

Unemployment is sent packing

Social enterprises are growing rapidly and adopting the best practices used in the commercial world, writes **Sandra O'Connell**

TO describe John Murphy's Speedpak, a contract packaging firm that also manufactures badges, as a not-for-profit operation would be incorrect. Neither is the company run for profit. For Murphy, the best epithet is "more than profit".

Of the company's 40 staff, most come from the ranks of the long-term unemployed. Speedpak's mission is to give them not just a job, but the skills they need to go find a better job elsewhere.

"We don't employ people to contract-pack and make badges," he explained. "We contract-pack and make badges to employ people."

Like many firms in the social enterprise space, Speedpak has a "double bottom line": to sell products and give people skills. There has never been a better time for such businesses, he said, "because people are questioning the purely commercial model more than ever".

Certainly, there have never been greater supports. Murphy has devised a workplace accreditation model that allows Speedpak staff to gain a FETAC qualification. He is now looking to roll it out to other organisations. And helping him to do that is €100,000 from the Arthur Guinness Fund.

The stout-maker last month announced it was to invest millions in Irish social enterprises, backing people with what it called "a business head and a social heart".

In total, the fund will put €2.5m into social enterprises over the next two years, with the next application round opening in October.

For Seán Coughlan, Chief Executive of Social Entrepreneurs Ireland (socialentrepreneurs.ie), which also provides funding

for businesses with a social impact, demand for such supports is growing fast.

"The country has become more entrepreneurial in the last 10 years," said Coughlan. "People have seen that traditional models have not addressed all the needs that are out there in terms of supporting communities and are aware that those needs are growing with the downturn. The difference now is that people are much more likely to go out and make a difference themselves." Social entrepreneurship has moved into the mainstream.

"It is seen now as a very attractive and reasonable way to make a living," said Coughlan. "It's all about creating a difference, whether socially or environmentally, but the difference now is that people are going about it in a very professional way. It has become a legitimate career choice in a sector where there is still a huge amount of opportunity."

SEI has 142 social entrepreneurs on its books and has given €3.4m in funding. Later this year, it will open another funding round, offering €130,000 in cash and €35,000 in business services recipients.

Ashoka (ashoka.ie) also provides finance and other supports to social entrepreneurs, worth about €500,000 annually.

At present there are five Ashoka fellows, each getting €50,000 a year for three years. Ashoka's founder, Bill Drayton, coined the expression "social entrepreneur" when he set up the organisation in 1980, said director Paul O'Hara.

A large part of the organisation's remit is to promote social enterprise role models "because this really is a new profession",



said O'Hara.

"Right now, with the Arthur Guinness Fund, the Your Country, Your Call initiative and the Ideas Campaign, there is such a buzz about social entrepreneurship that some people are calling it a fad. It's not; it's an unstoppable force."

One of the challenges to social enterprises is the fact that fewer supports are open to them than exist for commercial businesses.

They can't, for example, go to the County Enterprise Board for assistance. A national taskforce for social enterprise has been established by members of the sector with a view to lobbying for change on that front.

In the meantime, and in an effort to remedy this imbalance, Dublin City University's

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ty's Ryan Academy for Entrepreneurship (ryanacademy.ie) has opened a virtual incubator for social enterprises, providing business support and networking opportunities similar to those available to commercial start-ups.

The academy also operates a two-day course in how to manage a social enterprise, which costs around €300.

"It's all about adopting the best practices from the business world," said Gordon McConnell, the director of programmes. "The growth in social enterprise is huge, and we are going to see an increase in the numbers of professionals coming into this sector in the future."

One such professional is Cormac Lynch, the founder of Camara. A former investment banker and equipped with an MBA, Lynch has set up his business at Dublin's Digital Hub — but his company is an IT firm with a difference.

Camara specialises in refurbishing old

computers, loading them with free Linux software and dispatching them to African schools. This year he expects to recycle 10,000 machines.

He runs the enterprise on very clear business principles, creating revenue streams both from the €20 fee he charges to those donating computers and from the €40 he charges to the distribution hubs he helped set up in Africa "so that the people distributing the computers can generate a sustainable social enterprise of their own".

To date, the organisation has established 750 computer labs in African schools.

"We create revenues as opposed to just fundraising, and we compete with other commercial recycling companies in the market, so we have to provide people with a good service," said Lynch. "That requires a business mindset."

While his current salary is a fraction of that in his previous career, it is important that people realise that social entrepreneurs are entitled to a decent living.

"It's only fair to take some salary out of it," he said. "Everyone has to make a living for it to be sustainable in the long term. There's only so far raw passion alone will carry you."

Loan finance is available to social enterprises through Clann Credo (clanncredo.ie) a social investment fund. Like a bank, only better, it provides affordable loans to community, voluntary and charity organisations, including social enterprises, using "benefit to the community" as one of its key criterion for lending.

It will lend up to €500,000 to individual projects, for terms of up to seven years. Loans can be for capital expenditure, equipment or for working capital requirements.

Finally, there are also commercial initiatives that can help.

Killian Stokes founded mygoodpoints.org, which rounds up unused supermarket loyalty points and allows consumers to donate a cash equivalent to charitable projects instead. He won a year's salary through the annual Vodafone World of Difference competition (vodafoneirelandfoundation.ie).

"When I then went to companies like KPMG and Google, looking for free services for mygoodpoints.org, having Vodafone behind me gave me credibility," said Stokes.

Due to launch in September, the key to getting this far, and pulling together about €1m worth of pro bono technical and soft

supports, has been the professional skills he developed in his previous career in the telecoms sector in London.

"Just as with any start-up situation, professionalism is hugely important," said Stokes. "I don't consider myself as having set up a charity. I am a social entrepreneur."



BRYAN MEADE



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