



Intellectual Output 2:
**A model for European
Entrepreneurship in social / cultural
field**



Authors:

Interacting S.L. | Madrid, Spain

Youth Power | Nicosia, Cyprus

EURASIA NET | Marseille, France

Youth Center of Epirus | Ioannina, Grece

Euro-net | Potenza, Italy

Stichting chain foundation | Amsterdam, Netherlands

THE NERVE CENTRE | Derry, United Kingdom



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I want to launch my project :
Steps to develop your social or cultural enterprise



Introduction

I want to launch my project : Steps to develop your social or cultural enterprise

Today we are facing challenges : unemployment, inequality, poverty, global warming, and many more. This may be our world today but it does not have to stay this way. We have the power to act and together we can make a difference !

But the big question is ; how do you launch your own social enterprise ?

There are many reasons why you might consider becoming an entrepreneur and start a business; from the will to become your own boss to avoid a corporate career, to the will of changing the world. If the idea of creating its own business is attractive, you also have to keep in mind that it will be a lot of intense and hard work. Moreover, choosing to be a social entrepreneur is even more difficult, due to the diversity in your objectives (financial outcomes, but also social and environmental).

Before starting to launch your project, you should take time to think about your motivations, what you will consider as success and failure, and what you want to achieve in the short and in the long term. As it will be a long path, paved with number of attempts to reach success, be sure to be ready for this; you will need a huge amount of motivation. And this motivation has to be lead to creating a change, doing well and improving existing services rather than money.

Create a social enterprise will be as serious as starting a commercial business, as you will be expected to generate profits while creating concrete positive changes to society.

The partners of the project “Borders in the Mind”, actors of mobility and entrepreneurship, joined the consortium in order to help people to go through their own barriers and build their social and cultural enterprise project. We want to inspire people who are willing to get involved in this adventure by developing their own projects.

So you will find some essential keys in this guidebook to launch and build your project step by step. This guide will accompany you during all your project.

Once you will be aware of key steps, then, let's go!
Creating your own social enterprise is also an exciting and amazing adventure!



Step 1 : FROM THE IDEA TO THE IMPLEMENTATION : FORMALIZE AND STRUCTURE

A- Feasibility : legal obligations

First, you must be aware of the legal obligations of your country. You can find below the legal obligations concerning the seven countries where our seven organisations are located.

❖ Cyprus

A new draft bill entitled '[Law for the development and maintenance of a Registry for Social Enterprises](#)', is currently before the House of Representatives. A new law is set to be passed in early 2020.

For more information please click on the following link:
http://www.dgepcd.gov.cy/dgepcd/dgepcd.nsf/page60_en/page60_en?OpenDocument

❖ Greece

An updated summary in English of the legal regulations for social entrepreneurship in Greece is available at: <https://ideannovaship.eu/wp-content/uploads/Greece.pdf>

❖ Ireland

- Start Your business in Northern Ireland check list:
 - <https://www.nibusinessinfo.co.uk/my-new-business/start-your-business-checklist>
 - <https://www.nibusinessinfo.co.uk/content/legal-structures-businesses-overview>
 - <https://www.nibusinessinfo.co.uk/content/checklist-set-limited-company>
 - <https://www.nibusinessinfo.co.uk/content/checklist-set-sole-trader>
 - <https://www.nibusinessinfo.co.uk/content/checklist-set-business-partnership>
 - <https://www.nibusinessinfo.co.uk/content/recruitment-forms-and-templates>
 - <https://www.nibusinessinfo.co.uk/content/pre-employment-checks>
 - <https://www.nibusinessinfo.co.uk/content/accessni-who-needs-apply-and-types-checks>
 - <https://www.nidirect.gov.uk/campaigns/accessni-criminal-record-checks>
 - <https://www.nibusinessinfo.co.uk/content/employers-liability-insurance>
 - <https://www.nibusinessinfo.co.uk/my-new-business/running-your-business-checklist>
 - <https://www.nibusinessinfo.co.uk/content/gdpr-compliance-checklist>
 - <https://ico.org.uk/for-organisations/guide-to-data-protection/guide-to-the-general-data-protection-regulation-gdpr/>
 - <https://www.nibusinessinfo.co.uk/content/health-and-safety-basics-business>
- Useful Links:
 - www.enterpriseni.com
 - <https://yeni.co.uk/>

- o <https://www.nibusinessinfo.co.uk/business-support/exploring-enterprise-programme>
- o <https://discovernorthernireland.com/>
- o <https://tourismni.com/>
- o <https://www.investni.com/support-for-business.html>
- o <https://www.communityni.org/>
- o <https://nitga.co.uk/about/>
- o <https://visitbelfast.com/>
- o <https://www.belfastcity.gov.uk/>
- o <https://www.womeninbusinessni.com/Home>
- o <https://wearecatalyst.org/>
- o <https://www.goforitni.com/about-go-for-it/>
- o <https://www.communityni.org/>

❖ Italy

- You can find below the website of the Italian Ministry of Work and Social Policies about the “Social Entrepreneurship” legal issues:
<https://www.lavoro.gov.it/temi-e-priorita/Terzo-settore-e-responsabilita-sociale-impresa/focus-on/Impresa-sociale/Pagine/default.aspx>
- An interesting article about the legal context for a social enterprise in Italy:
<http://www.rivistaimpresasociale.it/archivio/item/183-nuova-disciplina-impresa-sociale-prim-a-lettura-sistematica.html>

❖ France

- You can find below the website of the social and solidarity economy development platform:
<https://www.avise.org/decouvrir/entrepreneuriat-social/contexte-europeen-et-francais>
- The website of the Regional Chamber of the social and solidarity economy firms:
<https://www.cresspaca.org/>
- The French Ministry for the Ecological and Solidarity Transition gathering legal obligations for the actors of the social economy sector:
<http://www.esspace.fr/loi-ess.html>

❖ Netherlands

- Portal for social enterprises:
<https://www.social-enterprise.nl/english>

❖ Spain

- Economic and social entrepreneurship in Spain. Resource guide for young entrepreneurs:
<http://ceeialcoi.emprenemjunts.es/contando2.php?q=10&n=900>

❖ Europe

An interesting guide was released by the European Commission (Directorate-General for Employment, Social Affairs and Inclusion) named: “A recipe book for social finance – a practical guide on designing and implementing initiatives to develop social finance instruments and markets”. The guide is intended to facilitate access to social finance by encouraging investors to provide suitable supply or build capacity for sound demand.

It is available for free as PDF in English at:

<https://op.europa.eu/en/publication-detail/-/publication/f1b8099b-fd4c-11e5-b713-01aa75ed71a1/language-en>

B- Relevance

Start to think about these following questions to build your project:

Begin with the question “**Why** do I want to launch this project?” Think about your idea and the problem it aims to solve. Focus on the problem first and ask yourself why does it exist? How my project is going to bring solutions to this problem?

What are you concretely going to change? How are you going to do so?

Is your idea realistic? Are you going to be able to deliver your service / product? Think on a practical basis: Would you have competitors? Potential partners?

Be aware of the competitive landscape of the market and interview or meet organizations whose field is close to your idea or connected.

Will your project be **sustainable**? Will you be fulfilling actual needs?

- ❖ Start to think about the costs and potential outcomes. It is never too early to do so.
- ❖ Think about the market your project is targeting and ask yourself if there is any demand for what you wish to supply. Are there people who will be willing to pay for your services?
- ❖ In order to find out, do not hesitate to get in touch with local authorities (city, region, etc.) and actors related to your demand. They will be full of good advices about the real needs of the place where you will be evolving.

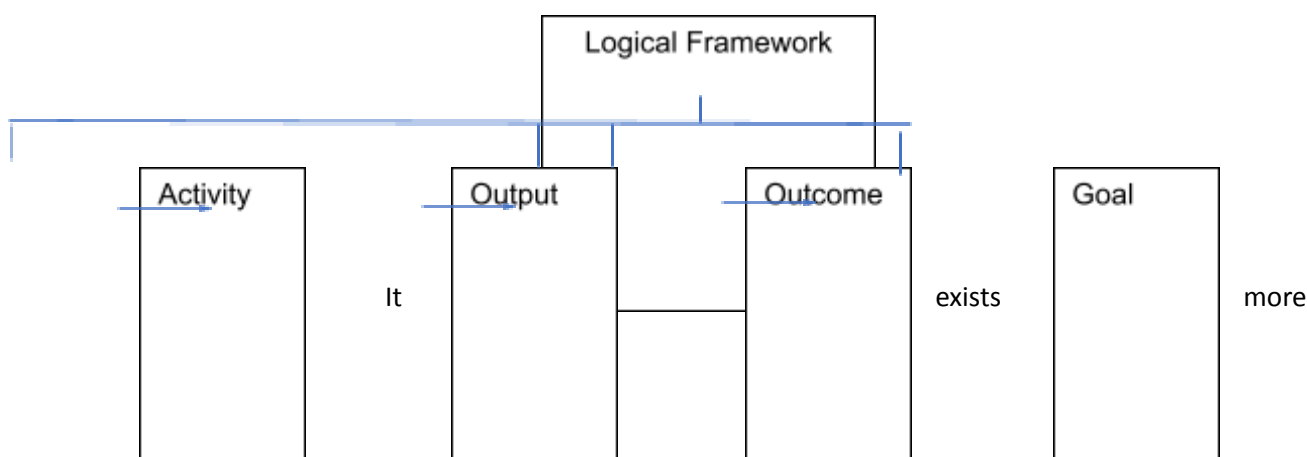
Once this will be made, it is time to **write things done**. Until it is not put on paper, an idea is not a concrete project. Write the framework of your project in a logical manner, create a “Project Charter”, this will be the basis and it will structure the idea. It provides a clear course of action and helps to define clearly the goal of the project.

C- The Logical Framework and the charter

This step of “formalization” allows to move from an idea to a structured project ready to be presented. You will have to study the soul of the project and create **a logical framework and a charter**.

These steps will allow you to **define** what you want to **reach** with the project, to unite and motivate team members.

❖ The logical framework:



templates of frameworks, you can use the one you like but just ensure your project will be:

- ✓ Impact driven
- ✓ Sustainable
- ✓ Results based

❖ The “Charter” includes 4 elements :

- ✓ The Vision: the perfect situation to be reached in the long term. It brings a solution to the identified problem. This is the ultimate goal. This is the purpose for the project.
- ✓ The Mission: this is what the project proposes to achieve the vision. The goal, the impact. What constitutes the project? It should be clear and realistic. There, the beneficiaries, the benefit and the desired impact should appear. Based on the action, this part is about what will be done. It can change during the life cycle of the project.
- ✓ Objectives: they define the activities implemented under the project and the expected results.

- ✓ The Principles of action: they specify how to operate every day. The values and the beliefs.

Step 2 : NETWORKING AND INSPIRATION

- ❖ Learn from the best practices of similar projects

The networking phase is very important to start the project. It must be inspiring, and allow you to discover similar or complementary projects to yours, especially meeting people and structures which are part of the networks of social entrepreneurs.

There is a lot to learn from other projects and business models. It can inspire you to develop your project idea, your offer and how to implement it by observing what others are doing.

You should strive to keep on learning the best practices and models of other similar projects. We are fortunate to have supportive friends from six organizations all around Europe through the “Borders in the Mind” project. Through this network we are able to exchange best practices and learn outside the boundaries of our country. You can also check the best practices researches of the seven organizations involved in Borders in the mind project and get inspired!

Indeed, partnerships can be an effective way of filling the gaps in your own skills and can have different impacts, and level up your growth:

- ✓ Set out your idea on a larger scale, so your partners will be an accelerator to spread your solution.
- ✓ Capitalize on other business expertise
- ✓ Adapt and transfer innovation to your own project
- ✓ Create synergies of expertise, geographic coverage, network development ... and potentially offer more comprehensive services.
- ✓ Seek information in the right place, for example, from those who have already tried.

Step 3: THE OFFICIAL WRITTEN PRESENTATION OF YOUR PROJECT

After these steps of analysis and thinking, you must have an idea of what you are going to do.

To turn your idea into a reality, it is time to write your business model and then think of the operational plan through the business plan.

You will first have to work on your **business model** which will present the financial strategy of your enterprise: how will you create value, for whom, etc. A strong business model will help you to convince investors and to ensure the sustainability and scalability of your project. The business model is a part of the business plan.

Once you have made it, you will have to define the **business plan**. This is a concrete and operational version of the business model. It will be the official document for presenting the global strategy of your enterprise, of your vision, of how you will implement the business model, of your future financial situation (balance sheet) and of your activity (income statement). Moreover, it will help you to identify risks, to measure social and environmental outcomes, and build alliances.

❖ The business model sums up:

- ✓ Customer segments: niche, behaviour, volume, distribution means
- ✓ Value proposition: issue, need and solution
- ✓ Strengths: innovation, added value, competitive advantage
- ✓ Broadcast Chain: objectives (communicate, sell, distribute, create customer loyalty, level up) and how (direct or indirect)
- ✓ Key partners: financial, operational and suppliers
- ✓ Key activities: action plan
- ✓ Key resources, cost structure and growth perspective
- ✓ Revenue streams
- ✓ Risks
- ✓ Key expertise and skills

❖ The business plan:

It sums up different points:

- How can you implement the project in three years?
- Profitability analysis
- Revenue forecast
- Budgeting
- Human resources
- Calendar of activities
- Supply chain

To begin, there are some tips to write your business plan:

- ✓ An executive summary for people reading your business plan in a hurry, to be able to find the essential elements. Do not forget to mention the social impact of your project.

- ✓ Make things clear: what will you do, offer, produce, to whom and how will you do it?
- ✓ Talk about your social impact.

- ✓ Talk about the marketing side: describe your target market, talk about your product/service, and explain how and why it is better/ different/answering other needs identified by other competitors. Show that you are aware of what is currently being done and identify why you are unique or bring a complement to the current offers.

Different templates exist, here is an example of the structuration:

❖ Table of contents of the business plan

1. Introduction – Executive summary

2. Project - Overview

- Nature of the project
- Assets and obstacles
- Project history
- Objectives

3. National market analysis and strategy

- Customers
- The market: Explain how you will reach your market, where you will sell your services/products, and at what price.
- Distinctive features of the demand
- Distinctive features of the supply
- Competing / cooperation possible
- Strategy

4. Local market analysis

- Location of your shop if any
- Customer catchment area
- Field Survey
- Evaluation of the market (interview or global local research analysis)
- Location of competitors

5. Management

- Commercial means

- Production means
- Human resources
- Administrative means

6. Investment and projections

- Revenue forecast
- Financial evaluation

❖ The operational plan:

An Operational Plan is a highly detailed plan that provides a clear picture of how a team, section or department will contribute to the achievement of the organisation's goals. The operational plan maps out the day-to-day tasks required to run a business and cover.

The plan covers the what, the who, the when, and how much:

- What - the strategies and tasks to be achieved / completed
- Who - the individuals who have responsibility for each task strategy / task
- When - the timeline for which the strategies/tasks must be completed
- How much – the financial resources available to complete a strategy/task

Some essential elements have to be in it:

- ✓ Describe the milestones, the important things that were put in place or still need to happen.
Talk about what have been done so far and about the development of your enterprise with concrete numbered objectives.
- ✓ Insert a risks analysis: show that you have anticipated the risks and how you would potentially answer them.
- ✓ Financial forecast. This is a crucial section, and any investor will take the time and look at it carefully.

If you are looking for people to invest in your project, you should be clear about your needs and the purpose of the money you are asking for.

All the « annexed » documents you might want to add have to go at the end of the business plan, to keep it clear.

But do not forget: these are advices that can be adapted to your needs. However, it should help you to understand what will be expected.



Top advices:

- ✓ Put passion inside it!
- ✓ Use simple words,
- ✓ Write it yourself,
- ✓ Include realistic financial projections,
- ✓ Put hard facts, concrete information, and operational details.
- ✓ Make it short and go straight to the point (from 5 to 25 pages is great!) : show what you will realize and avoid acronyms.

After all these keep in mind that you need to be agile ! You will probably meet opportunities and challenge on the way that need to be considered to change perspectives and adapt some part of the initial plan !

Step 4 : GET FUNDING, SETUP THE ENVIRONMENT AND MEASURE THE IMPACT

❖ Funding

It is all about getting cash for your enterprise. For a project to work, means must be in the position to fulfill the needs. Be careful: do not underestimate these financial needs.

There are different ways to find fund to start your enterprise. What are the tools suiting the best your project, whether in the process of creation or development?

Here are some tips and a selection of the main financial tools open to structure in the social and solidarity economy field.

- ✓ **Grants:** as there is no repayment required with this, it is attractive for a lot of entrepreneurs. Depending on your legal registration though, you might not be able to access those grants. However, there are more and more grant making trusts that will help you if you can prove the social benefits of the enterprise, no matter if you are not a non-profit organization. These can be grants from big enterprises, foundations... that are more and more willing to promotion social innovation and new creative and sustainable business.
- ✓ **Crowdfunding:** there are many crowdfunding platforms at national levels. Crowdfunding is a method of raising capital through the collective effort of friends, family or even individual investors who would have seen your project and are willing to help you launch your activity. This allow people who believe in a project to help to its creation. It will be for you a way of finding money to kick start your project, but also involve your close network and have a great exposure. Choose the platform you like the most, present clearly your project, its implication, and why you are asking this amount of money. And then, launch your own campaign!
Be aware that a successful crowd funding activity require time and be carefull in the gift given for supporters – they should not cost you more than what it brings!
- ✓ Don't forget about **bank finance**. They won't take big risks, so be ready to convince them with solid proof so they will lend you the money you need to start your activity.

There are also an increasing number of social banks understanding the challenges of social enterprises and which will be more supportive with your project.

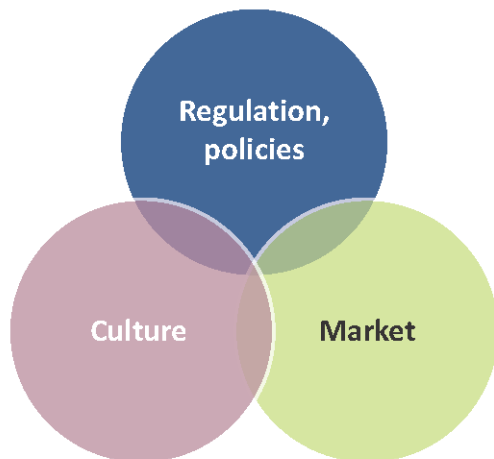
Tips: If possible, try to diversify your funding sources to limit the risk of an excessive dependence to a financial or economic partner.

❖ Setup the environment¹

¹ European Commission, Directorate-General for Employment, Social Affairs and Inclusion (2016): A recipe book for social finance – A practical guide on designing and implementing initiatives to develop social finance instruments and markets. Varga, Eva and Hayday, Malcolm (authors). Luxembourg: Publications Office of the European Union.
<https://op.europa.eu/en/publication-detail/-/publication/f1b8099b-fd4c-11e5-b713-01aa75ed71a1/language-en>

The enabling environment for social enterprise development and finance has relevant components and depends to a great extent on the overall level of the development of the economy and the financial sector.

The three main spheres of the environment are:



Source 19/12/2019: A recipe book for social finance

Regulation and policies sphere: the interest is in laws and regulations governing the charity sector, possibly including specific regulations for social enterprise. Some countries have introduced special legal forms for social enterprise (e.g. Italy or Slovenia), while in others there may be tax incentives favouring certain forms of social enterprise (e.g. social cooperatives in Hungary).

A social enterprise strategy or other government strategies for social finance may be in place, which can directly influence the way the field develops.

An important part of such strategy may be the allocation of specific funding (from EU or national sources) towards social enterprises or to support infrastructure development. Policies affecting social services, care or environmental services may impact social enterprise development by providing or closing market opportunities for them.

Market sphere: the market access and success are key questions for the demand side: How open is the consumer and public market to purchasing from social enterprises and so securing sustainable revenue-generating models? Is there targeted regulation that encourages certain customer behaviours, such as the Social Value Act¹⁵ in the UK? Public sector markets may or may not be accessible to social enterprises, either for regulatory reasons or due to high barriers to entry. On the supply side, it is important to examine both the level of sophistication of the financial markets and the level of development of the specific social finance market. When the former is underdeveloped, chances are that the latter will be in an embryonic state, because financing instruments and models that have not yet been tested in the mainstream are unlikely to be tried in the social finance arena, except by community-led or crowdfunding sources.

Culture sphere: attention should be paid to the existence, or lack thereof, of philanthropy and a culture of giving, to the general openness of society to a social/environmental message, and to the

existence of entrepreneurial, innovative thinking. Experience shows that in markets with strong philanthropic traditions, social investors find partners more easily. On the supply side, relevant cultural aspects include innovative thinking in the financial markets and the existence of risk appetite.

For example, if all investors prefer low-risk, low-return deals, high-risk social enterprise start-ups are unlikely to be funded locally. A culture of collaboration is very important for both the supply and the demand side, as a lack of such culture may impede the development of potentially beneficial joint delivery or co-investment models.

❖ Monitor and evaluate your impact

As a social enterprise, it is vital to have a result framework to help you to determine the link between your activity and the outcomes through the help of your indicators. If your interventions do not translate to your desired outcome, then it is time to rethink your strategies. Were your assumptions correct? Are you really working toward your desired impact?

Internal and external factors will lead to changes. You constantly have to understand what has changed, determine how to adapt your model, implement changes and review your success.

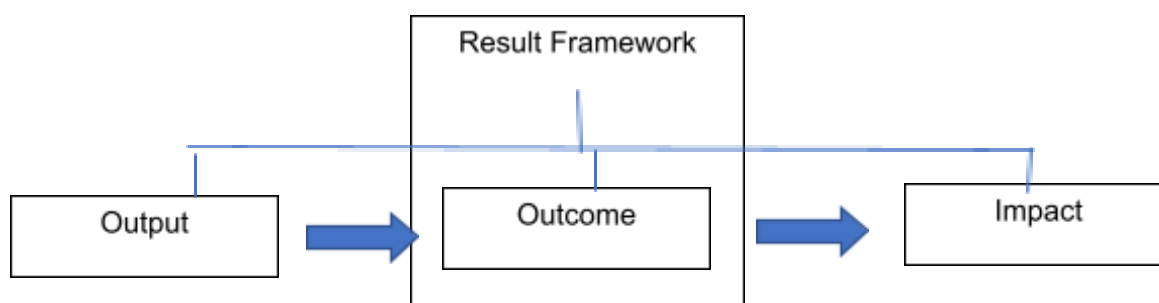
In order to evaluate your impact, use social impact indicators. The indicators have to be:

- ✓ Specific – target a specific area for improvement.
- ✓ Measurable – quantify or at least suggest an indicator of progress.
- ✓ Assignable – specify who will do it.
- ✓ Realistic – state what results can realistically be achieved, given available resources.
- ✓ Time-related – specify when the result(s) can be achieved.

They will permit to assess the effectiveness (the impact) of your interventions.

Prioritize practical indicators, focusing on data. For example, talk about number of people benefiting from your action, the economic value created, but also social well-being, creation of social cohesion...

An example of a result framework:





Step 5: GET SOME SUPPORT

Do not be afraid of getting some support. There are lots of organizations that support startups through different programs:

- Acceleration and incubation programs
- Digital advancements
- Deploying volunteers
- Seed capital
- ... and many more! They are different depending your region and/or country. Identify these structures and get some help, you're not alone!

Here are some differentiations between a couples of structures:

- ❖ **Startup accelerators:** they work with entrepreneurs for a short period of time, usually from 3 to 4 months, and help you to go through the first steps of the creation of your enterprise. Their goal is to make you go from the idea to the creation of your enterprise in a few weeks.
- ❖ **Business incubators:** an organization sets up to provide office space, equipment, coaching, networking connections, sometime registration number and capital to new businesses that are just getting started. It must accelerate the growth and the success of the new enterprise. It usually last more than a year.
- ❖ You can also get lots of advices and support **on the internet**, on website specialized on social and solidarity economy questions that will give you, through their articles and guides, tips to kick start your own business.

These steps are concise, and some of them are more practical advices rather than concrete tools. Therefore, this is not an exhaustive guide to follow. However, it should help you get started and guide you through your different questionings.





CONCLUSION

As you can see, social or cultural entrepreneurship and social economy is a multidimensional movement, having different realities depending on its place of action, but also depending the problem it attempts to solve. Still it uses the economy and has many similarities in the steps to go through as a general business. Still remember and be strong about your social impact – this will help you to go through challenges and create sustainable development.

The diversity of the movement of social business is a strength, because it allows conditions for innovation and create answers at different problems.

« To overcome poverty and the flaws of the economic crisis in our society, we need to envision our social life. We have to free our mind, imagine what has never happened before and write social fiction. We need to imagine things to make them happen. If you don't imagine, it will never happen. »
Muhammad Yunus

We hope this guide will help you through the first steps and encourage you to become a changemaker; it is time to make things happen!

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