SE4Y
SOCIAL ENTREPRENEURSHIP FOR YOUTH

SOCIAL BUSINESS ROADMAP

for creating a social enterprise in 10 steps

Project Reference No.: 2020-2-IS01-KA205-065841

INTRODUCTION

The Social Business Roadmap has the aim to support young people in creating a social enterprise in 10 steps. Is an innovative and totally entrepreneurial guide tool for helping young people to make their first step in the social business world, as it's easy to get lost on the entrepreneurial route, thus this small guide could be used as a road map.

This guide will provide some information about the social business world, the opportunities and the next steps. The Social Business Roadmap, as a non-formal educational tool, will contain the necessary information, helpful instructions, and available support that will support a particular action or process regarding self-employability in social entrepreneurship. Therefore, this tool will be the appropriate instrument for any young people who will acquire the necessary support and empowerment for planning, launching, managing, and growing a successful social enterprise.

The Social Business Roadmap includes some of the most important thematic sections on social entrepreneurship. The learning material will address the needs and gaps of newcomers in the social entrepreneurship world, including helpful information, available opportunities, and tips for a social business.

Among the expected benefits of the Roadmap would be a better understanding of the social entrepreneurial world and its complex processes as well as the global perspective, along with important information about legal and management, the possible opportunities, and funding in social entrepreneurship.

SOCIAL BUSINESS ROADMAP SECTIONS

1. **CHOOSE A SOCIAL ISSUE**

2. **RESEARCH YOUR ISSUE**

3. **GET A GLOBAL VIEWPOINT**

4. **GRASP LEGAL STRUCTURES**

5. **ESTABLISH A SOLID BUSINESS PLAN**

6. **INVESTIGATE FUNDING OPTIONS**

7. **SEEK ONGOING SUPPORT FROM A MENTOR**

8. **HIRE THE RIGHT PEOPLE**

9. **BUILD A COMPANY CULTURE**

10. **REACH OUT GLOBALLY**

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1. CHOOSE A SOCIAL ISSUE

In this first step of the Social Entrepreneurship Roadmap the focus is on selecting a social issue or community challenge that you want to work with, as a project or within your enterprise. In this first step we suggest that you look inward to your own personal values, strengths, and interests. This approach can be helpful even if you already selected the social issue or started your enterprise, matching your competences, values, and interests to the selected topic.

Your goal is to meet the community challenges in an innovative way and create social value based upon your passion, personal strengths, and values. Following steps can be helpful:
1. **Your personal values, virtues, and personal strengths. What do you have to offer?**
2. **Your interests and employment preferences, what would you like to do?**
3. **Selecting a social sector or a community you want to explore further to identify social issues and challenges within.**
4. **Defining the social issue that you want to explore further, how it relates to your values, strengths, and relevant resources you possess.**

Following are helpful tools and approaches you can use to explore and define these topics.

1.1 Your personal values and strengths

Values are the principles that give your life meaning, values you built up from early childhood and passed on between generations, you probably learned many of your values from your parents, teachers or other leading persons in your life. You can consider the following steps in choosing your core values (Selig, 2018):

- It can be helpful to review and contemplate your values, decide, or re-decide upon your top 6-8 values, see **list from Lifehack** to choose from or use free online **values inventories**.

- Think of 3-6 people you most admire or love, why are they so important for you and can they inspire your choice of values?

- Explore your personal interests in relation to career choices, education and interests that reflect upon your values, see John Holland theory of vocational types in the next chapter.


After defining your values, you can look further into your personal strengths. In the VIA model personal strengths are linked with core virtues of wisdom, courage, humanity, transcendence, justice, and moderation, see picture (Gardner, 2020). Personal strengths and values are closely correlated and are often defined as values in action. Exploring your character strengths can give your insight into your personality and what values you think is most important to follow in your daily life.

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> **Exercise:** Use the online **VIA-Character strengths survey** tool to explore your strengths. Look to your top 5 strengths and how do they align with your personal values. Reflect upon situations or challenges in the past where you benefitted from these strengths.

1.2 Your personal interests

To put your strengths into practice in social entrepreneurship it can be helpful to build on your personal interests, although closely related to strengths their reference is also to your skills and experiences. A helpful tool is John Holland theory of vocational types where he identifies 6 dimensions of interests that guide us in identifying our professional preferences: (Bryan, D., 2019):

I.   Realistic – likes mechanical activities, athletics, working with your hands, being outdoors, getting dire on our fingernails.

II.   Investigative – enjoys asking intellectual questions, investigating answers to those questions, using scientific methods.

III.   Artistic – seeks opportunities for self-expression, writing, music, drama, dance, and enjoys a lack of clear procedures.

IV.   Social – likes to help others, teach, guide, counsel, and being of service to others.

V.   Enterprising – persuading, leading, risk-taking and action-oriented.

VI.   Conventional – organized, detail-oriented, flows rules and procedures, works with data.
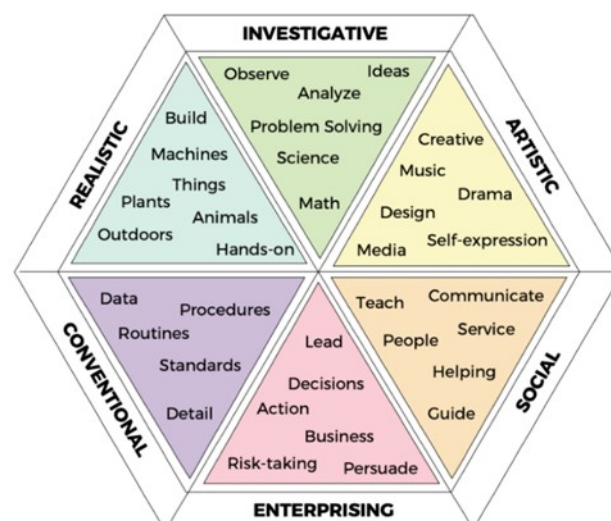
You can access **free online tests,** for different ages, based upon Holland's Occupational Themes (Project, 2020). For a professional evaluation you can seek assistance from a career counselor or ask you friends and family to answer who they think your strengths and interests are and how they see you practice them in the future.

> **Exercise:** After defining your values and interests, you can observe yourself for couple of days and label your key decisions and pay attention to if your values are reflected in your daily life decisions. If not, then what values are you living by, are there patterns, what do you want, what are you willing to give up, and what is non-negotiable in your life? What are you dissatisfied with in your current choices and do you need to re-evaluate what is most important for you? Then focus on your life-experience by thinking back to both sweetest and most painful moments of your life, as these moments can direct you to what your care about most.
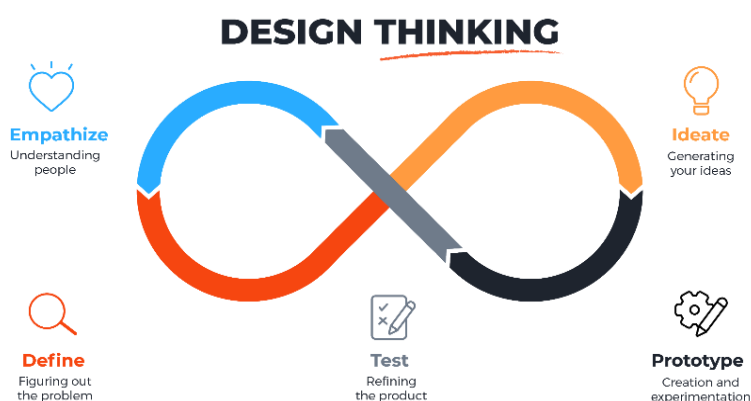
1.3 Selecting a social sector or community

In selecting social issues that you will then explore and investigate further you need to shift your focus from exploring yourself to exploring the environment and social circumstances that you want to work with. If you already have identified a social issue in your immediate community, you can use this step to refine and write down your definition of the issue.

In the first 2 steps of the Social entrepreneurship roadmap, selecting and researching a social issue we suggest using methods and tools of Design thinking (DT) to identify and research a social issue. This will include the first 2 steps in the Design thinking process or "Empathize" and "Define", see picture of the Design thinking process (Karl, S., 2020).

It is important that you understand the difference in the meaning of *empathy* and *sympathy*. While sympathy is feeling compassion, sorrow, or **pity** for the hardships that another person encounters, **empathy** is putting you in the shoes of another.

DESIGN THINKING

Empathize
Understanding people

Define
Figuring out the problem

Test
Refining the product

Ideate
Generating your ideas

Prototype
Creation and experimentation

Exercise: Take into consideration your discoveries on your personal values, strengths and interests and select at least one social or community sector you want to explore. This does not have to be a very narrow definition, but this sector/community needs to be accessible to you, could be a community center, online community. Use 1-2 days for your investigation, writing down your observations on what challenges you identify, who is facing them and try to put yourself in their shoes.

KEY STEPS

Now you can proceed in defining the social issue/challenge you want to meet building on your exploration of your values, strengths, and interests as well as your examination of using emphatic methods to explore your community. In the next step of the Roadmap we will continue to develop and research your social issue or challenge using different tools associated with the Design Thinking processes.

Exercise: Based upon your selection and investigation of a social or a community sector and with the design thinking process in mind define people or group of people you want explore and research further. Summarize a short description on where (sector/environment), who (people affected), what (the challenges) and how (you can apply your strengths/values/interests).

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2. RESEARCH YOUR ISSUE

This is the second step of the Social entrepreneurship Roadmap for innovation and self-employment. In the first step you selected a social issue or challenge you wanted to meet, defining your community/social sector (where), target group (who), issue/challenge (what) and you competences and character to meet these issues and challenges (how). In this step we suggest using the Design thinking process to research or investigate further a social issue or challenge you selected as this method is especially helpful to define and design solutions where community and individual needs that are not being met (Tim Brown & Jocelyn Wyatt, 2010). If you already have a developed idea or a solution to a social issue use these exercises to reflect upon those solutions and ideas.

2.1 Design thinking for social innovation

Design thinking is an interactive process in which entrepreneurs use the method of designers to understand users, challenge assumptions and redefine problems to identify alternative solutions/strategies (Rikke Friis Dam & Teo Yu Siang, 2020). The focus in design thinking is on working with and involving end users in the creative process, its emphasis is on active listening, openness, communication, and creativity (Alimdar, 2017). The research of a social issue utilizes mainly the 1st and 2nd step in the Design thinking process, empathize and define, you can also use all the steps, see picture, to test your knowledge/ideas on the issue (Solomon, 2013).

In the research process you may:
- **Create a list of topics or questions based upon the first step in the Road map where you select a social issue to work with.**
- **Interview people in the selected sector or community on challenges and issues they face.**
- **Observe the environment using multiple approaches like drawing, mind mapping, storyboards etc.**
- **Get feedback from users on your ideas or prototypes (if you have developed your issue into a prototype).**

Exercise: Build on exercises in step one of this Roadmap and write down your observations on people affected by the social issue, using what-how-why sections:
- What are people doing, details without your interpretation
- How are they doing what they are doing, are they frustrated or happy, where are their pain points?
- Why means putting or observation in our own words, defining the issues we aim to solve.

2.2 Empathize, research tools

The "Empathize" step is about understanding people, through empathy we can put ourselves in other people's shoes and connect with how they might be feeling about their problem, circumstance, or situations. It can be helpful to use Empathy map canvas, see picture, to research and understand people's needs (Sankarraj, 2019).

To better understand your future customer or beneficiary you can create personas (Training, 2019). Following four steps can be followed to create personas:

1. **Research and analysis: observation, and interviews/focus groups, as well as using existing analytical data and social media.**
2. **Persona Description: preparing 1-2-page description of each persona you develop, demographics, behaviors, needs and stress points.**
3. **Problem analysis where you test how your personas respond to the social issue.**
4. **Collaborate with your partners or mentors to iterate your personas.**
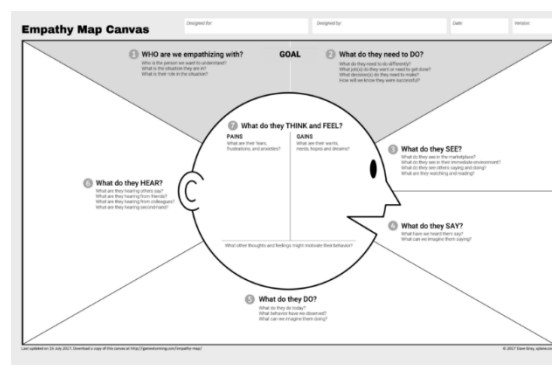
When you use interviews to gain empathy and deeper understand the people you want to serve, you need to pay attention both to stated needs and unstated needs, that is what people need but don´t know it yet.

Exercise: Start with filling in the Empathy map canvas and then create 2-3 different personas you want to serve in your social enterprise, use the steps mentioned above, collecting available data, conduct 2-3 interviews, test your personas and get feedback from your partners or mentors if possible. Write a short summary of your results.

2.3 The problem statement

The next stage in the Design Thinking process is "Define" the problem into an actionable problem statement based on your findings from the Emphasize stage. It is useful to gain understanding of the relationship between analysis and synthesis before creating a great problem statement. Analysis refers to breaking down complex concepts and problems into smaller, easier-to-understand constituents while Synthesis involves creatively piecing the puzzle together to form whole ideas.

Creating a problem statement enables you and your team to focus on the social issues and needs you have uncovered as well as creating a sense of possibility and optimism that helps you in the "Ideation" stage or in discussing and developing solutions to the issue/challenge. Good problem statement should have following traits (Rikke Fiis Dam & Teo You Siang, 2019):

- **Human-centered or focus on the people you are trying to help, not technology.**
- **Broad enough for creative freedom does not focus on a specific method.**
- **Narrow enough to make it manageable.**

It can help to begin a problem statement with a verb like "create", "define" and "adapt" to make it action oriented.

A Point of view (POV) is a problem statement that you articulate **using 3 elements**: user (descriptive), need (verb) and insight (compelling). You can use POV to start generating ideas to solve your social issue/challenge by using "**How Might We**" or "in what ways might we" questions, helping you from definition stage to ideation stage of the Design Thinking process.

KEY STEPS

Compare the definition of social issue in step 1 (Selecting a social issue) to the problem statement developed after researching the issue. Write down or reflect upon possible solutions you want to develop further. We recommend that you use the Design Thinking stages of ideate-prototype-test to develop your social innovation idea further. You can us brainstorming, brainwriting to create as many ideas as possible, you can use post-it-voting and "four categories method" to select ideas to develop further for the prototyping and testing stage (Rikke Friis Dam & Teo Yu Siang , 2019).

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3. GET A GLOBAL VIEWPOINT

Social entrepreneurship has already become a crucial ingredient of the worldwide role of volunteerism and civic engagement in several sectors of society. The social responsibility in the field of entrepreneurship and the evolvement of the "third sector" or "community sector" around the world has created new structures and factors in the development of the business sector. Greater emphasis was placed on global issues such as unemployment, health, social inclusion, refugee crisis, climate change, education, discrimination and racism, gender inequalities, poverty, democracy, and civic participation, etc. These reasons have determined the role of social entrepreneurship, stimulating mechanisms for the improvement of the world's socio-economic perspective. Social entrepreneurship follows the quest for mission associated influence; due to its value proposition for working on a global social cause. Social challenges are global and determined by a variety of interrelated, multidimensional, and complex issues. This section presents the cognitive theory on the global viewpoint of social entrepreneurship and the significance of its maintenance and improvement. This module aims at understanding the global aspect of a social enterprise and the dimensions that it could adopt.

3.1 Globalization & the role of Social Entrepreneurship

Due to globalization, many social challenges have evolved into global issues and are still perpetuated, although the multilevel actions and the worldwide declarations on human rights on behalf of the International Organizations (IO) have been intensified, recent years. This has defined the significant role of the emergence of innovative businesses for social change. Social entrepreneurship prioritizes serving the public over profitability, following the global trends in the economy. Therefore, the role of social entrepreneurship has become increasingly emerging, supplementing existing efforts of IO. More specifically, social enterprises have developed the ability to build unique and transformative innovations to aid and enhance social change in various fields, to create socio-economic opportunities, especially for those in need, as well as, to participate in international debates combating global issues.

	Currently emerging social issues that reflect into a global level
URBANIZATION	Enhance the development of innovative labs and spaces for experimentation
MIGRATION	Encouraging the design of efficient cultural and social integration (Migration and refugees)
EDUCATION	Facilitating social innovation participatory learning among experts in education, practitioners, researchers and policy-makers (Education and skills)
CLIMATE CHANGE	Combatting negative effect of fossil fuels and plastic pollution (Reduce environmental footprint, Climate change, Food security, Renewable energy)
TECHNOLOGICAL DEVELOPMENT	Exploring the ways to strengthen open and collaborative societies (Artificial intelligence, Social data, Digital social innovation, Social data, E-Democracy, E-Health, Smart city)

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CIRCULAR ECONOMY	Looking for new ways to minimize the pressure on ecosystems (Reducing plastic waste, Re-imaging fashion, change consumption patterns, Extend the life cycle of products)
EMPLOYMENT	Exploring new needs and abilities of societies to adapt to them (Sharing services and products)
SOCIAL IMPACT	Fostering the social value and facilitating new ways of impact measurement (Change behaviors, Ageing, Mobility Housing)
DEMOCRACY	Improving institutional trust, civic participation and inclusion (Community-led, Participation)
GENDER EQUALITY	Working on awareness-raising, coalition building and advocacy for poverty reduction and human development (Inclusiveness)
HEALTH	Looking for efficient ways to tackle global pandemics and other challenges (Health solutions for diseases)

(Explore further in European Commission's, "Vision and trends of social innovation for Europe)

3.2 Social Change Agents

Social entrepreneurs promote a broad range of solutions and practices focused on sustainable development and social change. A social entrepreneur should follow a definition of the first landscape of future trends in the social innovation field. The best way to address a social issue is to consider the global megatrends, policies, and legal regulations, which are defining the future challenges and opportunities for society. Analyzing both the opportunities and the challenges that globalization provides is necessary to be concerned during the decision-making process of social entrepreneurs. Thereafter, for a successful and impactful outcome, the co-creation of a network with both scholars and practitioners but also the development of a communication pathway with the community as well as with nation-states is crucial.

3.3. Setting the global perspective

1. Examining of the business models that other social entrepreneurs implement, focusing on the strategic, resource, and legal factors.
2. Investigate all the best practices around the world, about established business ideas, preferably under the same sector, growth opportunities, and financing options.
3. Exploring the benefits and challenges of addressing a global social issue by building a social enterprise.

## 3.4 Social entrepreneurship contribution to the Sustainable Development Goals (SDGs)

The SDGs are a set of 17 goals and 169 associated targets developed and adopted by 193 UN member countries as part of the 2030 Agenda for Sustainable Development (UN, 2017). For achieving these goals, the efforts of governments, businesses, and third sector actors, often working in collaboration, are required. The SDGs provide this potential to the interested parties, to improve their communication, develop synergies and attract funds.

Therefore, is important for social entrepreneurs to understand how a social enterprise, based on its key constituents, can contribute to the SDGs. A social enterprise could contribute to the SDGs through one or a small number of value chain activities or extend throughout value chains, and may these contributions focus on one or a small number of SDGs or even multiple SDGs. Also, social needs could be other than those articulated in the SDGs. However, there is a necessity of making the global efforts of the 2030 Agenda even more visible for stakeholders, including the wide public and thus encouraging Social entrepreneurs to openly connect their activity to the SDGs. The familiarization with and embracement of the Agenda 2030 principles and objectives, can be promoted through multiple initiatives and continuous information. Social entrepreneurs need to realize that Agenda 2030 has a certain value-added for their ongoing production and further development.

KEY STEPS

- Globalization is valuable for social change as it creates challenges and opportunities for future social entrepreneurs.
- Setting the global perspective by following the L ACKOFF Pyramid revisited and thinking smartly and methodically.
- Under the global evolution, social entrepreneurship efforts have had to redefine themselves and find new strategies to best achieve their global goals.
- SDGs provide the potential to increase communication and collaboration among multiple relevant stakeholders.
- SDGs could resonate strongly among the work of different social enterprises globally.
- SDGs create a positive impact on the progress of production and development of an enterprise.
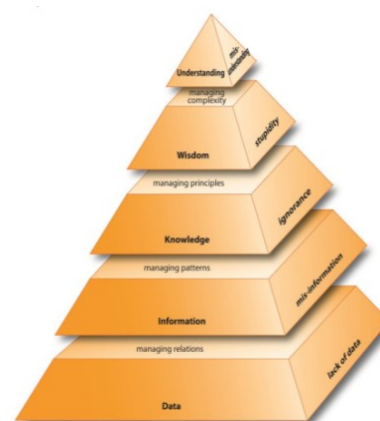
The L ACKOFF Pyramid revisited

Exercise: What are the global perspectives of your enterprise, can you benefit from best practices in your country/region or elsewhere? How does your enterprise support the implementation of the Sustainable Development Goals of the United Nations?

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4. GRASP LEGAL STRUCTURES

What is a legal structure?

A legal structure is the legal business structure that your organization takes. Your legal structure determines things like the amount of tax you pay, or the type of grants or investment that you may receive. There's no one best choice for the type of business entity you legally choose, just the best choice for your particular company based on your goals.

One of the most important decisions you will need to make is whether to establish your social enterprise as a nonprofit or for-profit entity or utilize both structures. There are a number of different for-profit legal entities to choose from but there is only one form of nonprofit legal entity. This decision is critical because if you start as a nonprofit, it can be difficult to later change it to any of the for-profit entity structures.

4.1 Process of establishing a business entity

Main Points to Consider

- Estimation of the company's commercial value
- The form of the investment
- The share capital

- Shareholders' Agreement
- In any case, the legal situation must be analyzed on a country-by-country and case-by-case basis

Individual Business/ Sole Proprietorship

PROs	CONs
• speedy • easy • costless • set up	• Lack of transparency • Liability for company's debts extends to personal assets. • difficulty in transfer / raising funds

This model is ideal for a small-scale enterprise; the sole proprietorship form has minimal legal requirements which make it easy and inexpensive to set up.

General Partnership (freedom of contract): Personal relations based on trust from all partners in administration.

PROs	CONs
• No initial minimum capital	• Lack of transparency/Limited publicity • Limitless liability even after dissolution of the company / no differentiation between company's property and personal property • No possibility of capital division into shares • Difficulty in funding

Limited Partnership: simple with shares

PROs	CONs
• Limited partners, 85 contribution v. general partners	• Limited partners' liability & limited participation in administration.

Furthermore, Limited Partnerships often offer similar tax advantages to those enjoyed by partnerships, thus making it a more favorable form of partnership.

Silent Partnership: No legal Entity (Civil Code Provisions)

PROs	CONs
• Speed & Facilitation	• Lack of internal transparency • Distribution of profits

Limited Company

PROs	CONs
• No minimum capital • Liability of the legal entity • Publicity • Majority of votes • Transparency/ Audits	• Equity share/not shares • Limited duration • Personal liability of the manager • No funding from stock market

Important notice for this legal structure is not legally required to have social objectives in addition to increased profit, for this reason care must be taken to safeguard the social mission of the enterprise.

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Private Capital Company

PROs	CONs
• Liability of the legal entity • Liability limited to contribution • Publicity • Speedy, low cost	• Limited time (12 years) • No funding from stock market/bonds • Transfer of equity share

4.2 Common feature in all types of business entities

Expenses incurred for the purposes of the company's operation are to be deducted subject to the as-certainment of the legality of the deduction. There are a lot of different legal structures! Selecting a legal structure is not something to be rushed into, and we would recommend that you seek out advice before making any decision. Choosing the legal structure most suited to your social enterprise can require some research and deliberation over important factors such as ownership, ease of setting up, potential tax benefits, access to types of funding and control.

4.3 Additional legal issues to consider:

- Not making the deal clear with co-founders.
- Case Study: Dispute Winklevoss brothers v. Zuckerberg
- Not starting the business as a legal entity
- Not taking important tax issues into account
- Confidential Information & Inventions Assignment Agreement
- Not considering intellectual property protection
- Coming up with a name for the company that has trademark issues, domain name problems, or other issues.
- Non-Disclosure Agreements (NDAs) with third parties
- Confidentiality and Assignment Agreement for Employees

You can get advice from:
- Umbrella bodies, for your own sector
- Councils for Voluntary Service
- Pro-bono lawyers – try *http://www.trust.org/trustlaw/*
- Pay for legal advice – but agree a price first if you can.

Exercise: Use the text above to contemplate the best legal structure for your social enterprise and put down some arguments for your selection of 1-2 legal structures that can apply. Define the steps and legal issues that you will consider in setting up and register your enterprise.

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KEY STEPS:

- Legal issues to consider. Legal issues are complex and vary widely. The environment is more enabling in some countries than in others.
- Types of companies and structures.
- Deciding on the type of business entity. There's no one best choice for the type of business entity you legally choose, just the best choice for your particular company based on your goals.
- Process of establishing business entity / Main Points to Consider, in any case, the legal situation must be analyzed on a country-by-country

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5. ESTABLISH A SOLID BUSINESS PLAN

The setting up of a social business plan is the milestone of the social business project. A well-done social business plan allows verifying the real feasibility of the initiative under its different profiles (technical, commercial, economic, financial) and constitutes an "operating guide" for the first periods of management. An ideal business plan should be written in a clear and synthetic way, to be understandable for possible funders. On this purpose, it could be useful to preliminarily fill a **social business model canvas**. The **SBMC** is a simplified version of the business plan. You can find the same items in a more intuitive structure.

KEY PARTNERS	KEY ACTIVITIES	VALUE PROPOSITIONS	CUSTOMER RELATIONSHIPS	CUSTOMER SEGMENTS
Who are our key partners? Who are our key suppliers? Which key resources are we acquiring from our partners? Which key activities do partners perform?	What key activities do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?	What value do we deliver to the customer? Which one of our customers' problems are we helping to solve? What bundles of products and services are we offering to each segment? Which customer needs are we satisfying? What is the minimum viable product?	How do we get, keep, and grow customers? Which customer relationships have we established? How are they integrated with the rest of our business model? How costly are they?	For whom are we creating value? Who are our most important customers? What are the customer archetypes?
	KEY RESOURCES What key resources do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?		**CHANNELS** Through which channels do our customer segments want to be reached? How do other companies reach them now? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?	

COST STRUCTURE	REVENUE STREAMS
What are the most important costs inherent to our business model? Which key resources are most expensive? Which key activities are most expensive?	For what value are our customers really willing to pay? For what do they currently pay? What is the revenue model? What are the pricing tactics?

5.1 The business plan

The SBMC will help you to clarify the key information to subsequently report afterwards in the business plan. Let's see in detail how it is structured.

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EXECUTIVE SUMMARY MARKET ANALYSIS

You should broadly describe your idea. In particular:

What is the business idea proposed? Sum it up, highlighting the most outstanding elements, such as:

1. What kind of product/service will you offer?
2. *To whom your product/service is addressed*, identifying your chosen segment of clients based on objective (age, geographic and subjective parameter)
3. *What kind of needs do you intend to satisfy*, highlighting your added value compared to your competitors in the sector where you want to operate?
4. *How do your team's skills match the business idea,* defining factors and competences that make your team potentially successful?

It is preferable to fill this part at the end when all elements are well structured and clear.

COMPANY DESCRIPTION

Here you should better define skills and experiences of the profiles already part of the team or required in future. Make a broad provisional hiring plan. Specific points: Describe your academic/professional career, the qualifications obtained and the technical/managerial or marketing skills acquired by the team.

- In which way do you think that the previous experiences could be consistent with the idea proposed? In which way do you think they could be relevant for the realization of the business idea?
- *How will you structure your social business company?* Describe the organization you want to adopt to commercialize the service offered, highlighting the key activities and which of them will be held within the company and which will be externalized to providers or external consultants. Please refer to the number of staff members you are planning to hire.

DESCRIPTION OF THE SERVICE

Give an insight of the service you want to offer:

- Why do you think your idea could be successful? Why is it more competitive than those currently available?
- *What are the characteristics of the service you want to offer?* If the services offered will be more than one, please group it in macro categories.

For every kind of service highlight:

- Characteristics
- Segment of clients to address and needs to satisfy.
- *Elements of innovation compared to your competitors*. Innovation can concern the process of delivery or the service or product itself.
- *Lifecycle*: in comparison to the services already present in the market, explicit what is the current stage of the service you want to offer (ex.: launch, expansion, maturity, decline, relaunch).

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MARKET ANALYSIS

Market analysis will help you to be aware of the sector you are accessing. Try to take advantage of it to define your company positioning.

- *What is your potential market?* Identify the geographical boundaries of your market, quantifying approximately your potential customers. To make a quantitative analysis of the customers you could refer to:

1. The production capacity of every product.
2. *The purchasing habits* of the target customers.
3. Their average expenditure for that service.

The share of the market detained by competitors and their strengths and weaknesses.

- *What will be the price of sale of your products/services? Which are the criteria for setting it*? You could refer to the quality of the service delivered or the adaptation strategy to the market..

MARKETING STRATEGY

- How do you intend to promote your service to potential customers? Please mention tool, times of realization and costs?
- How will you sell/delivery your product/service to customers?
- How will you acquire a competitive position within the market consistently with the innovative/ differential elements that your social business company will introduce?

ORGANIZATIONAL STRUCTURE

Last two sections are maybe the most technical and engaging. As concerns the organizational structure, you should provide all the necessary elements that help a possible funder to understand your management plan regarding procedural, financial and administrative issues.

- How many people and which kind of professional figure do you need for your company? Which activities will they carry out? Which kind of contracts will they have? How much will they cost per year?
- Describe the productive structure, defining material and immaterial capital goods to purchase and those purchased/to be purchased in leasing or rented.
- Describe production inputs (licenses, raw materials, services, specialized activities) highlighting possible difficulties in the procurement and logistics.
- Define the necessary investments for the set of the activities. For every investment required there should be the estimated costs; the external supplier; description of the good (brand, model, functionality in the overall process; the taxable amount; VAT).
- Define a timeframe (divided quarterly) for the purchase of the functional goods, licenses, and patents, necessary for the setting of the enterprise, and the reasons behind their use.
- Explicit all administrative and bureaucratic fulfilment you will need before starting: authorizations, licenses, certifications, enrolment to a professional order, providing the date of release (effective or estimated if still to be released).
- Describe the characteristics of your headquarter (designated use of the building, necessary surface, and infrastructural endowments) and its consistency to the exercise of your activity.

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FINANCIAL PLAN

You should provide reliable data about your provisional balance resulting from costs and value of production. Furthermore, you should explain how you intend to sustain your investments, specifying the source of capital and the necessary financial guarantees.

- Please, estimate: sales volume, sales revenue and costs of every investment required.
- A budget estimate of costs for material, immaterial Investments and VAT and the relative's financial backings (whether they be own capital, share capital-, short- or long-term bank credits and financial concessions)
- You should define a face of the income statement with:

1. The value of production corresponds to sales revenue, variations in semi-finished inventories and potential other revenues.
2. Costs of production including expenditures for raw materials, services, amortization and depreciation, provision for risks and charges.
3. Financial revenues and charges.
4. Taxes on revenues and wages.

All these elements will give you an overview of the potential annual surplus.

KEY STEPS

Before starting the complete BP it is good to have all the key information clear: the business model canvas will help you in this sense. Furthermore, it is preferable to leave the executive summary for the end, when all other parts are completed. You should initially conduct a market analysis to establish with a sufficient degree of reliability the positioning of your brand. Subsequently, you should focus before on the company and the service description, providing a thorough profile of both elements. Last, but not least (maybe most) you will have to provide a solid analysis on your financial and marketing provision and how they will integrate into the production process. Don't refuse the idea of receiving professional help from a business consultant, the level of technicality required to well structure a BP is very high.

Anyhow, it's important to remember that the business plan is a flexible document that can be changed in future. The information provided has to be reliable and realistic but they can be rescheduled on the run. A well-structured business plan will ease your task of researching potential funders: it will be an irreplaceable "social business card" for any contact with financial institutions or crowd funders.

Exercise: Use the Social Business Model Canvas to prepare a draft business plan for your enterprise following the guidelines set in the text above.

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6. INVESTIGATE FUNDING OPTIONS

6.1 Investigate funding options

Once having selected the area of domain and established the legal structure and the business profile, you will need to explore all the spectrum of available funding sources, unless you have conspicuous own capital to invest. Finding the appropriate funding channels could be crucial for the take-off of your company. In the following subsections an overview of the possible funders with pros and cons for every option.

6.2 Financing sources

Friends, Family and Fools

Probably the most accessible source: asking for the support of family and friends won't be too hard. However, it requires a rigorous commitment. Any failure or excessive delay in repaying the debt could upset your relationship.

Pros	Cons
• **No interests or deadlines in reimbursements**. The objective of familiar or friends is not the economic benefit but to help the entrepreneur to carry out his business. • **Independence** of the project without too many compromises (until the social entrepreneur looks for new investors to support him as a business in-cubator)	• Money and capital issues can alter good friendships and family relationships. • **Small amount of capita**l lent. In future there will be the necessity to look for other forms of financing.

Banks

The requirement of a loan to the bank is the most traditional instrument to fund your business. You get capital to set your social company by submitting a solid project and by providing adequate guar-antees.

Pros	Cons
• It is possible to have a r**educed risk of insolvency** if you are protected by Guarantee Funds of Minis-tries of Economic Development or Loan Guaran-tees Facility of COSME Program.	• **Higher interest rates** than alternative fund-ing channels • Serious risks in case of insolvency

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Microcredit

Microcredit is a more accessible source of financing for not bankable subjects that cannot access standard loans. In general, the amount ranges from 3 thousand to 25 thousand euros.

Pros	Cons
• You can access it **easily** without having any credit history. All you need is a **credible project** and a business plan for the creation of a social company or for the development of an existing one. • **No need for personal guarantees**. You can rely on national and European public guarantees funds (i.e. Loan Guarantees Facility of COSME programme).	• As a general rule, microcredit is **forbidden to companies already established** since many years (the exact timeframe varies from country to country). You **should not have outstanding debts** and not be signaled as an evil payer.

Explore to find inspiring successful stories from **Mircoloan foundation**:
https://www.microloanfoundation.org.uk/success-stories/

Easy Finance

It can take several shapes: direct financing, with the disbursement of money, or indirect financing, through tax benefits or guarantees on financing obtained from banks and financial institutions.
They include reimbursable grants.

Pros	Cons
In case of direct financing, **lower interest** rates that make them easier to be repaid. • Reduction of **fiscal burden** in case of indirect financing.	• In some countries, **burdening bureaucracy** could slow down the process of funding. • Lots of **technicalities**: better ask for the intermediation of a professional figure.

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Non-reimbursable grants

It is possible to find suitable calls on Government websites, and related agencies, Ministries, Regions, Chambers of Commerce and Trade Associations, European Commission. European Union funds almost every kind of initiative in every sector, through direct and indirect funding. You should check specific Erasmus+, EaSi, Creative Europe and COSME portals and deadlines.

Pros	Cons
• You don't have to return them.	• They are often delivered as a **reimbursement for the purchase of good**s or services after presenting the invoices, once the investment has been completed. It is necessary to pay the initial spending phase. • In case of indirect funding, the **bureaucratic praxis** could be really exhausting in some countries.

Crowdfunding

Crowdfunding is also known as collective financing. It is done through platforms aimed at raising funds so that investors are encouraged to finance different projects with small amounts of capital. The total of the capital to be financed is divided into small amounts to help the entrepreneur. You should make the idea attractive and launch it on special portals, such as kickstarter, ulule o Indiegogo.

Pros	Cons
• It allows you to test the **validity** of your projects, exposing them to the judgement of the virtual community, thus guaranteeing a return also in terms of feedback. • If the idea is well received by the web, a crowdfunding campaign can become a **powerful marketing tool** able to effectively **build** a valid **brand image** • It leaves social entrepreneurs **greater control**	• The campaign does not always lead to success. • Even when the campaign succeeds, generally **small amounts** are gathered. • By presenting a creative project on an online site, there is the concrete **risk of someone freely taking possession of the intellectual property rights** of the idea. Despite copyright laws, it is very difficult to protect what is spread on the Net.

Explore to find an inspiring successful story: *https://www.bolsasocial.com/investment/ciclogreen266/*

Dedicated contests

They can be rewards and tenders launched by both public and private groups (universities, foundations, companies, research hubs or incubators). Just check the calls for proposals to see if you are eligible, on sites created specifically for this purpose and launched on social networks, perhaps in specific profiles.

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Pros	Cons
• High contributions • Non-repayable • Incubation and tutoring initiatives of **high value**.	• Very few projects admitted • Selective requirements

Explore to find inspiring success stories from **European Social Innovation Competition.**

KEY STEPS

Take into consideration all the pros and cons descripted in the sub-sections and choose the funding options best suiting the necessities of your business. Broadly speaking, it will be all about a tradeoff between the independence of your project and the amount of capital you will get.

Exercise: How will you finance your social enterprise? After reading about different options what funding options do you think are most relevant and accessible for you? What steps have you or will you take to secure enough funding for your enterprise?

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7. SEEK ONGOING SUPPORT FROM A MENTOR

Let's first define the words that will be used largely in this article: mentor, mentee, mentoring, mentorship.

7.1 What is a mentor? Mentor is an individual with expertise who can develop the potential of the mentee. Simply, the mentor guides, trains and advises the mentee. Mentor does NOT do the job of the mentee - unless they both agree on it.

7.2 What are the roles of the mentor?

- **To build emotional support: encouragement, recognition, feedback, coaching, trust;**
- **Acts as a role model;**
- **Have access to learning opportunities and networks;**
- **Keeps the mentee on the "right" track and diminishing pitfalls.**

7.3 What is a mentee? Someone that needs support from a person who already experienced certain actions or processes that you will live in your future endeavors.

7.4 What are some of the roles of the mentee in the process of mentoring?

- **To be open and receptive for learning;**
- **To be open to giving and receiving a feedback;**
- **To be committed to expanding capabilities;**
- **Have a sense of personal responsibility: take ownership;**
- **Follow the development plan.**

Therefore, there are both mentors and mentees, and their roles. And now, what is the process of mentoring? What is mentorship?

7.5 We can describe mentoring with these sentences. You choose for yourself which one is making rapport to you:

Mentoring is essentially about helping people to develop more effectively;

Mentoring is a form of developing the human capital;

Guiding others in their personal quest for growth through learning;

Method of encouraging individual growth;

7.6 And what are the benefits for you from mentoring? Why to "seek" for a mentor?

1. You'll avoid the common pitfalls (learning from others mistakes will save you time, energy and finances);
2. You will make connections (your net worth is equal to your network);
3. You'll be more effective (able to focus on right things in your business);

4. You will get, as much as you give (you will learn that the business is all give and take);

5. You will grow after feedback from mentors;

6. It is focused on your needs - not general advises;

7. You can make a lasting friendship – each relationship will be unique to those two individuals involved;

In order to get those benefits it requires more than common sense. Research indicates that mentors and mentees who develop and manage successful mentoring partnerships demonstrate a number of specific, identifiable skills that enable learning and change to take place.

Other researches are revealing that unless a fairly structured process and specific skills are applied, mediocre mentoring relationships occur. Not much happens, and participants become frustrated with their well-intended but haphazard efforts. Worse, disappointed participants become convinced that mentoring doesn't work. On the positive side, when individuals use these skills and add structure, important, satisfying changes take place in the lives of both mentees and mentors.

In the previous paragraph we mentioned that mentoring is a process. **So what are its phases?**

	Phase	What is happening
1	• **Initial meeting**	• **Develop rapport and build trust**
2	• **Working together**	• **Mentor sessions**
3	• **Evaluating and moving on**	• **Meeting the goals** • **Reflect the experience**

Until now, we explored what are mentors, mentees, mentorship and mentoring processes. And everything is going smoothly. **But when mentoring fails? On what we should be careful and to recognize if it is happening and need to react upon it?**

1. Poor mentoring;

2. "Overpopulation" of mentors - nova days is a fancy word and profession, and many people try to acquire it, regardless if they have experience or concept or clarity about that. So my advice is always to seek for a mentor who already made something that you want to achieve. Remember the American saying "If you don't show it, you don't know it";

3. Inadequate Structure of the mentorship process / Design Flaw;

4. Mismatch / fit between mentor and mentee (simply they don't get along, interpersonal communication is not right maybe, their value systems are maybe not matching)

5. Lack of trust / commitment (it can happened on both sides);

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6. Pre-existing disappointment by early experience;

7. Mentor may feel burdened by the relation;

8. Communication barriers (technological, physical);

As an example, I had difficulties communicating with one of my mentees because they are deaf mute and each meeting we needed a sign language translator. And the other barrier is that the translator sometimes cannot transfer the right thought or energy to them. So we always try to keep short and simple lessons that are quickly and practically measurable;

9. Leadership distance / non-supportive.

All the above described will go very smoothly, if you are aware and focus on skills that you need to succeed as a mentee, and the skill set to require in your present or future mentor. This article further describes these skills and provides informal description on each skill.

A skill is a learned, observable behavior you perform that indicates (to someone else) how well you can do something. The set of skills described here constitutes your overall ability to mentor and be mentored.
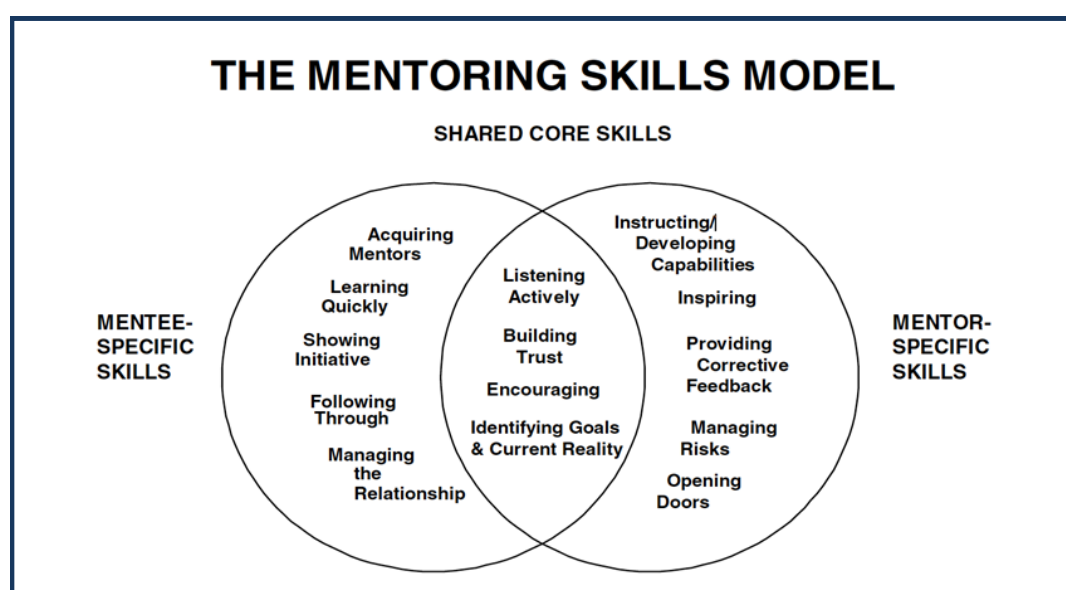
KEY STEPS

You need to know that for years, individuals assumed that the process of mentoring was somewhat mysterious. These relationships just happened, and "chemistry" had to be present. It was impossible to analyze and describe the specifics of what was going on in these arrangements. Some people were able to find mentoring relationships, while many individuals were unaware of how to get started with mentoring and missed out on one of the most powerful development strategies ever devised. Now you have the explanations of the matter, the process, the benefits, skills required and you know in which segments you need to be good and what you should be looking for.

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Exercise: Are you already benefitting from mentors, who are they and what do they contribute? Do you feel additional mentorship and for what skills do they need to possess?

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8. HIRE THE RIGHT PEOPLE

Have you heard about the African proverb "If you want to go fast - go alone, if you want to go far - go together"?

How do you understand this saying? Do you think that in the long run for sustaining your social business you can do all alone?

As each business expands, the need to create a good team arises. Also, each social enterprise prioritizes its mission to people who serve, and a crucial step in forming a social enterprise is defining and developing the team of players. In traditional business the emphasis is put on shareholders (owners and employees), but in the social enterprise it is clever to consider all stakeholders who share a "stake" in the outcome of your enterprise. That group of stakeholders that we will explore in this article includes: employees, investors, customers, and anyone involved in the product supply chain. It is also smart that social enterprise also considers the environment to be a stakeholder.

8.1 Employees

Let's start with your employees, as the most important stakeholders in your social enterprise. Building a team, many social entrepreneurs, are finding the most challenging part of their social venture.

As an employer, a social enterprise wants to hire talented employees who resonate with the social enterprise's mission and who expect to give something more than their time and in return will gain something more than a paycheck.

You need to be aware that the team members should not only possess the right skills and competences for the position they are hired! They should understand and be committed to the vision and mission of the social venture, and work to achieve it, despite the possible downfalls and sacrifices they will need to endure. Why? Maybe there will be times that people will have to work without being paid, or to work long hours, to work in unhealthy and uncomfortable conditions, or maybe even take risks for their safety. Consider this!

Because of that, it is paramount that social enterprises pay their employees on a pay scale that competes with traditional businesses. This means that the right employee for the job receives enough that the combination of their pay plus the value of doing meaningful work for the social enterprise outweighs the pay from a top-of-the-market competitor. You cannot settle for a second or third choice candidate because you lack the capital to compensate your first choice adequately. If you cannot provide a competitive salary or honor to an employee is a sustainability issue and indicates that you need to re-think the financial model of your social enterprise. A suggestion is to craft a company policy on compensation so that future discussions on pay are objective.

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Let's suppose that your social enterprise is generating enough finances to cover the costs for the employees. Now you need to build a management team! What about the roles and duties of the employees in your social venture? Who should be doing what?

Each entity needs a CEO, right? Those fancy three letters that many people want to have by their names on social media :) CEO means Chief Executive Officer. Usually one of the cofounders of the social venture takes that role. This is the person who carries forward the mission of the organisation, serving as its representative. CEO is the face of the organisation and aims to gather support from others, CEO works toward achieving the performance goals of the organisation, and CEO is accountable for the success of the venture.

That's why it is crucial to surround himself/herself with the right team!

Let's see the other executive positions, like chief operating officer (COO), chief financial officer (CFO), chief marketing officer (CMO) etc... and what are their roles.

The five key roles in the social enterprise leadership team:

Evangelists	Who is this? • Founder and CEO What is doing? • Carries deep passion for the organization's mission; • Convince others and gain external support; • Identifies new opportunities for the organisation; • Maintains the organization's culture What needs most? • Leadership, management and entrepreneurial competencies
Scaling partners	Who is this? • COO What is doing? • Develops and implements strategies to realize the vision and mission; • Strategic planning, resources management, building organization (creating and managing systems for efficiency); • Human resources management and reward systems for employees; What needs most? • Understands engineering of an organisation, interpersonal behaviors, management skills and entrepreneurial competencies

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Realist	Who is this? • CFO What is doing? • Making accounting, bookkeeping, processes, and implements financial systems adapted to the organization's size and structure; • Creates information that will serve as base for making decisions by the CEOs and COOs; • Keeps the organization "grounded in the financial reality"; What needs most? • Strong financial management competencies, analytical thinking, efficiency driven, entrepreneurial competencies
Connector	Who is this? • Founder and CMO What is doing? • Generate revenue by increasing sales through successful marketing for the entire organization, using market research, pricing, product marketing, marketing communications, **advertising** and public relations; • Connects the mission and vision with other stakeholders; What needs most? • Market oriented, seeking opportunities, finding information, creating value from information, understands human-buyer psychology, and creates needs.
Programme strategists	Who is this? • Head of programme development What is doing? • Brings strong experience and expertise in the field of work of the organisation; • Builds capacities of the organisation; • Ensures programs are designed for maximum impact and measures the impact; • Supervises and assure quality; What is needed? • Strong coaching and mentoring skills, supervising skills, expert in the subject.

Depending on the size of the organisation, the social enterprise may be functioning with just few individuals who work together and communicate constantly without explicit relations or subordinations, while other companies may need a complex organizational structure consisting of several departments with defined responsibilities and channels of communication.

Still, the top key challenge is to build a management team who will lead a growing and maturing social venture. Every founder (like you) will need strong support at a certain stage for growing his/her social venture, but my recommendation is to focus on leading the mission and vision of the enterprise, instead of the administrative tasks. And if you are missing managerial knowledge and experience, don't worry, that will come as you go deeper into sustaining your social enterprise.

8.2 Customers

Your next stakeholders are your customers. Your customers may be indirect to your mission- like those willing to pay a premium for a product from a socially responsible enterprise. It is important to understand the role that your customer base plays in driving your business. Are they the same group that you wish to make an impact on? The answer will help you understand how to price your product or service.

8.3 Investors

Another group of stakeholders are your investors. You will likely first encounter these stakeholders early on in your company's life, as they serve a key function in getting your social enterprise off the ground. Social enterprise investors are a hybrid between a profit investor looking primarily for a promising return on investment and a non-profit investor who wishes to foster the mission of the non-profit.

Social enterprise investors do want to see ROI on their investments but are also invested in the company's mission. It is crucial to keep your investors involved in the conversations about your company's mission, because it is your mission that most likely attracted their attention.

8.4 Supply Chain

Yet another part of your stakeholder team is your product supply chain. If you are producing a product, where you source the materials from is an important decision a social entrepreneur must make.

For example, Companies like Ben & Jerry's (ice cream products) actively seek out opportunities to source their ice cream materials from other social enterprises, such as sourcing their brownies from Greystone Bakery.

In N. Macedonia, the social enterprise "Bagel Bakery'' from Strumica (town), producing vegan and healthy sandwiches for gross sale and also for catering services. The vegetables and fruits for their sandwiches are taken from another social enterprise in Strumica called "Pokrov", which are doing organic agriculture.

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In conclusion, becoming a social entrepreneur requires more than a deep desire to see change and challenge the status quo. It also requires strong leadership capabilities to lead external and internal stakeholders of your social business. As a leader, you must be able to inspire, guide and develop all the stakeholders described above, in order to run a sustainable social enterprise.

But don't worry leadership skills and techniques can be learned. And know that very few people are natural born leaders (only 2% in the world), all the rest 98% of all leaders that you are familiar with, learned how to become one. Why? Because there is significant evidence that leadership can affect the success or failure of an organisation, especially for small and medium organizations. So it is important that we continually look for ways to learn and grow.

KEY STEPS

- Always hire more intelligent and competent people than you!
- Search for your next team on these events: entrepreneurship training, acceleration programs, seminars or other educational paths or mutual experiences. You already share some mutual knowledge, beliefs, values…
- Have a strategy how the talent will grow and improve in your social venture. In the long term, no one wants to "be just an administrative worker", "be just a technical guy".
- If you conduct interviews, learn about the recruitment process. It is not just to send a job announcement, read CVs and make interviews.
- People were very indifferent towards my idea; therefore I had to work with a minimal number of staff.
- While hiring a team for the startup I think that everyone needs to believe in that idea and work hard to achieve it.
- People that will join your team must understand your vision and besides the technical and soft skills, they need to have the "social component" inside them. Meaning, to be empathic, to understand and like the cause you are serving.
- And remember "If you want to go fast - go alone, if you want to go far - go together.

Exercise: Do you already have a team of co-workers or collaborators for your enterprise? Map your network and identified additional skills you need to proceed, what form of collaboration is most suitable, employer, contractor, investor, mentor etc.?

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9. BUILD A COMPANY CULTURE

Organizational culture is one of the factors determining businesses' long-term success. It is a set of shared values, goals, behavioral patterns, and practices that characterize how an organization operates on various dimensions. Organizational patterns develop as the enterprise evolves to tackle internal management issues and coordination with external forces. This behavioral framework should portray the company's communication and decision-making processes and prepare employees to represent its core values. Fostering a company culture that cares, lasts and cultivates is essential for social enterprises that aspire to provide long-term solutions to social inequality.

9.1 Culture with a mission

A successful SE builds an organizational culture around core beliefs that strengthen the focus on its mission. Company culture is significant for social ventures as they often must balance between two contradictory models, that of an enterprise and that of a social organization. A constant need to demonstrate and maintain demanding ethical standards and social values allows to create a strong foundation where members can develop a sense of belonging to something unique. Social entrepreneurs are responsible for finding the right people who share the core beliefs of the enterprise and make sure employees understand and follow their company's mission. Such values as camaraderie, community, empowerment, diversity, and integrity should be fundamental in a company's strategy.

9.2 Collaborative culture

Social enterprises face constant pressure to respond to internal and external issues and deal with the outside environment. Their management model should encourage and support an organizational culture with a considerable level of agility and flexibility. Typical corporate work methods, such as standardization of processes, rarely can be applied to implement social innovations as circumstances for every case may vary. SEs instead can benefit from cultivating open communication practices and result-oriented culture. An environment where employees can openly share and receive honest opinions and commentary allows them to feel more connected to the company's vision. Additionally, the result-oriented approach has a strong focus on the positive outcome for the enterprise, which allows employees to concentrate less on formal procedures, and instead cooperate and discover innovative solutions.

More information on strategies for Cultivating a culture of open communication and Creating a results-oriented culture with OKRs.

9.3 Culture that nurtures

Companies that concentrate on people-oriented management are inclined to achieve lasting prosperity. Nurturing workplace culture provides members of the organization with appropriate tools, training and guidance required to succeed. A strong focus on personal achievements and professional development empowers employees to act as integral members of the organization.

People-oriented culture recognizes people as essential contributors to the company's success and treats them as valued partners. Employees who feel appreciated have a significant interest in the prosperity of the organization and are willing to go an extra mile. SEs should strive to create a workplace where people with ideas are empowered with opportunities to innovate, collaborate, and become their best.

Social entrepreneurs are responsible for building a culture that allows the company to pursue their social vision and harmonize between the demanding needs to supply the market and diffuse the social impact. Rather than following strict procedures and complicated organizational hierarchies, SEs should cultivate an environment where innovations and creative problem solving are encouraged. Establishing a thriving company culture, starts with and focuses on people, involves a great deal of flexibility and adaptability, and is based on open and honest communication.

TOMS Shoes is a leader in creating a prosperous company culture. You can find out more about their employee culture programs **here**: *https://www.inc.com/magazine/201605/leigh-buchanan/toms-employee-culture-programs.html*

Exercise: Based upon the discussion above define the 3-5 key virtues/values for your enterprise in relation to different target groups that is your clients/beneficiaries, employees/contractors and investors?

KEY STEPS

- Define your values and goals;
- Find what matters to your colleagues and employees;
- Strive to inspire and lead by example;
- Be flexible as company culture is an ever changing component of your enterprise.

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10. REACH OUT GLOBALLY

Many social enterprises focus on niches, especially in local markets, and their prevalence across and within countries is inconsistent. Consequently, the potential of social implications led by such organizations is rarely fully realized. Expanding social impact and solutions across borders is a fundamental instrument for SEs to contribute to global needs and achievement of sustainable development goals. The influence of social innovations on larger groups or communities can promote large-scale behavioral and transformative social change. There are several mechanisms and strategies to scale up globally that can be used separately or combined to increase the impact of SEs. Based on the approach of the solution these can be broken down into three major categories (Figure 1): wholly owned (expanding the enterprise), dissemination (sharing their knowledge), or affiliation (creating partnerships).
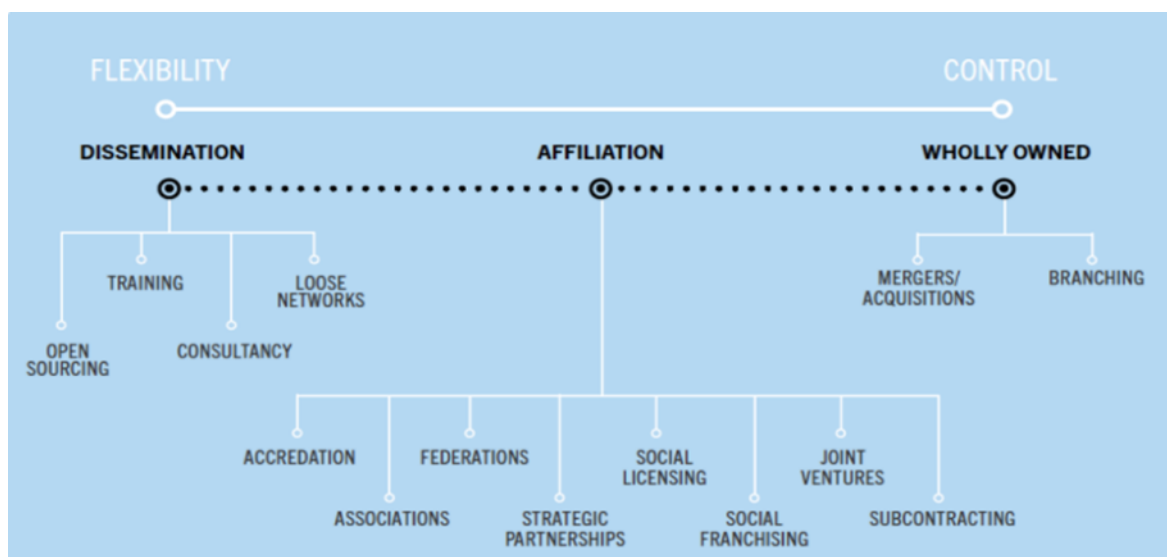
Types of Scale Model by International Centre for Social Franchising.

10.1 Scale the enterprise

Scaling impact through expansion is a model most suitable for enterprises that have an inclination for competitive growth and pursue revenue-generating activities. Mergers, acquisitions and branching are control-based scaling strategies, which comprise the parent organization forming new branch structures to increase the scale of operations, access new capabilities, and to obtain resources available in new markets and locations. However, control-based expansion, in most cases, needs the largest investment by the parent company and requires a substantial amount of central control and coordination. Cross-border scaling of these SEs, on the other hand, allows creating a defensive strategy instrumental for competitive advantage in a highly dynamic market, and reproducing their social values, collaborative culture, and management practices on a multinational level.

Advantages:

- High control of the project at the central level.
- Attractive to investments as it is potentially the most reliable path for investment return.
- Ability to oversee implementation consistency.
- Lower brand risk.

Disadvantages:

- Requires higher initial financial investment and organizational resources.
- Maintaining solid stakeholder involvement in decision making as the enterprise grows.
- Possible failure to adapt implementation locally.
- Slower method to scale.

Example: Groupe SOS was established in France in 1984 and since it has grown to be one of the largest non-profit organizations across the world specializing in social entrepreneurship. Their mission is to tackle social exclusion, and now they operate in Youth, Employment, Solidarities, Seniors, Health, Culture, Ecological transition, and International action sectors to respond to societal needs. In 1995, the group decided to pool together their financial, accounting, legal services and human resources functions, resulting in uniform management, consultancy and central control practices. The centralized system has allowed Groupe SOS to primarily base its expansion on acquiring other social ventures and associations, which were either in financial difficulty or were aiming to grow through shareholders. (https://sos-group.org/en)

10.2 Scale the solution

Social enterprises can promote their expansion process through the dissemination of their social innovations by actively sharing knowledge and/or providing guidance to any organizations that aspire to replicate the model. These strategies require fewer resources and less centralized control from the parent organization, as the shared information can be appropriated by the recipient to their individual requirements. Dissemination method works well for SEs that is less concerned about ownership and profit and instead focuses on increasing the social impact by altruistically spreading their concept, strategy, or tools. Common implementation approaches include open-sourcing, training and consultancy. Open-sourcing dissemination allows the parent organization to share their resources and toolkits that allow others to replicate the model with minimal additional guidance. SEs can also share their knowledge through courses, workshops and seminars which require additional support for adopting organizations seeking to implement social innovation. In some cases, disseminating organizations can establish long-term relationships providing consultancy on strategies and best practices on how to replicate their social venture.

Advantages:

- The fastest method to scale.
- Requires little initial financial investment and organizational resources.
- Less central control and monitoring required.

Disadvantages:

- Possible failure to adapt implementation in accordance with initial goal;
- Negative impact on the brand if replications fail.
- Lower and inconsistent income.

Example: Build Change was founded in 2004 by a skilled mason with a doctorate in civil engineering who aspired to shift construction practices in the earthquake and typhoon-affected regions. Recognizing the global scale of the issue and lack of resources available for a single enterprise, Build Change has instead open-sourced their methodology. Their mission is to reduce avoidable deaths and economic losses in developing countries by designing disaster-resistant houses and training engineers, builders, government officials and homeowners to build them. Currently, Build Change design and construction guidelines are used by over 40 organizations that can adapt the model locally by employing local human resources, using local materials and products, and allowing for ownership. (https://buildchange.org/)

10. 3 Partner for scale

Establishing strategic partnerships with external organizations (governmental authorities, private companies, and other social ventures etc.) is another scaling approach providing the broadest range of possibilities for SEs to expand and spread their social impact. Partnering for scale generally involves a legal framework that describes the relationship between the parent and the partner organization. Often it relies on financial agreement and commitment of both parties to share knowledge and intellectual resources. Common forms of expansion through affiliation comprise social franchising and a variety of organizational arrangements.

Like commercial franchising, social franchising uses the same business approach to scale the social value, instead of profit. This strategy follows similar principles between the franchisor and the franchisee, allowing others to operate under the established brand name using proven organizational practices. Social franchising enables adopters to replicate and adapt the model fostering local ownership but without expanding the parent organization. Another common form of an alliance for SEs to globally expand their social impact is joint ventures.

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These strategic business arrangements involve an agreement by two or more independent parties that pursue common goals to achieve a greater social impact. Joint ventures allow SEs to spread their social innovations and minimize the risk of failure by sharing finances and control.

Cross-sector partnerships are a fairly recent implementation strategy, but it has a lot of advantages to both entities in an agreement. These include partnerships between governmental and non-profit organizations that aim to address common issues more effectively and allow public authorities to implement social innovations for social service provision. Another form of cross-sector partnerships involves an arrangement between SEs and private corporations, which enables non-profit organizations to benefit from partners' infrastructure, making it easier to access new markets and reach out to more customers.

Advantages:

- Fast scaling method that retains the quality of implementation.
- Partnerships can provide access to established infrastructure, new technologies, capabilities and skills.
- Employs local resources, knowledge and fosters ownership.
- Shared financial obligations with partners.
- Does not require central control and monitoring for daily operations.

Disadvantages:

- Alignment of goals and logics between partners, especially in cross-sector partnerships.
- Management of partnerships can be challenging and time-consuming.
- Less control over quality than in wholly owned scaling models.

Example: Le Mat is a social brand and a social franchisor operating a system of social entrepreneurs in tourism and hospitality. Their worker-owned cooperatives establish and manage hotels, hostels, B&Bs and provide other tourism services. Le Mat brand and network were launched in Italy in 2005 and have spread to the United Kingdom, Poland, Greece, Sweden and Hungary since. Even though the enterprise operates as a social franchisor, it allows franchisees to adapt their concept in terms of the local context, including culture, architecture, geography and social aspects. To replicate their social model, Le Mat instead provides manuals on their established business practices and offers expert support through consultancies. *(http://www.lemat.it/en)*

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Social enterprises can successfully expand on an international scale and simultaneously generate positive financial, social, and environmental results. Selecting the best scaling model for your organization requires considering a range of parameters including impact, tools, products, reputation, human resources, governance, and funding.

Social Replication Toolkit and a handbook for **Unlocking Growth** can be helpful for further guidance in scaling your enterprise.

Exercise: Which strategy will work best might be defined by the purpose of the social venture, its values and environment? **Some questions to consider before deciding include:**

- What is your current strategy?

- What is the purpose of expansion? How does it fit with current organizational values and goals?

- What elements of your social model could be replicated?

- Who could replicate your venture? Who could be your potential partners? What is the relationship value for both entities?

- What financial obligations would your enterprise face?

- How will the social impact change with additional parties involved?

KEY STEPS

- Figure out your goals and motivation for expansion.
- Choose a scale model.
- Look for relevant scaling examples that could be applied to your enterprise. It is highly recommended to prepare some case studies to figure out best practices.
- Depending on your chosen model either look for partners or ways to disseminate your social solutions.
- Stay patient and flexible. Global expansion might be a slow process!

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CONCLUSION

To conclude, Social Business Roadmap will be an innovative instrument with the goal to provide a practical framework, especially to young people dealing with social entrepreneurship, in order to acquire specific and targeted implementation steps on their future professional and personal development.

The Social Business Roadmap will be used as an open-source for anyone creating a wider impact, as could work as an influential and innovative method to help people learn about social entrepreneurship, raise their awareness, and to catch the most important and updated information on this sector. More specifically, one of the main objectives of the Social Business Roadmap is to enhance and deepens the competencies of young people in the 6 partner countries that participating in the SE4Y project.

The Social Business Roadmap will only be available online as most of the time young learners are using the internet for educational purposes instead of books. Also, the Roadmap will be converted in digitalized format through slide shows/videos. The Social Business Roadmap, in both formats the digital handbook and the slide show/video, will be provided through the SE4Y Help Desk (IO3).

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