



Big business is all abuzz

A London beekeeping social enterprise has benefited from a new mentoring programme that teamed them up with a big business high-flyer. But the corporates are now getting interested in forging commercial links with the sector as well as dispensing advice, says **Caspar van Vark**

Given the use of the word ‘enterprise’ in their name, it’s surprising that social enterprises, are not on first name terms with the private sector. The charity sector, the government and local authorities are all good friends of social enterprise, but what about big companies? Is social enterprise on their radar?

Increasingly, the answer is yes. There is a growing interest in the sector and in doing business with it. How that happens – and whether all social entrepreneurs even want it to – is another matter.

Last year, Business in the Community (BITC) launched a mentoring programme that matched social

entrepreneurs with senior professionals from large corporates. BITC had previously helped enterprises find pro bono services, but many had expressed a wish for longer-term advice and support. Large corporates, meanwhile, are keen to get their employees volunteering and, it seems, to start getting a finger in the social enterprise pie.

and making a difference, but often lack the commercial background to make the business grow.’

The Golden Company was one of the social enterprises that took part in the pilot. Based in Hackney, it provides training to young people to help them develop business skills through urban beekeeping, permaculture, carpentry and cosmetics production.

Its director, Zoe Palmer, does not come from a business background, and was paired with Liz Jackman, a senior manager from chartered accountants Grant Thornton.

‘I was specifically interested in working on a financial plan and strategy,’ says Palmer. ‘I met with Liz every three weeks or so, and she helped us set up practical things like a cash flow document and financial projections. She also gave more general advice on partnership and relationship building, and the pricing of our products. It was really across-the-board business advice.’

WHAT’S IN IT FOR THEM?

It’s easy enough to see the benefits of mentoring for a young social enterprise like The Golden Company. But what about the corporates? Springbett suggests there are two distinct benefits: for the mentor personally, and for the company strategically.

‘When you ask the mentors why they do it, they mostly say it’s because they want to do some good,’ she says. ‘For their companies, it’s different. It’s about skills development, and keeping up with new ideas and approaches. Social enterprises tend to be innovative, and for these big companies it’s about being present in this new marketplace. Keeping up with that level of innovation gives them a competitive edge over other companies which aren’t necessarily working with social enterprises yet, and not seeing the impact it might have.’

That all sounds good in theory, but when you’re talking about huge companies with thousands of staff, it seems unlikely that encouraging a few of them go for a coffee with a social

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*Anna Springbett
Business in the Community*

entrepreneur once a month will make much difference to that company, even if it’s very helpful for the social enterprise.

So is this anything more than a nice corporate social responsibility story for the big companies? From BITC’s point of view it is: the mentoring programme is not just about making friends and helping business people feel a warm glow inside.

‘You can give social enterprises advice until you’re blue in the face, but until they’re making money they’re not going to grow,’ says Springbett. ‘Our aim is to get more social enterprises selling to big companies, and working with them.’

In the case of The Golden Company and Grant Thornton, these steps are already being made. Liz Jackman now sits on the board of The Golden Company, and The Golden Company’s honey is sold in Grant Thornton’s canteen. Jackman herself has also worked to introduce social enterprise procurement within the company.

‘I think mentoring is good because it brings diversity to your role,’ she says. ‘But I do want to see a solid outcome too. I came back and started talking to our procurement people, and we’re trying to get our procurement strategy changed to be more driven by social enterprises.’

But is this actually in the interests of Grant Thornton from a business point of view? One challenge for small social enterprises trying to do business with national and international companies is scale. In general, big companies >

buy from other companies that are themselves large enough to give them what they need, and to do it consistently and uniformly. Social enterprises are often small and rooted in a particular area.

Jackman acknowledges that, but doesn't feel it's an insurmountable problem, arguing that it's valuable for Grant Thornton to be seen as innovative in its procurement.

'Those considerations are being built in,' she says. 'We need to be commercially sensible, but also to work for a fairer playing field. We want to make sure we're leaders in good procurement. Many of my colleagues thought social enterprises were charities – my initial thought was the same – but they are very commercial. What we're doing with our procurement strategy is making sure our local offices have

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PHOTOS: (above) Golden Company youth workers Helen Kassarete and Lakshmi Greco receiving an RSA Youth Innovation award for developing new honey-based cosmetics; (right) children taking part in an outreach project

that ability to shop locally while also following a national procurement strategy. It's about getting that balance.'

TWO-WAY STREET

There's a bit of an assumption underlying all this that social enterprises are the ones doing all the 'good', and that large corporates ought to help them along a bit. In return, they can be sprinkled with a bit of social enterprise fairy dust and look good.

Liam Black is the co-founder of Wavelength, a business that works to bring socially innovative organisations together. He's all for social enterprises working with multinationals, but insists the relationship has to be based on good business practice. Social enterprises do not have a monopoly on positive change, he argues.

'I don't think people in big companies particularly care about social enterprises,' he says. 'But I think there are an increasing number of socially enterprising people within big companies. And when they think about how they might be smarter in their CSR work, or open new markets, one possible way is by collaborating with social enterprises.'

Setting up a procurement policy to encourage deals with social enterprises is fine, he adds, but it's still a small-scale approach. 'There are all sorts of things companies can do to make it easier for social enterprises to get a contract. But large-scale transformative collaborations are the big prize.'



Black points to examples like the microcredit organisation Grameen Bank working with Danone, and the social investment fund Root Capital, which has Starbucks as an investor. When it works, he says, the impact can be huge because the social enterprise can find itself operating on a far bigger scale. And the work being done to make the world a better place in a financially sustainable way is actually already being done through multinationals on a scale that small social enterprises would find hard to emulate.

'If you get the right partner, you can scale up a lot more quickly than through incremental growth,' says Black. 'But only a small number of people in the traditional UK social enterprise sector will be up for it, or able to do it. Most SMEs couldn't do it either. It takes people with a particular ideology, and you need good negotiating skills for your idea to survive in a large, complex company.'

Many social enterprises would balk at the idea of getting into bed with a company like Starbucks anyway, even if it meant they could reach millions of people. The Golden Company's Zoe Palmer admits she would think carefully about any tie-up with a large organisation. 'Part of me feels wary of that,' she says. 'But the reality is that the world is dominated by big business, and if working together took us both to the place we wanted to go, it could work.'

BIG OR SMALL?

So are big tie-ups and massive growth necessarily a good thing for social enterprises, which are often a product of local need and exist to deliver some kind of community benefit, often providing services that no one else does?

Vincent Neate is UK head of sustainability at KPMG accountants, which is a partner in BITC's mentoring programme. He sees plenty of scope for deals between social enterprises and big business, but doesn't think of it as an end in itself.

'I think real deals can be done,' he says. 'That's the point of this



programme. But you have big businesses and small businesses, and certain products and services can be delivered by both, or only by one or the other. It would be overly simplistic to say that the way forward for social enterprises is to scale up by working with big businesses. For some, the way forward will be to remain small.'

The BITC mentoring programme concluded its pilot in January this year, and its success has led to the programme continuing on a rolling basis. Of the original participants, 90 per cent of the enterprises said they felt clearer about the future of their business, 28 per cent said they had made cost savings and 38 per cent had already increased their sales. From the mentors' point of view, 80 per cent felt that the additional skills they had learned would be useful in a work context.

It's difficult to argue against the value

of sharing skills and advice, and if big companies want to do business with small social enterprises, that can hardly be bad either. But it's really up to those enterprises to work out what they want first: will deals with big companies help them do their work better and achieve their aims? And is there a company out there that even wants to do business with them in the first place? It works both ways.

'There needs to be a nice mix of goodwill and self-interest for it to work,' says Liam Black. 'And when it does work, it creates something that neither side could do on their own.'

One thing seems clear – big business and social business do indeed have one another on their radar screens. Time will tell if this leads to the 'transformative collaborations' identified by Black as the big prize both sectors are seeking. ■

PHOTO: some of The Golden Company's products