

Enterprise Sinfin



Main theme: Use of a building asset and building on the strengths of an organisation

Enterprise Sinfin aims to reduce unemployment and provide community resources in the Sinfin ward of Derby. Since it was founded in 1989 the organisation has been primarily funded by grants with a limited revenue from room hire. By 2007 the organisation was facing increasing financial difficulties and Jaz Greer was one of several new board members who set about transforming the organisation.

"I was one of several new directors who joined the board in August 2007. We inherited a lot of problems and a lot of debt. There was no infrastructure and no one knew simple things like where we leased our photocopier from, how long our contract was and how much we were paying. We brought in a different way of working, which was much more business orientated. The old name for the organisation was 'Sinfin Unemployment Project offering Real Thinking' or 'SUPORT'. We decided that the name needed to change to reflect our new focus on enterprise and so 'Enterprise Sinfin' was born.

In the first year we focussed on keeping the business going and looking for opportunities to save money by getting better deals on insurance, contracts and rates. That reduced a lot of overheads and also led us to look at our pricing strategy. Historically room hire has always been our major source of earned income. When we examined it we realised we didn't need to increase the amount of room hire we were doing, we just needed to increase the price. We had a contract with the local college and instead of charging £5 an hour for a room that you can fit 20 people into we started charging £15, which is closer to the market

rate."

Enterprise Sinfin have also opened a new community shop to create an additional revenue stream...

"We own the freehold on the property as that used to be an old butchers shop. When I joined the board it was running as a community shop but we closed it down because it was just a drain on finances. The building was empty for about 18 months but we did some work on it and have re-opened it as a community shop.

In the old shop the project manager would just go and buy whatever was on special offer at the cash and carry that month rather than what local people actually wanted. The shop never had enough stock and turnover was really low. When we reopened the shop our community development worker asked people what products they actually wanted and how much they would be willing to pay. We invested £700 to stock the shop accordingly and did some marketing in the local area.

When we re-opened in December 2009 within three weeks we did about four times as much turnover as the old shop used to do. Since April we've increased the revenue targets for the shop and we're almost hitting those now; it's just keeps going from strength to strength. In the next two or three years we're expecting that the profits from the shop can replace some of our core funding.

We got a 'Cultivating Enterprise' grant from the Development Trusts Association and we're using that to start an eBay trading business that will run out of the shop. The idea is that people can bring in goods and we'll sell them in return for a percentage of

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the auction price. We have also secured an agreement with a national canvas printing business. They print people's photographs onto canvas and we're planning to sell those through the shop, on our website and on eBay too. These are two additional enterprises that we are building onto the shop, which is our core enterprise."

Jaz offers some advice for other voluntary and community organisations that are planning to develop their own enterprises...

"The first thing you should do is look at what resources you already have. This way you can develop an enterprise without having to spend a lot of money or take on too much risk. I think it's also important to identify an enterprise that complements your core activities.

For example we have a community shop, an eBay trading business and the canvas print service. Those are three enterprises that we can run from the building we already have. This is much simpler than us going into a whole new area like setting up a window cleaning business, which is unrelated to anything we are doing.

Looking back there are also some things I would have done differently. To be honest, in the first year of taking all of this on I think we could have been a lot bolder and more bullish than we were. I think we spent too much time trying to please everyone and everything we have achieved could have been done in 12 months rather than two and a half years."

Key lessons:

- Examining your pricing to determine if you could raise more revenue by simply raising them
- By working with the resources an organisation already has you can develop training activities with minimal

- additional expenditure and risk
- Developing complementary enterprises will allow you to maximise the investment in core trading resources

Legal structure: Company Limited by Guarantee
Main activity: Community Shop and Room Hire
Number of employees: 10
Turnover: £90,000
Location: Sinfín, Derby
Date formed: 1989
Percentage of generated income: 55%
Date written: May 2010
Website: www.enterprisesinfin.co.uk

This case study is one of a series produced by the Capacity Builders funded 'Stepping Up To Enterprise' project in the East Midlands.

The case studies tell the stories of voluntary or community organisations and how they moved to developing trading. The case studies are available on the website www.oneeastmidlands.org.uk/sute.