

The modern entrepreneur

Over the last 10 years, the term 'social enterprise' has been gaining ground as a category for businesses or organisations that specifically want to aid the community: whether it be their own community, or a community on the other side of the world. **Jo Moulds** reports on this 'new kid on the block'

Since time began, some people have been more inclined to be socially aware, responsible and accountable than others. From charities to NGOs, industrial and provident societies to development trusts, through to private companies and right up to PLCs, there have always been some organisations that are more focused towards the social good.

There are many types of company structure that social enterprises take. For example, London Remade, a recycling initiative in the capital, 'operates as a social enterprise, a not-for-profit business and aspires to be seen as one of London's outstanding social enterprises', according to the notes from a Board meeting in 2005.

The Eden Project is a social enterprise in the wide sense too, set up as a not-for-profit charitable Trust, operated on behalf of the Trust by Eden Project Ltd (EPL), a wholly owned subsidiary of the Eden Trust. Other well known social enterprises include the Furniture Recycling Network (FRN), and Green-works – which has dual status as a limited company (social enterprise) and was registered as a charity in 2005.

While in Scotland, social enterprises are about to be given a boost by First Port, a new start social enterprise that gives other social enterprises advice and grants of up to £20,000. Naomi Johnson, Executive Director of First Port, says: "The status of social

enterprises is changing right now. They are now set up more on a business setting, with benefiting society as the main aim. People are keeping an eye on the bottom line and not relying on grants. We are there to signpost people and to act as a brokerage system. If people can get the right advice early on, this will help them immeasurably as their enterprise builds."

Indeed, Heather Wilkinson, founder of Striding Out, a social enterprise set up to help young social entrepreneurs through events, coaching and training, sees her role as encouraging people to run businesses responsibly, with society underpinning every action. "We are set up as a CIC – a Community Interest Company – the new legal structure which means that businesses must report via a community interest statement. I have been fascinated by the social enterprise movement since I did an MSc in Economic Development and Policy. My dissertation was on 'National Support Structures for Social Enterprises'. I fell in love with the sector and now my business is about helping other businesses grow and reach their potential."

The pick-up in community interest companies has exceeded expectations since they were introduced in July 2005. Spokesperson for the CIC Regulator Phil Horrell commented: "There are now 976

registered community interest companies in the UK. These include the likes of Cafédirect, the Fifteen Foundation – behind Jamie Oliver's Fifteen chain of restaurants, The Big Issue and ECT, which has a turnover of over £50 million and a

staff of 1,100."

Horrell says that being a CIC does not have any tax benefits, but people are setting up community interest companies because it is a 'badge' that proves they are socially accountable. "Because people have to fill in a community interest statement each year, they can prove to others, and check on themselves, that they are doing what they said they would do."

As Heather Wilkinson says: "It gives people a belief and trust in the organisation that it is not all for private gain".

The future for social enterprise is worth watching. For those interested in business, and how businesses are set up, keep an eye on this sector.



The Resource Awards supports Social Enterprises

Left to right: David Spencer of WISH, Tom Waring, Friends of St Nicholas Fields, Brian Head of Berryman Glass, Charles Newman of Resource Media, Craig Anderson of FRN, Andy Doran of Novelis, Carolyn Cross of Resource Media

Jeff Skoll, founding President of ebay, is a strong proponent of social enterprise. He set up the Skoll Foundation and, in 2006, was named as one of TIME Magazine's 100 People of the Year. Jim Fruchterman, writing in a blog on the Social Edge website, writes: "I think many people are unaware of how much Jeff Skoll is doing... His movie production company, Participant Productions, has been behind films like An Inconvenient Truth, Syriana, North Country, Murderball and so on. He is trying to reach the average media consumer and change their perceptions around their ability to engage in social change." posted March 2007, Social Edge