

**Research Project: Sustainable Business Models and Practices: Social Enterprise.**

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**Background:** Social Enterprises (SE), organisations whose activities are primarily business orientated, but who have primarily social and/or environmental goals, are becoming increasingly important in many of the key sectors of environmental consumption and production (including food, energy, transport and tourism). Although SEs are estimated to represent around 5% of UK business organisations they remain severely under-researched compared to conventional ‘for-profit’ businesses and public sector organisations. They have an important role within the business sustainability and social responsibility debate because of their over-riding social and environmental goals; the particular role of community enterprises in the development of sustainable communities and sustainable livelihoods; and the potential for SE to develop viable businesses to serve disadvantaged communities. Fair Trade is one particular element of SE, and one part of BRASS SE research concerned Fair Trade enterprises, but this is presented as a separate project (A38).

**Aims & objectives:**

- To understand the potential of SEs, as a form of business primarily motivated by achieving socio-environmental goals rather than profit, to contribute to more sustainable business relationships within particular markets and communities;
- To develop indicators with which the sustainability impacts and contributions of SEs could be measured and communicated;
- To explore how SEs can be managed and supported and to appreciate the implications of their status as ‘hybrid organisations’ for their development and management;
- To critically review the SE research field to better understand future research needs and the potential for conventional business school thinking and research to contribute to, or be enhanced by, engagement with the SE agenda.

**About the research:** BRASS work with Social Enterprises built up in stages including:

- **Reviewing SE:** BRASS has sought to contribute to the understanding of SE, their stakeholder relationships and contribution to sustainability in several ways. This included a review of SE literature and the state of the SE research field undertaken on behalf of the ESRC as part of the process of establishing the funding stream for a Research Centre for the Third Sector and at least one capacity building cluster for SE. It also included work reviewing the nature of SE as hybrid organisations applying commercial sector thinking to socio-environmental sectors, particularly in terms of how SEs emerge as spin-outs from charitable and voluntary sector organisations and how they position themselves.
- **SE and waste:** BRASS undertook a study for DEFRA on the capabilities of social enterprises to deal with wastes and resources, to assess the ways in which the SEs sector can be more effectively included into an integrated and more sustainable waste infrastructure in the UK.
- **“Turning Big Ideas into Viable SEs”:** This study, commissioned by Triodos Bank, aimed to discover the extent to which social enterprises are facilitated or inhibited in their development and growth by access to appropriate business technical support in the UK. The project further aimed to explore the extent to which spatial variations, sector variations and size variations are apparent in access to this business support, and to identify potential actions that may need to be taken to improve this access. Forty SEs were interviewed including both Triodos clients and non-clients, and including a range of size, locations and sectors.

- Sustainability indicators for SE: BRASS Researchers worked with a local social enterprise (Newport Wastesavers) to develop indicators that encompassed the firm's social, environmental & economic contributions and performance. The project involved reviewing the existing indicators and interviewing a range of stakeholders to explore the ways in which a holistic indicator set could aid the business in communicating its full social (and environmental) value to its key stakeholders.

### Results and outputs:

The work on business support for SE found it to currently lack coherence and integration, with some confusion existing about what support is available. Although the technical needs of SEs are mostly not unique (barring some issues relating to legal forms), they have distinctive needs for support organisations to understand that the nature of the business, the motives and objectives of the entrepreneur, and the support and training needs of staff will all differ subtly to those of businesses driven exclusively by profit.

The work on social enterprises in waste revealed that the understanding of their role is hampered by a lack of reliable and systematically collected data, problems created by the diversity of social enterprises and a lack of joined-up thinking about social enterprise within Local Authorities. The relative lack of involvement of social enterprise in dealing with commercial and industrial waste was found to represent a significant missed opportunity.

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**Impacts achieved/potential for impact:** BRASS work on SEs has fed directly into policy and practice via the work for Defra on SEs in the waste sector and the report for Triodos Bank which was circulated widely to SE organisations and business support organisations. For the work in waste BRASS also established a network of practitioners and researchers interested in social enterprises and community organisations engaged in dealing with waste and resources (SEWRN) backed by a website and online research guide. The research monograph on the state of SE research as a field was informed by four regional ESRC SE Workshops to which BRASS contributed, which involved practitioners, academics and policy makers, with the nature of the discussions informing elements of the monograph. The final results were presented at a policy and practice seminar in London organised by the ESRC and Office of the Third Sector. The work on sustainability indicators for a social enterprise was a ground-breaking piece of research and the theme of capturing holistically the value of social enterprise activity has since been taken forward by research teams from Hull University and the Third Sector Research Centre based at Birmingham University.