

Strategy and Social Enterprise: Aligning for Maximum Impact

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Definitions... Briefly!

Social Enterprise:

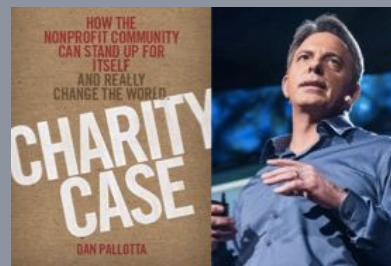
- A Is a term that describes a phenomenon that has been around for over a century
- B Is a commercial venture operated by a nonprofit organization for the dual purpose of generating revenue and advancing the organization's mission
- C May not have to be profitable to be deemed "successful"
- D All of the above

Context: Why now?



RECODE

Fuelling Social Innovation and Entrepreneurship in Higher Education



accenture

Strategy | Digital | Technology | Operations

Leap Ahead

Procurement Goes Social



High performance. Delivered.

SKOLL WORLD FORUM ON SOCIAL ENTREPRENEURSHIP

Highlights to include:

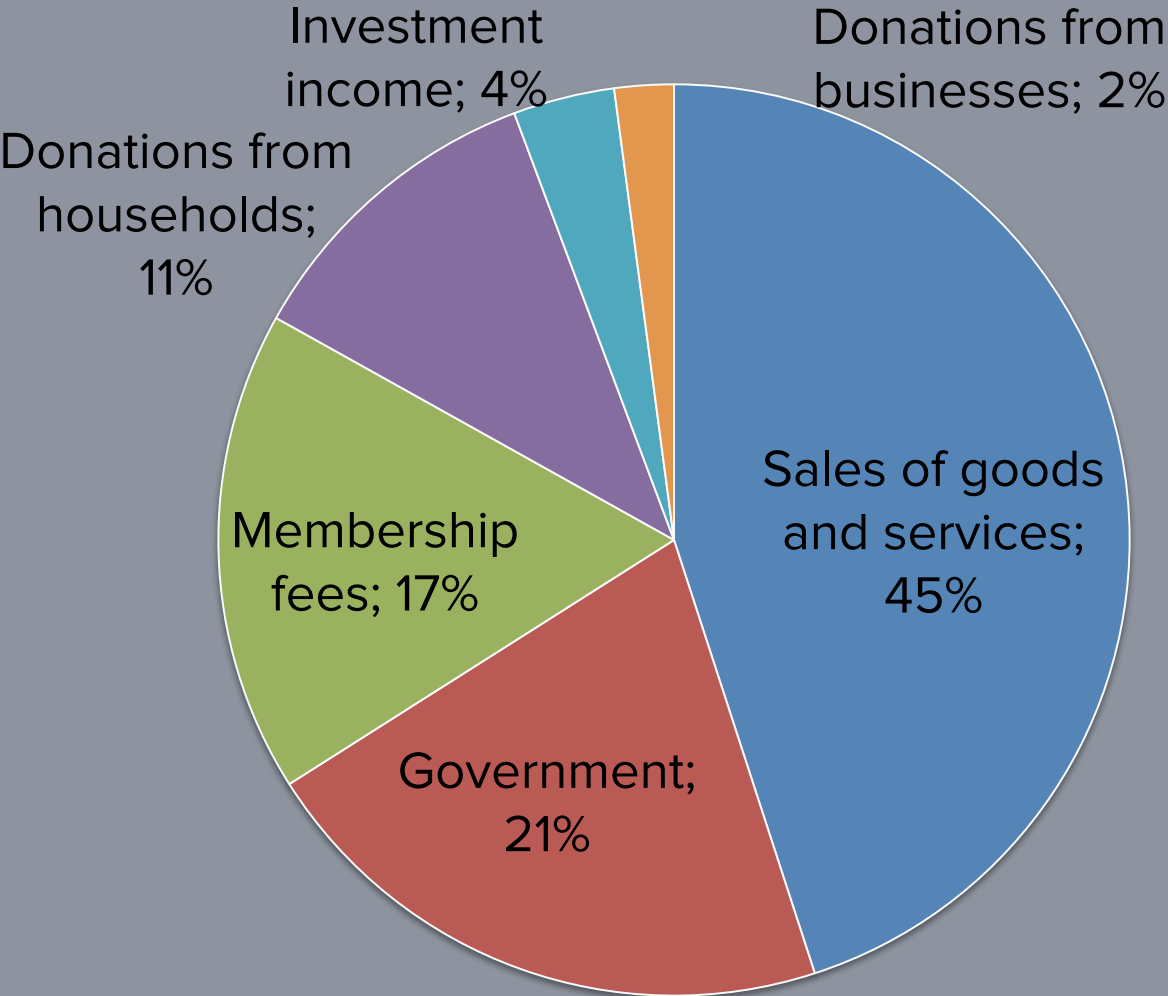


Archbishop
Emeritus
Desmond M. Tutu

Her Majesty
Queen Noor of
Jordan

Lord Sainsbury
of Turville

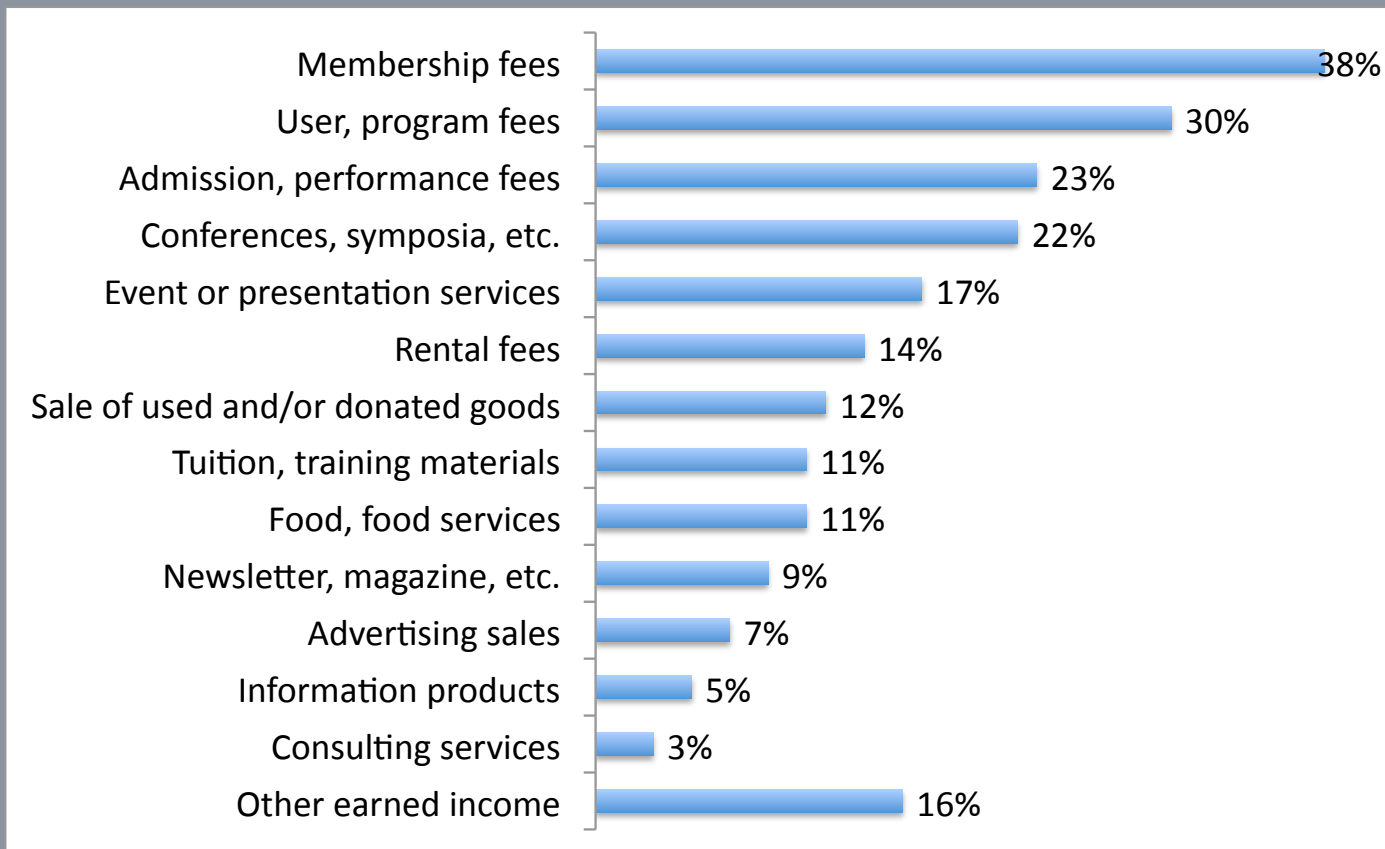
Earned Income: Core Nonprofit Sector



Source: Statistics Canada

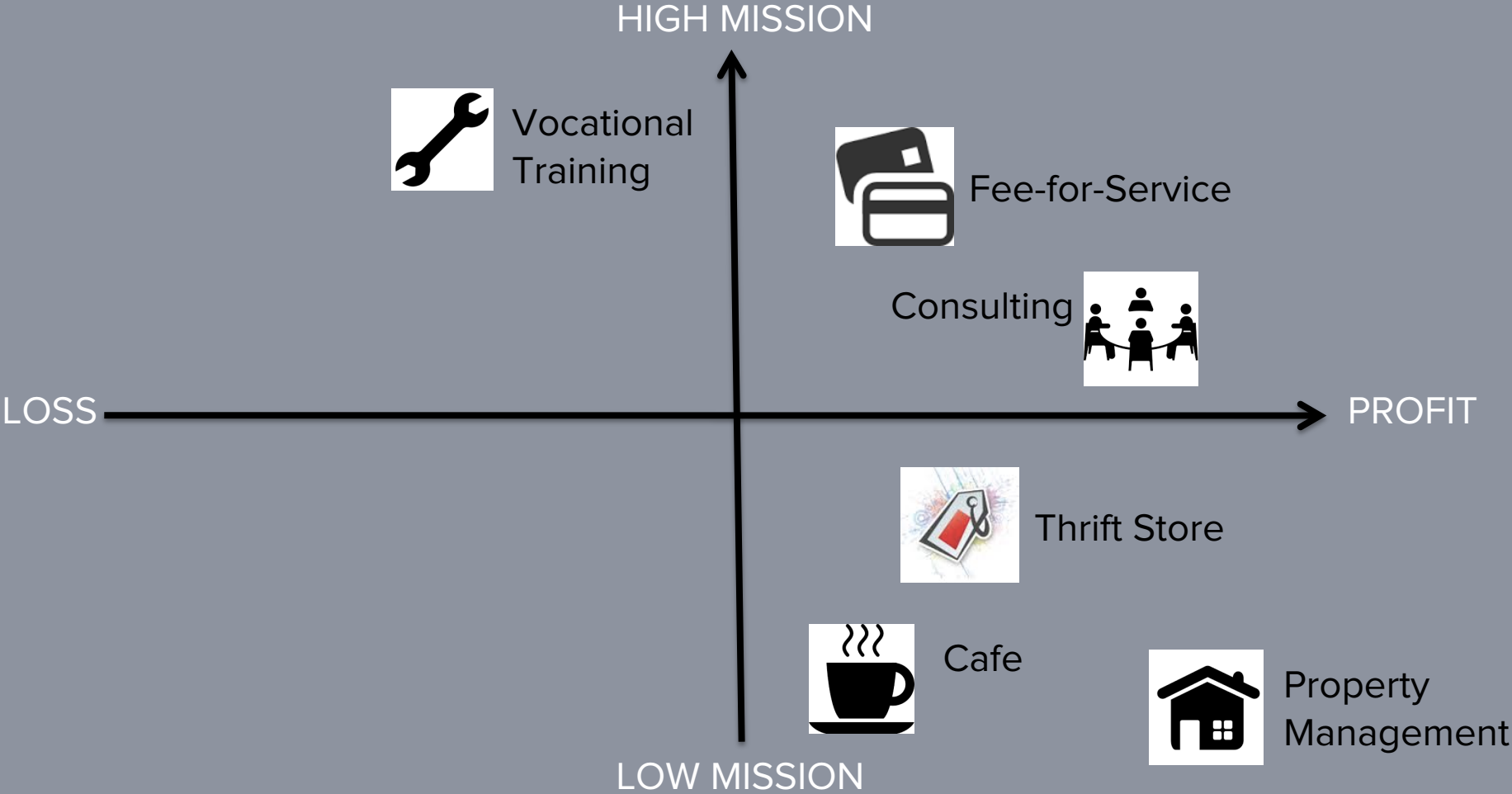


Types of Earned Income



Lasby, D. (2013). Earned Income-Generating Activities Among Canadian Charities: A summary of findings from Imagine Canada's Sector Monitor. Retrieved from http://sectorsource.ca/sites/default/files/resources/ic-research/earned-income-report-en_2013.pdf

Linking Mission to Money[®] Grid



Proctor, Allen. (2011). Linking Mission to Money:
Finance for Nonprofit Leaders. CreateSpace
Independent Publishing Platform



Key to Success

How can you tell if your social enterprise is successful?

- A It generates a profit for the organization
- B It directly furthers the mission of your organization
- C Both A and B
- D It depends

Social and Financial Goals



Critical Success Factor #1: Clarity of Purpose

“There was a lot of confusion about what a social enterprise is . . . Some executives wanted to get money from [the enterprise] and others wanted us to employ [clients] . . . There wasn’t a clear understanding of the relationship between profitability and the social deliverable and how they impacted one another.”

Direct and Indirect Mission Continuum

Direct Mission	Indirect Mission
Social enterprise is a vehicle for furthering the mission of the parent nonprofit organization	Social enterprise generates revenue to support the operations of the parent nonprofit organization, thereby furthering the mission
Opportunity selected is appropriate to achieve social goals	Opportunity selected is appropriate to achieve financial goals
Trade-offs favour social goals	Trade-offs favour financial goals
Success is weighted towards the achievement of social outcomes	Success is weighted towards the achievement of financial outcomes
Subsidization of the social enterprise by the parent nonprofit organization may be acceptable in order to further the social mission	Subsidization of the social enterprise by the parent nonprofit organization could divert resources away from the achievement of the social mission

Andres, J. (2013). Critical Success Factors for Nonprofit Organizations Starting Social Enterprise.
Retrieved from http://theses.ucalgary.ca/bitstream/11023/900/2/ucalgary_2013_andres_jill.pdf

Increased Complexity, Decreased Profit

“Our job is to take a working business model and screw it up; ... introduce a social cost related to it ... In the simplest sense, [maintaining a defined percentage of employees from the target population] chews up profitability ... It costs me 20 percent more to do anything than it [costs] my competition. I’ll get a group of employees here that begin to do well, and my job is to screw it up by hiring more people who can’t do the work. Even now, where we’ve got a group that is doing quite well, ... they are still less efficient than our competition, and I compete head-to-head with every other [business in this industry].”

Opportunity Identification



Team



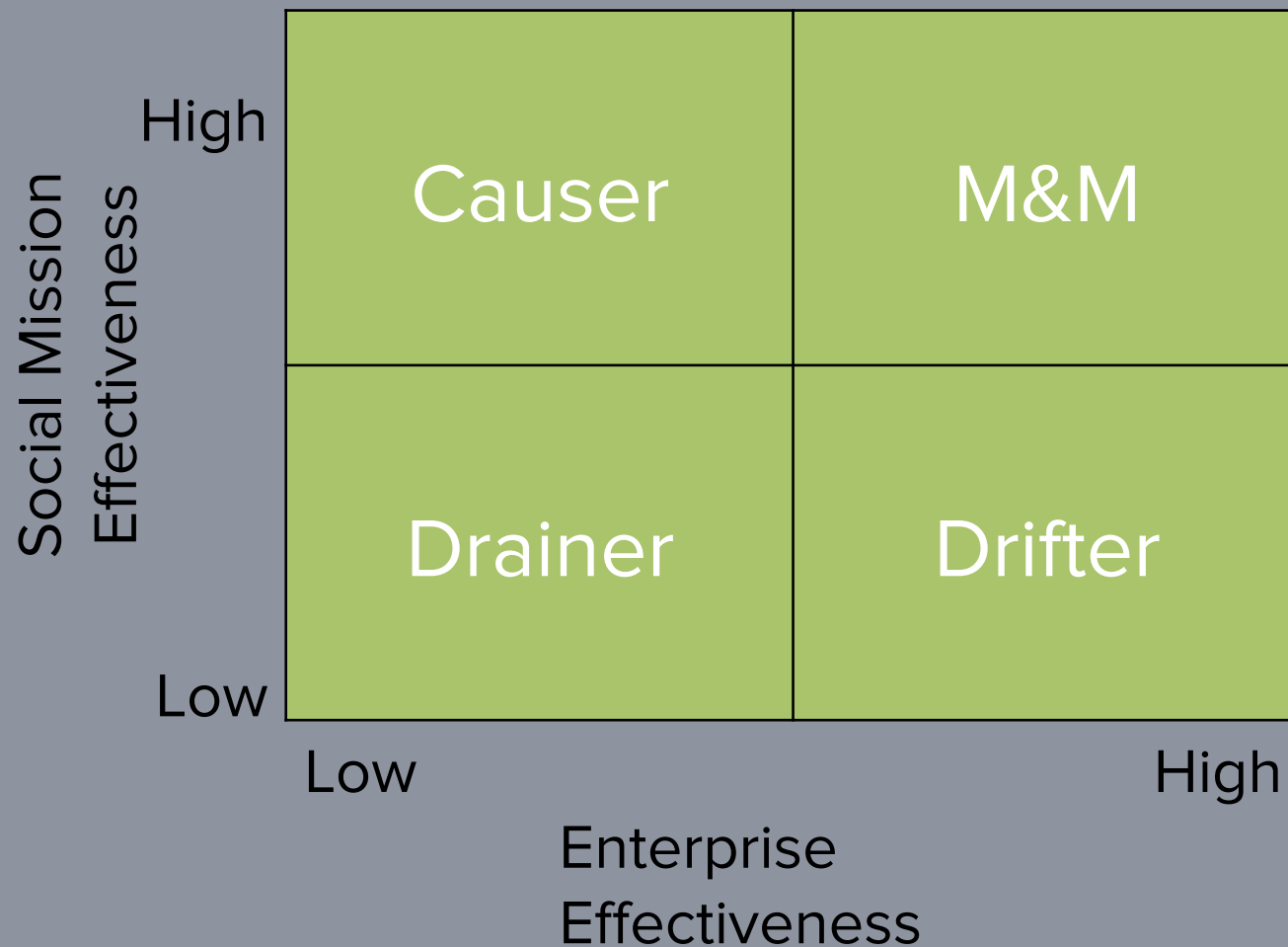
“I’d rather back an A team with a B idea than a B team with an A idea.”

Critical Success Factor #2: Leadership

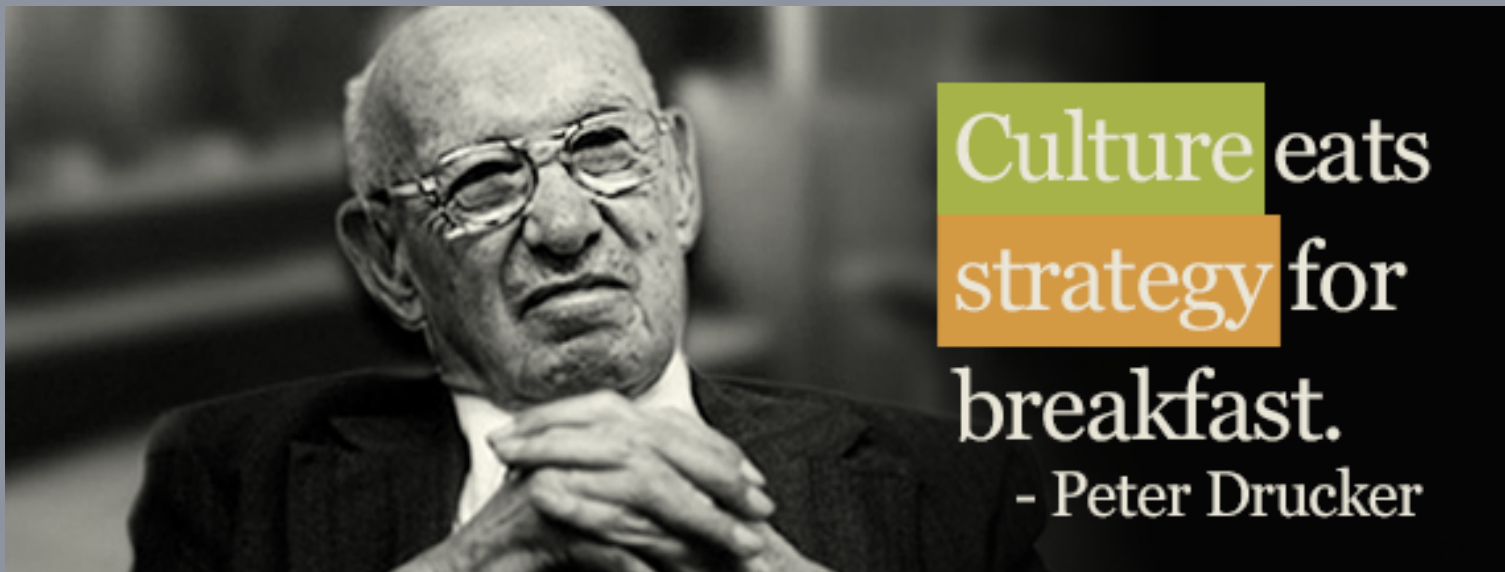
What are four leadership characteristics that are required in a nonprofit organization with a social enterprise?

- A Vision and persistence
- B 'Entrepreneurial DNA'
- C A deep understanding of the social issue and how to effect change
- D Industry-specific knowledge and experience

Leadership Team Composition



Critical Success Factor #3: Entrepreneurial Culture



Critical Success Factors

What are the critical success factors for nonprofit organizations starting social enterprises?

- A Clarity of purpose, i.e. social and financial goals
- B Leadership team – vision and persistence, depth of social issue and enterprise knowledge and experience, and ‘entrepreneurial DNA’
- C Entrepreneurial culture

Strategic Alignment: Creating Value Strategy Framework



Organizational Readiness Tool



Insights

*A moment's insight is sometimes worth a life's experience.
Oliver Wendell Holmes, Sr.*



Questions?

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