

Executive Summary: How to make it happen

On September 17th, 2012, **68 people** from **49 organizations and government departments** and **14 communities** around the province met in St. John's to share ideas about the future of social enterprise in this province. This report records in detail the many ideas that emerged from the day, which all come together to answer a key question: "How can we make social enterprise happen?"

Discussions were guided by CSC CEO Penelope Rowe, with ideas from around the world brought in by **Gerry Higgins**, head of **Community Enterprise in Scotland (CEiS)** and chair of the **Social Enterprise World Forum**. Scotland has, in recent years, transformed itself into the best environment in the world for social enterprise.

Joining Gerry Higgins to guide the conversation were **7 discussants** from the provincial government, federal government, and community sector organizations, all of whom have a stake in the development of social enterprise in Newfoundland and Labrador.

So **what is social enterprise**? We'll use the working definition adopted by the World Forum – that social enterprise means "pursuing social development using business methods." Within that simple definition is a profound **cultural change** for all the sectors: business government and the community sector.

Why encourage social enterprise? At the most basic level, it can help bring more resources to social needs – something especially relevant in a time of austerity. It also promotes **innovation** as organizations look for new ways to do their work (and pay their bills) and helps communities **respond to their own needs**.

Before Newfoundland and Labrador can become a truly enabling environment for social enterprise, a number of **challenges** need to be overcome – and participants were left with a good sense of the **supports** needed to overcome them.

Event and Discussion Facilitator

Penelope Rowe – CEO, Community Sector Council NL

Keynote Speaker

Gerry Higgins - Executive Director, Community Enterprise in Scotland (CEiS)

Discussants

Dave Boland – Manager, Community Development, ACOA

Bruce Cooper - Deputy Minister, Department of Health and Community Services

Marilyn Field - Deputy Minister, Department of Advanced Education and Skills

Colleen Kennedy - Executive Director, Gros Morne Cooperating Association

Sheldon Pollett - Executive Director, Choices for Youth

Gillian Skinner - Director Regional and Economic Development, Department of Innovation, Business and Rural Development

Dana Spurrell - Director of Policy and Strategic Planning: Voluntary and Non-Profit Secretariat

Challenge: Organizational Change

Social enterprise work requires a set of skills – business planning, promotion, accounting, etc – that many community organizations do not yet have (p.13) and a willingness to take risks, and in many cases a change of organizational structure.

Solutions:

- Mentorship from the business community
- Pro-bono support from legal and accounting professionals
- Government support for training programs targeted specifically at social enterprises

Challenge: Access to Capital

One attraction of the social enterprise model is the possibility of bringing more resources to bear on community needs. Organizations also need start-up capital to get off the ground just as purely for-profit businesses would.

Solutions:

- Public procurement: government agencies can purchase goods and social services directly from social enterprises
- Community benefit clauses: included in tendering contracts to spread benefits to social enterprises/community agencies
- Grant funding to develop new ideas and business plans
- Working with banks to provide to risk capital and big issue investment (loans repayable when certain conditions are met)
- Government support for social impact bonds that pay returns directly to investors when an outcome is achieved

Challenge: Cultural Change & Public Perception

Social enterprise is a different way of doing business, and can face resistance from several sides. Private businesses are often concerned about unfair competition. Community organizations may feel pressured to adopt the model even when not appropriate (p.13), and they may face competition from social enterprises for scarce grant funding. Governments must also change their own tendering process and thinking about public services.

Solutions:

- An ambassadors program that connects with business leaders and politicians who can speak for social enterprise
- Identifying and working with champions within government
- Multi-stakeholder dialogue with service agencies, starting early
- Nurturing champions in the social enterprise sector

- Promoting the idea that huge additional value emerges from socially-focused contracting
- Get social enterprise concepts into the curricula at post-secondary institutions

Challenge: Building a Network

Especially in the early stages, it is essential that leaders interested in social enterprise – from all three sectors – can come together and share ideas, best practices, and opportunities. These networks must include the clients whose demand social enterprises serve.

Solutions:

- A clear articulation from government that becoming a social enterprise leader is a priority
- Formal, facilitated partnership programs connecting leaders from different organizations
- Bringing together networks at the local level to address community needs

Next Steps

The seeds of a social enterprise movement have already been planted. Organizations like Choices for Youth and the Gros Morne Cooperating Association are already pioneering the ideas involved.

The beginnings of a network are also present. Many attendees at the meeting indicated their interest in future engagement and there is awareness that this is an issue that cuts across sectors and government departments.

Some of the steps involved are relatively simple – adapting training programs to include social enterprise-focused content, fostering relationships with ambassadors, or providing grant funding for business development.

Major movement, however, is also dependant on some significant policy changes. Government procurement procedures have played a major role in social enterprise development around the world – and they could here.

Above all, though, the message was clear that **communities cannot wait for government to move**. They need to come together and identify opportunities for social enterprises to make a difference. There are many.