

**Social enterprise identifier:
Proposals for consideration by
identifier steering group**

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Purpose of this presentation



- To build upon initial findings shared with steering group members ahead of 8 May
- To explain the opportunities for and role of an identifier for social enterprise
- To outline proposals for a new, coherent family of identifiers that will respond to different audience needs
- To clarify the role of identifier steering group
- To demonstrate that a practical solution and way forward for a social enterprise identity is possible

Role of COI



- To provide objective analysis and recommendations
- To offer extensive marketing, branding and communications experience to sector and give professional judgements
- To identify genuine opportunities to enhance identity of sector (and not to reinvent for own sake)
- To take work forward on behalf of identifier steering group

The identity challenge

The time is right for the sector to...

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1. **Rapidly increase** awareness and understanding amongst key audiences outside sector
2. **Capitalise on** current interest in social enterprise via wider and clearer identity
3. **Assert itself** as sector in its own right, rather than voluntary or not for profit subset
4. **Collaborate** and work together to agree a common sector identity by concentrating on and emphasising **what social enterprises have in common**

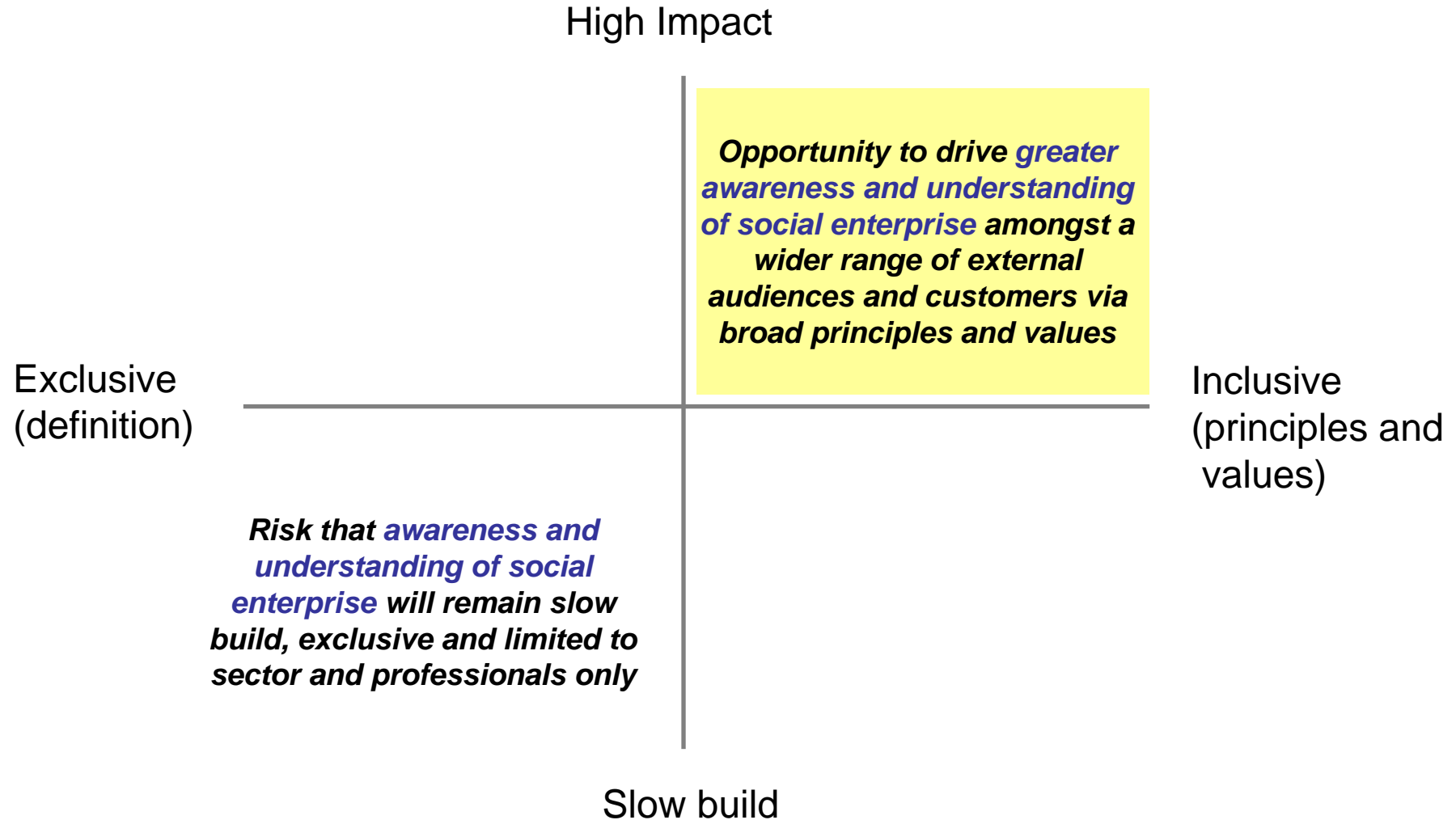
Challenges to achieving this



- Agreeing **single definition** of social enterprise identity continues to be difficult:
 - Debate long-running and unlikely to be resolved
 - Risks excluding potential or emerging enterprises
 - Risks delaying and dividing the sector's potential
- Debate over most appropriate **legal form** for enterprises risks distracting movement:
 - Confusion over what is or isn't social enterprise
 - Risks missing wider opportunity to recognise those with common social and trading purpose

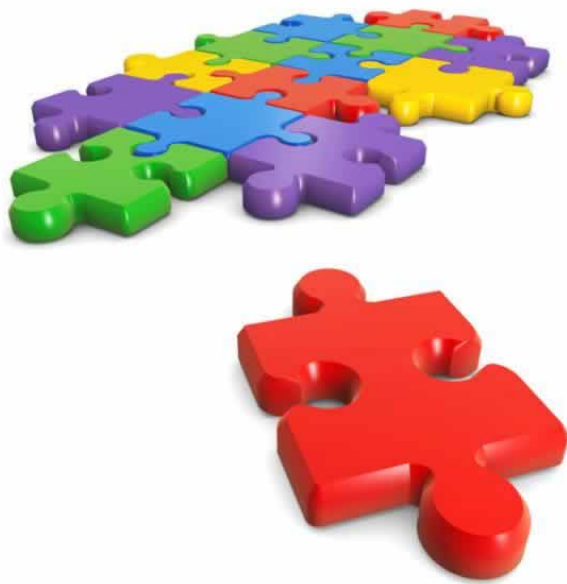
Continuing, inwards-facing discussion on these issues continues to be a hindrance in furthering sector identity

Where social enterprise identifier needs to position itself



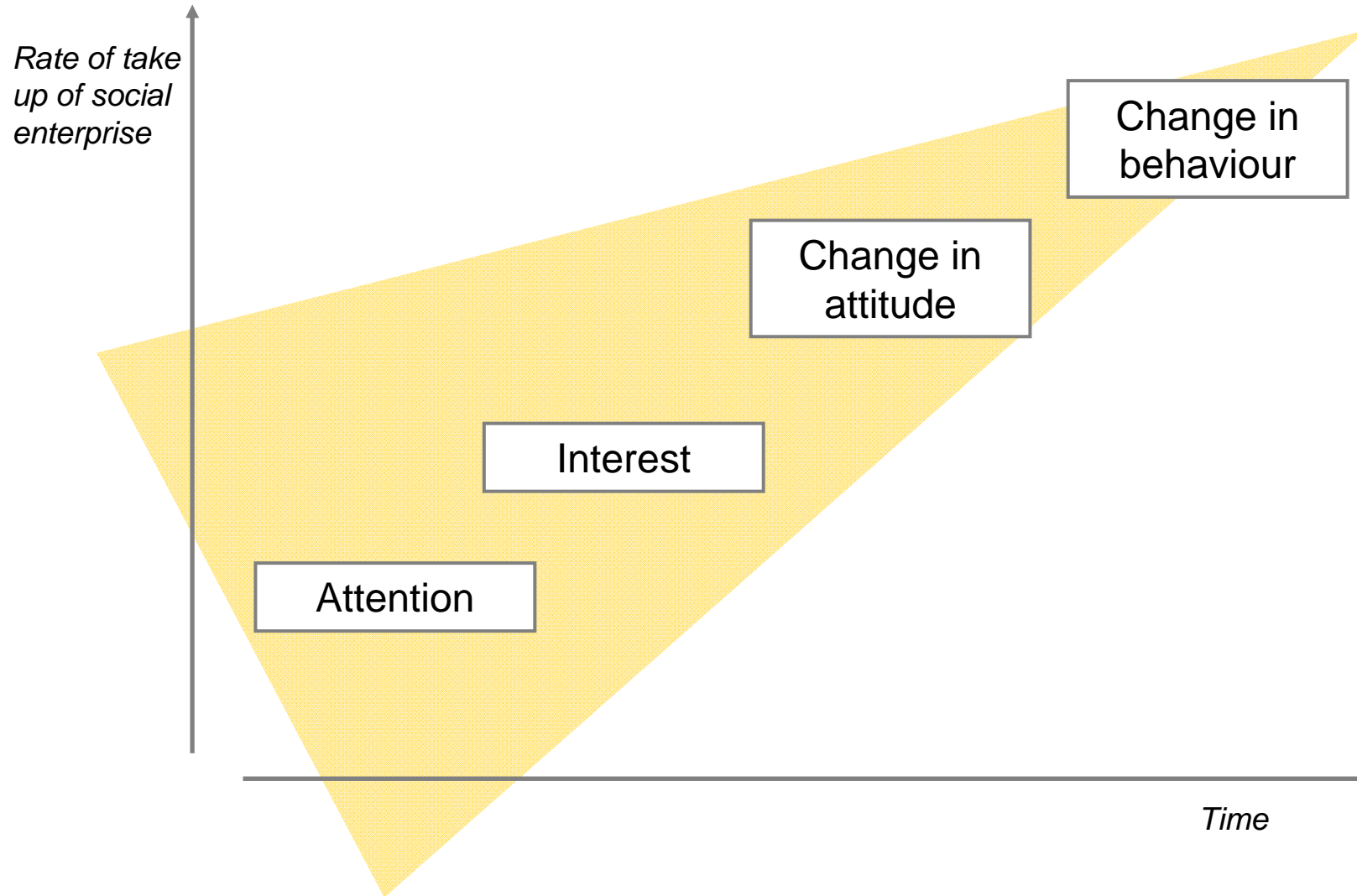
Identifier based on broad values
and principles would be able to

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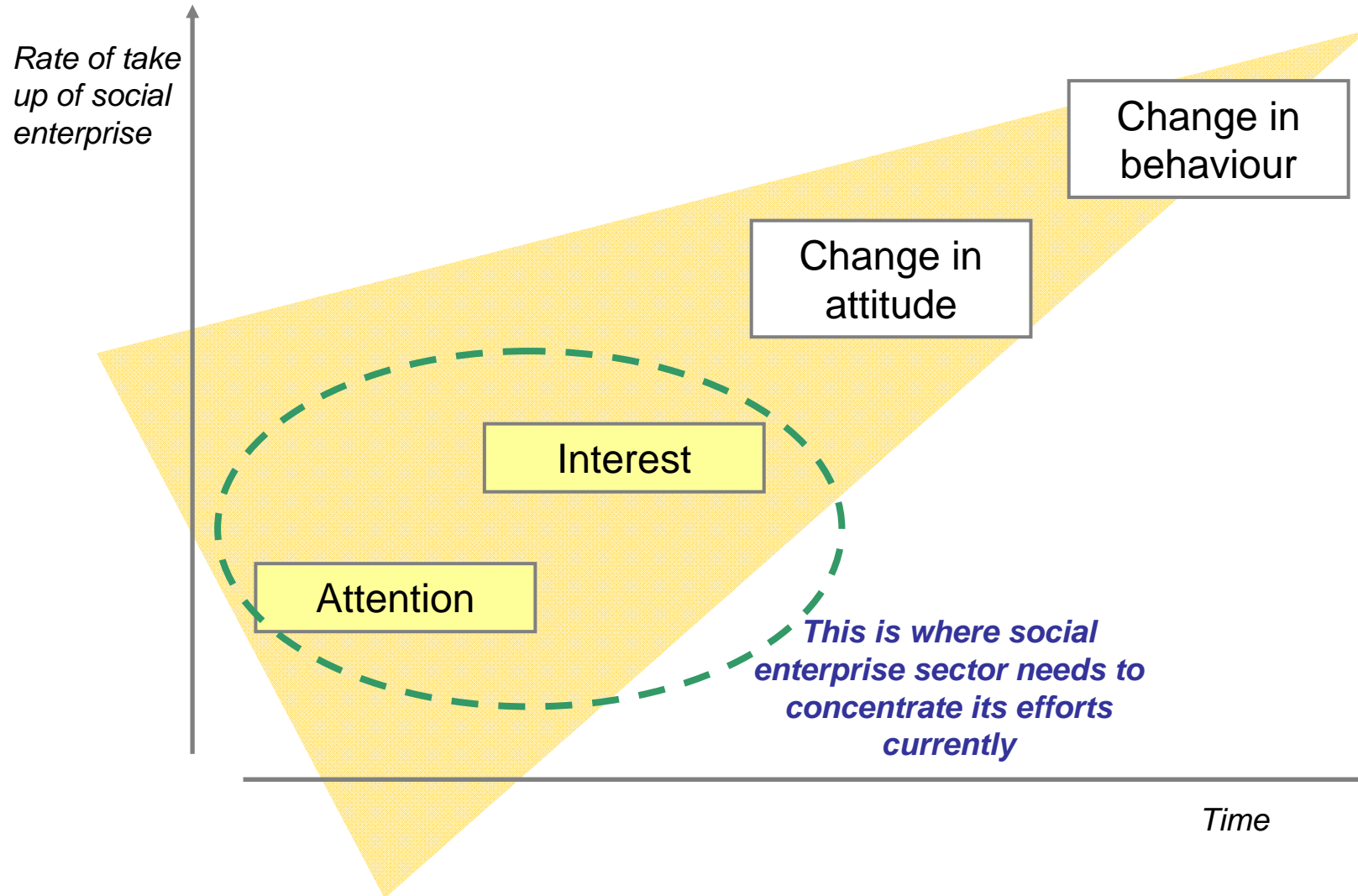


- **Bring together** diverse range of partners under a common, visual identity to grow and embed the movement
- Increase **audience awareness and understanding** of what social enterprise is via a consistent visual “family”
- Build **attention** and **interest** first needed to drive social enterprise take-up among those who are still unclear or unaware (and lead to more purchasing / business)

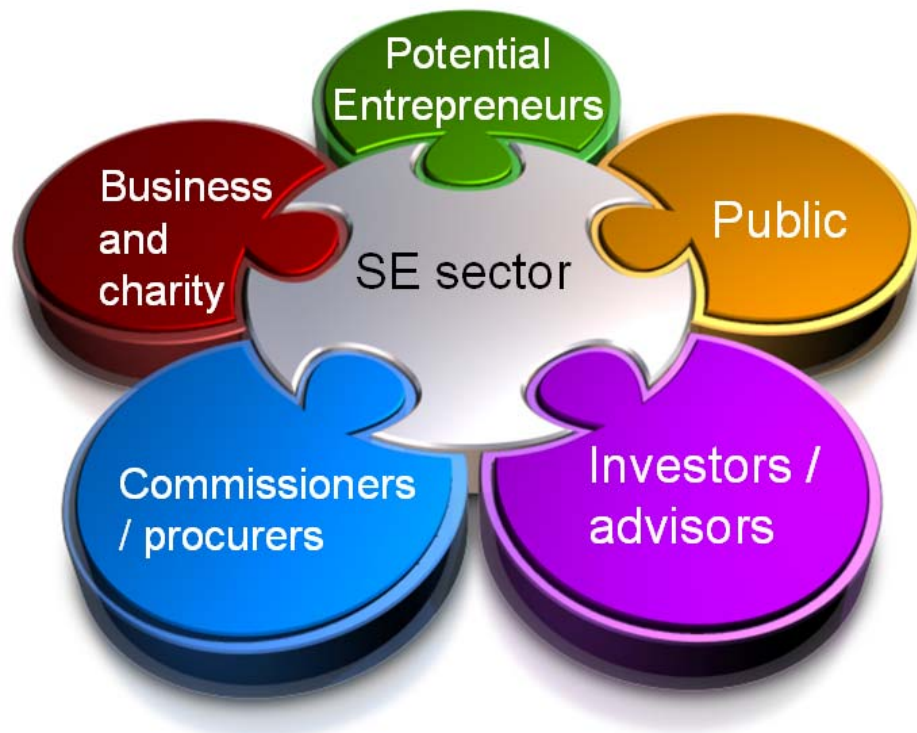
Sector must establish attention and interest to increase take-up



Sector must establish attention and interest to increase take-up



There are multiple audiences for social enterprise...



Primary audiences




- Potential entrepreneurs ('warm prospects'):
 - Younger educated BMEs
 - Educated talent
 - Midlife private sector career changers
- Current social enterprises
- Health and local authority commissioners / business to business procurers

Secondary audiences

- Wise head investors with capacity in current economic climate
- Public (ABC1, <45 years old)
- Businesses and charities who could be inspired by social enterprise

...And each audience needs targeting differently



Primary Audience	Messages they need about SE	What identifier needs to do
1. Potential entrepreneurs 	<ul style="list-style-type: none"> Combines doing good with business ethos Offers a rewarding, sustainable career choice Can use trading to be innovative, independent and sustainable 	<ul style="list-style-type: none"> Explain clearly what social enterprise is Communicate they can make a difference through business Emphasise that social enterprise is dynamic and innovative
2. Current social enterprises 	<ul style="list-style-type: none"> There is current interest in and opportunity for sector Understanding of what social enterprise is needs to improve among key, influential audiences Widescale use of a clear identity will help to grow the sector 	<ul style="list-style-type: none"> Explain the benefits of identifying as a social enterprise Be detailed, but affordable and non-intensive to apply for Offer a business advantage over time via increased awareness Give clear “destination” to aim for
3. Commissioners and procurers 	<ul style="list-style-type: none"> Social enterprise can deliver high quality, cost-effective services required Social enterprises can meet strategic needs through better flexibility and local knowledge 	<ul style="list-style-type: none"> Give confidence about the ability and potential of enterprises Offer transparency on the quality and ethics of enterprise practice Confirm that enterprises are sustainable and a genuine option

...And each audience needs targeting differently



Secondary Audience	Messages they need about SE	What identifier needs to do
<p>4. Wise head investors</p> <p><i>Guarantee it is safe to invest</i></p>	<ul style="list-style-type: none"> ▪ Assurance about commercial viability of social enterprise ▪ Guarantee of robust enterprise governance and social purpose ▪ Financial business case and evidence of social outcomes 	<ul style="list-style-type: none"> ▪ Guarantee business transparency and financial robustness ▪ Assurance that social enterprise will not demutualise suddenly
<p>5. Public (ABC1, < 45 years)</p> <p><i>See how purchase makes difference</i></p>	<ul style="list-style-type: none"> ▪ Understanding their consumer choices can have social impact ▪ Understanding of which products or services are social enterprises ▪ Social enterprise is a way of being ethically and socially responsible 	<ul style="list-style-type: none"> ▪ Explain what social enterprise is, and how it differs to charity or CSR ▪ Visual mark or guarantee that their purchase will have social impact ▪ Assurance about reinvestment and not for private profit credentials
<p>6. Business and charities</p> <p><i>Understand benefits of changing</i></p>	<ul style="list-style-type: none"> ▪ Social enterprise combines business ethos with social good ▪ Trading makes enterprises more sustainable and less donation-led ▪ More attractive business model than their current form 	<ul style="list-style-type: none"> ▪ Raise profile of social enterprise as a valid business model ▪ Explain the advantages of being a social enterprise over other forms ▪ Highlight best practice examples business / charities can learn from

One identifier alone cannot meet all audience needs



- Different audience needs will vary from **building interest** to **guaranteeing robustness of business**
- Diverse audience needs **cannot be met** by existing social enterprise identifiers alone
- There is need for a **coherent, linked scale of identifiers** to:
 - Meet each audience need
 - Take audiences on a journey from initial attention to full change in behaviour

Analysis of existing identifiers

Potential for existing identifiers



Perceived Strengths	Perceived Limitations
<ul style="list-style-type: none">▪ Provides legal reassurance▪ Guarantees social purpose▪ Prevents sudden demutualisation▪ Most widespread uptake to date (2700)▪ Positive recognition as popular option for new social enterprises	<ul style="list-style-type: none">▪ Perceived as one effective legal brand rather than overarching sector brand▪ Regarded as one legal form that may suit some but not all social enterprises▪ Language barrier between CIC and social enterprise means less public recognition▪ Mixed sector view of criteria, such as asset lock and less emphasis on active trading

One possible legal form, rather than sector-wide identifier

Potential for existing identifiers

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Perceived Strengths	Perceived Limitations
<ul style="list-style-type: none">▪ Demands rigorous external assessment of commercial and social purpose (SFEDI)▪ Defines itself as guarantee of business, product, service and workplace quality▪ Independently accredited and regulated, and provides holders with “champion” status	<ul style="list-style-type: none">▪ Application to specific sub-sector limits potential as overarching brand for social enterprise sector▪ Primarily professional-facing accreditation with less public recognition or relevance▪ Rigour of standard may discourage smaller or emerging social enterprises from applying

Quality mark for specific sub-sector, rather than identifier

Potential for existing identifiers

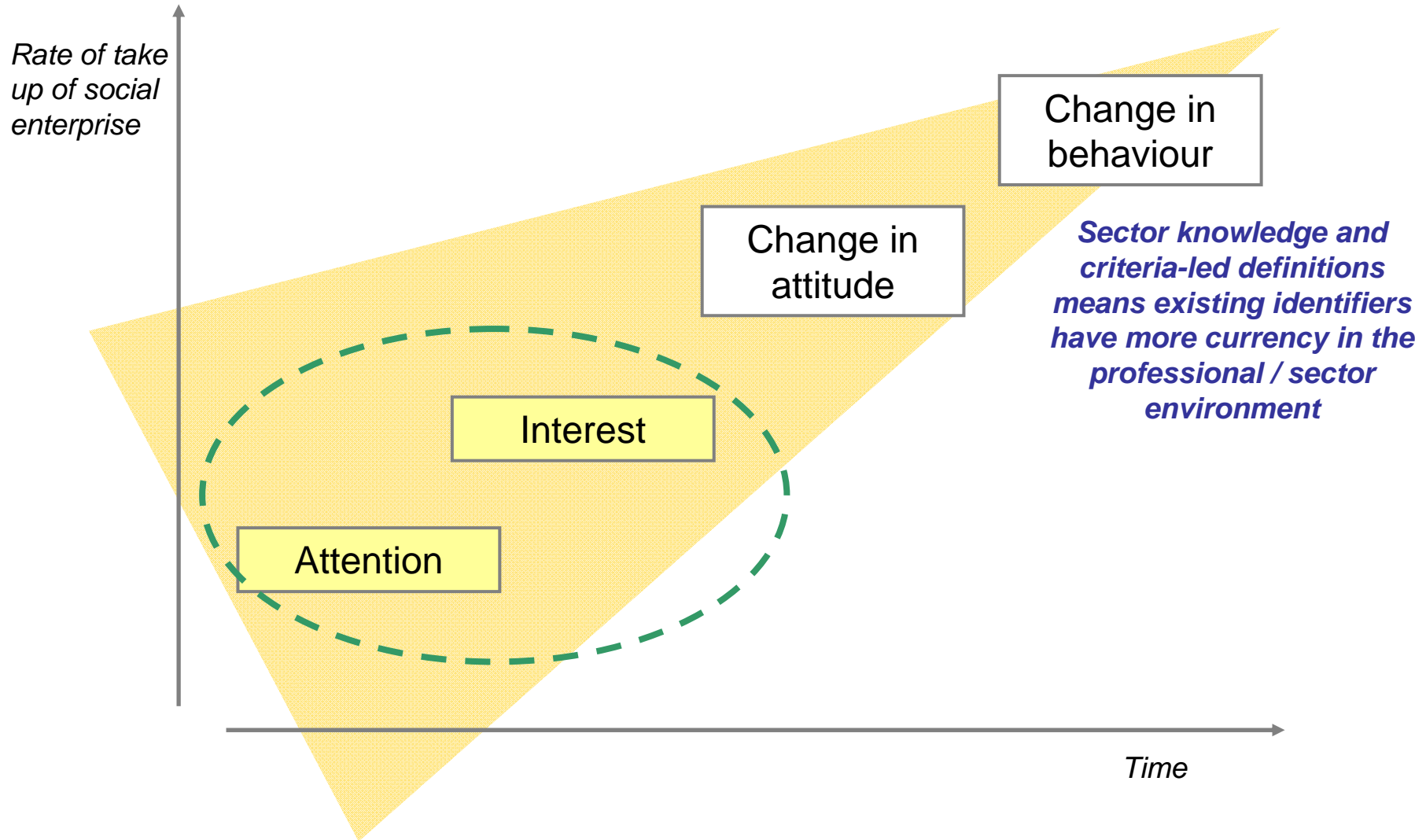


Perceived Strengths	Perceived Limitations
<ul style="list-style-type: none">▪ Supported and championed by some high profile enterprises▪ Promotes consistent way of identifying good social enterprise practice▪ Provides customer promise for consumer-facing social enterprises▪ Regarded positively as sector tackling identity challenges, but still on early in development	<ul style="list-style-type: none">▪ Trading criteria insufficiently broad to include some emerging enterprises▪ Challenging growth plan (5000) to achieve by 2014▪ Not as relevant to non-consumer facing social enterprises dealing with other audiences (e.g. commissioners)▪ Limited evidence Mark offers business advantage for commissioning▪ Mixed response to “trading for people and planet” given mixed sector focus on environmental impact

Recognised within sector, but unable to reach wide, non-sector audiences or be inclusive of all social enterprises

Existing identifiers are useful but for those already in the sector

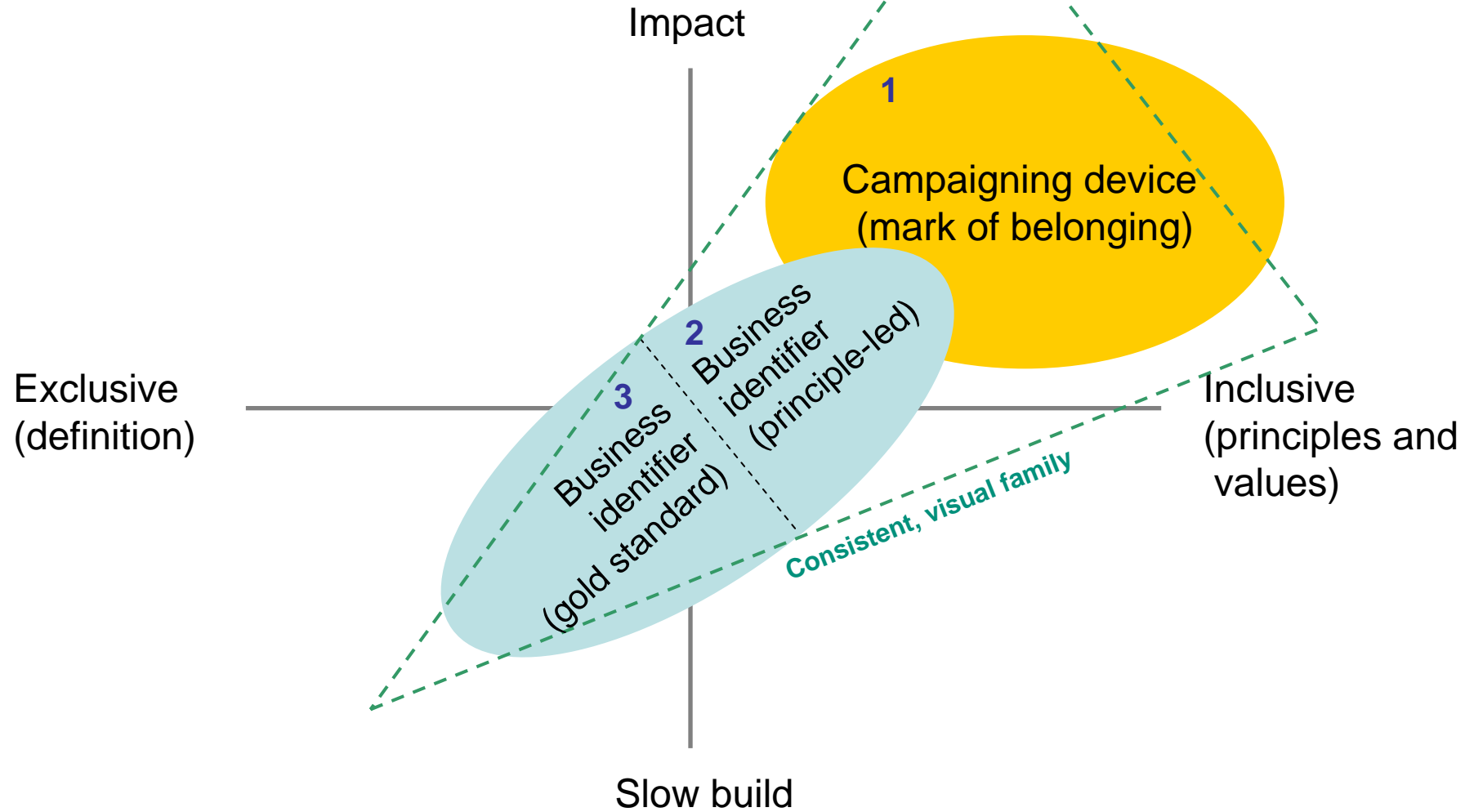
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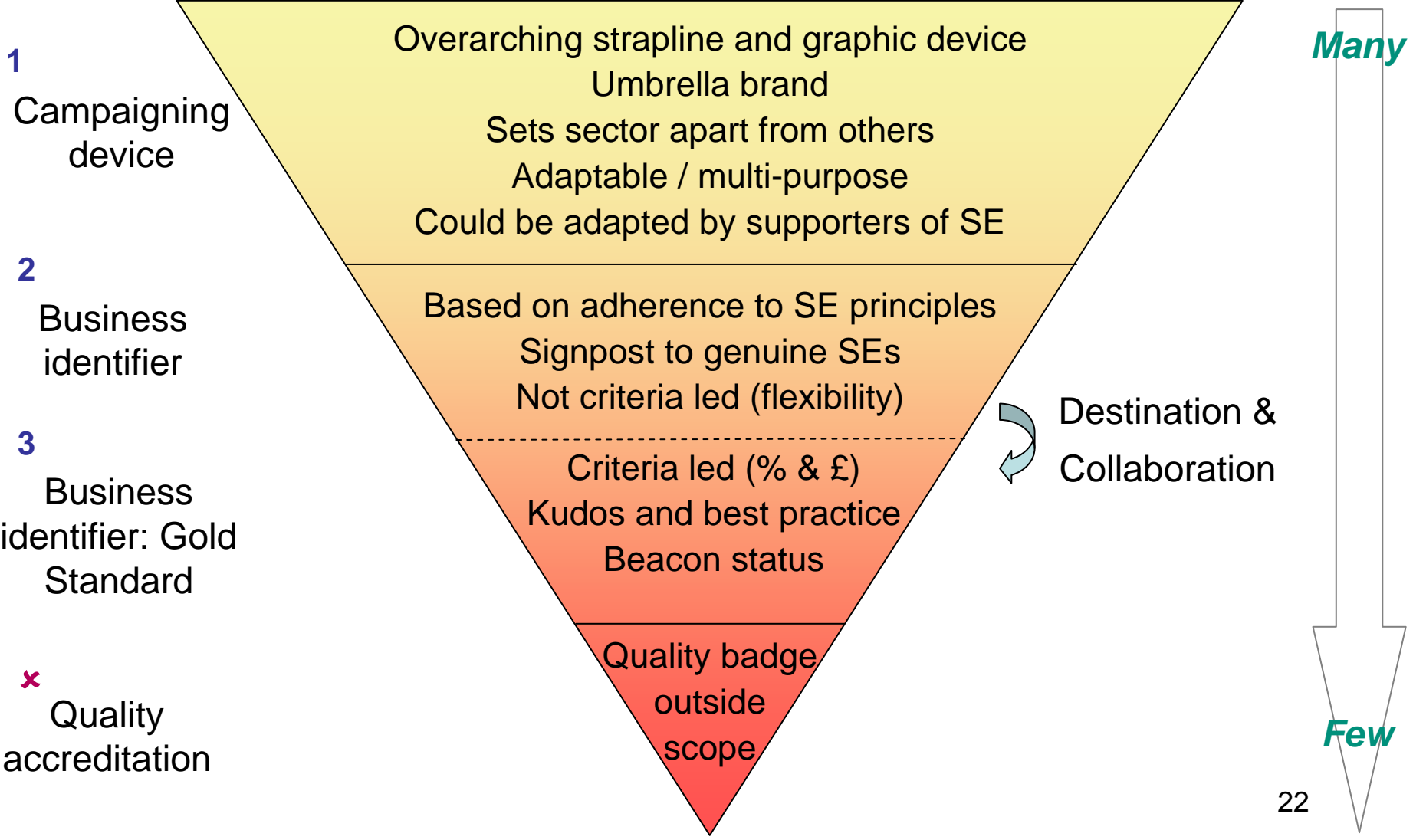
Proposed identifier system

Opportunity for consistent family of identifiers

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Umbrella of new identifiers



Umbrella will work as a consistent visual family

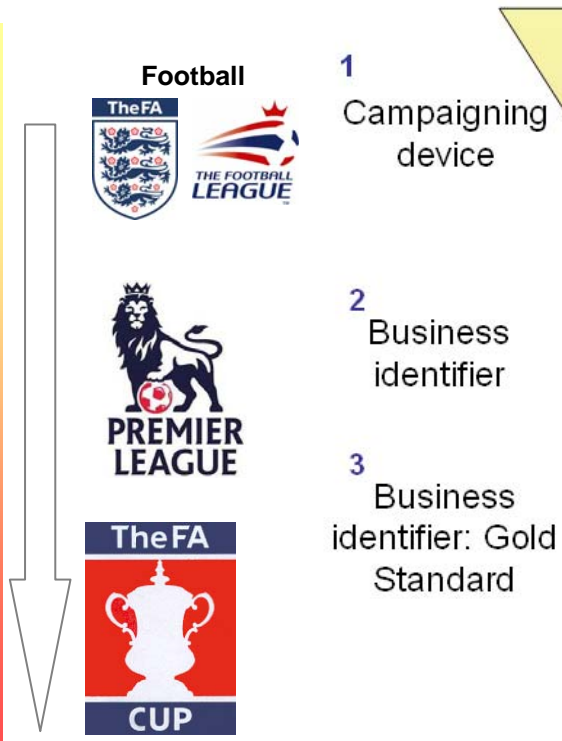


Shift from

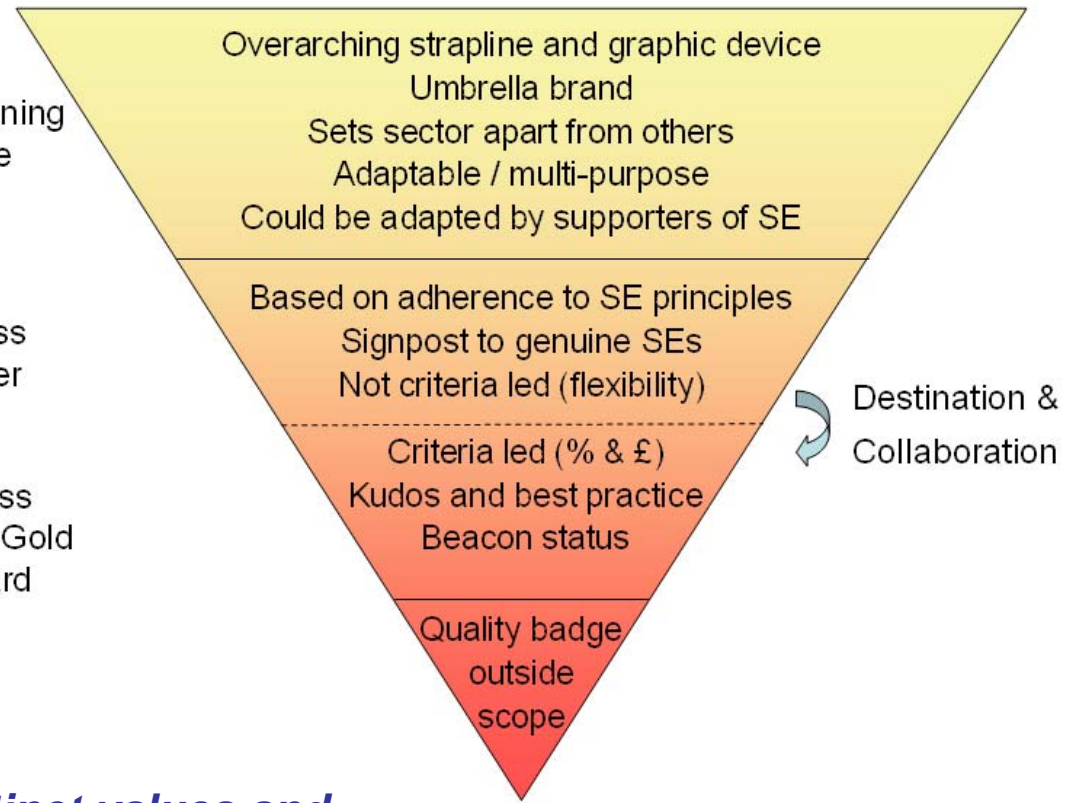
Open, inclusive participation to...

more formal groupings with more precise requirements of practice to...

recognitions of best practice or "market leaders"

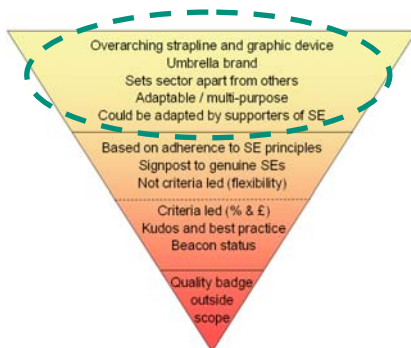


- 1 Campaigning device
- 2 Business identifier
- 3 Business identifier: Gold Standard



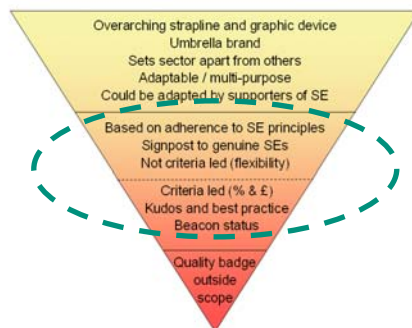
These examples have their own distinct values and principles, but can easily be identified as and operate within one overarching family (football) which everyone can understand

Purpose of campaigning device



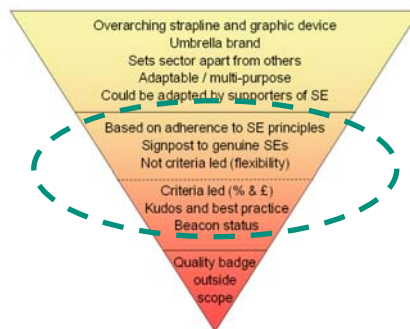
What?	<ul style="list-style-type: none"> ▪ Overarching, adaptable strap line and graphic device which acts as an umbrella brand for the sector. ▪ Introducing broad concept of social enterprise that sets it apart from regular business, not-for-profit and the voluntary sector.
Why?	<ul style="list-style-type: none"> ▪ Rapid and inclusive way of raising awareness and understanding of sector not individual organisations. ▪ Collectively demonstrates that this is a legitimate business model for the future and challenge perceptions. ▪ Galvanise support of social enterprise by all audiences under one umbrella, and raise awareness of the size and scale of sector.
How?	<ul style="list-style-type: none"> ▪ Used by social enterprises to work together towards e.g. common goal (e.g. Social Enterprise Village), or used by supporters of social enterprise (e.g. NHS, local authorities, RBS). ▪ Light touch governance of identity via clear brand guidelines and values and peer scrutiny of how / where identity is being used ▪ Investigate registered design for campaigning device ▪ Organisations may ride on the back of campaigning device but this can become an opportunity to raise sector profile by encouraging debate
Who?	All audiences

Purpose of business identifier



<p>What?</p>	<ul style="list-style-type: none"> ▪ Strap line and graphic device to signpost individual enterprises who demonstrate social enterprise principles and values. ▪ Potential second gold tier that based on current definition used by RISE Social Enterprise Mark (capitalising on work already undertaken).
<p>Why?</p>	<ul style="list-style-type: none"> ▪ Acts as an initial signpost for interested audiences, demonstrates commitment and gives opportunity for collaboration (but business benefit may be limited). ▪ Second gold tier would act as a destination organisation and would benefit from kudos and profile. ▪ Show that social enterprises are transparent and open to challenge. ▪ Both levels offer increased signposting to social enterprises than currently offered by legal forms or non-SE quality marks alone (whilst continuing to support CIC as a legal option for social enterprises).
<p>How?</p>	<ul style="list-style-type: none"> ▪ Accredited process building on the work of RISE model. ▪ Governed via standalone CIC (lower price owing to higher take-up) .
<p>Who?</p>	<p>Potential buyers and investors</p> <p>Entrepreneurs and social enterprises (secondary audience)</p>

Why two levels of business identifier are needed



Principles-led identifier to support enterprises that:

- May not yet meet required trading levels
- Are still emerging or developing their approach
- May not fit traditional social enterprise definitions

Criteria-led identifier to support enterprises that:

- Are more established and already meet criteria
- Offer a destination for other enterprises to aim towards
- Have opportunity to act as gold standard or best practice

Single criteria-led identifier only risks excluding or sidelining enterprises doing social good with entrepreneurial edge

Proposed identifier principles



1. **Have a social mission at the heart of everything you do**
2. **Trading is a core element of your income and your business model**
3. **Profits are primarily re-invested into your social purpose**
4. **Measure your social outcome and take action to improve your impact**

Sector needs to consider these and identify implications for other existing identifiers and their qualifying criteria

Clarifying scope of identifiers



- Identifier will link with and complement emerging social impact and outcome measurement programmes by requiring **social enterprises to evidence commitment towards measuring and articulating social benefit**
- Opportunity for sector to **lead and mainstream best practice** by encouraging corporate social responsibility businesses to measure social impact (as required under Companies Act 2008)
- Proposed identifiers will be unable to guarantee the **quality of social enterprise products or services**:



- Quality of social enterprise practice will not equate with quality of end product on offer to consumers or commissioners
- Enterprises will still need to seek sector-specific quality marks
- Enterprises will still need to offer best proposal to commissioners

Next steps

This work now needs to



- Explore the **graphical elements** that will tie the different identifier levels together
- Consider the **criteria implications** for each identifier level, and what the qualifications for entry will be
- Be “**led by sector**” rather than government or COI, but:
 - Research proposals amongst target audiences
 - Test existing as well as new identifiers as part of research
 - Accept there will be compromise for new and existing identifiers to help these operate across the range

A steering group is needed

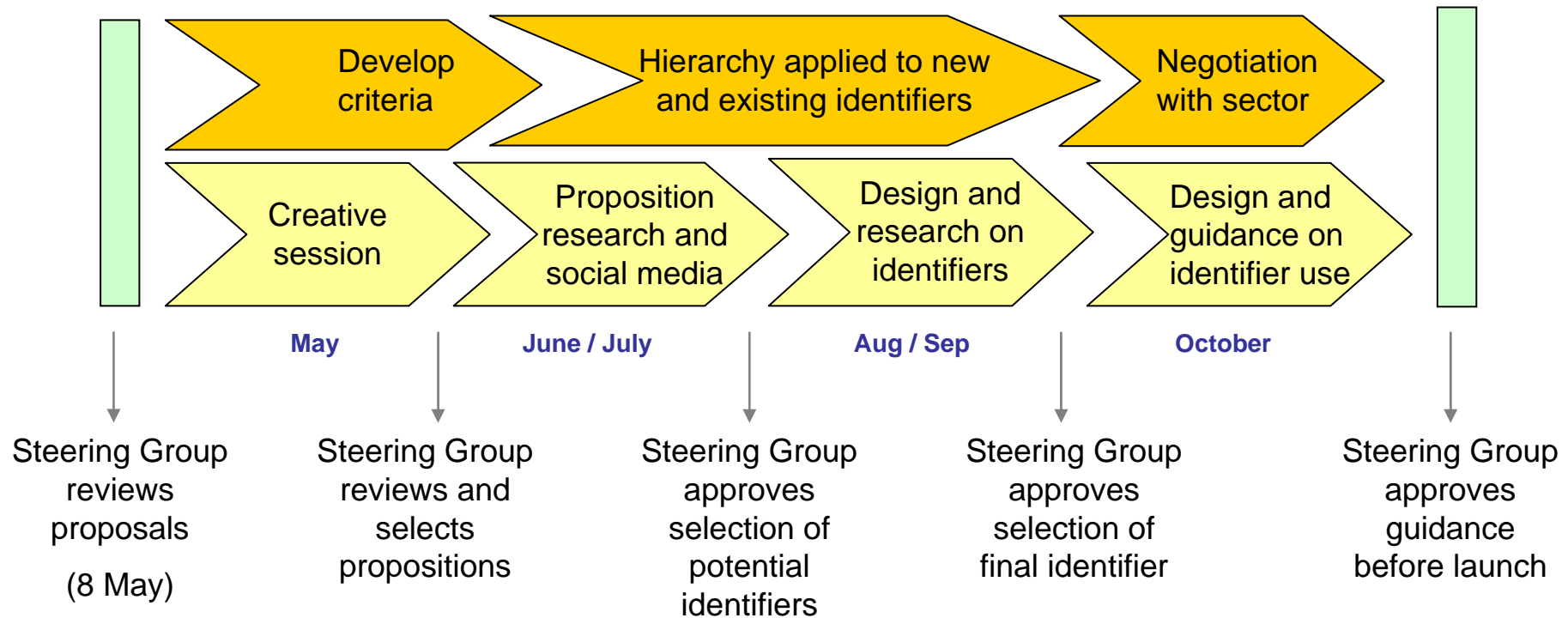
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Different parts of steering group can take forward different work strands on behalf of sector

- To help to agree the core purpose, aims and benefits of the identifiers
- To help to agree and prioritise key users of and target audiences for the identifiers
- To help to articulate core values of social enterprise sector and qualifying principles
- To debate as group how identifiers can best be governed and reach consensus
- To review and respond to feedback about the proposed identifiers
- To approve and sign off visual identity, guidelines and governance for identifiers

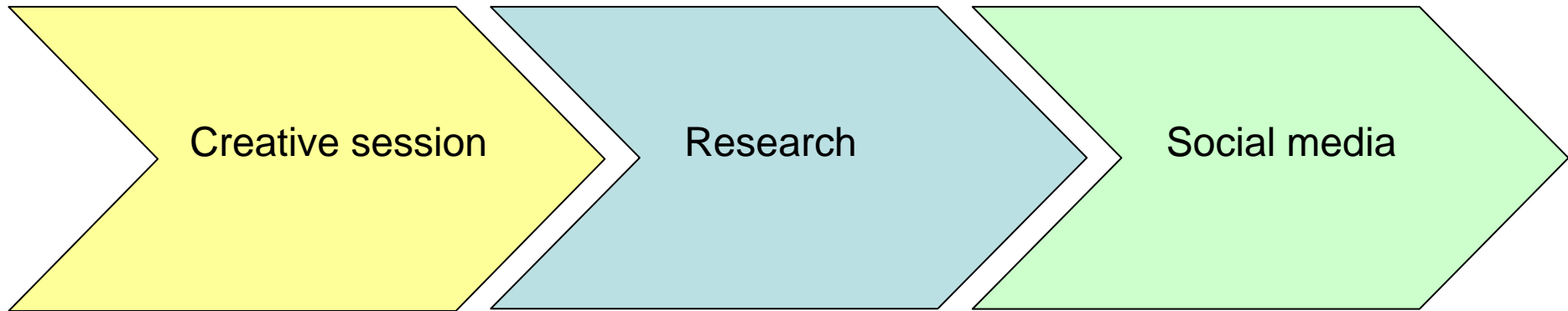
Next steps



Key milestones:

- Global Entrepreneurship Week 16-22 Nov 2009
- Social Enterprise Day 19 Nov 2009
- Launch of identifiers ideally needs to capitalise on this rise in awareness

Capitalise on creativity in movement



- Run a creative day with the creative, inspiring thinkers of the sector
- Creation of proposition concepts prior to taking to research

- Robust independent research needed in eclectic group
- Recommend two stages:
 - Proposition / messaging / understanding of identifier
 - Design / strapline audit
- Recommend awareness tracking

- Tap into abundance of creative, innovative and collaborative individuals
- Getting the whole sector involved and avoid top-down communication

