

SCALING UP

Social Enterprises: Making a Good Thing Better



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Social Enterprise & Entrepreneurship
Northern Region Partnership

Why are Social Enterprises a 'good thing' for Northern Ontario?

- New approaches are needed to respond to community needs;
- Profits are not removed from the community, rather they are reinvested in the overall mission of the organization;
- Provides non-profit organizations an alternative way to generate funds;
- Social Enterprises can be formed by people with little capital – co-ops, for example, provide opportunity for many people to invest – including consumers;
- Social Enterprises measure their success differently – although they must 'balance their books', they also measure the social return on investment, e.g., how many people were they able to employ; what is the quality of the employment; are they promoting long-term sustainability and stewardship of resources; what benefits can they extend to the local economy, etc.;
- Social Enterprises often employ people who face barriers to employment, e.g. women, Indigenous, youth, newcomers, people living with disabilities
- Increasing interest of entrepreneurs in social/environmental/cultural returns and impact – become part of a movement;
- Opportunity to creatively address social/environmental/cultural issues in your community or on a larger scale;
- Promotion of long-term sustainability and stewardship of the environment;

What does Scaling Up (or Scaling) mean?

Scaling up (or simply 'scaling') means growth. For many enterprises, scaling up means reaching new or expanded markets with financial growth as the primary motivator. For Social Enterprises, though, scaling up may mean expanding or enhancing its social mission and/or financial growth. For example, a social enterprise may choose to expand the market for its goods or services, in order to support the hiring of additional employees who face barriers to employment; or it may start up a market of locally produced, high quality foods into an area where access to such foods is restricted due to smaller populations or low-income areas do not make it a high-profit market.



1 Does the organizational structures encourage listening to different voices?



2 Is the social mission embedded in the scaling up strategy?



3 Will the expansion jeopardize the social or environmental mission of the organization?



4 Will the expanded enterprise revenues support providing services to a larger number of people, or more benefits to the current beneficiaries of services?



5 Will the expansion maintain and/or further develop a culture of practice of care?



6 Will scaling up foster mentoring programs with other-orientated empathy?

What factors should Social Enterprises consider before scaling up?

Research suggests that while social enterprises need to consider the financial risks associated with scaling, they also need to strategically plan for scaling up, to ensure that their social mission is not compromised:

What resources can help Social Enterprises in Scaling Up?

One of the biggest challenges for scaling SEs is accessing capital. Three resources have been identified as key in supporting such scaling:

- ICT and using it effectively to measure, market and promote
- Establishing measurements, or key indicators of success, to build relationships with funders and investors
- Accessing mentors who can support SEs in their scaling process

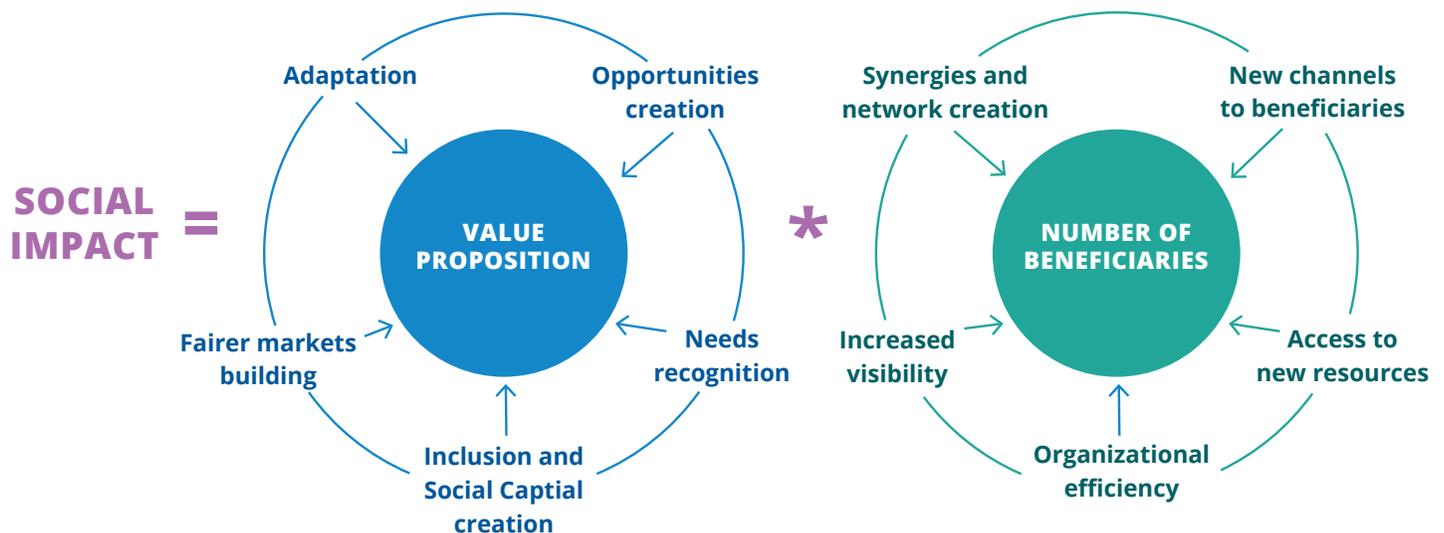
Using ICT:

Technology can be a key tool to aid in the scaling process and is being used to increase the impact of SEs in many countries in the following ways:

- Increasing marketing & networking through online education platforms;
- Social business process outsourcing;
- Creating greater access to new resources through micro-volunteering;
- Crowdfunding (e.g. KIVA worldwide); and
- Increasing community synergies and networks (e.g., Ashoka).

An expansion of these impacts can be seen in the model below.

Figure 1: The role of ICT in scaling up social impact. (Garcia et al., 2013, p.101)



Measuring (and reporting) the impacts of Social Enterprises – the Social Return on Investment (SROI)

Funders and potential investors want to know the impacts – both financial and social – of social enterprises. More and more, SEs and other organizations are demonstrating their Social Return on Investment, or SROI, as a tool for securing the financing necessary for scaling. Collecting data on an ongoing basis is essential to demonstrate the value of the enterprise, and choosing or selecting a few key indicators of the social and financial success and assigning a reasonable monetary value, is gaining the attention of funders and investors. Some examples of SROI are shown below:

- www.lentilasanything.com
- http://www.nordikinstitute.com/wp-content/uploads/2011/12/SSM-Public-Library_Value-SROI.pdf

Accessing Mentors and Resources

Funding resources can be found at www.seethechange.ca

Social Enterprises and Entrepreneurship (SEE; www.seethechange.ca) is an organization in Northern Ontario currently developing a peer mentoring network for social enterprises (including those who have already scaled up and/or are in the process of doing so). Meantime, SEE partners and staff can help SEs connect with mentors; local CFDCs, Small Business Enterprise Centres, Regional Innovation Centres, Economic Development Officers and others may be able to assist you in finding a mentor to provide coaching and assistance in your scaling up process.

Also see: <http://csedottawa.ca/resources/#growth-library>

<https://ccednet-rcdec.ca/en>

<http://secouncil.ca/>



For more resources, visit:

seethechange.ca

OU: realiserlechangement.ca