



Local Collaboration

- City of Miami (Fiscal Lead)
- The Children's Trust
- Miami-Dade County
- Center on Nonprofit Effectiveness (C-One)
- Family and Children Faith Coalition
- United Way of Miami-Dade



Miami NICE Workshop

Introduction to Social Enterprise/Social Entrepreneurship, and Earned Income Ventures

Social Enterprise: Definitions

- ▶ **Social enterprise describes any non-profit, for-profit or hybrid corporate form that utilizes market-based strategies to advance a social mission**
- ▶ **An organization or venture that advances its social mission through entrepreneurial, earned income strategies**
- ▶ **An organization that creates assets to solve social and economic problems**

Social Enterprise Lexicon

- ▶ ***Social Enterprise***: An organization or venture that advances its social mission through entrepreneurial, earned income strategies
- ▶ ***Earned Income***: Payments received in direct exchange for a product, service or privilege. Earned income for a nonprofit includes such elements as tuition and fees for service, commercial products or services, government contracts, consulting fees, membership dues (when dues purchase tangible benefits), sale of intellectual property, agreement to use the nonprofit's identity, property rentals, etc.
- ▶ Earned income does not include such sources as corporate, foundation or government grants or subsidies, contributions from individuals, or in-kind donation of products or services

Social Enterprise Lexicon

- ▶ **Financial Sustainability:** The extent to which a nonprofit is able to pursue its mission indefinitely through any or all of the following: earned income, charitable contributions and public sector subsidies
- ▶ **Self-sufficiency:** The extent to which a nonprofit is able to pursue its mission indefinitely through earned income alone without relying in whole or in part on charitable contributions or public sector subsidies
- ▶ **Double Bottom Line:** The definitive benchmark for a social purpose business venture – the simultaneous creation of both a financial and social return on investment

Social Enterprise Lexicon

- ▶ ***Triple Bottom Line:*** A business venture's simultaneous pursuit of beneficial outcomes along three dimensions: economic, social and environmental
- ▶ ***Financial Return on Investment:*** ROI – an index of financial profitability that measures the net result of operations as a percentage of funds invested; an indicator of business success
- ▶ ***Social Return on Investment:*** SROI – the non-financial outcomes created by a social enterprise, measured in terms of the nonprofit's mission, e.g. people served or jobs created, average salaries paid, amount of transfer payments eliminated, etc.

Social Enterprise Lexicon

- ▶ ***Social Entrepreneurship***: The art of persistently and creatively leveraging resources to capitalize upon marketplace opportunities in order to achieve sustainable social change
- ▶ ***Social Purpose Business***: A discrete division, subsidiary or related corporation of a nonprofit or a for-profit company that deliberately pursues financial and social returns within a specific industry segment in the commercial marketplace
- ▶ ***Earned Income Strategies***: Attempts to capitalize on the earned income potential of a program or other organizational asset (property, intellectual capital, reputation, etc.) in order to cover part or all of the program's costs or to offset a portion of the organization's overall expenses

The Nonprofit Environment has Changed

- ▶ **Community needs are growing in size and diversity, more nonprofits are competing for government and philanthropic funds**
- ▶ **Traditional forms of funding are becoming smaller and less reliable**
- ▶ **New for-profit businesses are competing with nonprofits to serve community needs**
- ▶ **Funders and donors are demanding more accountability**

Social Enterprise Business Ventures that You May Have Already Engage in

- ▶ **Annual Corporate or Sponsor-based event (Breakfast, Luncheon, or Dinner)**
- ▶ **Silent Auction**
- ▶ **Fashion Show**
- ▶ **Food Sales (Candy, Dinners, etc.)**

Some Social Enterprise Business Ventures for Non-profits

- ▶ **Market and sell Mission-based products or services**
- ▶ **Create and sell Intellectual Properties (Best Practices, Training, Books, Computer Software)**
- ▶ **Lawn Service and Maintenance**
- ▶ **Cleaning Service**
- ▶ **Green Products/Merchandise**
- ▶ **Franchises**
- ▶ **Joint Ventures**

Some Social Enterprise Business Ventures for Non-profits

- ▶ **Cause-related Marketing (Profit firm support to Non-Profit Cause)**
- ▶ **Lease land**
- ▶ **Lease parking lot**
- ▶ **Manufactured products (candles, furniture, cloths, etc.)**
- ▶ **Grow and sell products (food, seeds, flowers, etc.)**
- ▶ **Rent land, equipment, vehicles, etc.**
- ▶ **Licensing agreements**

Some Social Enterprise Business Ventures for Non-profits

- ▶ **Construct and or sell pre-fabricated buildings (sheds, homes, log cabins, etc.)**
- ▶ **Service computers, lawn equipment, electronic products, etc.**
- ▶ **Conduct trainings and workshops (best practices, customized, industry-based)**

becoming a Social Enterprise - Getting Started

- ▶ **Organizational Structure (Tax-exempt Charitable Organization, Non-charitable Tax-exempt Organization)**
- ▶ **Legal Structure (C Corporation, Subchapter S Corporation, General Partnership, Limited Liability Company, or Subsidiaries)**
- ▶ **Branding (name, logo, tag-line, etc.)**

Becoming a Social Enterprise - Getting Started

- ▶ **Develop a Non-Profit Business Plan (to obtain funding, and used as a road map)**
- ▶ **Cause Related Marketing (CRM) - Cause-related marketing is defined as the public association of a for-profit company with a nonprofit organization, intended to promote the company's product or service and to raise money for the nonprofit**

Getting Started and Sources for Venture Capital

- ▶ Obtain Venture Capital Funding from Intermediaries and Sources
- ▶ Community Development Corporations
- ▶ Community Development Financial Institutions
- ▶ Venture Capital Fund Banks
- ▶ Venture Philanthropist

Getting Started and Sources for Venture Capital

- ▶ **Commercial Investors**
- ▶ **Conventional Lenders**
- ▶ **Government**
- ▶ **Credit Unions**
- ▶ **Donors and Foundations**

Social Enterprise Benefits and Value

- ▶ **Asset Building and Sustainability**
- ▶ **Long-term financial growth to achieve mission**
- ▶ **Ability to create an endowment for your organization**

Important Social Enterprise Websites

- ▶ http://www.se-alliance.org/resources_defined.cfm
- ▶ http://www.se-alliance.org/resources_starting.cfm
- ▶ http://www.managementhelp.org/soc_entr/soc_entr.htm
- ▶ <http://www.se-alliance.org/>
- ▶ <http://www.popintranquada.com/>
- ▶ <http://www.enterprisefoundation.org/resources/Funding/moneynet/index.asp>
- ▶ http://www.enterprisefoundation.org/resources/Funding/moneynet/fundraising_main.asp