



EMPOWER - Social Enterprises' Sustainability Tools

Project Result 1

Training Package for Sustainability in Social Enterprises

Module No 6 'Sustainability and Scalability'

Developed by KMOP





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Partnership

 <p>BRCCI Bulgarian-Romanian Chamber of Commerce and Industry</p>	<p>BRCCI</p>	<p>www.brcci.eu</p>
 <p>CARDET</p>	<p>CARDET</p>	<p>www.cardet.org</p>
 <p>fip Future In Perspective</p>	<p>Future in Perspective Ltd</p>	<p>www.fipl.eu</p>
 <p>kmop</p>	<p>KMOP</p>	<p>www.kmop.gr</p>
 <p>SERN</p>	<p>SERN</p>	<p>www.sern.eu</p>
 <p>innovADE LEADERSHIP IN INNOVATION</p>	<p>Innovade LI</p>	<p>www.innovade.eu</p>
 <p>MINDSHIFT Talent Advisory</p>	<p>MINDSHIFT TALENT</p>	<p>www.mindshift.pt</p>



Project Information

Key Action 2: KA220-YOU - Cooperation partnerships in youth

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Period of the project implementation: 02/01/2022 - 02/01/2024 (2 Years)

Consortium: BRCCI (BG); SERN (IT); KMOP(GR); Future in Perspective Ltd (IE); CARDET (CY); Innovade LI (CY); MINDSHIFT Talent (PT).

Introduction

Sustainability and scalability are two very important terms for any business venture, including social enterprises.

Regarding sustainability, the United Nations definition describes sustainability as “*meeting today’s needs without compromising the ability of the future generations to meet their own needs*”. In the business environment, sustainability combines three dimensions: the financial, the social and the environmental dimension (Miller, 2020, Spiliakos, 2018). Traditional enterprises are interested only in the financial dimension of sustainability, whereas social enterprises give focus on the social and environmental dimensions (Spiliakos, 2018). However, being financially sustainable is necessary for all enterprises in order to continue operating. Financial sustainability is related to the financial performance of the enterprise and its ability to cover its costs of operation (Osberg & Martin, 2015). Social sustainability refers to the impact of the enterprise on its workers, the community, the perspective customers and general on the society. For an enterprise to be social sustainable, its work should have a beneficial impact on society and most importantly, the benefits offered should have a lasting effect (Osberg & Martin, 2015). The environmental sustainability refers to the impact of the enterprise on the environment. For an enterprise to be environmentally sustainable, it should integrate environmental-friendly practices to its business model. Some examples of environmentally sustainable practices are using ethically sourced materials, reducing energy consumption, using renewable energy sources (Miller, 2020)

Regarding scalability, it is the ability of the enterprise to increase its revenues while marginal costs decrease with each unit sale. In simple words, it is the ability to increase production and sales while lowering the cost (Stephens Balakrishan, 2018). By succeeding scalability, social enterprises can increase their positive impact on society and the environment, because they will have more profit that they can invest back to society (Osberg & Martin, 2015). There are two types of scalability: horizontal and vertical scalability. Horizontal scalability is expanding in multiple geographic markets and different types of customers, whereas vertical scalability is focusing on one community, localizing in one area and going deep with a big number of products/services. The goal of scalability is different than the goal of growth, since growth refers to increasing the revenues of the enterprise at any cost, increasing its size and reach (Stephens Balakrishan, 2018).

Social enterprises, however, face a considerable number of external and internal obstacles to succeeding sustainability and scalability (European Commission, 2015). The external obstacles have to do with poor understanding of the concept of social enterprise by the public, investors, partners and customers, lack of supportive policy and legislative framework, lack of development support by specialist businesses, difficulties in accessing markets and finance from external sources, absence of common mechanisms for measuring and demonstrating social impact and the general economic environment that is based on open market economy and free competition (European Commission, 2015). The internal obstacles derive from the lack of a viable business model, the high reliance on public sector as a source of revenue, the lack of entrepreneurial and commercial spirit, as well as the lack of managerial and professional skills necessary for scaling up activity (European Commission, 2015).

In the level of the European Union, there are initiatives supporting social enterprises, like the Start-up and Scale-up Initiative launched in 2016 and the social business initiative launched in 2011. Furthermore, the OECD initiative Boosting Social Enterprise Development: Good Practice Compendium, Local Economic and Employment Development (LEED) serves as a guide for good practices supporting social enterprises.

Aims

By completion of this module the participants will be able to:

<i>Knowledge</i>	<ul style="list-style-type: none"> • Explain the term Sustainability and connect it with Social Enterprises. • Explain the term Scalability and connect it with Social Enterprises.
<i>Skills</i>	<ul style="list-style-type: none"> • Present the differences of Social and Traditional Enterprises regarding Sustainability and Scalability.
<i>Attitude</i>	<ul style="list-style-type: none"> • Give information on the policies supporting Social Enterprises in the EU and in Member-States.

Learning Outcomes

By completion of this module the participants will be able to:

- Understand what it is Sustainability of Social Enterprises and give examples of sustainable practices.
- Understand what it is Scalability of Social Enterprises, how it differs from growth, and how it can be succeeded.
- Be aware of the difference between Social and Traditional Enterprises regarding Sustainability and Scalability.
- Be able to explain why Social Enterprises face difficulties succeeding in Sustainability and Scalability.
- Be informed of the policy instruments offered by European Union regarding social enterprises.

Module Outline

UNIT 1 Sustainability of social enterprises	
Activity	Duration
Speed dating	10 minutes
UNIT 2 Scalability of social enterprises	
Activity	Duration
Create your own social enterprise	1.30 hour
UNIT 3	
Policies for supporting sustainability and scalability in social enterprises and good practices	
Activity	Duration
Role-play game - Interview	30 minutes

UNIT 1 Sustainability of social enterprises

Activity 'Speed dating'

Implementation	The activity aims to make participants reflect on the gained knowledge by the theoretical framework on the Sustainability of social enterprises. There will be 3 topics that participants should discuss in a rotation. The first 2 topics are based on theoretical knowledge and the 3 rd one is linked to the next unit on the scalability of social enterprises.
Objectives	<ul style="list-style-type: none">✓ Explain the term Sustainability and connect it with Social Enterprises.✓ Explain the term Scalability and connect it with Social Enterprises.✓ Present the differences between Social and Traditional Enterprises regarding Sustainability and Scalability.✓ Give information on the policies supporting Social Enterprises in the EU and in Member-States.
Competences	<ul style="list-style-type: none">✓ Personal, Social and Learning to learn competence✓ Citizenship competence✓ Entrepreneurship competence✓ Competence in cultural awareness and expression
Duration	10
Main resources required	n/a

Activity Description

The activity aims to make participants reflect on the term of sustainability of social enterprises through speed dating. The participants will be divided into couples and they will have 2 minutes to discuss the following topics:

- Did you know about the 3 dimensions of the sustainability of social enterprises? What do you think about them?
- How would you explain to your friend the difference between sustainability in a social enterprise and in a traditional one?
- What do you know about the term scalability in social enterprises?

For every topic, the participants have 2 minutes to discuss the topic. The trainer should keep track of time and inform the participants to change couple and announces the next topic. The third topic is linked to the unit that follows.

Instructions to trainer(s)

The trainer should coordinate the participants and keep track of the time. The trainer divided the participants into couples and then announces the first topic discussion. After 2 minutes of discussion, the trainer invites the participants to change couples and discuss the next topic. The same follows for the 3rd topic.

UNIT 2 Scalability of social enterprises

Activity “Create your own social enterprise”

Implementation	The aim of this activity is to put into practice the notions of Sustainability and Scalability introduced in the activity 1 with the PowerPoint presentation. The activity will require the separation of participants into teams of 4 or 5 members. Each team will be asked to develop a draft of a social enterprise proposal and present it to another team. The other team that will watch the presentation will express its opinion and make constructive remarks on how the proposition could be improved.
Objectives	<ul style="list-style-type: none">✓ Apply in practice the notion of Sustainability and Scalability✓ Develop cooperation and team working skills✓ Reinforce public speaking skills and the self-confidence of participants having to present their ideas in public
Competences	<ul style="list-style-type: none">✓ Personal, Social and Learning to learn competence✓ Citizenship competence✓ Entrepreneurship competence✓ Competence in cultural awareness and expression
Duration	1 hour (30 minutes for the preparation, 15 minutes for the presentations between the 2 teams, 15 minutes feedback on the proposals)
Main resources required	Internet and writing materials

Activity Description

The aim of this activity is to put into practice the notions of Sustainability and Scalability introduced in the activity 1 with the PowerPoint presentation. The activity will require the separation of participants into teams of 4 or 5 members. Each team will be asked to develop a draft of a social enterprise proposal and present it to another team. The other team that will watch the presentation will express its opinion and make constructive remarks on how the proposition could be improved.

The draft social enterprise proposal should include:

- A description of the product/services provided by the enterprise
- The mission and goals of the enterprise
- The vision of the enterprise
- The strategy/methods of succeeding sustainability (financial, social, environmental)
- The strategy/methods of succeeding scalability (vertical or horizontal)

After the preparation of the proposal, the teams will be asked to present their proposal at another team. This means that the trainers will assign for each team a partner team and these two teams will present to one another their proposal. The team watching the presentation will give constructive feedback at the end of it.

Instructions to trainer(s)

The role of the instructors is to separate the participants into teams of 4 or 5 members, having in mind that the total number of teams should be even. This is because at the second phase of the activity, each team will be assigned a partner team to present its proposal. The separation of participants into teams and the assignment of partner teams should happen at random, but it is recommended that

each team is characterized by diversity regarding the sex, age, education and cultural background of participants.

Throughout the activity the trainers should move from one team to another, helping the participants build their proposal, guiding them and answering their questions.

UNIT 3 Policies for supporting sustainability and scalability in social enterprises and good practices

Activity “Role play game - Interview”

Implementation	The aim of this activity is to revise the knowledge learned by the participants in the module 6. For this purpose, a questionnaire will be used consisted of close type questions and questions True/False.
Objectives	<ul style="list-style-type: none"> ✓ Reflect on the good practises that have been presents ✓ Solve any last question
Competences	<ul style="list-style-type: none"> ✓ Personal, Social and Learning to learn competence ✓ Entrepreneurship competence ✓ Competence in cultural awareness and expression
Duration	50 minutes (30 minutes preparation, 10 minutes presentation and 20 minutes Q&A round)
Main resources required	Internet (for the research)

Activity Description

The aim of this activity is to motivate the participants to conduct research on good practices of social enterprises that are sustainable and scalable in their countries. The role-play method gives the opportunity to the participants to develop their soft skills as well. An interview on the national TV channel will take place. One of the participants will be the interviewer, who will present the 3 good practices. Then, there will be a journalist who will conduct follow-up questions on the practices presented and ask questions to the interviewer. Finally, a Q&A round by the audience will take place.

The timeline of the activity is the following

- Research and preparation of the presentation of the good practices (30 minutes)
- Presentation of the 3 national good practices (10 minutes)
- Q&A round/discussion (20 minutes)

Instructions to trainer(s)

The instructor should explain to the participants their roles, one person will be the presenter, one person the interviewer and the rest of the participants will be the audience. The trainer should keep notes of the good practices and the Q&A round and in the end of the activity should present the key point to the participants. If needed, the trainer should moderate the “interview”.

