



**YEAR 5**  
IMPACT  
REPORT

# CONTENTS

<b>1</b>	<b>EXECUTIVE SUMMARY .....</b>	<b>4</b>
<b>2</b>	<b>THE MARKETPLACE: CORPORATE BUYERS .....</b>	<b>8</b>
<b>3</b>	<b>THE MARKETPLACE: SOCIAL ENTERPRISE SUPPLIERS .....</b>	<b>12</b>
<b>4</b>	<b>THE BUY SOCIAL MOVEMENT .....</b>	<b>15</b>
<b>5</b>	<b>THE FUTURE .....</b>	<b>24</b>



# YEAR 5

**£164,476,546**

SPENT TO DATE WITH  
SOCIAL ENTERPRISES  
(YEARS 1-5)

**2,030 JOBS**

DIRECTLY OR INDIRECTLY  
CREATED AT SOCIAL  
ENTERPRISES IN  
YEARS 1-5

**£72,931,191**

YEAR FIVE SAW THE HIGHEST  
LEVEL OF ANNUAL SOCIAL  
ENTERPRISE SPEND YET

**£15.1 MILLION**

TOTAL PROFIT REINVESTED INTO  
SOCIAL MISSIONS FOR  
YEARS 1-5

**27** HIGH PROFILE  
COMPANIES

BUYING FROM SOCIAL  
ENTERPRISES

**550** SOCIAL  
ENTERPRISES

SUPPLYING BUY SOCIAL  
CORPORATE CHALLENGE  
PARTNERS IN YEAR 5

# EXECUTIVE SUMMARY

## Introduction

The impact of supply chains on wider society and the environment is in sharper focus than ever before. Companies are increasingly looking to their purchasing power as an opportunity to go beyond compliance and actively pursue positive social and environmental outcomes.

The development of the Buy Social movement over the last ten years has seen governments, businesses and consumers increasingly seeking out opportunities to buy from social enterprises – businesses with a social or environmental mission. The launch of the Buy Social Corporate Challenge in April 2016 took this movement to a new level.

The Buy Social Corporate Challenge is a simple initiative with a bold ambition: **a group of high-profile businesses is aiming to collectively spend £1 billion with social enterprises through their procurement.**

The Buy Social Corporate Challenge gives large companies the ability to positively transform lives using existing business spend. Led by Social Enterprise UK in partnership with the Department for Digital, Culture, Media & Sport, the initiative was launched in Downing Street in April 2016 with seven Founding Partners. A package of support was created to help businesses understand their existing spend with social enterprises and maximise the opportunity to increase it.

## Snapshot – the first five years

Wherever corporate buyers source goods and services from social enterprises, we refer to this activity as 'social procurement.' In the five years since its launch, the Buy Social Corporate Challenge has demonstrated that social procurement presents a valuable and growing opportunity for a wide range of buying organisations. We have seen considerable year-on-year growth on both the demand side and supply side of the market, and despite the significant challenges arising from the COVID-19 pandemic this growth has continued.

The pandemic has had a major impact on so many aspects of our lives and whole sectors of our economy have experienced periods of shutdown, directly impacting on the ability of businesses to trade. The same period has also seen a stronger focus than ever on re-thinking the kind of economy we want. There is a greater appreciation of the need to align business interests with the interests of the communities they operate in. From public sector commissioners to private sector buyers and individual consumers, markets are increasingly operating through the lens of social value.

There is evidence that this new drive to focus on social value is bringing about strong growth in the UK's social procurement marketplace. We are delighted to report that 2020 was the best year yet for the Buy Social Corporate Challenge in terms of the number of corporate buyers, the number of social enterprise suppliers and the level of social enterprise spend from the corporate buyers.



The programme was launched in 2016 with seven Founding Partners and the number of businesses signed up has increased year after year. We welcomed five new businesses in year five, bringing the total number of partners to 27.



Our corporate partners represent the diverse sectors of the UK economy, showing that sourcing from social enterprises is an option for any business, regardless of the industry it operates in. The partners on the programme at the end of year five are **Amey, AstraZeneca, Barclays, CBRE, Compass, Deloitte, ENGIE, Foodbuy, GSK, John Sisk & Son Ltd, Johnson & Johnson, Landmarc Support Services, Lendlease, Linklaters, LV=, Mitie, Motorola Solutions, Nationwide, Nestle, NFU Mutual, PwC, Robertson, SAP, Siemens, Sodexo, Wates** and **Zurich**.

The number of social enterprises trading with our corporate partners has also risen year on year. We estimate that approximately 550 social enterprises supplied one or more Buy Social Corporate Challenge partners over the last 12 months. The most common category areas currently served by the social enterprises are education and skills development, research, consultancy and business support, facilities management and events.

**550** SOCIAL ENTERPRISES

SUPPLYING BUY SOCIAL CORPORATE CHALLENGE PARTNERS IN YEAR 5

**£164,476,546**

SPENT TO DATE WITH SOCIAL ENTERPRISES (YEARS 1-5)

**£72,931,191**

YEAR FIVE SAW THE HIGHEST LEVEL OF ANNUAL SOCIAL ENTERPRISE SPEND YET

Buy Social Corporate Challenge partners have collectively spent a total of £164,476,546 with social enterprise suppliers since the programme was launched in April 2016. Year five saw the group achieve their highest level of annual social enterprise spend yet, with £72,931,191 spent in 2020.

## The business case for corporate buyers

Buy Social Corporate Challenge partners reported a wide range of positive benefits from social procurement in year five. There was almost unanimous agreement that sourcing from social enterprises **supported business values and purpose**. Other benefits which were highlighted by a significant number of corporate partners include:

- increased supplier diversity
- enhanced engagement within the procurement team
- created external recognition
- raised awareness of procurement function with business leadership
- brought innovation into the supplier base

We are pleased to report once again that the vast majority of our corporate partners are satisfied with the performance of their social enterprise suppliers on cost and quality.

95%

of corporate partners report that social enterprises are cost neutral when compared with other suppliers

95%

of corporate partners report that social enterprises deliver comparable or higher quality compared with other suppliers

## The business case for social enterprise suppliers

What sets social enterprises apart from other businesses is that they reinvest the majority of their profits to create positive social or environmental change. The revenue from Buy Social Corporate Challenge contracts across years 1-5 has allowed social enterprises to reinvest a total of £15.1 million into their social missions.

The trade in the first five years of the programme has also led to the direct or indirect creation of 2,030 jobs at social enterprises. Many of these jobs have gone to individuals who face additional barriers to the labour market.

Social enterprises on the Buy Social Corporate Challenge report that working with corporate clients has helped them to extend into new product/service areas and also to extend their coverage into new geographical areas. The other significant benefit was the way that winning business from, and delivering to, corporate clients puts the supplier in a better position to succeed with other corporate clients in the future.

Contracts with corporate clients helped social enterprises deliver impact across a broad range of social and environmental causes. The most common causes were:

- creation of employment opportunities
- improvement in mental health and wellbeing
- support for vulnerable people
- addressing social exclusion

### This report

This is our fifth annual Buy Social Corporate Challenge report. It summarises the progress made in the last 12 months (April 2020 - March 2021) as well as reviewing the impact achieved to date across the lifetime of the programme.

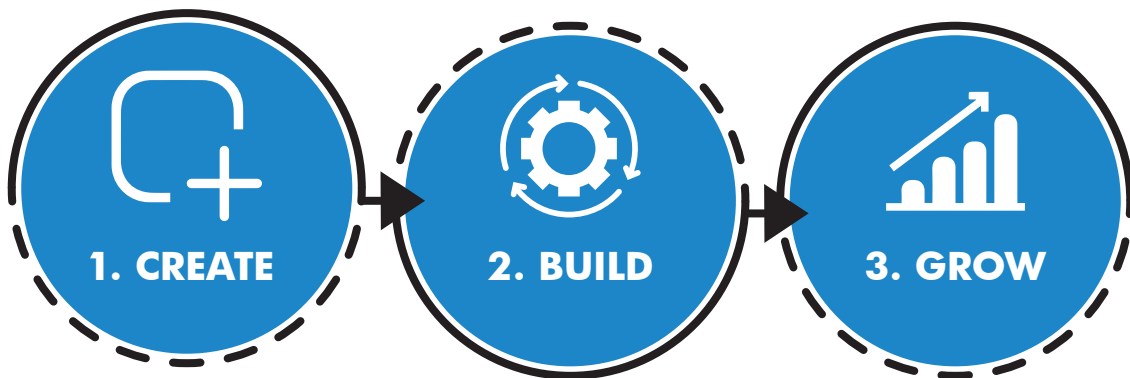
The Social Enterprise UK team conducted online surveys in the first two months of 2021. We surveyed all of the Buy Social Corporate Challenge partners participating in the programme at the time and carried out a separate survey with a sample set of the social enterprises which were suppliers to those partners.

Social Enterprise UK also partnered with Cranfield School of Management and ESCP Business School to evaluate the progress of the social procurement movement and the overall impact achieved to date. In-depth interviews were conducted with corporate partners and social enterprise suppliers in the first two months of 2021, followed by thematic analysis of the data.



## The Buy Social movement

The launch of the Buy Social Corporate Challenge in 2016 was a key moment in the development of the broader Buy Social movement. In section 3 of this report we review the broader Buy Social movement and identify three stages in its development:



In the first stage, corporate buyers and social enterprise suppliers **create** shared intention and demand through activities such as shaping the organisational culture, framing the benefits and communicating a narrative around social procurement. In the second stage, these actors move on to **build** crucial systems, processes and relationships through activities such as the development of socially-driven category management, integrating social enterprises into their formal procurement processes and demonstrating the clients' impact. In the final stage, the main focus is to **grow** in terms of capacity, capabilities and market penetration by way of developing new product or service offerings, co-creating social enterprise capabilities and influencing the wider business community, among other activities.

We hope that the specific examples in section 3 of this report provide key learnings which are useful for all buyers and suppliers interested in social procurement.

## The future

If we are to contribute to building a post-COVID economy that works for all, we need to work together to grow the social procurement market further still. Some of the key areas we would like to focus on to achieve this include:

- Developing new supply-side capacity to meet the specific requirements of corporate buyers where demand currently goes unmet
- Facilitating increased collaboration between end-user corporate buyers and their Tier 1 (direct) providers to accelerate the number of opportunities for social enterprises to operate as Tier 2 (indirect) providers or sub-contractors
- Creating social procurement services and solutions for a wider range of buying organisations, including SMEs and public sector bodies
- Working with a subset of Buy Social Corporate Challenge partners to expand their social procurement activity across different national markets in the EU + Switzerland region

# Section 1 - The Marketplace: Corporate Buyers

## The Corporate Partners

Over the last five years, a group of high-profile companies has led the way on opening up their supply chains to social enterprises – businesses with a social or environmental mission. When large companies source from social enterprise suppliers, we refer to this as ‘social procurement’.

The Buy Social Corporate Challenge brings these large businesses together with the aim to collectively achieve £1 billion spent with social enterprises through their procurement. The programme launched in 2016 with 7 Founding Partners. We have seen new businesses signing up year after year, and year five was no exception.

We now have 27 corporate partners. In the last 12 months, we have welcomed **GSK, Nestle, NFU Mutual, John Sisk & Son Ltd** and **Sodexo** to the Buy Social Corporate Challenge.

We have representation from almost every major sector of the economy, helping to demonstrate that social procurement works for any type of business, regardless of the industry it operates in and the structure of the business.

We have shown that it works for national businesses with devolved procurement structures which primarily source products and services locally or on a project-by-project basis, and we have shown that it also works with multinational businesses with centralised procurement functions which primarily source products and services at a national or international level.

## Value of trade with Social Enterprises

Buy Social Corporate Challenge partners have collectively spent a total of £164,476,546 with social enterprise suppliers since the programme was launched in April 2016. Despite all of the challenges around the COVID pandemic, year five saw the group achieve their highest level of annual social enterprise spend yet, with £72,931,191 spent in 2020.

YEAR 1 = 7 PARTNERS

YEAR 2 = 11 PARTNERS

YEAR 3 = 15 PARTNERS

YEAR 4 = 24 PARTNERS

YEAR 5 = 27 PARTNERS

£164,476,546

SPENT TO DATE WITH SOCIAL  
ENTERPRISES (YEARS 1-5)

£72,931,191

SPENT WITH SOCIAL  
ENTERPRISES IN YEAR 5



## FOUNDING PARTNERS






## PARTNERS





















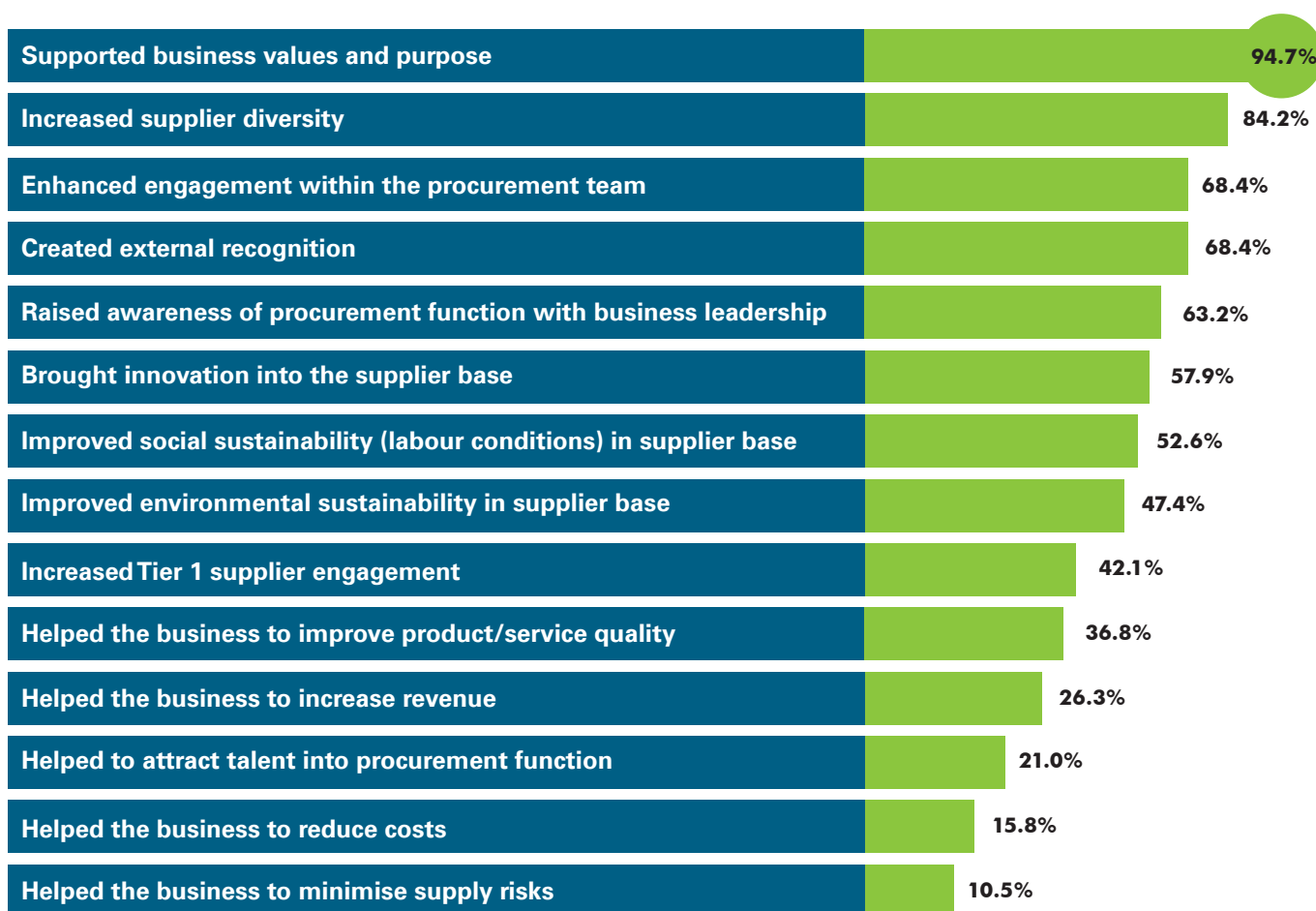




## Business case and benefits

Evidence for the business case for sourcing from social enterprises continues to grow strongly. In our annual survey of Buy Social Corporate Challenge partners (conducted in early 2021) we listed a range of potential benefits arising from social procurement. Below we present the results of this survey, showing how many corporate partners agreed with each potential benefit.

# What **benefit** has sourcing from social enterprises had **for your organisation?**



There was almost unanimous agreement that sourcing from social enterprises supported business values and purpose. Comments from the corporate partner survey included:



**We want to support a more inclusive society."**



**This is an opportunity to use our scale for good."**



**This work brings our purpose to life."**

The vast majority of partners agreed that sourcing from social enterprises **increased supplier diversity**. This is always reported to be a significant benefit among Buy Social Corporate Challenge partners, demonstrating the importance to many companies of working towards having a supplier base which reflects the diversity of the communities they operate in. We know from SEUK's [State of Social Enterprise reports](#) that when compared with other SMEs, social enterprises are far more likely to have female leaders, disabled leaders or leaders from a Black, Asian or other Minority Ethnic (BAME) background.

Sourcing from social enterprises also has a positive impact on key internal stakeholders, and over two-thirds of partners said that it had **enhanced engagement within the procurement team**. Our corporate partners regularly tell us that working with social enterprises is rewarding and inspiring, and that this work significantly supports talent retention.

Over two-thirds of respondents agreed that sourcing from social enterprises has **created external recognition**. This recognition is becoming more and more important, as companies which include social enterprises in their supply chains are increasingly being rewarded by the market – by the 'ethical consumer' in the B2C space, by the 'responsible business' in the B2B space and through the [Social Value Act](#) in the public sector.

The Social Value Act has been in force since 2013 and the government's new [Social Value Model](#), introduced in January 2021, means that businesses seeking to win government work must now set out even more clearly than previously how they will also deliver social value priorities, including through their supply chains. Our survey also confirms that there is a link between social procurement and the ability to win new business, with over a quarter of our corporate partners reporting that sourcing from social enterprises has **helped the business to increase revenue**.

Another benefit reported by the majority of Buy Social Corporate Challenge partners is that sourcing from social enterprises has **brought innovation into the supplier base**. Once again, this is also supported by SEUK's [State of Social Enterprise reports](#), which regularly show that social enterprises outperform mainstream SMEs when it comes to introduction of new products and services.

All of the above benefits can only be taken into account if social enterprises are able deliver good value for money, and we are delighted to see that once again our corporate partners have reported a strong performance on cost and quality from their social enterprise suppliers.

95% of corporate partners report that, when compared with other suppliers, social enterprises are cost neutral and deliver comparable or higher quality products/services.



## Section 2 - The Marketplace: Social Enterprise Suppliers

### The Social Enterprise supplier base

Social enterprises are businesses with a social or environmental mission. Many of them operate in the business-to-business (B2B) space, and a growing number can be found in corporate supply chains. The Buy Social Corporate Challenge was set up in 2016 with the aim to rapidly increase these supply chain opportunities.















We collect data annually on Buy Social Corporate Challenge trading activity, and we have consistently seen year-on-year increases in the number of social enterprises trading with our corporate partners. Despite the challenges of the COVID pandemic, this growth continued in 2020, and we estimate that approximately 550 social enterprises supplied one or more Buy Social Corporate Challenge partners over the last 12 months. This is a 45% increase on the previous year.

**550** SOCIAL  
ENTERPRISES

**CURRENTLY DELIVERING  
PRODUCTS/SERVICES TO THE  
CORPORATE PARTNERS**

As with any supply chain, the scale of the social enterprises ranges from small local businesses to multimillion turnover multinational providers. They are providing products and services to Buy Social Corporate Challenge partners across 170 distinct spend categories. This is a 52% increase on the corresponding figure from year four. We show a breakdown of the principal categories in the table on the right.

#### Products/services delivered by social enterprises to Buy Social Corporate Challenge partners

	Sectors	Quantity	Percentage
	Community services	26	4.7%
	Consultancy and business support	68	12.4%
	Creative and digital industries	28	5.1%
	Education and skills development	82	14.9%
	Employment and career services	22	4.0%
	Events	44	8.0%
	Facilities management	55	10.0%
	Food and beverages	18	3.3%
	Gifting, merchandise and retail	6	1.1%
	Health care	36	6.5%
	Hospitality	35	6.4%
	HR and employee wellbeing	21	3.8%
	Other	39	7.1%
	Research	70	12.7%

## Value of trade with corporate clients

Social enterprises have delivered products and services to Buy Social Corporate Challenge partners to the value of £164,476,546 since the programme was launched in April 2016. Despite all of the challenges around the COVID pandemic, year five saw the highest level of annual trade yet between social enterprises and Buy Social Corporate Challenge buyers, totalling £72,931,191 in 2020.

## Business case and benefits

Supplying goods and services to large corporate clients can be challenging but it also offers significant opportunities for growth, helping social enterprises to scale up their businesses and their impact. What sets social enterprises apart from other businesses is that they reinvest the majority of their profits to create positive social or environmental change. The revenue from Buy Social Corporate Challenge trade across years 1-5 has allowed social enterprises to reinvest a total of £15.1 million into their social missions.

By driving the growth of social enterprises, the spend from corporate clients also supports job creation. We estimate that a total of 2,030 jobs have been directly or indirectly created at social enterprises by Buy Social Corporate Challenge trade since the programme began. These employment opportunities are very often for people who face additional barriers to the labour market, reflecting the social mission of many of the social enterprises involved.

In our annual survey of Buy Social Corporate Challenge social enterprises (conducted in early 2021) we listed a range of potential benefits arising from social procurement, asking the social enterprises which ones they agree and disagree with. We received a net positive response for all of the benefits we listed.

## Benefits for social enterprises of working with corporate clients

### As a result of our corporate contracts:

Agree/ Strongly agree	Benefits
80%	We secured new contracts with other companies from having corporates in our client list/references
64%	We extended our range of products/services
64%	We made changes to our products/services
76%	We made changes to our marketing approaches
76%	We learned how to engage more effectively with corporates
48%	We began to consider additional geographical areas for our operations

**£164,476,546**

**TOTAL VALUE OF TRADE  
BETWEEN SOCIAL ENTERPRISES  
AND CORPORATE BUYERS  
(YEARS 1-5)**

**£15.1 MILLION**

**TOTAL PROFIT REINVESTED  
INTO SOCIAL MISSIONS FOR  
YEARS 1-5**

**2,030 JOBS**

**DIRECTLY OR INDIRECTLY  
CREATED AT SOCIAL  
ENTERPRISES IN YEARS 1-5**

We found evidence supporting the use of two specific methods of scaling – extending into new product/service areas and extending into new geographical areas. Almost two-thirds of the social enterprises reported that they had **extended their range of products/services** as a result of working with their corporate clients, and around half of respondents had also **begun to consider additional geographical areas for their operations**.

The other significant benefit was the way that winning business from, and delivering to, corporate clients puts the supplier in a better position to succeed with other corporate clients in the future. 80% of the social enterprises confirmed that they had **secured new contracts with other companies from having corporates in their client list/references**. We believe that this comes partly from the learning opportunities that corporate experience provides and partly from the reassurance that a strong client list gives to other potential clients.

The impact that corporate clients' revenue allowed social enterprises to create spans a broad range of social and environmental causes, as can be seen in the table below.

Which of the following **causes** did contracts with your corporate clients **help your organisation to address**?

Creating employment opportunities	76%
Improving mental health and wellbeing	56%
Supporting vulnerable people	52%
Addressing social exclusion	48%
Benefitting a particular community	36%
Supporting people with disabilities	36%
Addressing the climate emergency	32%
Supporting other social enterprises/organisations	28%
Other	24%
Improving physical health and wellbeing	20%
Addressing financial exclusion	20%
Supporting gender equality	20%
Supporting individuals who experience discrimination due to their race/ethnicity	12%
Supporting vulnerable children and young people	8%

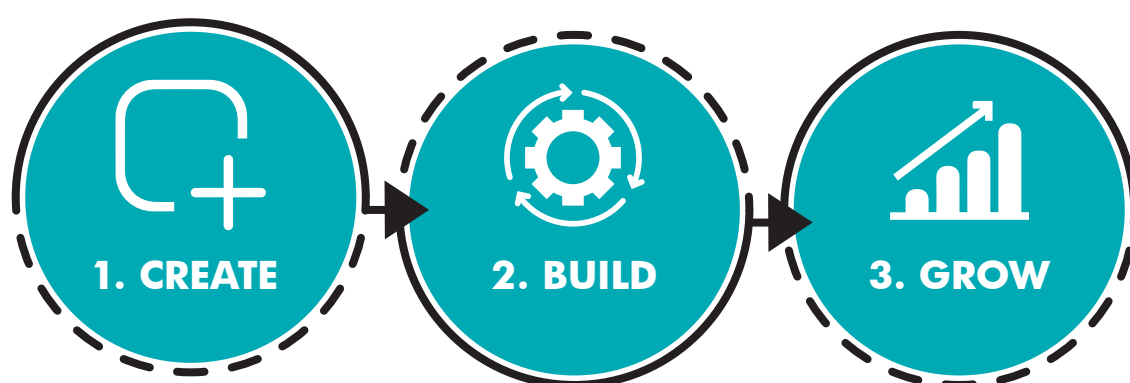


## Section 3

# The Buy Social Movement

The launch of the Buy Social Corporate Challenge in 2016 was a key moment in the development of the broader Buy Social movement. In this section we review the journey that Buy Social Corporate Challenge buyers and suppliers have taken over the course of the five years, tracing the growth of social procurement and highlighting key lessons learned for corporate buyers and social enterprise suppliers.

The development of this movement can be seen in three stages:



in the first stage, the key actors create demand and shared intention towards social procurement

in the second stage, these actors move on to build crucial systems, processes and relationships

in the final stage, the main focus is to grow in terms of capacity, capabilities and market penetration

### CREATE

### BUILD

### GROW

#### CORPORATE BUYERS

CREATING SHARED INTENTION

FORMALISING THE RELATIONSHIP

BUILDING THE CAPACITY

#### SOCIAL ENTERPRISE SUPPLIERS

CREATING THE DEMAND

DEEPENING THE RELATIONSHIP

DRIVING INNOVATION

## 3.1 Create

The initial stage in the development of the Buy Social movement sees a narrative around shared benefits and the shaping of a culture which creates demand for, and shared intention towards, social procurement.

### Corporate buyers – Creating shared intention

#### Shaping the culture

Creating a shared intention around social procurement requires employees from across corporate buyers' organisations to collectively develop and strengthen existing organisational values and norms around purpose. Buy Social Corporate Challenge partners regularly make links between the programme and their organisations' values and aims around diversity, sustainability and positive societal impact.

In many cases, the company's history, structure and existing culture lend themselves especially well to the embedding of social procurement values and norms. The values that guide decision-making at Johnson & Johnson are spelled out in "Our Credo," originally written in 1943. This includes a commitment to support the communities in which we live and work and to the world community as well. The Wates Group, established in 1897, is now in its fourth generation of family ownership and is committed to the long-term sustainability of the built environment. As a mutual, Nationwide is committed to making positive impacts for its members, their communities and the environment.

An effective way of shaping the culture and translating values and norms around purpose into practical action is to build a network of champions. Wates has social enterprise champions across different parts of the businesses, and they have been instrumental in inspiring business-level managers, facilitating the knowledge flow, and bringing employees on board. These champions can also play a part in reaching out to the supplier market and engaging new social enterprises.

#### Developing the narrative

Corporate buyers successfully develop a social procurement narrative within their organisations by consistently emphasising its strategic relevance and by highlighting the alignment of the social missions of the social enterprise suppliers with specific aspects of their own organisational purpose and identity. Specifically, the teams at Johnson & Johnson UK worked to support healthy communities through the use of suppliers such as [Attigo](#) and [Trojan Mailing](#), both of which are social enterprises supporting people with mental health challenges.

Corporate partners also create a relatable and authentic narrative and inspire their employees by giving them direct exposure to the work of social enterprises. A salient example is how 16,000 employees of Amey received PPE (Personal Protective Equipment) that was sourced, packaged and distributed nationwide by [Ethstat Ethical Stationery CIC](#), a member-owned social enterprise that donates 100% of its profits to social and ecological projects. Impact cards were included in the packs detailing the story of the person involved in the packing and the impact it had on their life. The initiative sparked a positive discussion among Amey's employees on Yammer and other social media platforms and enhanced their confidence in generating impact through social procurement.



**Ethstat Ethical Stationery CIC**

### Communicating the narrative

Corporate buyers adopt various internal communications and campaign initiatives to promote their commitment to social procurement across their organisations. For instance, Zurich Insurance Group's 'Change our buying behaviour: change the world' video campaign reached out to 50,000 employees globally, promoting social procurement and raising the profile of social enterprises. Corporate buyers also host a wide range of events with various internal and external stakeholders to raise awareness and drive engagement. For example, Deloitte and ENGIE UK both ran Meet the Supplier events on Social Enterprise Day in 2020 so that colleagues could hear directly from a range of social enterprise suppliers.

**Planet First Energy**



**Tarem Services**

### Social enterprise suppliers – Creating the demand

#### Framing the benefit

Social enterprises have helped to build the supply-side of the market and stimulate demand by communicating the unique mix of commercial and social benefits of their product and service offerings. Depending on their point of differentiation, social enterprises adopt two common strategies – commercial first and social first – to frame the benefits. The commercial first strategy focuses on commercial advantages as the point of differentiation, with social benefits presented as value added.

**From Babies with Love** provide ethically-sourced baby clothes and gifts and donate all profits to support orphaned and abandoned children around the world. However, their communication with corporate clients focuses primarily on the commercial benefits and the “job to be done” of the HR professionals they are serving, demonstrating how their parental leave gifting service helps in the retention of working parents. Similarly, **Planet First Energy** is an energy services company committed to the eradication of fuel poverty, but they frame their role as assisting companies in meeting their Net Zero targets throughout their supply chain. **auticon** highlight the core competencies and extraordinary cognitive abilities of their autistic talent in delivering high quality services in data science, quality assurance and cyber security. **Mediorite**'s framing of their commercial benefits (agility and creative ideas) is linked with their core competency of hiring and working with young talent.

The social first approach mainly focuses on social benefits as the point of differentiation while satisfying the commercial requirements. For example, **Tarem Services**, a social enterprise offering cleaning and pest control services, mainly focus their framing on the benefits that they generate for local communities, such as Living Wage jobs for their cleaning staff.



Social enterprises may adopt a combination of commercial first and social first strategies, depending on the audience. An example is provided by [NEMI Teas](#), a social enterprise which works with refugees and offers a range of tea products. When approaching CSR functions, the focus tends to be on their positive impact on refugee lives. The focus is more around commercial benefits when engaging with procurement professionals. Communication around their environmentally-friendly product features works equally well with both CSR functions and procurement functions.

### Shaping the dialogue

There is an important role for thought leadership in shaping the dialogue to create corporate demand. Jane Hatton, the CEO of [Evenbreak](#), has written a number of books on diversity and inclusion, supporting the mission of her business to match inclusive employers with talented, disabled candidates.

#### Benefits of employing disabled people



- » Wider pool of talent
- » Productivity
- » Reduced sickness absence
- » Fewer workplace accidents
- » Improved retention

### Evenbreak

[MHFA England](#) ran a virtual mental health campaign last year to raise awareness around mental health, well-being, and diversity and inclusion. [WildHearts](#) run a monthly “Procurement for Good” webinar series, where they introduce the concept of social procurement and the company’s offering to procurement and sustainability professionals.

This thought leadership needs to be backed up by dedicated resource to capitalise on the opportunities that arise. WildHearts provide an example here as they have a proactive business development team dedicated to mining data, identifying leads to build a pipeline of opportunities and approaching potential corporate clients at the appropriate moment.

### NEMI Teas



### MHFA England

### Benefiting from organic demand

Word of mouth and reputation create organic demand for social enterprise suppliers. Social enterprises regularly report that the ability to mention well-known businesses in their client lists helps in getting new clients. Delivering the best service possible to clients may lead to a social enterprise supplier being showcased as a case study, as can be seen from the NEMI Teas case study on PwC's Buying Social webpage. An **Amey** procurement manager learnt about [Paint 360](#) – a social enterprise re-engineering waste paint back into brand new paint while creating employment opportunities for young people with barriers to the labour market – through a local contractor, who used Paint 360's paint on their site. The social enterprise is now a supplier to Amey and the two have formed a sustainable, growing relationship.

Macro environmental changes can also affect the demand for social enterprises. Although COVID has created challenges for many, it has resulted in an increased demand for social enterprise suppliers active in providing services around mental health, diversity and inclusion, and corporate gifting. Similarly, it is expected that the recent procurement policy note (PPN06/20), in which social value was made a mandatory award criterion for central government contracts, will generate a higher level of social procurement activity in both public and private sectors .

#### Paint 360



## 3.2 Build

As the Buy Social movement develops, corporate buyers and social enterprise suppliers build systems and processes to place their social procurement activity on a more formal footing.

### Corporate buyers – Formalising the relationship

#### Developing socially-driven category management

As corporate buyers formalise their social procurement strategies, they typically incorporate specific goals into their business planning at the organisational level and category level. They typically begin by engaging in a diagnostic review to identify social enterprises that already exist in their supply chain, providing a snapshot of current social procurement activity as a baseline to build upon. This helps companies to set company-wide targets and include specific goals and actions in their category plans. For instance, Foodbuy have a target of at least one social enterprise per category. As a project-based organisation, Wates have a target of at least one social enterprise per construction project to achieve project and Group level spend targets.

Corporate buyers have also begun to incorporate social procurement goals into personal objectives. ENGIE UK added onboarding social enterprises into their category managers' personal development goals, and Zurich's sourcing and procurement team added a social responsibility element to their personal objectives with a 10% weighting.

#### Integrating social enterprises into procurement processes

Corporate buyers adopt various practices to bring their social procurement strategies to life and integrate social enterprises into existing procurement processes. To help budget-holders across the business to identify and engage with social enterprise suppliers, procurement teams often use internal or external directories. A case in point is AstraZeneca's internal Diverse Supplier library, where employees can search for social enterprises that are current AstraZeneca suppliers as well as potential suppliers which are ready to be engaged as and when needed. Taking this one step further, Johnson & Johnson UK integrated its Social Enterprise supplier directory into its internal "Buy Diverse" eMarketplace platform in the UK. The technology enables business stakeholders to clearly see the products and services being offered by social enterprise suppliers and direct spend to these businesses for social impact.

Sodexo has run a number of virtual Meet The Buyer events with several internal and external stakeholders, including social enterprises and other key suppliers. There is follow-up after events from representatives of Sodexo's procurement team to check what support, if any, the social enterprise attendees may need in order to navigate Sodexo's contracting and onboarding processes.

Corporate buyers recognise that the route into their supply chain for social enterprises will often be an indirect route, and that if they are to integrate social enterprises into their procurement processes in a meaningful way, they need to leverage their existing supply chain partners (Tier 1 providers). SAP includes questions on social value in tenders and positively evaluates proposals from Tier 1 suppliers that feature sourcing from social enterprises. Similarly, Amey applies a weighting for social value propositions when evaluating their Tier 1 suppliers' proposals. The resulting contracts may include specific commitments around spend going to social enterprises.



### Measuring the impact

To further establish social procurement in their organisations, corporate buyers go beyond merely tracking the spend levels by also measuring the impact of their spend. SAP created a dashboard to quantify its return on social investment by measuring the number of lives impacted by the social enterprises in its supply chain. Organisations such as Amey and Wates have also adopted tools such as the National Social Value Measurement framework (National TOMS), which standardises and quantifies various types of social impact.

### Social enterprise suppliers – Deepening the relationship

#### Expanding the account

Having won a corporate client's business, strong account management will help to retain that client and enhance the relationship. By building in regular communication, social enterprises can keep up-to-date with their client's evolving needs and tailor their offering accordingly, offering new products and services or expanding the offerings to new divisions or locations. For instance, Planet First Energy begin their engagement with corporate buyers by offering compliance services, which are a standard requirement due to the UK government's Energy Saving Opportunity Scheme. They then attempt to branch out from the initial offering into other carbon neutrality project works, such as technology, green contract purchasing or carbon offsetting projects.

Another salient example is WildHearts, who typically begin with stationery, a consumable category in which they are competitive, before gradually expanding the account into more strategic categories that often require longer conversations and engagements, including IT hardware, merchandise, print and ultimately marketing print.

#### Capturing and demonstrating client impact

Another way social enterprises deepen the relationship is by measuring and reporting their social impact. Attigo and [Fruitful Office](#) are relevant examples here.

Attigo created a series of case studies of people they employed in which the individuals reflect on their employment history and challenges, as well as their current role and aspirations. Corporate clients receive quarterly impact updates on the number of trees that they have planted as a result of their spend with Fruitful Office.



**Attigo**

### 3.3. Grow

In the third stage in the development of the Buy Social movement, corporate buyers and social enterprise suppliers work together to ensure that the social procurement market grows, through building capacity and driving innovation.

#### Corporate buyers – Building capacity

##### Creating growth opportunities

When social enterprises diversify into new product or service offerings, corporate buyers are able to support these growth opportunities by creating initial demand. Motorola Solutions and PwC used their 2020 Christmas party budgets, unspent due to COVID restrictions, to gift Christmas hampers to their staff. The hampers were sourced from **Social Supermarket**, a social enterprise retailer supplying brands with a positive social or environmental impact. In response to the demand, Social Supermarket successfully created a new line of business (corporate giftboxes) which can now generate recurring and predictable revenue for them and their suppliers throughout the year.

Where there is a willingness to collaborate and develop a strategic relationship, corporate buyers can help social enterprises to effectively plan their resources and have confidence in scaling their business. PwC engaged in conversations with Mediorite to work out the supplier's existing capacity and potential for growth. They began by initially defining small projects and went on to build a growing, sustainable demand for Mediorite's services, ultimately creating high-value work packages.

##### Co-creating social enterprise capabilities

By providing resources, connections and feedback on product and service offerings, corporate buyers can assist social enterprises to develop capacity and build capabilities, and they can even play a role in stimulating the launch of new social enterprises.

Wates were instrumental in the genesis of Planet First Energy by helping them to identify and address a gap in the market and giving them guidance on their service offerings from a client perspective. Amey helped Paint 360 to get an

environmental permit to expand their depot, connected them to their manufacturing technology centre to create a new barrel washer for their paints, and trialled their paint in the prisons, schools and defence sites that they maintain.

##### Influencing the wider business community

Corporate buyers can play a crucial role in the development of the Buy Social movement through their advocacy and external communications. Amey and Wates actively organise and engage in sector-specific knowledge exchange, training and networking events in geographies where they have a collective presence.

Foodbuy's commitment to social enterprise is showcased prominently across all of its communications channels. The firm's new business team includes social enterprise suppliers in proposals to clients, proactively promoting social enterprises, articulating the benefits of working with them and demonstrating the social value that these suppliers can add to clients' supply chains. SAP recently launched its 5 & 5 by '25 initiative, directing 5% of its addressable procurement spend to social enterprises and diverse suppliers by 2025. SAP has invited organisations around the world to join their pledge in buying more goods and services from purposeful suppliers.

The drive by corporate buyers to influence the wider business community also includes expansion to different regions around the world through their own global operations. A subset of Buy Social Corporate Challenge partners, including Compass, SAP and Zurich, are collaborating with Social Enterprise UK on a pilot to expand their social procurement across new markets in the EU + Switzerland region.

## Social enterprise suppliers – Driving innovation

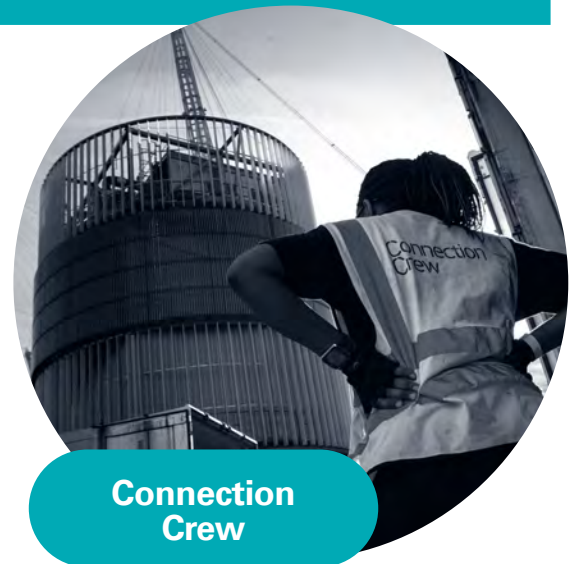
### Developing new product or service offerings

Social enterprises enhance corporate supply chains by bringing innovation and by introducing new products and services in response to evolving clients' needs and market opportunities. **Belu**, a social enterprise offering ethically sourced and sustainable bottled water, enhanced their model to include water filtration solutions into their portfolio, essential to the fulfilment of the brand's environmental objectives. Last year, Belu successfully brought new supplier partners onboard, offering a variety of filtration machines to suit the needs of corporate buyers such as Wates and Zurich.

auticon capitalised on their existing resources and competencies in setting up a new business unit offering advisory services to businesses on diversity and inclusion employment cycles, furthering their mission to enable businesses to recruit neurodivergent talent.

**Britain's Bravest Manufacturing Company**, a social enterprise provider of road signs, wooden pallets and direct mail and print services, has expanded into a new fabric printing service. The firm used a lottery grant to invest in new machinery and train the team. The new offering also utilises unused fabrics from the community and recycles them into appropriate fabric.

From Babies with Love launched their new "return to work" service offering, a gift package for parents returning to work after leave. Returning to work can be challenging for new parents, and this was especially true during the COVID pandemic when they could not even rely on seeing colleagues in the office who would welcome them back. The service addresses this critical point in the employees' parental leave journey to ensure that the returning employees feel welcomed and valued.



**Connection Crew**

**Connection Crew** is an award-winning logistics and crewing company working in the events industry and providing training and employment for ex-homeless people. They successfully pivoted their model in 2020 to provide a new digital event offering which, although already in the pipeline, had to be developed and deployed rapidly in response to the COVID pandemic.

### Developing new markets

Diversification into new industry markets is a way for social enterprise suppliers to grow their businesses. For instance, Connection Crew expanded their portfolio of clients to TV and film, which proved beneficial during the COVID pandemic where TV and film opened up earlier than events.

Several social enterprises have also scaled their business by growing into new geographical markets. Evenbreak has utilised the potential of their online reach to address a gap in the global market, and they have advertised jobs in several countries, including France, Germany, the US and Hong Kong. **Change Please**, an award-winning social enterprise coffee company which trains and employs ex-homeless people, launched in the UK and now serves eight different markets worldwide after expanding across Europe and into the US through their relationship with Compass Group. These social enterprises and many others can be expected to tap into further export opportunities in the near future thanks to the growth in online delivery of many services and the moves by companies to expand their social procurement activity into new national markets.

## **Section 4**

# **The Future**

We have seen strong growth in the size of the social procurement marketplace during the first five years of the Buy Social Corporate Challenge. If we are to contribute to building a post-COVID economy that works for all, we need to work together to grow this market further still.

The programme's ambition is to see £1 billion spent with social enterprise suppliers, and we would like to support the group of businesses to achieve this by 2026. This equates to an average of £100 million spent with social enterprises per year between 2016 and 2026. We are not yet at the required run rate so work is needed to raise the level of trade. Below we present some of the key areas we would like to focus on to achieve this.

### **Development of new supply-side capacity**

We recognise that very often the demand from corporate buyers goes unmet because of the absence of social enterprise suppliers in a particular category or the limited scale and capabilities of the social enterprises which do exist. Building on previous sector-specific opportunity gap analyses, we will work with our corporate partners, social enterprises and investors to develop suppliers which more regularly satisfy the exact requirements of corporate buyers. This will include activity to upskill existing early-stage social enterprises to help them scale up, as well as signalling to the social enterprise community to show which categories have unmet demand from corporate buyers. We will also support corporate buyers to create more pilot supply opportunities which are suitable for early-stage social enterprises to gain vital experience in working within corporate supply chains.

We would like to find more B2B social enterprises with an environmental mission which can help corporate clients to achieve their net zero goals. We are also focused on supporting our corporate partners to achieve a more diverse and inclusive social enterprise supplier base. To this end, we are working hard to identify, support and recruit more social enterprises that are led by minority ethnic communities and/or helping these communities as Buy Social Corporate Challenge suppliers.

### **Facilitating increased collaboration between corporate buyers and Tier 1 providers**

Multinational companies with a centralised procurement function will only achieve significant progress if they work with their existing providers to find sub-contracting opportunities for social enterprises. In the long run we wish to see social enterprise providers competing directly much more regularly with mainstream direct providers to large corporate clients, but in the short-to-medium run many social enterprises will find the most promising opportunities are as Tier 2 suppliers. We will support increased collaboration on social procurement between corporate end-user buyers and their strategic Tier 1 providers by developing and sharing a playbook of best practice in multitier engagement.

### **Engaging the wider business community**

We welcome the growing interest across the wider business community in sourcing from social enterprises, and our aim is to unlock the potential of social procurement for all organisations. We are working to develop social procurement services and solutions for buying organisations whose scale and profile are outside the scope of the Buy Social Corporate Challenge, including SMEs and public sector bodies.



## Expanding social procurement to different national markets

An increasing number of corporate buyers see social procurement as a global opportunity rather than a national one. SEUK is currently working with global equivalents and four Buy Social Corporate Challenge partners to roll out a pilot to expand social procurement activity across different national markets in the EU + Switzerland region. This pilot is due to conclude in late 2021, at which point we would like to engage more multinational buying organisations with a spend footprint across the region.

## New partnerships

We will only see progress at scale if we collaborate with a greater range of partners, buyers, suppliers, investors and supporters. Please contact Jennifer Exon at [jennifer.exon@socialenterprise.org.uk](mailto:jennifer.exon@socialenterprise.org.uk) or Andy Daly at [andy.daly@socialenterprise.org.uk](mailto:andy.daly@socialenterprise.org.uk) if you would like to find out more about our future plans or if you have any suggestions on how we can achieve further progress on this important initiative.



# ABOUT SEUK

We are the national body for social enterprise businesses with a social or environmental mission

Our members come from across the social enterprise movement – including a wide range of local grassroots organisations, multi-million pound businesses, charities and public sector organisations who support our vision of a world where social enterprise is the usual way of doing business.

To find out more about becoming a member of Social Enterprise UK, visit:

<https://www.socialenterprise.org.uk/about-membership/>

## BUY SOCIAL CORPORATE CHALLENGE

The Buy Social Corporate Challenge is led by Social Enterprise UK with the support of the Inclusive Economy Unit (Department for Digital, Culture, Media and Sport).

## THIS REPORT

This report was written by Andy Daly from Social Enterprise UK, Dr Leila Alinaghian from Cranfield School of Management and Dr Kamran Razmdoost from ESCP Business School, with the support of Jennifer Exon, Francesca Maines and Nichola McAvoy from Social Enterprise UK.

It was designed by Passion4Social - [passion4social.com](https://passion4social.com)

This report was published in July 2021.

## FIND OUT MORE AND CONTACT US

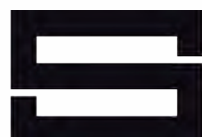
[socialenterprise.org.uk](https://socialenterprise.org.uk) | @SocialEnt\_UK | 020 3589 4950

[Jennifer.Exon@socialenterprise.org.uk](mailto:Jennifer.Exon@socialenterprise.org.uk)

[Andy.Daly@socialenterprise.org.uk](mailto:Andy.Daly@socialenterprise.org.uk)

[Nichola.McAvoy@socialenterprise.org.uk](mailto:Nichola.McAvoy@socialenterprise.org.uk)

[Francesca.Maines@socialenterprise.org.uk](mailto:Francesca.Maines@socialenterprise.org.uk)



**Social  
Enterprise UK**



**Department for  
Digital, Culture,  
Media & Sport**