



# Social Enterprise NI

EMPOWERING PROFIT WITH PURPOSE, INSPIRING LASTING IMPACT.

## Fact Sheet 2 – Starting up as a Social Enterprise in NI

### Stages in setting up a Social Enterprise

The first thing you should remember when setting up as a Social Enterprise is that it is a business the same as any other regular business, it is just how you distribute your profits that will set you apart from another SME.

### Areas you will need to consider when setting up a Social Enterprise

1. Leadership & Governance
2. Business idea that meets a gap in the market
3. Creating a business plan to include:
  - a. What is your product or service?
  - b. Who are your customers?
  - c. Who are your competitors?
  - d. SWOT Analysis
  - e. Pricing Structure (know your figures should you be seeking investment?)
  - f. Identify short-medium- and long-term goals
4. Can you create enough sales to cover your costs and make a surplus?
5. Have a clearly defined social mission
6. Identify your legal structure (see factsheet 3 for more in-depth information)

### Leadership

- Without leadership your social enterprise will not be successful
- Do you have the time to commit to starting/leading a Social Enterprise?
- Do you have the required skills and what skill set is needed for your Social Enterprise and do they match?
- What are your reasons in setting up a Social Enterprise? (If it is to create personal wealth then this is not a social enterprise, you should set up as a private business.)
- Are you looking to create a job for yourself via the new Social Enterprise? If so, are you willing to hand control of your SE to a voluntary board?
- You will need to set up a voluntary board of directors/trustees that will give you clear governance and guidance and enable you to secure funding as one element of your revenue stream.

There are many types of legal structures that Social Enterprise can set up. Social Enterprise NI are here to assist you in getting advice from one of our corporate partners, Edwards and Co Solicitors, who will talk you through all relevant information regarding Social Enterprise legal structures.



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## Business Idea

We believe that Social Enterprise is the future of business. Business ideas come in many forms, but it all starts with you opening your eyes and looking around you. Your Social Enterprise business idea may come from a specific need in your local area or a cause close to your heart. In terms of a Social Enterprise there are no limitations to a business idea, you just need to make sure you have customers for your services or product and that you can deliver it at the right price to enable you to make a **profit**. Remember you are a business like any other who needs to make a profit to re-invest into its social mission, which may not may not be linked directly to your business.

## Write your Business Plan

A business plan is there to provide all the answers that anyone might ask about your business. And, to state the obvious, it is a *plan* – a home for all the thinking that you have done about how to make this thing work that you can refer back to when things go wrong (as they inevitably will at some point).

Anyone interested in your business (particularly investors) will ask to see your business plan, so it is good to have one even if you do not think it is perfect.

## Making a Profit

During the time when your setting, up your Social Enterprise you will have to figure out your finances. We understand that this is something people do not like to discuss but the key theory to a successful business is to bring in more money than you pay out.

These are questions that you need to ask yourself so that you can realistically estimate your financial needs:

- What price will I charge for my product or service?
- What is my competitor currently charging?
- How many products or services can I deliver each month?
- How many do I have to sell each month to cover my costs?
- What will be the cost of running your Social Enterprise per month including salaries and running costs?

## Have a clearly defined Social Mission

At this stage this is where Social Enterprises and private businesses separate. A Social Enterprise is all about making a difference in people's lives via an enterprising model. But like any other business you have to generate an income and therefore just like every other business out there, you will have to perform a balancing act, between managing your social impact/ purpose and generating an income, which is not an easy task. **Profit is not a dirty word.**



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## You might need to think about the following questions:

- Who are your beneficiaries/identified social mission?
- How is the Social Enterprise going to make a difference?
- Can the Social Enterprise make enough money to cover its operational costs, make a profit and be able to reinvest that profit to benefit the social mission?
- Is there any other Social Enterprise/ organisation already providing this service? If so, why are you wanting to start a new Social Enterprise?

## Get Further Support

- **Become a member**
  - Social Enterprise NI is open to all social enterprises across the country and has various benefits, to find out more [CLICK HERE](#). Please note membership is **FREE** until you have a turnover of **20k plus per annum**.
- **Signposted for mentoring support to either:**
  - Local Council support programme
  - Local Enterprise Agency support programme
  - Other identified strategic partner mentor programmes e.g., Ulster Bank Accelerator Hub, Catalyst etc
- **Business Planning** – signposted to one of our strategic partners and fellow social enterprise Viable Corporate Services, who can support you in the following areas:
  - Offer discounted business plan development
  - Offer discounted marketing plan development
  - Offer discounted board recruitment pack development & recruitment
  - Offer discounted payroll and finance reporting services
  - Offer discounted social media training
  - Offer discounted HR support
- **Examples of Pro Bono or Discounted services from our Strategic Partners**
  - HR advice and recruitment discount with Hays Recruitment
  - Insurance evaluation and no obligation quotation from Lockton Insurance
  - Legal advice - Free first meeting with Edwards & Co Solicitors
  - Confidential Shredding – discounted rate for confidential shredding services from UShred
- **Next Step**
  - If you would like to avail of any of the above services, please email [amanda@socialenterpriseni.org](mailto:amanda@socialenterpriseni.org)