



Go or No Go

Is your social enterprise idea ready to go?



Social Enterprise & Entrepreneurship
Northern Region Partnership



Supporting, Growing and Scaling Social Enterprises in Northern Ontario

Social enterprises are a viable business model

- ✓ Create profit while addressing social, environmental, cultural challenges, locally, regionally or globally.
- ✓ Strengthen local economies by reinvesting profits above operational expenses back into their missions
- ✓ Increase competitive advantage and quality of life by providing services and amenities that communities may no longer be able to afford, or create new ones that attract and retain citizens and businesses
- ✓ Diversify economies by developing and leveraging local assets – people, financial, cultural, historic and environmental

SEE resources are designed for business developers and social enterprises in Northern Ontario



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Social Enterprise & Entrepreneurship (SEE) ONE Northern Region Partnership (2017-19) included: NORDIK Institute, the Northwest Regional Innovation Centre in Thunder Bay, the Timmins Economic Development Corporation’s Business Enterprise Centre, YouLaunch a division of Sault Ste. Marie Innovation Centre in Sault Ste. Marie and PARO Centre for Women’s Enterprise in Thunder Bay. It was funded, in part, by the Ontario Ministry of Economic Trade and Growth.





Coming to a Go or No Go Decision on a Social Enterprise Idea

This workbook is designed as a series of worksheets to assist social entrepreneurs in thinking through their social enterprise from a business perspective. In order to have the greatest impact on the social mission that the enterprise is designed to address it is critical that the enterprise also be a viable business. These worksheets will guide you through to making a Go or No Go decision on whether to proceed with a full business feasibility study.

The workbook assumes some knowledge of basic business concepts. For everyone, but particularly those who are unfamiliar with business concepts, it is strongly recommended you work with a business development officer as you develop your social enterprise. A number of local business supporters for Northern Ontario entrepreneurs are listed on the SEE website, www.seethchange.ca.

How to use the workbook

Each worksheet will have a short introduction to its topic. The full set of worksheets includes:

Business Forms, Market Assessment, Competition Assessment, Operational Assessment, Business Considerations, and Cashflow Forecasting. Working through these as honestly and accurately as possible will take you to a Go or No Go Decision. You will be in a position to accurately assess whether you should proceed to a full social enterprise feasibility study.



Business Forms

Social enterprise itself is not a legal business form, but rather an approach to business that is value-based, principles-focused. Its value proposition is incorporated into its business form, and directs its operation. It could take the structure of a sole proprietorship, partnership, or a corporation — not-for-profit corporation, limited liability corporation or cooperative. It is important to choose a business form that best supports the success of the social mission. This includes considerations such as who makes decisions and how they are made or the role of the broader community in the success of the social enterprise. The Business Forms Worksheet will assist you in deciding which business form to take.

Social Mission

Social Enterprise

Who is making the social enterprise decisions?

Are the customers also owners of the social enterprise?

Is engagement and input of your community critical to the success of the social enterprise, both in terms of achieving its social mission and being financially viable?

How does the business form impact operations?

SOLE PROPRIETORSHIP	NON-PROFIT
CO-OPERATIVE	LIMITED PARTNERSHIP



Market Assessment

Assessing the larger environment upon which you will be operating your social enterprise is critical. What are the larger trends that could impact your social enterprise. As an example how would an aging population effect your success? Would an older population increase or decrease your customer base?

The first part of this worksheet asks you to think about trends in the larger context to see how they could affect your social enterprise.

Who are your customers? How many potential customers are there for your specific social enterprise? Consider these questions in the second half of the worksheet.

Market Assessment Worksheet



Social Mission

Social Enterprise

Environment

DEMOGRAPHIC CONSIDERATIONS		ECONOMICS	
SOCIAL		TECHNOLOGICAL	
POLITICAL			

Customers

PROFILE OF TARGET CUSTOMER/MARKET

(Industrial/Consumer)

Why do they buy the product or service you are selling?

What are the major criteria the customers uses to make a purchasing decision?

How many potential customers do you have?

A close-up photograph of a person in a dark suit and tie, focused on a chess game. The person's hand is visible, moving a dark chess piece on a wooden chessboard. The chessboard is on a wooden table, and several other chess pieces are scattered around it. The background is blurred, showing a modern office environment with a window and some office equipment.

Competition Assessment Worksheet

It is important to analyze the competition to both see if there is room in the current market for your social enterprise and to determine how you would position your social enterprise to fill gaps in that market. List your social enterprise along with competitors in the area you will serve and analyze based on the parameters. This worksheet will assist you in determining your niche market.

Competition Assessment Worksheet



Social Mission

Social Enterprise

FACTORS	SOCIAL ENTERPRISE	COMPETITOR 1	COMPETITOR 2	COMPETITOR 3
Age of Business				
Customer Service				
Hours of Operation				
Convenience of Location				
Advertising				
Pricing				
Quality/Selection				



Operational Assessment Worksheet

Other operational considerations are critical to the success of your social enterprise and often overlooked. Do you need other staff? Is there specific equipment required? Are there government regulations you will need to meet? This worksheet asks you to think about these aspects of your operations that are critical to your success. These often come with an associated cost. It is these expenses that you will use in the cashflow forecast to help determine if the social enterprise will be financially viable.

Operational Assessment Worksheet



Social Mission

Social Enterprise

PERSONNEL	PRODUCT REQUIREMENTS
	ie. production process
SUPPLIERS	DISTRIBUTION
GOVERNMENT REGULATIONS	BUSINESS SUPPORT
FORM OF BUSINESS	



Business Considerations

Bring all the key points together in this worksheet and use this information to review the social enterprise idea from a business perspective before proceeding to the Go or No Go chart.

Business Considerations Worksheet



Social Mission

Social Enterprise

MARKET		COMPETITION	
PERSONNEL		PRODUCT REQUIREMENTS	
		ie. production process	
SUPPLIERS		DISTRIBUTION	
GOVERNMENT REGULATIONS		BUSINESS SUPPORT	
FINANCIALS			



Cash Flow Forecasting

By doing these worksheets accurately you will now have a good idea about how many customers you have and what start-up and on-going expenses might be. The cashflow forecast allows you to estimate revenue and expenses on a monthly basis for one year at a time. Do this cashflow forecast for two to three years. This will help you determine if the social enterprise is financially viable by year three and if the initial capital required for start-up is achievable.

Cash Flow Forecast



MONTHS

--	--	--	--	--	--	--	--	--	--	--	--	--	--

CASH RECEIPTS

TOTAL

Cash from sales													
Owner Cash Equity													
Loan													
TOTAL													

CASH DISBURSEMENTS

TOTAL

Purchase of Business													
Rent													
Labour													
Personal Drawings													

Cash Flow Forecast



MONTHS

--	--	--	--	--	--	--	--	--	--	--	--	--	--

TOTAL

Materials and Supplies													
Licenses and Fees													
Advertising													
Office													
Telephone													
Utilities													
Insurance													
Loan Repayment													
TOTAL													

TOTAL

NET CASH													
Monthly Surplus													
Monthly Deficit													
CUMULATIVE													



Go or No Go Decision Making Chart

By working through all the worksheets honestly and accurately this chart will take you to a Go or No Go decision on whether to proceed with a full business feasibility study.

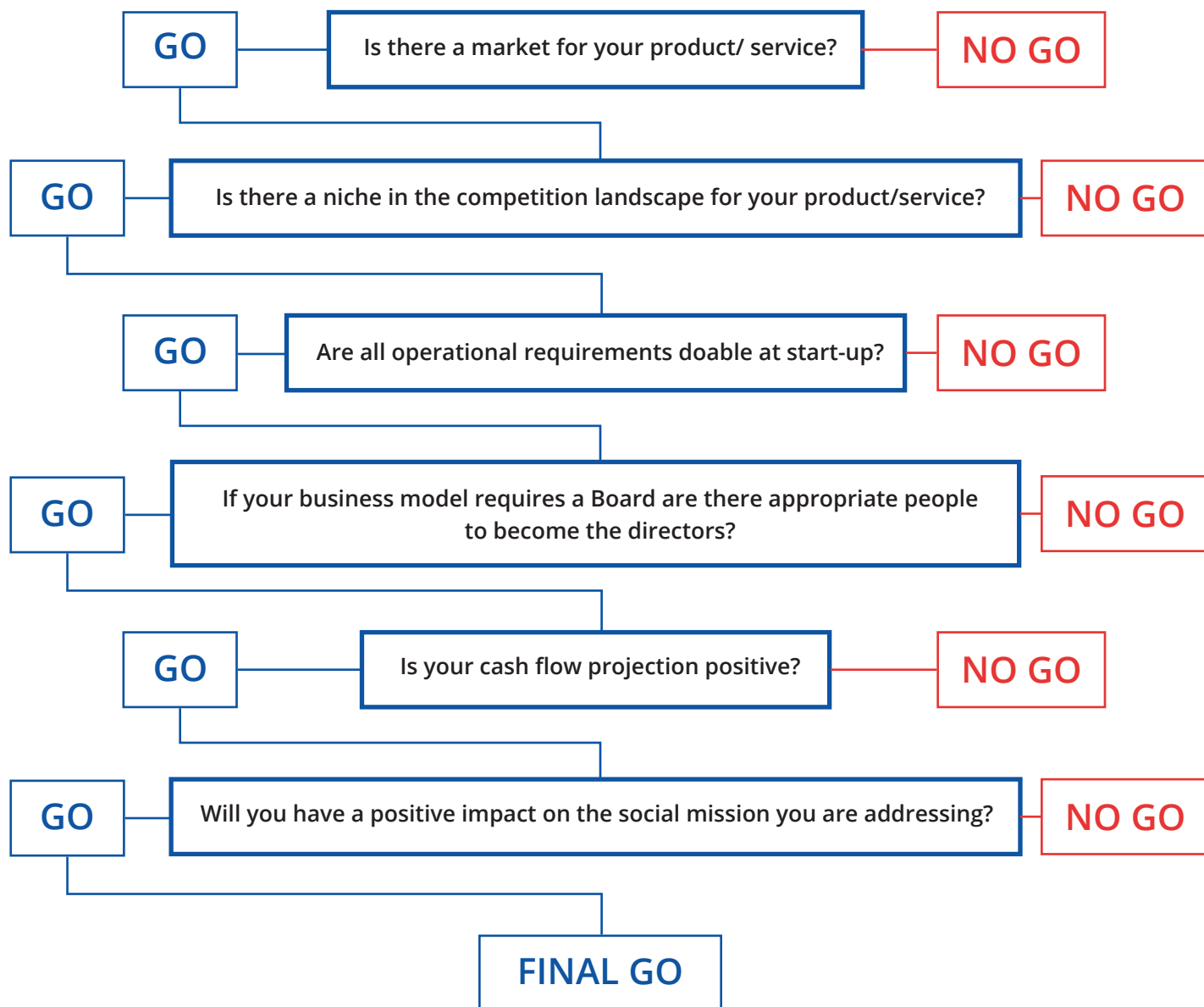
If the outcome is GO, the content of the worksheets will provide strong information for the feasibility study. If the outcome is No Go it could mean you have a viable business idea but it is not a social enterprise or the social enterprise is not viable at this time.

Go or No Go Decision-Making Chart



Social Mission

Social Enterprise



A final **GO** means that you can proceed with next social enterprise development steps.

A **NO GO** means this social enterprise idea is not viable at this time in the current circumstances.

However maybe there is another enterprise that will address the original social mission.

Next Steps

To receive assistance in further developing your social enterprise contact business development organizations in your area. They could include Small Business Centres, Economic Development Corporations, Community Futures Development Corporations or Regional Innovation Centres. A number of offices are listed on the SEE website, www.seethechange.ca.

For more SEE Social Enterprise development resources, visit: www.seethechange.ca.

If you have any questions feel free to contact: info@seethechange.ca.

Thank you to our partners and funders.



