SENTINEL TOOLBOX

for Social Business Support in disadvantaged Regions

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Powered by:

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SENTINEL

European Union European Regional Development Fund

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Chapter 1

THE SENTINEL CONTEXT

SENTINEL Context

The Interreg CE SENTINEL project

This TOOLBOX‘s goal is to provide hands-on tools and methodologies for the support of Social Enterprises in disadvantaged regions. While there is an ever-growing diversity of training approaches for the support of Social Enterprises (SEs), the “unique selling point” of this Toolbox is particular focus on the development if disadvantaged regions.

Following its *Social Business Initiative* (SBI, 2011) the European Commission defined Social Enterprises by referring to three key dimensions:

Entrepreneurial dimension: Social Enterprises (SEs) run continuous economic activity - which distinguishes Social Enterprises from traditional non-profit organisations / social economy entities

Social dimension: In order to achieve primarily and explicitly a social purpose - which distinguishes Social Enterprises from mainstream (for-profit) enterprises

Governance dimension: Social Enterprises have an inclusive and transparent organisation and / or ownership system

The *EU Commission*’s definition is based on principles shared by the majority of Member States while respecting their diversity of political, economic and social contexts as well as the capacity for innovation of social entrepreneurs. As a consequence, different EU Member States adopted new legislation and/or created strategies and/or policies to support SEs’ development.

This lead to a diverse SE landscape across the *European Union*, where SEs provide useful, and potentially disruptive, tools and actions to enhance inclusive socio-economic development and promote employment and competitiveness through the mobilisation of civil society actors and the wider population.

While there are numerous different definitions of Social Enterprises being applied in the European member states, the *INTERREG CE SENTINEL project* has not adopted a unique definition for Social Enterprises – the SE landscapes (and understandings) in the partner regions are simply too diverse. Instead the project relied on an open approach that embraced the various understandings of SE governing the partner regions in Eastern Europe. This allowed regions to exchange experiences and knowledge, while also supporting their regional SEs during the project.

SEs are drivers for sustainable economic, social and environmental growth and development in communities struggling to cope with inapt societal infrastructures and regressive developments. However, despite their best efforts, SEs often lack crucial skills and competences in the way they run their businesses. This can, however, result in less efficient business operations, an insufficient financial architecture, sub-optimal service provision to their target group and, ultimately, business failure.

SENTINEL Context

The approaches presented in this *Toolbox* aim to address some of these specific challenges and lead the way to creative problem-solving and help SEs thrive despite (or very much because of) challenging circumstances.

On the SENTINEL Webpage, you can access all individual pilot reports as well as reports on the state of Social Entrepreneurship of SENTINEL's six partner countries. Enjoy the reading!

The *Toolbox* is designed for organisations providing dedicated support and coaching/mentoring for SEs operating in peripheral and/or less developed regions within Central Europe (CE). Social Enterprises directly benefit local development and correct major socio-economic imbalances while benefiting local communities, a crucial asset to secure the standard of living to current and future generations. However, bespoke support for SEs is limited and social business support services still in nascent stages.

The Toolbox is part of the *SENTINEL* project. The project aims at creating new service models which will use support techniques adapted to the territorial and operational specificities of SEs. A starting point for the implementation of these activities will be innovative support methods which will enhance entrepreneurial mindsets, management skills, operational processes and competitiveness of SEs in disadvantaged regions in *Central Europe*.

The SENTINEL's Pilots Actions

SENTINEL's pilot actions were implemented in 5 different Central European countries: *Poland, Czech Republic, Hungary, Slovenia* and *Italy*. The pilot actions aimed at improving the support to potential and existing Social Enterprises, especially in rural areas of less developed regions. They were designed based on needs analyses conducted throughout the project.

In *Hungary* and *Slovenia*, the pilots focused on improving the sustainability of existing SEs as well as on the exploration of their growth potential. In *Italy*, the pilot project was set up to strengthen SEs to become generators of local community development. Potential social entrepreneurs (SEs in the early stage start-up phase) were addressed in the pilots implemented both in the *Czech Republic* and *Poland*. Different stages, varying country contexts as well as identified needs led to differences in approaches to design and implement the pilot actions. In total, 52 trainers and mentors have organised 205 events within the *SENTINEL* pilot activities. These activities reached 142 persons. Also 323 employees of Social Enterprises were involved in the pilot activities.

A range of tools was developed and tested in the course of the implementation of the Pilots from End of 2018 until the end of 2019. While testing the various approaches, partners faced several challenges deriving from external and internal factors, which had to be addressed and should be taken into account in future activities and in the building of the social economy support ecosystems.

SENTINEL Context

Lets get in touch and exchange!

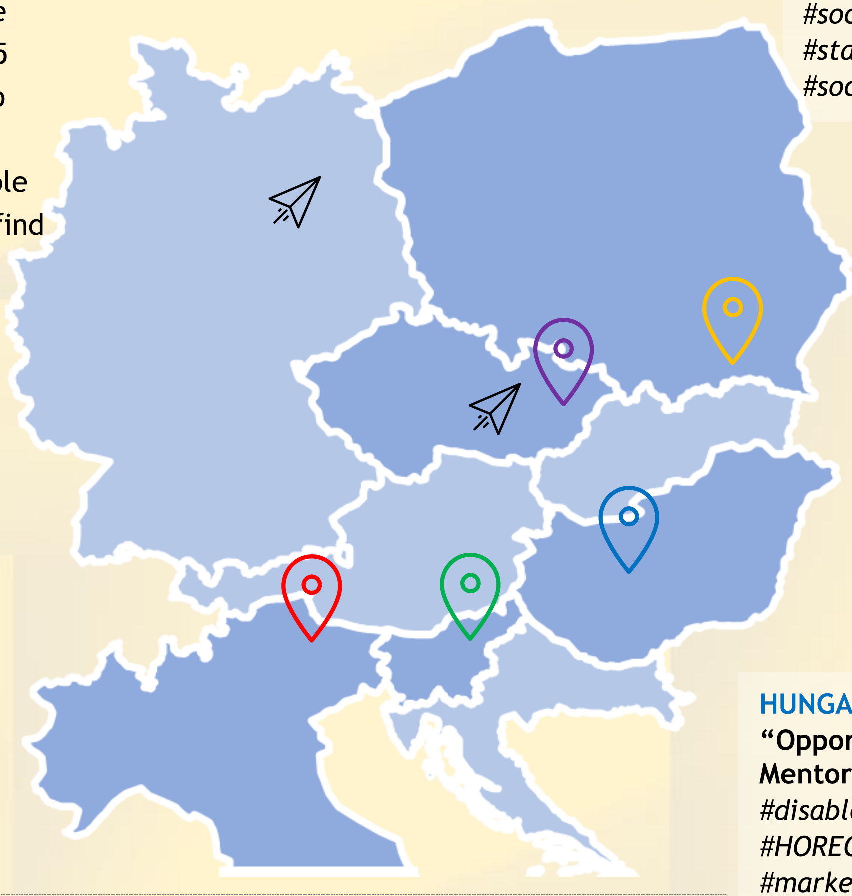
In the spirit of the European idea, the *SENTINEL* Project built on the exchange of perspectives and ideas of all 10 Project Partners from 5 countries. In this light we want to encourage everyone interested to connect and develop ideas together. In our map you will find the locations of SENTINEL’s five Pilot Actions as well as of the responsible Partner for the development of this Toolbox. Furthermore you will find the contacts to all SENTINEL-Partners In the Annex; let‘s work together!

GERMANY / Berlin-Brandenburg
„Social Impact“
www.socialimpact.eu

CZECH REPUBLIC / Moravia
„Institute of Social Innovations”
www.socialni-inovace.cz

ITALY
(Friuli Venezia Giulia, Veneto)
„From Social Enterprises to Community Hub“
#mountainregions
#territorialcapital
#socialpact

SLOVENIA
(Podravje)
„Social Enterprise HUB“
#disadvantagedregion
#entrepreneurialskills
#businessmentoring



POLAND
(Podkarpackie Voivodship)
“Social Enterprise Start-up Incubation”
#socialeconomysupport
#startupideasupport
#socialexcludedperson

CZECH REPUBLIC
(Moravia)
“Accelerator of Social Change”
#selfemployment
#ruraldevelopment
#vulnerablegroups

HUNGARY
“Opportunity and Trust - Mentoring programme”
#disabledpeople
#HORECAnetworking
#marketdevelopment

Our Toolbox builds on expertise from diverse contexts from all over Central Europe. We are happy to connect the dots!

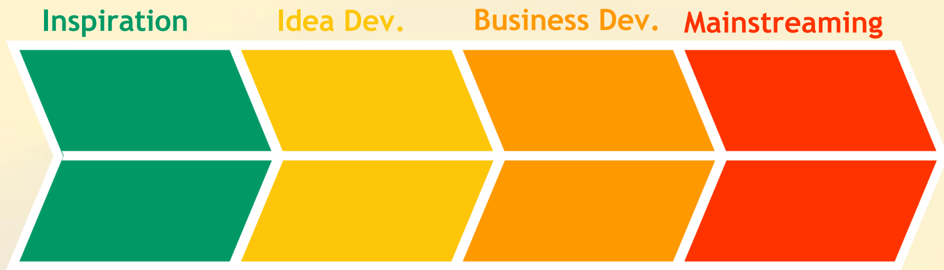
SENTINEL Context

How to use this ToolBox

Besides the first two sections of the Toolbox – which represent a brief introduction into the *SENTINEL*-Project and the context of “doing Social Business in disadvantaged regions” – Chapter 3 represents the heart of the document. It contains the collection of Tools which the *SENTINEL* Partnership identified as relevant building blocks for the development of Social Enterprises. Each Tool provides the reader with a step-by-step guide on how to apply the methodology. It gives orientation about the context the tool can be and should be used in (e.g. for the development of your Business Model).

“User centered” guidance - Tool by Tool
Each of the tools provides step-by-step guidance to arrive at key outcomes. The first page gives the user an overview about the tool’s rationale, expected outputs etc. of the respective tools. This is enriched by references to further readings that the reader may consult to gain a more profound idea about the potential and applicability of each tool.

Workshop - Activate your network
Each tool consists of plenty activities and working steps that eventually guide the reader trough the process. While some tool can be seen as an individual iterative process, many of the tools require the reader to go out and integrate employers, partners or stakeholders in a workshop setting. For this, the reader can build on templates and working sheets as well as practical information to organise and structure the required working settings.



Go with the flow! SENTINEL’s Social Entrepreneurship Journey will guide through our Toolbox in four phases.

The 4 phases - Our “ Social Entrepreneurship Journey”
Besides that, each tool can be applied individually. The Toolbox is divided in a sequence of four a-typical phases that many Social Enterprises go through. We allocated Tools to every phase. While - in reality - founding a social enterprise is everything but a linear process, this may allow the reader to understand the long founding journey to establishing a successful SE in a nutshell.

Chapter 2

SOCENT IN DISADVANTAGED REGIONS

SocEnt in disadvantaged regions

What do Social Enterprises in disadvantaged regions do?

This chapter discusses the potential of Social Enterprises to tackle societal challenges in “disadvantaged” Central European regions. The term “disadvantaged” comprises rural as well as peri-urban or urban settings that underwent structural changes in their socio-economic environment throughout the past decades (e.g. due to the collapse of European Socialism).

Also the SENTINEL project “sits on the shoulder of giants” and thus has been informed by prior research and analysis. Our Annex provides an list of further readings that also informed this chapter.

In what follows, we define Social Enterprises in accordance to the definition of the *European Commission* (CE, 2011). The EC defines a social enterprise as *“an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities”.*

Social Enterprises in disadvantaged regions are found to deliver a broad range of products and/or services. Their main contribution seems to lie in fulfilling local needs that are not met otherwise.

In undertaking activities to fulfil these local needs, SEs have a positive impact on different facets of disadvantaged areas in which they operate:

Economic impact: For example, a contribution to job creation, especially for disadvantaged social groups (e.g. people with a migrant background, handicapped people); affordable housing; touristic attractions; retaining and/or creation of infrastructure; promotion of business development)

Social impact: For example, delivering social services to rural populations, such as healthcare, eldercare, childcare and mobility; empowering of vulnerable social groups and capacity building; quality of relationships among social groups, strengthening trust, solidarity and community cohesion.

Environmental impacts: For example, utilising renewable energy, CO_2 reductions, increase of biodiversity, re/upcycling, environmental awareness, focus on local resources, reducing transportation externalities and pollution.

Many Social Enterprises focus not on one single impact but deliver a combination of activities at the same time. This renders Social Enterprises potent actors to contribute to sustainable and inclusive development in disadvantaged areas.

SocEnt in disadvantaged regions

Characteristics of Social Enterprises in disadvantaged regions

SEs operating in disadvantaged regions expose idiosyncratic characteristics. The latter may proof relevant to interested stakeholders and potential entrepreneurs alike – ranging from themes like “how to best support your local Social Enterprise as a customer” to “how to best design support programmes for SEs as a public decision-maker”. As a Social Entrepreneur yourself this may inform you about potential “unique selling points” of SE business models.

Serving the community

Social Enterprises have a strong focus on serving the community as they are often characterised by high levels of local involvement. This focus on the collective is of great importance for the way in which Social Enterprises are established and in which they may grow into sustainable organisations. Community involvement seems to be a necessary condition to build up legitimacy within the locality that is serviced. In addition, it helps to mobilise local resources (e.g. capital, volunteers, employees, customers) that are necessary to support the emergence and sustainability of these organisations.

Tapping resources and networks

Social Enterprises combine a wide range of resources. For example: public funding and trading income, volunteers and paid staff, internal (within their own community) and external resources. This combination of resources requires Social Enterprises to interact with different stakeholders and to act both within formal and informal networks.

Therefore, it seems beneficial to have a wide variety of employees and collaborators i.e. people with different skills and from different professional backgrounds, involved within the social enterprise. This variety enhances the organisation’s capacity for development, adaptability and long-term success. Besides strong local networks, non-local networks represent one of the most significant external support mechanisms that Social Enterprises develop to successfully implement solutions for their communities. These non-local strategic networks provide essential access to resources and specific knowledge often absent in the local territory or community.

The Importance of volunteers

Time, energy and expertise of volunteers is of great importance concerning both the emergence and sustainability of rural Social Enterprises. Nonetheless, the presence of volunteers also carries downsides: They can limit the growth potential of the organisations (e.g. due to a lack of reliability and commitment) and create tension with paid staff. An excessive reliance on volunteers also carries the risk of volunteer fatigue and burn-out, which can have negative health consequences for the individuals involved.

SocEnt in disadvantaged regions

The socio-economic environment of Social Entrepreneurship

The context “disadvantaged regions“ implies a wide variety of different socio-economic environments that frame the boundaries of „doing Social Entrepreneurship“.

The rural environment

The rural environment seems to provide both enabling and constraining factors for Social Enterprises. For example, the market context (lack of competitors), a culture of self-help, support from local communities and the small size of an enterprise (which make them easier to manage) seem to favour rural Social Enterprises. On the other hand, geographic characteristics of rural areas, limited access to qualified) work force, small market sizes and insufficient business support infrastructures may function as structural barriers in such contexts.

Public institutions play a crucial role in such environments. In order to sustainably support their constituency institutional actors must understand the challenges their region faces. Social entrepreneurs can play a key role in tackling such bottlenecks but need further support to realise their ideas. Institutional supporters are, thus, essential not only to provide technical and financial support, but also to build local awareness and catalyse available resources.

The dynamic between Social Enterprises and public institutions/policy makers is of great importance for the development of rural Social Enterprises. Different studies show how municipalities/local governments, local development companies and some governmental programmes were critical for the success of rural Social Enterprises.

However, often there is a gap between political aspirations and the actual support provided for the development of SEs. Some of the main challenges for rural Social Enterprises in relation to politics are found to be the following: unfavourable procurements processes that predominantly prioritise large companies (e.g. contracts); procurement processes that do not incorporate key issues for Social Enterprises such as environmental clauses or the extra costs of delivering services to vulnerable groups; uncertainty about the duration of state support; lack of context-sensitive politics.

The (peri-)urban environement

Social Enterprises, which operate in towns, frequently deal with surroundings and communities affected by the loss of one (or multiple) dominant industry. These towns, and the surrounding areas, are forced to reinvent a new path of development as they are confronted with the social and economic consequences of the loss of a dominant industry.

It also means that pre-existing beliefs about the character of the town, conceptions concerning the local identity, must be revised and reinvented. Among others, new resources, arrangements, competences and new aspirations must be tapped. Low levels of education, a culture of dependency and the fact that external parties might have a poor image of the area exacerbate local challenges. However, generally these areas may, too, be characterised by an (pre-)existing infrastructure built around the old industry. For Social Enterprises operating in such areas, a few things seem to be important:

- **Cooperation with multiple stakeholders:** To capitalise on the full potential of regional resources, different stakeholders ranging from potential employees to political institutions must to be persuaded and mobilised. The resources needed to achieve this can range from immaterial resources (for example trust) to material resources (for example start-up capital).

- **Importance of non-local networks:** To access material and immaterial resources which communities might lack, it is important to build strong networks outside the community.

- **Importance of relating to institutional frameworks:** Local, regional, national and supranational institutional layers play an important role in restructuring such regions. To be able to tap into resources provided by institutional parties, building relationships with institutional partners is critical.

SENTINEL‘s Handbook: How to effectively manage Networks

Complementary to this Toolbox the SENTINEL project dedicated special emphasis on testing and developing approaches of how to best manage Networks that are relevant for the development of Social Enterprises in disadvantaged regions. Thus - in a similar testing process as the development of this Toolbox – the Handbook of managed networks“ comprises the following:

Who's the target of the Handbook? The Handbook is useful for people working in second-level organisations, such as consortia, and SE Support Networks, such as incubators, co-working spaces, business angels, consultants, etc. but it can also be useful for SEs.

What is a Social Enterprises Network? A community of stakeholders and agents operating in the sector of social entrepreneurship, sharing a vision, values, needs, goals and resources and a set of strategies and processes to connect them effectively.

In order to access SENTINEL‘s Handbook for managed network please refer to the download-section of the SENTINEL-webpage.

Why Networks are to important: If organised within a network, SEs are more likely to overcome the common challenges they face in the everyday activities. This happens through sharing knowledge and experiences, partnerships, visions, by negotiating more effectively toward the outside as a group and being more efficient through sharing common services.

Chapter 3

THE SENTINEL TOOLBOX

Phase 1: INSPIRATION

Every social enterprise starts with a first idea, often based on own biographical experiences of the founder (team). Therefore, founders frequently bring in expert knowledge related to the societal challenge at the core of enterprise's mission. However, there might be the need to translate these "good intentions" into a promising business case. Likewise, founders with strong experience in organisational and business development might need exposure to experts knowledgeable of the societal context of the entrepreneurial endeavour.

In this early inspirational phase this toolbox will support startups – i.e. through various tools, e.g. a self-assessment tool to help critically reflect ideas in terms of strengths and weaknesses. This will allow a company to gain a comprehensive understanding of the (market) potential of their respective ideas.

SEs´ Auto-Diagnosis

Tool n°1 / Inspiration

In a nutshell...

The Auto-Diagnosis Tool enables Social Enterprises to evaluate their innovative and creative skills. It points out the strengths and weaknesses in the SEs´ creativity and innovation potential in order to allow the company to be aware of their situation on the market.

The aim of the tool is to enable the social enterprise to improve capabilities and make its business more market-oriented, profitable and sustainable.

The results of the assessment are presented in a simple, easy to understand and visually appealing manner.

The essential steps

1. Team selection
2. Session 1: Self-perception vis-à-vis perception and position of competitors
3. Session 2: Areas of operation
4. Session 3: Identification of gaps
5. Focus points of SEs businesses

When to use?

You can use this tool repetitively when you need to assess the position of your company on the market in relation to your innovative and creative capabilities. When using the tool for the first time it is recommended to use the tool with the guidance of a facilitator. Subsequent and once understood the tool may serve as a self-diagnosis tool.

How to?

Organisation of 3 sessions with the team composed of the SEs´ staff members to assess innovative and creative capabilities of the company in comparison with the competitors.

Time & Resource needs

To apply the tool properly it is necessary to conduct 3 separate half-day sessions.

- ⇨ Blank A4 copies of the tables (first session)
- ⇨ A1 or A0 sheet with the table (second session)
- ⇨ Set of post-its with different colours

Team selection

The initial step to exercise a SE´s self-diagnosis is the selection of the appropriate managerial and staff to participate in the action.

- The team selected to apply the auto-diagnosis tool should - ideally - encompass staff members from all areas and units of the enterprise (e.g. for small SEs a group between 3 and 5 persons is recommended).
- Participating team members should have experience and historical knowledge about the organisation.

Tip: When the tool is used for the first time, the matrix should be used with the guidance of a facilitator. Subsequent times it may be applied also as self-diagnosis using only SE´s internal staff capacities.

Session 1: Self-perception vis-à-vis perception and position of competitors

Objective of session 1:

To use the TABLE to reflect on the team´s own strengths and weaknesses measured against the competition.

Work with the TABLE n°1 (page 16)
In the first session, score related to pre-defined questions range from 1 to 5, 1 being the lowest score and 5 the highest. Questions should be answered in numerical order.

Key:

1. Weak - need to improve / need help with this
2. Average - could still improve in this
3. Good - in comparison to competitors
4. Very good - better than most competitors
5. Excellent - better than competitors in this field

The essential steps (2)

How to proceed?

- **Facilitator presents** methodology, objectives as well as the evaluation TABLE to the participating team.
- Each participant receives an A4 blank copy of the TABLE.
- Each **participant fills in the TABLE** according to his/her perceptions.
- Once filled in, team **members share their scores**. This fosters discussion among the team to re-assess scores where values on some questions diverge significantly.
- Team agrees on a final score for each point in the TABLE.

How to complete the session 1?

- Final scored TABLE is agreed by all members of the team.
- Discussion and agreement on different points of view amongst team members.

Session 2: Areas of operation

Objective of session 2:

Reflect in the TABLE the activities, procedures, routines, etc. carried actually in the organisation.

How to proceed?

- The TABLE should be printed as large as possible – A1 or A0.
- Each member of the team receives a set of post-its.
- Each participant uses post-its to fill in the TABLE according to his/her perceptions.
- Independent form one another, team members fill in the post-its. They inform about any systematic activities carried by the organisation.
- Finally, each team member presents his/her ideas and attach the post-its to the correspondent squares of the printed TABLE.

Foster discussion on the listed activities:

- Who engages in realising the proposed activities? All employees or just one person?
- How often? Is it systematic?
- Does everybody in the organisation know these activities are being carried out?

Result of session 2:
- Activity map according displays real actions carried out by the organisation.
- Discussion and agreement on different activities to be carried out in the organisation among team members.

Session 3: Identification of gaps

Objective of session 3:

Contrast of the gaps between perceptions and real activities and point out weaknesses and areas for improvement.

Methodology:

Prior to this session, a facilitator conducts a critical analysis of the two previous sessions. The results are captured in a brief report. This analysis should include three parts:

1. Features and functioning of the "innovation" system of the organisation:
   - Perceptions gathered in the 1st session.
   - Contrasted activities gathered in the 2nd session.
   - Comparative analysis between perceptions and activities.
2. Precise short term action proposal.
3. Areas for improvement in the long term.

How to proceed?

- Foster discussion in the team.
- It would be useful to develop a guidance note for the facilitator for each of the questions.

Template (1)

	Focus points for SE micro businesses	Ability to understand	Ability to use this information	Ability to solve problems	Ability to learn from this experience	Ability to be creative or innovative	Ability to apply or to put into action	Notes
		1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
1	Sector or Market	How well do you understand the sector or market you are working in?	How well do you respond to new trends in the sector?	How well do you react to problems created by new markets or trends?	How well do you learn from your sector or market?	How good are you at responding to the market by creating or trying something new?	How good are you at putting these ideas into action to exploit new market opportunities?	
		1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
2	Competitors	How well do you understand what your competitors do?	How well do you respond to any offers made by competitors?	How good are you at dealing with problems for your business created by competitors?	How well do you learn from dealing with these problems?	How able are you to think through new ideas to take the advantage over competitors?	How good are you at putting into action ideas to respond to competitors?	
		1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
3	Suppliers	How well do you understand what your suppliers do and with whom?	How well do you respond to new offers or proposals from your suppliers?	How good are you at getting what you need from your suppliers?	How well do you learn from problems you have had with suppliers?	How good are you at finding new supplier sources or changing your approach to current suppliers?	How good are you at making sure the supplier understands your company’s developing needs?	

Table with the questions for the team members (part 1): to be printed for the team members to execute SE´s self-assessment.
Source: Own processing (USI)

		1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
4	Customers or Clients	How well do you understand what your customers or clients need?	How good are you at you at responding to your customer or client needs?	How well do you solve customer problems with your product or service?	How well do you learn from your customers?	How good are you at adapting to future customer needs and new demands?	How good are you at putting into action new products or services in response to customer needs?	
		1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
5	Collaborators or business associates (those outside the company with whom you work together on joint projects)	How well do you understand what your collaborators do and with whom?	How well do you respond to requests for collaboration?	How well do you solve problems from working with collaborators?	How well do you learn from collaborating?	How good are you at adapting to collaborate?	How active are you at looking for collaborations or business associates?	
		1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
6	Products or services	How well do you understand developments being carried out in the products or services in your sector?	How good are you at adapting your product or service to meet identified customer needs?	How good are you at solving problems identified with your product or service?	How good are you at adapting your products or services?	How good are you at creating new products or services as a result?	How good are you at putting new products or services into the market?	
		1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
7	Processes	How good are you at identifying new processes or new ways of doing things?	How good are you at adapting your business to respond to new ways of doing things?	How good are you at solving problems in the way that you do things in your business?	How good are you at learning and improving your processes?	How good are you at creating new processes?	How successful have you been in applying new processes to your business?	

Table with the questions for the team members (part 1): to be printed for the team members to execute SE´s self-assessment.
Source: Own processing (USI)

Template (3)

		1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
8	Social Responsibility	How well do you understand corporate social responsibility (CSR)?	How good are you at adapting your company to CSR?	How good are you at solving conflicts related to CSR in your company?	How good are you at learning from CSR practices?	How good are you in creating new forms of CSR?	How successful have you been in applying those new forms CSR?	
		1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
9A	Sole proprietor or managing director	How good are you at thinking of new ideas?	How good are you at putting those ideas into practice?	How good are you at responding to problems?	How well do you learn from solving these problems?	How creative and/or innovative are you?	How good are you at applying those creative and innovative ideas?	
		1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
9B	Employees and / or Teams	How good are you at finding out ideas / suggestion or problems the team might have?	How good are you at responding to their ideas or suggestions?	How good are you at solving their problems?	How well do you learn from the team?	How creative and innovative are you in the management of your team?	How good are you at applying new innovations related to the management of the team?	

Table with the questions for the team members (part 1): to be printed for the team members to execute SE´s self-assessment.
Source: Own processing (USI)

In a nutshell...

When offering mentoring support to social entrepreneurs with the aim to build their capacity and improve business skills, one can make use of modern technology. It can significaly support the interaction around social entrepreneurship between mentors and mentees and build vital and important online communities. This can be a valuable source for professional learning as well as function as dynamic support for businesses.

When to use?

When you have your mentors, social entrepreneurs, stakeholders etc. that have limited amount of time, are geographically distant to each other and do not have the opportunity for face-to-face mentorship or meetings.

The essential steps

1. 6 steps to get things started
2. Build your community
3. Make it sustainable

How to?

Choose the platform, open an account, create a group and define the rules. Invite mentors and advisers to post the first content: videos, articles and information to build the knowledge and skills needed to succesfully run and develop social business. Invite social entrepreneurs and stakeholders to learn, ask questions, comment, share thoughts and ideas. Manage the community by taking care for social interaction and spread awareness about the community.

Time & Resource needs

Preparation time to create an account and a group and to select and engage mentors. Management time to engage new members, weekly monitor progress and keep the community active.

Furthermore – of course – you will need Internet connection. Generally, workspaces, a computer or a smartphone.

Which Platform to take?

In this tool we are referring to a service that is provided by the company Facebook. Being well-aware about privacy and data protection issues concerning Facebook, we nonetheless opted for this tool. It is for free and deems to be easily applicable. In the additional reading you will find references to alternative applications.

The essential steps (1)

Initial Remarks

While you can choose between different platforms as collaboration and communication tool to connect everyone in your community, this example was built on »Workplace« from Facebook. It provides simple, secure and productive way for people to share knowledge, work together and build connected communities, regardles of their location.

The platform´s interface looks just like Facebook´s. Thus, its main advantage is familiarity among end users. Therefore less time is needed to learn how to use the tool. This increases the likelihood for a strong uptake. One difference is that it is adapted for work and provides for a »safe space« for you and your community.

This social media platform has easy-to-use features like:

- News feed
- Group
- Chat
- Live video
- People directory

Workplace connects with tools you are already using, like G Suite, Office 365 and Dropbox.

There are many different online collaboration tools out there you can choose from while planning to build your own online community, like Slack, Microsoft Teams, Quip, Cisco Webex Teams, Chatter, Asana.

Step 1: 6 steps to get things started

As a first step **in creating an online commun**ity with Workplace it is essential to create an account that will enable you to invite other members:

1. Go to: https://work.workplace.com/
2. Register with your e-mail account
3. Check your inbox for the code
4. Activate your account
5. Create your account
6. Get started

Step 2: Start to build your community

A community is a place of inclusion, where people bond over a common interest, passion, **need** or purpose. It is a place where relationships are built. It is no different with the online community.

- When you are starting to build your community it is important to **find out what your target group wants** and/or needs by conducting a research/analysis.
- Only when you know the needs or problems you can define a content that will **attract future community members**.
- Important is also to **plan communication in different ways**, like audio, video and written content in order to cover different media preferences of your members.

Assign a community manager

Since you are building an online community to offer support and mutual learning on social entrepreneurship things can not be left to the community members themsleves - at least not at the beginning when the community is building up and relationships establish. At this point it is useful (or necessary) to appoint a community manager that will engage with the community members in order for them to interact with each other and attract new members.

Identify mentors & advisors

To start building knowledge and support you should identify the appropriate mentors and advisers that can prepare specific content in different ways and agree with them related to their engagement with social entrepreneurs.

They can produce short advisory videos (3 - 10 min) on a specific issue (e.g. strategic planning, impact measurement,...), if possible with the specific tools as attachments and assignments for SEs. They can also publish posts from other sources that further explain the topic or present thematic good practices and start a debate around them.

Broaden your community

Invite Social Enterprises, mentors, advisers, stakeholders, etc. to join your group on Workplace by Facebook, become users and explain them the benefits of an online community. Members have the opportunity to react to posts in the form of questions or comments, that are answered by the mentor/adviser immediately after the posts are published or at their suitable time (agree with the mentors/advisers on their reaction time). Communication is not limited to the posts from mentors/advisers only. In this way the community of practice is able to grow.

Step 3: Make it sustainable

Make sure that the community manager monitors progress on a weekly basis and provides activities to make the community alive and growing.

Next to the communication options Workplace enables saving the recordings and files and, in this way, provides unlimited access to thematic inputs.

Phase 2:
IDEA DEVELOPEMENT

"Idea Development" is the first of two phases in which the provided tools may support the founding team in consolidating initial ideas and to further strengthen the Theory of Change (ToC) of the enterprise. The term "Theory of Change" describes the following: Social Enterprises ultimately aim to peter out a societal (or ecological) challenge through implementing and disseminating effective interventions. These interventions are informed by a profound understanding of a challenge's root causes as well as a consequential remedy (i.e. intervention logic) to address the given challenge. Entrepreneurial founding processes are generally everything but linear. Founders often face a constant back-and-forth of redefining their enterprise's core assumptions – and like this - consolidate their business models.

In this phase we propose two methods/tools (i.e. "Lean Canvas" and the "Ideation Tool") that we deem of great importance for start-up teams in order to structure these re-occurring (and sometimes painful) iterative loops.

Lean Canvas

Tool n°3 / Idea Development

In a nutshell...

Business Model Canvas (BMC) - also very similar to and often called Lean Canvas - belongs to the most fundamental tools for laying out the main important parts of an early-stage business project. While it is not focused on project details, its complexity helps understanding the potential of any project on one simple canvas.

The BMC is a simplified structure of a business model showing to you (as well as your partners or colleagues) the main aspects, challenges and opportunities of your idea. It enables you to gain an overview of different important points of your potential business.

The essential steps

1. Analyse your customers & their needs
2. Define solution & its added value
3. Define channels & revenue streams
4. Define cost structure & performance indicators
5. Consider the meta-context

When to use?

When the business idea is in its early-stages and to receive a rough overview on the most important parts of the project.

After the initial stage it is important to continuously work with and update the Lean Canvas - change, add, delete, etc., alternatively restart again with other business idea if the existing one is not viable (abandon an unsustainable idea in this stage is the cheapest solution).

How to?

The Lean Canvas can be use in different ways.

- In a workshop setting as a deliberative process,
- Individually as an ongoing process,
- Sub-sections can be analysed and together with stakeholders an in-depth analysis may follow.

Time & Resource needs

The first draft of Lean Canvas may be drafted during one day session or even less.
It is envisaged to update the Lean Canvas always when there are some changes or modifications in the original business idea.

Additional readings

Another possibility for how to work with the Lean Canvas tool is using its web-based software format: We recommend canvanizer.com

The essential steps (1)

Step 1: Analyse your customers and their needs

See Template / Box "Customers": Start with this box because it is the most important along with problems/needs. The reason is logical. If you don't understand who are you selling to or do not know what problem/need you are solving, your business idea does not have any proven potential.

What to ask while filling in this question?

⇨ Who are potential customers? (write down demographics of the customer segment, use only one customer segment and do not combine them)

⇨ Who are potential early adopters? (early adopters are people who are willing to buy your product in early-stages when it is not finished or even working properly because they are particularly interested in the solution)

See Template / Box "Problems": This box represents what customers' problems or needs you're trying to solve with your product. The less people feeling the problem/need, the lower is the potential of the product on the market.

What to ask while filling in this question?

⇨ What 3 problems am I trying to solve with my product/service?

⇨ Are there any existing alternatives on the market (besides competition) that can be a risk for my product/service?

Step 2: Define Solution & its added value

See Canvas / Box "Solution": What is the solution going to be? Be very specific and brief. Try to explain the solution in one sentence.

What to ask while filling jn this question?

⇨ What is the solution to the customers' problem/need?

See Template / Box "Added Value": Added value is something that can make a product/service stand out from the competition. It can be a unique mixture of add-ons to your solution.

What to ask while filling in this question?

⇨ What added value do you offer with your product/service?

⇨ Which existing ideas would be similar to yours?

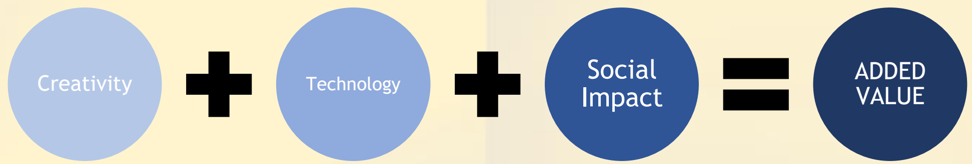


Diagram depicting how the added value in the product/service may be created.
Source: Own processing (USI)

Step 3: Define channels & revenue streams

See Template / Box "Channels": Channels are basically marketing. Think about the many ways of how can you approach your potential customers.

What to ask while filling in this question?

⇨ What channels do my customers use to get information? (Social media, conferences, LinkedIn groups, forums, etc.)

See Template / Box "Revenue Streams": Write down all of the revenue streams that can bring cash-flow to your project once the product/service is ready. Write down future streams that will not be available right from the start.

What to ask while filling in this question?

⇨ What are the different ways of how I may make money out of my product/service?

Step 4: Define cost structure & performance indicators

See Template / Box "Cost structure": What is the solution? Write down all of the costs that are connected to the product in the early-stages. Both one-time costs and also re-occuring.

What to ask while filling in this question?

⇨ What costs are connected to building my product/service?

See Template / Box "Key metrics": Key metrics represent a simple version of key performance indicators (KPIs). They can change in the early stages quite often. If an idea is in a nascent stage, the first key metrics should not be about selling but about showing the product/service to potential customers.

What to ask while filling in this question?

⇨ What key metrics do I need to look at to make sure my project is moving forward?

Step 5: Consider the meta-context

See Template / Box "Unfair advantage": Unfair advantage over competition is something that other companies cannot steal from you, copy or buy somewhere else. A great example of unfair advantages are patents, loyal community or a unique mix of know-how.

If you currently have no unfair advantage, try to think of one that you want to achieve in the future.

What to ask while filling in this question?

⇨ What advantage do I have that cannot be stolen, copied or bought somewhere else?

Finally, you complete the lean canvas (probably as the first of many iteration loops), you will have the opportunity to see the project unfold. Not only will you see the most important parts of the project, but also the context of how the market and product are connected.

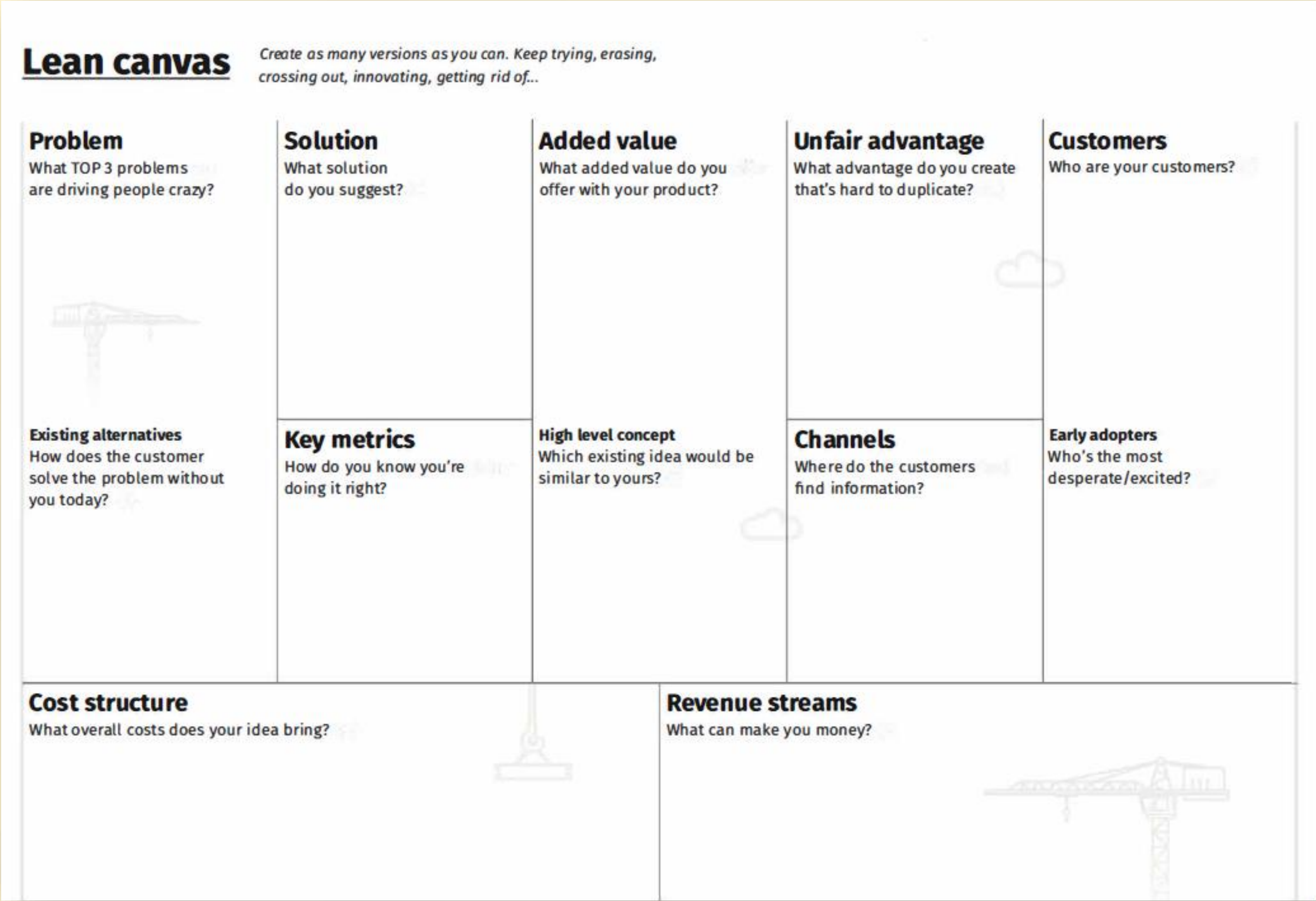
In the next steps it is **important to re-evaluate** the correctness of the data in the lean canvas with validation. In practice, this means building an MVP (minimum viable product) (refer to Tool n°5) and collect data with online research and offline dialogues with potential customers.

Additional perspective: The Business Model Canvas

As mentioned on the first page of this tool the Lean Canvas and the so called "Business Model Canvas" are very similar in design and its functioning. Furthermore they embrace the same logic; that is being flexible and lean in your approach!

In case you are interested in the application of the Business Model Canvas (BMC) we recommend you to go through the second module on "Social Business" of the " Skyrocket Platform". Also look out for other modules; all will help you build a stronger Social Enterprise; and it's for free!

Very similar to the Lean Canvas; The Business Model Canvas. Source: Own depiction (Social Impact)



Lean canvas

Create as many versions as you can. Keep trying, erasing, crossing out, innovating, getting rid of...

Problem	Solution	Added value	Unfair advantage	Customers
What TOP 3 problems are driving people crazy?	What solution do you suggest?	What added value do you offer with your product?	What advantage do you create that's hard to duplicate?	Who are your customers?
Existing alternatives How does the customer solve the problem without you today?	**Key metrics** How do you know you're doing it right?	**High level concept** Which existing idea would be similar to yours?	**Channels** Where do the customers find information?	**Early adopters** Who's the most desperate/excited?

Cost structure	Revenue streams
What overall costs does your idea bring?	What can make you money?

"The Lean Canvas" Template
Source: Own processing (USI)

Idea Ideation

In a nutshell...

In this tool you may structure a creative process in order to strengthen your business idea. The establishment of a Social Enterprise is a comprehensive procedure which enables identifying needs of clients (customers) through new methods and the creation of new products / services to satisfy their needs to facilitate a financially sustainable form of entrepreneurship.

It is about the models that enable some changes – deliberative process with the objective to reach new markets which allow the space for self-employment/business. The process does not only support creative abilities but it is a process of idea transformation into concrete activities, products and services.

The essential steps

1. Step 1: Team selection
2. Step 2: Raising signals
3. Step 3: Development of Options´ Matrix
4. Step 4: Identification of Social Business Model Alternatives
5. Step 5: Redesign of Business Model

How to?

The process of forming and relating ideas. Ideation means to conceive or generate an idea and implement it. Ideas are the result of mental activity that can be based on past or present knowledge, thoughts, opinions, convictions or principles.

Time & Resource needs

Depending on the process the application of the tool will require 3 sessions lasting from one half-day to 1 day sessions.

Before starting the session it is essential to prepare professional publications, cards / post-its (session 2) & flipchart / blackboard / A1 or A0 sheets (session 3).

Additional “readings”

Relax and watch! Other possibilities of how to address social business ideation you may find in the linked video.

Step 1: Team selection

You have certainly witnessed a great idea going through your mind but you forgot to note it down or just forget about it. You may also not give it as much attention as it may deserve.

Introducing business ideas into practice requires some specific skills and knowledge. However, often you are in a situation where you are unsure where to focus in your future / potential social business activities. Some ideas are better suited to solve problems and find the way to start business. The tool describes some specific steps of how to transfer your business ideas into practice.

The tool aims to help potential social entrepreneurs to answer some of the following questions:

- Which are the main aspects I must take into account for defining a business model?
- Which is the best model for my idea?
- How could I define it?
- How could I evaluate alternative business models?

How to proceed?

Brainstorming session
Group of participants identify their personal preferences and fields of interest related to a concrete sector, product. The objective is to share experiences, skills and inspire each other to put forward the ideas, training, preferences.

- Grouping areas of interest of individual group members by affinity with the objective to avoid isolated individual projects and foster synergies amongst group members with similar focus to work together.
- Define the features of different team members, their skills, competences and abilities.

Step 2: Raising signals

The created group is identifying the most relevant sources for their sector/product of interest (specialised press and magazines, relevant web pages of the industry, economic reports, contacts with clients and providers, etc.) and selects, by consensus, the most appropriate sources they want to assess.

Group members are going through the selected sources and search for the signals related to their field of interest and share the information with others. One person is appointed to be responsible for collecting the information from the selected sources.

Signals panel
Physical panels or blackboards where all gathered signals are positioned (with cards or post-its), without qualitative or quantitative assessment to have all gathered information summarised and visualised.

Result: Going in-depths into the signals gathered will help to define the potential concept of the business giving the answer to the following:

⇨ Customer typology, satisfied need and differential features from the products / services designed.

Step 3: Development of Options´ Matrix

Objective: Generating the portfolio of possible options combining the gathered signals about the market and the capacities of group members. Graphical tool to represent different options summarised in a matrix answering following questions:

⇨ Potential type of customers
⇨ Possible products/services
⇨ Potential services associated to the products/services
⇨ Alternatives for implementation
⇨ Other alternatives in the whole value chain

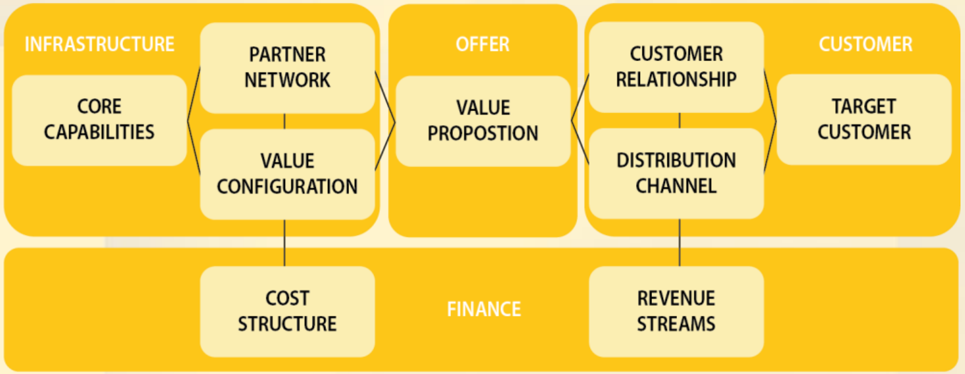
Potential type of customers	Possible products	Potential services associated to the products	Alternatives for implementa tion	Other alternatives in the whole value chain
C1	P1	S1	I1	A1
C2	P2	S2	I2	A2
C3	P3	S3	I3	ETC.
C4	ETC.	S4	I4	
ETC.		S5	ETC.	

Example of the table (matrix) listing possible options. Source: Own processing (USI)

Step 4: Identification of Social Business Model Alternatives

Rationale:

A Business Model describes the rationale of how an entrepreneur or an organisation creates, delivers, and captures value - economic, social, or other forms of value. The term Business Model (BM) is, thus, used for a broad range of informal and formal descriptions to represent core aspects of a business, including purpose, offerings, strategies, infrastructure, organisational structures, trading practices, and operational processes and policies.



Graphical presentation of the business model´s definition. Source: Own processing (USI)

A full definition of a Business Model should help to answer most of the following questions:

- How could I design a good product or service to face a social, environmental need?
- How could I select and address my potential customers?
- How could I define and differentiate my products/services offer?
- How could I create value for my customers?
- How could I retain my customers?
- Which are the most suitable strategies for marketing and distribution?
- What are the main tasks my company must carry out?
- What are the resources needed?
- How could I organise them?
- What will be the strategy to maximise the profit?

Etc.

The essential steps (4)

Simplified Definition of SE´s Business Model:

However, in an operative way, a simplified definition will be more useful for our purposes. This simplified definition must answer, simply and clearly, the key questions about a social business model:

- What is the product/service I will offer?
- How could I design a good product/service to face a social/environmental need?
- Who is going to pay for it? (Who are my potential customers?)
- Why the potential customers should pay for it? (Which is the differential need I'm covering?)

Answering these main questions, the value proposition of the business model is precisely defined.

Example:

In the Option Matrix you may detect feasible alternatives such as: the combination of customer type C2 with product P3, service S1 and implementation I4 can beget a possible alternative to the previous Business Model.

All the feasible alternatives obtained by combining the previous items must be listed. It is important to remark the importance of maximising a number of possible combinations: the combinations should be produced between each item of any column with the rest of item in the other columns. That is, one item in one column is independent of the other items placed in the same row. The combination can take place with other items in any of the other rows.

The essential steps (5)

Potential type of customers	Possible products	Potential services associated to the products	Alternatives for implementation	Other alternatives in the whole value chain
C1: Final customer	P1: Prototypes of knitwear and garments (<50-100 pieces)	S1: Coordinating the work of local suppliers	I1: Material (fabric, wool, cotton) provided by the customer	A1: Fashion collection fully designed and manufactured, with external brand
C2: Czech fashion industry	P2: Small/urgent production batches (<500 pieces)	S2: Quality check and re-work for other Czech suppliers	I2: Material (fabric, wool, cotton) procured by the consortium	A2: Direct cooperation with the entity collecting used garments and knitwear
C3: German large retailer	P3: Co-design and manufacturing of a full collection	S3: Customized design	I3: Purchase of used garments or knitwear	
C4: Polish fashion industry	P4: Customized (upon demand) garments or knitwear	S4: Clothes repair / tailor´s shop	I4: Direct distribution through Internet of customized garments or knitwear	

Example of the business model option matrix for the case of fashion industry manufacturing.
Source: Own processing (USI)

Combining in different ways the options presented in the matrix, some alternatives can be feasible, but three seem the most promising ones:

Alternative A
C1: Potential customers: Final customer.
P1: Product/service: Prototypes of knitwear and garments
I1: Implementation: Material (fabric, wool, cotton) provided by the customer

Alternative B
C2: Potential customers: Czech fashion industry.
P3: Product/service: Co-design and manufacturing of a full collection
I1: Implementation: Material (fabric, wool, cotton) procured by the consortium

Alternative C
C3: Potential customers: German large retailer.
P4: Product/service: Customized (upon demand) garments or knitwear
I1: Implementation: Material (fabric, wool, cotton) procured by the consortium

Step 5: Redesign of Business Model

Objective:
BM´s Redesign and BM´s alternatives for its launching into the market

Each alternative identified on the basis of Option Matrix results in a different potential business to be implemented by the start-up entrepreneur.

(Potential) Business Model A

Product/service: To offer co-design and production of first samples of garments and accessories for emerging markets.

Potential customers: Clients interested in unique design and fashion looking for originality, quality hand-made clothes and individual approach.

Differential need to be covered: Italian creativity and know-how are able to translate almost any stylist idea in nice and wearable garments and accessories.

The essential steps (7)

(Potential) Business Model B

Product/service: To offer the complete production of small batches, and especially prototypes, taking advantage of the high quality and specialised competence available within the consortium.

Potential customers: Medium-large Czech fashion industries asking for very accurate prototypes of garments realised in a few weeks, to provide to their large scale suppliers abroad.

Differential need to be covered: Prototypes are difficult to realise because it is in this process that critical aspects determined by the stylist choices arise. Usually Chinese or North African companies work on large batches and lack skills and internal organisation to realise completely new products in a short time. In addition, small batches have usually strict time constraints, hardly met when transport activities require 4-8 weeks: this means that when times are short, local suppliers are preferred.

(Potential) Business Model C

Product/service: To offer full Made in Czech (EU) collections, completely styled, designed and realised by the consortium.

Potential customers: German fashion retailers buying and distributing finished products with „hand-made“ added value.

Differential need to be covered: The experience and competencies of the both consortia are sufficient to realise from scratch a fashion collection, from fabric and wool selection and procurement to package and logistics. The result is a true full hand-made in the Czech Republic (EU) product at reasonable price.

The essential steps (8)

Taking into account that there are more than one alternative possible, and usually a social entrepreneur has not the resources (economical and others) to test/launch more than one new business, it is recommended to evaluate all the alternatives against the following criteria (potential impact, innovativeness, etc.) in order to select the most promising one to proceed further:

- Potential impact/attractive for the potential market (score from 1, potential market very low, till 5, very high potential market).
  Innovation level (score from 1, very low level of innovation, till 5, highly innovative).
- Simplicity for launching the business (score from 1, very difficult to implement the idea, till 5, very easy to put the idea in the market).

Business Model	Impact	Innovation	Simplicity	Total Score
New BM A				
New BM B				
New BM C				

Example of the table to assess / evaluate different feasible business model in order to select the most appropriate one.
Source: Own processing (USI)

Phase 3:
BUSINESS DEVELOPMENT

The third segment is dedicated to a phase when enterprises increase their activities “on the market”. Again, the process of founding is not linear and often many different activities are carried out in parallel.

By proposing the Minimum Viable Products (MVP) approach, we suggest start-up teams an efficient method to develop new services/products. MVP builds on a user-centred model and, thus, helps companies to better meet the needs of the market, i.e. their customers. In addition, the “Validation Board” tool allows for a structured feedback from customers and stakeholders alike on the enterprise’s ToC and activities.

Minimum Viable Product

In a nutshell...

Minimum Viable Product (MVP) comes in the early-stages of the project/business development. It is part of the lean methodology of building projects. According to this methodology, there is no need to try to build the final product from the beginning since the development is based on hypothesis, not facts and validated data.

That is why an MVP is built in the first place and can be understood as the first prototype that doesn't need to be fully functional.

The essential steps

1. Step 1: Define the problem/need of the customer
2. Step 2: Requirements for Minimal Viable Product
3. Step 3: Validation / Cycle of (un)success
4. Example of Minimal Viable Product

When to use?

When the business idea is in early-stages. MVP is a tool that helps you get objective feedback from the customers.

How to?

Build an MVP according to the requirements of its basic functionality.

Time & Resource needs

- The time needed to implement the tool is individual depending on the process and the nature of the product/service developed.
- You may need days or weeks to create an MVP. An MVP is an ever-changing tool in the early-stages.

Additional readings

Here you will find useful information on MVP and particularly focusing on the differences between Minimal Viable Product (MVP), Proof of Concept (POC) & prototype

Step 1: Define the problem/need of the customer

Minimum Viable Product is part of the lean methodology. The methodology consists of several important steps which are critical in order to build a project while minimising risks and costs.

An MVP comes in before validation because it helps project members gather objective feedback because an MVP is very similar to a project prototype that is created in a strictly lean way: it is cheap and represents the core of the solution.

MVP needs to be updated according to the gathered feedback. If the potential customers do not feel a need for a concrete feature of the product, this means you need to update, so that you meet the problem/need of the customer with your solution.

Simple illustration how an MVP may look like.
Source: Own processing (USI)

Step 2: Requirements for Minimal viable product

The right MVP should meet several important requirements if it is to be built in a lean way:

- Minimise costs during the development, MVP should not be perfect or even functioning well, it needs to show the potential of the product/service to the customer.
- MVP needs to showcase the core of the solution, no the added values.
- MVP can showcase features that will be built over time and will not be available right away.
- It needs to be visual = explaining an MVP with words does not bring objective feedback.
- If a project can build a functioning MVP easily, it is recommended.

Step 3: Validation

When the MVP is ready, it is important to start validating: collecting data and feedback from potential customers.

⇨ The feedback can vary and it is important to always come back to the latest version of MVP and update it according to this feedback.

⇨ Also, it is important to analyse the collected feedback. The aim is to make decisions in the project based on data and customer feedback, not on subjective hypothesis of the team members.

Hang on!

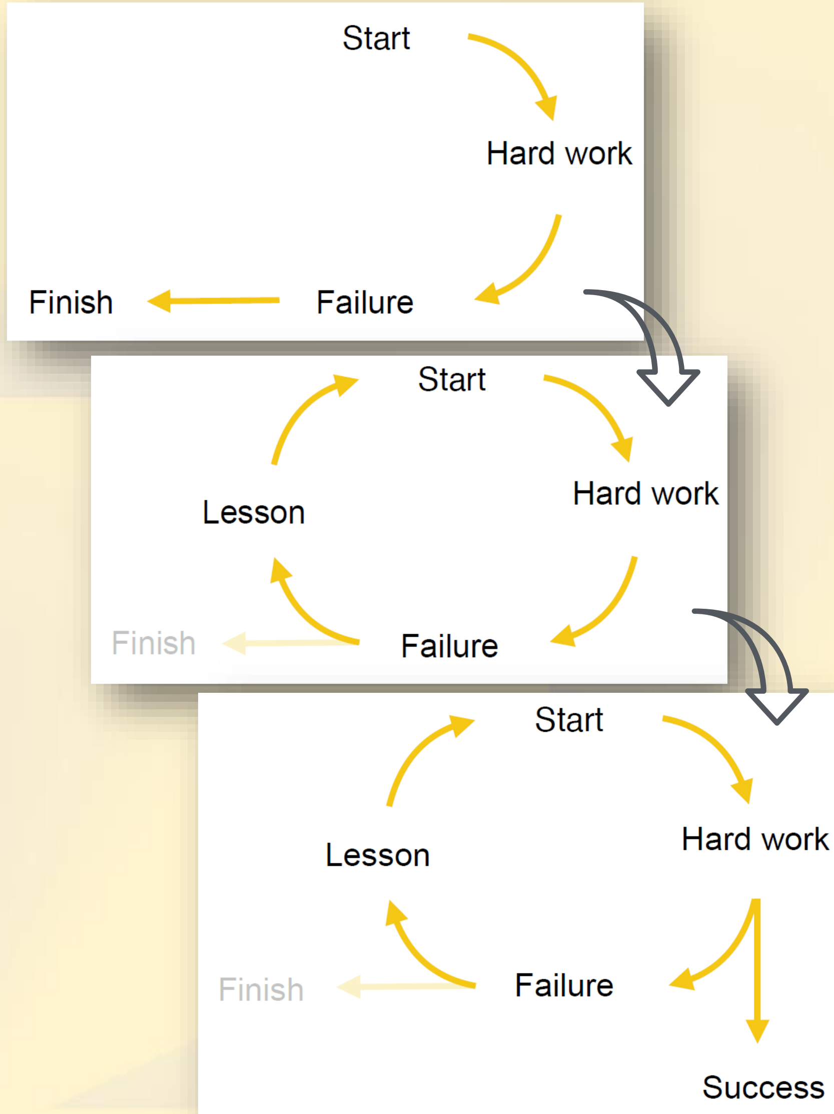


Illustration on how to properly work with an MVP.
Source: Own processing (USI)

Example of Minimal Viable Product

Example of the MVP could be a **development of an application for families used in mobile devices**.

Parents may not want that children or grand-parents are using standard communication apps of social networks (and want to block access to the social networks in mobile devices of their children or they may have also other privacy reasons to decide not to use social networks for communication within the family). However, they want to be in contact with other family members.

You may address families to use/test the app you are developing:

Development of the app´s basic functionalities is enough to gain first feedback and test potential demand of the possible future customers:

Pictures of a simple MVP: app for families and its functionalities.
Source: Own processing (USI)

Validation Board

In a nutshell…

Validation Board is a tool used for systematic validation of a business idea. The aim of the tool is to validate the business idea /MVP by the customers.

It consists of three important steps a project needs to undergo in order to validate:

1) Problem/need on the market (asking potential customers if they feel the problem/need that your product/service is solving).
2) The right structure of the solution (finding out what is the ideal solution according to the customers - the project needs to collect contact information from potential customers for pre-orders or later communication).
3) The selling strategy in the early-stage (try to sell the product/service to some potential customers).

The essential steps

1. Step 1: Verification of real customers´ demand
2. Step 2: Validation procedure
3. Example how to fill in validation sheet
4. Step 3: Validation conclusion

When to use?

Once you have developed an MVP.

The tool is intended to test if the product / service has the potential to be successful on the real market and if there are customers for it.

How to?

- Fill out the first stages of the Validation Board and then start validating with potential customers.
- Validation processes can be based on the dialogue or structured in one online survey.

Time & Resource needs

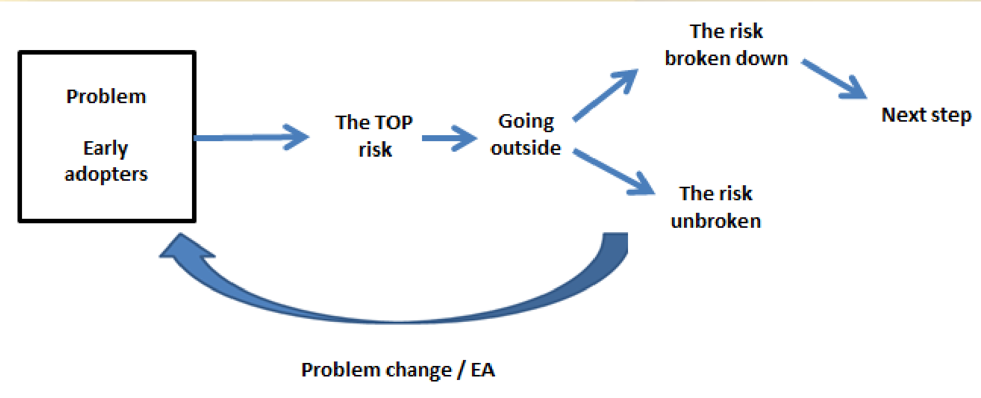
- Usage of the tool is time consuming and may last from weeks to months.
- To applicate the tool you should prepare printed or digital validation board.

Additional readings

Here you find an instruction video on how to work with the Validation Board

Step 1: Verification of real customers´ demand

Once the MVP has been developed you may start to address/sell the product to your first (early adopters) to find out if the problem you are solving with your product will attract customers. Gathered feedback during validation is used to modify the product/service accordingly.



The diagram illustrating the process of validation. Source: Own processing (USI)

- The TOP risk during problem validation: The problem is not a real problem for potential customers.
- The TOP risk during solution validation:
  - Proof of Interest - I am not able to gain enough proof of interest
  - I am not able to make even one imperfect sale

Step 2: Validation procedure

The aim of the Validation Board usage is the verification of real demand for your product/service through proof of customers interest.

- Validation does not always progress through all stages fluently. The opposite is often the real situation which means you can validate the problem/need many times in order to progress to another (next) phase.
- If you have prepared the Validation Board well, you can prepare questions (online/offline) that will ask about all of the phases of validation in one single survey or dialogue, it is not necessary to do everything separately but is recommended if you validate for the first time.
- It is better to validate qualitatively offline rather than online. Online surveys can bring you many answers and data but the depth and objectivity of the information is questionable. If you validate for the first time, make sure that most of the validation is offline direct dialogue with potential customers.

Validation Sheet

	1	2	3
Validation stage			
Problem			
Early adopters (who, where?)			
The TOP risk			
Risk Breakthrough	%	%	%
Result			
Lessons Learned			

Blank Validation Sheet. Prior to the validation itself, set your validation strategy and write down the results.
Source: Own processing (USI)

Description of Validation Sheet:

Problem: What problem are you trying to validate right now?

Early adopters: The target audience (information from the lean canvas)

TOP risk: In the beginning, the TOP risk is that the customers do not have the problem/need, the TOP risk changes in the three different phases

Risk breakthrough: How many % of the people need to have this problem/need in order so that the risk is minimised

Result: What are the results from this phase of validation?

Lessons learned: What have we learned from the this phase of validation?

Example how to fill in the validation sheet

Business idea: Home restaurant	1		2		3	
Validation stage						
Problem	Desire to meet new people and discover new ways of eating		Missing quality cuisine using fresh products		_	
Early adopters (who, where?)	Open minded people, city inhabitants, 20 - 40 years old		Gourmets and adventure/pleasure seekers		_	
The TOP risk	People are not willing to eat at others people home and pay for it		People don't want to try a culinary experience at someone's home		Imperfect sale: We are not able to adequately serve even 1 customer	
Risk Breakthrough	20 %	out of 30	20 %	out of 30	%	
Result	15 %		Using products from Tesco: 3 / 30 Wine food: 15 / 30			
Lessons Learned	Using expensive fresh inputs increases (unacceptably) the price		WF above expectations			

Example of Validation Sheet for the business idea of Home restaurant offering quality homemade food.
Source: Own processing (USI)

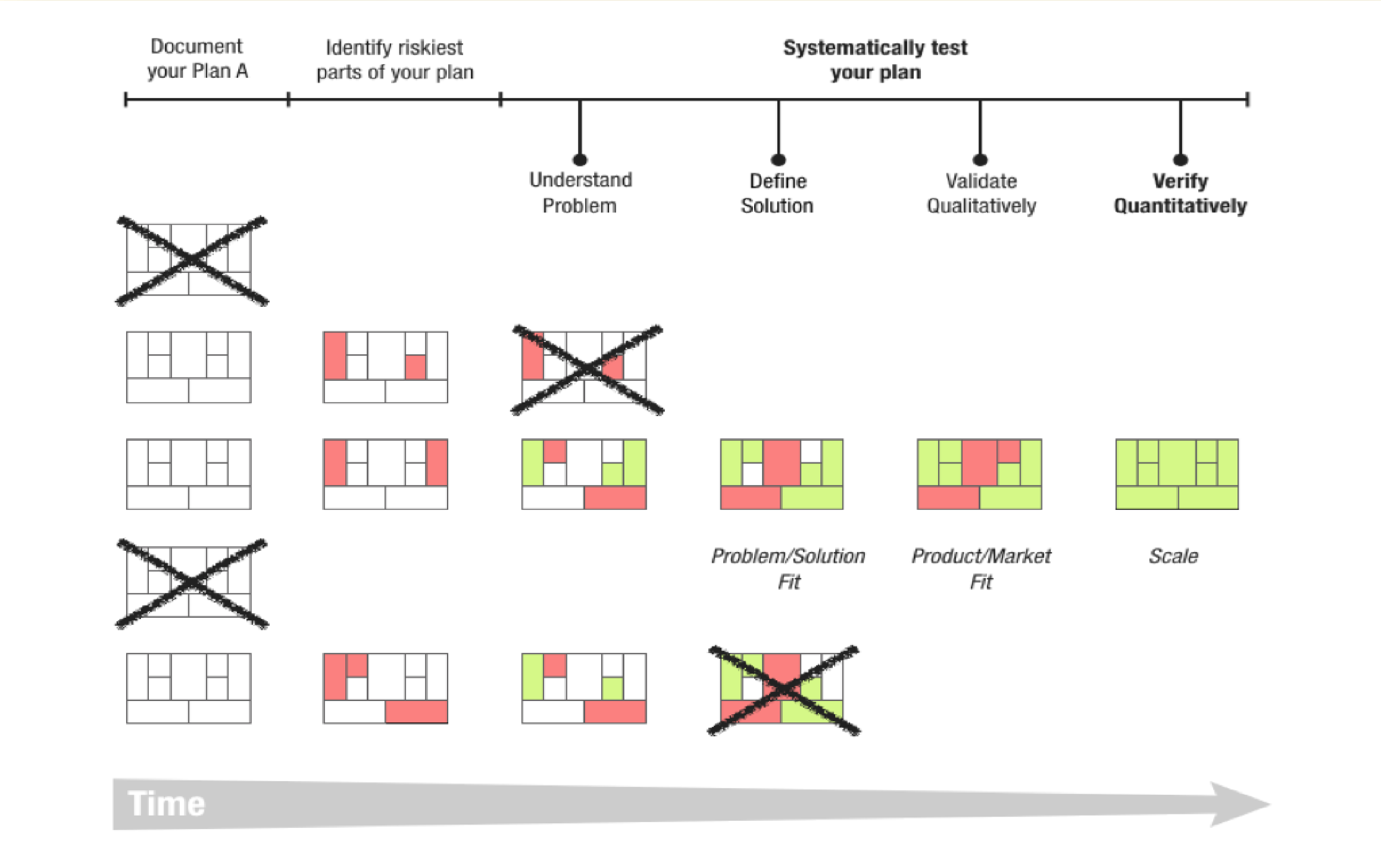
Step 3: Validation conclusion

When does the validation end?

- Once you realise that you have understood and validated the problem/need of the customer and you understand what solution the market wants to pay for, you can start scaling the project. It is important to collect contact information from the customers during validation and also try to build a basic selling strategy.

- If you are able to sell an MVP during the validation phase, it is always a very good sign of potential. With the problem/need, solution, and selling strategy validated, it is the right time to validate the rest of the boxes in the lean canvas and then scale the project to another level: building a better prototype, getting the product/service to a wider range of potential customers.

The essential steps (4)



Example how to use the validation board during the process of your project development: validation and assessment of different validated options of your product / service.
Source: Own processing (USI)

Phase 4: **MAINSTREAMING**

In the last section of our Toolbox we collected and designed tools that we particularly deemed useful during the consolidation and scaling phase of Social Enterprises. The tools have a particular focus on organisations that operate in disadvantaged regions.

The tools “Changemaker Activation” and “Matrix Map” propose a structured approach on how to manage SEs’ immediate stakeholder groups as well as to leverage social impact in the SEs affected communities. With the tools on “Impact Measurement Readiness” and “Marketing in disadvantaged regions” we shed light on considerations at market-level by encouraging a proactive approach on how to gain a comparative advantage as compared to conventional (profit-oriented) enterprises.

In a nutshell...

In running a social enterprise it is likely that you have to deal with a lot of different stakeholders. Existing social networks can be of great influence on the success of your enterprise. Activating the right people is, thus, important. RCAT will help you to make a plan to activate the right people for the success of your enterprise.
This tool helps you to create a visual networking map that enables you to make the roles and influence of different stakeholders on your social enterprise explicit. By making an action plan incorporating this knowledge, you can activate the right people to strengthen your network and your organisation.

The essential steps

1. Define goals
2. Determine stakeholders and their roles
3. Determine profitability of each business line
4. Determine level of influence of stakeholders
5. Determine action

When to use?

You can use this tool at different points along your journey:

- You can use it when establishing your social enterprise to map the goals of different stakeholders and see how your business idea relates to that.
- You can also use it in an established social enterprise to better coordinate your multi-stakeholder networking initiatives. By using this tool regularly, you can improve your understanding of why certain goals have been achieved and also gain insights into why some might not.

How to?

Fill out the tool together with a core team and discuss the outcomes with key decision-makers within the organisation.

Time & resource needs

This tool can be used in various degrees of intensity. In a rather basic form you only need a computer equipped with Excel. If you want to get deeper in the analysis we recommend a full-fledged Workshop setting that allows you and your team to co-create.

Additional readings

For the methodologic work that is required in this tool, we recommend: The Sustainability Mindset: Using the Matrix Map to Make Strategic Decisions, by Steve Zimmerman, Jeanne Bell, Also see http://www.nonprofitsustainability.org/ for a free workbook and free templates of the Matrix Map.

Step 1: Define goals

Before you dive deep into the matter of this tool, first things first:

Firstly, think of **who to include in the team** that you work through this tool with. Different people have different networks and another perspective on the relations within networks. Think of who you can include in your group to create the most elaborate understanding of the total network you want to investigate.

Secondly, **determine your specific goal**. Do you use this tool to get an insight into who can influence the success of your social enterprise? Or is there another specific question concerning, for example, the distribution of resources in your network that you want to investigate? If you have your specific goal clear, it gets easier to focus on the rest of the steps into that direction.

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Step 2: Determine stakeholders and their roles

Make a list of all the stakeholders in your network that are relevant for the specific goal you selected in step 1.

- Determine the role of each stakeholder. You can use figures in different colours (or coloured post-its) to represent different stakeholder groups.
- Take a big sheet of paper and distribute the stakeholders over this sheet.
- Determine the sentiments of each stakeholder. Are they supporting of your goal or do they have doubts? Assign different colours to the different sentiments:
- For each stakeholder, place a coloured marking on the right-hand corner of the post-it Yellow/orange = Silent mass/ neutral, Green = Supporter, Red = Doubter, or Blue = Opposition

There are myriad ways on how to create a Stakeholder map.
We recommend that you make a www-research and get inspired. Feel empowered to adopt the map to you own ideas and needs!
Left: Own picture (SI)

Step 3: Determine links between stakeholders

In this essential step you should consider the following:

1. it is important to **determine the type of links** that you want to examine. Are you, for example, interested in the flow of funding or in the flow of certain information? Or are you more interested in lines of conflict.

2. You can use pens in different colours to be able to **distinguish between the different types** of links. Don't forget to draw a legend on your map. Thus, when you look at your map later you won't forget what the different colours represent.

3. After you have decided the type of links you want to map, **draw them onto your map** by drawing arrows between the stakeholders that have a certain link.

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Dare to be creative and get inspired by others. There is plenty of literature and material online on how to visualise workshop outcomes and analyses. It helps you to reduce complexity. You can use it in presentations and publications and it is simply fun.

Step 4: Determine level of influence of stakeholders

After you accomplished the mapping of interrelations between your network of stakeholders, you now add the dimension of their influence:

1. First, think of how you **define the influence of stakeholders** in your network. Keep in mind that you focus on influence in a specific situation and not influence on the world in general.

2. After you have created a definition of influence, it is time to **determine the level of influence of the individual stakeholders on your map**. Rate this on a scale from 1 to 5 for each stakeholders (1 being the lowest score, 5 begin the highest score). Note down this number in the top-left corner of the post-it.

Step 5: Determine Action

Now it comes to translating you analysis into concrete action plan. Examine the links between the different stakeholders and analyse how lines of influences flow through your network. Then **analyse who you need to activate** in order to help you reach your goals. The following questions can help you with that:

Examine links and levels of influence:

- How are the links between stakeholders distributed? Who has many links with others, who has little?
- How is the sentiment of different stakeholders related to the links that they have?
- How are the levels of influence distributed in your network? Is it concentrated or distribute over multiple stakeholders?
- Where are the blinds spots in your network that you don’t have so much information about?

How can you activate these stakeholders?

- What are the goals of the stakeholders you want to activate?
- Who are they influenced by?

Who can you activate to help you reach your goals?

- Who can you activate to help influence veto-players or other influential stakeholders? (direct or indirect)
- How can you use supportive stakeholders in your network?
- How can you create new connections to strengthen the community you work in?

Tip: Even though it might not always be nice to hear, sometimes doubtors can provide you with very important feedback. So try to understand where they are coming from and what this means for your organisation.

Matrix Map

In a nutshell...

Being a social enterprise means that you have to balance economic and mission-related goals. When you have multiple products and/or services within your enterprise, it can get difficult to keep track of how each of them relates to these different goals. This can make it difficult to decide which products/services to grow, which to alter and which to say goodbye to.

By using this tool you will generate a visual map of the financial- and mission-related impact of all products/services within your organisation. You can use this tool when you need to make a strategic decision about the products and/or services in your organisation and you want to create an overview that you can discuss with key decision-makers

The essential steps

1. Identify your business lines
2. Assess relative impact on mission
3. Determine profitability of each business line
4. Map the results
5. Discuss the results

When to use?

This tool is best used when you have multiple products and/or services already up and running and you need to make strategic decisions about how to continue. It will help you make an informed decision to best find a balance between economic and social value generation.

How to?

This tool can be used in various ways. As an individual reader you may already have some inspiration for you organisation's way ahead. However, you may, too, turn this tool into a workshop process. Fill out the tool together with a core team and discuss the outcomes with key decision-makers within the organisation.

Time & Resource needs

In order to work on this tool in a workshop setting, you would need:

- Big sheet of paper (flipover sheet)
- Post its (different colours)
- Coloured pens

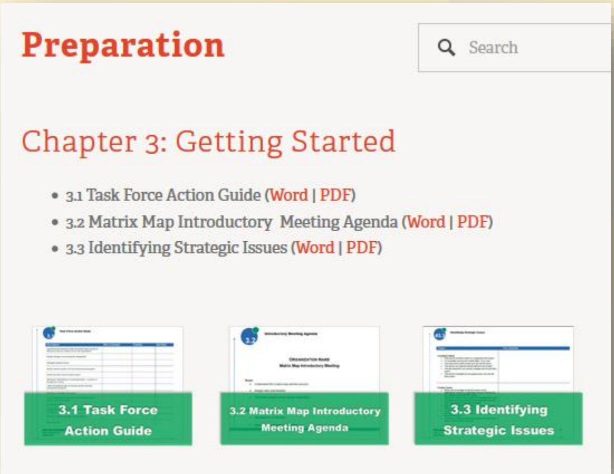
Additional readings

Particularly, if you envisage to visualise a mapping of networks we recommend to look deeper into: Eva Schiffer, 2007, Manual Net-map toolbox. Influence mapping for social networks.

The essential steps (1)

Step 1: Identify your products / services

Together with your core team, identify all products and/or services that your organisation runs. These are the activities your organisation undertakes that require organisational resources. These are the core product/services that you offer, but also think of fundraising activities or special (once-a-year) events that your organisation hosts. To get a complete overview, it might help to ask different colleagues what they are working on through out the year.



Up: Screenshot of download section of www.nonprofitsustainability.org/

In order to make the most of our Tool we recommend the works of "Nonprofit Sustainability"! In order to get your core team ready for working with the Matrix Map, you can download a guideline on the webpage. It is for free, go for it

Step 2: Assess relative impact on mission

If you have all of the activities of your organisation written down, you can start to assess the **relative impact of each of these on your core mission**. You do that by following the steps below.

1. Choose four **impact criteria** that relate to your organisation. Possible impact criteria

- **Alignment with core mission:** How closely is this activity linked to our core mission?
- **Excellence in execution:** How good are we delivering this activity, relative to competitors?
- **Scale:** How many people do we reach with this activity?
- **Depth:** How much does this strengthen our relationship with customers / stakeholders?
- **Community building:** How much does this activity help in building the local community?
- **Fills an Important Gap:** If we didn't undertake this activity, would our customers have another place to go to?

2. Once you have picked four impact criteria, **rate each of the activities** defined in step 1 along these criteria using a scale from one to five. In this case, one is lowest score and five is the highest score you can give. To calculate the individual impact score for each activity, take the average score of the five impact criteria for this activity.

Step 3: Determine profitability of each activity

After looking at the mission-related impact of your products/services, it is time to **determine the profitability of each activity**. Both of these will later be put together in one map.

To determine the profitability, you assess how much each activity contributes to or needs from the financial resources of your organisation**.**

For each activity determine:

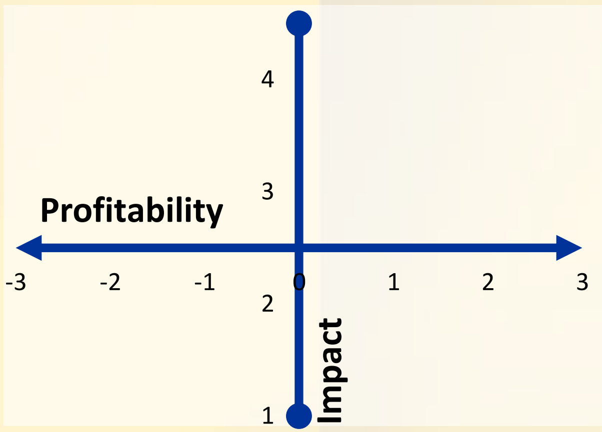
- **the revenue:** total amount of money this activity brings in the door
- **total expenses** (direct expenses, shared costs and administration costs).

> ***Get your numbers straight!*** *You can use the Excel templates on http://www.nonprofitsustainability.org/finance to help you calculate this.*

Step 4: Map the results

Now that you know the mission-related impact and the financial impact of all your activities, **you can put the two together**. In an Excel file, make a table in which you add each activity as a row and add three columns: one for the revenue, one for the individual impact score and one for the expenses.

Turn this Excel into your Matrix Map by using the "Bubble Chart" (as below) function in Excel.



> *Again, non-profit sustainability provides you with templates in order to* ***visualise your analysis****.*
> *Up: Own depiction based on* ***"Matrix map"*** *of nonprofitsustainability.org*

The essential steps (3)

Step 5: Discuss the results

Now that you have created your Matrix Map, **it is time to interpret the findings**. You can use the next sheet to help you along your way. The Matrix Map will help you in finding answers, by providing a visual means to engage key decision-makers in the discussion.

"Diamond" *(top-right corner)*
These activities have a great positive impact, both on the mission and financially. This makes it tempting to direct attention to more problematic activities and let diamond activities run themselves. However, don't forget to discuss how you can strengthen and grow your diamonds to keep them shining bright.

"Hearts" *(top-left corner)*
These activities have a high mission-related impact, but need financial resources. Having some 'hearts' in your social enterprise is ok, but too many will make the organisation unsustainable. It is important to discuss how much financial recourses your organisation can put into these activities and how the costs can be contained, for example by limiting the number of people that can use a service.

"Just money" *(bottom-right corner)*
These activities have a low mission-related impact, but bring in a lot of financial resources to the organisation. Discuss how these activities can be nurtured so they keep on providing these resources and how their impact can be increased.

Typical 'just money' projects like fundraising activities can provide a great platform to raise awareness and inform people of the importance of your mission.

"Bones" *(bottom-left corner)*
These activities lose money and their mission-related impact is low. Discuss how they can be closed down or taken over by another organisation and how the available resources can be used for the other activities within the organisation. Saying goodbye to an activity is not failure, but part of building a stronger organisation.

The final "Matrix Map"
Left: Own depiction, based on nonprofit-tsustainability.org

Impact Assessment Readiness

Tool n°9 / Mainstreaming

In a nutshell...

Impact Assessment (IA) is a means of measuring the effectiveness of organisational activities and judging the significance of changes brought about by those activities. It is neither art or science, but both.

Impact assessment is inherently linked to mission and, in that sense, ripples through the organisation. Being able to assess and articulate impact is a powerful means of communicating, internally and externally.

In this context this tool aims at guiding Social Enterprises through the first steps to apply an IA approach as well as to attain an awareness of different tools and methodologies.

How to?

The tools and approaches for impact assessment can vary from simple questionnaires to the more advanced 'outcome harvesting' and 'impact mapping'. However, all of them are following a simple logic of building an image of the impact of your activities on your target groups and on the your community, and societal level.

The essential steps

1. Consider the need for IA
2. Setting-up a logical model
3. Preparing IAs strategy

Why Impact Assessment is of importance?

Impact Assessment is a powerful tool that helps organisations to be more impact-oriented. Internally, It serves as foundation for strategic decisions and helps with the optimalisation of the organisation's processes. Externally, it can establish and secure a legitimacy in the public by building up a reputable brand. This can help an organisation in mobilising resources and establishing a legitimacy with financers and (impact) investors.

Time & Resource needs

Impact assessment is like "learning"; ideally it never stops. We, thus, see it as an iterative process, in which you reconsider adapt your IA-Strategy. Considering that this tool aims at the preparing steps of this process, you need merely some hours to go through our tool.

Additional readings

As a base for the topic of "Impact Assessment" at large we highly recommend [guidelines of the Berlin-based not-for-profit "Phineo"](), which is accessible on their webpage and available in German, English, Italian and French.

The essential steps (1)

Initial remarks

The discourse around "Impact Assessment" is complex and requires some context to feel familiar with the many dimensions of this important topic. In a nutshell, the discussions around IA touch upon:

- Business Strategy: Why do SEs need IA?
- Marketing & Reporting: How can the assessed impact best be communicated?
- Research Methods: How do we actually assess impact?
- philosophical questions: What is social impact actually?

As an example of the ever-evolving discourse, we want to draw your attention to a recent paradigm shift in the field: In last years on the terminology and content moved, for example, from the "bare measuring" to more coherent "management of the impact" (from planning to measurement). In this context we recommend you to have a look on the Impact Measurement Project.

Objective of this "IA-Readiness Tool"
With this tool, however, we would like to highlight the first steps of how to **elaborate on the necessity for your enterprise engaging in "Impact Assessment"**. The objective is not to actually come up with a final strategy but rather "make you ready" to take an informed decision.

Step 1: Consider the need for IA

Before rushing into the topic, it is quite important to assess your organization needs in terms of Impact Assessment; respectively the question "does it make sense for you to engage in resource intense IA-endevour"?

For this Tool we would like you to download and read through **Phineo's Impact Navigator guidelines**. It will provide you with a 360° degree perspective on this topic. The Download is for free; you will find it here.

Discuss with you team (or even close partners) following guiding question regarding Impact Assessment: "In which way would an assessment of my Enterprise's work help me to...

- **Public & Donor Legitimacy:** Better communicate the results of your work more effectively? Is there a need?
- **Employer Branding:** Increase the motivation of your employees? Do they need to be closer to your enterprise's mission & vision?
- **Continuous Improvement of your product/ service:** Increase learnings from mistake and successes? Would you make use of improved QM-approach?
- **Comparative advantage:** Determine what you're achieving with your work? Could you - by the means of showing your work's impact - a comparative advantage on the market?

The essential steps (2)

At this stage it is important to be open and embrace a critical perspective on your own doing. It is not an easy task to critically evaluate your own enterprise's work; however, its worth the pain!

Now, that you discussed the potentials of IA for the four dimension 1) Public & Donor Legitimacy, 2) Employer Branding 3) Continuous Improvement of your product/ service 4) Comparative Advantage on the Market it is time to think of „**where you can measure your impact**“**!** This brainstorming, which you can ideally carry out with your team, will prepare you for the following Step 2.

With the so-called "results staircase" (see below) you can see on which different seven levels "Impact" can be generated respectively assessed. In fact, "Impact" is not accurate as the staircase, is divided the following:

- **Output-level:** The first three steps merely describe outputs, meaning "the quality" for the target group is not assessed. While we shouldn't call IA, this "output" dimension is important. For example, many donor reportings require you to merely show that an event, trainings etc. took place. This metrics, however, often say nothing about the quality (or for that matter impact) of the activities.

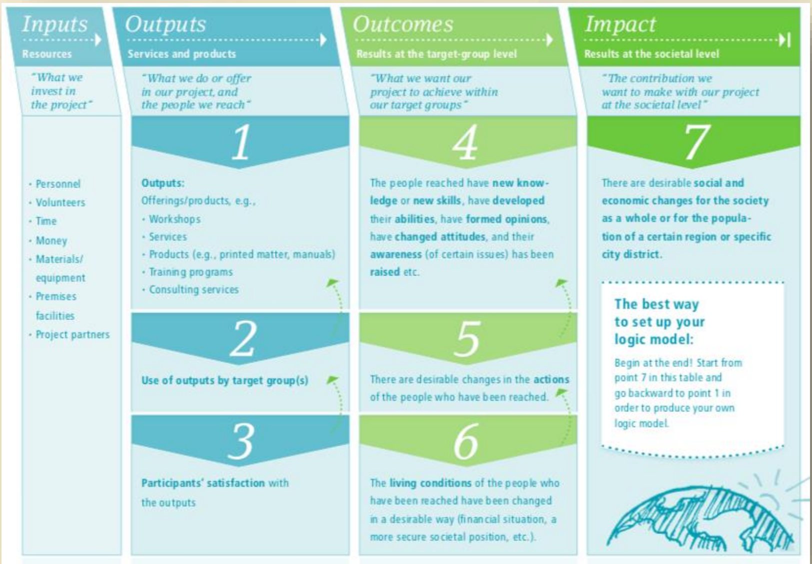
- **Outcome-Level:** In the three steps of outcomes the true magic-happens; your target group or beneficiaries first change their attitudes and/or develop new skills; then change their behavior and eventually living conditions change for the better. For any IA approach the question of behavior change will be salient (and methodologic difficult to approach)

- **Impact -Level:** Social Enterprises often reach for the stars. In this context, when it comes to IA, it can be said that actually measuring Impact (= Changes on the society level) is nearly impossible. While "impact" can be described as the contribution of your enterprise at the societal level, impact will be always (positively or negatively) affected by many factors that lie outside of your control.

The results staircase, Source © 2019 PHINEO gAG

Step 2: Setting-up a logical model

Logical models are nothing new and have a long tradition; probably you stumbled upon the “Log Frame Matrix” for Project Planning and evaluation before; in that case you can build on your experience and feel already familiar with the “logic”.
In this step we basically want to stress that systematic appraisal of your enterprise's relationships, resources, activities and results are key. Unfortunately, it is not possible to describe the application in the framework of this tool in detail. We would like to encourage you to make use of the model described by Phineo. In their “Impact Navigator” you will be guided you through the process.



“The Logical Model”, Source © 2019 PHINEO gAG

Step 3: Preparing IAs strategy

Now after knowing where you are and where you want to be heading, you can set a strategy that defines concrete steps toward implementing an IA approach.

As a last step we would like to engage in a thought process, which is ideally discussed with your team. The final things we would like to stress:

Cost/Benefit of IA
It must be stressed that “nothing comes for free”; particularly not the implementation of any IA approach. After the thorough planning comes the implementation. While that alone may be resource intense, you need an constant openness to “make us of the results”. We recommend you to see it as very strategic investment.

Choice of tools/methods
“What get’s measured, get’s to be done”. Make sure that measure and assess reality of your enterprise (as close as possible). Wrong number and accounts of customers or your target group might be misleading and, thus, pose a threat; as you will draw strategic conclusions. In this context, we advise to show a methodologic openness towards qualitative and quantitative methods.

In a nutshell...

Marketing is the activity and process for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and the society at large.

Marketing is important because your target audience needs to know why they should prefer your company over someone else's to draw customers in a crowded marketplace. Here's where marketing comes in to educate current and potential clients about your company and how it meets their needs. If nobody knows about your goods or services you can not make a sale. Marketing extends your scope and draws attention to what you're selling so people can buy it.

The essential steps

1. Identify your target group(s)
2. Create the your marketing/communication message
3. Select your communication channels (online & offline)
4. Measure and optimise the effectiveness of MKT activities

When to use?

This tool shall be used prior to designing any new offering to decide who is your target audience. It can be also used to market existed products by defining right target customers and refining the communication message to reach out to them.

How to?

This tool can be used in various ways. We recommend to try out the tool together with a core team.

Furthermore, as the last part of this tool, you might find inspiration to dig deeper into certain topics (i.e. by the means of web-research)

Time & Resource needs

For a workshop setting, together with your team you would need:

- Big sheet of paper (flipover sheet)
- Post its (different colours)
- Coloured pens

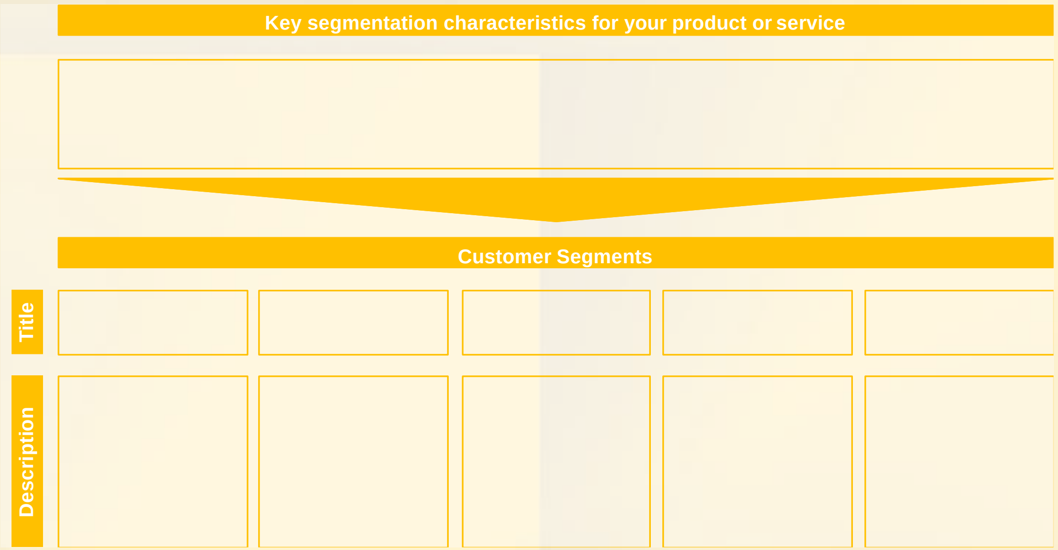
The whole process will take you approximately 4h.

Step 2: Identify your target group(s)

The first step is to divide the large pool of potential customers into customer segments. Customer segments are groups of customers who share certain characteristics or behave in a similar way.

- What will influence the preferences of potential customers towards your product or service?
- Will individual buyers have different expectations and needs vis-à-vis small stores? What about government institutions, NGOs or businesses?
- Will grandchildren have different expectations and needs than their grandparents for example? What about men and women, people with different religions, income, education levels or professions?
- Will people in rural areas have different expectations and needs from urban citizens? What about people in City X vs. City Y?
- Will people who have different knowledge about your product or service have different purchasing and usage patterns? Buy it more or less often, use it more or less often or use it in different ways?

Answering these and similar questions will help you to identify the factors that mark the differences among your customers and to come up with your customer segments. Complete the information you gathered in the Your Customer Segments WORKSHEET below:

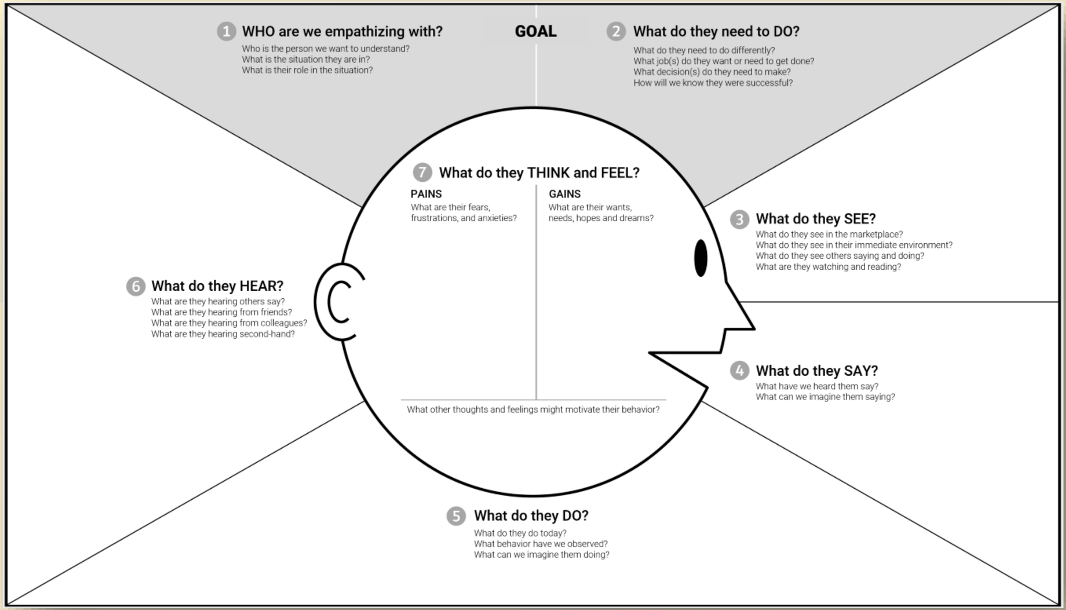


Customer Segments Worksheet. We can also recommend to check the web to look for creative design templates yourself. You will be surprised how many different ways there are to display you customer segments. Own depiction (SI)

Step 2: Create your marketing/communication message

You tailor your marketing message to fit to a specific target group. Out of the customer segments you identified in Step 1:

- ⇨ select the ones that appear most important for you, for example because of their size, because they are most likely to buy your product or because they are the easiest ones for you to reach.
- ⇨ The Empathy Map asks you to step into the shoes of your customers: What does he/she think, say, see, do, feel, and hear? You can answer the questions in discussions with your team, through internet research, interviewing or observing potential customers etc.
- ⇨ It's easier to answer the questions if you imagine one representative person of each segment; add their name and age in the middle of the Empathy Map, in addition to the title of the customer segment.
- ⇨ By deeply understanding your target customer through the Empathy Map on many different levels, you will be able to create a persuading marketing message that is aligned with your needs and wishes.



Empathy Map; adapted from gamestorming.com/emphathy-map/; Source: gamestorming.com

Step 3: Select your marketing channels (online & offline)

After creating the marketing message you will need to identify the right channels to deliver this message to your customers.

- There are various marketing channels offline and online (as an example see below) that enable you to reach out to your customers. However, you have to be very determined at winning customers in just a few of these channels. Trying to master them is extremely difficult.

- You need to discover the channels that are relevant to your audience and focus solely on them. You can find in the additional reading an article that lists many different marketing channels and the a guidance to choose the right channels for your business. You can use it to pick the right channel for your business.

Websites · *Paid Search* · *Radio*

Email · *TV* · *Social Media*

Magazines · *Physical Locations*

Step 4: Measure and optimise the effectiveness of your marketing activities

You must design a feedback system to assure the effectiveness of your marketing activates because you can only manage what you can measure.

Step one: Run a test campaign against existing campaigns. Create and send a test campaign to a specific customer segment. Make sure you accurately track which elements of the campaign have been changed so you can assess their effectiveness. Then, compare and contrast your current campaign with the new test campaign.

Step two: Analyse your responses. How did your customers respond to the new campaign? Analyse their behaviour in terms of emails opened, links clinked, coupons redeemed and purchases made. If you see a significant decrease in customer response that's important to note as well.

Step three: Identify response triggers. Investigate the connections between the changes you made and the changes in customer response. Doing so will allow you to modify existing campaigns and store those changes in your marketing arsenal for future use.

Step four: Create response profiles and responds accordingly
Create detailed, updated profiles for those customers who responded to your test campaign. Make sure to pinpoint what action they took, the marketing technique or element that caused them to take action, and all relevant demographic data like age, gender, marital status, education, and so on. Then optimize your marketing activities according to these profiles.

Additional Perspective: Marketing strategies for disadvantaged regions

Our perspective on “marketing for disadvantaged regions“ is that - in case you focus on the client or customer - there is no real difference between affluent or disadvantaged region, as the marketing approach in this case really focuses on the individual. From a strategy point of view this implies that you best *boost your Social Enterprises by value creation (as presented in this tool).* However, if you take the perspective “society at large”, you will see a different picture. In order to boost regional economic cycles you can - by means of collective action - engage in different marketing strategies that may turn “disadvantaged” in “advantaged”!

The following section briefly presents some of the strategies. Mind that the implementation thereof may need the support of the whole regional ecosystem (including local administration):

Regional currencies
In short, local currencies may work as complementary currency to a national currency, rather than replacing it. Having many local shops and producers that accept this currency helps to keep spending within a local community and to foster regional development.

Village shops
As it is in many rural communities, local shops close. This negatively effects the quality of life for the inhabitants. So-called “one-stop-shops” may integrate various functions in one physical place (such as supermarket, post-office, bank etc…) and thus make a real difference for disadvantaged regions. Check the web for many inspiring “village shop” concepts!

Community based Agriculture
Community-supported agriculture (CSA) directly connects farmers and consumers. There are different forms of CSA but in short: people buy "shares" of a farm's harvest in advance and then receive a portion of the crops as they' harvested. CSA is particularly great as it links local production and consumption!

Regional labelling
Driving through Europe you may realise that some regions are particularly famous for specific products; take Italy for example. While that is certainly linked to the quality of products, there is often a regional marketing strategy behind that aims at label many producers under one regional brand.

Chapter 4

CLOSING REMARKS

Closing remarks

Our final thoughts on the SENTINEL Toolbox

The Toolbox manual has been amended throughout the pilot implementation period to be tailored to real world needs of Social Enterprises in less developed regions of the Central Europe. Thus, the Toolbox manual was completed to adapt its possible use for various territorial circumstances, regions and background situations.

Vital Social Economy actors and Social Innovations are crucial in disadvantaged regions of Central Europe, where the market forces do not automatically boost the economy. **Social Enterprises are often leaders of such innovations and key actors in social inclusion and work integration.** However, in these regions, similarly to small and medium-sized enterprises, SEs face a shortage of a skilled labour force and negative effects of the demographic change (brain drain, shrinking and aging population) and additional external and internal barriers.

Context and evolution of the social enterprise sector in the European countries vary greatly and are shaped by political, legal, historical and socio-economical environments. Especially due to various socio-historical features and different territorial foci and perspectives, developing the SEs´ sector across European countries is a great challenge.

Next, today´s active society sees social entrepreneurship as a very limited career choice. The active part of society sees entrepreneurship as a career path only once an individual has enough financial resources gathered or when one has a network of contacts at hand.

Because of that, the Toolbox for Social Business Mentoring Services serves as an introduction to modern, progressive and practical ways of developing a social business idea. These modern techniques are based on methods to minimise risks, critical errors and high investments. The objective of this approach is to provide users with ways of creating and running social business ideas without an access to a network of skilled partners. The main needs of target audiences are – inter alia - the following:

- Skills needed for forming and outlining business ideas, outlining a concrete step-by-step marketing strategy, minimising risks, developing project management and time management skills, leadership skills, mastering skills and techniques for presenting business idea to investors, mentors, and potential customers.
- Advisors, mentors and coaches with diverse skillset, knowledge and attitudes matching the participants specific needs add an important value to the effectiveness of the usage of the tools.
- Combination of different methods of support proved more effective and better accepted by the participants, including individual and group approaches and peer exchange and learning.

Annex

I. Further Readings

Learn more about the power of Social Entrepreneurship & Social Innovation here ...

The "Better Entrepreneurship Policy Tool" is an online tool designed for policymakers and other interested parties at local, regional and national level created in 2019 by the European Commission and the OECD. Particularly for those that to explore how public policy can: Support youth, women, migrants and the unemployed in business creation and self-employment; Support the development of Social Enterprises.

A good and up-to-date overview on the status quo of social entrepreneurship across Europe is presented in this synthesis report (individual country reports are accessible too): "Social Enterprises and their ecosystems in Europe - Comparative synthesis report" (2019)

For those that seek to learn more methods and tools to learn about Social Innovation we highly recommend the "Skyrocket Platform". This Open Online course was created by the **Social(i)Makers project and aims at** collaboratively learn and apply the most innovative SI operational instruments to design & launch effective and sustainable SI initiatives.

A good add-on methodology to this Toolbox is Maximise Your Impact - A Guide for Social Entrepreneurs. The guide provides for a comprehensive overview of approaches to be followed when starting and running a social business. The guide offers valuable best practices and guides you step-by-step through relevant questions for entrepreneurs.

Naomi Ryland & Lisa Jaspers book "Starting a Revolution. What we can learn from female entrepreneurs" tells stories about female entrepreneurs and their journeys to run successful businesses. While the focus lies on women entrepreneurship, the book touches upon central topics and gives great (evidence-based) advice on issues such as team building, entrepreneurship, new work or sustainable leadership.

Sometimes it is good to have a rest and just listen and get inspired! "How I Built This", in this great podcast you can learn about pitfalls and successful ways to start-up projects and enterprises.

For those who are particularly interested in designing workshops and group processes for Social Innovation, we highly recommend "The Digital innovation Playbook". Design Thinking, Lean, BMC etc.—the Playbook is a remix of the best theories of the wide field of user-centered design.

II. Contact to SENTINEL-Partnership

Feel free to get in touch! With the responsible partners of this Toolbox...

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... or directly with our competent partners from all-over Central Europe:

Hungarian Charity Service of the Order of Malta (HU)
www.maltai.hu

FTC - Trentino Federation of Cooperation (IT)
www.cooperazionetrentina.it

CEI - Central European Initiative (IT)
www.cei.int

Fund 05 - Foundation for Social Investment (SLO)
www.sklad05.si

PRIZMA - Foundation for Improvement of Employment Possibilities (SLO)
www.fundacija-prizma.si

RARR - Rzeszow Regional Development Agency (PL)
www.rarr.rzeszow.pl

ROPS/Rzeszow - Regional Centre of Social Assistance (PL)
www.rops.rzeszow.pl

KONETT - Hungaria Community Development (HU)
www.konett.org

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