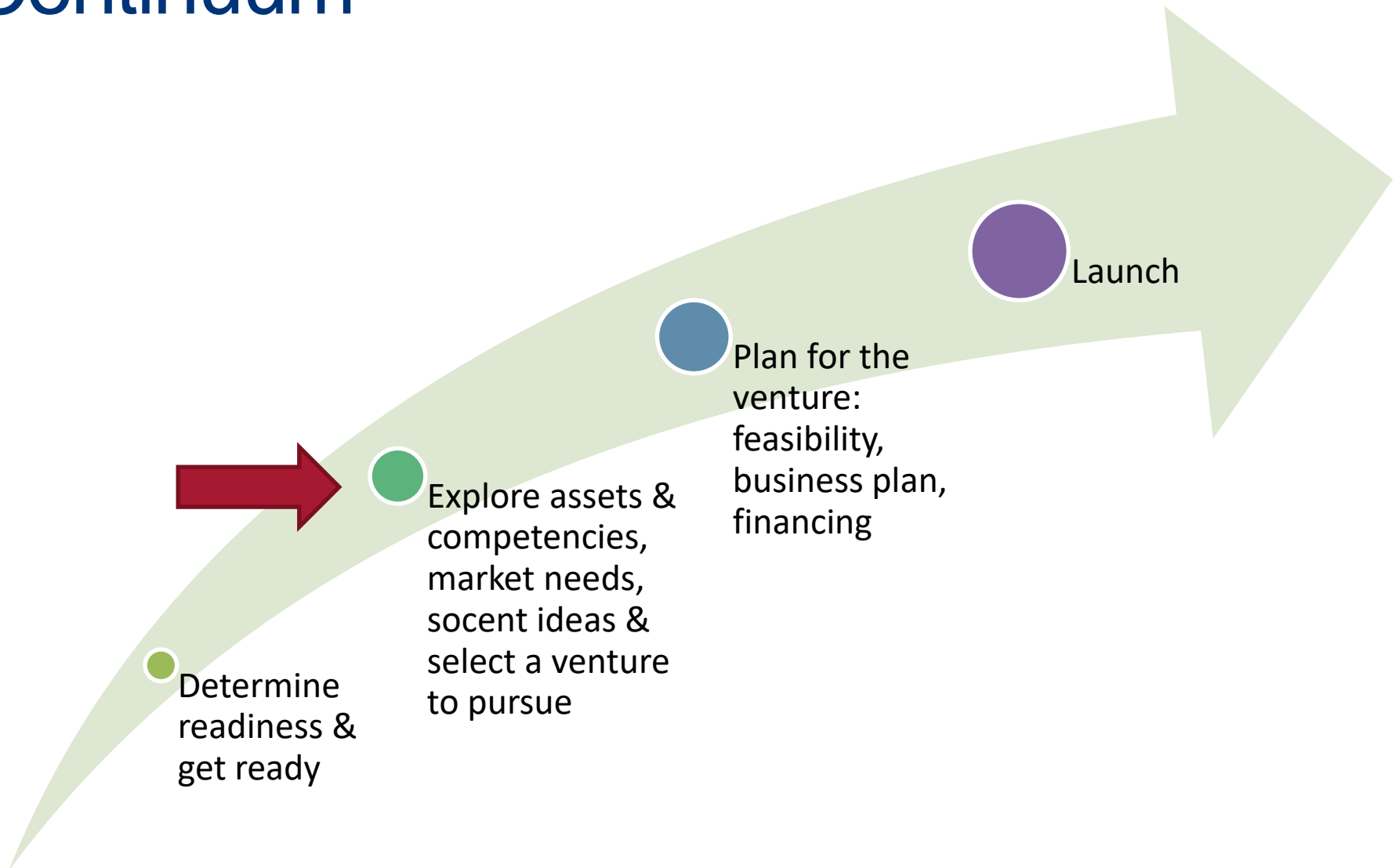
# Challenges Nonprofits Face

- Lack of business acumen
- Cultural concerns
- Seen as a distraction from the mission
- Potential loss of funding; redirected funding
- Start-up costs / opportunity costs
- Unrelated business income / UBIT



# Developing a Social Enterprise

# Social Enterprise Development Continuum







**Success Criteria  
& Desired Results**



# Success / Decision-Making Criteria

- Key items that must be met to ensure success
- Important for several reasons:
  - **Honor your mission, culture and values** first
  - Create a straightforward way to **make decisions** (including when to keep going AND when to stop)
  - Understand and **track successes / challenges**
  - **Help others understand** the whole puzzle and easily find their pieces
  - Allow you to trust that your decisions **take your community's interests into account**

## SHINY NEW THING

BEFORE WE GIVE THE BUSINESS  
OUR FULL AND UNDIVIDED  
ATTENTION, CHECK OUT THIS  
SHINY NEW THING I FOUND.



# Creating Your Success / Decision-Making Criteria

- Start at a high level and ask:
  - What are **the most important things** for us to take into consideration?
  - What are the **things we care about the most**?
  - **Who or what matters to us?**
  - What will allow us to **make better choices**?

## Mission

- reach more people
- expand programs
- make our org. be a model for our clients
- expand + reach those who we can't serve now
- serve as an incubator for other socents

## \$

- attract add'l types of investors
- sustainability
- \$400K annual deficit
- \$ to pay students
- capital reserve
- operating reserve
- withstand economic change
- pay off building

# Success / Decision-Making Criteria Activity

- Create a big list of key criteria for your social enterprise
- Discuss, select your top 5 (or 4 or 6) and prioritize
- Highlight any that are “deal-breakers”

*Helpful hint:*

Consider writing your criteria in the form of a question or statement



# Finalizing Your Criteria

Involve your stakeholders

Make the criteria measurable:

- Will the enterprise allow us to serve 25% more people?
- Can this business idea breakeven in the first year and net us \$50,000+ after that?
- Will this venture make enough money to cover our administrative costs?



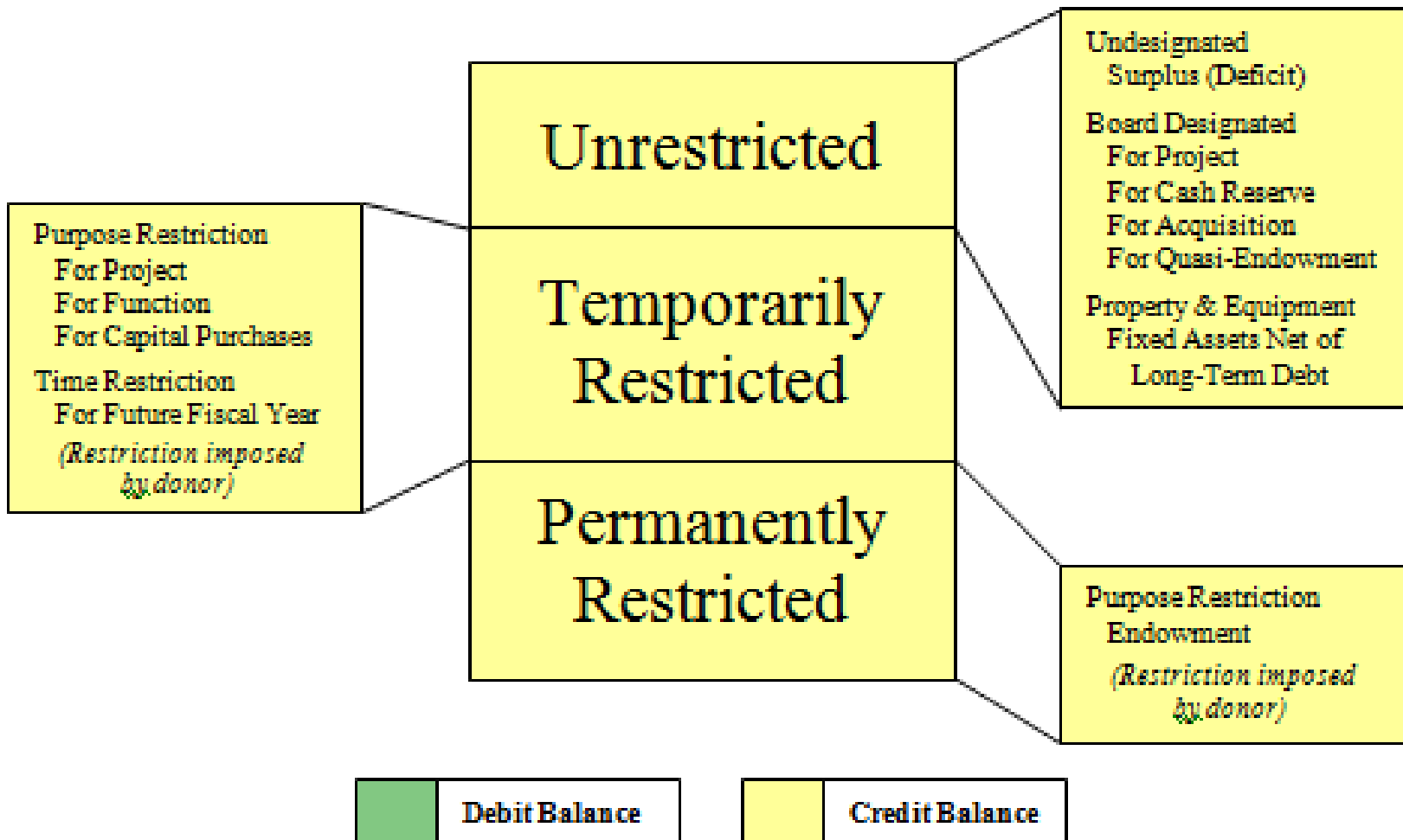
# **Assets & Competencies, Market Need and Social Venture Ideas**

## Phase II: Explore Opportunities & Select a Venture to Pursue

- Identify organizational **assets & competencies**
- Examine **market needs and opportunities**
- Explore your **social enterprise ideas** to leverage assets and competencies and meet market needs
- Select **an idea (or two or three)** to explore in more depth

# Organizational Assets

## NET ASSETS - DIAGRAM



# Assets

- A useful or valuable thing, person or quality.
- Property owned by a person or company, regarded as having value and available to meet debts, commitments or legacies.
  - What you do
  - What you have
  - What you know



# Core (and not so core!) Competencies

## Competence:

- Having adequacy; possession of required skill, knowledge, qualification or capacity.
- Sufficient, a sufficient quantity.
  - What are you good at that is part of what you do?
  - What are you good at as a result of what you do?
  - What do you know?

# Assets & Competencies

- Human Assets
- Skills / expertise
- Audience, relationships, members
- Services, programs, events
- Facilities, equipment, physical assets
- Reputation and brand

# Identify Your Assets & Competencies

- Write down your assets & competencies – don't censor yourself!
- Share with your neighbor and capture any additional assets or strengths you may have missed
- When you are done, pick a few of your key assets / competencies and transfer them to the first column on the back of your page

# Market Trends, Need & Opportunity

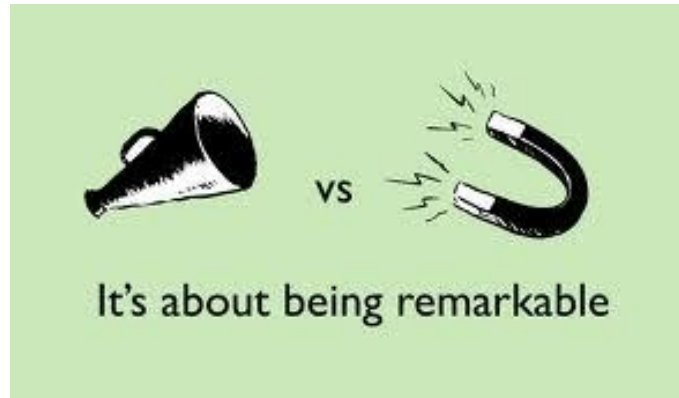


# Identifying Market Need





# Market Push v. Market Pull



- Create then find = **PUSH**
- Listen then deliver = **PULL**

- **PUSH** = trying to **CREATE demand** in an uninterested, crowded market
- **PULL** = **easier and less risky**, people see you meeting their needs

# Exploring Market Needs and Opportunities

- Work independently for five minutes to think about market needs for yourself or those you serve; use questions in your packet for guidance, or simply make a list
- At your table brainstorm additional market needs or opportunities in the communities you serve

# **Social Enterprise Ideas**



# Money-making ideas

- What business or money-making ideas flow from your assets and market needs?
- Think about:

Products	Services	Tools / Technologies
B2B	B2C	Bricks & Mortar
Virtual	Franchise	Distributorship

# Brainstorm Social Venture Ideas

- Brainstorm how you might be able to make money based on your assets and/or market need
- For each idea, take a moment to think of other, related ideas
- Capture as many ideas as you can and if you have time, look for themes or categories within the ideas and jot them down

Assets	Market Trends, Needs and Opportunities	Social Venture Ideas (or ideas for how to make money based on your unique assets and/or market need)	Match with Mission, Key Criteria, Desired Results (which ideas are a good fit for your interests, mission, criteria, etc.?)	Feasibility Scans / Checks (which two to five ideas would you like to explore in more depth?)
<ul style="list-style-type: none"> <li>• Our office building</li> <li>• Computer lab</li> <li>• Expertise in IT training</li> <li>• Unused hours in our offices and computer lab</li> </ul>	<ul style="list-style-type: none"> <li>• Program sponsors who need IT helpdesk staff</li> <li>• Clients who need jobs</li> <li>• Independent business owners working from their homes; need access to office equipment, conference rooms, etc.</li> <li>• Independent business owners and nonprofits that need IT support</li> </ul>	<ul style="list-style-type: none"> <li>• Training in IT help desk, people pay to get trained, employers pay us to place people</li> <li>• On –call IT help desk services</li> <li>• Co-working space for independent business owners</li> <li>• After hours conference or computer lab rentals</li> </ul>		<ol style="list-style-type: none"> <li>1.</li> <li>2.</li> <li>3.</li> <li>4.</li> <li>5.</li> </ol>



# Idea Swarm

- Share an idea – up to two minutes
- Group ideas, connections, related ideas, offers to help – up to five minutes

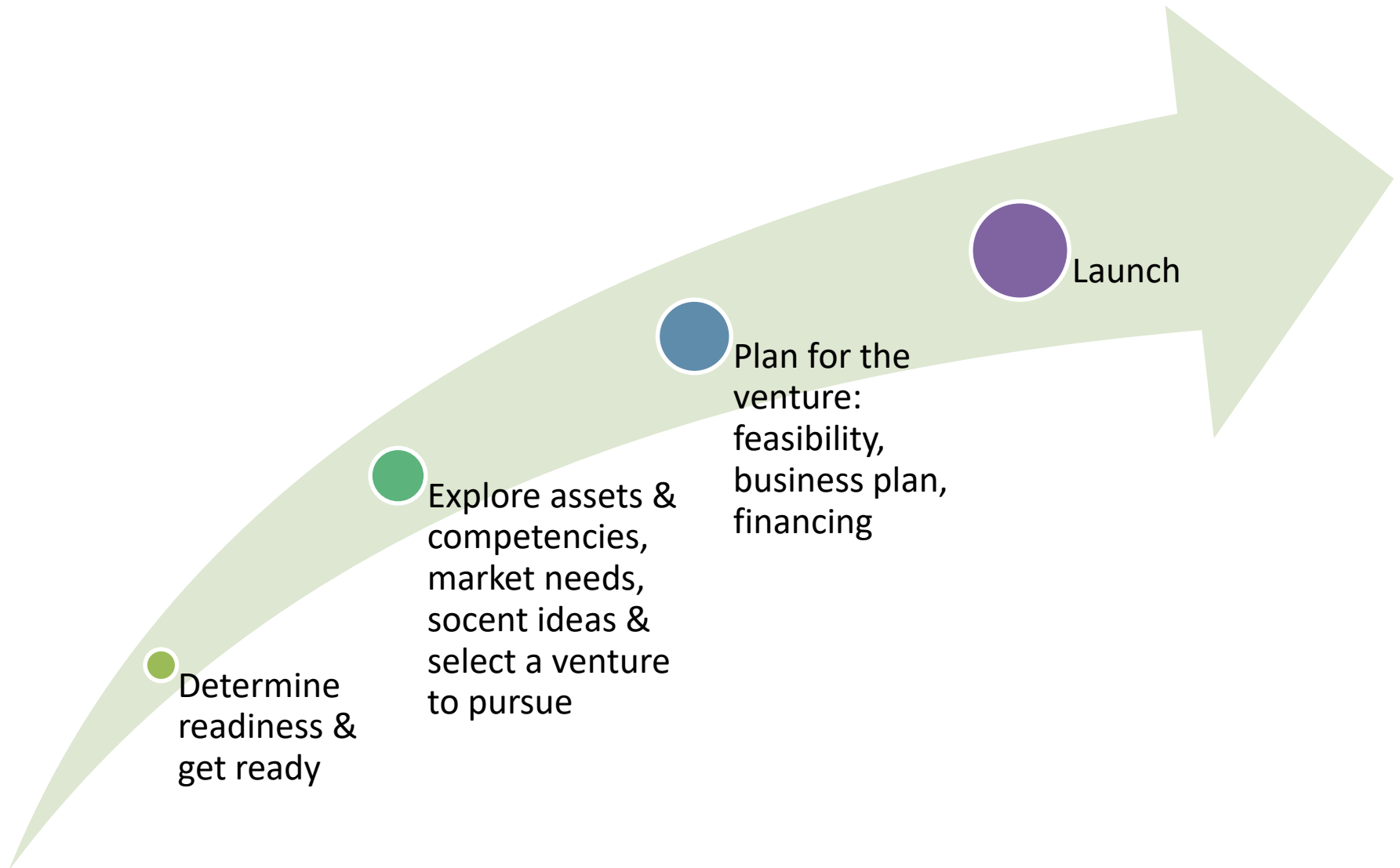
Presenter	Group
Listen to feedback	Be helpful, supportive
Be open / take it all in	Think about extensions of the idea, connections
Don't judge feedback now; can triage later into what's helpful/what's not	Consider how you / those you know would relate to this business

# Difficulty and Risk

## Venture Brainstorm Pyramid



# Next Steps



# Questions and Discussion



# Today we...

- Defined and discussed examples of social enterprise
- Learned about what it takes to have a successful social enterprise
- Shared the challenges of operating a social enterprise
- Identified your organization's key social strengths / characteristics

# Today we...

- Explored your organizational assets
- Began to uncover market needs
- Identified social enterprise and earned income ideas for you to vet with your nonprofit
- Discussed ways to get help with this work going forward



# Contact Us

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**KEEP  
CALM  
AND  
SOCENT  
ON**

# Earned Income

Revenue generated from the sale of goods, services rendered, work performed or interest earned/investment income.

## Fee-for-Service

Payments for services or products provided by a nonprofit. Fees may be mandatory, voluntary or requested. Fee-for-service is a type of earned income.