

# CREATING AN ENABLING, SUPPORTIVE ENVIRONMENT FOR THE SOCIAL ENTERPRISE SECTOR IN IRELAND

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# FOREWORD



As Chairperson of the Irish Local Development Network (ILDN), I am delighted that we now have a significant piece of research such as this, which confirms the valuable role that Local Development Companies (LDCs) play in supporting social enterprises in their communities.

As local enablers for our communities, each of our 49 LDC members have and continue to play an important role in supporting the development of their area. The concept of creating an enabling and supportive environment for social enterprise is not a theoretical construct but a reality being delivered by LDCs on an ongoing basis. This report confirms that LDCs are playing a central role in creating and supporting social enterprises, which in turn are providing a viable platform to deliver services and products where market conditions such as geography will not allow.

The maintenance of services to marginalised communities through the social enterprise construct has an essential community value in that it strengthens the social cohesion that is key to building sustainable communities.

Setting up a social enterprise is not without its challenges. This report identifies a number of financial, legal and other areas, such as dependence on volunteers for running a business with a commercial dimension. This is where LDCs have and continue to play a key role in supporting the proper management of these organisations. These supports are not often recognised, but this report provides the empirical evidence and analysis of the enabling role of LDCs for the social enterprise sector.

Finally, I would like to thank Dr Briga Hynes of Kemmy Business School in the University of Limerick for her work, as well as the ILDN Social Economy Working Group for overseeing the development of this important report on the role of LDCs in supporting social enterprises in Ireland.

**Marie Price Bolger**

*Chairperson, Irish Local Development Network (ILDN)*



## Executive Summary

Social enterprises in Ireland operate across a wide range of business sectors, in urban and rural as well as socially and economically marginalised locations. They vary in size from small independent operators to larger community-based enterprises.

Although they are important drivers of social, economic and environmental change, it is not easy to demonstrate the many benefits that they provide, as a means of validating their existence and justifying support for them.

However, the results of this empirical study, involving representatives of 20 Local Development Companies, provide insights into the contributions of the social enterprise sector, the challenges encountered in arriving at their social mission, and the supports required to start and scale social enterprises in a more successful manner.

The primary conclusions that arise from the research are:

- The concept of social enterprise is not well understood generally. Among the various stakeholders, the definitions, values and measures of success vary.
- Social enterprises provide a combination of social, economic and environmental benefits to individuals and regions in need of regeneration.
- Start-up and established social enterprises have similar external challenges, particularly in relation to legal and governance compliance issues, and sourcing and accessing funding, whether to start up or to scale up the social enterprise. There are calls for the funding frameworks to be simplified, and for the related administrative procedures for applying for funding to be improved.
- Internally, for the start-up enterprise, issues arise with validating the market opportunity and with staffing. For the established social enterprise, the challenges relate more to management and governance, and the recruitment of board members.
- The current landscape of supports for the social enterprise is largely based on mainstream, micro, small and medium enterprise policy, without acknowledgement of the differentiating characteristics of the social enterprise, especially in areas of financing, governance and performance measurement.

- A social enterprise policy needs to be developed with the aim of establishing a vibrant and supportive environment for social enterprises to start up and scale up, leading to a balanced pipeline of social enterprises in Ireland.

Arising from the research findings, recommendations in six areas are proposed to inform a more dedicated social enterprise policy, as outlined below.

### **1. Enhance awareness of, education about, and promotion and recognition of social enterprise activity**

It is necessary to promote a more realistic and comprehensive understanding of the motivations, characteristics and benefits of social enterprise activity through the following actions:

- Establishing and resourcing a dedicated system for social enterprises, or a champion entity that is recognised as the 'go to' entity for information or dealings on social enterprise formation or development. Its ownership would be best placed in Local Development Companies, given their impact on the development of the social enterprise sector to its current state despite limited resources.
- Progressing the development of a Social Enterprise Brand or of a branding of the social enterprise sector, and establishing a website that is the 'shop window' for the social enterprise sector in Ireland.
- Developing case studies or stories and testimonials presenting role models and advocates of good-practice social enterprises, so as to generate confidence in social entrepreneurship and give it legitimacy in line with mainstream micro, small and medium enterprises.
- Delivering targeted social enterprise information and knowledge-sharing events such as a national stakeholder conference for social entrepreneurship; for example 'The Ireland Social Enterprise Summit'; arranging seminars and workshops regionally involving multiple stakeholders engaged with the progression of social enterprise activity. Participation and collaboration in general micro, small and medium enterprise events run by Local Enterprise Offices (LEOs) and Enterprise Ireland will also heighten awareness and deepen their integration with the mainstream micro, small and medium enterprise sector.

Government support for the social enterprise sector must be tangible. It is suggested that a nationwide Social Enterprise Support Centre be established to streamline the services offered and the activities of organisations engaging with

social entrepreneurs in a more formalised manner, thus leading to additional economies of scale and synergy between providers.

More strategically, consideration should be given to developing Social Enterprise Hubs that provide innovation spaces to help both start-up social enterprises and growing enterprises, offering common resources and administrative supports, as well as assistance in areas such as marketing, governance and networking.

## **2. Establish a supportive financial infrastructure that acknowledges and rewards the multiple contributions of the social enterprise sector**

Current social enterprise funding mechanisms need to be reconfigured to address the different social enterprise business models and the varying stages of social enterprise development. This requires the following:

- Changing the mindsets of funders (public and private) and equally of the social entrepreneur as to what role funding and funders should play in starting up and scaling up the social enterprise.
- Enabling the social entrepreneur to become investor-ready as opposed to just grant-ready. This requires increased availability of training in Financial Planning and Financial Management, Sourcing Funding and Managing Cash Flow.
- Creating a level playing field between social enterprises and mainstream micro, small and medium enterprises for access to funding, by compensating for or modifying public funding criteria to ensure that social enterprises can access equivalent financial resources.
- Facilitating a move away from dependency on grant and wage subsidisation to a situation where social enterprises have a greater incentive to produce, trade, generate revenue and reinvest surpluses.
- Identifying and testing how contemporary funding or social finance intermediaries (angel investors, diaspora, individual investors, venture capitalists, crowd funding) are predisposed or willing to provide loans, guarantees or quasi-equity to social enterprises.
- Providing more equitable access to social entrepreneurs to secure public procurement contracts by modifying the contractual stipulations for social enterprises.

It is important to keep in mind that it is not enough to increase funding without improving the allocation mechanisms to ensure that funding is put to good use and to create a better alignment between the expectations of funders and the needs of social entrepreneurs.

### **3. View governance and leadership as a practice rather than a set of independent tasks**

The following actions will alleviate governance challenges, which are a primary barrier for social entrepreneurs.

- Clarifying to the social entrepreneur what the concept of governance means, to lessen the fears and trepidations associated with it. Social entrepreneurs need to understand that effective governance is not just about rules, bureaucracy, and the stifling of progress.
- Focusing attention on early-stage and start-up social enterprises that are consumed with establishing a presence in the market can lead to governance arrangements being neglected, or only considered when concerns are raised by funders or public service contractors.
- Devising and implementing better mentoring on governance management, covering sourcing; recruiting and assembling a board of directors; managing and leading the board of directors; managing conflict in the board; rules, policies and procedures for managing board operations.

The social entrepreneur also requires guidelines and instructions on the process of recruiting a board of directors, reviewing board performance, managing conflict, and managing the interdependencies between board and management. The increased demand for governance-related services increases the workload for Local Development Companies; resources need to be allocated to them to deliver these services. Further, training in governance should be made available for individuals working in Local Development Companies.

### **4. Create an alignment between evaluation and monitoring metrics**

A range of suitable measurement methods, which realistically capture the combined enterprise performance (outputs) and the process of achieving results, needs to be formulated. The following should be considered:

- Different impact measurement tools and metrics should be applied for early-stage social enterprises versus more established ones.
- Monitoring, measuring and tracking of enterprise activities must be integrated into the social enterprise strategy development processes and procedures, and not be an add-on or be peripheral to day-to-day activities or be completed only when required for funding or assessment purposes.



- Situations in which different funders and agencies impose significantly different and demanding measurement methods on individual social enterprises must be managed and reduced.
- Current requirements and stipulations for measuring social enterprise performance that are overly prescriptive and output-focused must be redesigned, so that the methods focus on the process of setting targets and achieving outputs, and relate to the realities of the operations and milestones of the social enterprise.
- Training and competency development needs to be provided for social entrepreneurs and personnel in Local Development Companies and funding institutions, in the area of measuring performance and impact in the social enterprise.

## **5. Provide competency and capability training for start-up and scaling-up social enterprises**

The availability of resources on their own will not guarantee a sustained pipeline of social enterprises if the social entrepreneur is not capable and competent in addressing the challenges, barriers and opportunities affecting their operational and strategic decisions. Therefore the provision of cross-functional training addressing the social and commercial requirements of the enterprise should be supported in the following areas:

- Management and leadership – bridging the business functions to achieve social and commercial impact
- Validating the social concept – the questions to address
- Applying for funding and managing finance, funding, pricing strategies
- Strategy development – developing strategic thinking in the social enterprise
- Integrating social and commercial business models to achieve scale
- Monitoring and measuring performance – beyond a set of metrics
- Working through and with change
- Personal development – bridging the social and business mindset to achieve scaling
- Governance and board of management competency development

Mentoring is an important part of the delivery process. Greater engagement with mentors from financing institutions and experienced social entrepreneurs will provide complementary learning opportunities for social entrepreneurs. To

provide training personnel in the Local Development Companies and other government agencies delivering services to the social enterprise sector, upskilling and training in these areas will be required to ensure that content and delivery address the ever-changing trends in these areas.

## **6. Enhance networking, partnership and collaborations, to achieve greater social impact**

Networking across organisational boundaries to create social value is a powerful scaling strategy for social entrepreneurs, as creating social value does not require that value be captured within a single enterprise boundary. It's not just about undertaking more networking events but rather the objective is to deepen and capitalise on current networks with a view to determining which ones work best, and why and how to expand on them. The following actions will assist in attaining this objective:

- Be more deliberate in using existing networks as platforms for knowledge-creation, learning and shaping the external environment in favourable ways, and collaborate with other social entrepreneurs, funders, educators.
- Improve the communications mechanisms and learning opportunities across relevant networks, perhaps organising sub-groups around specific topics of interest.
- Consider developing common learning programmes and curricula across different formal networks in which the members have similar needs.
- Develop networking skills in the social entrepreneur for the roles of 'networker' and 'collaborator'.
- Evaluate and test business development partnership options such as skills partnerships, channel partnerships, and venture partnerships.

These recommendations, driven by a common consensual goal of creating an enabling and supportive environment for the social enterprise sector in Ireland, must be fronted and supported by government. Their implementation must be shared by the key stakeholders interacting with social entrepreneurs.

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# 1.0 Introduction

Social entrepreneurs contribute substantially to the Irish economy (ILDN, 2014; Forfás 2013; Irish Social Enterprise Network, 2012; Doyle and Lalor, 2012). The sector is diverse in terms of the profile of the social entrepreneur and the nature and structure of the social enterprise, ranking across a spectrum of community groups to commercial and profit-making entities.

As social enterprise activity has intensified, government policy focus on this sector has strengthened, with the establishment of a Social Enterprise Taskforce, publication of the Forfás report *Social Enterprise in Ireland: Sectoral Opportunities and Policy Issues* (2012), and the development of an Interdepartmental Working Group focusing on incorporating the social enterprise agenda in the key EU Ireland Partnership Agreement and Operational Programmes for 2014-2020.

The importance of developing this sector is highlighted in the comment:

It is important that we build a framework through which social enterprises across the spectrum can obtain supports from Government Departments and agencies which are appropriate to their level of development, the nature of their activities and their commercial ambition' (Forfás, 2012).

The development of such a framework is an ongoing task. This social enterprise support framework should combine a strategic perspective and an aligned operational focus to address the many needs of the heterogeneous population of social entrepreneurs in Ireland. Its formulation necessitates an understanding of the interconnected and often complex relationship between the internal forces (social entrepreneur) and external environmental conditions (funding, market demand, public acceptance, economic and societal) affecting decisions to start or scale up a social enterprise.

The findings from this research study, commissioned by the Irish Local Development Network (ILDN), will feed in to the development of the framework. They provide a contemporary perspective of the operational, management and governance challenges encountered by social entrepreneurs as they start up or scale up their enterprises.

The scope of the study is to profile social enterprise activities and their contributions, and to identify the challenges that social entrepreneurs encounter in developing and scaling their enterprise.

- The report begins with a brief discussion of the classifications and definitional issues associated with social enterprises, followed by an analysis of the interdependency between the social entrepreneur and the social enterprise. In this way, the context framing social entrepreneurial behaviour is established.
- Next, the results of the empirical survey, involving representatives of 20 twenty Local Development Companies, are presented in order to profile:
  - the activities of social enterprises and their many contributions
  - the range of direct and indirect supports requested by social enterprises
  - the challenges and issues affecting the scaling of social enterprises
  - the opportunities that lie ahead for social enterprises
- Recommendations are then offered concerning the development of support interventions to stimulate, nurture and enable a more vibrant social enterprise sector in Ireland.
- Finally, some avenues for further inquiry emerging from the analysis of the findings are presented.

## 2.0 What is a Social Enterprise?

The social enterprise sector is a relatively emerging construct in the overall population of enterprises. In some instances, it is viewed as a 'niche sector', a 'fad' or a 'grey area' nestled somewhere between the for-profit and not-for-profit sectors or community projects.

Social enterprises bridge product and service gaps in geographical and sectoral areas neglected by government interventions or deemed financially not viable by traditional enterprises. They benefit society by smoothing out economic shortcomings through raising social awareness and providing solutions (Santos, 2012).

Social enterprise activity covers a broad spectrum, from community-based projects funded by the State, to a smaller number of businesses trading on a commercial basis and owned solely or by a team of entrepreneurs and co-operatives. They merge at one end with the voluntary and community sector and at the other with commercially operated businesses. These enterprises operate across a variety of sectors, provide a range of services, operate in all markets, and tackle complex social and environmental challenges in innovative and sustainable ways.

The variation in the structures of social enterprises compounds the challenge of arriving at a common definition for the social enterprise. In the Irish context, social enterprises are defined by Forfás as:

... an enterprise that trades for a social/societal purpose, where at least part of its income is earned from its trading activity, is separate from government and where the surplus is primarily reinvested in the social objective' (Forfás, 2013).

## ***Social enterprise versus community enterprise***

This definition masks the range of social enterprise activity in Ireland, where *community enterprises* form an important component. For instance, community enterprises are assumed into the same definition as social enterprises, but community enterprises are typically owned and managed by individuals in the community, who were in some cases managers or employees in community initiatives and evolved into the social entrepreneur role. These enterprises can develop sub-enterprises, products, services and projects to meet a range of specific social, economic and environmental problems in their community. They provide a joined-up approach to tackling often deep-rooted and complex issues.

A social enterprise, on the other hand, is often seen as more rooted in the world of business and develops products and services that have greater potential for geographic expansion.

Should a community enterprise, then, be viewed as a social enterprise, or is it necessary to develop an alternative definition to accommodate the variations in activity and modes of operation, and indeed, in some cases, the ethos driving the entity.?

The difficulty in arriving at a single unifying definition is not unique to Ireland (Bornstein and Davis, 2010; Vasi, 2009). It is partly due to the heterogeneity of the social enterprise, variations in its stage of evolution and growth, the nature of the product or service offered, and the governance and business model configurations.

## ***Risks of applying a 'one fits all' definition***

Given the heterogeneity of the sector, is it appropriate to strive for a 'one fits all' definition, rather than devising a set of guidelines or characteristics that takes account of the national cultural, economic, regulatory and social milieu shaping social enterprise activity? Such a descriptor could provide the parameters to guide more inclusive social enterprise policy.

While the evolution of an Irish government definition capturing social enterprise activity is a step in the right direction, caution should be exercised about applying it in a strict way when it comes to allocating supports; this might limit social enterprise access to government supports, in particular funding opportunities.

Further, it might be difficult for some social entrepreneurs to position or fit their enterprise into the parameters of the definition, which would mean a lack of

recognition for the outputs and important social benefits they spin off to local economies.

Moreover, the application of too narrow a definition could mask the actual level and intensity of social enterprise activity in the country, as those who do not align with the definition would not be recorded in funding applications or in the general micro, small and medium enterprise databases.

Central to the development of an appropriate descriptor of what constitutes a social enterprise is an understanding of the interconnected behaviour of the social entrepreneur and the social enterprise, as a means of identifying the role of internal drivers (motivation of the social entrepreneur, the operational and business model adopted) and the external environmental conditions shaping the behaviour of the social entrepreneur.



# 3.0 The Social Entrepreneurship Milieu – Social Entrepreneur, Social Enterprise and Environmental Conditions

To examine the performance of the social enterprise, we need to take a dual perspective: understanding (a) the social entrepreneur and their characteristics, and the social enterprise they develop, and (b) the external conditions they operate in. The external environment, described as factors affecting the nature and outcome of the social enterprise opportunity, includes the macro economy, funding, and the societal, financial regulatory and sociopolitical environment.

This composite insight into the rationale for the decisions of the social entrepreneur – on scaling, on the business model to adopt, on sources of funding and performance outputs – will identify capability and competency gaps that require attention in policy supports. It will also show if current policy supports are appropriate or sufficiently targeted to the needs of the social enterprise.

Social enterprises mainly focus on value creation or value capture, which is embedded in the architecture of the organisation design, decision-making processes, networks and relationships that social entrepreneurs have access to and use (Santos 2012; Zeyen et al., 2012).

Social entrepreneurs measure their success not primarily by the amount of profit they make, but more by the degree of social value they create (Hartigan, 2006; Zeyen et al., 2012). These profits may be partially distributed to the stakeholders or typically reinvested in the enterprise to fulfil its mission. The impact of the environmental context on a social entrepreneur differs from that on a

commercial entrepreneur due to the influence of the social entrepreneur on the social mission as a driver for the development of the enterprise.

The market-selection mechanisms in the social sector lack intensity because they have less power over market conditions and act over longer periods of time. In other cases, a social issue may be compelling only to a relatively small number of constituencies and may have very low visibility, and a social entrepreneur may seek to make an impact by raising awareness about the issue. Indeed, an adverse context may often lead the social entrepreneur to seek to change the context itself, as often the social problem is deeply embedded in contextual factors.

Essentially, social entrepreneurs are viewed as initiators of a social entrepreneurial endeavour driven by a social agenda to push through social innovations and processes of social change (Ziegler, 2010), either individually or collectively (Bacq and Janssen, 2011). Santos (2012) tried to bring more clarity by distinguishing between social and commercial entrepreneurs. He claimed that social entrepreneurs are distinct from their counterpart in three main domains:

- 1) the goals they try to achieve
- 2) the different business models and methods they use
- 3) their management styles, and operational and governance policies and procedures

Social entrepreneurs in whatever context (community groups, co-operatives and independent social enterprises) are driven by a strong social ethos; they need to apply a range of enterprising skills and behaviours that are associated with venture creation and growth to sustain their enterprises and achieve their social mission. Social entrepreneurs provide a vehicle for establishing and developing personal autonomy and empowering individuals in socially excluded groups with independence, enhanced personal development, self-actualisation and self-definition, thus enabling them to act as credible contributors to the economy rather than as recipients of state aid.

### ***The challenge for the social entrepreneur***

The social enterprise is a collective construct; it contains elements from commercial and non-commercial organisations, extended with entrepreneurial attributes, behaviours and competencies, and is motivated by many socially related and impactful goals. The attainment of these goals requires entrepreneurial knowhow on how best to combine business efficiencies while achieving social impact and thus achieve a double bottom-line result.

Therein lies a challenge for the social entrepreneur: how to align their social enterprise format to address and satisfy the changing needs of their stakeholders whilst maintaining a revenue stream to sustain the enterprise.

Moreover, social enterprises compete with each other for scarce funding, government grants and contracts, for volunteers, for community mindshare, and for employees within their 'industry' contexts. This is an issue often forgotten about in policy development.

Understanding what constitutes a social enterprise requires clear understanding of the social entrepreneur capability and competencies and their interactions with external environmental forces shaping their decisions. This understanding must extend to the characteristics of the enterprise, to where they fit in the spectrum of business entities, and their real contribution beyond their social agenda.

The evolving perceptions of social enterprise are mediated by external environmental (economic, political, market opportunities and demand, fiscal and demographic) forces. Thus the focus on definition becomes less critical; rather, the emphasis should be on identifying areas of opportunities, and determining the competencies and capabilities of the social entrepreneur and the capacity of the social enterprise to deliver on these opportunities.

While organisational survival in the social sector may not always seem to depend on responsiveness to the external context, a social enterprise that continually monitors the context closely can develop strategies to reduce the effects of adverse environmental changes, and exploit opportunities that might arise from favourable trends. The external context shapes the opportunities available to the social entrepreneur, and a proactive management approach will best enable the entrepreneur to target opportunities and mobilise resources to achieve the greatest social impact.

### ***The enterprise jigsaw***

In summary, social enterprises can be viewed as an important piece of the jigsaw puzzle of the traditional worlds of government, non-profit and profit businesses; it is important that, while its distinct contribution is acknowledged, this piece fits in a seamless and linked manner into the overall jigsaw.

This study will demonstrate why the social enterprise should be acknowledged as a key piece of the overall jigsaw of the broader population of enterprises, and will show that, while it fits in cohesively, it yet has distinct characteristics that require dedicated policy interventions.

## 4.0 Research Approach – Data Collection

The aim of this research was to elicit information on the operational, management and scaling issues and challenges encountered by social enterprises in starting up and scaling up.

Representatives of Local Development Companies (LDCs) have performed a central role in developing and providing advice and supports to advance the social enterprise sector in Ireland. They are frequently the first touchpoint for individuals wishing to start a social enterprise.

LDCs have been identified by government as the key implementing partners for the Social Inclusion Programme funded by the European Social Fund (ESF) and the European Agricultural Fund for Rural Development (EAFRD) LEADER, and have begun delivering the two key programmes.

A targeted sample of 20 representatives of LDCs was surveyed. The survey questions elicited information on:

- the profile and contribution of the social enterprises that LDCs work with
- the variety of services offered by LDCs to social enterprises
- the sectoral areas seen as providing opportunities for social enterprise activity
- the challenges encountered in starting up and scaling up social enterprises

The representatives were also asked for suggestions on the supports required to develop a more sustainable social enterprise sector in Ireland.

Appendix I contains a copy of the survey instrument.

## 5.0 Research Insights

The research findings are presented according to the primary themes investigated in the survey.

- The first topic describes the range of direct and indirect supports offered by Local Development Companies (LDCs) to social enterprises and the supports most sought by social entrepreneurs.
- The second section profiles the social enterprises using LDC services and provides an overview of their many contributions. The methods of performance evaluation that LDCs apply to social enterprises are also discussed.
- With an eye to the future, suggestions are presented on the sectoral areas that offer opportunities for social entrepreneurs, and the challenges encountered by social entrepreneurs in starting up and scaling up social enterprises are described, with outline suggestions on how these challenges can be overcome.
- The results from the various sections are integrated to present a practical, holistic and up-to-date insight into the opportunities, challenges and barriers facing social entrepreneurs at the start-up and scaling stages of the social enterprise.

The results of this study will guide policy development on the type of direct and indirect supports needed to establish a more successful and vibrant social enterprise sector.

Table 1.0 shows the respondent profile.

**Table 1.0: Respondent profile**

<b>Respondent Name</b>	<b>Local Development Company</b>
Ann Flynn	North-East Mayo
Tom Bermingham	Wexford Local Development
Elaine McGrath	Paul Partnership
Francis McCarron	Monaghan Integrated Development
Triona Murphy	IRD Duhallow
Michael Bowe	Tolka Area Partnership
Brendan O'Loughlin	Offaly Integrated Local Development Company
Conor Ryan	Blanchardstown Area Partnership
Tara Smith	Canal Communities Partnership
Larry O'Neill	SDCP
Pádraig Casey	Ballyhoura Development Ltd
Eleanor McLoughlin	West Limerick Resources
Norita Clesham	South-West Mayo Development Company
Patricia Kelly	Galway Rural Development Company Ltd.
Liz Riches	Waterford Area Partnership
Ralph James	Ballyfermot/Chapelizod Partnership
Elizabeth Dunne	Co. Wicklow Partnership
Michael Begley and Mary Barry-Guerin	South Tipperary Development Unit
Robert Carey	North-East and West Kerry Development
Ryan Howard	South & East Cork Area Development Ltd

The respondent LDCs represent a number of regions and a variety of social enterprises, providing a good representation of the varied mix of social enterprises in operation across Ireland.

## 5.1 Supports provided to social enterprises – direct and indirect service provision

LDCs support the community and voluntary sector by providing enterprise and employment-related supports for start-up and established enterprises. The findings of this research demonstrate the comprehensive range of supports (direct and indirect) made available to meet the needs of a diverse social enterprise sector, at different stages of development.

The direct supports provided include:

- Pre-enterprise training programmes
- Advice for business idea development
- Devising and presenting a business plan
- Assistance with marketing and strategy development
- Guidance on procurement, and advice and assistance on sourcing and applying for funding

Additionally, the LDCs administer and coordinate work placement schemes and networking events, and deliver bespoke services as required by social entrepreneurs.

Across the total sample of respondent LDCs, it was found that certain types of supports were particularly popular, as discussed below.

### ***5.1.1 Direct supports offered to social enterprises***

The range of enterprise and employment supports cover the spectrum of pre-start-up to established social enterprise requirements. In the main they are delivered separately to the more general enterprise supports offered by the LDCs.

#### ***Pre-enterprise training supports***

Over 50% of respondents provided the tailored 'Start your Social Enterprise' programme, complemented by mentoring and advice. The mentoring and advice covers a range of topics such as developing a business plan; how to source funding; financial planning; human resource management, and assembling a board of directors. In addition to mentoring, there is a strong focus on providing networking expertise and identifying relevant networking opportunities for social entrepreneurs. These services are delivered directly, using the in-house skills of the experienced staff and directors of the LDCs.

Comments from respondents indicated that primary areas of learning opportunities for social entrepreneurs include skills in networking, knowing who to network with, and how to identify relevant networks.

#### ***Grant assistance for social enterprise start-up and expansion***

Grant assistance to social enterprises is allocated through a variety of programmes such as LEADER, the Local Development Social Inclusion Programme, the Rural Development Programme, and the Social Inclusion and Community Activation Programme (SICAP). SICAP is the most popular scheme.

Funding is allocated for a variety of operational-level enterprise activities in areas such as assisting social entrepreneurs to apply for funding, marketing activities, business-plan development, market research, sourcing reports, applying for grant aid, legal costs, and the implementation of strategy.

Support and advice on how best to address the business-plan criteria and completing the funding application form is a support frequently requested by aspiring and start-up social enterprises due to difficulties in trying to develop a compelling business argument for an enterprise with a predominantly social mission.

Linked to the above is the requirement for assistance and guidance on identifying sources of funding and determining what sources are relevant to the various social enterprise propositions.



Additionally, funding is allocated for the development of larger-scale community-based initiatives.

### ***Community and voluntary placements***

The opportunity to employ individuals in the social enterprise through the various community and voluntary schemes bridges an important resource gap for the social enterprises at the start-up and scaling stages. This employment avenue enables social enterprises to secure staff for busy periods, and provides flexibility in managing staff numbers to accommodate the demands of the enterprise in a cost-effective and speedy manner.

Schemes such as the Community Employment Schemes, Tús, the Rural Social Scheme (RSS) and Job Initiative were the most frequently used. The LDCs are responsible for coordinating and administering these schemes, and are pivotal in collaborating with social entrepreneurs on selecting the most suitable schemes, and assisting in the application process.

Tús was used in 14 cases and was viewed as important in providing staff for short-term and temporary roles in projects that deliver home repairs and improvements, community centres, community shops, craft centres, etc. Further examples cited Tús as providing important staffing requirements for core services to the community such as community meals, and in the operation of local daycare centres, which might not be feasible if this source of employment was not available.

The Community Employment Scheme was also commonly cited by respondents for projects such as providing services for older people and primary school children (such as after-school clubs), farm projects, etc.

The RSS provides work-experience opportunities with social enterprises across a broad range of sectors such as environment, heritage, arts, tourism, childcare and social service projects. Comments indicated that a positive element of the RSS is that participants can work up until retirement, and that this longevity proves vital in the contribution of services, and additionally provides inclusivity to a broader range of individuals who are seeking work opportunities and a sense of belonging and value.

The use of Job Initiative was less evident in the responses; where on offer, it was used to engage individuals as support staff for social enterprises. Likewise, there was a relatively low uptake on the JobBridge scheme, involving just four respondents.

## ***Value of work schemes***

There was a consensus amongst respondents that the various programmes present an important mechanism to bridge skills deficiencies in social enterprises and answer the need for meaningful training and employment opportunities for marginalised groups of individuals who are in many instances excluded from mainstream employment opportunities (individuals with disabilities, ex-prisoners, ex-offenders, early school-leavers, etc).

That said, the temporary nature of the work placement contract can be limiting for the participants in terms of skills enhancement and learning; in many instances, once the period of work is over there may not be any follow-up or similar work opportunities available to them.

The benefits accruing from the schemes are instrumental in the continuity of the social enterprise. However, cognisance must be taken of the issues associated with the lack of staff continuity, high staff turnover, loss of skills, and the low return on the time and effort spent by the social entrepreneur on induction and role-training.

Essentially, the use of these schemes is a short-term strategy to meet staffing requirements. It would be interesting to determine if their use shapes the nature and experience of the person employed in the social enterprise, or does the job specification drive which scheme is used to source staff? Further, how has participation in a scheme benefited the client in their career path, and how can such schemes be adopted to provide longer-term mutually beneficial returns for both the social entrepreneur and the scheme participant. These are important questions to address to help ensure effective and sustainable human resource planning and capability-building in the social enterprise.

LDCs provide direct supports for competency development in change management, staff management, setting targets, monitoring progress, and getting the most from staffing resources. Where deemed relevant and requested by social entrepreneurs, bespoke workshops were designed and delivered to accommodate specific enterprise needs. In some instances these workshops were delivered across the levels in the social enterprise involving members of the board, management, staff and volunteers.

While consistent trends emerged in the survey responses on the most popular direct and indirect supports offered, responses indicated that it is necessary to modify programmes as well as design tailored programmes to fit the stage of progression of the social enterprise and its specific needs (including any local or regional variations).

The availability of these programmes was determined by the resources (people and finance) available to the relevant LDC. Some positive comments mentioned the possibility of receiving increased resources under the next LEADER programme, which will have a more dedicated focus on social enterprise start-up business programmes, thus in some way addressing the resource challenge that LDCs are currently facing.

The pivotal role of the LDC was further identified in the design and delivery of indirect supports to the social entrepreneur.

### ***5.1.2 Indirect supports offered to social enterprises***

A common range of indirect supports (standardised and tailored) were offered across the cohort of respondents. These emphasised training and advice for operational management, general management and governance issues. Complementing the workshops, particularly in the area of governance, the facilitation of peer learning was viewed as beneficial, where learning from board members or social entrepreneurs who have experience in this area proved a positive learning and networking encounter.

A number of LDCs have developed training materials, template documents and information guides which are being used on many occasions and have potential for transferability and use by other LDCs. For example, templates were developed for administrative or managerial staff for monitoring ongoing progress against income targets through the use of Excel (charts). The heterogeneity of social entrepreneur needs is evident in the analysis of the responses to their varied requirements for indirect supports and competency development.

As with the provision of direct supports, the pre-emptive approach of staff in LDCs is paramount in the design and customisation of services when required, and in the ability to respond to bespoke requests, in addition to the more standard requests from social entrepreneurs.

This added workload is not typically accounted for as the indirect supports on offer are developed largely for mainstream micro, small and medium enterprises. Many of these more bespoke services relate to sourcing and securing social enterprise funding, such as the preparation of grant and funding applications; identification of sources of funding; how to address eligibility criteria for funding, and assistance with general administrative duties, especially involving governance and compliance issues.

There is increasing demand for support and assistance with governance and compliance requirements for the sourcing and recruiting of board members; writing terms of reference for the board; defining the roles, duties and obligations of the board, and identifying best-practice cases of how boards should operate. This increased demand has time and resource implications for staff in the LDCs, generating challenges as to how finite resources can be stretched across a broader set of commitments from the social enterprise sector, whilst simultaneously providing services to their other enterprise clients.

In some cases, external experts are contracted in to deliver governance-related advice and mentoring. This uses up scarce funding and in the longer term may not be the best option. LDC staff should be supported to undertake training in

the relevant areas so that they can deliver training and mentoring to the social enterprises they deal with.

Given the changing regulatory governance compliance requirements, additional resources will be required to deliver information workshops on the Governance Code for community, voluntary and charity organisations in Ireland; many social entrepreneurs are not deeply knowledgeable about the code or its implications for the operations of the social enterprise. There are opportunities for LDC staff to participate in refresher training to ensure they are updated on the most recent governance compliance issues.

The governance-related supports on offer include workshops to provide information on the code and its requirements, and structured training programmes to facilitate social entrepreneurs in becoming code-compliant. If LDC training is lacking, the social entrepreneurs are referred to relevant suppliers. To a lesser degree, and mainly on a demand basis, training is provided on the legal issues involved in running and managing a social enterprise, along with information on self-governance and ethical issues, and advice on risk management.

### ***Governance-related burden***

The number of governance-related tasks that need to be completed by the social entrepreneur has increased; this affects the operations of the social enterprise and consumes both time and resources. In general, the social entrepreneur is not familiar with the specifics of the compliance requirements and thus resorts to their LDC contact to assist them in completing the various tasks and in ensuring that their enterprise is compliant.

The requests for assistance, as found in this study, highlight three core areas that are increasingly viewed as a challenge and barrier for the social entrepreneur in progressing their enterprise; choosing board members for the social enterprise; engaging with the chair of the board of directors, and participation in or membership of the social enterprise management committee.

The nature and depth of governance-related compliance requirements have resulted in social entrepreneurs expecting more assistance from their LDC contact. LDC employees are expected to extend their role beyond advisor to, in some instances, undertaking certain governance-related tasks on behalf of the social entrepreneur.

## **Choosing board members**

Respondents were unanimous that social entrepreneurs find it increasingly problematic to source, profile, screen and recruit new board members. As a result, social entrepreneurs are resorting to LDCs to assist them or, in some instances, undertake this duty on their behalf, as described in the following comments:

*'All of the companies (with no exception) have stated that it is difficult to find new board members. During workshops such as the Governance training, discussions around this challenge always emerge. Companies are encouraged to co-opt missing expertise onto a sub-committee (e.g. Finance or HR) as a first step to encouraging new people to get involved. Some of the companies have publicised their AGMs, inviting people from the local community to attend. This has resulted in some new members being recruited. This is a work in progress and one of the plans during the period of the Social Inclusion and Community Activation Programme is to develop a pilot initiative with Mayo Volunteer Centre to encourage new members. At this stage, just preliminary conversations have taken place with the Co-ordinator of the Volunteer Centre and it will be 2016 before we are in a position to develop this further.'*

*'[We a]ssist groups if requested to identify the skill mix required for particular-type social enterprises.'*

*'We sit on Board of directors, support Board in selection of potential Board members vis-a-vis contribution to sustainability of the enterprise.'*

*'[We a]ct in an advisory capacity on best practice in areas of governance around establishing Board of Directors, through liaising with Boards of Directors of other Social Enterprises in the area.'*

*'[We a]ssist in the establishment of first board, encourage residents to become involved and encourage boards to use volunteer centres and board match for recruiting new directors.'*

*'[We d]o not get involved in choosing but supporting s/e [social enterprise] to engage directors with specific expertise.'*

*'It is hoped that the Steering Group will form the basis for a stand-alone entity and BCP will participate in this process.'*

The comments reflect the increasing hands-on assistance required by social entrepreneurs to secure and assemble a board of directors. The social entrepreneur has a limited network of relevant people to call on to participate in the board and also has limited time for such a task, given that they are central to the operations of the enterprise.

### ***Engagement with the chair of the board of directors***

Respondents also indicated that their duties extend to engaging with the chair of the board of directors on regulatory and compliance issues, and on reporting procedures.

As with the selection of board members, there is an increasing reliance on the LDC to assist the board chair with details on what is required of the enterprise, accounting and reporting milestones, funding proposals, and plans for expanding the enterprise. This is particularly the case where the chair may not have experience in the operations of a social enterprise or be familiar with the relatively new compliance requirements and the consequences of non-compliance.

The following comments highlight the increasingly embedded role of the LDC when it comes to governance-related issues:

*‘There has been informal engagement with the Chairs of the Board of Directors through HR/Governance and Financial training. This has led to contact being made and in a minority of cases has led to further closer work with the Chair. In providing support to the businesses it takes time to build up a relationship of trust with the Manager and the Chairperson. The type and level of engagement is one that must be approached/coordinated carefully so that either person does not feel undermined by the supports being put in place. The experience of working with companies in relation to adopting the Governance Code allows this engagement to progress in a positive way.’*

*‘Advise/guidance to Board of Directors re protocol/format and election process, sit on Board of directors, support Board in selection of potential Board members vis-a-vis contribution to sustainability of the enterprise.’*

*‘Act in an advisory capacity on best practice in areas of governance around establishing Board of Directors, through liaising with Boards of Directors of other Social Enterprises in the area which Ballyhoura Development has supported.’*

*'Fully support chairs and in many cases SDCP staff serve as chair of BOD.'*

*'Provision of ongoing support regarding roles, training needs, etc.'*

*'Yes we support the chair with advice and mentoring.'*

*'Operates a social economy working group in the region and this acts as a driving force for all third sector activity in the region where guidance is received on finance, goal setting and monitoring outcomes on a monthly basis.'*

*'Via training for Social Enterprise and for board members in review process on an annual basis.'*

### ***Participation in or membership of management committee***

The third aspect of assistance relates to the role of LDCs as participants or performing roles on the social enterprise management committee. This service embeds the LDC staff more intimately into the governance of the social enterprise, and has implications in terms of resource requirements for the LDC, and learning issues for the social entrepreneur (concerning the fine line between enabling social entrepreneurs for this task or executing it for them).

With a view to the longer-term scaling and sustainability of the social enterprise, it is imperative that the social entrepreneur develop skills and competencies relevant to managing and leading the social enterprise. Training and competency programmes will, therefore, be increasingly needed by social entrepreneurs – which has implications for the resources and roles of staff in LDCs.

The examples described below demonstrate the need for assistance in this area:

*'The staff member with responsibility for Social Enterprise participates on one Management Committee that was established in 2015 to support a company with new project development. One of the main reasons behind encouraging this committee to be established was to bring expertise around the table that does not currently exist at board level. It is a work in progress.'*

*'Participation or membership of Social Enterprise Management Committee – yes staff members or board members would sit on the board of a number of social enterprises.'*



*‘Act in an advisory capacity on best practice.’*

*‘SDCP serve on 47 independent boards including serving on subgroups such as HR / Finance. SDCP provide professional indemnity insurance for those serving as directors.’*

*The groups all have different backgrounds and specific areas of expertise including: Environment, Customer Relations, Business Processes, HR, Finance, Audit and Governance, Community, Rural Development etc.’*

*‘... board members of Offaly Local Development Company but staff do not sit on boards as policy discussion.’*

The comments reflect emerging trends and the associated demands in managing the governance and regulatory requirements of the social enterprise.

Managing governance-related tasks safeguards the mission of the enterprise while allowing the social entrepreneur to meet the demands of various stakeholders such as investors, employees, volunteers, clients and beneficiaries, as well as comply with public policies and regulations.

The research highlights the intensifying demands on LDC staff to be knowledgeable about regulatory and legislative requirements, and on LDCs to allocate resources for the design and provision of direct supports in this area.

Overall, the results suggest emerging in the hierarchy of services expected by social entrepreneurs is a bias in favour of supports in mentoring, training and skills development for governance issues such as rgw selection and recruitment of and Board of Directors and human resource management. This presents a challenge for organisations such as LDCs on how to balance the need for standardised services in these areas with the necessity to be flexible and adaptable to accommodate the requirement for bespoke services from early-stage and established social enterprises.

The cumulative demand on LDCs to provide a range of direct and indirect supports has implications for resource requirements. In many cases, the services to social enterprises are assumed as part of the portfolio of supports to the general population of micro, small and medium enterprises, and thus are not given the independent recognition or resource allocation required.

Moreover, from the LDC perspective, the actual time allocated to the social enterprise sector is difficult to capture; depending on the particular LDC, the role may straddle individuals or fall under different functional headings. This is not sustainable for LDCs as the demands of the social enterprise sector intensify. If the sector is to be given opportunities and supports equal to those provided to mainstream entrepreneurs, more resources need to be deployed to LDCs. The dedication of social enterprise-specific resources is an important barometer or marker of government policy commitment to the advancement of this sector.

As with the allocation of time, similar issues relate to the inability to directly quantify the financial resources allocated to working with social enterprises; many are costed under supports and programmes such as the Rural Development Programme (RDP), LEADER, the Local Development Social Inclusion Programme (LDSIP) and SIDC. The design of additional or new social enterprise supports must take account of the current portfolio of resources allocated to social enterprises, and for what purposes, as a means of identifying how or if the current support infrastructures are suitable to build on. The most efficient and successful models of direct and indirect support also need to be identified.

In regions with a large number of social enterprises, this becomes a more testing task for LDCs.

The implication for policy is that interventions need to be determined or devised to enable social entrepreneurs to leverage governance as a means to reach their highest potential and sustain the core ethos of the enterprise.

Consideration must be given to initiatives that will enable and build relevant competencies among social entrepreneurs while ensuring that LDCs have the necessary skills and financial and time resources to match the needs of social entrepreneurs and the stage of the enterprise's development.

## 5.2 The contributions that social enterprises provide

Social enterprises operate across a wide range of business sectors, and are important drivers of social, economic and environmental change. Among their many benefits, it is difficult to isolate and quantify their social and environmental benefits. To address this challenge, this research attempted to identify the contribution that social enterprises make, and how and where they add value or bridge a supply gap to enhance the life and wellbeing of their targeted groups.

The 20 LDCs assisted over 3,376 social enterprise entities, which represented more intense clusters of social enterprise activity. This was most pronounced in locations such as Ballyhoura and Wexford. Ballyhoura deals with 127 social enterprise legal entities, while Wexford Local Development Network is involved with 57 such entities, followed by West Limerick Resources (31) and Monaghan Integrated Development (22). The remaining responses cited fewer than 20.

Whilst the sectors represented are diverse, a large proportion serves the childcare and health and social care and wellbeing and care for the elderly markets. Other enterprises work with specific in-need groups such as early school-leavers, unemployed youth, elderly people, homeless people, and those leaving prison.

Many social enterprises are involved in building confidence and competencies, creating work opportunities for those who would otherwise find it difficult to secure a job. There are social enterprises focusing on protecting the environment, tackling poverty, revitalising rural communities, and improving health and wellbeing, which cumulatively promote more sustainable local economies and feed into a more positive national economy.

Social enterprises also offer services in the areas of food and catering, tourism, arts, culture, music, recycling, transport and distribution, and serve both the business-to-business and public sector markets in addition to selling directly to the individual market.

The level of activity in the business-to-business market is strong, and complements the revenue streams from the individual beneficiary market. The enterprises focus on local and regional markets that, in some instances, incorporate large rural and urban geographic areas experiencing economic and infrastructural deficiencies. The benefits of their activities extend beyond the local market they serve; social enterprises create spin-off revenue and

employment opportunities for suppliers and subcontractors outside their local base. This contribution is not sufficiently recognised.

### ***5.2.1 Employment contribution***

In addition to providing much-needed services to communities, social enterprises are an important source of employment creation, accounting for over 1,200 full-time and 70 part-time positions. Social enterprises also participate in a number of work placement schemes, offering part-time positions for more than 907 people.

The Community Employment programme was the most popular scheme, being the source of 483 employees. Tús provided work opportunities for 350 people, and Job Initiative and JobBridge providing the other employment sources.

The use of work placement schemes is notable; in particular, Tús and Community Enterprise schemes are important sources of employment for social enterprises, and also provide employment opportunities locally for individuals who may otherwise find it difficult to secure employment.

For the participant, the opportunity to work with a social enterprise presents access to work that otherwise would not be available due to the lack of relevant work opportunities or insufficient qualifications, skills and competencies (e.g. for individuals who are long-term unemployed, members of marginalised groups such as Travellers, former offenders, and recovering drug users).

Securing a job enables the individual to build experience and enhance their personal and professional skills, which renders them more capable of seek full-time employment opportunities. Additionally, the work experience provides a mechanism for individuals to gain confidence and build personal as well as professional skills and networks to prepare them to re-engage with society. This is a fundamental foundation for gaining a sense of belonging and a means of contributing to a community in a positive role.

Of note is the reliance that social enterprises have on volunteers to assist in their operations; these vary by type of social enterprise. Those offering community services such as meals, catering and retail tend to use volunteers more. This type of social capital represents a significant non-monetary resource for social enterprises, contributing voluntary labour and managerial skills at different levels.

In view of changing lifestyles and the regularly cited difficulty in 'recruiting' new volunteers, social enterprises will need to consider new ways of attracting and

retaining volunteers, and embedding them more personally into the social enterprise.

As the social enterprise scales up, the social entrepreneur needs to consider how best to balance the mix of volunteers and employees from placement schemes, and full- and part-time workers.

Social enterprises are important sources of employment, but it's not just about employment creation. We need to take account of the nature and value of the job to the employed person, and indeed the cost savings to the broader economy as each job reduces the need for financial support by the State.

The multiple spin-offs (social, personal, economic) emanating from the social enterprise are exemplified in the many individual and community benefits, which are best captured in the comments of respondents:

*'Three companies operate in this sector employing 21 staff and with a combined turnover in 2014 of €589,557. One part-time permanent position has been created by one company from its own income.'*

*'The company manufactures silk flower wreaths that it sells into 14 counties in the BMW region. It also has a number of private contracts from local manufacturing companies. It provides social employment for people with disabilities (both physical and mental). In total 44 individuals are employed by the company, made up of 15 CSP-funded staff and 9 staff that are in receipt of a Wage Subsidy from DSP. The remaining staff are referred from the local HSE training centres for People with Disabilities. The turnover for 2014 was in the region of €479,393.'*

*'Galway Rural Development – Ballinasloe Enterprise Centre 180 people – 14 businesses 235 enterprises, they are responsible for elderly in various forms and viewed as key Youth – job creation and providing that 'missing link' here to fore addressed by apprenticeships Ballyhoura and Canal Bank.'*

*'People come to TEC to avail of our enterprise supports are surviving on social welfare payments. The benefits of starting up their own viable business are life changing both financially and personally. Small businesses tend to rely on their local community both for their supplies and their customers and so self-employment not only improves their own quality of life but also that of their local community. TEC have participants complete a feedback form after all their courses.'*

*'A total of 128 individuals are employed by 9 businesses in this sector with 35 of these in full time employment. Employment from own sources has been provided for 2.5 full time staff. The companies make a conscious effort to source suppliers locally therefore ensuring that they are supporting the local economy. The total turnover for the nine companies in 2014 was €2,404,906.'*

*'Three companies operate in this sector employing 47 staff and with a combined turnover in 2014 of €770,130. Two staff members are employed from income generated by the companies.'*

*'1st Sports and Recreation – Approx. 50 jobs created and turnover of €4 million*

*2nd Health and Social Care – Approx. 25 jobs created and turnover of €2 million*

*3rd Childcare – Approx. 18 full time and 20 part time jobs and turnover of €2 million*

*4th Education and Training – Approx. 12 fulltime and 12 part time jobs and turnover of €1.5 million'*

*'Childcare in disadvantaged areas, recycling opportunities, Europe's only free door to door collection of electrical goods – operating in greater Dublin area'*

*'Employment for people who would not otherwise find a job. Mentoring clients coming from disadvantaged backgrounds, upskilling and capacity building is a key feature of the enterprise. This is crucial to enabling people that have been 'left behind' to enhance their employability and improve their chances of gaining work that pays a living wage.'*

Two of the CSPs were established to provide social employment opportunities for people most distant from the labour market. Both companies employ people with disabilities and members of the Traveller Community. Feedback received when visiting the companies during the research process includes:

*'There is a reason to get out of bed in the morning. Sometimes I can work great but other times I am not able to do a lot. This is ok.'*

*'The majority of employees would not find employment elsewhere due to the nature of their backgrounds; excluded and early school leavers.'*

*'The enterprise not only provides employment for disadvantaged people, it offers a fully accessible, multi-purpose building that is used by a wide range of*

*community groups that hire the centre at community rating. It is also the only dedicated conference centre, training facility, meeting rooms, training rooms, ample free car parking, organic farm shop, attracts 36 – 40 'sabbatical students' that contribute to the local economy (bi annually).'*

### **5.2.2 Training and upskilling contribution**

In addition to employment creation, social enterprises provide a mechanism for upskilling and training to individuals who have limited access to mainstream training opportunities. Examples of these are presented in the respondent comments below:

*'Yes, opportunities for people to take on-the-job training and work experience, as part of an accredited programme or as volunteers.'*

*'All of the enterprises have created employment in areas that would be unsustainable within the private sector.'*

*'Development of project to the level where it has the potential to create job opportunities. Enhancing skills of local community members that could be used to source employment.'*

*'Training Programmes such as the LTI and BTEI provide training and job opportunities to disadvantaged youth. New apprenticeship directors in 3 SEs all u 25 years and from disadvantaged areas.'*

*'Placement and training provided to disadvantaged which could not be accessed in the private sector.'*

### **5.2.3 Social contributions**

The provision of employment as a mechanism for disadvantaged groups to avail of training has positive personal and community impacts. These span a number of avenues of regeneration of locations, stimulating a sense of wellbeing and belonging for marginalised individuals and regions.

The combined economic and social benefits have a synergistic impact on each other; where there is economic activity, individuals can find employment, and the monetary contribution to the local economy then adds vibrancy to the region, as well as a sense of pride, as the following comments indicate:

*'Enable activity in rural villages and small town that would otherwise be deemed not value for money.'*

*'Providing cultural and recreational infrastructure where it is not viable to do so on a for-profit basis.'*

*'Enhances the cultural and sporting landscape in rural areas. Provides educational and training and employment opportunities in disadvantaged rural areas.'*

*'There is a demonstrable social gain through the existence of the Active IT Society. The digital skills courses are notable in terms of their social / community outcomes as the feedback comments from participants are significantly positive. The respondents repeatedly refer to enhancement in their lives with clear evidence of the digital gap being closed as participants comment that they can now share information and photos as well as participating in digital media and social technology with their families, friends and communities. The connections made between participants on the course is also positive as it brings the local community closer as older people with similar interests are brought together and able to build and maintain friendships through their newfound skills.'*

*'Improved my quality of life considerably.'*

*'I am in my mid-seventies and got a present of an iPad last year. While I am familiar with a laptop I could do nothing with the iPad. I can now do almost anything I want to on it but I greatly look forward to learning more.'*

*'AITS has been very helpful in developing some new skills I otherwise would not have had access to.'*

*'Encouragement of younger people through volunteerism and/or Allotments, with potential for training and employment in future.'*

*'Improved local services, employment opportunities for marginalised groups, people-centred model of economic growth. Local employment aiding the development of self-esteem, feeling a part of the community, making a contribution to society.'*

*'Services to older people such as Meals on Wheels means that there is daily contact for some individuals who may not otherwise see anyone.'*



*'Social enterprises are generally well positioned to do what the private and public sectors are not doing adequately or at all. Like-minded individuals working together and not for "themselves" or for "profits" can achieve great things. Social enterprises successfully tackle social inclusion issues but are restricted due to unpredictable funding supports.'*

*'The enterprise in question here would not be sustained by a private owner as it would not generate enough profit (at present). Many people locally would say (if asked) that the existence of the centre, a 70 acre farm in the very middle of an urban centre, is unique. It is a centre of excellence in the provision of community space and organic produce as well as recreational amenities and the protection of rare flora and fauna. Its existence also allows children from very urbanised places to visit a working farm and learn about how food is produced and the damage that chemicals do to the environment.'*

*'Development of project to the level where it has the potential to create job opportunities. Enhancing skills of local community members that could be used to source employment.*

*Allows older people and people with disabilities to live independent lives in dignity within their own communities (North Kerry Older Person's Day Care Centre / sheltered housing provide meals and catering services to the elderly and rural-dweller.'*

*'Provides services to socially excluded thus addressing social exclusion.'*

*'Employment and training opportunities for local people in an area with Designated Disadvantaged status.'*

*'Brings a community together to positively respond to the needs of their locality and empowers people. Provides vital services across many sectors for local communities.*

*Mentoring clients coming from disadvantaged backgrounds, upskilling and capacity building is a key feature of the enterprise. This is crucial to enabling people that have been "left behind" to enhance their employability and improve their chances of gaining work that pays a living wage.'*

*'The funding of staff for rural community halls has given new life to what had become "white elephants". The facility of a dedicated*

*caretaker within a project cannot be overstated in terms of the development of services.'*

*'The enterprise focuses on growing, selling and promoting use of organic foods and encouraging a sustainable life style. It comprises 2 x elements, organic farming and an ecology centre.'*

*'It offers a fully accessible, multi-purpose building that is used by a wide range of community groups that hire the centre at community rating. It is also the only dedicated conference centre, training facility, meeting rooms, training rooms, ample free car parking, organic farm shop, attracts 36 – 40 'sabbatical students' that contribute to the local economy.'*

*'Social enterprises can have a triple helix impact – economic, social and environmental through direct job creation as well as contributing to a wide range of community and social services. They deliver a range of benefits to marginalised communities not adequately serviced by the public or private sector, to include delivery of goods and services, thereby contributing to the social development of communities. They provide job opportunities especially for those unable to access mainstream employment for a variety of reasons.'*

*'Childcare in disadvantaged areas, recycling opportunities, Europe's only free door to door collection of electrical goods – operating in greater Dublin area.'*

*'Provides opportunities for people to volunteer and enhance work readiness, empowerment of staff, guided walks, venue/& tutors for education courses on environment, cosmology, sustainable living for adults and children (links with local 2nd level schools re provision of Transition year programmes on these issues). Exposes children and adults to knowledge on environmental issues ...'*

*'Reduced isolation and increased family cohesion and wellbeing.'*

*'Enabling the continuation and development of community and new innovative projects within areas of significant disadvantage and with specific target groups that were supported through previous State community development funding.'*

*'Increased family cohesion and wellbeing.'*

*‘Social enterprises are generally well positioned to do what the private and public sectors are not doing adequately or at all.’*

There are mutual advantages between the economic, social and financial benefits which are inextricably linked accruing from social enterprise activity. Thus, focusing excessively on one area misrepresents the embedded and multifaceted contributions of social enterprises. A vibrant social enterprise will bring financial benefits to the local economy as money earned locally will be spent locally, and this may result in increased employment and capital expenditure in the area.

The contribution of the social enterprise sector highlights some key messages which are important to consider in the recognition of the sector and in validating the rationale for funding more targeted supports under government policy:

- Social enterprises provide an important mechanism for achieving ‘inclusive growth’, where marginalised groups who are not included within the economy benefit from economic growth through participation in the social enterprise.
- Social enterprises – through employment creation, the use of local resources and addressing local problems – provide a monetary contribution to the local economy, which adds vibrancy to the regions in which they are active.
- Successful social enterprise initiatives build on local capacities to address social, economic and environmental problems.
- Social enterprises are engaged and embedded in local communities and use their knowledge and networks to find solutions for their problems – thus providing local ownership in solving problems in a sustainable manner to achieve individual, community, and regional cohesion and regeneration.

The range of beneficiaries of social enterprises and their geographic scale points to the valuable contribution they make to local communities, both economically and socially. The localised services provided by social enterprises are often the types of services that would otherwise not be available to people who live outside of major towns.

The multiplicity of impacts and the varied business models of social enterprises makes it difficult to evaluate their activities. An examination of the current practices of this area will identify the practical issues encountered in capturing information to truly reflect the multidimensional contributions of social enterprises.

## **Evaluation challenges**

The level of evaluation undertaken by the respondent LDCs, combining formal and informal methods, varied. In the assessment of social enterprise activity, issues arise when it comes to capturing social enterprise outcomes and outputs in the evaluative metrics and frameworks applied by government; these are predominantly designed for evaluating the broader population of micro, small and medium firms. These frameworks do not take into consideration the unique and differentiating characteristics of the activities, objectives and benefits of social enterprises, which are qualitative and have longer-term objectives.

The approaches to and difficulties encountered in evaluating social enterprise performance are detailed in the following comments by respondents:

*'At the moment we do not have a formal evaluation process in place. We work closely with the Pobal staff member. We have yet to put metrics/indicators in place that will measure the impact and outcomes of the supports/resources provided to the CSPs under the Social Inclusion and Community Activation Programme. The national indicators for the Social Inclusion and Community Activation Programme are quantitative in nature and capture the number of businesses supported and new initiatives developed. There is an opportunity to develop indicators that will capture the diverse range of supports and resulting outcomes during the programme. This is a work in progress.'*

*'No formal evaluation procedure but attendance at Board meetings is a mechanism for doing so. Key indicators include: No. of people employed by the centre/enterprise; No. of people from disadvantaged groups that are employed ; No. of labour market participants employed; Rotation of Board; Compliance with Good Governance vis H & S, Child Protection, Financial Management etc; No. of social inclusion focused groups using the centre.*

*Contribution to local economy; wages, income from Pobal under CSP, leverage of funds from Philanthropic bodies/ No. of Volunteers, protection of the environment (can be measured by approval / compliance with Organic regs), Social inclusion focus.'*

*'Whilst quantitative research often lies more comfortably with government departments, we encourage the integration of both a qualitative and quantitative approach (where possible) to help us to consider both sides of the coin while demonstrating the reality behind the numbers. To try to evaluate the social enterprises exclusively from a*

*quantitative perspective fails to understand or appreciate the human dimension of community work and is much less likely to demonstrate the real “human faces” and reasoning behind those figures.*

*Furthermore, a quantitative evaluation approach would not include the array of non-financial costs and benefits which often emerge from this type of evaluation, for instance the reduced levels of isolation and the increased safety & security. This would be a missed opportunity in terms of accurately revealing the true value for money of a social enterprise.’*

*‘All projects that receive funding go through a robust evaluation process which examines the potential/enterprises to be sustainable, realistic, generate employment and meet the social needs of their area.’*

*‘Capacity of the management committee; financial viability; Demand for the Services Displacement; Job Creation.’*

*‘Quantitative Indicators Qualitative Case Study Evaluations.’*

*‘Fully developed into formal processes. SDCP staff members are trained in governance and some in financial oversight.’*

*‘Self-evaluation, participant centered evaluation.’*

*‘Our process of evaluating a social enterprise falls under the evaluation processes of the RDP and LCDP guidelines.’*

*‘This project is still in the developmental stage and it is difficult to provide an evaluation methodology. All developments are carefully monitored and reported and this process will continue.’*

*‘Social enterprises are carefully assessed by relevant LDC staff and Board representatives prior to engaging in the provision of services. They are subsequently monitored on an ongoing basis via direct contact with Local Development Company staff.’*

The comments highlight issues both in the process of evaluation and the metrics or criteria applied to measuring social enterprise performance. The LDC respondents are intimately familiar with the benefits that social enterprises provide both socially and economically and at the individual and community levels, but yet are unable to present this to relevant government stakeholders.

The practicality in evaluating social enterprise performance makes it difficult to describe their multifaceted social and economic influences, resulting in an underestimation of their true impact. Consequently, it is difficult to present a compelling case for financial government supports for social enterprises. From the social entrepreneur perspective, being unable to use the metrics applied to mainstream enterprises diminishes their contributions and organisational legitimacy.

## 5.3 Opportunities and challenges facing social enterprises

The role and contribution of social enterprises, and the difficulties in evaluating their performance have been outlined above. The final section of the survey has an eye to the future, focusing on which sectors are viewed as holding growth opportunities for start-up and established social enterprises.

The responses indicate opportunities for social enterprise activity across a number of sectors, some of which build on those sectors where social enterprises operate, while some new sectors also emerged. Table 2.0 presents the most commonly cited sectors providing opportunities for social enterprises.

**Table 2.0: Opportunities for social enterprise activity**

- Healthcare/wellbeing – some suggestions indicated the added value of applying the use of technology to the provision of these services; wellbeing-focused projects were mentioned on a number of occasions.
- Education and provision of online learning and lifelong learning
- Environment-related projects – community-owned renewable energy projects e.g. windfarms
- The social farming model as piloted in the Border counties has potential to be developed as a social enterprise, with a dual focus on those marginalised in society as well as farmers suffering rural isolation. Community shops have proven potential under the right circumstances to address rural economic decline and rural isolation.
- Public procurement – there is a change emerging from different government departments whereby the delivery of services is being pursued through public tendering. There is an opportunity for businesses to be established in this area to support other businesses to win public contracts.
- Pre-school and after-school childcare in small rural villages, and in particular for single parents who wish to return to work. Also opportunities involving children with special needs.
- Care for the elderly, as many older people are living in frugal circumstances. In one comment, it was pointed out that this social need is not currently being adequately addressed by either the private or public sector entities in Duhallow. Or anywhere else?!
- Community-led and -based projects such as community shops, cafes and community hubs, social and community housing
- Projects to address marginalised and disadvantaged groups, in particular unemployed youth, people with a disability, etc (with contracts secured through the Community Benefit Clauses and Social Procurement)
- Projects to address rural economic decline and rural isolation (e.g. community shops and pubs, based on UK experience)
- Tourism, recreation and heritage products and services

The ability of the social enterprise to leverage these opportunities relies on a number of external factors, relating to support and recognition, and internal factors relating to the skills and competencies of the social entrepreneur and their resource base (people and finance).

From the external perspective, respondent comments stressed that the current lack of understanding of or myths associated with social enterprises required attention as they limited advancement of the overall social enterprise sector. The importance of increasing awareness of social enterprise activity and how they benefit local and regional economies at the policy, funder and general public levels are confirmed in the following comments:

*‘The need for heightened recognition nationally and at policy level was viewed as fundamental to secure support and assistance.’*

*‘The sector needs to be recognised and supported at a national level. Access to funding at start-up phase. Clear access to supports and provision of full range of supports (ie business planning, financial planning/budgeting/strategic planning/HR/Governance/recruitment and capacity building for board members on all aspects of the business). Networks of enterprises as a support and learning mechanism.’*

*‘There needs to be a policy commitment which recognises the role and the potential role that such enterprises can have and to the removal of barriers to support and engagement from the traditional enterprise support sector (LEO). There is a great deal of confusion regarding what is and what is not a social enterprise, a community enterprise etc, and there appears to be a reluctance to engage with social enterprises from key support agencies. At the end of the day these are enterprises and need to operate as such albeit those social objectives are as important as the trading capacity. The Forfás report recommendations provide a good starting point, as do those in the report on social enterprises from the County Kildare Leader Partnership.’*

*‘A particular policy focus on Social Enterprise as was available to community enterprise development in FAS in the 1980’s and 1990’s and via the Community Services Programme in the early 2000’s.’*

*‘Need to understand what they are in the first instance and also provide staff supporting services.’*



Enabling the social entrepreneur to avail of the opportunities identified above is dependent on the possession of managerial and leadership competencies, particularly in financial management, human resource management and governance. The social entrepreneur also needs to adopt a more professional approach to the operations and management of their enterprise.

Policies and interventions to enable social entrepreneurs to adopt such a professional approach necessitate an understanding of the challenges they encounter, both internally (skills and competencies) and externally (economic, regulatory and financial issues).

Respondents were asked to indicate the primary internal and external environmental challenges facing start-up and established social enterprises in leveraging the potential from the areas of opportunity identified. The responses point to the most appropriate direct and indirect supports required by social enterprises. The challenges facing the start-up social enterprise are shown in Table 3.0.

**Table 3.0: Challenges encountered by start-up social enterprises**

Internal Challenges	External Challenges
Financial/legal implications	Over-regulation
Structure of management committee	Volunteers with responsibility of running commercial business
Feasibility of business model	Finding suitable premises, negotiating leases, accessing funding, mentoring
Management experience	Regulation costs, changes in funding criteria, lack of start-up capital supports
Governance	Engaging with government funders and oversight bodies
Strategy, marketing, HR	Government sectoral and employment policies and not-so-flexible general regulations
Professionalisation of operations	Lack of understanding of policies and regulations or how to comply with them
Lack of voluntary commitment	Expectations of what can be delivered – funders, communities
Compliance issues/bureaucracy	
Lack of information and supports ‘on the ground’	
Business planning	
Need for business-like approach	

The following comments support the challenges identified in Table 3.0:

*‘It is vital that a range of start-up supports, advisory and monetary, are made available, leading to growth and the creation of economic opportunities at local level.’*

*‘As with all Social Enterprise initiatives, in line with the key challenges as identified by the Forfás report on Social Enterprise sector. Namely key challenges identified by Social Enterprises were “There will need to be*

*an emphasis on providing the necessary supports in overcoming the challenges identified above.'*

*'The viability of social enterprises is very dependent on dedicated volunteers and good teamwork and community spirit in the local community. Most community groups currently run some type of social service/social enterprises. Community Groups need better support from statutory agencies in relation to regulation etc. Volunteers running social enterprises require professional training in areas of employment law / human resources / legal issues / governance.'*

*'Key challenges identified by Social Enterprises were "management development, financial management and planning and human resource management." There will need to be an emphasis on providing the necessary supports in overcoming the challenges identified above.'*

*'Capital funding for viable projects, and employment supports.'*

There was a similarity in the nature of the external challenges encountered by start-up and established social enterprises with the emphasis on over regulation and bureaucracy which is stifling growth and expansion and consumes a large proportion of the social entrepreneurs time. The range of internal and external challenges encountered by established social enterprises is displayed in Table 4.0.

**Table 4.0: Challenges encountered by established social enterprises**

Internal Challenges	External Challenges
Management of appropriate structure, roles and responsibilities	Engaging with relevant government funders and oversight bodies
Corporate governance / board of directors	Government sectoral and employment policies and general governance regulations
Human resource management (multiple mentions)	Legislative changes in areas such as Feed-in Tariffs for Renewable Energy
Financial management and access to finance to grow	Public procurement community benefits clauses legislation
Managing surpluses / Reinvesting in the business	Attracting talent at management and staff level
Pressure to raise wages	Lack of understanding of policies and regulations covering social enterprises
A lack of younger volunteers and a 'burnout' factor with existing volunteers	
Access to networking opportunities	
Strategic planning	
How to scale up and innovate	

The following comments support the above-mentioned challenges for the established social enterprise:

*'Significant challenge for Social Enterprises is to set up and maintain a good management structure within the business. A strong and capable manager is often the key to the success of a Social enterprise.'*

*'Tendering for contracts, improved financial planning, scaling up services, mergers of projects to reduce legal, audit and other costs. Mergers of boards to create sustainable governance model, training for managers, better strategic and developmental planning, provision of development funding. Managing surpluses in a way that uses funds well and avoids state withdrawal will be key for successful enterprises, will be an important step for long-term sustainability. Professionalization in all aspects of the businesses will be required if SEs are to compete with private companies.'*

There is consistency about the challenges facing both the start-up and established social enterprise, particularly in relation to external environmental conditions. The external barriers resonate with legal and compliance issues and the challenges encountered in sourcing and accessing funding to start and scale the social enterprise. Internally, for the start-up enterprise, issues arise with validating the market opportunity and staffing. Consistently, challenges arise in the management and governance of the social enterprise and recruitment of the board as well as of staff.

Issues in relation to governance, establishing a board of directors, managing staff and planning are more pronounced challenges for established social enterprises. They also experience problems in measuring performance, completing returns and documenting performance for government agencies.

Aligning and comparing the challenges encountered in start-up and established social enterprises provides a comprehensive understanding of the range of issues that require attention and resourcing in government policy. Further, by identifying and addressing the challenges at the start-up stage, these issues should be less challenging as the enterprise develops and scales. Thus investment in reducing the impact of these challenges will result in an increased number of social enterprises scaling more effectively.

The fact that established social enterprises are experiencing similar challenges to start-ups demonstrates that lessons are not being learned as to what works or best enables the development of the sector.

### ***Multifaceted contribution of social enterprises***

In summary, the results of the empirical study highlight the multifaceted contribution of the social enterprise sector in Ireland, and demonstrate their importance to the economic, social and demographic wellbeing of local and regional economies.

The qualitative analysis of 'good practice' case studies highlights further and augments the sometimes less tangible benefits accruing to individuals and communities (see Appendix 2 for an overview of a sample of such cases).

A number of interconnected issues emerge that require attention in the formulation of social enterprise policy:

- Coming to terms with what social enterprises are – social enterprises or community groups?

- Underestimation of the contribution of the social enterprise sector by both public and private agencies and among the general public.
- The perception that ‘earning money with social services is wrong’. Social entrepreneurs should be encouraged to grow into profits whilst maintaining their social ethos; with profit, the social enterprise will have longevity and will add value to a greater number of beneficiaries.
- The design and implementation of social impact evaluation processes that acknowledge and align with the social mission and objectives.
- The interconnected and often inseparable social and commercial motivations and activities that can cause tension and conflict, from government policy and funding stakeholder perspectives – the knowledge and perceptual gap needs to be bridged.
- Legal, regulatory and governance compliance issues – these are dominant external barriers affecting the ability of the social enterprise to scale.
- Competency deficiencies in management, leadership, human resource planning and financial planning – these are internal barriers to scaling the social enterprise.
- How the funding and revenue streams of social enterprises can be enhanced and better managed by social entrepreneurs.

The current landscape of supports and, indeed, the level and depth of understanding of the operational activities of the social enterprise are largely based on mainstream micro, small and medium enterprise policy. The differentiating characteristics of the social enterprise, especially in the areas of financing, governance and performance measurement, are not acknowledged. The results of this study, informed by the observations and advice of Local Development Companies, can usefully inform social enterprise policy initiatives.

## 6.0 Creating an Enabling and Supportive Environment for Social Enterprise Activity

Social enterprises play important roles in the Irish economy. They address social, economic and environmental challenges; increase social cohesion; retain local social capital; encourage the participation and inclusion of marginalised cohorts across all ages, and demonstrate resilience.

It is imperative that social enterprise becomes a stronger policy vehicle, with the objective of stimulating, nurturing, enabling and scaling social enterprise activity to establish a balanced pipeline of social enterprises. The development of these policies should be informed by a realistic comprehension of what constitutes a social enterprise, why they exist and how they operate as part of the broader population of micro, small and medium enterprises.

Government policies designed to support social enterprises have been based on a minimalist approach, which results in interventions mainly aimed at overcoming specific problems in a piecemeal way. Further, the application of micro, small and medium firm policies have been imposed on social enterprises in an *ad hoc* manner, with the stress on business function rather than social benefit or impact. Little effort has been made to determine the suitability of such policies, or how they can be modified to suit the characteristics of the social enterprise, or how to integrate the two policy agendas as a means of co-learning.

Given the experiences and learnings accumulated from implementing micro, small and medium firm policy, there is some potential for synergy, cross-learning and adoption to the social enterprise sector, and, in particular, investigation of social enterprise scaling and how it aligns with traditional concepts of firm growth. This would benefit both the social enterprise and mainstream micro,

small and medium firm policy design, thereby resulting in more effective application of finite government resources.

Developing a supportive social enterprise sector requires policies that facilitate and enable social enterprises to operate more openly and actively with public institutions and private enterprises, as fully entrepreneurial actors. Currently, assistance for the social enterprise sector remains focused on the isolated intervention of individual organisations. Those wishing to start a social enterprise or learn about social enterprises do not know where to go for information and assistance.

Social entrepreneurship is relatively under-acknowledged, not fully understood and reliant on marginal government supports. Advancing the knowledge and practices relating to social entrepreneurs and their enterprises depends on the collaborative actions of the key stakeholders who directly and indirectly work with social enterprises, and must combine the efforts of policy, government agencies, educators and social entrepreneurs in a number of interconnected activities.

This collaboration must be driven by having a mutual goal and determination to create a more enabling and supportive environment in which social enterprises can start and scale.

Government policy should take a twin approach, involving:

- 1) A macro strategic perspective focusing on awareness and education, and creating supportive financial and governance environments
- 2) An operational perspective in which policies focus on competency and capability development to accommodate the distinct needs of start-up and established social enterprises

The latter will require harnessing and managing financial and non-financial resources, reshaping institutional arrangements, and encouraging collaboration and shared responsibilities in the design and implementation of initiatives to support the start-up and scaling efforts of social entrepreneurs.



The following recommendations identify six primary themes that should be addressed in the formulation of a cohesive government social enterprise policy:

- 1. Enhance awareness of, education about, and promotion and recognition of social enterprise activity*
- 2. Establish a supportive financial infrastructure that acknowledges and rewards the multiple contributions of the social enterprise sector*
- 3. View governance and leadership as a practice rather than a set of independent tasks*
- 4. Create an alignment between evaluation and monitoring metrics*
- 5. Provide competency and capability training for start-up and scaling-up social enterprises*
- 6. Enhance networking, partnership and collaborations, to achieve greater social impact*

These areas are interlinked and in some instances the proposed actions overlap. Additionally, implementation of the proposed actions would entail shared ownership and responsibility among the various stakeholders, to achieve greater efficiencies in the use of resources.

The following section describes the primary actions under each theme and indicates the organisations that should engage in their implementation.

The first action focuses on promoting increased awareness about social enterprise and how it contributes to the Irish economy, since this is the foundation for the successful acceptance and implementation of the subsequent initiatives.

## 6.1. Enhance awareness of, education about, and promotion and recognition of social enterprise activity

The research findings demonstrate that social enterprise is still a relatively unfamiliar concept, and that the boundaries between social enterprise activity and that of mainstream micro, small and medium enterprises are blurred within the policy, social entrepreneur, funders and general public domains.

The creation of an enabling and supportive social enterprise culture requires increased awareness and educational initiatives that will reduce the confusion and uncertainty about what constitutes a social enterprise. It is necessary to construct a more realistic and comprehensive understanding of the motivations, characteristics and benefits of social enterprises and the roles they play in local and regional economies.

Whilst it is important to understand and accommodate the differentiating characteristics of the social enterprise, too much differentiation might dilute both the depth and the richness of the important entrepreneurial work undertaken by social entrepreneurs, and also underrepresent their many social and economic contributions.

Thus, in designing awareness initiatives, it is important to be mindful of the various audiences targeted which require slightly different messages, e.g., policy versus general public versus educators, etc. The challenge is how to maintain some common and consistent elements in the communication content whilst adapting it to accommodate different audiences.

### ***Recommended Actions***

- Resource a dedicated system for social enterprises or a **Champion Entity** whose ownership is best placed in Local Development Companies (LDCs), given their experience with and positive impact on the development and building of the social enterprise sector to its current state despite limited resources.

Essentially, continued LDC dedication to and ownership of the social enterprise agenda will allow LDCs to further advance their promotional activities highlighting the importance of and need for social enterprises; provide a much-needed information flow between government departments and externally with the broader public, educational and research domains,

and enable the LDCs to act as a coordinator and conduit for the implementation of social enterprise-related activities – so that they are the ‘go to’ entity for information and dealings on social enterprise formation and development.

- Progress the development of a **Social Enterprise Brand**, or branding of the social enterprise sector. This brand, consisting of visuals and content, would create an independent and recognisable identity associated with the social enterprise sector. Brand straplines would be used to communicate in a memorable way the core idea of what the social enterprise is all about.

The current work completed with Socent.ie (the Irish Social Enterprise Network) on this task should be reviewed to determine learnings from the process as a basis for taking the next steps and setting a time-frame for the design, testing and rolling-out of a social enterprise sector brand.

- Create a **Social Enterprise Website** that uses the social enterprise brand and straplines, and that includes relevant information on the following;
  - the situation of the social enterprise sector in Ireland
  - the relevant initiatives and public supports available at national, regional and local level
  - a template for entering requests related to starting up or scaling a social enterprise
  - information on ‘who should I talk to?’ about social enterprise

This site would be the ‘shop window’ for the social enterprise sector in Ireland. It would be an important mechanism to encourage engagement between social entrepreneurs, government agencies and educational and research institutions. It would also serve as a useful practical research tool, and a means of obtaining feedback from social entrepreneurs on their needs and for identifying training and development programme topics.

- Develop **case studies** or ‘stories’ presenting role models and advocates of good-practice social enterprises to generate confidence and give legitimacy to social enterprises in line with mainstream micro, small and medium enterprises. These advocates may also act as mentors to new and aspiring social entrepreneurs.

There are a number of successful social enterprises operating in Ireland and some LDCs have case studies already developed, which are ready to upload onto the website. These cases also exist in video format.

The cases should be short (2-3 pages). Typical content would include:

- the profile of the social entrepreneur
- their motivation to start the social enterprise

- challenges encountered in starting the social enterprise
- sourcing resources (financial, people, technical, legal)
- organisation structure adopted, and choosing and managing the board of directors
- managing governance-related issues
- plans and drivers to scale the enterprise
- key learnings and ‘words of advice’ to either aspiring social entrepreneurs or those who wish to scale up the social enterprise
- Incorporate the use of **testimonials** from social entrepreneurs at various stages of development who were assisted by LDCs, so as to showcase the importance and benefits of engagement with government agencies. These testimonials should be concise, engaging statements that focus on the common problems or issues facing social entrepreneurs, what actions they took to address these problems, and the results achieved.
- Deliver targeted social enterprise information **seminars and workshops** regionally, consisting of multiple stakeholders engaged with the progression of social enterprise activity.

These events would generate knowledge and awareness, and facilitate networking and exchange opportunities for social entrepreneurs and amongst stakeholders, service providers, social finance investors, educators and researchers.

- Organise a **national stakeholder conference** for social entrepreneurship, e.g. *The Ireland Social Enterprise Summit*. The objective of this inaugural summit would be to bring together key public and private stakeholder groups to promote, discuss and explore the opportunities, achievements and challenges facing the social enterprise sector.

The inclusion of relevant stakeholders will promote knowledge transfer and the development of collaborative relationships, and give tangible recognition to the concept of social enterprise as part of the overall population of enterprises in Ireland. Including international speakers and attendees would raise the profile of Ireland’s social enterprise economy in an international context.

- Participate and collaborate in more general micro, small and medium **enterprise events** (run by public and private organisations) such as Local Enterprise Office (LEO) and Enterprise Ireland ‘Enterprise Weeks’ to heighten the awareness of and contribution of social enterprise activity and stakeholder involvement.

- Increase **awareness of social entrepreneurs in the educational system**, especially in third-level institutions. This can be achieved in the short term by introducing the language of social entrepreneurship into entrepreneurship modules and projects. In addition to targeting students, promotional activities must be undertaken with educators to inform them of social enterprise activity and why it is important to include the concept in entrepreneurship-related programmes.

The attainment of the above should be accommodated and given tangible recognition by:

- Establishing a nationwide **Social Enterprise Support Centre**, which could be located as part of the Irish Local Development Network and link into the regional Local Development Companies.

The nationwide resource centre should contain a help desk (virtual and personal) and a referral system to match the social enterprise query to a local resource for more tailored assistance.

The aim is to join up the resources of a range of organisations that engage with social entrepreneurs in a more formalised way, to gain scale and synergy between providers.

The promotional activities identified above combined with the work of the Social Enterprise Support Centre will improve and streamline information flows and content between the various public and private stakeholders.

- More strategically, consideration should be given to the development of **Social Enterprise Hubs** that provide innovation space to help start-up social enterprises and provide scaling enterprises also with common resources and supports administratively and in areas such as marketing, governance and networking. Useful learnings on how to develop these hubs are available from established enterprise centres and hubs for mainstream enterprises.

### ***Implementation of Actions***

The above initiatives can be rolled out on a phased basis, and will serve to rectify the information deficit and myths about social enterprises.

These actions should be spearheaded strategically at government level to demonstrate support and give recognition to the social enterprise sector, and include the allocation of financial resources for their implementation.

The resourcing of the dedicated Social Enterprise Centre – which is central to the effective execution of the recommended initiatives – would require government approval and funding.

LDCs should be more powerfully promoted as the ‘go to’ entity and as the social enterprise champions, and be responsible for managing and coordinating activities and resources to ensure synergy. Each LDC should have a dedicated Social Enterprise Advisor to provide consistent and professional support to individuals seeking to start or scale up a social enterprise.

## 6.2 Establish a supportive financial infrastructure that rewards the multiple contributions of the social enterprise sector

The survey findings consistently point to the difficulties that social entrepreneurs encounter in accessing and securing funding. They include calls for simplification of the current funding frameworks and an improvement in the related administrative procedures for applying for funding.

As with micro, small and medium enterprises, social enterprises require finance at the various stages of development, but it is more challenging for social enterprises to seek funding from mainstream public and private institutions. Social entrepreneurs often rely heavily on a range of funding sources, including individual contributions, foundation grants, member dues, user fees, government payments and fundraising.

Social entrepreneurs have fewer channels for accessing finance or for generating revenue streams. Furthermore, the social entrepreneur must rely continuously on the revenue streams mentioned above as they cannot readily switch products or markets, because the capacity to motivate and attract people and funding is tied to the specific social problem or need being addressed.

### ***Recommended Actions***

Creating a more supportive financing infrastructure requires reconstruction of current models. To ensure that this is completed effectively, more comprehensive evidence is required on the barriers and challenges of current supply-side finance options. For instance, it would be valuable to determine if there an element of contra-productivity and conflict between gaining access to funding and how its attainment may restrict future access to funding; or, if profit is made, is there a danger of funding being withdrawn?

A further issue worth investigating is whether some social enterprise funding does not follow success or profits, which would militate against developing scaling strategies as, if profits were made, then funding would be restricted or discontinued.

Research is required to determine if funding schemes tend to preserve inefficient structures rather than providing incentives and assistance for structural change

to the adoption of business models. A linked area of research is obtaining evidence on the sources of finance that have worked for social enterprises; 'good case' practices are important to provide the rationale for increased funding and as a means of learning for social entrepreneurs on how best to apply funding for success. These are also useful case-study stories and sources of testimonials for inclusion in promotional material and the social enterprise website.

The primary actions required to develop a more conducive social enterprise funding infrastructure must address the supply-and-demand-side viewpoints, incorporating the following tasks:

- Change the mindsets of funders (public and private) and equally of the social entrepreneur as to what role funding and funders should play in starting and scaling the social enterprise. Funders need to be more informed about social enterprise activity and its contributions beyond social outputs.

For investors in social enterprise activity, there is a perception of greater uncertainty due to the fact that there is no single factor outcome to measure, (such as profit or investment return), and the quantification or precise measurement of social impact is complicated. Thus investors need to understand social impact and its value in the marketplace as well as the benefits of investing in social enterprises. The establishment of a social enterprise brand endorsed by government will assist in this support for social enterprises.

Social entrepreneurs should have the objective of becoming 'investor ready' as opposed to just 'grant ready'. This requires a professionalisation of the enterprise. To achieve this, the social entrepreneur must accept and comprehend that business principles can and should apply to a social enterprise, without compromising the social priority. The awareness and promotional activities and use of 'good practice' case studies of funding sources that proved effective will assist in changing their mindset. Additionally, the social entrepreneur should receive training in the areas of financial planning, financial management and how to develop an investor-ready social enterprise.

- Generate a level playing field between social enterprises and mainstream micro, small and medium enterprises for access to funding. To do this, consideration should be given to compensating or modifying public funding criteria to ensure that social enterprises can access equivalent financial resources as small and medium-sized enterprises, despite the different goals they pursue and their different modes of operation.

The social and economic contributions provided by social enterprises contribute to the public interest and wellbeing of communities, which reduces the financial burden on government finances.



Social entrepreneurs require assistance in developing strategies that maximise social impact while also delivering a financial return. Social entrepreneurs have to devote much time to completing administrative work. In particular, challenges arise in developing submissions for first-time funding. When obtained, some funding imposes spending restrictions and varied expectations of accountability. The duration of funding tends to be considerably shorter in term for social enterprises, with grants often being made on an annual basis, thereby creating ongoing pressure for social entrepreneurs to give fundraising activities priority over other operational and management demands.

- Facilitate change from a grant and wage subsidisation dependency culture to one where social enterprises have a greater incentive to produce, trade, generate revenue and reinvest surpluses. The financing of work placements or wage subsidisation can restrict longer-term planning in the social enterprise.
- Identify and test how contemporary funding or social finance intermediaries are predisposed or willing to provide loans, guarantees or quasi-equity to social enterprises. These intermediaries include angel investors; the Diaspora; individual investors; venture capitalists; crowd funding; social impact bonds and social investment, which work best with government support and involvement as co-funders.

This calls for a review of how public/private partnerships might be applied to the social enterprise business model. The initial testing of the emerging funding options require institutional arrangements between governments and financial institutions through policy measures that promote co-investment with the private sector and seek social as well as financial returns, since social enterprise activity results in cost savings for government. Moreover, this co-investment approach would mean that the social enterprise would receive business advice from the private investor and get assistance in professionalising the social enterprise.

- Create more equitable access for social entrepreneurs to secure public procurement contracts. There is clearly an absence of social enterprises securing public procurement contracts, because of capacity constraints. This gap requires immediate attention. It can be addressed in the short term by modifying contractual stipulations for social enterprises while not diminishing the overall quality of the application or ability to complete the contract. Additionally, there is the potential for public procurement contracts to support enterprises with dedicated social and environmental impacts.
- Develop tailored packages of financial assistance to accommodate and encourage start-up social enterprises, with a particular focus on team formation and on the first three years of operation. Team formation in social

enterprise is an important means of bringing complementary resources to the enterprise and a broader network of contacts to develop the enterprise.

Social enterprise funding is as much about quality as quantity of funding. It is not enough to increase funding without improving the allocation mechanisms that ensure the funding is put to good use and creates a better alignment between the expectations of the funders and the needs of social entrepreneurs.

### ***Implementation of Actions***

It is recommended that a **Social Enterprise Funding Steering Group** be established to prioritise creating a better financing environment for social enterprises. This group, organised by the LDCs, should include representatives from private and public funding institutions, social finance intermediaries and social entrepreneurs.

The remit for this group is to initiate and coordinate research to obtain evidence to support current effective funding mechanisms, including why they work; how they can be transferred more broadly to social enterprises; the opportunities that may exist in the emerging funding mechanisms and funding models (discussed above), and how these can be best applied to the social enterprise context.

This investigation should include consultation with and input from public and private funders and social entrepreneurs. This steering group should also take into consideration the impact of governance and regulatory issues on finance, funding sources and revenue streams in the social enterprise.

Given the interfacing role of LDCs with both social entrepreneurs and funding agencies, they should assume responsibility for the following tasks:

- Design, test and share learning from the development of new financial ‘instruments’ and models designed to address the different kinds of business models and different stages of social enterprise development.
- Work towards the development of common grant application formats and guidelines on how to successfully obtain funding.
- Establish standardised tools for social entrepreneurs to track and collect information required by funders and government organisations, in collaboration with representatives of public and private funding organisations.
- Develop and deliver training to social entrepreneurs on topics such as:

- Becoming Investor-Ready
- Understanding Financial Information and Converting it into Management Information
- Preparation of Financial Statements
- Managing Cashflow

## 6.3 View governance and leadership as a practice rather than a set of independent tasks

Social entrepreneurs need to implement good governance principles and mechanisms, which affect the operations and scaling of the social enterprise. The research findings clearly demonstrate the challenges encountered by social entrepreneurs in understanding and adhering to the bureaucracies of governance. There are difficulties in completing complicated and time-consuming procedures, leading to a heavy administrative burden. As a result, there is increasing demand on LDC personnel to assist and undertake governance completion tasks (act as governance advisors) on behalf of the social entrepreneur. This trend is likely to intensify unless action is taken.

### ***Recommended Actions***

Issues in relation to governance require attention at a number of levels, as follows:

- Clarify to the social entrepreneur what the concept of governance means for the social enterprise, to alleviate the fears and trepidations associated with it. Social entrepreneurs need to understand that effective governance is not only about rules, bureaucracy and the stifling of progress.

Education about governance involves instilling in the mind of the social entrepreneur that governance is a practice, an attitude and a series of cross-functional activities whereby organisations aim to act with integrity to meet their responsibilities to funders, employees and beneficiaries.

The area of governance affects all aspects of the enterprise, thus requiring skills in management, leadership, finance and operations.

- Focus attention on early-stage and start-up social enterprises that are often so taken up with establishing a presence in the market that governance arrangements are neglected, or only considered when concerns are raised by funders or public service contractors.

Promoting and embedding the practice of good governance management at the early stage or at the start of the social enterprise will reduce the problems relating to governance experienced by established social entrepreneurs.

- Devise and implement enhanced training and mentoring programmes on governance management. Governance encompasses a wide variety of

managerial and leadership functions concerning mission and value-creation aspirations, how the enterprise operates, how roles are defined, and risk management, which are responsibilities of the board of directors. Therefore, the chair of the board or relevant board members should participate in the governance training programmes.

Social entrepreneurs would benefit from participation in governance training in the following areas:

- Sourcing, recruiting and assembling the board of directors
  - Managing, leading the board of directors – functional and relationship management
  - Managing conflict in the board
  - Drawing up rules and procedures for board operations and maintenance
- In addition to competency development, the social entrepreneur requires hands-on assistance and mentoring to manage the board and governance challenges; deficiencies in governance knowledge will result in reduced capacity to scale up to meet demand. In particular, assistance with the following tasks of managing the board of directors is required:
    - Drawing up guidelines and instructions on the stages and process of recruitment of the board of directors
    - Ensuring that the selection process results in the most appropriate and beneficial mix of skills and expertise of board members (and not just selecting people whom social entrepreneurs know)
    - Engaging, motivating and retaining experienced board members
    - Evaluating the efficiency and effectiveness of the board and have the ability if necessary to 'exit' non-contributing members
    - Managing the interdependencies between board and management – the power of boards to control management and *vice versa*

*In scaling social enterprises, the boundaries between governance, management and operational tasks can be blurred. In particular, there can be considerable challenges around the influence that social entrepreneurs have on the board, due to a lack of time or expertise to effectively support and manage their boards.*

    - Reviewing the opportunities or examples of where and how multi-stakeholder boards have worked effectively to bring together the interests of different groups and generate greater social capital

*Assistance is required by the social entrepreneur on how to develop sub-structures, where required; how can they managed in the context of the overall board, and the implications for the role of the social entrepreneur.*

- Establish a Board of Directors Chairs Network to facilitate peer learning and exchange of best practice, and provide a means of keeping up to date with governance issues.

### ***Implementation of Actions***

The development of more coordinated, appropriate and achievable governance compliance requirements should be at the core of social enterprise government policy. The attainment of this requires collaboration and input from the LDCs, which have intimate firsthand experience of the frustrations and expectations of social entrepreneurs as to what governance should be about. This collaboration should suggest ways to simplify and harmonise social enterprise governance and funding administrative frameworks, to enable easier governance practices.

Consultation with social entrepreneurs at various stages of social enterprise development is critical to identify the challenges they encounter and gain their participation in the piloting of reconfigured governance procedures and criteria.

Ultimately, government – in consultation with LDCs, funding institutions and social entrepreneurs – needs to strategically authorise and support the modification of current governance practices to ensure that the real benefits of governance are achieved, as opposed to it being a barrier and restriction to social enterprise establishment and scaling.

## 6.4 Create an alignment between evaluation and monitoring metrics

There is and will continue to be pressure on social entrepreneurs to produce evidence on their social impact. However, the continued imposition of rigid measurement criteria developed for mainstream micro, small and medium enterprises constrains the ability of social enterprises to present the full story of the multiple impacts of their activities.

The debate about what, how and why to measure continues to stifle the activities of the social enterprise, and challenge those working with social enterprises who seek to retro-fit social with commercial metrics. Time is wasted, without benefit to either organisation.

It appears that quantifying social impact is viewed as the 'holy grail' of impact measurement, but the quest for the perfect set of metrics results in loss of important qualitative impacts that are congruent with the enterprise's mission or why it was established.

Being able to articulate accountability to stakeholders through evidencing and managing social-value performance is important, but should not rely only on quantitative metrics as these are insufficient to portray the multiple impacts of the social enterprise.

The following suggestions present options to move beyond the emphasis on quantitative measures to capture the multiple contributions of the social enterprise.

### ***Recommended Actions***

- Apply different impact measurement tools and metrics for early-stage social enterprises versus more established ones.
- Integrate the monitoring, measurement and tracking function into the social enterprise strategy processes and procedures, so that it is not an add-on, a periphery activity, or completed only when necessary for funding or assessment purposes.
- Develop a knowledge base of evidence from proven international best-practice performance measurement methods, and of how they can be applied to the context of social enterprises in Ireland.

- Redesign the current concept of performance measurement to focus on the process of setting targets and achieving outputs – so that it is not just about measurement but about tracking and tracing, without being overly prescriptive. The metrics applied to the various stages of the operations of the enterprise must be more practical and modular or progressive to relate to the realities of the operations and milestones of the social enterprise.
- Consider and identify the most relevant timeframe or timescales for outcomes, and then incorporate these into the reporting criteria. This will mean measuring according to what is realistic for each enterprise.
- Incorporate the social enterprise mission and objectives as the benchmark against which performance is measured. The mission and objectives should drive and inform the most appropriate and realistic metrics on which to assess performance.

These metrics should be built into the strategy of the enterprise and provide a means of ongoing monitoring to allow social entrepreneurs to regularly review how the mission is being achieved, as a means of identifying bottlenecks and areas of under- or over-performance and thus allowing the modification of enterprise activities accordingly.

This information will help social investors to view the progress of the social enterprise and obtain a more in-depth and informed understanding of how their funding assisted not just the enterprise but the broader beneficiaries and the public (which is relevant to the investor's corporate social responsibility).

- Give evidence of the impact the enterprise has on the wider community and capture secondary and future outcomes. Investors like to know that their funding has helped not just the employees of the social enterprise but the broader community.

### ***Implementation of Actions***

Local Development Companies have a role in educating social entrepreneurs on the purpose of performance measurement, what it entails, how it affects the enterprise as a whole, and its implications for reporting requirements, which may differ if social entrepreneurs are responsible to different funding sources or have different business models.

Working alongside private and public funders, LDCs are best positioned to lead the identification and design of a more appropriate and realistic performance measurement process (and criteria) for social enterprises. Similar to the proposed Social Finance Steering Group, a Task Force dedicated to establishing a better performance measurement process for social enterprises should be



convened. This task force or committee (with a defined time-frame for its work) should consist of representatives from LDCs, social entrepreneurs, financial institutions and experts in performance measurement in the social economy.

A useful approach being advanced in social enterprise performance measurement, which could guide the design of a more appropriate measurement process, is the 'theory of change', which focuses on the outcomes for the communities and beneficiaries of the social enterprise. It identifies the relationships between activities and desired outcomes. Since social entrepreneurs are viewed as important agents of change, the use of change and its components in assessing performance is appropriate to the ethos of the social entrepreneur and how the social enterprise is structured and operated.

Change outcomes include identifiable and deliberate change, in areas such as financial savings, service provision or delivery, behavioural change for individuals, additional social and economic benefits, and secondary benefits. The monitoring process should be congruent with the objective and mission of the enterprise, using indicators around the outcomes of its services, the expected changes in the various groups, the type of change, and the expected timeframe for the change to come about.

In turn, this can lead to enterprise learning, to greater efficiency in operations, to service/product offerings and to overall enterprise effectiveness. Establishing relevant and mission-led, change-based (qualitative and quantitative) outcome indicators is also an effective performance management tool, can inform expansion strategy, and gain stakeholder interest and commitment as well as recognition in the wider public and private spheres.

This approach adopts a process perspective and a more holistic perspective of measurement, context, means (process), metrics (qualitative and quantitative, and ongoing tracking) across the functional areas of the social enterprise.

Relevant employees in LDCs and in funding institutions require training in the area of measuring social enterprise impact and how to implement the various measurement methods in different social enterprise contexts.

Funding and performance measurement or impact measurement are primary challenges faced by social entrepreneurs, and are interlinked. Decisions made in one area have consequences for other areas. The Social Enterprise Funding Steering Group and the Performance Measurement Task Force should thus work in partnership to ensure that responses identified in each area are in harmony and support each other to eliminate the current disharmony between the two areas.

## 6.5 Provide competency and capability training for start-up and scaling-up social enterprises

The availability of supportive financial, regulatory and governance infrastructures on their own will not enhance the performance of social enterprise activity if social entrepreneurs and their employees are not competent and capable of using them to their maximum potential.

Much of the training undertaken by social entrepreneurs is compliance-related, covering areas such as financial management and governance, and is favoured over function-specific, strategic and managerial programmes that would help to deliver longer-term productivity gains, in areas such as strategic management, leadership, operations management, marketing and innovation.

### ***Recommended Actions***

It is important to improve the flow of talent into social enterprises and develop the skills of those already in them, and to prepare social entrepreneurs and their employees for the challenges of start-up, sustainability and scaling of their enterprises.

In particular, it is crucial to develop skills in balancing the social and commercial aspects of the social enterprise. This can be achieved by delivering training in the following areas.

- Management and Leadership – bridging the business functions to achieve social and commercial impact
- People and Team Management – managing, motivating and leading internal and external stakeholders
- Validating the Social Concept – the questions to address
- Applying for Funding – bridging the social agenda and the funder requirements
- Understanding Finance – cashflow management, budgeting, forecasting and financial statements
- Strategy Development – developing strategic thinking and behaviour in the social enterprise
- Integrating Social and Commercial Business Models to Achieve Scale

- Monitoring and Measuring Performance – beyond a set of metrics
- Working Through and With Change – managing internal and external change, and the role of the social entrepreneur as a change agent
- Personal Development – bridging the social and business mindset to achieve scaling
- Governance and Board of Management Competency Development (as described in the section 6.3)

The emerging nature of the social enterprise sector means that agencies involved with this sector are on a learning curve. It is imperative that service providers have skills and competencies in the overarching cross-functional and managerial perspective of how social enterprises operate and in governance and performance measurement and funding.

### ***Implementation of Actions***

The more competent the social entrepreneur is, the better they can avail of the financial and other government supports in place, and thus help to ensure efficiencies in government expenditure and the development of a more sustained social enterprise sector.

Competency development initiatives can be managed, delivered and coordinated through LDCs, which currently operate good-practice examples of competency training. Some of the standardised training programmes could be delivered centrally in the Social Enterprise Centre or in a similar set-up to generate economies of scale from investment and to provide broader networking and peer-learning opportunity for social entrepreneurs. Mentoring is an important part of the delivery process, Greater engagement with successful social entrepreneurs will provide this opportunity. Mentoring by individuals from financing institutions will provide much-needed complementary mentoring opportunities for social entrepreneurs.

LDCs in conjunction with other government agencies and educational institutions should facilitate peer learning, not only among social entrepreneurs, but also among members of the senior teams working with the social entrepreneurs and among board members. Building active 'learning networks' amongst key stakeholders and social entrepreneurs will generate new knowledge and practices supported by evidence. This will foster reflective, critical peer learning, and integrate knowledge and practice to advance understanding of the dynamics and contributions of the social enterprise sector – addressing an area of weakness in the Irish context.

## 6.6 Enhance networking, partnership and collaborations, to achieve greater social impact

Social entrepreneurs face limited resources, fewer opportunities to source finance and increasing competition from other social and non-social entities. They need, therefore, to focus on building a network of contacts and resources that enable the pursuit of greater impact, new insights and increased sustainability.

Networking across enterprise boundaries to create social value is a powerful scaling strategy because the creation of social value is not limited within the enterprise boundaries. The social enterprise can be conceptualised as a vehicle for creating social value, either directly or through facilitating the creation of social value with and by others. Therefore, the social entrepreneur must be competent to source, manage and sustain external relationships and collaborations, and adopt the role of 'networker' and 'collaborator' to attain the resources required by the enterprise.

The notion of collaborations and partnerships by social entrepreneurs is less evident in the Irish context. Their application as a scaling strategy merits exploration to determine if possibilities for public/private partnerships or private-only partnerships exist, and how they can best operate.

The following are suggestions on possible collaborative arrangements for social enterprises, and a focused plan for networking.

### ***Recommended Actions***

- Evaluate and test partnership options as a means of compensating for the deficiencies of the social enterprise in skills, resources, access to market opportunities or as a source of innovation. The options include:
  - **Skills partnerships:** One party shares their skills and expertise with the other, either through structured pro-bono or low-bono engagement, through skills-based volunteering, or through informal mentoring, coaching or advising. Social enterprises benefit from the experience and insight of partner skills and expertise in areas where they require skills as they work to scale their businesses.
  - **Channel partnerships:** Social enterprises identify partners to serve as sales or supply channels or become involved in some aspect of the value

chain of activities. The benefits of such channel partnership for the social enterprise can include increased sales and enhanced quality, greater access to markets and increased efficiencies of route-to-market strategies.

- **Venture partnerships:** Social enterprises and public and/or private enterprises enter business arrangements, which may require a forfeiting of some equity by the social entrepreneur. This type of relationship can assist in developing new products and services and modified or new business models through investments or joint-venture arrangements.
- Educate social entrepreneurs on the implications of partnership arrangements; for instance, the acceptance of changed business models and the decision to partner for a temporary or a longer period should be guided by a validation of the following questions:
  - What are the objectives of the proposed collaboration? Is there a clear business case for it? Is it a proactive as opposed to reactive decision?
  - What are the drivers for partnering for all interested parties? What is the mix of social versus commercial drivers?
  - Are the partners' needs and goals for the partnership defined and transparent?
  - Do the partners have the capacity to realise the business case?
  - What are the proposed operating and funding structures? How do they fit the objective and approach of the partnership as well as the enterprise cultures of the partners?
  - What will the management and reporting structures contain? What are their implications for the role, control and input of the social entrepreneur?
  - Do the partners have a relationship of mutual respect?
  - What is the exit strategy governing the partnership?
- Devise a Networking Strategy for Social Entrepreneurs and for service providers. This strategy would start with evaluation of what formal and informal networking events have taken place, what was their objectives (if any), what was the outcome or results from the events, and was there a follow-up for the social entrepreneur and the organiser. The learnings from this evaluation lead to critical reflection and form a foundation on which to build a more focused and dedicated networking strategy to achieve results

and ensure that the resources allocated by LDCs and entrepreneurs are most effectively leveraged.

Networking events and workshops can be arranged by LDCs for sharing experiences and for mutual learning about initiatives that have worked and why, and those that have been less effective and why. They are also a means of identifying opportunities for greater sharing of resources (training material, document templates, case studies) to maximise resources, and as a source of learning. Networking events require a strong focus. Each planned event should have a clear objective, defined outcomes and a follow-up plan.

- Establish focused mentor panels to complement the expertise available from LDC staff. Members of the mentor panel should be individuals with experience and expertise in the functional aspects of managing a social enterprise, with particular emphasis on governance, financial planning and management, management and leadership, and human resource management. LDC staff can match the needs of the social enterprise with the relevant mentor expertise.

In addition to one-to-one mentor consultations, LDCs could arrange mentor panel meetings where social entrepreneurs in the early stages of development, seeking funding or planning to scale up can present to the panel and obtain integrated cross-functional feedback (as opposed to function-specific feedback).

Planned networking, partnerships and collaborations work effectively for micro, small and medium enterprises. Similar principles can be applied to the social enterprise as a means of overcoming scarce resources. The social mission should not be viewed as a barrier to forming business relationships that address different partner needs.

## ***Conclusion***

The above policy recommendations address the external and internal challenges currently affecting the establishment and scaling potential of social enterprises. These recommendations indicate the overarching infrastructure of enabling support and resources required.

The action plans address and accommodate the operational and management challenges, which are primarily related to the skills and competencies of the social entrepreneur, their staff and members of the board of directors. The actions bridge the gap between the supply side of policy and the demand side of the social entrepreneur and their enterprise needs.

Policy initiatives should combine a top-down process of priority goal-setting by government and the allocation of resources to key areas with a bottom-up process of resourcing and facilitating organisations such as the LDCs and social entrepreneurs themselves to leverage the optimum benefits of their enterprise to local and regional economies.

## 7.0 Concluding Comments

The social enterprise phenomenon and practice in Ireland is growing as more people view social entrepreneurship as an alternative business formation option. However, the potential for social enterprises to serve as a serious alternative to doing mainstream business will remain unfulfilled unless government allocates resources to create a supportive and enabling environment, while internally building business knowledge and competencies in social entrepreneurs, their employees and boards of directors.

The results of this study clearly demonstrate the multifaceted benefits that social enterprises bring to local and regional economies. It is important to make these benefits available to more people. Policy must capitalise on and leverage the best practices of social enterprise activity, which has been enabled by Local Development Companies, to expand current social enterprises and encourage more people to start a social enterprise. If policy does not intervene in a more proactive manner to meet the needs of social enterprises, the resources expended to date on this sector will be wasted and the social enterprise sector will underperform.

The role of government is to act as endorser, facilitator and resource allocator to government institutions that work directly and indirectly with social entrepreneurs, funding institutions and social entrepreneurs, to achieve the common objective of building a more robust social enterprise sector. Collective implementation will achieve collective impact, creating a positive and inviting environment that enables social entrepreneurs to become catalysts for more sustained economic and social transition.



## 7.1 Keeping the conversation going – areas for continued research

Success will require building a strong community of practice and knowledge, as well as improving the ecosystem that supports social entrepreneurs. Thus it is important to engage with educational and research institutions to build the body of practical and applied knowledge in the area, creating a co-learning experience with and from the community of practice.

The results of this research give insights into the dominant issues that challenge social entrepreneurs, policymakers and researchers in advancing the policy and practice domains. A number of topics merit more advanced investigation, including:

- The use of as a means of capturing the performance of the social enterprise and understand of where it can be sued in measurement dilemma entrenching this space
- Application of contemporary funding models to the social enterprise sector
- The social enterprise phenomenon – the perceptions, myths and realities
- Investigation of the notion of social enterprise scaling and how it aligns with traditional concepts of firm growth
- Evaluation of different business models and organisational structures for application to social enterprises

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# Appendix 1: Copy of questionnaire

## **Profiling the number and contribution of Social Enterprises to the Economy**

### ***Introduction***

This survey is being undertaken to identify the diversity of social enterprise activity across the regions of Ireland to provide a more informed understanding of the social, economic, and financial value and contributions of social enterprise sector. The resultant information will heighten the awareness off and the contribution that social enterprises bring to their local communities an

The definition applied in this study for a for social enterprise is as follows ‘an enterprise that trades for a social/societal purpose, where at least part of its income is earned from its trading activity, is separate from government and where the surplus is primarily reinvested in the social objective’ Forfás (2013)

In order to achieve this objective we are seeking your assistance in the completion of the attached questionnaire. Your responses should concentrate **only on Social Enterprises that your LDC has or is supporting** and not on all social enterprises in your region.

The research is being undertaken by Irish Local Development Network and the Kemmy Business School, University of Limerick. We would greatly appreciate your cooperation in the completion of the questionnaire which is contained in the link below as this research is an important mechanism for all Local Development Companies to heighten the awareness of and the significant contribution of the Social Enterprise Sector to regional communities.

If you would like to obtain more detail or any assistance when completing this survey, please contact **insert contact (email and telephone) details**

Confidentiality

Any information that you provide in this survey will be treated in strictest confidence. All data gathered through the survey will be aggregated to provide an overall picture of social enterprises in the region. No one organisation will be identified in any report without the express permission of the organisation.

Your participation in this survey is very much appreciated.

**Section One – Local Development Company Profile and Services provided to Social Enterprises:**

Q1. Name of Local Development Company:

\_\_\_\_\_

Q2. Respondent Name and Role: \_\_\_\_\_

Q3. Describe in the tables below the range of *direct and in-direct supports* you provide specifically for Social Enterprises

(a) Describe the range of **direct supports** you provide specially for Social Enterprises

Direct Support type	Direct Support Description
Specific skills training – please describe type of training provided	
Pre enterprise training programmes- (please provide a list programme names)	
Enterprise support services in relation to advice for business idea development, business plans, accessing funding	
Supporting the establishment of community and social enterprises	
Business networking	
Grant assistance for business start-up and expansion	
Community and voluntary work placements	
Marketing for social enterprises	
Online and ICT for social enterprises	

Human resources supports / accessing skilled labour	
Management Competency training programmes	
Guidance on procurement and how to access to public contracts	
Strategy and planning for Social Enterprises	
Access to Finance including grant aid, loans and philanthropic donations	
Other services, please specify and describe the services	

(b) Describe the range of ***in-direct supports*** you provide specifically for Social Enterprises

Type of Indirect Supports	Description of support
Guidance on establishing Board of Directors	
Role and obligations on Board of Directors	
Provision of information /workshops on the new Governance Code for the Irish Community, Voluntary and Charity	
Training /Advice on legal issues of running a social enterprise	
Training /Advice on Self- governance and ethical issues	

Training /Advice on defining roles and duties for Board of Directors, staff and volunteers	
Training /Advice on risk management	
Other indirect supports (please specify and describe them)	

(c) Can you please indicate if your LDC provides or manages the following **labour support schemes** for use specifically for individual social enterprise and if so how they are allocated?

Type of Scheme	How it is used for Social Enterprises
Community Employment scheme	
TÚS	
Rural social Scheme	
Job Initiative	
Job Bridge	
Community Services Programme	
Other Scheme, please specify which ones	

Q4. Of the above listed services can you please indicate the five most frequently used services by your social enterprises?

1 \_\_\_\_\_

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2 \_\_\_\_\_

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3 \_\_\_\_\_

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4 \_\_\_\_\_

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5 \_\_\_\_\_

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Note: a separate page is attached to allow you to provide a listing of those enterprises and their location and age – we would appreciate it if you could complete this

Q5. Can you provide an estimate of the resources your LDC uses in its provision of direct and in-direct supports to the Social Enterprises engaged with on a monthly basis?

- Hours spent by LDC staff in assisting and providing services to Social Enterprises \_\_\_\_\_
- Financial resources \_\_\_\_\_
- Number of training programmes \_\_\_\_\_



## Section Two – Profiling Social Enterprises in your region

Q6.How many Social Enterprise entities and individual Social Enterprises and in what capacity does your Local Development Company deal with:

(a) Social Enterprise Legal Entities \_\_\_\_\_

(b) Individual Social Enterprises (not legal entities) \_\_\_\_\_

(c) The number of individual social enterprises you provide direct and in-direct supports to

Supports	Number of individual Social Enterprises
Direct Supports	
Indirect Supports	

Q7. On an aggregate basis please provide the following information on the total number of social enterprises you engage with.

- Business Sectors represented by the enterprises

Business Sector operates in	Number of enterprises	Number of people engaged with each sector and their status of employment
Childcare		
Health and social care		
Media/arts/heritage		
Rental/accommodation/housing		
Environmental services		
Sports and leisure		
Education and training		
Food and Drink		
Transport		
Business Advice		
Other, please specify		

- Describe the primary customer or user profiles who benefit from the services/products provided by the social enterprises

Individual customer profile users of your services or products	Business, Public Sector Organisation or other commercial or business based users for your services or products

- The regional spread of customers the social enterprises provide product/services to

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### Section Three – Contribution and Impact of Social Enterprises

On an aggregate basis indicate the overall employment, financial and social impact of individual social enterprises in your remit

Q8. Economic Impact of Social Enterprises -Employment Creation - How many people were engaged in social enterprises during the year 2014 and 2015

Employment status	Total numbers engaged for all individual social enterprises
Number of full-time employees (non-labour market scheme)	
Number of part-time employees (non-labour market scheme)	
Number of JI employees	
Number of CE employees	
Number of Job Bridge employees	
Number of TUS staff	
Number of Volunteers	

Q9. Financial Impact of Social Enterprises - What was the breakdown of the sources of income derived by individual social enterprises for the years 2014 - 2015?

Source of Income	Contribution of all individual social enterprises
% of income earned from <u>traded</u> activity (e.g. sales to customers)	
% of income from third parties (e.g. from state agencies) to deliver specified services/goods	
% of income from grant aid	
% of income from private donations/philanthropic sources	
% of income from loans	
% of income from fundraising	
% of income from other sources (please specify source)	

Q10. Can you describe the four most significant social enterprise type or business sectors that contribute most in employment and or financial terms?

Social Enterprise Type/ Business Sector	Their contribution employment and financially
1 <sup>st</sup>	
2 <sup>nd</sup>	
3 <sup>rd</sup>	
4 <sup>th</sup>	

Q11. Social Impact of Social Enterprises

Please indicate what you consider are the primary social contributions and added value provided by the individual social enterprises you deal with.

Social impact –	Describe the type of social impact – give examples where possible
Create opportunities for disadvantaged groups	
Provide enhanced local social wellbeing and sense of inclusion for marginalised groups	
Enable older people to play an active part in their communities,	
Empower young people to achieve their career potential,	
promote healthy eating and wellbeing in children and young adults	
Generates employment opportunities which would not otherwise be available	
provide food and catering services not made available otherwise	
Other social impacts (please provide a list of those and comment on their importance	

Q12. What is the process of evaluation adopted by your organisation in evaluating the performance of the social enterprises, please describe

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Q13. In relation to the Management and Governance of the Social Enterprises you deal with can you please describe?

The role, if any that LDC staff with:

- choosing Board Members for the Social Enterprise


- Engagement with the chair of the Board of Directors


- Participation or membership of Social Enterprise Management Committee


#### **Section Four – Benefits, Opportunities and Challenges for the Social Enterprise Sector**

Q14. What are the primary benefits (social, economic, financial) that a vibrant social enterprise sector contributes to your region

***Social Benefits:***

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***Economic Benefits:***

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***Monetary /Financial Benefits:***

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Q15 (a) From your experience, what are the problem areas that provide opportunities for social enterprises to offer solutions to over the next 2 years

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Q16 (b) How can these enterprises be developed as viable and sustainable social enterprises

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Q17. What were the key success outcomes and benefits emerging from the Social Enterprises you have a relationship with? Please indicate examples of successful social enterprises and describe the primary success characteristics of these social enterprises

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Q18. What challenges do you envisage will impact on the progression of social enterprises at various stages of development in your region over the next 2 years?

#### Start Up Social Enterprises

Challenges <u>internal</u> to the enterprise	Challenges <u>external</u> to the enterprise

#### Established Social Enterprises

Challenges internal to the enterprise	Challenges external to the enterprise



Q.19 Please provide suggestions on how can social enterprises be supported to achieve growth and to meet their objectives in the following aspects of their enterprise

Capacity Building at the following levels: (1) Board of Directors  (2) Management and leadership skills  (3) Employee level	
Financial Sustainability of the social enterprise	
Governance /management of the social enterprise	
Business Planning and growing the enterprise	
Organisational structure and business models	

#### Attachment 1- List of Social Enterprises

Social Enterprise Name	Location - Address/area	Type of product/service or Business Sector	Age of enterprise (approx.)

# Appendix 2: Examples of good-practice social enterprise activity

The following mini cases present an overview of some of the many successful and impactful social enterprise stories emerging in the results.

## **McAuley Day Care Centre Care & Repair Service, Charleville**

Kevin McSweeney, a community activist in Charleville, Co. Cork, became aware that there was a need for a free/low-cost small repairs and visitation service for older community members to help them live more comfortably and safely. Having a background in the building trade and being semi-retired, he was also conscious that, with the downturn in the economy, a number of skilled tradespersons might have time on their hands, along with volunteers in the community who were willing to get involved.

Census 2006 figures for Charleville showed that there was a potential of almost 600 clients over 65 years of age who could benefit from such a service. The census figures also showed that 147 people over 65 in Charleville had a disability.

### ***Activities***

Kevin McSweeney brought his idea to the community development officer at the Charleville outreach office of Ballyhoura Development Ltd. Mr McSweeney had identified a core group of skilled tradespersons who had spare time on their hands and would be willing to help out, as well as areas in the community with higher densities of older people residing there. Staff members of Ballyhoura Development (community and enterprise) helped Mr McSweeney to identify what model would best suit the rollout of a visitation and small repairs project, from similar service demarcation, to client identification, to stakeholder buy-in, to operations and roll-out of the service. It was soon realised that should a service be put in place, it would need the support of other agencies to reach its full potential.

One such support agency identified was Age Action Ireland, one of Ireland's leading charity and advocacy bodies for older people, which works against discrimination, helps to promote positive ageing, and aims to improve policies and services for all older people. Age Action Ireland's Care and Repair Programme was set up on a pilot basis in November 2006 to assist older people to carry out small repairs and improvements to their homes, enabling them to live independently in the community in increased comfort and safety. The service is available in Dublin, Cork, Galway and Limerick cities and over twenty locations across Ireland. The vision of the Age Action Care and Repair Programme is to enable older and vulnerable people to remain in their own homes, in their own communities, living as independently as possible, by improving their housing conditions and level of comfort and security.

Exploratory meetings were arranged between Age Action Ireland, Mr McSweeney's local volunteer steering group and Ballyhoura Development to gain a better understanding of the Care & Repair model and to identify a way forward. It was agreed that this model would be suitable for the needs in Charleville.

Public meetings were held in Charleville by the Steering Group, supported by Age Action Ireland and Ballyhoura Development, to outline the model and service to the stakeholders, including potential clients and volunteers, and other agencies. Once agreement had been reached that the Age Action Ireland Care & Repair model was the way forward, a franchise agreement was signed by Charleville's McAuley Day Care Centre as the anchor group and the local Steering Group became the group/committee responsible for the roll-out of the operation.

Ballyhoura Development assisted with putting a project workplan in place. It included elements of operations, promotion, referrals, recording and monitoring. Fifteen volunteers (whose interests, availability and skills were logged in a database) undertook induction training provided by Age Action Ireland, covering issues such as best-practice engagement with clients, scope of service, awareness of issues affecting older persons, such as general health and wellbeing, security, etc.

An awareness-raising and promotion plan was prepared to target older people and the wider community (fliers, press releases, posters, etc), and meetings were held with other stakeholders such as local doctors, public health nurses and the postal service to outline the remit of the services provided. A credit union account in the name of the project (with clear rules on account control) was established and a 12-month community fundraising plan with agreed events (church-gate collection, flag day, etc) was defined by the Steering Group.

Age Action Ireland assisted with the development and design of the recording and referral documentation to be used at the project base at the Charleville outreach office of Ballyhoura Development. Administrative support is provided through two Community Support Workers attached to the local FÁS Community Employment scheme, who availed of training from Age Action Ireland. Ballyhoura Development provides a telephone number, 063-30535, which is used by clients and the public to log a job or gain more information about the project.

Through the Local and Community Development Programme, Ballyhoura Development supported the group to arrange insurances and indemnities to cover the activities of the project.

The Charleville McAuley Day Care Centre Care and Repair service was officially launched on 1<sup>st</sup> October 2010, offering two main services to community members aged over 65 years:

- (1) Repair: Local volunteers carry out small repairs and other low-level maintenance jobs in homes and gardens.
- (2) Care – home visiting or befriending of a client by local volunteers, to provide social contact for older people who are at risk of isolation in their own homes.

### ***Managing the challenges and opportunities***

At the outset, the community development worker found it useful to work with the client (and consequently the Steering Group) who was proposing that the project examine other services provided locally and identify any gaps in service provision. This also gave service providers, such as GPs, public health nurses and gardaí, the opportunity to become familiar with the personnel involved in the planned project. These stakeholders also supported the project by circulating flyers and press releases throughout the Charleville area.

Operationally, tasks and client details are recorded by Community Support Workers and referred to the lead volunteer, who identifies two suitable volunteers for the job. The client is then contacted to confirm the best time to call to complete the service. A job-completion sheet is returned to the project base to enable Age Action Ireland to monitor numbers and provide ongoing support and training, if required.

The identification of a base of volunteers with skills to offer and time available to provide services was very important. Currently, 15 volunteers are active in the project. It was felt that this was sufficient in the early stage to ensure that all volunteers were involved quickly in client callouts to maintain continued interest.

Administrative support for the project through Community Support Workers of the local FÁS CE scheme, and a base at the Ballyhoura Development Ltd offices in Charleville, enables a constant presence and ongoing support for clients, volunteers and Steering Group members.

Advice and guidance from Ballyhoura Development Ltd, as well as funding sourced through the Local and Community Development Programme, ensured that the project had adequate supports in place to deliver a comprehensive package to its clients in the Charleville community.

### ***Enterprise outcomes and success***

The McAuley Day Care Centre Care & Repair Service held its first AGM on 17<sup>th</sup> October 2011. The project's chairperson reported that it had a very successful first year of operation. The project now consists of four services: (1) Small Repairs, (2) Visitation, (3) Trades Referral, and (4) Quote Check.

To date, 76 clients have used the free service. Of these, nine are regular clients with various small tasks to complete, and 17 involve daily/weekly visitations. The total number of jobs for the first year was 769, making it one of the busiest Care & Repair services in the country.

The project has retained its volunteer base, although a waiting list is held of potential candidates if and when the need arises. Age Action Ireland provides induction training and Garda Clearance on behalf of the project.

Solid relationships and partnerships have developed, in particular with the local Community Garda and Charleville Neighbourhood Watch in relation to household security and monitored alarms. Personal information packs (PIPs) have been sourced through a local pharmacy and distributed to existing and potential clients of the service, giving the committee member a tangible 'introduction' to clients. The Steering Group are now looking at availing of basic IT training through the Rural Development Programme, for its clients and volunteers to further develop models of social interaction.

### ***Conclusion***

Many older people can live and work independently in their own homes, but reach a stage where some tasks become difficult. For some, climbing a ladder to put up a lightbulb, tightening a leaking tap or fixing a curtain-rail may be too difficult. For others, a regular check-in is enough to give them the comfort and peace of mind to enable them to continue living safely within their community. Volunteers of this service are happy to provide helping hands to carry out these

small jobs and conduct regular visits. Although this may seem a small thing in the scale of difficulties in society today, it can make all the difference to the life of an older person.

The McAuley Day Care Centre Care & Repair Service complements other social inclusion work done locally, and has provided local volunteers, through simple means and locally developed partnerships, the opportunity to combat isolation and make vulnerable citizens feel safer and more secure in their own homes.

## **St John's Church Cultural Centre, Co Limerick**

In 2006 Ballyhoura Development Ltd took part in a transnational project titled 'The Villages of Tradition'. In practical terms, this sought to establish the unique selling points of rural villages across Europe and marketing them to a wider audience. Key linkages were made with the Westerkwartier region of the Netherlands and its learnings were transferred to the Ballyhoura and Blackwater regions.

One of the rural villages that took part from an early stage was Knockainey, Co Limerick, a village with a small population, no mainstay retail or business, and served mainly by its local town of Hospital. What Knockainey possessed, however, was a core group of committed people with an interest in preserving local heritage and in particular a deconsecrated Church of Ireland church, St John's. The building has a focal position in the community but was out of use for almost 10 years due to a declining congregation. Early on, the group identified as a resource this building, its story, its heritage spanning hundreds of years and its potential to represent a new story for the village, a new beginning.

### ***Activities***

Pre-development: The group took some crucial steps, along with Ballyhoura Development Ltd, before any capital work was undertaken. Through all stages, a lead role was taken by Ballyhoura Development to ensure that all steps were taken correctly and all relevant contacts made.

The project linked with the wider Villages of Tradition network, working with the facilitator of the network to identify 'Knockainey's project', and established a voluntary group, the Knockainey Historical & Conservation Society. The group secured a lease on St John's Church from the Church of Ireland's Representative Church Body in 2006.

The plan was to use the church as a musical venue, arts centre, and venue for performers of a high standard, thus doing justice to a unique setting with superb acoustics. On this basis and for this use the lease was secured.

Key contacts were identified and made early on: the County Council Heritage Officer and Limerick County Council Conservation Officer. These contacts were crucial as the church is a listed building, but also from a professional standpoint. The two contacts are still involved in the St John's project.

With support from both Ballyhoura Development and Limerick County Council, St John's was refurbished throughout 2007 (specialist painting, and the replacement or renovation of pews, doors, windows and flooring in accordance with the Listed Buildings Act and under constant supervision by the Conservation Officer).

The steps achieved in 2006 and 2007 led to the foundations of the Cultural Centre as it stands today.

### ***2007 – 2011***

Once the renovations were complete, a sub-section of the voluntary group sought performers to develop a concert programme throughout the year. A key contact established at this point was the Arts Officer for Limerick County Council who to this day has appointed and used this venue as an outsource for performers in Co Limerick.

The group, with support from Ballyhoura Development, undertook another project: the refurbishment of the Sexton's House at the front of St John's to create a community space (as well as toilets and a changing area for performers).

The preparatory work, including planning and drawing up a business plan, was supported by Ballyhoura Development Ltd and the Ballyhoura Development mentor programme, and done in anticipation of the RDP programme in 2009, meaning that the group were ready to make an application for the project when it began to roll out at the beginning of 2009.

### ***Challenges, opportunities and progress***

The group is formed of members with various skillsets. Three core members identified people in the community with relevant skills, including electrician, builders, solicitors and accountants. The group of 2011 still has the core members identified in 2007.

Key contacts were established from the beginning and this proved invaluable as the project progressed.

The success of the St John's project was a catalyst for other groups to form, including a Community Council and Tidy Towns Committee. The project has become a model for other communities in the Ballyhoura area with a derelict Church of Ireland church, and who are examining how to use the building for the community.

### ***Outcomes and success (as of 2011)***

St John's has completed a heating upgrade and is now planning its concerts for winter 2011 and spring 2012. The focus of the group is to host high-profile acts to draw attention to a unique venue.

The graveyard has been surveyed and a sign erected for people conducting genealogy research. The Sexton's House is being used as a community office (part-time) for the start of a new project linking with Ireland Reaching Out.

The success in reusing the church buildings proved fundamental in stimulating other projects and more volunteerism in a small rural location. The project has given the community groups in Knockainey more capacity to help themselves and give their members a better quality of life.

## **Ballyhoura Development – a World-Class Recreation Initiative**

Ballyhoura Development Ltd is a rural development company operating in east Limerick and north Cork. The company identified quality infrastructure for recreation across the rural countryside as a key strategy for economic and social development.

Since 1989 the company has worked in partnership with local landowners, communities and agencies to develop a range of recreation infrastructure. The Ballyhoura Way, a walking route of 90km, has been successfully followed by the development of a broad range of short way-marked walking loops, fell running, orienteering courses, nature walks, equestrian trails and 4x4 trails.

### ***Trail development strategy***

Studies to identify opportunities within the area identified the Ballyhoura Mountains as having world-class potential for outdoor recreation. In 2003 an integrated Tourism Cluster Study for Ballyhoura led to the development of the



Ballyhoura Recreation Initiative. Mountain biking was identified as a key activity to attract increased visits and generate economic, environmental and social benefits for residents.

Since 2004, a partnership animated by Ballyhoura Development with Coillte, Ballyhoura Fáilte, Cork and Limerick County Councils, Shannon Development and Fáilte Ireland has designed and built a world-class mountain-bike trail centre in Ballyhoura Forest. The centre offers 97 kilometres of mountain-biking trails serviced by car-parking, toilets, showers and bike wash facilities. A total of €1.3 million was invested in the initial infrastructure development.

### ***International learning***

The development of mountain bike trails in the Ballyhoura Forest was the first such development in Ireland. The partners learnt from Welsh experience in trail design and construction, and from how communities adapted to servicing visitors to the trails. This provided in-depth understanding of the opportunities and challenges in mountain bike (MTB) design and opening up working forests for such activity.

On completion of the trail development, local entrepreneurs visited Scotland to experience service delivery to the MTB market. The learning resulted in a bike hire and guiding business being set up.

### ***Ongoing marketing and support***

Ballyhoura Fáilte, the rural tourism group promoting the area, with the support of Ballyhoura Development and Fáilte Ireland, continues to develop, promote and attract events to the trails. Community engagement has also been central to the success of the trail, with newly established mountain bike clubs, new MTB sale, rental and tutor businesses, and accredited educational courses – all combining to create innovative events and increase visitor numbers.

### ***Outcomes and success (as of 2013)***

In 2011 the Single Speed World Championships attracted 650 people from overseas, leading to an estimated €1.5 million in direct and indirect spending for the Irish economy. In 2013 the Ballyhoura Mountain Bike Trails were estimated to attract more than 50,000 visitors. These visitors deliver economic impacts across a variety of local services and facilities, by spending on the trails, events and festivals. The Ballyhoura Trails have applied and been successful in attracting the 2014 Elite European Championships.

The economic and social impact of the trails is continuing to develop, offering year-round opportunities to existing and new businesses across the rural area to grow.

### **CareBright – Social Enterprise Providing Services and Jobs**

Many of the social enterprises are created in response to market failures and developed as solutions to local issues. A review of the European Commission White Paper on Growth, Competitiveness and Employment in 1994 prompted the board of Ballyhoura Development Ltd to pilot the development of a home care service. This was undertaken in response to two issues: the lack of services in rural areas, and the difficulty in finding jobs locally, especially in remote rural areas.

CareBright was established in 1998 with the aim of:

- Finding innovative solutions to create employment
- Improving the quality of life for the less advantaged
- Developing a range of services for older people and adults with disabilities
- Building a partnership framework among statutory, non-statutory and voluntary bodies to identify and deliver essential services to older people

The aims reflect the needs identified in the area, which suffers from youth migration and an ageing population. Limited homecare services were available locally. The gaps in service provision were best addressed by a community-based organisation responding to local knowledge and using skills that were previously under-employed. This had the dual result of enhancing services to vulnerable target groups and increasing employment opportunities.

CareBright provides care for the elderly, people with disabilities, post-surgery patients, people who require specialised services or general support in the home throughout rural Limerick, north Cork and west Tipperary. The service enables older people to live independently at home despite their medical condition, and thus have a good quality of life in their latter years. CareBright also provides chiropody services to the elderly and accredited training to FETAC Level 5 Care of the Elderly.

CareBright is founded on the principle of participation, partnership and the development of strategic alliances to achieve goals. This ensures coordinated and integrated service delivery, and taking a client-centred approach to maximise resources while avoiding duplication. As the company has evolved, the partnerships have played a key role in the development of the service, identifying needs and providing financial resources to address them.

CareBright has put in place exceptional resources of highly trained care professionals to deliver quality services, and has maintained its focus and vision since its foundation.

### ***Outcomes and success***

Currently, CareBright employ 250 carers (180 full-time equivalents) managed and supported by a team of six Care Managers, all qualified nurses with many years' experience. The Care Managers work closely with carers, clients, families, public health and community nurses, physiotherapists, occupational therapists, GPs and other members of the multi-disciplinary team, to ensure person-centred care is delivered in the home. Most of the carers come from rural areas, and in many cases may not have alternative employment opportunities. CareBright clearly demonstrates the potential for social economy businesses to provide services in remote rural areas and provide valued jobs.

## **An Tairseach – Organic Farm & Ecology Centre, Wicklow**

*(Text provided by An Tairseach)*

The aim of An Tairseach is to promote a holistic and sustainable way of life. We offer a variety of courses including the New Cosmology and its effect on our understanding of ourselves as participants in the community of life on Planet Earth. We also provide extensive 10 Week Residential Programmes, which include becoming familiar with our evolution over 14 billion years as discovered by contemporary science. We explore its implications for understanding our place in the universe and look at the theological implications of this new cosmology.

After 10 weeks here's what some of our participants had to say:

- “The New Cosmology has been very challenging – my image of God has been transformed.” – Yolande, Sri Lanka
- “What was most challenging was the struggle to integrate the new story into my everyday living and ministry.” – Paul, Dublin
- “The course caused me to internalise many things of which I was intellectually aware, but not ‘processed’.” – Bill, Australia

Website: [www.ecocentrewicklow.ie](http://www.ecocentrewicklow.ie)



# The Irish Local Development Network



The Irish Local Development Network (ILDN) is the representative body of the 48 Local Development Companies in Ireland. The aim of the organisation is to engage with key Department and State bodies on policy and programme matters as they affect our member companies and, by extension, the communities that they serve.

The Network promotes exchange of best practice and encourages collective projects that reaffirm the importance of the partnership, community-led local development approach that is core to how each company operates.

The Network works on a structured basis in defining its priorities and work plan through a national Board of 14, consisting of Chairpersons and CEOs elected from the six ILDN regions. Those regions are: East, Dublin, Mid-West, West, Border and South.

Each region meets on a six-weekly basis and their elected representatives sit on the ILDN Board to progress policy and programme priorities relevant to their region.

In addition, the Network has three core committees to progress programme issues specific to the following themes relevant to LDC operations:

- Employment & Enterprise
- Social Inclusion
- Rural Development – LEADER

Under these themes, specific programmes and Departments are engaged with on an ongoing basis. As a result, these committees are the 'go to' reference point for key funding Departments and State bodies.

*For more information on ILDN, go to [www.ildn.ie](http://www.ildn.ie)*



