Social Enterprises – A Best Practice Perspective

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FOSO POCO

Fostering Social Entrepreneurship Ecosystems Post-Covid-19

TARK TARTU SMART CITY   t: MALTAENTERPRISE

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Profile of Enterprises and what we have learned

a) Issues we encounter(ed) – observations & inferences

b) Characteristics of for-profit versus non-profit entity

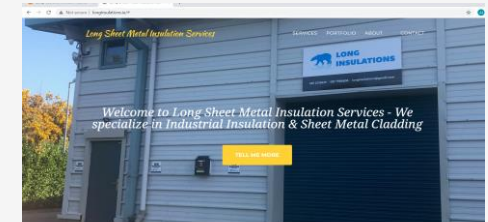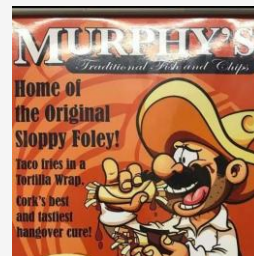**c) Best practice model - hallmarks of sustainable and stable Social Enterprises**

NFB Campus - client enterprises

A vibrant community of private, social & community enterprise

1 A supportive Eco-system & development networks	**2** 1:1 Consultancy & Advice	**3** Mentoring	

Pillars of the social enterprise hub policy:

1 Create a virtual conducive support and learning environment

2 Build an appropriate infrastructure for clients (in NFB's case smes and social enterprises)

3 Build a remote learning platform to convene meetings, share data and that's accessible to all.

Irish Government remote working policy: a) the right to request remote working, b) the right to disconnect, c) to provide smes/employers and employees with up to date/relevant information and d) ensure compliant tax arrangements.

Social Enterprise – observation & inference

Absence of **governance**   v high standard of **governance**

Well meaning volunteers – high operational focus

Short term planning - absence of medium to long term planning

Role of CEO – concentration of control / influence

Profile of CEO – Vocational background – accidental management role

Absence of ''normal accountability'

'Fictional' board

Uncertainty – short-termism

Employment / HR issues

Uncertain career path

Uncertain financial income

Stakeholder needs

Stakeholders – accountability

Funding - Funding cycles, Financial uncertainty

Characteristics of for-profit V nonprofit entities

For Profit

Mission – sustainable income/environment

Measure – Financial performance

Leadership – CEO has sole responsibility

Board – Small, limited in scope, resilient

Members – Qualified, appointed on merit, professional, remunerated.

Nonprofit

Deliver services to key constituencies

Performance of service balanced with other matters

CEO reports to non-ex Chairman/board

Large stakeholder membership, hard to control, can lack focus, sub-committees – always at work

Diverse profile, stakeholder group reps, frequent t/o, largely non-professional, voluntary

Governance – what 'trustees' need to know

Essentially steering committee members, directors, stakeholders, trustees are <u>the</u> people who exercise control over and are **legally responsible** for the management of the 'entity' and are **collectively responsible.**

The role is twofold – a) to regulate in the public interest and b) to ensure compliance with the law.

The process by which directors, steering committee members, trustees etc do this is by ensuring good practice in governance, management and administration.

In order to carry out the oversight role they must endeavour to maintain (complete) independence from operational and management matters.

(Point of information: Over recent years Ireland has had a few high profile cases of poor governance in the voluntary, social and charitable sectors. There is a heightened awareness of the need for all such entities to have high standards of probity and governance)

The hallmarks and best practice principles of social enterprise oversight:

a) **Act in the best interest of the enterprise**

b) **Act with reasonable care and attention in all matters**

c) **Ensure the enterprise is carrying out its purpose**

d) **Manage Assets – (tangible and intangible)**

e) **Make appropriate decisions – keep an appropriate record**

f) **Comply with the governing documents**

PAN Network Brand – *Enterprise Connect Ireland*

To be operational by y/e 2021 with a target of 80 Enterprise Centers / Hubs

1 One national entity – A single point to promote enterprise centers/hubs and enable wider promotion and marketing

2 Mapping - Individual hub classification – remote working choices – from concept in 2020 to a working reality in 2021

3 Booking Platform – for training, networking and 1:1 support

4 Broadband. CSO – focused economic metrics, skills, amenities.....

We will become a whole new learning, support & virtual networking platform

A digital network **for a post covid world**.

Build communication platforms → interconnected sites

Build databases/communities → interconnected / overlapping

Transfer current library to make → accessible across all platforms

KEY objective – Increase the scope and capacity of the networks.
Transfer 25 years of learning onto a digital platform thereby extending
the work and zone of influence of the campus and the networks it
houses to a level that heretofore was simply not possible.