

# Social Enterprise Planning

## Introduction

*"Social enterprises do not need business plans; they need social enterprise plans which demonstrate how their social purpose will be achieved, how they will be environmentally responsible and how they will achieve financial sustainability. The business plan as traditionally understood addresses only a small portion of the needs of a social enterprise."*

Pearce, J., *Social Enterprise in Anytown*;  
Calouste Gulbenkian Foundation; 2003

The core aim of a social enterprise is social and not commercial. Therefore, business planning only tells half the story and for that reason it is of limited value to a social enterprise. This paper tackles this issue by suggesting an outline for a Social Enterprise Plan that fuses the important elements of a business plan to the requirements of social accounting and audit.

A Social Enterprise Plan should be a central planning, reviewing, managing, monitoring and evaluation tool to be actively used by a social enterprise. It should not only be used to satisfy the requirements of a single stakeholder group, such as funders, but should be done to enable the social enterprise to demonstrate what it intends to do; how it will do it; for whose benefit; and how it will report on these things.

Social Enterprise Planning is not the beginning or the end of the process – it *is* the process. It sets down what your organisation intends to do and how. Social Accounts can then be used to report back on the progress of your organisation.

This paper provides a structure for a Social Enterprise Plan with a description of what should be included in each section.

## Structure of a Social Enterprise Plan

The following is a short description of each of the sections that might be included in the Social Enterprise Plan.

### 1 Cover page

It is important to write precisely what this Social Enterprise Plan is, and what organisation it is for. In addition, include on the cover the date the plan was written and whether it is a draft (which one?) or the final version. This point may seem unimportant but if the plan becomes a document that is central and core to your organisation it may go through a number of drafts. Include the address and contact details of your organisation. This is often missed out.

### 2 Acknowledgements

You may (or may not) want to include a dedication to the people who have contributed to the Social Enterprise Plan. It is often a diplomatic and ultimately useful thing to do. Make sure the person who is responsible for bringing together the Social Enterprise Plan is also acknowledged.

### 3 Executive summary

Include in the executive summary the main points from the Social Enterprise Plan.

- A brief description of your organisation mentioning the salient points about: structure, approach, premises, legal status and area of focus;
- Your mission, values and objectives;
- The key stakeholders;
- How you monitor and evaluate using social accounting and audit which represents a commitment to report regularly on performance against the objectives;
- Summary of financial information and/or projections, including any funding requirements;
- The main milestones from the work plan, targets and expected timescales.

Remember that this Executive Summary is short (2 to 3 pages) and in a nutshell should explain who you are what you will do, how you will do it, what you will earn and spend, and what the outputs and outcomes will be.

### 4 Background

- **Background to (organisation)** Briefly describe your organisation and the area in which it works, summarising what you do its scale (e.g.: numbers of clients). Add any other useful background information which you feel will help.
- **History of (organisation)** Write down the story of the organisation, including how the organisation was established, for what reasons and summarise what has happened to date.
- **Activities and achievements of (organisation) to date** This section is really a supplement on the previous section and it is often useful to illustrate the activities and main achievements by using a 'timeline' – a line with dates on it describing the main events that have happened.

### 5 Demonstrating the need for the organisation

- **Background to the area (if appropriate)** This section should be written if your organisation is located within a geographical community and servicing that particular community. You should include some basic statistics relevant to what your organisation does. For example, if you are involved in providing employment then make sure you quote some statistics on employment levels; if you are mainly working in childcare then the percentages of single parents would be relevant; etc. You should also state the population statistics and the extent of potential beneficiaries in the area. A lot of relevant statistics can be obtained from the local authority and/or the Office of National Statistics – there is a large amount of information on the Internet.

- **Context and Policy (if appropriate)** It is useful to place your organisation in context and within any relevant policy domains. For example, if you are a capacity building organisation located within a community then there may be specific policies that led to your organisation being established. Whether or not that is the case, there is still benefit in explaining how your organisation is affected by government and local authority policies.
- **Need for the organisation** This section may be linked to the previous one. This is really a further explanation about why your organisation is required. This is very important if the Social Enterprise Plan is being written for a *proposed* organisation (as opposed to one that is already established). Checking and confirming there is still a need for your organisation even though you have been operating for a number of years can also be a beneficial and revealing exercise.
- **Examples of similar organisations and/or partners** In a business plan you are required to list and describe the competition. This may not always be as relevant for social enterprises but it is important to examine a) what other organisations are doing the same as you and b) how other similar organisations operate.

## 6 Description of the organisation

- **Structure** Explain how your organisation is structured. It can help to do this diagrammatically (making an 'organogram') showing lines of responsibility, the role of the manager, management committee, etc.
- **Key skills** It is good practice to demonstrate both what skills are available at different levels in your organisation and what are required. This section shows what human capital is/will be used to carry out the work of your organisation. You may want to portray this in the form of a table.
- **Approach** Each organisation takes a particular approach in the way that they operate and should be described. For some organisations this might be covered in the section on Values below.
- **Premises** Briefly describe your premises and mention disabled access, etc. Also, if you are community-based explain your accessibility to clients and local people.
- **Legal Status** Briefly describe your legal status e.g. company limited by guarantee and with charitable status, etc.
- **Geographical Area of Focus** Explain what are your organisation covers. For some organisations this is more important than for others. It might be a large area e.g. Edinburgh city; or it might be just several wards. Some organisations cover a particular area but do not refuse to work with people outside the area - this should be explained.

## 7 Mission, values, objectives and activities

Explain when, how and by whom these were agreed and include them in their entirety. It is useful to use the following template and aim to get the mission, values, objectives and activities onto no more than one to two sides of A4.

- **Mission:** to be inserted
- **Values:** to be inserted
- **Objectives:**
  1. To..... (to be inserted) by.....
    - activity to be inserted
    - activity to be inserted
    - activity to be inserted
  2. To..... (to be inserted) by.....
    - activity to be inserted
    - activity to be inserted
    - activity to be inserted
  3. To..... (to be inserted) by.....
    - activity to be inserted
    - activity to be inserted
    - activity to be inserted
  4. etc. etc.

The **values** are approaches or attitudes that underpin everything you do e.g., to be committed to equal opportunities; to be socially just, etc. The **mission** is what you aim to achieve overall. The **objectives** are areas you want to cover in order to achieve your overall mission. The **activities** are actual things that your organisation does and they link back to an objective which links back to the overall mission. A useful tip is to begin each objective with 'to', end it with 'by' and begin each activity with a gerund of '.....ing' word.

This section is sometimes referred to as the 'foundation' of the organisation as it encapsulates what you do (objectives), why you do it (mission), how you do it (activities) and your underlying attitude or approach (values). It is crucial to spend time on this section as an organisation.

## 8 Stakeholders analysis

You should include a full list of stakeholders. Stakeholders are individuals, groups or organisations that can affect your organisation or are affected by it. They can usually be grouped into categories and may include: funders, staff, directors, clients, customers, partner organisations, trainees, etc. After you have listed all your stakeholders identify those who are considered to be the **key stakeholders**. The key stakeholders are those that who must be consulted as part of the social accounting process. You might use the following table to list the stakeholders. Try to be as detailed and specific as possible in identifying stakeholders.

Key stakeholders	Other stakeholders

You may prefer to present your stakeholder map pictorially. Some organisations use Venn Diagrams to show stakeholders and use an interactive process with staff and management committee members. If you want to do this, get a large sheet of paper and place your organisation in the middle. Use cut out circles for stakeholders with different colours to differentiate between stakeholder groups; the size of their circle to demonstrate their importance to your organisation; and the distance from the centre to show their influence on you.

Explain who decided the key stakeholders and when and how that was done. Explain if any key stakeholders have been omitted from the analysis.

## 9 Social accounting and audit

- Introduction to social accounting and audit** Explain briefly that your monitoring and evaluation will be carried out through the use of social accounting and audit. If necessary, explain what social accounting and audit is. Explain how it will become embedded within your organisation and will have a planning and review function. Social Accounts should be completed on a regular basis.
- Reasons why the organisation will implement social accounting and audit**  
Explain why your organisation will implement social accounting and audit. For example: to be open and transparent, to monitor and evaluate social performance; to involve stakeholders; to aid management; to help in planning; etc.
- Key stakeholders consultation summary** This essentially shows which stakeholders you plan to consult and what you want to ask them and what method you will use in the consultation. This is an important part of social accounting as you are committing your organisation to consult with stakeholders. It is normal to ask them about how well you are performing against your objectives and overall mission and what impact they think you are having. You might want to use methods such as questionnaires, focus groups, interviews, and/or more participatory techniques. List all the key stakeholders taken from the section above and write down the topics you want to ask them about, the consultation method, who is responsible and when the consultation will happen. For example:

Key Stakeholder Groups	Topics you want to ask each stakeholder group about	Consultation Method	Who is responsible for the consultation	When the consultation will happen
E.g. Staff	E.g. terms and conditions, the mission, the values, the objectives and activities	E.g. questionnaire	E.g. Jane Smith (Staff Member) to co-ordinate the distribution and collection. Fred Jones (outsider) to analyse the confidential questionnaires	E.g. September

- **Social bookkeeping system** This is essentially a checklist, showing, for each activity of each objective, what information you will require in order to report back on how well your organisation is performing and how you will gather the quantitative and qualitative data needed. You will find that a lot of the quantitative data is already collected by your organisation while the qualitative data will come mainly from the consultation with stakeholders.

You might want to use an expanded version of this template below:

*Mission:*

To be inserted
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*Values:*

Values	Method of checking

*Objectives/activities/information required/method of gathering (qualitative and quantitative):*

Activity	Information required	Possible method of gathering	
		Quantitative	Qualitative
Objective 1: To .....by...			
Objective 2: To .....by...			
Objective 3: To .....by...			
Objective 4: To .....by...			

- **Summary of the data to be collected** In this section summarise all the quantitative and qualitative data that has to be collected over the social audit period. This gives you and the reader a good idea about how extensive will be the scope of the social audit.
- **Social Accounting Plan – Provisional Timetable** It is strongly suggested that you prepare write a Social Accounting Plan that shows what you intend to do regarding consultation and data collection and when. Your plan should also factor in the time needed to analyse and compile into Social Accounts.

## 10 Environmental impact

Every organisation has an effect on the environment. In this section you should explain your organisation's environmental policies and practices which impact on the environment. This might be about recycling paper and/or about a policy to buy supplies locally, and/or transport policy. A Green Office Checklist has been developed which you might want to complete and include in this Social Enterprise Plan. It should be reviewed as part of the annual review.

## 11 Economic impacts

In this section you describe the expected economic impacts you calculate your organisation will have or is having on its stakeholders and on the local community.

## 12 Marketing plan

- **Social accounting and marketing** Consulting with stakeholders as part of the social accounting process is essentially part of your ongoing marketing plan as it both tells you what your customers think and want and at the same time it allows you to tell them what it is you are seeking to do and achieve. Explain how you will use the information from the social accounting process in marketing.
- **Marketing and promotion** You will use the end product of your social audit (the Social Report) to tell existing and potential stakeholders what you do. Explain how you will do this e.g., through publication of a leaflet, through local radio, advertising, etc. It is a good idea to try to be consistent and use the same wording for mission, values, objectives and activities in your marketing information as in your social accounting. So, make sure you use plain and easily understandable English throughout all documentation!

## 13 Finance

In this section you should include all the essential financial information. The main elements will be:

- Income and Expenditure, distinguishing different sources of income
- Projected Cash Flow
- Projected Profit and Loss statement
- Projected Balance Sheet

The details should be available in the appendices with the main points summarised here. It is particularly important to indicate clearly any funding your organisation may require and where you envisage it coming from.

#### 14 Work plan and targets

- **Work plan** A work plan can be illustrated in a number of different ways. However, there is merit in listing what your organisation intends to do in the first year and in subsequent years as it can help staff and others in organising their work load and setting down priorities.
- **Targets** Linked to the work plan should be targets – what you plan to achieve and when. Setting targets helps you review what you have done each year. Remember that targets should be changed according to changing circumstances.

#### 15 Summary remarks and conclusions

- **Concluding comments** Summarise any key points as you see them.
- **Future plans** This is an opportunity to gaze into a crystal ball and think about the long term future of your organisation!

#### 16 Appendices

In the appendices include any information that may be relevant but not central to the Social Enterprise Plan (e.g., sources, contacts, maps, etc.) including full financial details.