



School of Social Sustainability

The Social Enterprise Business

Model Template

Guide

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Introduction

There are some key differences between a Business Plan and a Business Model.

A Business Plan is described as a document of 1-50 pages long that details the journey the business will take over 1-10 clearly outlining its marketing, operation, and financial plans. On the other hand a Business Model describes the manner a business has determined to Create, Deliver and Capture value - all captured on a single page called a Template or Canvas.

In other words the Business Model precedes a Business Plan. It should be the first document produced to help the social entrepreneur vividly understand on a single page:

- how/why it will use the resources at its disposal to create products for a target group (Create Value)
- How those products/services will be delivered to the User/Beneficiaries (Deliver Value)
- How it plans to make money for the organisation (Capture Value)

To help you create a Business Model for your project or business we have redesigned the popular Business Model Canvas credited to Alexander Osterwalder to form this one of a kind Template specially designed for a Social Enterprise.

You will derive 5 Major Benefits from using this Social Enterprise Business Model Template whether you are just starting a social enterprise, launching a product or starting a new project or even to fast track an existing project:

1. It helps you to focus on the business elements that really matter
2. You will quickly capture your ideas on a single page
3. Reduce the risks of business failure
4. You have the opportunity of trying variations of your idea before launching
5. You will be able to pick good ideas and discard others
6. The work can be done as a team or individually
7. Connect your target group, products/services, resources and activities to your outcomes and revenue on a single page

Now that you know the enormous benefits you are going to derive let's jump straight in.



How To Use This Guide

Step #1

Study the template on the next page. That is the Template you will need to complete. I would suggest making at least 7-10 photocopies of the next page so that you can create as many variations of your ideas if necessary.

Step #2

Read through all the notes. The notes help you to understand what needs to be written in each of the boxes. Even if you are familiar with how a business model template works it will still be helpful to read these notes as a good reminder.

Step #3

Complete the Template starting from the left side of the page towards the right and then the 3 boxes at the bottom. The boxes have been sequentially arranged for you to get maximum benefit from using the template.

Step #4

Now you are ready to complete the Template. Remember you can create as many iterations as you want. Particularly if you are working with different target groups.

Step #5













One more thing before you rush out of the door. Make sure you choose one that resonates deeply with you then go ahead and test it. Don't try and implement all variations of the idea at the same time.

God Bless Your Success!



Social Enterprise Business Model Template











Business Name _____ Originator/Team _____ Model # _____

← LEFT SIDE			RIGHT SIDE →			
 Target Group	 Problems/Pain/ Need	 Solutions/Service/ Products	 Relationship	 Key Partners	 Key Activities	 OUTCOME Outcomes
			 Channels	 Key Resources		
 Income Streams				 Costs		 Difference



Social Enterprise Business Model Template

Business Name **Example Company Ltd.** Originator/Team _____ Model # _____

← LEFT SIDE			→ RIGHT SIDE →				
 <p>Target Group £0-£30,000 Turnover # Desperate # Need money for projects # Trial stage # Willing to risk and £50,000 - £150,000 Turnover # No time # Can pay for services # Progressive/innovative # Engaged in projects # Have resources</p>	 <p>Problems/Pain/Need £0-£30,000 Turnover # Don't have a clue about sustainability, funding etc # Require hand holding £50,000 - £150,000 Turnover # Time is the major issue # Desire sustainability # Need a sounding board # Desire growth</p>	 <p>Solutions/Service/Products £0-£30,000 Turnover # Complete Business Model Template # Complete sustainability template # Raise initial finding # Coaching £50,000 - £150,000 Turnover # Complete Business Model Template # Consultancy on sustainability # Network opportunities # Raising Social Loans</p>	 <p>Relationship 1) Distance / Telephone 2) Specialist., telephone, Vista, Face 2 Face</p>	 <p>Key Partners # CVS # Local Enterprise agencies Church associations</p>	 <p>Key Activities # Cold calling # Content creation # Videos # Blogs Promotion # Joint Ventures</p>	 <p>Outcomes £0-£30,000 Turnover # Help 25 create sustainable plans # Train 100 Social enterprises in this group £50,000 - £150,000 Turnover # Help 25 create sustainable plans # Train 100 Social enterprises in this group Reach 500 Social Enterprises regularly with our content in 2020</p>	
 <p>Income Streams # Consulting, # Courses, # Network meetings # Fund Raising</p>					 <p>Costs # Promotion, # Capital equipment, # Staff</p>		 <p>Difference</p>

Notes:

(Using supported housing for the homeless as an example) *Double Bottom Line” means - Impact and Profits

Target Group:

It would be unwise to believe every homeless person will use your service. There are mothers with 3 children seeking housing and men over 60 wanting the same. In the middle are assorted variations of other groups! Choosing a target group you are passionate about that can really benefit from your knowledge, experience and skills is imperative to the success of your enterprise. You know you have chosen a target group when you can say “No” to another one. The same may be said of Social Enterprises trading with businesses. You may determine your target group by selecting those with a particular number of employees or turnover; even location. Then those who fall outside of these predetermined parameters are simply ignored.

It does not mean your group will not be extended to include others but in the beginning when resources are limited, a narrow focused targeted set of people is essential. You may also choose to include an “Avatar” - profile - of the people you are after. Remember, there may be Users, Beneficiaries and Stakeholders you may need to reach and your messages to each one may be different. Sometimes the beneficiary and user could be the same.

Using our example - let's say you have chosen to provide supported housing for 16-20 year old males. The stakeholders could be the grant funders/council paying the rent, the beneficiaries could be the parents/local businesses and the user is the young person.

Problems/Pain/Need:

You must be acquainted with the problems, pains and needs your group has. How can you best serve them if you are not aware of the primary issues they regularly face. Perhaps their lack of a permanent address is leading to joblessness, poverty, isolation, poor self esteem etc. Your ability to recognise these features will determine:

- #1 The products/services to offer
- #2 The messages to send them
- #3 Your ability to impact the group



Solutions/Service/Products:

The more you narrow your target group and understand them - the easier it will be to create Products or Services they will buy. Notice I have used the letter "s" at the end of products and services. One of the reasons Social Enterprises are not profitable is because they frequently operate their businesses based on "One" single product.

A single product can be the death of your Social Enterprise. Let's consider the example used about those seeking accommodation and are jobless as a result of lacking permanent residency. If that was your target group you will be missing out on money, partnerships, joint ventures and lucrative services if all you do is provide a place for them to sleep.

Why not create courses that provide training? 'Get Back To Work' - programs which other people can attend. Why not visit local businesses and find out who they want to employ and train up staff you can send to them for a commission! Afterall, have you not noticed that in this example of those who are jobless - the local businesses are Stakeholders!

Remember to create products that are different from what people are doing for that target group. Your ability to receive grant funding will be affected if all you do is replicate existing services.

Relationship:

Ask yourself - "What time of relationships would I need to have with my target group?" Will it be a One to One personal relationship? Why? Can this be automated? Can parts of the way I relate with my Users be automated? Perhaps you can use an existing business/organisation to book your appointments for you instead of spending time qualifying the User and delivering the service as well. Perhaps you can get a volunteer to do a pre qualification before you speak to Users.

Your ability to scale your enterprise - grow your business - has a direct relationship with the relationships you develop with your target group. A social entrepreneur who employs a manager as soon as possible is likely to develop and grow their businesses as compared to the one who does everything themselves.

Whilst a DIY approach may put you in direct contact with your target group - the stress of doing everything is likely to affect your health, your productivity, your passion and then the business itself.

Automating part of the business, using volunteers, getting an existing organisation involved (See partnerships later) must be an essential feature of your business model



Channels:

This is about How You Reach Your Target Group With Your Products/Services. How will they end up consuming your product/service? Using the example above will they end up with you because they were referred or because you solicited the individuals yourself? How will they come on to your back to work program and how will this be delivered?

- Are you going to create an online program or deliver a live workshop? Would you consider using both 'unlive' and live medium?
- Can you provide some of the counselling over the telephone or an app like Zoom or does it have to be in person?
- Would you use other organisations to sell your offering?

These and many other questions you may think about are pertinent your “Double Bottom Line”

Key Partners:

Who are some of the key individuals and organisations you need? Who can add value to your organisation? What organisations are currently providing services to your target group that you can form partnerships with?

Using our example - a more established organisation may be in play in your community. They may be long established with great governance that can attract large funding. You may be able to persuade them to run personal development courses for your target group. They apply for funding, pay you to deliver to your group. They capture their own relevant data, your organisation gets paid and the Users and blessed - everyone wins!

Partnerships could be as simple as having a major player who is interested in your organisation to be part of your board membership. Also Partners can be some of your suppliers.

Whatever the case, you need a good list of partners that will add value to your organisation.

Key Resources:

You may need an office, some special reports, computers, mobile phones, databases, software etc. Whether physical or digital, resources are key to the success of your Social Enterprise.

- How would you acquire these, how much would they cost?



- Can you trade skills for these instead of buying them?
- Can you buy them on Hire Purchase instead of cash?

Trade means you use your skills to help someone and in return they supply the resource you need. These are other key questions that must be adequately answered. This will affect your cash positively.

Think creatively - instead of outright buying a Personal Development program - can you invite a professional to teach it cheaper?

Key Activities:

What activities do you need to be great at to make your Social Enterprise profitable? Is it marketing, selling on the phone or public speaking? Just having the right technical expertise is generally not enough to have a successful Social Enterprise. Managing people and networking are sometimes more valuable to the enterprise than the ability to train at a workshop.

If you are not able to keep the people in your units because you have poor emotional intelligence, the ability to deliver a great job placement program is redundant.

So thinking about what you need to learn and do are vital to your social enterprise.

Outcomes:

Measurable outcomes might be a better definition of this section. Quite often what needs to be measured may be predetermined by those funding the projects. However, when it comes to the trading end of your Social Enterprise you must create measurable outcomes too.

These could be:

- No of people who attended and paid for the program
- No of sales calls made every month
- Value of new orders and so on

Some of the more social outcomes in relation to the example use could be:

- No of those employed
- No of interviews attended
- No of volunteer hours and so on

Outcomes are essential to help you make and predict future growth.



Income - Costs = The difference (Profits):

Income

One of the fallacies to which most Social Entrepreneurs subscribe is that people can't afford to pay anything for their services. I am glad to say that research does not support this mindset. In the UK the number of people who cannot afford anything at all are so few. Before I get loads of emails on this matter let me explain. Someone may have no money to pay for a course of not even £5 simply because they have not accessed the relevant service and must acquire the necessary help to do so or they might be waiting to receive their funds etc.

What a Social Enterprise must do is to have a variety of payment models that encourages people to give something that will include the following:

- FREE - absolutely free because you have already received funding or because you are giving something free to fulfil your social obligation or someone genuinely does not have any money but will benefit from your program
- Donations
- Small fee - for those on a particular level of income or are struggling financially or a startup business
- Average fee - (this title sucks but it is the price in between the small fee and the full price) This can be for those who can afford a bit more - income based)
- Full fee - Those who can afford and are willing to pay the full price
- Subscription model - charging a monthly fee small or high - helps spread the cost and is financially helpful to users

One other thing you might consider is to list your products and write next to it the actual or expected monthly or annual fee or each of your products/services

What are the total costs of all your activities and outcomes for the left side?

Costs

How much will all these efforts and activities cost? If you are renting a building and then subletting it - how much are you paying for the building and how much rent are you getting (Rent should be listed above)?

What are the total costs of all your activities and outcomes for the right side?

Difference

This is the easy part; the difference between your total income and total cost is your profits. These can be calculated as a monthly or annual figure. I much more favour the annual figure.



Conclusion

I sincerely hope you got value out of using this guide. Kindly do me a big favour. Please send a one sentence email about your experience using the guide and also if there are any improvements you want to suggest.

Next Step

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