



COMMUNITY ENTERPRISE CONNECTIONS

Welcome to Community Enterprise Connections

Welcome to the 9th Edition of Community Enterprise Connections.

In this edition **Peter Couch** profiles *Cleanable*, the cleaning enterprise he manages in Melbourne.

From further afield, **Fred Heidt**, General Manager of *youthinc*, profiles the Grey-

ston Bakery, a successful food-based social enterprise in New York City.

In his article, **Kevin Robbie** of Social Ventures Australia, explores the challenge social enterprises face in measuring their social impact. He outlines his experience with Social Return on

Investment (SROI), one of the tools for doing this.

If you have any questions, comments, or articles, please email or call the CEDI Team on cedi@bsl.org.au or 03 9445 2410.

Happy reading!



Brotherhood of St Laurence

Working for an Australia free of poverty

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Cleanable — Peter Couch

Cleanable is now in its fourth year of operation with a total staff of 22, including 15 people with a mental illness. We are currently servicing 35 sites in Melbourne's west and CBD, and have also branched out to the south eastern suburbs.

We have had most of our success in obtaining contracts from the employment, educational and the health services sectors, but we are also contracted to many private businesses, like real estate agents and car dealerships.

As the manager of *Cleanable* and from a marketing perspective, it was my intention from day one to openly promote this business from a socially aware angle. Getting the message out there is very important to me. There is still a lot of stigma associated with mental illness but frankly I have never worked with a

more dedicated team of people.

As well as maintaining the general running of the business I take great pride in my staff, some of whom have been living with mental illness for many years and have never really been given the opportunity of long term work and its related effects on well being. At least six of my staff members have not held down employment for 10 – 15 years, three have been with *Cleanable* for over three years and another is into his second year.

In line with the social firm model, we work in groups of two to four employees some with a disability some with out, but in my eyes we are just a team getting the job done.

The staff of *Cleanable* recently started a social club and were able to raise enough funds to have a Christmas party, where

every staff member received a gift along with raffles, lots to eat and drink. It was a great day, and for some the first opportunity to experience Christmas around friends.

We are now at the stage that our high standard of service delivery is speaking for itself. There is no better way to promote your business.

Cleanable is always on the lookout for new contracts and if your interested in giving us a go you wont be disappointed!

For more information

contact:

Peter Couch, Cleanable Manager

03 9396 1078 or

0406 420 912

peter@cleanable.com.au



Greyston Bakery (NYC) — Fred Heidt



To get to Greyston Bakery from the George Washington Bridge (NYC):

- Take Major Deegan Expressway (I-87) North
- Take Yonkers Avenue Exit 2 (By Raceway)
- Turn left into Yonkers Avenue
- Turn right onto Ashburton Avenue. Follow all the way to the end, approximately 1 mile.

The bakery is on the right hand side, at the corner of Ashburton and Alexander Avenue.

And why would you want to go there?

Well, if you are interested in a food-based social enterprise this is a 'must-see' example – and by that I mean, up-close-and-personal. Of course, you can go to the website (www.greystonbakery.com) to have a look around – but believe me, you will NOT learn anywhere near as much as you would by seeing it for yourself. It is well-worth a visit.

In case you don't get to New York City here is what I learned...

Greyston Bakery is acclaimed as a model social enterprise. And, it is also much more than that. From the outside it looks like a typical commercial bakery that you might find in any capital city in Australia – except that it shows a few signs that it is reasonably new. The building looks modern, the car park looks fresh, the landscaping is a bit unfinished, and the windows are still clean. It is on the inside that you begin to gather a more detailed impression.

We are met at the door by the marketing manager, a young black woman called Freya. It turns out that the new building is three years old and replaces the old bakery that began further up the road in Yonkers in 1982. The new bakery was purpose designed by a well-known New

York architect (someone we have never heard of but feel like we should somehow know). It is lean, green and environmentally friendly – natural lighting, energy-saving everything, and built on a rehabilitated 'brown site' to boot! Already, one gets the impression that this is a 'different' sort of place.

As we go on a tour of the facility we get pumped full of statistics – 60+ employees, employee turn-over rates, work safety record, and \$8million turnover from bakery sales alone. And of course, we get the one-liners and slogans... "We don't hire people to bake brownies. We bake brownies to hire people." You get the impression that they host a lot of visitors!

The bakery is modern and contemporary, and you can see through the glass from the mezzanine floor above that the bakery has all the mod-cons; stainless steel everywhere, automated conveyor belts, mixing machines. There is a sickly-sweet smell that you cannot get out of your nose. We learn that they are baking brownies for the Ben & Jerry's Ice Cream company (US-version of Wendy's Ice Cream) – their major client (maybe their only client? Did we hear that correctly?). Yes, but it is an exclusive contract and it is supposedly 'water-tight'. No business risk here. Besides, 'we are starting to develop our own products.' There are 3 shifts per day. The factory seems like it is in perpetual motion.

Then it gets *really* interesting... for one thing, they have an 'open-hiring policy' that means that new employees are engaged on a first-come-first-served basis. There is no selection process to pick the best candidate for a new vacancy. Instead, they just contact the next person on the list in order of their application for work at the bakery. Everyone is given an opportunity regardless of aptitude or ability. Where have you heard of recruitment process like that before? Amazing.

Then we hear about the PathMaking program where all employees are able to participate in special interest groups during work time. Huh?! Yep, the employees gather in groups like women's sub-committees to discuss issues of common interest and undertake in-house training

programs. On top of that, we learn that Greyston Bakery funds 100% of any training costs for all employees. That is 100% of any training course that builds personal or professional skills. Wow!

It goes on...

- The profits from the bakery help to support the Greyston Foundation – not the other way around (!)
- 45% of foundation income comes from the bakery (total revenue of \$25million per annum).
- The foundation operates a community health centre in Yonkers, child-care centres, a community garden and much, much more.
- The CEO is deliberately promoted as a figurehead for the company (he even has a personal message and signature on product packaging). Not only that, he is also a member of various local economic development committees, he teaches university courses, and he volunteers with other non-profit organisations in Washington DC.

Okay, we are beginning to become a bit overwhelmed now. This is obviously a social enterprise in every sense of the term. Not only is it a sustainable enterprise providing employment to disadvantaged people, it produces a multi-million dollar profit, it supports other essential community services, it is super-green, and it contributes to the wider agenda of community-economic development in a low socio-economic area of New York City.

This is a social enterprise that offers much food-for-thought – and oh yes, if you get a chance to go there they will be sure to give you some samples of the most delicious brownies you will ever taste!

Fred Heidt is the General Manager of a new youth enterprise based in Adelaide – *youthinc*. *youthinc* is currently building a range of food-based social ventures in partnership with its major corporate benefactor, the Commercial Retail Group.

Fred can be contacted via:
fredh@senet.com.au

Measuring Social Impact — Kevin Robbie

As chief executive of a social enterprise – Forth Sector www.forthsector.org.uk – I'd struggled with how to prove we were making an impact on the lives of our beneficiaries.

A number of years ago Forth Sector began to look seriously at how we evaluated our effectiveness. We piloted some impact measurement approaches, including Social Accounting and the Local Multiplier 3 (LM3). This ran alongside the numerous evaluations we had carried out on programs or projects. While some useful information emerged from this process, the organisation was left with a sense of frustration that we weren't able to prove the impact we felt we were having. A key element of our frustration was the lack of integration between our evaluation processes and the competing desires and requirements of our range of stakeholders. I still remember being told by one funder that our social accounts "were very interesting but overall didn't really tell us anything we didn't already know."

This led us to look at Social Return on Investment (SROI) as an impact measurement approach. This tool had originated in the USA via REDF, www.redf.org and was being promoted within the UK by the New Economics Foundation – www.neweconomics.org. The SROI tool provided a cost-benefit analysis of the organisation by looking at the investment required to achieve the outcomes versus the cost-benefit from those outcomes being achieved. Although the primary use of SROI was around measuring the impact of employment initiatives, we were hopeful that it might assist us in proving the health impact that we had on people who came to work in our social firms.

The Scottish Government was taking an increased interest in impact measurement and Forth Sector was asked to lead a two-year pilot program looking at whether SROI was a useful tool in measuring impact. Ten SROI evaluations were carried out on a wide range of organisations, including one of the businesses that Forth Sector ran. The report on this project - *Investing in Impact: Developing Social Return on Investment* - can be downloaded from the guides section of www.socialeconomyscotland.info

Six Mary's Place was the business that Forth Sector chose to measure its SROI on. Although the business operates commercially, some income is received to provide employment support for the 20 staff with mental health problems who work there. The SROI identified that for every £1 given in 'employment support funding' Six Mary's Place returned £5.87 in social return through reduced health care costs, reduced welfare benefit expenditure and increased taxation income to the state. This result wasn't unusual with organisations in the pilot project showing social return ranging from £1.50 for every £1 through to £15 for every £1.

Following completion of the project, I was asked to go on secondment to the UK Government Office of the Third Sector as a special adviser to their Social Enterprise and Finance Team. This was because the UK government had committed a significant amount of money - £500million over 3 years – into new social investment funding and was looking to measure the social return on that investment. SROI was chosen as the impact measurement approach because there was a requirement within government to prove impact and build the evidence base of the sector. It was also identified that SROI could be integrated into other evaluation and impact measurement approaches to provide an approach based on the needs of a wide range of stakeholders.

This led the UK and Scottish Governments to agree to jointly fund a development project to standardise the principles and methodology of SROI and produce a revised version of the guidance that would be used across a range of government departments and funders/investors. This revised guidance is due to be published in April 2009, see www.sroi-uk.org for details.

So what is the usefulness of this for social enterprises and the wider non-profit sector in Australia?

- The revised guidance primarily draws on experience in USA, Europe and the UK but Social Ventures Australia (SVA), who have led work in this area in Australia, have had input into the process.



Community Calendar

18-19 March 2009

National Conference, Melbourne

Self-Directed Services and Personal Budgets: The Emerging Agenda
<http://www.partnerships.org.au/NationalConference2009.htm>

2-3 April 2009

ACOSS National Conference, Sydney

Building a fair Australia in tough economic times
www.acoss.org.au

22-25 April 2009

LUX '09, Luxembourg

International Forum – Globalisation of Solidarity
www.lux09.lu

29 August – 10 September 2009

Social Enterprise Study Tour, UK

London, Edinburgh and Glasgow
For more information or to register your interest contact Fred Heidt, fredh@senet.com.au or 0411 864 820

- There is a groundswell within the sector in Australia around the need to measure impact and SROI is one of the potential approaches that could be used.
- There is no need to 're-invent the wheel' and the revised guidance from the UK should be easily adaptable to an Australian context.

Kevin Robbie works for Social Ventures Australia and leads their work in developing Social Return on Investment.

Kevin can be contacted via:

krobbie@socialventures.com.au

Community Enterprise news

School for Social Entrepreneurs

The School for Social Entrepreneurs (SSE) Australia recently announced the launch of its first School in Sydney in 2009. The SSE Australia program will be initially offered in Sydney as a 9-month tailored program starting in early March 2009 and will be looking to launch in Melbourne in 2010.

Based on the highly successful SSE program in the UK which has been operating for 10 years, the new Sydney school will provide Australian social entrepreneurs with the opportunity to develop their skills and knowledge as well as linking them into a global community of social entrepreneurs.

The goal of SSE Australia is to assist social entrepreneurs in transforming their talent and drive into real social outcomes. The programs will enable social entrepreneurs

to establish effective, sustainable community projects and initiatives that meet social and community needs.

For more information visit:

www.sse.org.au

Report on Community Development Finance Institutions in Australia

Ingrid Burkett and Belinda Drew of Foresters Community Finance recently published their report '*Financial inclusion, market failures and new markets: Possibilities for Community Development Finance Institutions in Australia*'.

The report explores the nature of financial exclusion in Australia and argues that the development of specific and independent Community Finance Institutions could make a significant contribution to addressing this exclusion.

Community Finance Institutions are independent organisations focused on the use of financial mechanisms to develop and service people, organisations and communities who have been excluded from or underserved by mainstream financial institutions.

For a copy of the report visit:

<http://www.foresters.org.au/SocialInnovationEducation/Publications.aspx>

Enterprise expertise

Do you have business planning skills and experience / knowledge of the community sector? The CEDI Team is looking for appropriate expertise to support community enterprise projects. Register your interest with the CEDI Team via cedi@bsl.org.au or on 03 9445 2410.

Your say

We would like readers to contribute to Community Enterprise Connections—you could write an article on your enterprise activities, reflect on the subject of community enterprise, or highlight any interesting enterprise work in Australia and beyond. If you have any comments or suggestions about this newsletter, please contact the CEDI Team on 9445 2410 or email cedi@bsl.org.au

Practitioners Toolbox

Australian links

Community Enterprise Connections- For community enterprise news, resources, links and contacts. The Community Enterprise Resource Kit and DVD (including 5 community enterprise case studies) is also available to download or order from: www.communityenterprise.org.au

Small Business Victoria- Online resource to help start, run and grow small businesses.

www.business.vic.gov.au

Small Business Mentoring Service- An independent, not-for-profit organisation providing experienced volunteer business mentors and coaches to Victorian businesses.

www.sbcs.org.au

Cooperative News- A forum for social commentary, news and events, industry features, case studies and profiles research papers and reports.

www.business.uts.edu.au/cacom/news/cccenews.html

Australia Employee Ownership Association- A website dedicated to association members and visitors that are interested in employee ownership issues

www.aeoa.org.au

Social Firms Australia- A not-for-profit organisation developing social firms in Australia to improve the quality of life as well as the social and economic integration of Australians living with a psychiatric disability.

www.socialfirms.org.au

International links

Social Enterprise Journal- Produced by Social Enterprise London, the journal discusses issues relating to social enterprise.

www.sel.org.uk/journal.html

Enterprise Solutions Awards- A website highlighting UK's best social enterprises—some great case studies and links available on this site.

www.enterprisingsolutions.org

Social Enterprise Mag- An email subscription service from the UK.

www.socialenterprisemag.co.uk

REDF- An US-based organisation which uses venture philanthropy to support social enterprises to create jobs.

www.redf.org



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