

What should be your first steps?

Having decided that you want to be a social entrepreneur and you are ready to start a social enterprise what should you do next?

This guide provides an overview of the main issues to consider before you invest too much time and money unnecessarily. If after reading this guide you still want to start a social enterprise, read our additional guides and supporting material to help you get your project off the ground.

Your enterprise idea

You may already have an idea or concept of what you want to do in mind. This could be because it is related to the work you currently do or have done in the past or because it utilises your particular skills and expertise. Or your idea could relate to some service or product that you believe is missing, is required, could be done better or more effectively.

Your idea could also relate to an enterprise activity that you have seen elsewhere which could be replicated where you are.

Business concept

Your business concept should be determined through research. By asking others, you can find out whether your idea is the basis of a sound business model:

- Is it just a great concept on paper or is it really something for which there is a market?
- Is it likely that someone will pay for your product or service?
- Do you know how to create and/or sell the product or deliver the service?
- Will you be able to demonstrate tangible social and environmental outcomes? What will make your business proposition attractive?
- Will the product you are about to launch have a competitive advantage compared to others offering similar products or services?

If you don't yet know enough about your potential business, you may want to consider working for someone else in your chosen sector until you understand what is required.

Knowing what you want

You must be certain that you understand why you are going to start your chosen type of enterprise. Consider what you want to achieve for yourself by setting up and running the enterprise. You need to outline:

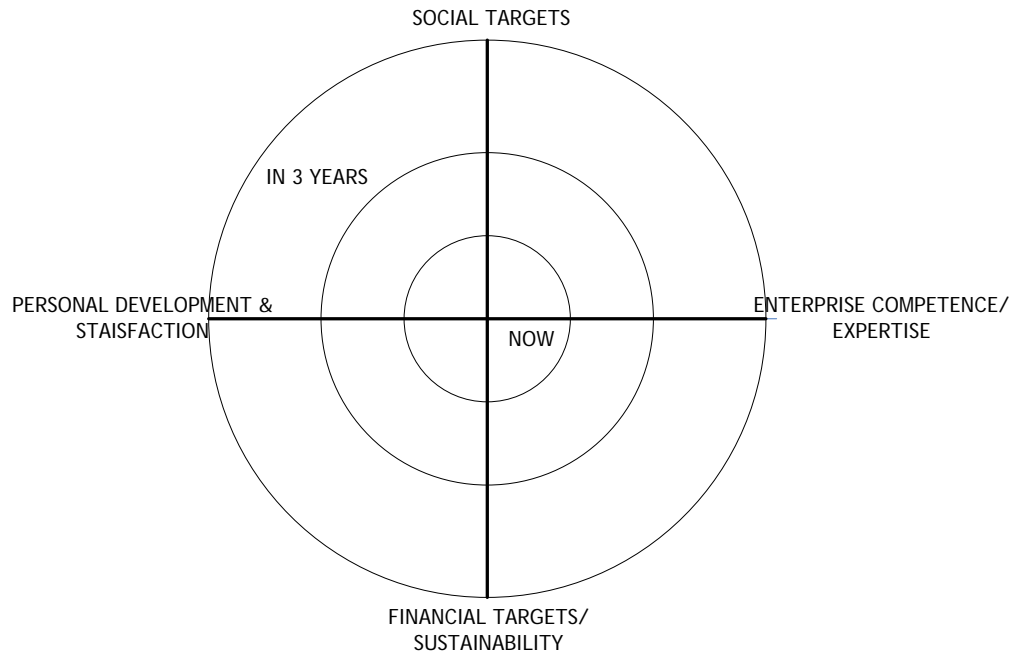
- social goals
- financial goals
- learning goals
- personal development goals

Consider how your own goals or journey may differ from the goals you envisage for your enterprise. They may be the same in the short term but may be quite different in the long term. This will determine how you develop the enterprise and the people who you expect to work with you.

It might help to think through your goals and the goals that you envisage for your enterprise by using the schematic below:

Within a given time scale, say three years;

- Where do you see yourself, in terms of your development and responsibilities? (**Personal development & expertise**)
- Where do you see your enterprise in terms of its size, development and structure? (**Enterprise development & expertise**)
- What social impact do you expect to be making? (**Social targets**)
- What will your income and profitability look like? (**Financial targets & sustainability**)



Understand your market

Before you set up your social enterprise you need to do some basic investigation about the market sector you want to operate in:

- Do you understand it?
- Is there a pain out there that is waiting to be relieved?
- Will someone pay for your services or products? Who are your customers?
- Be aware that social entrepreneurs often confuse the beneficiary (those who benefit from your service) and the customer (the entity paying for the service).
- Is this a market that is growing?
- Is there scope for you to scale up your activities?
- How difficult is it to get into the market?
- What is the competition out there?

Know where you are going

You need to create a business plan so that you have a road map for the direction you want to take. Be aware that when your enterprise starts you may find that everything you predicted has changed. Don't worry you can change your road map at this point. However, if you don't know where you want to get to in the first place you will surely fail.

Understand your financial requirements

There is no getting away from being asked questions on finance and you need to be able to answer them with confidence.

A very basic set of questions you should ask yourself is:

- How much activity can I possibly generate (from product sales or service delivery volume)?
- How much is someone likely to pay for my product/service?
- What are my costs?
- How will I fund this?
- Where do I look for the funding?
- How will I manage the finances?

Remember that you will always need more funds than you think.

How will you deliver your service/sell your product?

A consistent comment from funders and business supporters alike is that they are often approached by entrepreneurs with a great idea and business plan, but where they fall down is in the **execution** of the business concept. This is normally through an inability to control operations adequately and fulfil the delivery of the product or service. While most founding entrepreneurs have the technical skills or knowledge needed for the service offering, they may not have the necessary knowledge of operations, sales or logistics of delivery.

Ask yourself repeatedly:

- What are my strengths?
- Can I control operations and delivery?
- If not can I find someone who can?

If you have someone who can advise you and guide you through the early stages of setting up in the first instance, you will stand a better chance of obtaining funding and contracts. This will tide you over until you are in a position to employ someone with the requisite skills.

What other skills do you need to support your enterprise?

There are usually other skills gaps within start-ups. The most common ones are:

- **Financial** – lack of understanding of financial management and accounts.
- **Marketing** – insufficient experience and knowledge of understanding markets, market trends, customers, impact measurement and also capturing and reporting successes.

If you are also lacking in these skills, it is often worth finding a mentor to help you. A mentor will test your ideas, challenge your objectives and put you in touch with various people who will be able to support you before and after you launch your enterprise. They can find or provide the skills that you yourself are lacking. If your vision is convincing enough they may even help you for free.

Capture these skills and make them part of your business proposition.

Further tips to help you grow and make your social enterprise a success

Honesty

It will often seem easier just to make a dash for the money. While running a social enterprise is about making profit, if you're purely motivated by making money and you don't care how you do it then you should exit the social enterprise sector now. Your values will constantly be challenged.

The journey

Don't lose sight of the "e" in social enterprise. We have to treat the planet with respect – that's why social enterprise is often described as delivering three P's – People, Profit, Planet.

Vision

Learn to tell a story. A narrative that recreates your vision is the most powerful way of getting support and backing. You may have to change how you get there, but don't become distracted from your ultimate goal.

Values

What are your values? Articulate them. Rigidly stick to your values. Make sure everyone in your organisation knows them and lives by them. Never make promises you can't keep.

Attitude

Always stay positive and retain a sense of humour. Make each day exciting and fun – enjoy yourself! A great attitude attracts customers, employees, supporters and well-wishers. It creates a buzz and is a fantastic PR tool.

Team

Employ people that are more talented than you. Build a supportive team who compensate for your weaknesses. However, keep the team as small as possible – subcontract where you can. Make sure that you have someone with good operational delivery and financial skills.

Focus

Be a customer champion. Listen. Don't make arrogant assumptions. Make sure everyone is welcoming and polite. Word-of-mouth endorsements are the strongest source of new and lasting relationships.

Delivery

Practice what you preach. Deliver what you say or, better still, go the extra mile. Remember, little extras can make all the difference. You'll be remembered for them.

Identity

Be quirky. Create a bright identity. Come across as bigger than you are. Choose easy to remember names, logos and designs. Rigidly use the identity on everything you generate. Constantly promote yourself, internally and externally.

Cash

Know, measure and control your costs. Create a pricing policy that generates profits. Don't be embarrassed to chase those who owe you money. If debtors are a problem, keep talking to them. No communication causes panic.

Network

Networking generates new ideas, customers, opportunities, and new staff. And it's an early warning system. Always carry business cards. Don't be shy. Make sure people you meet are struck by your passion. They will remember you for the right reasons.

Innovate

Don't rest on your laurels. Keep an eye on your competitors and keep ahead of them. Be constantly critical about everything in your business – and, most importantly, yourself.

Motivate

The journey to success is long and with many set backs and disappointments. You need to ensure that you keep yourself motivated. More importantly you must keep your team and your supporters motivated and on side. Keep focused on your successes – there are enough people out there who will focus on your weaknesses – ignore them.

Technology

Technology is constantly changing. Keep up-to-date with trends. Use technology to your advantage – websites, social networking, blogs, e-newsletters. This not only raises your profile but attracts customers, supporters, funders and potential employees. Remember people will Google you before meeting or dealing with you. The greater your presence out there the greater your credibility.

Well-being

This is meant to be fun. You are doing this because you want to do it and you want to enjoy it. Don't forget the personal side of your life. Retain some balance and give equal importance to family, friends and leisure. Don't become a work bore.