

Working with groups

Assessing enterprise readiness and using tools & resources

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Before we start...

- Do you already support organisations that are or want to develop trading?
- Do you use 'tools' when working with groups?
- What do you want from this session?

Stepping Up To Enterprise Project

**Building the capacity of support organisations to
assist VCOs to develop trading**

- Resources and website www.steppinguptoenterprise.org.uk
- Case studies
- Training development workers
- Piloting support approaches with frontline organisations
- Compiling and disseminating materials & lessons learnt

The website

www.steppinguptoenterprise.org.uk



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Resources to enable you to start trading

This section provides some links to websites and resources to download that can help you at the different stages of thinking about and planning any trading. Some sections help you to look at your organisation and if you are ready to trade and others provide more specific information or tools to help you to develop your business planning or investigate different areas such as tax implications.

A simple key should help you to see which links, tools and materials are suitable for you. The key shows the 'level' of the information - basic, intermediate or advanced - the medium, such as a downloadable book and if it is a worksheet.

General - useful websites and support

Introduction

- [A. What is trading and why would you want to do it?](#)
- [B. Strategic planning](#)

Business – what is the enterprise?

- [C. Generating ideas for trading](#)
- [D. How to choose the best ideas – options analysis](#)
- [E. Market research and competition](#)
- [F. Unique selling proposition and competitive advantage](#)

News

- Training for advisers
- EVENT for VCS advisers 17th February 2011
- Get Legal web tool

Case Studies

Mansfield CVS
 Main theme: Public Sector

Learning - general

- Groups often don't know where to start
- Needs beyond developing trading
- Culture change is critical
- Groups often come in crisis situation – trade or go
- Trading is not right for some groups
- Confusion about what trading is e.g. contracts
- Misconceptions about ability for to trade

Learning - general

- Do not underestimate time and effort needed
- Support helps to see wider opportunities
- Issues around pricing and charging direct users
- Determination to succeed against all odds is essential
- Enterprise isn't an easy option - businesses need to be ahead of market

Learning – use of tools

- Different advisers find different materials useful
- Some groups respond to structured tools and others find it ‘too much’
- Open eyes to the bigger logistical picture
- Different ‘tools’ for different groups or times
- Helpful to structure intervention
- Case studies and examples very useful
- Can prompt technical questions e.g. legal
- Time to use toolkits not always available
- Use simple tools like SWOT as well

Resources

- Assessment tools
- Case studies
- Links to websites including interactive sites
- Downloadable resources and tools
- Information on key written materials
- Directory of other support providers
- A-Z

All on www.steppinguptoenterprise.org.uk

We want to make it useful for you

Assessment tools

Purpose:

- To help groups to see where they are performing well and need some improvement or information
- To demonstrate that in order to move forward need to have a generally robust organisation
- For advisers to use as a structured ‘checklist’
- To help to direct advisers and groups to particular tools and information
- To spark discussion

Assessment tools

Lessons learnt:

- Enables identification of needs in one session to inform further support
- Useful for groups to reflect on context for organisation and WHY before going into detail
- Can be daunting for some groups
- Requires real honesty from groups and have to impress that not passing judgement
- Do not always have resources to hand – useful to have internet access

Quick Assessment

1. Do you have a clear mission for your organisation i.e. overall what you want to achieve? Yes No

You may want to look at the sections on '[Mission](#)' and '[Strategic Planning](#)'.

2. Are you clear what trading is and why you might want to do it?
3. Have you ever sold anything (goods or services) before?
4. Is your organisation able to trade (does your structure and your constitution or rules allow you to)

Can you confirm that there are no issues for you in starting to trade (e.g. tax implications)?

Multiple Choice Assessment

Clarity of purpose and mission

	Tick
May have lost our way. Not quite sure what our purpose and core activity is now and struggling to find an effective mission for the future.	B H
We have a common purpose and mission but do not always stick to it and are reactive to outside events. We are, however, keen to invest in reviewing what we are here for and what we want to be in the future	B H I
Our purpose, values and mission are clearly defined and practiced and shared by all internally and possibly externally	

Organisational culture/resistance to change in relation to income generation

	Tick
We tend to fear or to be resistant to any change. We are extremely cautious about moving into new areas of activity and in particular income generation.	L
We are open to change and want to explore the options further	L
We embrace change and are committed to develop some income generation activity following thorough reviews and research	

Web resource headings

Introduction

[A. What is trading and why would you want to do it?](#)

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Business – what is the enterprise?

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[D. How to choose the best ideas – options analysis](#)

[E. Market research and competition](#)

[F. Unique selling proposition and competitive advantage](#)

[G. Marketing and selling](#)

Social or environmental benefits

[H. Mission](#)

[I. Social return and mission related trading](#)

Web resource headings

Organisation – how are you going to operate?

[J. Can your organisation trade and what structures should you choose](#)

[K. Charities and trading](#)

[L. Risk and change - exploring your attitude to trading and managing change](#)

[M. People – skills, employing people, building a team](#)

[N. Are you an entrepreneur](#)

[O. Premises and equipment](#)

[P. Are you ready for trading?](#)

Web resource headings

Finance – how do your finances look?

[Q. Your income now and where you want to be](#)

[R. Feasibility studies](#)

[S. Business planning](#)

[T. Forecasting costs](#)

[U. Selling to and contracting with the public sector](#)

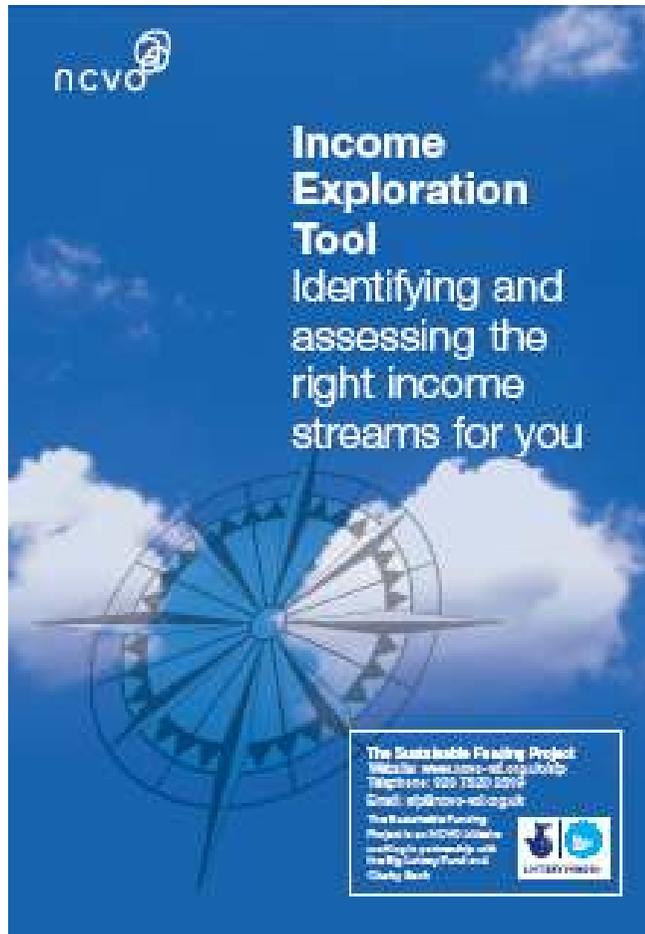
[V. Financing your ideas](#)

[W. Tax issues](#)

[X. Full Cost Recovery and Pricing](#)

Income exploration tool

NCVO



1 Review your current income streams

2 Explore whether a more diverse income approach could benefit your organisation and your beneficiaries

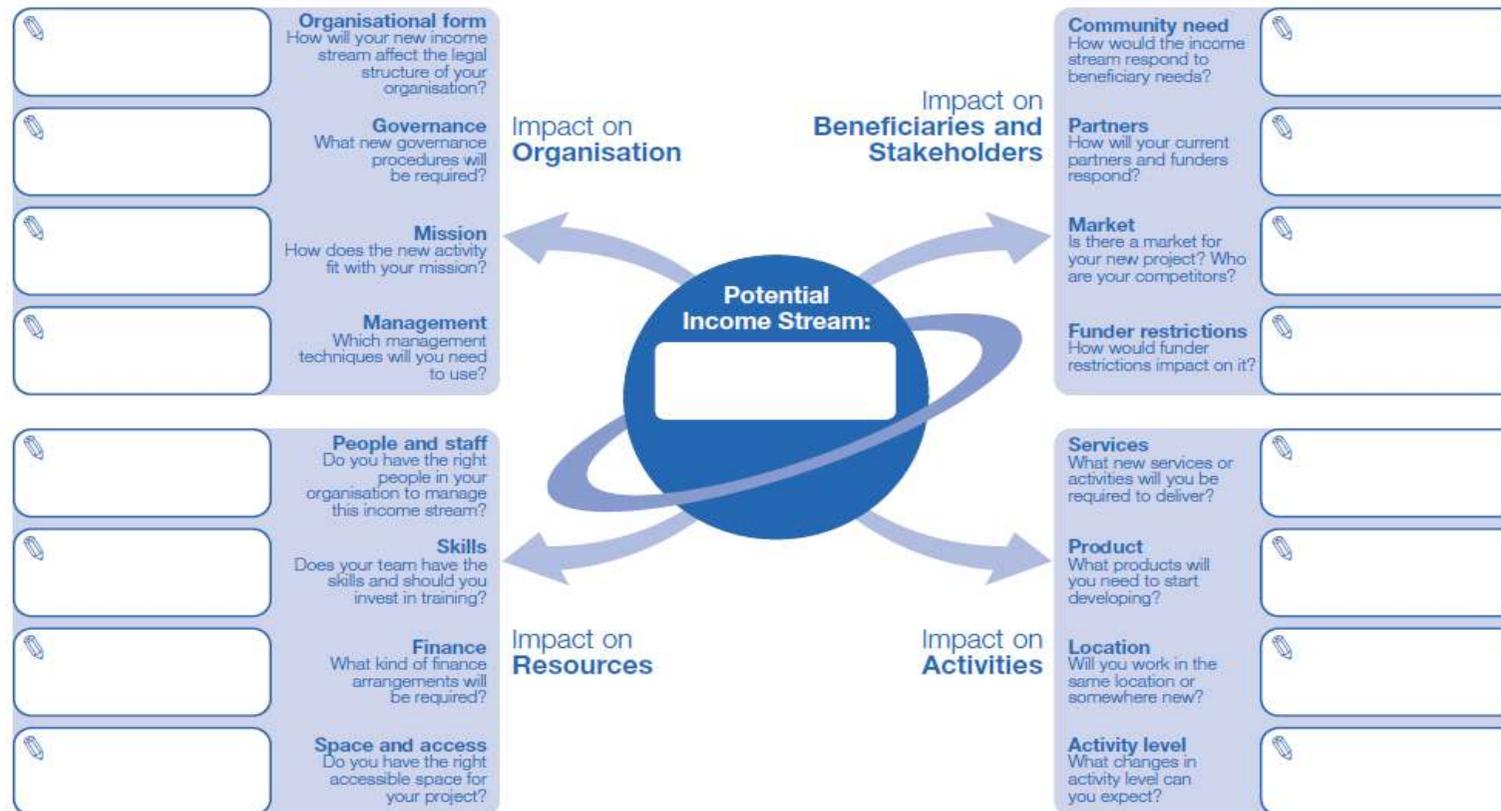
Income exploration tool



Income exploration tool

Potential income stream: explore its impact on the organisation and your beneficiaries

Consider the impact your potential income stream would have on key areas of your organisation using this **income exploration tool**. Write the potential income source in the centre then follow the arrows and use our starter questions to explore its impact on your organisation and beneficiaries. You could also copy the tool onto a big piece of paper or whiteboard and get your whole team involved.



When you have completed the income exploration tool, you can reflect on the **Stability, Suitability and Sufficiency** of the income stream (see inside cover). You can get more copies of this tool and further resources by contacting the Sustainable Funding Project. Our contact details are on the front cover.

BIG tool DTA

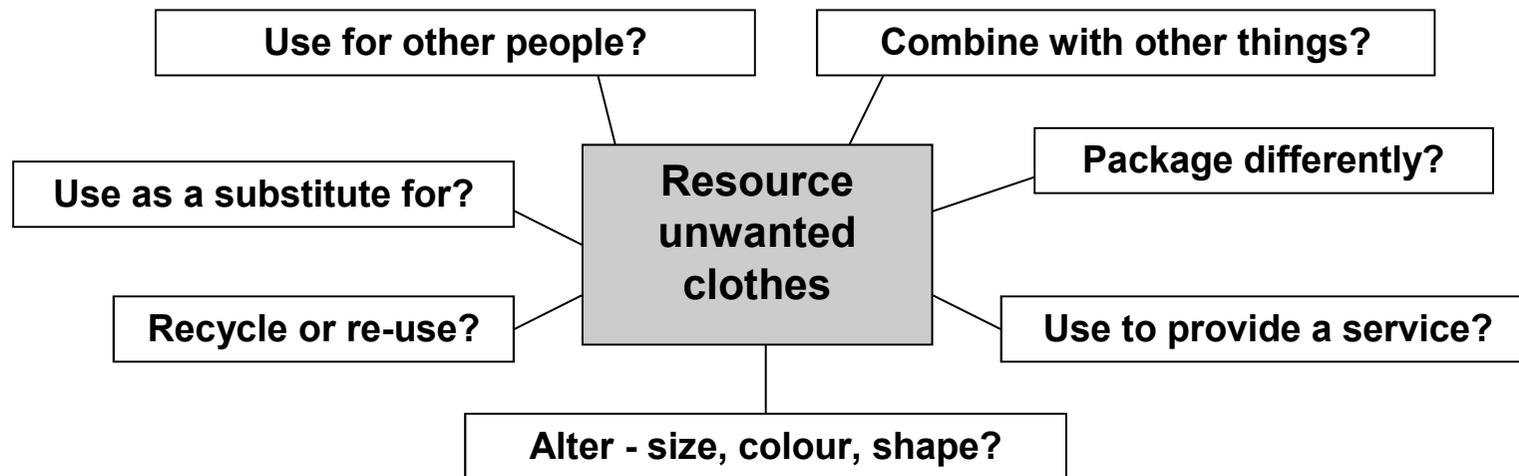


Business Ideas Generation – B.I.G.

Part of the DTA's Enterprise Accelerator ©
Programme

- Entrepreneurial spirit generated through ideas generation
- Good options to explore from 'wacky' ideas
- Fun

Example



Defining our ideas



Unlock Your Potential

www.unlockyourpotential.info

- Liz will talk about this
- Framework for developing ideas
- Helps group to think through if it is a good idea and will work

Attitudes to enterprise

Finance Hub

Risk	Competitive	Competition
Profit	Opportunity	Price
Business	Afford	Undercut
Expensive	Income	Investment
Spare cash	Exploit	Mission
Assets	Win	Capital

Balanced Scorecard

- Can be seen a 'one page' business plan
- Version produced by the Development Trusts Association

Business model	Operational development
Financial return	Social return



Anytown Trust (July 2009)

Community anchor with horticultural project working with people with learning disability seeking asset transfer to extend into office/conference/catering

to
IE

BUSINESS MODEL		ORGANISATIONAL DEVELOPMENT	
LATER (up to 5 years)	SOON (up to 2 years)	SOON	LATER
Primary markets: training and skills commissioners, families of people with learning disability, local social enterprises/businesses Primary business activities Horticultural (turnover £70k). Room and conference hire (turnover £50k). Café/catering (turnover £100k). Office lettings (turnover £120k)	Primary markets: training and skills commissioners, families of people with learning disability Primary business activities Horticultural (turnover £70k). Room hire (turnover £40k). Café/catering (turnover £60k).	Legal form: No change People: staff 3, volunteers 35, members 100 Buildings/land: Transfer of asset to community ownership: 5000 sq ft extension to provide office and learning/conference space and upgraded kitchen	Legal form: No change People: staff 7, volunteers 50, members 100 Buildings/land: No change Early Warning Guide: 18 green Quality tool: DTA Healthcheck
	Primary markets: local authority social services Primary business activities Horticultural (turnover £55k). Room hire (turnover £20k). Café/catering (turnover £10k).	Legal form: Charity, company limited by guarantee, set up 1997 People: staff 1, volunteers 25, members 0 Buildings/land: Community centre and nursery/garden on short lease from local council Early Warning Guide: 8 green, 6 amber, 4 red Quality tool: None	Early Warning Guide: 12 green 6 amber 0 red Quality tool: None
Turnover £550k Earned income 65% Annual surplus £35k Net value of assets £1m	Turnover £200k Earned income 50% Annual surplus £20K Net value of assets £500k SOON	Turnover £95k Earned income 35% Annual deficit £3k Net value of assets £0 NOW	Aims: Beneficiaries: all local people; area of benefit: Anytown and surrounding villages; population 3,500, objective: social economic and environmental regeneration. Users: 180, including people with learning disability and their families 40, BME 15 and young people 30. Local organisations supported: 8 Impact tool: none.
		NOW	Aims: no change Users: 400, including people with learning disability and their families 50, BME 45, young people 60 Local orgs supported: 12 Impact tool: Change Check
LATER			LATER
FINANCIAL RETURN			SOCIAL RETURN



Balanced scorecard

Some views of champions:

- Useful for working with groups and can build consensus
- Some groups find threatening and hostile
- Can show up issues with current 'business' model

Further training

Supporting groups to generate income from trading

- Dates & venues
 - Landsdowne House, Leicester on 15th March 2011
 - JET in Derby on 22nd March 2011
 - The Healthy Hub, Lincoln on 24th March 2011
- Book on SUTE stand

My role as a Stepping Up To Enterprise Champion

Liz Gumbley – Capacity Building Officer

Community Action Derby

The Process

Attended a two day training session – Stepping Up To Enterprise to learn more about the programme and how we would be supporting voluntary organisations

After the training our remit was to support two organisations to work through the toolkits that we had learnt about and evaluate the effectiveness of the project

I worked with:

❖ **An Arts Group** – the purpose of this group is to promote and develop visual arts e.g. painting, sculpture, pottery and run high quality arts events for the benefits of artists and the community. Also to run workshops and public art commissions in local hospitals, schools and local community groups

❖ **A drama group** – the purpose of this group is to provide the opportunity for students to express their creative skills in all aspects of performance. Their future plans is to open an academy in Derby.

How I supported the two groups

A series of meetings with each group in which we completed the following toolkits:

- Defining Ideas sheet
- Quick assessment of their support needs – to assess how enterprising and ready for trading they are
- Multiple choice option – to assess how enterprising and ready for trading they are
- Balance Scorecard Business Plan – a one page plan for groups to start building up a picture of their organisation
- Cash flow sheet – to start identifying their income and expenses

Why I used these toolkits

- Simple to explain and use
- Quick to identify what level and type of support was required by each group
- The assessing support needs toolkit contains a large amount of information which will be really beneficial for the groups to refer back to as they progress

Comments from the two groups

Defining our Ideas – a very useful tool and has given the group a clearer understanding of where they are aiming towards

Assessing Support Needs – highlights the support that is required for the groups to move forwards

Balance Scorecard – it is useful to start getting focused on how the groups are going to develop and grow over the next five years

Cash flow – very helpful to cost out each project/workshop so that the groups can get their pricing structures correct to ensure a surplus

Lessons learnt

- The process of changing to a Social Enterprise from a voluntary/community group can take a long time. It's not a five minute job!
- Needs commitment from the trustees of the groups
- The groups need people to have the necessary skills to be able to move this forward
- It's important for the organisations to have already developed their structure and processes to be equipped for the Social Enterprise model

Outcomes of the two groups

The Art Group have decided to move towards becoming a Social Enterprise. They have identified their trading activity and are now being supported by Business Link to set up their legal structure

The Drama Group after having explored the different toolkits decided to put the Social Enterprise idea on hold. However after a few months of not contact they have arranged a meeting next week to start revisiting the possibility of setting up as a Social Enterprise

I have started to support other voluntary organisations with the toolkits and recently delivered an Introduction to Social Enterprise training session