

So you want to be a social entrepreneur?

This guide looks at whether you have the right mind-set to set up and run a social enterprise, and what you need to consider before you launch yourself as a social entrepreneur.

Do you have the Enterprise mind-set?

Being an entrepreneur is not for everyone, and there is nothing wrong with this. Before you commit to starting an enterprise you need to ask yourself:

- Are you cut out to be an entrepreneur?
- Are you self-motivated?
- Have you got the vision to convince others to join you or support you?
- Do you have the fire in your belly, the passion to start something against great odds and see it through to a successful outcome?
- Are you able to spot opportunities and make something out of them?
- Are you adaptable to cope with changes in the external environment?
- Are you prepared to work long hours?
- Are you prepared to work for long periods where there may be no income for you?
- Will you be able to take setbacks and negative responses without taking it personally?
- Are you able to work with others and get the best out of them, despite having little to offer them in return, at least at first?

Do you have the Social Enterprise mind-set?

Before you decide to set up a Social enterprise you need to ensure that your enterprise:

- has a stated social or environmental outcome
- can demonstrate this, measure it and report it
- behaves ethically and honestly
- is transparent in all its activities (and applies good governance).

This means that you have to walk the talk. There is considerable cynicism about the supposed values and social impact that social enterprises deliver – you will need to justify your social outcomes in order to be successful with your enterprise.

Starting a social enterprise

Success for new enterprises is elusive with over 90 percent of start-ups closing down within the first ten years. Social enterprises face even greater pressures to survive. This is because many of the characteristics of social enterprises are not encountered by commercial companies:

- **Multiple outputs** – this means achieving social impact and financial and environmental sustainability. Social enterprises must measure and report on all three outputs.
- **Higher risk areas of operation** – social enterprises tend to operate in areas of social care, health, working with vulnerable people etc. where the risks of something going wrong are greater.
- **Marginal businesses** – if the enterprise generates a profit it tends to be small, as those that pay for their service or products have limited resources themselves.
- **Dependency on single sources of income** – often the only source of income available to social enterprises is a contract with a single statutory body, e.g. a local authority or a Primary Care Trust (PCT). This is very high risk as a loss of this type of contract could prove fatal.
- **Governance and transparency** – social enterprises are required to have stakeholder participation and oversight, but this can lead to cumbersome decision making (see our guide on Identifying your Stakeholders for further information).

So what do you think?

Running a social enterprise is:

- hard work but rewarding
- exhilarating but frustrating
- innovative but at the same time bureaucratic
- lonely yet inclusive.

If you are ready to start the journey of becoming a social entrepreneur then a good place to begin is our guide on First Steps.

Further information

Read our guide on Identifying your Stakeholders:

www.blondon.com/SocialEnterprise/SettingUp/Firststeps/Identifyingyourstakeholders.aspx

Read our guide on First Steps:

www.blondon.com/SocialEnterprise/SettingUp/Firststeps/First-steps.aspx