Using Social Enterprise Revenue to Supplement Funding Gaps

Workshop
Hosted by: Immigrant Services Calgary

Please complete this short survey

IMMIGRANT SERVICES CALGARY

Workshop Leads

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- [Survey Results](#)

Please complete this short survey

"A charity dollar has only one life; a Social Business dollar can be invested over and over again."

Muhammad Yunus
Bangladeshi social entrepreneur, banker, economist and civil society leader, awarded the Nobel Peace Prize for Grameen Bank.

Immigrant Services Calgary (ISC)

- Since 1977, ISC has provided settlement services to immigrants and refugees.
- In 2021 ISC launched Gateway, a **collaboration** among organizations to **better serve and support newcomers**.
- Our mission: *Connecting newcomers to the right service at the right agency every time.*

GATEWAY Benefits to Newcomers:

- Focuses on individual journeys, rather than a one-size-fits-all model.
- Makes it easier for them to reach their goals.
- Gives clients a clear pathway to accessing the services they need

The Interpretation & Translation Centre (ITC) at ISC

- ITC originated as a government funded program, primarily serving newcomers

- Original service delivery model did not charge fee for services – the entire service relied on government funds.

- 2018 – funding cut; language services deemed non-essential

- The program was at a crossroad

Focus of today's presentation

Explore how social enterprise can raise unrestricted funds to support and/or scale programs and services.
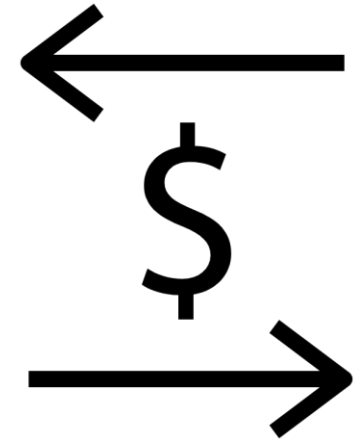
Social Enterprise defined

Definition

*Social enterprises...
...apply business solutions to social problems.*

*...sell goods or services in the market for the purpose of creating a blended return on investment, **both financial and social**.*

Three reasons to develop and operate a social enterprise:

1) Fill a need in the market (e.g., translation services for corporations and individuals).

2) Provide an opportunity to advance a mission (e.g., Newcomer services/ Gateway).

3) Increase financial sustainability and independence (i.e., reduce reliance on 'restricted' grants)

More NFP's are embracing social enterprise to support core programming.

| Women in Need Society (WINS)	
Social Enterprise Products / Services	WINS operates six Thrift Stores as social enterprise businesses in Calgary.
Social Enterprise Outcomes	Revenues from WINS Social Enterprise are used to: • Grow WINS employment program • Fund community programs • Provide low-cost goods or free goods to low-income individuals • Ensure financial stability of the society

Considerations

Lack of funding
for Innovation
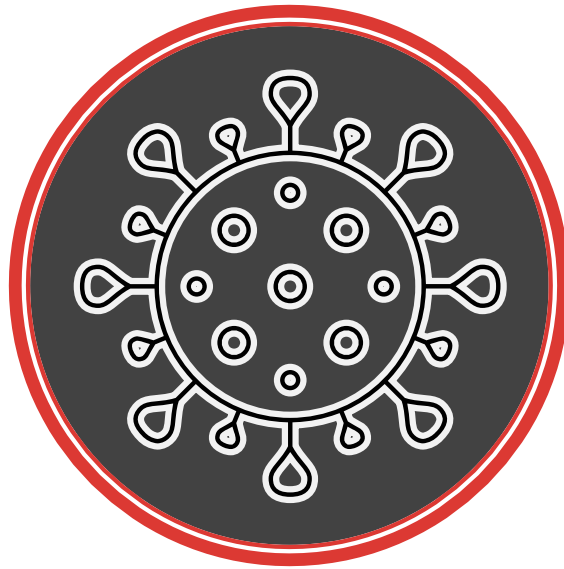
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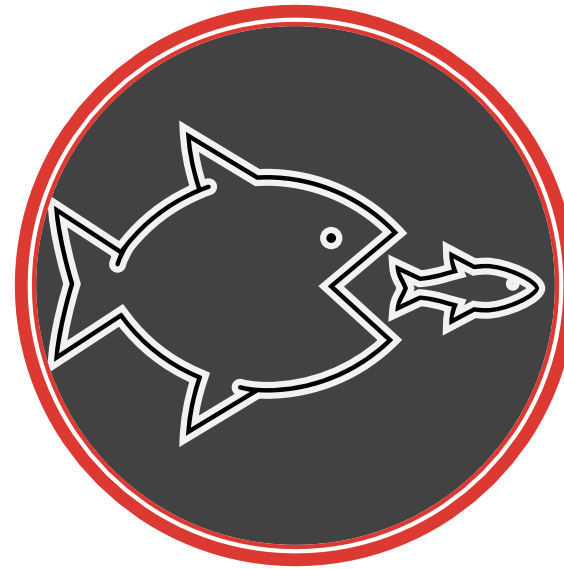
Competition for
funding

Opportunity

Circumstances inspired the change!

ISC Goal: Create **consistent revenue streams** to fund services we need to help newcomers.

Opportunity: Create a social enterprise from the ITC program. ITC offers a valuable service that could be expanded beyond newcomer clients to corporations, educational institutions, small businesses etc.

Diversified Revenue = Enhanced Sustainability

A Survey of Calgary's Human Service not-for-profit sector revealed important advice for successful social enterprise.

To Begin:

- Board support is a priority

- A compelling Business Case

- Training/ technical assistance:
  - Market understanding/ mindset (i.e., segmentation, competitors)
  - Data requirements: market analysis / feasibility study (sustainability)
  - Seed financing to grow the opportunity

- Internal mindset that making a financial return is desirable and okay!

Cautions

Top three reasons for organizations disbanding or retiring their social enterprise initiatives:
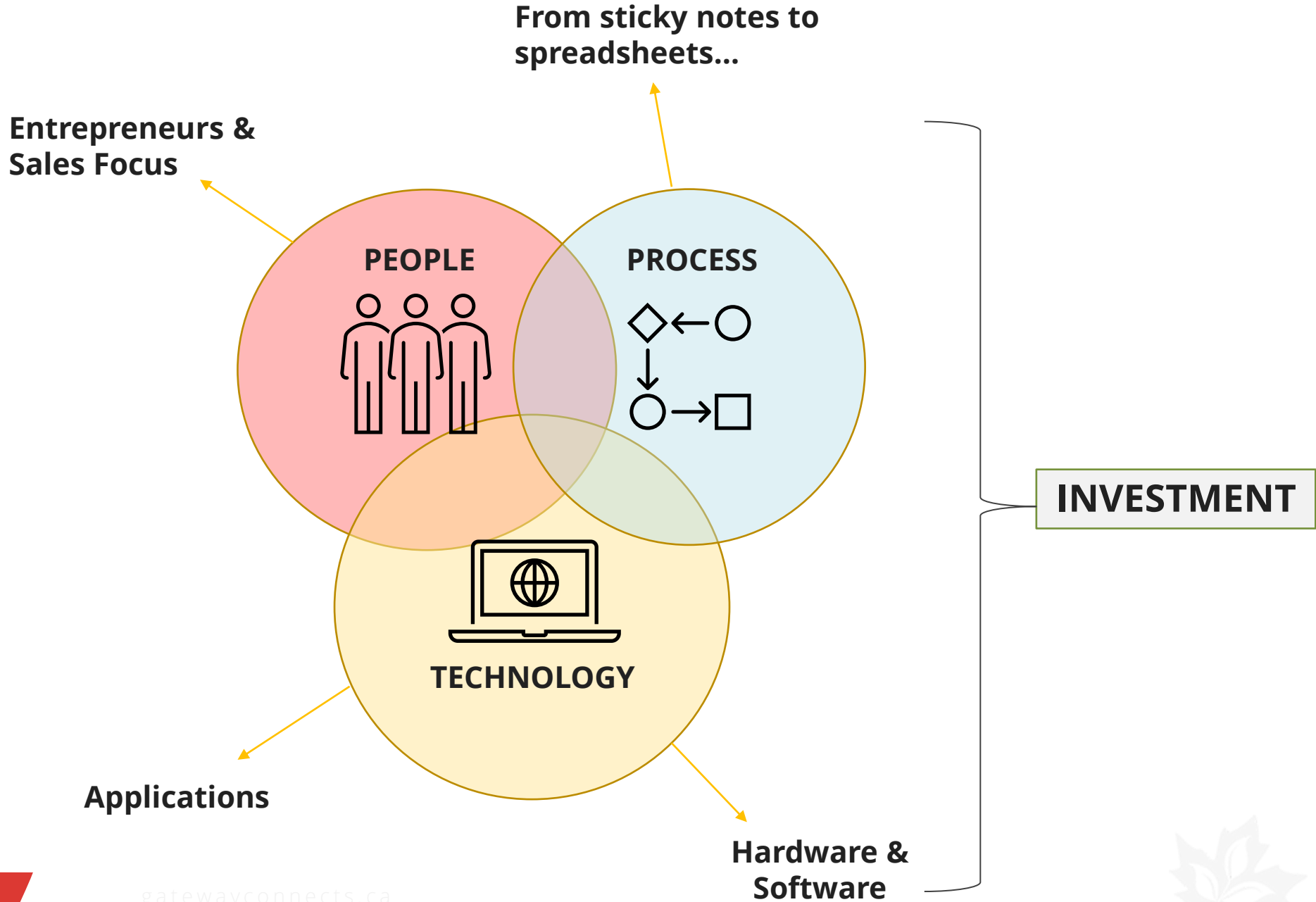
- Lack of consistent revenue generation
- Lack of commitment to the mission
- Lack of capability and resources to plan and market the initiative

Contributors to a 'failure to launch':
- Lack of capital
- Unsure Board
- Legal issues

The decision to shift to a social enterprise model required changes.

Entrepreneurs & Sales Focus

From sticky notes to spreadsheets...

PEOPLE

PROCESS

TECHNOLOGY

INVESTMENT

Applications

Hardware & Software

gatewayconnects.ca

New Business Opportunities for ITC

Opportunity	How ITC Responded
Support new markets to serve newcomers	• Data driven recommendations • Translated websites, marketing collateral, social media to target immigrants • Cost savings (more effective sales; customer service) e.g. provided interpreters to client call centres and sales meetings. • Facilitated client call centres, translated forms and emails for better customer service
Become client-centric	• Assigned native speakers to both translation and interpretation. • ITC linguists are culturally sensitive and can connect at a deeper level. • Context driven translation
Ease of access to services	• Introduced an **interpretation app** • Simple process. Clients create accounts and can monitor and track their own budgets. • **New translation app** under review.
Access to timely, relevant data	• Gateway used data analytics to advise corporations which languages needed to be served.

Three key aspects to create and sustain the service had to be carefully considered.

Defined the Business Model
('Uber' for Translators and Interpreters)

- Defined Business Case
- Engaged freelancers who had flexible time to earn more income
- White-labelled the Boostlingo App as ISC Interpretation Service App:
  - Provided quick, flexible access for interpreters to engage in work
  - Easy to administer, access and monitor for ITC

Service Integrity

- Re-engineered the foundation of service delivery to improve availability and predictability
- Developed a reliable source of translators/ interpreters
- Elevated service quality with certified translators/ interpreters

Needs-Based Messaging

External Message:

This service is:
- Professionally delivered by an established organization (quality service offering)
- Available when you need it
- Adds value to your business

Internal Message:
- Generated revenues are reinvested into programs serving newcomers
- Interpretation/ translation is not volunteer work

The social enterprise initiative has been hugely successful in its' early years.

Our Wins

✓ **120% year over year revenue growth 2021-22 with 50% projected for this coming year.**

✓ Secured social financing and support:

  ✓ UCeeD (Revenue Backed)

  ✓ Calgary Foundation Loan

✓ Expanded customer base to include government and private business to better serve newcomers through language services.

Revenue Growth 2021-2022

120%

50%

■ 2021
■ 2022

2021   **2022**
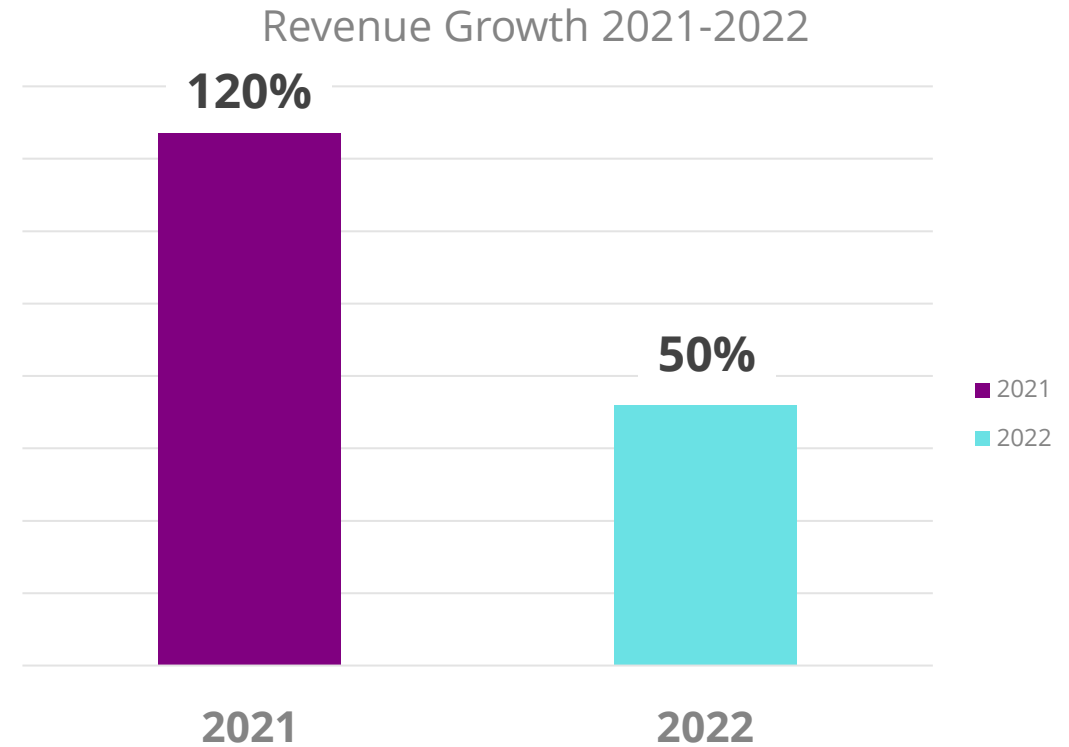
Planning, entrepreneurial mindset and buy-in are critical to achieve sustainability.

Internal (ISC)

- Business plan and Board alignment
- Internal communication and understanding around purpose is critical for 'buy-in'
- Market understanding and intelligence

Sector

- Buy-in from the sector (i.e., "Why do you need other sources of revenue?"; "Is this a conflict of interest?")
- Generates additional opportunities for collaboration - Complete versus compete!

Social Enterprise (ITC)

- Professionals with an entrepreneurial mind set
- Professional service model instead of volunteers
- Internal communication and understanding around purpose is critical.
- Processes, practices, policies and tracking mechanisms
- Word of mouth referrals are effective
- Avoid the use of the word 'profit'
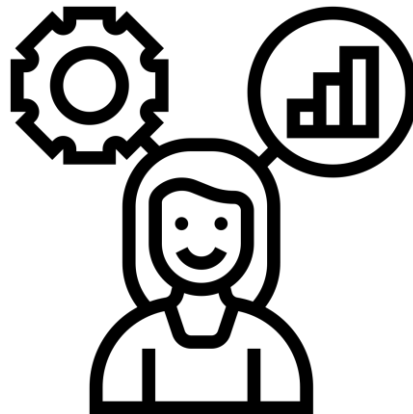
Plans to grow and enhance the ITC social enterprise are already in place.

What's Next:

- ❑ Forge strategic partnerships to sustain the business model
- ❑ Design and develop key processes to advance the business model (2021-23)
- ❑ Implement systems for scalability (2022-23)
- ❑ Create guidelines for revenue allocation
- ❑ Spread the message to infuse a social entrepreneurship mindset throughout the organization and sector.

Question & Answer Session

Discussion Questions

- What are the opportunities and challenges a non-profit might experience when initiating a social enterprise or fee for service in the short and/or long term?

- What do you believe are some important considerations for nonprofits as they consider revenue allocation?

- What are some efficient ways to drive sustainable social enterprise growth in the not-for-profit context?

Post-Survey

Please answer two short questions