



Social Enterprises: What Are They, and Why Do They Matter?

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Staying on the Ball



1968



2019

Lecture Segments

- Definition(s)
- Why are social enterprises important?
- What do they look like?
- What are they dealing with?
- Addressing scaling challenge
- Measuring impact
- Discussion
- Resources

Social Enterprise Definition(s)

- In a social enterprise, “entrepreneurial behaviour is combined with a desire to use the market as a tool for meeting social needs, serving the general interest and common good for the benefit of the community”
- “Business ventures operated by non-profits, whether they are societies, charities, or cooperatives. Their profits are returned to the business or to a social purpose, rather than maximizing profits to shareholders.”

Why DO Social Enterprises Matter?

- Governments and markets alone can't solve our wicked problems
- More young entrepreneurs are creating social/green businesses
- International CEOs view the social role of business as increasingly important
- Most business schools have social entrepreneurship programs and clubs
- A growing percentage of consumers and employees prefer companies that are environmentally sustainable, socially responsible and transparent

Around the world: A Vibrant Sector



#socent

Stanford **SOCIAL**
INNOVATION Review
Informing and inspiring leaders of social change

Technology

Can Machine Learning Double Your Social Impact?

A look at what it takes to successfully deploy machine learning tools for social good and the most exciting opportunities ahead.

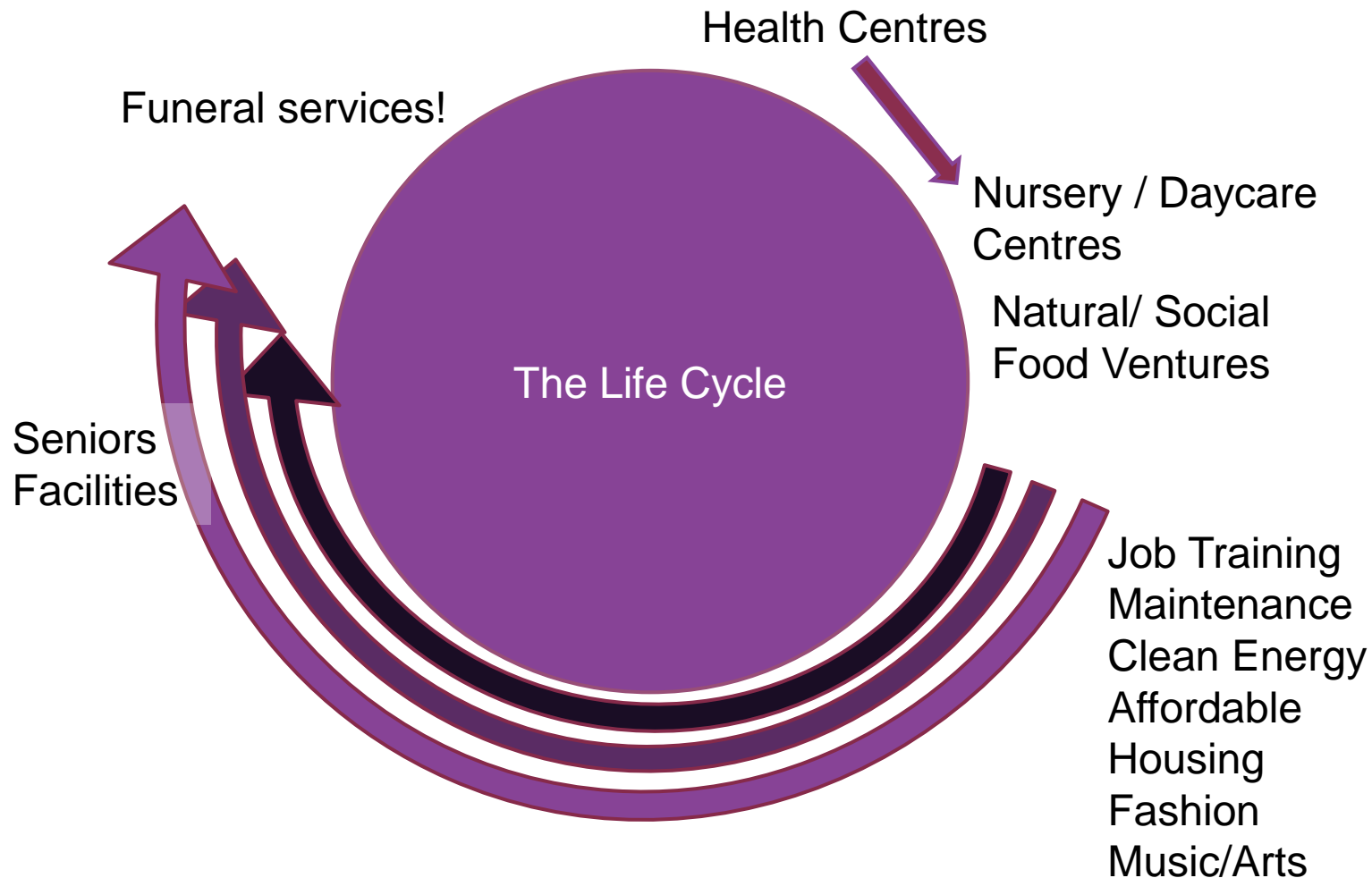
Source: Social Enterprise UK; SSIR

Contributions to the Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS



What Do Social Enterprises Look Like?



Almonte Social Businesses

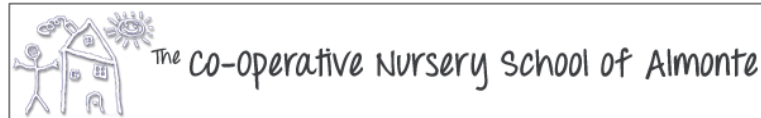
Clayton Food Coop



Equator Coffee



Cooperative Nursery School
of Almonte



Dandelion Foods



Valley Heartland
Community Futures



Almonte Community Coordinators

The Hub

Thrift store offering second-hand clothing and household items at nominal prices



Rebound

Used furniture store; electronics recycling; accepts and resells large items



More Eastern Ontario Social Enterprises

Rideau Social Enterprises

(Skills for ex-offenders)

- Asbestos Abatement
- Bed Bug Busters
- Moving and Cleaning



Canadian Cooperative Wool Growers Ltd.

Canadian coop based in Carleton Place



Funeral Cooperative of Ottawa

Founded: 2010, launched 2013

Legal Form: Non-profit cooperative

Membership: 600, with target of 1,000

Employees: 2



Funeral Co-operative
of Ottawa Inc.

Indigenous Clean Energy Social Enterprise

National programs, Lumos
Clean Energy Advisors



The Co-operative Housing Association of Eastern Ontario

Lead, Serve and Support
Ottawa's Housing Co-op
Communities



Thirteen: A Social Enterprise

13 Teenagers
working for a bright
future

THIRTEEN: A SOCIAL
ENTERPRISE

Social Businesses of the Causeway Work Centre



Krackers Katering, is a small catering company with a big heart.

[Click here](#) for delicious options for your next catering event.



Good Nature Groundskeeping provides professional quality landscaping services and provides supportive employment opportunities and skills training in landscaping and yard maintenance.

[Click here](#) for residential and commercial groundskeeping services with a personal touch.



Cycle Salvation provides training in bike mechanics to people who are economically disadvantaged and at the same time diverts bikes destined for scrap and landfill.

[Click here](#) to help us achieve our triple bottom line—people, profit, planet.



Right Bike sells used bikes and bike accessories, rents out bikes, and provides small bike repairs.

Right Bike provides supportive employment opportunities and skills training in bike mechanics.

[Click here](#) to help us promote healthy neighbourhoods and strong communities.



The **Causeway Community Finance Fund** is a community-led initiative designed to empower you by combining access to low-interest loans and financial literacy resources to help many of Ottawa's most vulnerable residents break free from the cycle of predatory lending and fringe financial services.

[Click here](#) to learn more about the Causeway Community Finance Fund.

- Combined number of people receiving training and fair-wage work: 70
- Combined revenue: \$1 million contribution to \$4 million operating budget

What are Social Enterprises Dealing With?

- Financial prudence and accountability

Glebe daycare tightens spending rules after \$200K disappears

- Gun violence

[Home](#) » [News](#)

Mountain Equipment Co-op to drop brands owned by U.S. gun manufacturer

- Diversity and inclusion

'We've let our members down': MEC promises to increase diversity in advertising

- Artificial intelligence

Artificial Intelligence & the Future of Work in Social Enterprises |

Strategies for Scaling Social Enterprises

- Market research (at firm and sector level)
- Firm-level strategy
- Incubation and acceleration
- Model replication (via knowledge/training/advisory services)
- Ecosystem building
- Social procurement by corporates, institutions
- Impact investments

St-Albert Cooperative Fromagerie



- ***Founded:*** 1894, one of Ontario's oldest coops
- ***Products:*** Artisanal cheese, curd and other dairy products
- ***Employees:*** 150 permanent employees (2016)
- ***Distribution:*** 2,000 points of sale in Eastern Ontario and Western Quebec
- ***Festival:*** Hosts annual Curd Festival attracting 50,000 visitors each year
- ***Challenge:*** Devastating fire in 2013; re-opened in a new building in 2014
- ***Celebration:*** 125th anniversary in 2019

Groupe Convex, Prescott Russell



Founded: 2002

Legal Form: Federally incorporated non-profit organization; does business in Quebec and US

Social Businesses: Operates nine, separately registered and licensed social businesses

Employees: 120

Combined Sales: \$4 million

Reach: 30,000 households, 40 schools, 160 businesses, 5 municipalities

Groupe Convex, Prescott Russell

Sub-Businesses

Recycle Action: sorting depot, container rental



Antiques Hawkesbury: restoration/repair of antique furniture



Express Net: cleaning services and housekeeping



Café Le Plateau: seasonal cuisine and catering



Café entre 2 barreaux: specialty cuisine and catering



The Harvesters: agricultural/horticultural worker co-op



Menuiserie Woodshop Casselman



Prescott-Russell Packaging: bagging and backing of smaller products and documents



Diversity Food Services



Business: Food services provider

Mission: Provide locally produced, natural and affordable food for university and community customers and good jobs for newcomers, indigenous and other employees with labour market barriers

Customers: University students, staff, faculty, events planners (weddings, etc.), organizations and households in the community

Services: University cafeterias and restaurants, off-site cafes, delivery, catering

Volume: From CAD\$2.7M (2013) to \$3.4M (2018)

Employees: From 20 (2009) to more than 100 (2018) with modest salaries, good benefits, training and counselling

Suppliers: Over 60 in southern Manitoba

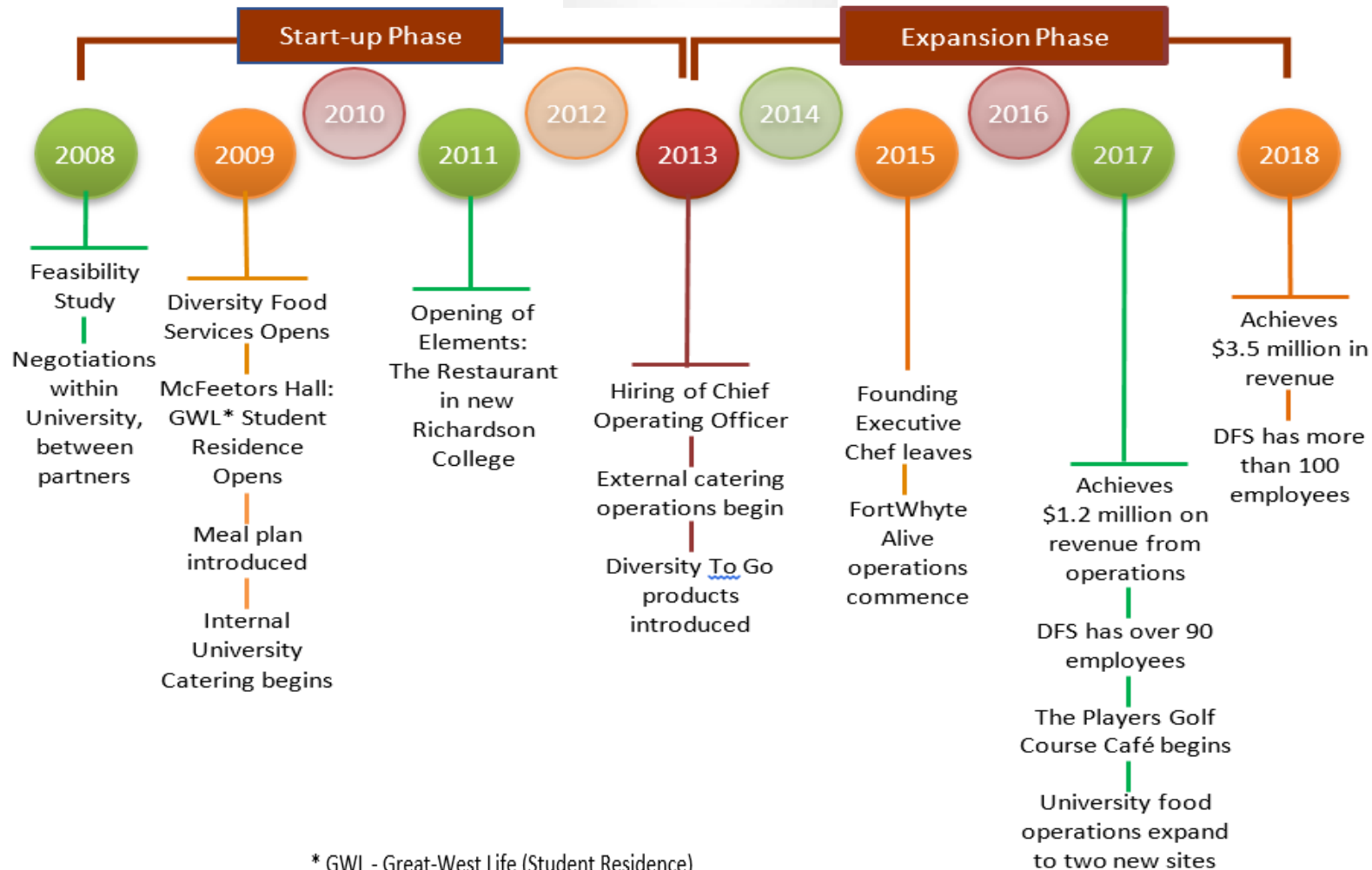


Success Factors in Scaling



- Predictable, scaled sales from university-wide contract for food services
- Patient capital from joint venture partners (UWCRC and SEED)
- Deep expertise and sustained commitment to problem-solving by board of directors of JV partner representatives

Diversity Food Services Timeline



* GWL - Great-West Life (Student Residence)

Source: Jackson, 2018

bKash



Business: Mobile money services provided

Mission: Affordable, convenient and reliable money transfer for poor, unbanked

Customers: From 2.2 million (2012) to 30 million (2018)

Transactions: 4.5-5.0 million per day (2017)

Services: Mobile ‘wallets;” from “send money” platform to provider in remittances, air time, top-ups, merchant payments, etc.

Retail: 90,000 + retail points

Merchants: 30,000+ accept payments

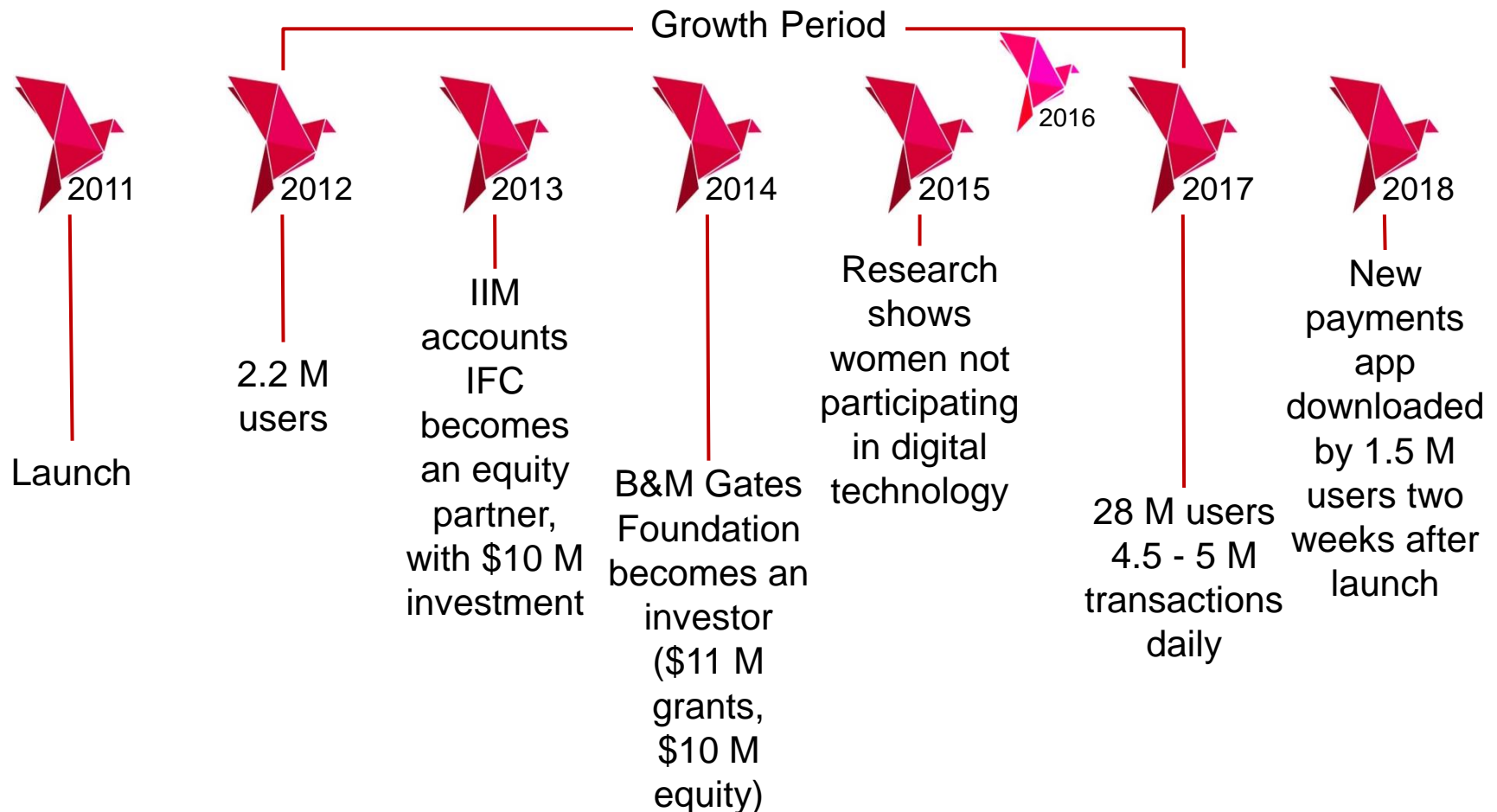
Structure: Started as JV between Money in Motion LLP and BRAC Bank, now subsidiary of BRAC Bank



BILL & MELINDA
GATES foundation



bKash Timeline



Success Factors in Scaling



- Purpose-built company, neither bank or telco-led
- Diverse group of investors that share a vision for scale
- Central bank has been supportive and flexible

Challenges



- Some users still mystified by technical nature of “the wallet”
- Some concerns about fraud and security of the system and outlets
- As system matures, more information of credit worthiness of customers
- Gates funding used to digitalize payments such as school fees and savings programs for youth and women
- Some users need English sessions to better use the apps

Measuring Social Impact

SROI Calculations for Recycle-Action, Groupe Convex

Stakeholders	Stakeholder Investment / Contributions	Stakeholder Benefits
Valoris (Social-service agency)	\$352,000 (in direct and indirect costs)	\$525,000 (in savings)
Municipality	\$600,000 (in direct fees and other contributions)	\$200,000 (in property taxes and fees by RA and individuals)
Local Businesses	-	\$76,000 (in savings)
Families	-	\$10,000 (in increased wages)
Individuals	-	\$10,000 (in employability gains)

Discussion Questions

- What is your own experience with social enterprises?
- What are their biggest advantages and disadvantages?
- Is there a need in the region for additional social enterprises?
- What needs to be done to make local social businesses more viable and impactful?
- Should schools teach about social enterprise models and management?
- What else do you need to know?

Resources

- Canadian Community Economic Development Network <https://www.ccednet-rcdec.ca/en>
- Carleton Centre for Community Innovation, Carleton University <https://carleton.ca/3ci/>
- Center for the Advancement of Social Entrepreneurship, Duke University <https://centers.fuqua.duke.edu/case/>
- Crawford, B. Causeway centre losing innovative, valued “ideas guy,” Ottawa Citizen, March 9, 2019 <https://ottawacitizen.com/news/local-news/a-life-in-social-enterprise-causeway-work-centre-director-calls-it-a-career>
- Groupe Convex, Group Convex: Doing Well, and Looking to the Future, Prescott-Russell, 2018 https://www.groupeconvexpr.ca/images/communiqu%C3%A9_27_septembre_2018_-_anglais_avec_photos.pdf
- Impact Hub Ottawa <https://ottawa.impacthub.net/>
- Quarter, J., S. Ryan and A. Chan, Social Purpose Enterprises: Case Studies for Social Change. Toronto, University of Toronto Press, 2014.
- Social Enterprise Council of Canada <http://secouncil.ca/>
- Social Enterprise Scotland <https://www.socialenterprisescotland.org.uk/>
- Social Enterprise United Kingdom <https://www.socialenterprise.org.uk/>