

# Social Enterprise

Do you want to start a business that makes a profit but also helps others? You may want to think about starting a social enterprise.

## What is a social enterprise?

A social enterprise is

*“a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners”. (The Department for Trade and Industry (DTI), 2006)*

A social enterprise needs to make money just like any other business. However, the profit is put back into the business or the community.

There are many social enterprises in the UK today. They are businesses involved in a range of social and environmental issues, for example

- providing services for the disabled, elderly people and children,
- supporting the unemployed or
- recycling IT products or furniture.

## Is starting a social enterprise for you?

Do you want to:

- Become a business entrepreneur and help your community?
- Find a solution to a social problem?
- Reinvest your profit in the community or back into your business?

If you answer yes to the above questions, then starting a social enterprise may be for you.

Examples of social enterprises	
Fifteen Restaurant <a href="http://www.fifteenrestaurant.co.uk">www.fifteenrestaurant.co.uk</a>	A restaurant founded by chef Jamie Oliver. It trains young people from poorer backgrounds to become cooks and chefs. The restaurant's profits are re-invested into the training.
The Big Issue <a href="http://www.bigissue.com">http://www.bigissue.com</a>	The Big Issue is a magazine written by journalists and sold by homeless people on the streets. The profit surplus is invested to help the homeless.
Cafédirect <a href="http://www.cafedirect.co.uk">http://www.cafedirect.co.uk</a>	Cafédirect sells hot drinks such as coffee, tea and hot chocolate. All of Cafédirect products meet the Fairtrade standards. This means that the coffee and tea growers get a fair price for their crops.
Pack-IT <a href="http://www.pack-it.co.uk">http://www.pack-it.co.uk</a>	Provides packing and despatching services for corporate clients. It provides training and jobs to people who are disabled or from poorer backgrounds. The profit surplus is put back into the company.

Social enterprises can be set up in many different ways, including a company limited by guarantee or a co-operative. Evidence shows that a co-operative is a very popular

business option for would-be entrepreneurs who prefer to work together to achieve common aims.

## What is a Co-operative?

A co-operative is a

*“business that is democratically owned by their members. There are many types of co-operative enterprise, but all are responsive to the needs of their members and the needs of the markets and communities that they serve.” (The Co-operatives UK organisation, 2006)*

A co-operative is run by a group of people who work together to run a business of mutual benefit. This means that each member of the group owns a share of the business and takes part in making decisions. The profits are shared amongst all members or put back into the business.

Examples of co-operatives	
The Co-operative Bank <a href="http://www.co-operativebank.co.uk">http://www.co-operativebank.co.uk</a>	Founded in the UK in 1872, the bank is one of the largest consumer-owned businesses in the world.
The Phone Co-op <a href="http://www.phone.coop/">http://www.phone.coop/</a>	A telecommunication co-operative which operates under self-imposed environmental and ethical regulations. It offers services such as telephoning, internet, broadband and web-hosting. It is owned by its customers and runs for their benefit.
Oasis Centre Day Nursery <a href="http://www.cooperatives-uk.coop">http://www.cooperatives-uk.coop</a>	A childcare centre set up in Barnmouth, Wales in 2004. It started because parents were having difficulties in finding good childcare they could afford.
The Thames Valley Farmers' Market Co-operative <a href="http://www.thamesvalleyfarmersmarket.co.uk">http://www.thamesvalleyfarmersmarket.co.uk</a>	A co-operative set up to represent small producers and farmers. It sells directly to customers at farmers' markets in the Thames Valley. The Co-operative is jointly owned by the farmers' group.

## Where to find out more?

- Small Business Service [www.sbs.gov.uk](http://www.sbs.gov.uk)
- Business Link [www.businesslink.gov.uk](http://www.businesslink.gov.uk)
- Social Enterprise Coalition [www.socialenterprise.org.uk](http://www.socialenterprise.org.uk)
- UnLtd's Millennium Awards provide practical and financial support to social entrepreneurs [www.unltd.org.uk](http://www.unltd.org.uk)
- Community Action Network [www.can-online.org.uk](http://www.can-online.org.uk)

## Finance

- Apex organisation for co-operative enterprise in the UK [www.cooperatives-uk.coop/](http://www.cooperatives-uk.coop/)
- Co-operative Action at [www.co-operativeaction.coop](http://www.co-operativeaction.coop)
- Community Development Finance Association (CDFA) is the trade association for Community Development Finance Institutions [www.cdfa.org.uk](http://www.cdfa.org.uk)
- Local Investment Fund is a provider of loan finance to not-for-profit community organisations [www.lif.org.uk](http://www.lif.org.uk)
- Industrial Common Ownership Finance (ICOF) Providers of loan finance for co-operatives, employee owned businesses and social enterprises [www.icof.co.uk](http://www.icof.co.uk)
- Charity Bank is a not-for-profit bank that lends to charitable organisations and social enterprises [www.charitybank.org.uk](http://www.charitybank.org.uk)
- UnLtd is a consortium of charities which offer grants to would-be social entrepreneurs [www.unltd.org.uk](http://www.unltd.org.uk)

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