

# Social Enterprise Journal

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# Social enterprise under the microscope: Comparing and contrasting Green-Works and ReBoot

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## INTRODUCTION

This research seeks to understand the factors that bring about growth within two London-based social enterprises, and how these can be interpreted and understood relative to 'managerialist' discourses. The reason for undertaking this research is to understand how particular aspects of social enterprise literature relate to practice on the ground, and to gain a clearer picture of the diversity, complexity and contested ideas that co-exist within the social enterprise sector. It is also to challenge the often over-simplified generalisations and assumptions applied to social enterprises.

This research is being undertaken at a time when the standing of social enterprises in the UK has increased dramatically. In a recently published survey, the DTI claimed that social enterprises generate some £18 billion in annual turnover and that they represent around 1% of the UK's employing businesses. There are currently around 15,000 social enterprises in the UK, of which 22% are in London (DTI 2005). The UK Government has highlighted social enterprises as models for maximising public good, and in the Government Strategy paper 'Social Enterprise: A strategy for success' (2002), the Prime Minister Tony Blair says that:

*'...the government seeks to do all it can to help the future development of social enterprise.'*

The contribution of social enterprises has been enormous and diverse, as they continue to grow in size, significance and sophistication (Paton 2003). This opinion, which had previously been relatively unsubstantiated, has been confirmed through the recently published survey by the DTI quoted above. As the government seeks new methods of public service delivery, social enterprises have been heralded by the DTI as a key part of the reform and improvement of these services, and as the solution to a range of social, economic and environmental ills. Equally, with their entrepreneurial flair and 'business-like' approach, social enterprises represent the 'managerialist' approach commonly found in the private sector that is integral to New Labour's 'modernisation' plans for the welfare state (The Cabinet Office 1999).

## **Definitions – social enterprise and managerialism**

It is useful to explore existing definitions of social enterprise, in order to understand what is meant by the term. In their book *There's No Business Like Social Business* (2004), and Nicholls emphasize its fundamental values:

*'Social enterprise is a state of mind. It's about values, a passion for social justice and equity matched by the drive to create self-sufficient, market facing businesses. Our vision is of a community of thriving businesses, part of the enterprise economy, generating services and products which reduce inequality and create new opportunities with people who are usually left out.'* (Black and Nicholls 2004:9)

The business aspect of social enterprise is also highlighted in the DTI definition, taken from the DTI paper *'Social Enterprise: A Strategy for Success'* (2002):

*'A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profits for shareholders and owners.'* (DTI 2002: 7)

For the DTI, social enterprises are first and foremost businesses, which also have social objectives. Whilst they provide a valuable boost to the economy, they also meet a wide range of the government's strategic objectives in areas such as economic regeneration in deprived areas, social inclusion and the reform of public services. It is clearly for these reasons that the government has given such enthusiastic backing to the social enterprise sector in the UK; social enterprise has the potential to be a primary agent through which the government can achieve multiple objectives.

As highlighted in the *Social Enterprise London Annual Review* (2004), social enterprise is 'business with a difference':

*'Social enterprise is a dynamic, interesting and unconventional world. It provides enterprising solutions to social and environmental challenges and creates new ways of doing business.'* (SEL 2004:2)

This notion of social enterprises as 'solutions', as 'new' and 'unconventional' highlights the anticipation and high expectation with which the social enterprise sector as a whole is viewed. In some sense then, social enterprises are not simply 'businesses with a difference' but are more than just businesses; they are held up as embodying a whole host of values and achievements that no other sector is seen as able to achieve, even amongst the more widespread voluntary organisations. We are led to question whether this is a reasonable representation of the reality of social enterprise, and an expectation that can be lived up to.

For the purpose of this research, the following key defining characteristics will be used when referring to social enterprise:

1. Having a social (or environmental) purpose or purposes;
2. Achieving the social purpose by, at least in part, engaging in trade in the marketplace;
3. Not distributing profit to individuals;
4. Holding assets and wealth in trust for community benefit;
5. Democratically involving members of its constituency in the governance of the organisation; and

6. Being independent organisations accountable to a defined constituency and to the wider community.

Pearce (2003: 31)

The term 'managerialism' refers to the belief that the sorts of management roles, practices and thinking associated with large national and international companies provide the key to achieving high levels of organisational performance (Paton 2003). As Paton describes, managerialism has drawn very selectively on actual management thinking and practice, often taking a distinctively 'top down' approach with strong emphasis on target setting, monitoring and managerial authority. The term 'managerialism' thus comes with ambiguity as it covers a range of contested and changing ideas and approaches that have been selected and developed over time. The notion of 'managerialism' is about how management comes to be seen as the solution to a range of social, political and organisational problems. It covers ideas of being business-like and professional, with accepted 'management tools' and approved managerial processes that are portrayed as the 'correct' way to run an organisation. It is an ideology promoting emphasis on market approaches through a mixed economy of service provision through partnerships. The state thus decentralises power and delivery to 'empower' non-state service providers, but this decentralisation comes with the ever-present management requirements of accountability and transparency, with a focus on delivery efficiency and effectiveness (Clarke, Gewirtz & McLaughlin 2000). The first-hand experience of this decentralised control is explored in a later section through the eyes of Bootstrap Enterprises.

In the context of this research, assumptions about what constitutes 'good management' shape the ideas about what makes an enterprise successful, why growth is a measure that can be used as a proxy for success, and acts as a lens through which we come to perceive the strengths and weaknesses of social enterprises.

Social enterprises inhabit a space that is neither 'charity' nor 'public sector' nor 'private enterprise', yet they simultaneously display some or all of these characteristics to varying degrees. The government definition of social enterprise gives particular emphasis to the 'business' aspect of its work, and ideas from a 'managerialist' framework are used to describe and explain (and manage and measure) social enterprise. However, from the 'on the ground' perspective of those involved in setting up and running social enterprises, the language used to describe the work, and the experience of growth and success, may be entirely different.

### **Introducing two social enterprises: ReBoot and Green-Works**

This research focuses on the experience of two social enterprises based in London. The first, ReBoot, is a project that has been set up under Hackney-based social enterprise Bootstrap Enterprises. The core task of the project is the recycling of computers donated from individuals and organisations. The equipment is collected, cleaned and upgraded and then sold on to charities, enterprises and individuals. The project sprung out of a need for computer recycling by the London Borough of Hackney, so was set up through funding in 2000. In addition to its recycling aims, ReBoot provides training and work experience to up to 5 volunteers at a time, to enable them to progress in the IT labour market. Basic computer training has also been given to students on the Bootstrap Schools programme to give opportunities for students who have been excluded from school, or who are at risk of exclusion. ReBoot is run from a small workshop in the Bootstrap Enterprises building in Hackney.

Green-Works is a social enterprise that became a registered charity in 2004. Set up in 2000, its primary aim is to prevent large volumes of office furniture from going to landfill. This is done through the collection of furniture from large London-based companies such as banks, recycling the unusable items and selling the rest to charities, churches, schools and individuals. Social entrepreneur Colin Crooks, whose background is in waste management, was responsible for setting up Green-Works. Additional spin-offs from the work are the creation of jobs and training in deprived areas of London, and making quality office furniture available at affordable cost. There are now four warehouses across London that total almost 100,000 sq ft of storage space, and several franchises across the UK.

Further details of the two organisations and analysis of their similarities and differences are given in a later section.

### **Research design and methodology**

The research objective was to gain a practical, in-depth insight into two social enterprises, in order to compare their experience with the wider representation of social enterprise in the UK. The research design was made up of two parts; an extensive literature review to provide background theory and context, and the use of semi-structured interviews with the selected organisations to gain qualitative data for comparison. The information sought was of an anecdotal, experience-based nature that involved opinions, perspectives and assumptions that would illuminate the complexity and diversity of the social enterprise sector. The interviews were broadly structured around the themes that are explored in this paper. The recycling sector was chosen as an area of study due to the researcher's own experience within it, and in response to its increasing presence in the social enterprise sector in the UK.

## **ANALYSIS: COMPARING AND CONTRASTING THE TWO SOCIAL ENTERPRISES**

At first glance ReBoot and Green-Works appear to be very similar; they both pursue the aims of recycling and re-use of manufactured goods. They use this as a context for job creation and training, and they sell the products on for re-use at affordable cost. Neither of these enterprises exists solely to generate a financial surplus, and they are increasingly generating their revenue through sales rather than funding. Conceptually, they could be understood as broadly similar organisations. However, as this research will explore, the fundamental values and objectives of each organisation are unique, which leads to very different approaches, structures and long-term visions which are key to how the enterprises are defined and understood. As such, these organisations reflect the complexity and diversity of social enterprises in action.

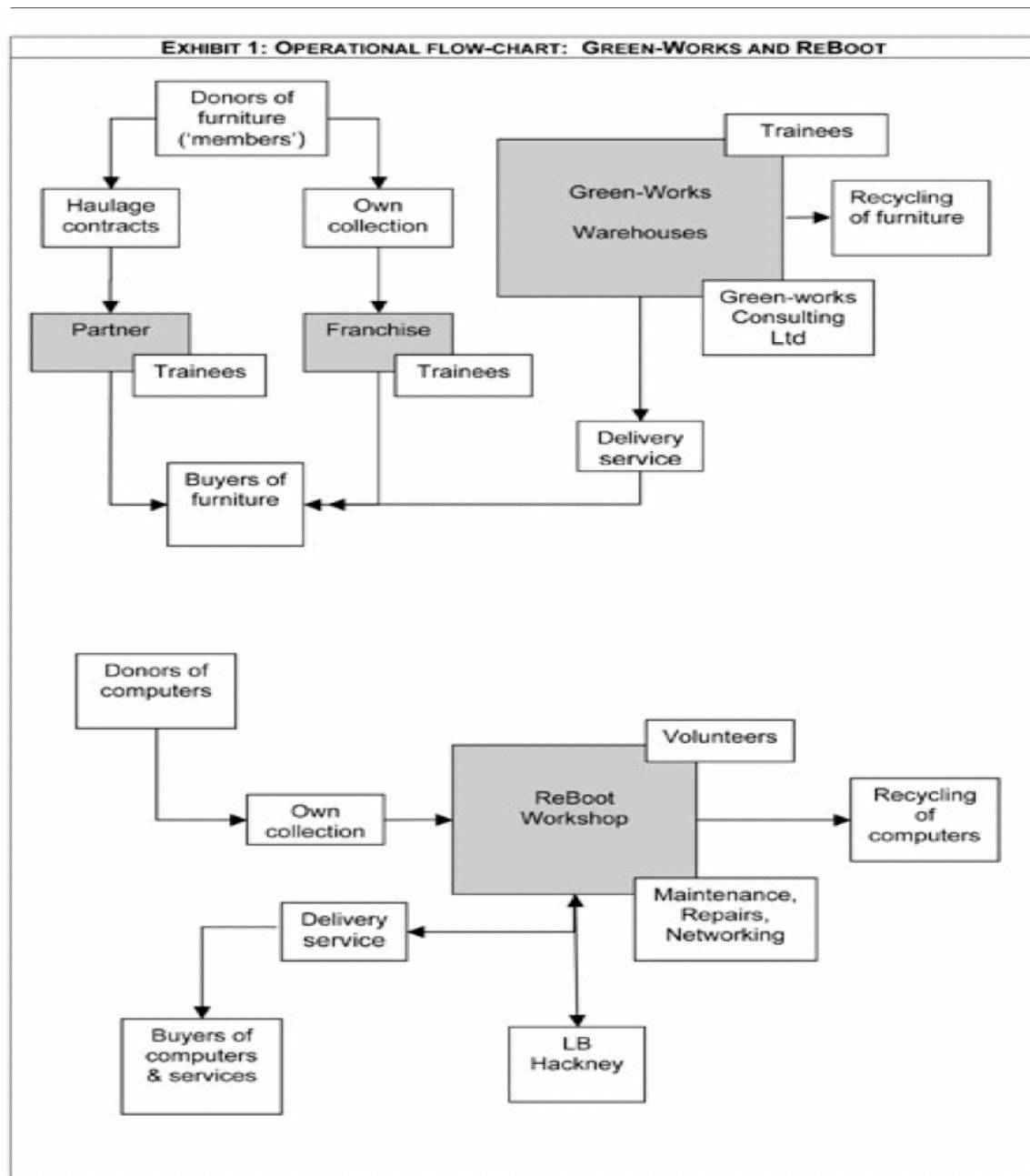
The flow charts in Exhibit 1 show the contrast in complexity of the two operations. These were developed from the researcher's own first-hand understanding of the operational structure of Green-Works, and through comparison of this with the operational structure within ReBoot. These flow charts give a pictorial demonstration of the flow of goods from the 'donors' (or in the case of Green-Works, referred to as corporate 'members') into the organisation, and then out again to their respective buyers, or into recycling. For ReBoot this flow is relatively simple and the logistics are done through the use of a local collection and delivery service provided by an ex-volunteer. An interesting addition is the flow of donated goods from the London Borough of Hackney (a key contract for the project) into ReBoot, and then back again in the purchase of upgraded computers. The

complexity of the Green-Works flow chart reflects the multiple outlets that are being used to store and distribute the goods, and the use of haulage contracts and in-house transport in managing the logistics of distribution. In addition to three Green-Works warehouses, there is a partner warehouse (First Fruit, for whom the researcher was the manager for 15 months) and multiple franchises, through which the furniture reaches the buyers.

This operational perspective of each social enterprise is fundamental to their own description and representation of what they do, and is useful for relating the daily reality and experience to the more abstract notions often represented, which tend to focus on the motivations for doing the work and the outcomes achieved.

### Comparing visions for growth

For ReBoot, the notion of growth was strongly linked to obtaining financial independence through less reliance on funding.



*'If we could turn ReBoot into something independent with secure jobs and a secure community service, that would be a success.'* (Brian Millington, Bootstrap Enterprises)

Implicit in this quote is a notion that dependence on funding could be a restriction to the future growth and long-term sustainability of the project. This exists in tension with the idea that the government should subsidise and support such work in order to keep it going. These kinds of tensions are part of the daily struggle between grant-dependency and the independency of market-led social enterprise.

An area of growth for ReBoot over the last year has been the provision of IT-related services, such as maintenance contracts, IT support contracts and computer repairs. These are profitable aspects of the work that the team intends to expand. They have found that focusing on recycling alone will not bring about growth because of legislation restrictions.

Growth for Green-Works has been an inherent part of their existence from a small turnover in 2001 to £2m turnover last year. This is because the primary driver for the growth of the enterprise is to increase the volumes of furniture handled. Their priority is to increase the tonnes of furniture diverted from landfill, and the model they have built means that the more tonnage Green-Works receives, the more income they gain from the paying corporate 'members' (i.e. donors of furniture).

What counts as success varies enormously between initiatives, and is a result of a range of factors (Amin et al. 2002). These examples show that the definition of 'growth', and the drivers behind that growth, are different for these two enterprises. For ReBoot, exponential growth on a Green-Works scale may be possible, but their intention is to work at a local level, seeking local contracts to enable training of local people, in a way that is viable and sustainable.

Growth is thus defined by and limited to the aims and scope of the particular organisation, and a locally based social enterprise can reach its growth potential, and successfully fulfil its aims and objectives, whilst remaining on a relatively small scale. Local focus in practice can prove to be a limiting factor on growth by restricting the level and character of demand for the goods and services provided, and creating a tension between meeting local needs and being dragged down by responding to local demand alone (Amin et al. 2002). This is shown by the much slower rate of growth in ReBoot and its restrictions to the Hackney-based priorities, through funding conditions and limitations placed on the project. However, growth per se is not their first priority, and therefore cannot be assumed as such.

### **Contrasting social enterprise values**

During the interview process, managers had a different vision for what social enterprise meant within their organisations.

For Brian Millington, Bootstrap Enterprises is a social enterprise because:

- It trades as an enterprise,
- It is not trading to create profit for shareholders, but for social aims which are embedded in the organisation,
- It is community owned; Bootstrap works with the community not for them.

For Colin Crooks, Green-Works is a social enterprise because:

- It is not trading to create profit for shareholders, but for environmental aims, which are the primary driver of the organisation.

For Green-Works 'locality' is about shared interests in environmental sustainability, whereas the Hackney-based context of Bootstrap Enterprises is a defining characteristic of its identity, roots and purpose as an organisation.

A sense of shared values and purpose within an organisation, distinct from externally imposed values and expectations, are a fundamental part of a social enterprise's sense of identity. The values shown by these two enterprises are very specific, and reflect a combination of local, environmental, social, moral and indeed personal concerns that cannot usefully be generalised at a wider 'social enterprise' level.

Bootstrap provides a range of community services that are free to the users, funded through various sources, and therefore they are part-charity part-enterprise in their approach. Green-Works however, sell a service to their corporate members, and sell goods to their customers, and (whilst a registered charity in their legal structure) do not perceive their work to be charitable in the same way. Therefore, the enterprise's identity through trading is inherent in Green-Works, but has to be explained (and possibly justified) with Bootstrap in the form of ReBoot. This challenges the DTI (2002) assumption that social enterprises are fundamentally businesses that happen to have a social purpose. For both enterprises the social or environmental purpose is the end in itself, not the means.

### **Comparing public / private origins**

Another interesting distinction between the two organisations may be partly due to their origins as well as their aims. ReBoot was borne out of a Local Authority's need for recycling computers, and was funded by that Local Authority to provide the service. ReBoot is therefore sustained by and looking to grow through Local Authority contracts. When asked if they had sought donations or customers through the commercial sector, ReBoot were wary that they would be trampled on. They had already had some bad experiences of receiving poor quality donations, and felt they had been ignored when approaching big businesses in the past.

In stark contrast to this, Green-Works came out of Colin Crooks' recognition of a market for the disposal of office furniture by large commercial organisations. By leveraging the requirement of demonstrating 'Corporate Social Responsibility' amongst large firms, Green-Works offered a service to big players in the London business world to provide an alternative to landfill, with clear environmental and social advantages. Therefore, Green-Works has built its 'membership' almost entirely amongst commercial organisations, with only a handful of Government departments involved and not a single Local Authority. When asked about this, Green-Works showed an equal wariness of involvement with public bodies that ReBoot expressed towards private business; concern over slow and excessive bureaucracy, the process of getting on the approved supplier list and a reputation for slow payment.

Colin Crooks commented that many social enterprises are developed from heavily funded Local Authority or 'social' backgrounds, rather than private sector backgrounds such as Green-Works. This in turn means that some social enterprises would be more

likely to remain involved in the public sector 'contract' market that is familiar to them, and not venture into the commercial sector with less reliance on funding support. Social enterprises in the UK are generally highly dependent on the state, and whilst there are some examples of projects that have successfully developed independently of public funds, the majority of social enterprises rely heavily on grant income and/or service level contracts with public authorities (Amin et al. 2002). This challenges the government notion of viable independent enterprises existing in the public sector, achieving delivery where the public sector had previously failed.

### **Breaking down sector orientation from the bottom up**

As a highly independent organisation, Green-Works has been described as an enterprise that is not restricted to any particular sector:

*'Green-Works is an example of how a social enterprise can "join up" the agendas of private, public and community sectors.'* (Social Enterprise Coalition 2003)

This notion of a distinction between 'sectors' is one that social enterprises have come to challenge, on the one hand through the provision of traditionally 'public sector' services through traditionally 'private sector' means, and yet also reinforce through their approaches as explained above. It is worth noting that the concept of 'sectors' is itself an artificial construct which provides a means of categorising different areas of the economy, but as such it is a problematic notion that can give a false impression of clear-cut distinctions that bear little resemblance to a blurred and complex reality.

In the context of a mixed economy made up of state and non-state institutions, ideas about what is meant by the 'public sector' are continually changing. Various factors have contributed to the blurring of the conceptual boundaries between public and private; changes in trade and competition rules, changes in financing and organisational structures, and multiple forms of 'privatisation' (Clarke and Newman 1997). Increased focus on financial and performance management during the 1980s and 1990s have brought about ideas of the public sector 'becoming businesslike' (Pollit 1993), which for example can be seen in the explicitly business-focused approach of Green-Works.

Clarke and Newman (1997) argue that the transferral of public services from the state to delivery agents is more than simply a delegation of tasks; it is a transferral of power enabling non-state organisations to deliver services, whilst at the same time subjecting them to new constraints through processes of assessment, contracting and evaluation. This new relationship, defined through decentralised surveillance and enforcement, is precisely what Bootstrap Enterprises are referring to when seeking 'independence' from government funding, and 'freedom' to operate in the marketplace as an enterprise.

Brian Millington explained the distinction between these sectors using the diagram shown in Exhibit 2 below.

On the vertical axis this exhibit shows the similarities between private and social enterprise in terms of their risk taking, trading activity and entrepreneurial approach. It also shows the risk averse and non-trading approach of the services provided by the public and charitable sectors. On the horizontal axis ownership and control are compared between private enterprise (shareholders) and government services, in contrast to the community focus and independence of social enterprises and charitable services.

<b>EXHIBIT 2: SOCIAL ENTERPRISE IN ITS WIDER CONTEXT</b>		
	<b>Risk taking, trading &amp; entrepreneurial</b>	<b>Risk averse, no trading</b>
<b>Control oriented (e.g. audit, regulated)</b>	<b>Private Enterprise</b>	<b>Government Service</b>
<b>Community owned and independent</b>	<b>Social Enterprise</b>	<b>Charitable Service</b>
<b>Source: Brian Millington, Bootstrap Enterprises</b>		

This model is however flawed, in that Green-Works operates with all the characteristics of a social enterprise (arguably bordering on private enterprise), but is in fact registered as a charity. Whilst it is therefore subject to Charity Commission controls, it is allowed to trade, and shows no sign of being risk averse! Equally, ReBoot borders between being a social enterprise and a charitable service, yet in addition it is held at close rein by restrictions linked to the Government funding. This matrix is helpful in distinguishing social enterprise from the other three 'sectors', but the reality is that these lines are in fact far more blurred, and as argued by Clarke and Newman (1997) these organisations exist as dynamic relationships that are continually re-shaping and crossing over these boundaries.

The exhibit also shows how the multiple demands placed on social enterprise are made up of a complex mix of ideologies. From a business perspective there are standards to be met and procedures to adhere to, 'best practice' to follow and financial sustainability to achieve. As a registered charity an organisation has to follow further regulations according to Charity Commission law. As part of public sector provision, there are further stipulations and requirements regulated through audit and evaluation.

### **Market orientation as a driver of growth**

We have seen that these enterprises exist in a space that is involved in private sector business, and therefore the market context in which they are situated bears a vital influence on their growth and viability. The concept of recycling is one that is of increasingly high priority in the UK. The volumes of commercial waste (of which computers and furniture are only a small part) are many times higher than that of domestic waste, and yet, according to Colin Crooks, the government appears to be reluctant to impose legislation and targets onto British businesses in order to increase the rates of re-use and recycling.

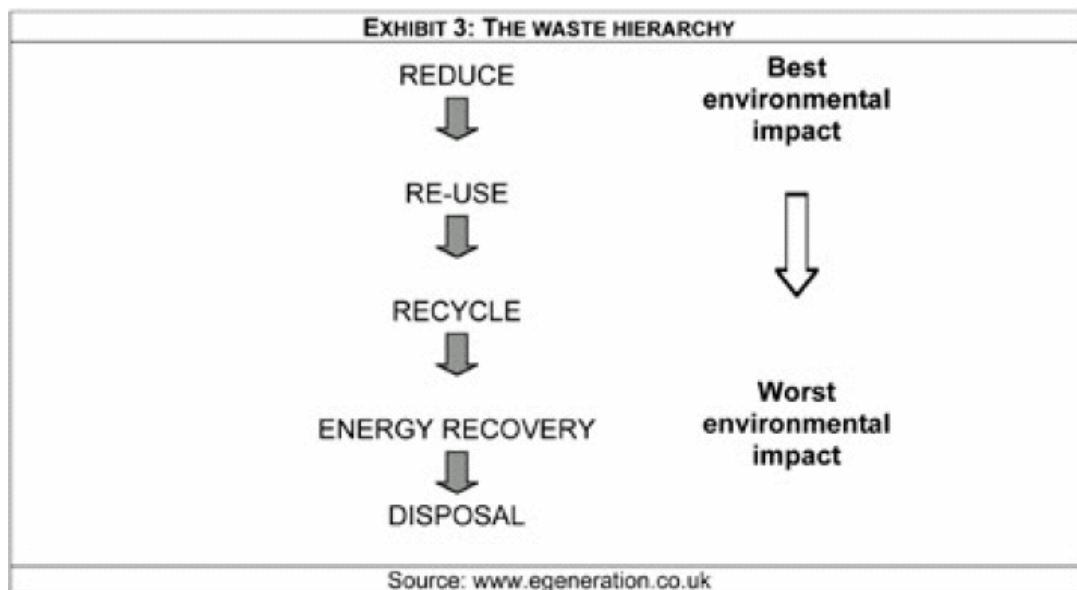
Again Colin Crooks believes that most social enterprises are engaged in the municipal waste area, possibly due to the reasons explored in the section above, and therefore the commercial waste market remains relatively untouched. In terms of competition for Green-Works, there are currently no significant players. The largest player in the UK computer re-use market is probably Computer Aid International whose aim is to export computers to developing countries. This is a project with different aims to those of ReBoot, and would not be a threat on a local level.

It became clear from the interviews that recycling is only one aspect of the work of these two enterprises, and in both cases is a shrinking part of their market.

For ReBoot, the recycling of computer components, monitors and so on is an expensive exercise that has become increasingly prohibitive following the introduction of the EC directives for waste electrical and electronic equipment (the 'WEEE' directive). To properly recycle 27 monitors would cost ReBoot £500 (approximately £18 per monitor). Given that these monitors would have been 'donated' (and donors would not consider it as a disposal service that warrants payment) this is clearly not a viable business model. ReBoot have therefore changed their strategy and only accept computers that are fit for re-use (Pentium 3 standard or above). Therefore it is re-use that is their business, not recycling. In addition to this are the IT related services that are a growth area, and which they intend to expand.

Green-Works also suffers from the high costs of sending unsaleable items for recycling to be used for refuse-derived fuel (RDF). Whilst some income can be gained from the sale of scrap metal and plastics the cost of recycling is a major part of the enterprises' expenditure. Again, the focus is on enabling the re-use of the furniture wherever possible, but given the variable quality of second-hand furniture this is not always an option.

So in fact it would be more appropriate to term this sector as 're-use' rather than 'recycling', as the two terms have distinctly different meanings. These meanings can be seen in the Government's 'Hierarchy of Waste' as shown in Exhibit 3. Both ReBoot and Green-Works are aiming to stay as close to the top of the waste hierarchy as possible (note that 'reduce' means that less waste is disposed of; at its extreme this would put these enterprises out of business, however, given current volumes of waste this is highly unlikely).



In terms of their customer base, ReBoot and Green-Works appear to be selling their goods to the same sorts of end buyers; charities, churches, schools, businesses and individuals. However, for Green-Works these sales only make up a third of their total income through trade. The remainder comes from the membership fees paid by the commercial donors of the furniture, calculated at a fee per tonne of furniture, and it is

this income that has made Green-Works financially viable. As mentioned earlier, the linking of furniture tonnage to income ensures that their primary goal is reached, and thereby the required income is achieved. When asked if 'donors' of computers would pay ReBoot for the service of taking computers away, the concept was immediately dismissed:

*'Customers would be outraged if we charged for taking the computers away; they would refuse to pay. People donating often think they should be paid for giving their computers as they assume that it is big business.'* (Maria Bernal – Technician, ReBoot)

This highlights again the difference between the large-scale commercial service versus the small-scale local project, and it is important to recognise which approach is appropriate in each of these contexts. However, an additional twist is that Green-Works are obliged to take furniture of varying condition and quality as part of the service, whereas ReBoot is at liberty to select which computers they will accept. This means that ReBoot is able to keep their recycling costs to a minimum, which Green-Works are currently unable to do.

One of the challenges facing both Green-Works and ReBoot is to establish a sufficient customer base of buyers of their goods for re-use. This fundamental aspect of all business growth can be often overlooked in literature about social enterprise, but it is clear that if there is no paying customer, there can be no enterprise. The difficulty lies not in getting goods in, but getting them out again. This is one of the reasons why Green-Works have adopted a franchise approach to their outlets. By opening up franchise outlets in other parts of the UK, low cost furniture is made available to a wider market, sourced through the London-based warehouses. However, this is not without its issues given the cost of haulage, variance in furniture quality and the lower price expectations outside of London.

## **SUSTAINABILITY, FINANCE AND LONG-TERM VISION**

For both enterprises long-term sustainability is a priority, and financial security must be achieved. This does not necessarily mean independence from funding, but using a balance of earned income and appropriate funding to achieve their aims. As Brian Millington explained from Bootstrap's experience:

*'When you chase the funding from the government you can take your eye off your clients and the central purpose of the organisation – you're then walking away from the client to get the funding. The plan should come first, before you decide what funding to go for.'*

Green-Works have used additional funding to expand on the existing programme, and so ensure further growth; it is not used to subsidise the existing operation.

Both enterprises are working in a growing market – they have identified a need, their customers, and are able to generate a viable source of income. Their sustainability will come from exploiting the opportunities that come their way, without taking their eyes off their main objectives. For ReBoot this may mean defining a marketing strategy, re-locating to bigger premises and getting themselves well established in the local area as a provider of computer hardware and a range of IT support services, whilst simultaneously delivering quality training opportunities. For Green-Works, sustainability will mean ensuring that there are robust systems and processes

in place to manage the reality of consistently large volumes of furniture. The logistics of the operation are becoming increasingly complex and will require the right management experience and expertise. As noted by Colin Crooks:

*'You can be gung-ho and "fly-by-the-seat-of-your-pants" when you start out, but at a certain scale you have to have the right systems in place, otherwise you just can't do it.'*

The use of partnerships has been another way that Green-Works has grown its operation; by working in partnership with Newham-based charity First Fruit, Green-Works was able to more than double its volumes in 2002 and have an operation managed and resourced elsewhere. The use of partnerships can allow access to resources, improved financial performance and benefits from enhanced legitimacy (Haugh 2005). This was reflected in Green-Works' increased access to warehousing space, thereby bringing increased income through higher volumes of furniture and sales to end users, and legitimacy through showcasing the additional resource to potential new members.

## CONCLUSIONS AND FURTHER RESEARCH

Growth is defined and understood in different ways, and can be experienced in social enterprises to varying degrees and on different scales. Unlike conventional private enterprise, growth for these two enterprises is not an end in itself, and therefore in some cases, such as ReBoot, is not a particularly useful measure of success. The DTI's strategy to support the growth of social enterprises may therefore only be applicable to those social enterprises for whom growth like that experienced by Green-Works is synonymous with success; this should not be assumed as a given. Further research could be undertaken to identify alternative appropriate measures of success within social enterprises that would contribute to the growing body of work on the performance measurement of social enterprise (for example by the New Economics Foundation).

**Managerial ideas** can be seen in the strategies and approaches of both the social enterprises studied. There is an increasing body of literature and 'how to' guides for the management of social enterprise, which may need to be examined in relation to the managerialist assumptions that are taken for granted and assumed as the 'right' way to run an organisation.

**Trade** within social enterprise is assumed to be a fundamental feature of how social enterprise is defined and understood. The DTI assumption that 'social enterprises are primarily businesses' can be seen through well-known examples of social enterprises that see trade as their core objective; for example the Fair Trade movement involving organisations such as Café Direct and The Day Chocolate Company. However, this research raises the question as to whether all social enterprises should be defined and viewed primarily as being about trading. Further study on the primacy of trading within social enterprise would be useful here.

**Government involvement** in the two social enterprises has been another area of contrast, which has highlighted the tension between the requirement of financial support with the desire for 'independence'. This issue may feature heavily across other funded social enterprises, and is becoming increasingly important as large funding streams (for example the European Social Fund) come to an end in the UK. The extent of the ability of social enterprises to shift from grant funding to increased

independence would be an interesting area of study that may have important consequences for social enterprise strategy over the next few years. Self-sustaining enterprise is a constant challenge, so further research to understand how some social enterprises plan for and ensure their financial sustainability may provide useful guidance.

The **'on the ground'** experience of social enterprises, as seen with ReBoot and Green-Works, is often concerned with the more immediate issues that they face on a day-to-day basis. Challenges of competing in an open market, knowing and retaining customers, managing costs, maintaining a secure income, rising to operational and logistical challenges and achieving sustainability are all in a day's work. These are achieved in addition to the more fundamental 'social' aims and objectives for which the organisation exists. It should not be overlooked that running a business is a challenge enough; running an enterprise that seeks to bring about significant social change through the vehicle of a business is even more complex and challenging. Thus the expectations and obligations placed on social enterprises through government managerial approaches add an additional burden onto these enterprises that may hinder their growth rather than support it. This research shows through two examples that social enterprises can achieve a great deal through their own capabilities, and that whilst they may be achieving government priorities in a range of ways, it is their own objectives and purposes that must remain the primary focus of what they do.

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