



# GUIDE TO SOCIAL ENTERPRISE

Plan, sustain and grow your impact with a social enterprise business plan

September 2024

# Acknowledgements

We are grateful for the work done by previous writers and contributors to the first two editions of the Canadian Social Enterprise Guide, and to everyone who shared their stories and expertise for this Guide to Social Enterprise, in particular the fantastic team at Purppl who have been generous with their resources and time.

We also express thanks to our long-time collaborator Kristi Fairholm Mader for your insights, guidance, and review of this Guide.

And, we say thank you to the Canadian social enterprise sector. So many of the stories and best practices included in this guide come from your experiences and dedication. This Guide is for you most of all.

## Sponsorship



Thank you to Buy Social Canada Pledge Leader SAP for supporting the development of the “Guide to Social Enterprise: Plan, sustain and grow your impact with a social enterprise business plan.”



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## Dedication

The Guide to Social Enterprise is dedicated to David LePage.

As author and contributor of the first two editions of the Canadian Social Enterprise Guide, David has been a key player in developing the what, why, and how of social enterprise in Canada. His impact has spanned developing the first national social enterprise certification definition, to advocating for incorporation models like the Community Contribution Company, co-founding the Social Enterprise Council of Canada to represent the needs of the growing social enterprise sector, and generously dedicating his time, knowledge, expertise, and words of encouragement to social enterprises in communities across Canada.

David passed away during the development of this Guide. We hope that David's wise, thoughtful, and patient voice is present throughout this edition, alongside so many examples of David's impact and his legacy in developing social enterprises across Canada.

David was a teacher, coach, mentor, trusted advisor, and friend to so many. David knew that the development of the social value marketplace, and the social enterprise ecosystem, was more than any one life's work. David frequently expressed gratitude for the original thinkers, influencers, and collaborators across his life's work. We know that David would want to ensure that we express huge gratitude to all of the individuals and organizations who supported and contributed to this Guide.

We hope that readers of this Guide feel the inviting welcome that those of us who met David experienced. David believed that we all had a role to play in developing the social value marketplace, whether we are policy makers, purchasers, social enterprise practitioners or inquisitive thinkers looking for a better way for our economy to function. David believed that social enterprise was the vehicle to carry us towards a future where communities are rich in community capital. Come join us, and David will help show us how.

# Letter from our sponsor

At [SAP](#), our purpose is to help the world run better and improve people's lives. This purpose drives us to bring out the best in every business, particularly those prioritizing people and the planet. We are proud to support the "Guide to Social Enterprise" and contribute to the development, sustainability, and growth of impactful businesses across Canada and globally.

## Addressing global challenges in partnership with social enterprises

Recent global challenges, including growing inequality, climate change impacts, and a global pandemic, highlighted the limitations of public and private sectors to deliver swift solutions. SAP's long history of supporting social and environmental innovators led us to recognize the power of social enterprises in bridging these gaps and meeting evolving economic, social, and environmental needs – and help connect the movement to the vast resources available in government and business. We remain steadfast in this effort, investing in initiatives that deliver mutual benefit and shared value.

## Our commitment to the social enterprise sector:

1. **Advocacy and investment in the social economy:** We champion supportive public policies and invest in resources like the "Guide to Social Enterprise" to empower the social enterprise movement.
2. **Resilient and sustainable supply chains:** We are committed to integrating purpose-driven businesses into private and public sector supply chains. We leverage social value through our own procurement practices and are enhancing the SAP Business Network to encourage organizations to shift spend towards social enterprise suppliers.
3. **Scaling impact-led businesses and developing SAP employees:** We empower social enterprises with access to business capacity-building support, enabling them to thrive. SAP also fosters collaboration between thousands of our employees and social enterprises through pro bono consulting to address systemic and business challenges.

## Looking ahead

SAP is pleased to continue supporting Buy Social Canada and the Canadian social enterprise ecosystem as the sponsor of the 2024 edition of the Guide to Social Enterprise. This is an opportunity any organization can benefit from. We invite you to join us!

*Kate Booth*

Kate Booth, Head of Corporate Social Responsibility, Americas, SAP



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# INTRODUCTION

## Updated Guide to Social Enterprise

The first [Canadian Social Enterprise Guide](#) was published by Enterprising Non-Profits Program (enp) in 2006. It was designed for non-profits who were looking to start an enterprise activity that would support both the purpose and financial needs of their non-profit organization, and focused on the planning and start-up phases of running a social enterprise.

When we review the history of social enterprise, probably the greatest accomplishment of the sectors' development to date is proving that "social enterprise" is not an oxymoron. Social enterprises across Canada operate successful businesses, are sustainable, and deliver measurable community benefits. In fact, social enterprises have evolved into an integral aspect of many communities, they are part of the business and the social value fabric in their communities.

Buy Social Canada is pleased to share this updated Guide to Social Enterprise which still includes non-profits but also expands to consider other incorporation models. This updated Guide considers not just the start-up phase of a social enterprise, but also how social enterprises can sustain and grow their activities.

The original Guide was focused on social enterprise feasibility because that was what was needed in 2006 and was still a key priority when the Guide was updated in 2010. Although there were several social enterprises already established in 2006, and some of them had been operating for decades, the larger Canadian social enterprise ecosystem was still getting its footing. A well-established social enterprise was the exception, not the rule.

As we prepared this updated Guide, while social enterprise planning and feasibility remain important, we had difficulty choosing which case studies and examples to share for the section on growing a social enterprise because there were so many options to pick from. In the 2020s, we have seen a new phase of social enterprise success, expansion, collaboration, and growth which is inspiring for what it says about the future of social enterprise in Canada.



### Who the Guide is for

This Guide is for you if you are thinking about starting a social enterprise or want to sustain or grow your enterprise activities and impact. If you decide to start a social enterprise, your intention should be to create a community asset rather than individual wealth.



### What the Guide includes

The Guide has three key sections: Plan, Sustain, and Grow. Within each section, we use the 5Ms: Mission, Market, Manage, Money, and Measure, to share advice, insights and stories to support business planning and maintenance.



**Social enterprise is a powerful business model to tackle the many social, cultural, economic, and environmental issues facing communities.**

## What is social enterprise?

A social enterprise is a business that sells goods or services, embeds a social, cultural, or environmental purpose into the business, and reinvests the majority of profits or surplus into its purpose.

For millennia prior to colonization, trade existed to enhance our communities. Indigenous peoples traded goods and services for mutual benefits and to support thriving, sustainable communities.

Social enterprise is a business model, a noun, but more than that, it is a verb. Social enterprise is a way of doing business that ensures business decisions are more than a transaction, they are a means to transform our communities through selling the goods and services that we need while also contributing to the social, environmental, and cultural fabric of our communities, transforming them into places where everyone and everything has the opportunity to not just survive but thrive.

Just like other businesses, social enterprises may not meet all these elements immediately after launching. Many businesses, for example, take years to generate enough revenue to break even or turn a profit, but they will have a plan to work towards financial sustainability.

### Social enterprises:

<b>Sell Goods &amp; Services</b>	At least 50% of the business' revenue comes from the sale of goods and services.
<b>Are Purpose Driven</b>	They have an embedded purpose to achieve social, cultural or environmental goals through the sale of goods and services.
<b>Reinvest Profits</b>	51% or more of the business' profits go back into their social, cultural or environmental purpose.

This definition is internationally aligned with Social Enterprise World Forum, Social Enterprise UK, Buy Social Scotland, Government of South Korea, Social Traders in Australia, Social Enterprise Ghana, Social Enterprise Ethiopia, Buy Social USA, and many others.

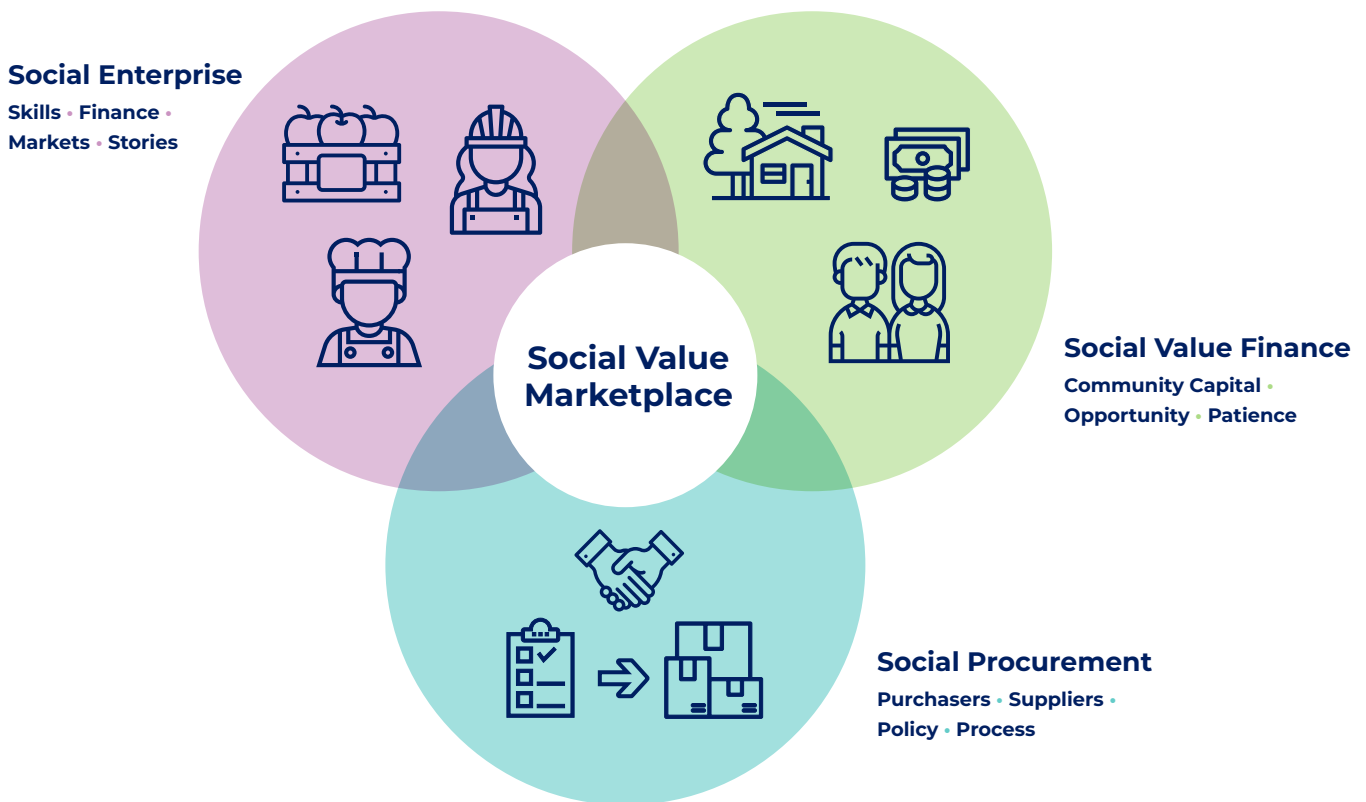
Social enterprises sell everything: chocolate and honey, catering, junk removal, construction services, healthcare, family services, employment assistance, arts and crafts, and much more. While they compete with traditional for-profit businesses in the market, they use their business models and earnings to help create vibrant, healthy communities instead of shareholder wealth.

## Why social enterprise?

Social enterprise is not business as usual. It is business for social, environmental, cultural, and financial good.

Social enterprise is one of three components of the social value marketplace: social procurement, social value finance, and social enterprise. The social value marketplace is “a marketplace where we trade goods and services for the purpose of creating healthy communities.”<sup>1</sup>

**Figure 1**  
Buy Social Canada Social Value Marketplace



Social enterprises comprise the “supply side” of the marketplace. To flourish in the marketplace, social enterprises require access to purchasers, capacity building supports, and finance. In communities across Canada, purchasers including government, corporations, institutions, and individuals are seeking the “best value” for their dollar through social procurement. Social enterprises are leading the way in shifting our understanding of the marketplace from transactions based solely on lowest price to a supply chain that considers the impact of the purchase on people and the environment.

<sup>1</sup> David LePage, *Marketplace Revolution: From Concentrated Wealth to Community Capital*, 2020, 12.



However, social enterprises still face many challenges. Social enterprises lack access to business supports, including capacity-building advisory services and access to capital, that are offered to traditional for-profit businesses.

The social value marketplace will require recognition of the value social enterprises deliver by blending market success with social value outcomes. Social enterprises are still not adequately recognized for their contribution to community wellbeing as business success continues to be measured based on quarterly sales figures and the financial return on investment (ROI) for investors.

The social value marketplace takes back control from the invisible hand of capitalism to unleash the transformative power of the market, integrating social enterprise, social procurement, and social value finance to create healthy communities that are rich in community capital. **There are five kinds of capital that make up community capital:**

**Cultural Capital** is about respecting, preserving, and sharing diversity, including arts and culture. Social enterprises generate cultural capital through preserving, enhancing, and sharing local and newcomer cultures and arts.

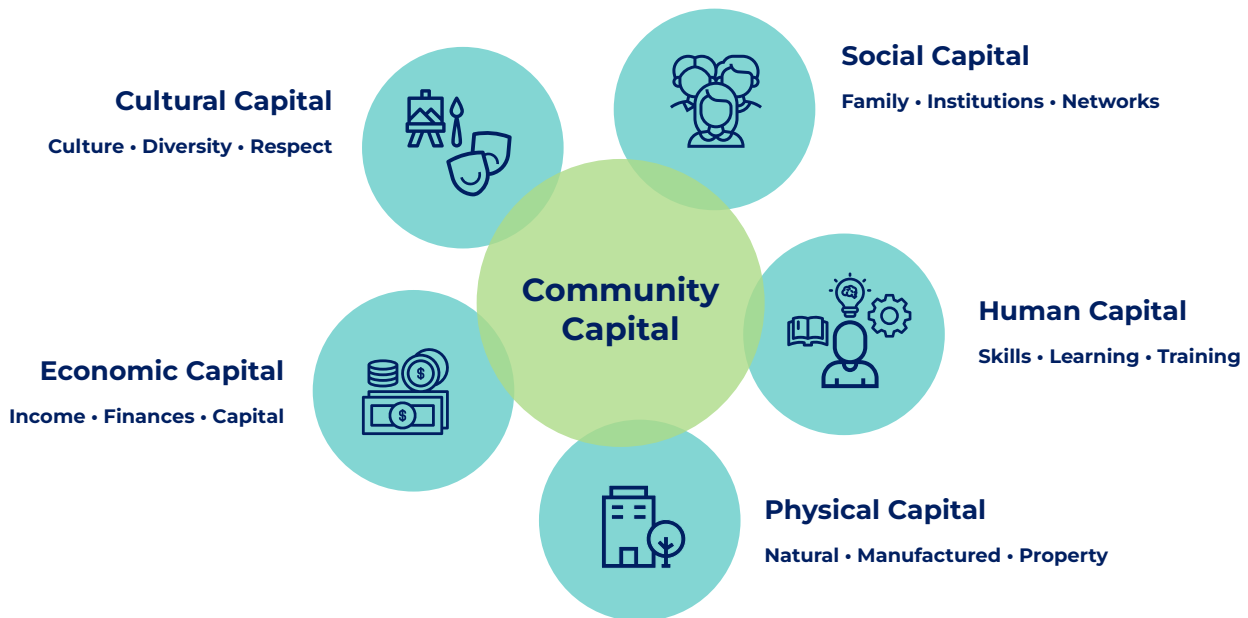
**Human Capital** includes education, skills training, and employment. Social enterprises create human capital through training and employment opportunities, especially for people facing barriers to traditional employment.

**Social Capital** is often referred to as the glue within communities. Social enterprises generate social capital by supporting equitable social inclusion and building supportive relationships. This can include providing wraparound supports to employees.

**Physical Capital** is the natural and built elements that shape our communities. Social enterprises create physical capital through creating affordable housing, a healthy environment, and renewable energy.

**Economic Capital** is the capital we're most familiar with. It also includes income equality and affordable living. Social enterprises create economic capital either to generate income for a related social purpose, or as a means to support local community economic development through inclusive hiring processes and supporting other social enterprises in their supply chain.

**Figure 2**  
Buy Social Canada Community Capital



By creating community capital instead of shareholder wealth, social enterprise is the business model uniquely designed to create healthy, vibrant communities and rewrite the story of the market from transactional to transformational.

The future of business is social enterprise: the business model whose foundation is built on justice, equity and inclusion for employees, owners, customers, the environment, and community stakeholders.

## Key milestones for social enterprise development in Canada

There are too many individuals and local efforts to mention when reviewing the development and growth of social enterprise in Canada. We are thankful to the individuals, organizations and communities that have contributed to the development of a robust and thriving social enterprise sector in Canada.

Below are just a few milestones that reflect the sector growth in Canada since the early 2000's:

### 2004

Toronto Enterprise Fund hosts the first Canadian Conference on Social Enterprise.

### 2006

Enterprising Non-Profits Program (enp) publishes the first [Canadian Social Enterprise Guide](#).

### 2008

[Social Enterprise Council of Canada](#) is founded.

### 2014

Buy Social Canada launches as a Community Contribution Company including the launch of a national Social Enterprise Certification.

### 2013

Social Enterprise World Forum takes place in Calgary.

### 2012

BC's *Business Corporations Act* is amended to legislate the first hybrid social enterprise structure in Canada: the Community Contribution Company or CCC.

### 2016

Elson, Hall, and Wamucii share the [Canadian Social Enterprise Sector Survey](#) findings.

### 2016

Government of Nova Scotia establishes the second hybrid social enterprise structure in Canada: the Community Interest Company or CIC.

### 2017

Federal Ministry Employment and Social Development Canada (ESDC) funds the Social Enterprise Ecosystem Project, S4ES.

### 2021

ESDC launches the two-year [Investment Readiness Program](#) (IRP) to help advance Social Innovation/ Social Finance (SI/SF) in Canada, following a successful pilot program from 2019-2021.

### 2018

ESDC publishes the [Recommendations of the Social Innovation and Social Finance Strategy Co-Creation Steering Group](#).

### 2023

ESDC launches the multi-year [Social Finance Fund](#) (SFF) to advance the growth of the social finance market in Canada.

### 2024

Buy Social Canada celebrates its 10-year anniversary and publishes an updated Guide to Social Enterprise.



## The 5Ms: A social enterprise business plan framework

There are many methods and models for business design and business planning, including canvases and plan diagrams. In the evolution of social enterprise planning, development, and growth, we realize the underlying purpose-driven, blended value<sup>2</sup> business model of social enterprise needs an innovative approach that reflects the unique values and structure of social enterprise.

Social enterprise business plans cannot just 'tag on a social purpose' to the traditional planning tools, or merely add another box to fill on the traditional business canvas. Social enterprises require a foundation that is purpose-driven, and a measurement framework that is led by community capital outcomes.

<sup>2</sup> The term "blended value" was first coined by Jed Emerson in 2000, and is defined in the [Blended Value Glossary](#) as: "The idea that the value created by an organization is fundamentally indivisible. Thus, one cannot speak of simply 'economic value,' 'social value' or 'environmental value'--these quantities are simply parts of one essential value."

Social enterprises must also be entrepreneurial. To be successful they require sound market analysis, the appropriate organizational structure, culture, business savvy, and financial acumen.

Realizing the unique needs for the design, operations, and measurement for a blended value business model, David LePage and the Enterprising Non-Profits team developed the 5Ms social enterprise business plan framework: Mission, Market, Manage, Money, and Measure. They are five interconnected components of a social enterprise business system that can be used from conception and launch, to sustain and grow.

Every M is interconnected, so take care not to treat each M and its considerations as a checklist.



The 5Ms is not just a framework to write a plan or prepare a pitch, it should be a living document that guides and supports the life of the social enterprise.



## 1 Mission

Mission aims to get at the central purpose of your enterprise.

Mission is a key pillar for social enterprise design and activity since social enterprises are mission driven. What change are you trying to create? Why are you doing this venture?

Mission looks at the community problems your enterprise is working to solve, it helps define your theory of change, and the key outcomes and metrics that you will use to measure success.



## 2 Market

Market focuses on your products or services and who your customers are.

Social enterprises operate within the marketplace and compete with other businesses for customers. What will you sell? Who will you sell it to?

Market is also where you think about key considerations for selling your good or service including marketing, branding, promotions, and distribution.



**3 Manage**

Manage considers your governance.

Manage focuses on how your organization will be controlled, how decisions will be made and enforced. How will you make decisions? Who will participate and how?

You should consider your intended purpose or function first before deciding the legal and operational form of your organization, since different governance and legal decisions will change what you are able to do as an enterprise.

Formal elements of Manage include choosing the legal structure of your organization, designing a board of directors and/or decision-making body and developing policies and procedures.



**4 Money**

Money looks at your short- and long-term finances and capital planning to realize your social goals and (re) investments of profits.

Money is where you consider what you need to cover your costs including the cost of developing and delivering on your good or service. What pricing allows you to deliver your good or service and your social purpose? What are your total costs?

For a social enterprise, this can include social costs to achieving your purpose including wraparound supports provided to employees that "traditional" businesses may not offer.



## 5 Measure

Measure is about the blended value outcomes of your social enterprise.

Measure considers both social and financial outcomes and metrics. What are your key performance indicators (KPIs)? Are you achieving the outcomes you seek to contribute to your social purpose? Are you running a viable and sustainable business?

Measure can be quantitative and qualitative. Identifying key stories, particularly of your organization's social outcomes, can be one way of measuring success as well as raising awareness of your social purpose and the social enterprise model.

# PLAN



*Certified Social Enterprise: Binner's Project*

## Start here if you

**Want to start a social enterprise**

**Are unsure if you should start a social enterprise**

**Are in the early planning stages of a social enterprise**

**Want a refresher of best practices for the start-up phase of a social enterprise**



Every pillar of the 5Ms is interconnected, so take care to consider your enterprise as an integrated system of connected considerations, not merely a check list approach for each M. Notice how and when they are related.





## Mission

At their core, social enterprises are driven by a central social, environmental, or cultural purpose.

Rather than centring shareholder wealth, social enterprises put purpose first.

### Purpose and Mission

A purpose is the “why” of an organization, the reason you exist.

While all organizations have a purpose, and organizations increasingly incorporate a social purpose into their organization, a social enterprise is driven by a primary social, environmental, or cultural purpose.

An organization’s mission is “how” that purpose is put into practice: what you will do, how you will do it, and who you will do it for and with.

In this Guide we use the word “purpose” in the definition of social enterprise. Now, we delve into defining and identifying how your “why” (purpose) is translated into the “how” (mission) of your enterprise.



#### Questions to ask yourself

Can you articulate the social, cultural, or environmental issue or problem that you want to address?

What is your theory of change?

How will your social enterprise help you to address this issue or problem?

Will your social enterprise be structured for direct mission delivery or revenue generation to support mission?

### Mission and Market

Social enterprises work to address complex systemic issues and many social enterprises use their business activities to tackle several, often interconnected, community challenges at once.

A social enterprise’s mission and market can connect in a wide variety of forms but a simple way of categorizing the two main connections is:

- **Direct mission delivery:** Your social enterprise’s mission will be directly achieved through the type of good or service you deliver. Example: A work integration social enterprise that provides supportive employment for individuals facing barriers to traditional employment while providing a good or service in the marketplace such as cleaning, catering, or language translation.
- **Revenue-generation to support mission:** Your social enterprise generates revenue to support your social mission or the social mission of a closely related non-profit or charity. Example: A thrift store owned by a non-profit that generates revenue for that non-profit’s mission.



## Market

Social enterprises operate within the marketplace and compete with other businesses for customers. Market focuses on your products or services and who your customers are.

During this phase of your business planning, you will need to:

- Conduct external market research.
- Assess internal capacity.
- Complete a feasibility analysis.

If you're new to designing or operating a business, it is recommended that you reach out to get some professional expertise on this process. Some steps you may want to take include:

- Get a "market reality check."
- Speak with multiple people who know the product or service market within which you are proposing to develop and sell to, they can advise you on the potential success factors required.
- Get help to assess your potential sales streams, design, marketing, and customer relations strategies.

Your mission may drive your determination and purpose to succeed, but market considerations, especially sales, are foundational to your success as a business in any market. It is more important sometimes to pause or stop your social enterprise planning at this phase, because if you don't have a viable product, mission alone will not lead to social enterprise success.

You must produce and test product or service prototypes. Gather target audience focus groups to get their feedback on your product or service, pricing, and gauge the size of the market.

During this phase engage with key external stakeholders in the community including:

- Intended beneficiaries: if you are going to be working with "social" beneficiaries such as employees, assess their skills and their desire to provide this good or service.
- Customers: assess their need for this good or service and their desire to pay for it.
- Funders: if your social enterprise will require access to funds beyond your revenue from selling the good or service, now is the time to identify sources for



Many social enterprises have struggled (or failed) because they underestimated the importance of this phase of planning.



### Questions to ask yourself

How will your social enterprise help you to address the issue or problem you identified in Mission?

Will your social enterprise be a direct mission-delivery model or a revenue-generation to support mission model?

What product or service will you sell?

Who are your customers? Are they individual consumers, businesses, or governments? (It does not have to be just one.)

Why will your customers purchase from you? (What is your value proposition?)

How will you produce your product or service?

**BLENDED VALUE**  
**Mission & Market examples**



**RivInt**

**Mission:** RivInt in Toronto has a direct mission-delivery model. Their mission is to support newcomers to develop skills and gain work experience in Canada that can help them settle into their new lives, thus creating more social inclusion for their community members.

**Market:** They primarily hire newcomers to Canada who speak multiple languages and provide interpretation and translation services.



**Something Beautiful Café & Gift Shop**

**Mission:** Something Beautiful is a social enterprise operated by Community Living Interlake, located in the rural town of Stonewall, Manitoba. They have a direct mission-delivery model. Their mission is to support individuals living with an intellectual disability, to live a fully inclusive life as members of the community.

**Market:** They run a Café and Gift Shop which create skills training and employment opportunities and act as “job training incubators” for Community Living Interlake’s clients, teaching them valuable skills and helping them build resumes.

**Figure 3**  
 Certified Social Enterprise Something Beautiful Café & Gift Shop



**BLENDED VALUE**  
**Mission & Market examples**



**Mother Earth Recycling**

**Mission:** Mother Earth Recycling in Winnipeg has a direct mission-delivery model. Their mission is to create inclusive employment and training for the urban Indigenous community through environmentally sustainable initiatives and do their part in the Indigenous tradition of being 'stewards of the land' through recycling.

**Market:** They provide mattress, box spring, and e-waste recycling.



**Aangen**

**Mission:** Aangen in Toronto runs multiple social enterprises with the mission of breaking the cycle of poverty and increasing food security.

**Market:** In one of their social enterprises, All Dried Up, they create small-batch nutrient-dense dehydrated meals, inspired by lack of access to nutritious food options for people with mobility issues during the pandemic.



**Le Chic Resto Pop**

**Mission:** Le Chic Resto Pop is a charity and community-based organization in Montreal, Quebec. They operate two direct mission-delivery model social enterprises to achieve their mission to advocate for food security and put pressure on local and provincial government to fund food security and poverty awareness.

**Market:** They operate a café and a restaurant that both offer affordable meal options for their community. Most of the food they cook with at the restaurant is provided via the Food Bank.

**Figure 4**  
 Certified Social Enterprise Aangen



## BLENDED VALUE

## Mission &amp; Market examples



### Soul Bite Food

**Mission:** Soul Bite Food is a Vancouver-based enterprise with a revenue-generation to support mission model. Their mission is to support charities dedicated to fighting hunger and combating food waste.

**Market:** Certified by Buy BC, they use locally grown BC ingredients in all their products. Their plant-based ethnic foods are sold in grocery stores.



### Again & Again Thrift Store

**Mission:** Again & Again is a social enterprise in St. John's, Newfoundland with a revenue-generation to support mission model. Their mission is to support the Home Again Furniture Bank non-profit.

**Market:** They run a furniture and décor thrift shop.



### GreenShield

**Mission:** GreenShield is a national social enterprise with a revenue-generation to support mission model. Their mission is to create a future where all Canadians can reach their fullest health and well-being potential regardless of background or circumstance, and profits from GreenShield are reinvested into their non-profit organization, GreenShield Cares.

**Market:** GreenShield is the first organization in Canada to operate as a payer-provider for healthcare – offering insurance, administering benefits, and paying claims as a ‘payer’ while offering health services such as mental health, pharmacy, and medical services as a ‘provider.’



### YWCA Hotel Vancouver

**Mission:** YWCA Hotel Vancouver is a social enterprise with a revenue-generation to support mission model. Their mission is to generate revenue for their parent organization YWCA Metro Vancouver, with profits going to support the YWCA's programs for women and families.

**Market:** They operate a hotel in central Vancouver that offers traditional hotel rooms as well as longer-term stay options for international students, refugees, women and families escaping violence, and other community members. Revenue from the market-rate hotel rooms subsidize the longer-term stay options.

**Figure 5**  
Certified Social Enterprise YWCA Hotel Vancouver



## Social acquisition

One way to approach Market is to find a business that already exists. Many small business owners will be retiring soon. It can be difficult to sell these businesses that provide important services in communities. One option to start a social enterprise is to have a non-profit, or other incorporation type, buy one of these businesses! Those businesses already come with revenues—make sure you get a valuation of any business prior to purchasing and focus on governance and transitioning it into a social enterprise.

To learn more about social enterprise acquisition:

- Read the [Pathway to a Successful Business Purchase Guide](#) adapted for non profits by Scale Institute Society and Royal Roads University, and explore the accompanying learning lab course from [Thriving Non Profits](#).
- Read the book [Win Win Capitalism: How Social Acquisitions Will Change the Face of Business](#) from the Just Like Family Collaborative.



## Manage

Consider how you will structure your organizational governance in order to best serve your intended purpose and mission.

The initial set of questions to ask yourself about how you want to manage your organization do not have to be tied to a specific type of legal structure or model. The structure/model (or form) you choose should be based on how you want your organization to function.

As Peter Drucker said, “culture eats strategy for breakfast.” Choosing the right form can help build a culture that is supportive of what you want to do, rather than holding you back. To learn more about governance forms, read [Governance forms for networked social enterprise models](#) by School of System Change.

Answering this first set of questions will help you to then formalize your governance by choosing an appropriate legal structure, and designing the HR, finance, and administrative strategies and policies that you will need.

### Social enterprise incorporation options

There are many different ways to structure a social enterprise. The incorporation model you choose can impact how your social enterprise operates and gets funding.

All social enterprises share the characteristic that they are not financially focused on shareholder profits. However, there are still a range of options for how social enterprises are incorporated and governed.



#### Questions to ask yourself

Who do you want to be in control of your organization?

Who are your key stakeholders? How do you want key stakeholders to participate in or engage with key issues faced by your organization?

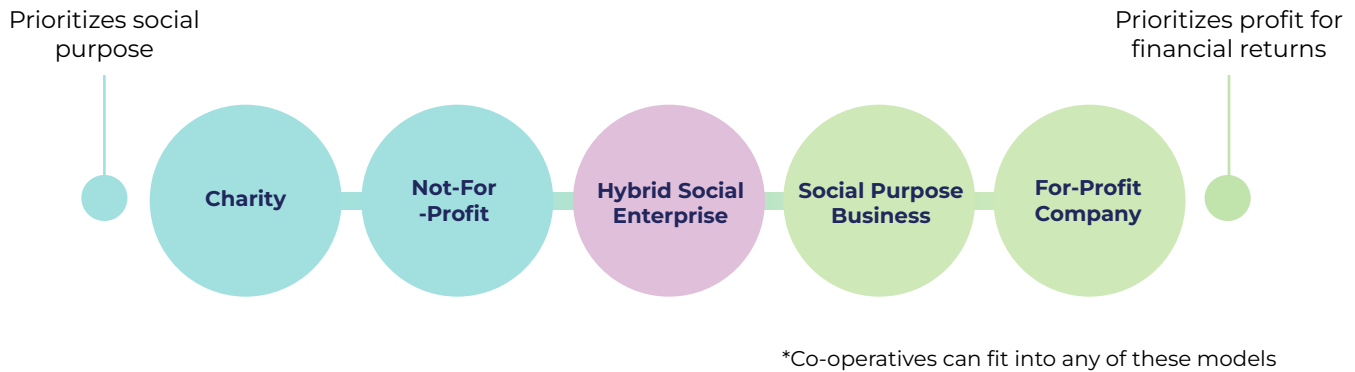
How do you want decisions to be made?

How do you want your organizational culture to be described in 3-5 words?

What sort of financing options do you want to be able to access? (More on this in Money)

The business model continuum shows the range of business models from charities to for-profit businesses. The business model continuum is a spectrum. Traditionally, the business models on the left prioritize a social, environmental, or cultural purpose while the structures on the right prioritize profit or financial returns. Social enterprise is a blended value model that uses profit to further purpose.

**Figure 6**  
Buy Social Canada Business Model Continuum



**Registered charity** is a charitable organization or foundation that uses their resources for charitable activities and has charitable purposes that fall into one or more of the following categories: the relief of poverty, the advancement of education, the advancement of religion, or other purposes that benefit the community. Registered charities are designated by the Canada Revenue Agency and can issue official donation receipts for income tax purposes. Registered charities can only engage in related business activities to their charitable purpose.

**Not-for-profit corporation** is an organization whose purpose is to solve social, cultural or environmental problems. Revenues or profits generated by a not-for-profit must be used to further their purpose. Not-for-profits do not have shareholders and are instead governed by a Board of Directors. They can own assets, including for-profit corporations. Not-for-profits can be designated by the CRA as either a Registered Charity or a Non-Profit Organization (NPO).

**Hybrid social enterprise** has a primary social, environmental, or cultural purpose and can be a Community Contribution Company, Community Interest Company, or a for-profit business with amended articles of incorporation that require profit reinvestment into purpose of 51% or more.

**Social purpose business** is a for-profit business that has a social, environmental, or cultural purpose at its core and the goal of creating both economic and social value. There is no incorporation clause that requires the reinvestment of 51% or more of profits into purpose.

**For-profit corporation** is an independent legal entity whose purpose is to benefit its shareholders. For-profit corporations may sit on a spectrum from social purpose businesses, engaging in corporate social responsibility (CSR), to strictly seeking profit.

Social enterprises can be businesses that are charities, not-for-profits or hybrid corporations.





## Social Enterprise Certification

No matter what your incorporation or business model, Buy Social Canada will verify that your organization prioritizes purpose over profits.

Buy Social Canada [Social Enterprise Certification](#) will showcase to your stakeholders, clients, and your team that you put your money where your mouth is and exist to create community wellbeing.

Join Buy Social Canada's growing network of Certified Social Enterprises.

### Benefits of certification

- Be listed on the [Buy Social Canada Social Enterprise Directory](#).
- Use the Buy Social Canada Certified Social Enterprise Badge to verify your status and increase business opportunities.
- Be added to a supplier list shared with our Social Purchasing Partners.
- Join a growing national network with our other suppliers and purchasers.
- Be a part of the social value marketplace revolution.

### Build your capacity

You will have access to:

- Two hours of consulting support from the Buy Social Canada team.
- Invitations to Buy Social Canada events.
- Discounted rates for Buy Social Canada workshops, events, and courses.

### Raise your profile and meet more purchasers

- Buy Social Canada regularly features Certified Social Enterprises in resources, reports, research, newsletters and social media.
- Certification provides access to networking, promotional, and bid opportunities.

### Get Certified

Not already certified? [Learn more and apply now.](#)

## Manage and Money

The incorporation model you choose can impact the finances of your organization; both in terms of funding that is accessible to you, and in terms of what you do with your financial returns including benefits for shareholders and reinvestment.

### Considerations

#### Who you want to “own” the enterprise

Key considerations of ownership will often be based on who benefits financially from the success of the organization.

A non-profit does not have “owners;” it has a board, a leadership team, and employees. A non-profit does not have shares or issue dividends. A non-profit can still seek to ensure that individuals who are committed to and contributing to the organization’s success can benefit financially. For example a non-profit can offer its leadership team and employees competitive salaries and bonuses.

For-profit organizations, which can include co-operatives and hybrid models such as Community Contribution Company (CCC) and Community Interest Company (CIC), have shares. This means that individuals or organizations can have a stake in the organization and benefit financially through the issuing of dividends. A social enterprise model that uses any of these legal structures would need to include limitations to the percentage of dividends issued to “non-qualified entities.”<sup>3</sup> It is recommended that social enterprises exploring hybrid incorporation get legal advice.

A non-profit entity can also own a for-profit entity. In this case the shares would be owned by the non-profit and dividends would be issued to the non-profit, supporting the non-profit’s purpose financially.

#### Who you want to control the organization

Non-profits are often controlled by a Board of Directors. The control and oversight of the Board can vary greatly between organizations, but generally it is assumed that the Board members share a vested interest in seeing the organization succeed and achieve its purpose.

For-profit organizations may be “controlled” by an executive leadership team along with a Board of Directors and/or shareholders. Again, the amount of influence and power that a Board and shareholders can have varies between organizations.

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<sup>3</sup> Buy Social Canada defines a “Qualified Entity” as a registered charity or non-profit.

## What sources of funding you may be seeking

Different incorporation models give access to different kinds of funding. See more details below in Money.

## Who you want to buy from you

Purchasers are increasingly putting a social value into their purchasing criteria. Some purchasers provide additional “points” or “weighting” for social enterprises in their purchasing decisions.

Non-profits can benefit from trade agreement exemptions, which allow for direct awards to non-profit organizations above trade agreement thresholds. This is especially beneficial for social enterprises looking to work with public sector purchasers at all three levels of government. For example, the [City of Ottawa General Procurement Procedures](#) Section 22 states that “the requirement for competitive bid solicitation for goods, services and construction may be waived under joint authority of the appropriate Director and Supply Services” under certain conditions, including “for goods and services, where the supplier is a social enterprise owned by a non-profit organization or registered charity.”



**Remember, this chapter is not a substitute for legal advice. You need legal advice from a lawyer familiar with this field before you begin organizing or operating your enterprise.**



## Steward-ownership

Steward-ownership is another ownership structure for social enterprises to consider. This model has history in Europe and was highlighted when Patagonia announced their new ownership and governance structure. Steward-ownership is not yet an option in Canada, but it may be adopted in future.

Steward-ownership legally enshrines two key principles into the ownership structure of the organization:

1. **Purpose-orientation:** The company's value as well as its profits cannot be extracted by the shareholders. Instead, profits serve the purpose of the company and are either reinvested in the company, stakeholders, used to cover capital costs, or donated. The company is no longer an asset with the main purpose to create wealth for its shareholders (legally speaking) but is serving a different primary purpose. Profits are not an end in itself, but a means to this purpose.
2. **Self-governance:** The control over the company, i.e. the majority of the voting rights, is always held by people who are closely connected to the company, its operation, purpose and values. Voting rights are neither automatically inherited nor can they be speculated with and sold for financial gain of the shareholders. They are passed on from generation to generation of stewards not based on genetic relation or wealth but based on aligned abilities, values, and familiarity with the company.

By enshrining these principles, the company's structure ensures that money and power, economic rights and voting rights of the company are separated. This must be legally binding in perpetuity.

### Example:

# patagonia®

**Governance and decision-making:** All voting rights for corporate decisions are held by the Patagonia Purpose Trust.

**Profits serving purpose:** All dividend rights for profits go to the non-profit, Holdfast Collective.

Steward-ownership may have financial return for investors as part of the dividend rights, but the corporate decision-making, or voting right, must be separated. If the majority of the dividend rights go towards the social, environmental or cultural purpose, then the organization is a social enterprise.

To read more about steward-ownership see [Purpose Economy](#).

## Case study



### Joint ventures match social enterprise supply with marketplace demand

A joint venture is a strategic partnership where two or more companies develop a new entity in order to collaborate on a specific project or venture.

In the case of [Aecon-Golden Mile \(A-GM\) Joint Venture](#), a community intermediary, [CIEO](#), and a private construction company, [Aecon](#), joined forces to create a community-owned construction company that specializes in utility infrastructure construction services such as:

- Hydrovac excavation.
- Traffic control.
- Fibre optic installation.

A-GM is a venture of the [Inclusive Local Economic Opportunity Initiative](#) (ILEO). ILEO is convened by United Way Greater Toronto and BMO Financial Group.

Serving the Greater Toronto Area (GTA), A-GM is a Certified Social Enterprise which aims to provide local residents with a direct entry point to the construction sector through employment opportunities that are coming to the neighbourhood.

**Figure 7**  
Certified Social Enterprise A-GM



Massive redevelopment is taking place between 2022-2042 in the Golden Mile area of the GTA, and A-GM was created to ensure that local residents receive training and employment opportunities.

Through the [Centre for Inclusive Economic Opportunity - Golden Mile](#) (CIEO), a non-profit and A-GM's majority shareholder, 51% of profits are reinvested back into the community. Some of these community owners include Toronto Community Benefits Network and social enterprises YWCA Toronto and Out of the Box.

The remaining 49% is owned by Aecon Construction. As an owner, Aecon can leverage their relationships to gain contracts for A-GM.

As A-GM grows its workforce, reputation and experience over the coming years, Aecon will phase out of the partnership and CIEO will take full ownership of the social enterprise. This is clearly laid out in partnership agreements that were signed by all parties when the social enterprise was in the planning phase.

To learn more about joint ventures, read [Scaling in the Social Economy](#) by [TIESS](#).



This arrangement allows each company to pool their resources, expertise, and capital to achieve a common objective—and share the risks and rewards.



## Money

Money looks at the financial resources (the economic capital) you need to start your social enterprise journey, launch or acquire the social enterprise, manage operations, and plan for growth.

Money is where you consider what you need to cover your costs including the cost of developing and delivering on your good or service. Down the road, you will need to consider your social or environmental goals, and reinvestment of profits.

As with all the pillars in this business plan model, Money is not a stand-alone consideration. The way you manage the organization, primarily through the legal structure that you choose, will impact the access you may have to different forms of capital.

Delivery of your mission may also come with additional “social costs” that you will need to consider when designing your



### Water Rangers

Water Rangers is a not-for-profit social enterprise that creates accessible water-quality monitoring tools and data systems so that communities have a voice in protecting their waterways. At the start-up phase, their costs were covered by personal loans and grant funds, but as they began to grow, they saw a need for more capital. This [Investment Readiness Case Study](#) from SI Canada shares Water Rangers' experiences as they accessed several different types of investment, and faced and overcame barriers.



### Questions to ask yourself

What are your total costs?

What will be the core costs to start and run the organization? These include employee salaries, consultant and contractors, product and service design costs, inventory, operational costs such as office space, office supplies and software, and marketing. This may also include additional “social costs” such as wraparound supports provided for employees.

What is the pricing model for your goods or services? Does this pricing model allow you to deliver your good or service, and your social purpose?

What financial systems do you have in place?

How will you finance the start up?

What are your cash flow projections for year one to three?

## Access to funding

How your social enterprise is incorporated will affect what types of finance can be accessed.

There are limitations for all incorporation types:

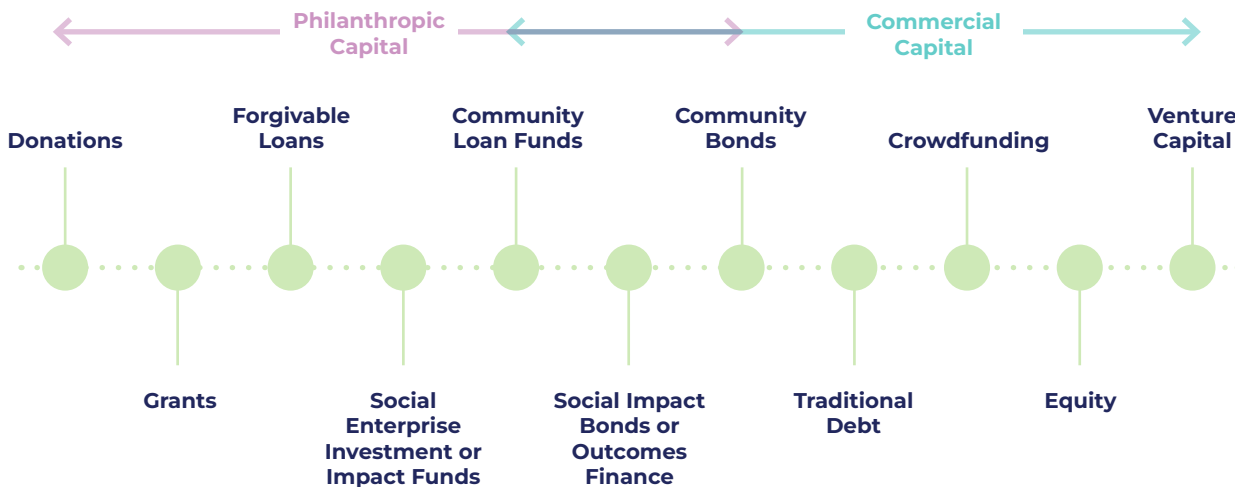
- For-profit corporations cannot issue tax receipts for donations.
- For-profit corporations are often not eligible to apply for grants from government or foundations.
- Non-profits and charities are often denied loans from traditional financial institutions.
- As non-profits and charities have no owners or shareholders, they cannot sell equity or a stake in their business to an investor and pay out dividends.
- Non-profits and charities do not always have the collateral required when taking on debt.

Below is a detailed breakdown of different types of finance from Certified Social Enterprise [Purppl](#) and Buy Social Canada Community Champion [Tapestry Community Capital](#).

**Figure 8**  
Purppl and Tapestry Community Capital  
Capital Continuum

## Capital Continuum

Social finance continuum showing financial instruments used by various organizations. The left side has an emphasis on social returns while the right side emphasizes financial returns.



To learn more about types of funding available, and how different incorporation structures impact the types of funding available to you, read the [Social Finance Explainer](#) by Purppl.

## Case study



## An innovative funding approach to achieve purpose

One innovative way to access funding is shared by [Solar Power Investment Cooperative of Edmonton](#) (SPICE), which connects local investors with community organizations to fund solar power projects. SPICE has a co-operative investment model which allows them to gather money from investors, which is held in trust until they have developed a community solar project and raised sufficient funds to realize it.

SPICE simplifies the process of solar installation for communities by utilizing private investments to fund solar systems on community buildings. Their model is easy and accessible, requiring no large upfront capital or technical knowledge from building owners or extensive solar knowledge from investors.

Financially, community-funded energy projects lower the initial barrier of solar projects and offer a long-term income source for both the building owner and investors.

### Figure 9

Certified Social Enterprise SPICE







## Measure

We measure what matters. Measure is about the blended value outcomes of your social enterprise. Measure considers both social and financial outcomes and metrics.

When we talk about measurement, we mean both the collection of data and the evaluation of that data. It is important not just to collect the data but to use it to assess your social outcomes, impact, and financial sustainability.

Measure can be quantitative and qualitative. Identifying key stories, particularly of your organization’s social outcomes, can be a way of measuring success as well as raising awareness of your social purpose and the social enterprise model.



### Questions to ask yourself

What key performance indicators (KPIs) show the progress and change we want to create?

Do our KPIs have clear timelines? Do they focus on changes that can be observed or measured?

How will we collect KPI data to gather the evidence we need?

Where is the data stored? Is the data sensitive? Who has access to it?

How will we evaluate the KPIs to determine if we are achieving our mission?

How will we evaluate whether we are running a viable sustainable business?

Who are we reporting to? Internal team members, funders, customers? Do they have different needs?

### The Common Approach to Impact

Measurement are leaders when it comes to best practices in impact measurement. Read the Common Foundations resource to learn about five essential practices for the “how” of impact measurement. These practices are important for every phase of your organization: Plan, Sustain and Grow.

Best practices from Common Approach:

- Outline the change you want to achieve to fulfill your mission and purpose.
- Use qualitative and quantitative indicators to measure change.
- Select data-collection methods that will give you the evidence you need.
- Plan who will collect data, from whom, and when.
- Gather information at regular intervals.
- Collect only the data required and be conscious of consent, protection, and the use of personal information, particularly where data privacy laws are relevant.
- Create a system to store and manage data.
- Analyze your data to understand if and how changes are occurring.
- Use the data you collect to improve, decide, learn, and act.
- Release regular communications on your impact and outcomes, and use the information you collect to demonstrate your work and the difference it makes.

## Make it clear, simple, and purposeful: Practitioner advice for impact measurement

**Figure 10**  
Certified Social Enterprise Purppl



### Purppl

**Purppl** is a social enterprise which coaches, consults, and collaborates with social entrepreneurs and impact leaders to build regenerative enterprises and initiatives that address the root causes of systemic inequity.

Their advice:

- Start with a theory of change.
- Pick indicators of success that are a mix of indicators which are useful for you and some which are from global or national indicator banks (like the UN SDGs).
- Consider investing in measurement software.
- Treat impact measurement as seriously as financial measurement.
- Report on your successes and your challenges. Shared learning is important for the sector.
- Measurement is a win-win activity. It's an easy way to get more partners and clients, win RFPs, and attract employees.

Here are some additional words of wisdom from Purppl's co-founder Andrew Greer:



**“For better or for worse, measurement has been a response to funders and investors, and it has the danger of continuing on that path. The right perspective is to take measurement on for your own decision making. Use it to make your own decisions to change, deepen, scale, or replicate your impact.”**

**“You can't measure everything, and you shouldn't. There's some inherent colonization and bias built into structures of measurement. It's not a solution to everything and it doesn't tell the whole story.”**

## Flavours of Hope

**Flavours of Hope** is a social enterprise with a mission to facilitate intercultural opportunities for and with newcomer women to build social connections, create economic empowerment, and lead with cultural pride in the community. They run a food business development incubator program called Dream Cuisines.

Flavours of Hope collects information from Dream Cuisines cohort members through surveys and qualitative interviews, and reports publicly on the metrics that matter most to them.

Here is founder Trixie Ling's advice for others:

- Plan what you will track and measure ahead of time so that everyone knows what information they're responsible for collecting, and how it will be tracked. She adds that it may not only be you as a social enterprise leader who needs to measure and report on data, but also the participants you work with. They should be prepared and notified in advance.

- Be honest and transparent to reflect the work you're doing.
- Think ahead about the pictures that will connect with the stories you share, and don't forget about the power of design and a visual message.

### Other best practice examples

- **CleanStart Property Services: [monthly social impact reporting](#)** while contracted by BC Housing for junk removal and cleaning services.
- **New St. Paul's Hospital CBA project: [intensive Third-Party Monitor measurement and reporting](#)** on three targets: local procurement, social procurement and local diverse hiring, sharing a mix of quantitative and qualitative data.
- Buy Social Canada **[Sell with Impact](#)** report: sharing results from a survey of Certified Social Enterprises to understand the current trends, challenges and impacts of the sector, alongside case studies and stories of success.



**Flavours of Hope's approach to impact measurement has evolved over time, but they've always focussed on sharing the journey and stories of their organization and the women they're working with, as well as showcasing mentors and partners.**

## Another tool for Plan: The Social Business Model Canvas

In addition to working through the 5Ms, a tool that may be helpful is the Social Business Model Canvas. The Social Business Model Canvas builds on the traditional Business Model Canvas but adds social value considerations.

When filling out the canvas as a social enterprise, it's important to think about both your business and social outcomes and impacts. For example, in Customer Segments, you'd think about both who you're selling to but also who you're serving as outlined in your enterprise mission.

Consider the Canvas a helpful test for whether you should proceed with more in-depth business planning.

This [video series from Strategy Made Simple](#) shares a more in-depth overview of the Social Business Model Canvas and each of its components with social enterprise examples.

View or download a [sample Social Business Model Canvas](#) here.

# SUSTAIN



Certified Social Enterprise: Fireweed Food Co-op

## Start here if you

**Have a social enterprise that is out of the start-up phase**

**Are planning ahead to future-proof your business**

**Want a refresher on sustaining a social enterprise**



There are certain factors that change when you go into this longer-term planning phase, especially in terms of the business mindset and culture. To ensure a sound and sustainable future, now is the time to step back and look at the next phase of business sustainability.

You're doing it! You're running a social enterprise and have made it past the start-up phase. This section focuses on sustainability and longevity, whether or not you plan to grow or scale in future.

You're now up and running successfully. You've worked out the kinks in production and sales; board and staff are engaged and supportive; financially, you have a healthy cash flow and assets; and the mission objectives are measurable and being achieved. You may be flourishing, and at minimum you are stable and resilient.

It is time to re-examine and plan beyond those initial stages of implementation and to review, assess, and potentially revitalize your enterprise.

You will need to ensure that the key elements of the organization that are central to your success are established within the organization beyond the initial leadership. At the same time, you will need to ensure you don't become "stuck in your ways" and miss the opportunity to pivot or adapt as community or market needs evolve.



## Mission

Use your learnings from the Plan stage to see how you can best continue to achieve your mission as you look to sustain your enterprise moving forward.

As you focus on sustaining your enterprise, it's important to keep your mission at the centre of your decision-making and activities.

This is also a good opportunity to review your enterprises outcomes and achievements so far and check to make sure you are creating the change you set out to make.



### Questions to ask yourself

Are you creating the change you want to see?

Is your theory of change still accurate?  
Does it need to be adjusted?

Is your organization's purpose clearly articulated by key stakeholders including the Board, leadership, employees, and external stakeholders including funders and customers?

How are you ensuring the organization's purpose will continue to be implemented beyond the initial energy, enthusiasm of the founders?

Are you measuring your organization's outcomes and impact and evaluating your success against your stated purpose?

**Figure 11**  
Certified Social Enterprise: Fireweed Food Co-op





## Market

Reflect on your learnings from establishing your social enterprise to evaluate your goods and services, and other market decisions.

To sustain your enterprise, you may need to re-evaluate your market decisions.

This is also a good opportunity to revisit the questions you answered in the planning stage to ensure you can clearly articulate these and see if anything has changed.



### Questions to ask yourself

Are your products/services, customers, and delivery working as planned?

Are you profitable? If yes, what processes do you have in place to ensure continued profitability? If no, what processes do you have in place to assess the gaps in your current financial model? Areas to consider are:

- The costs of your product or service for your organization including production, delivery, and marketing.
- The price of your product or service – how does it compare to the market average?

How are you ensuring that you are responding to market needs as they change? Do you have an evaluation process which provides you the information you need to ensure your product/service is needed in the market, and identify new market opportunities?

**Figure 12**  
Certified Social Enterprise: CleanStart Property Services



## Case study



## Growth isn't the only way forward

### Partners for Employment Enterprises / Entreprises Partenaires pour l'emploi is

a bilingual social enterprise serving the community in the Mattice-Val Côté, Hearst, Constance Lake, and Hornepayne region in rural Ontario.

Their mission is to offer personalized training tailored to the needs of job seekers in their community, develop an adequate workforce for local employers, and offer employment stability to people in their community.

Through their non-profit and social enterprise work they provide skills training and employment opportunities for people facing barriers to employment such as generational poverty, disadvantaged youth, newcomers to Canada, and retirees who want to re-enter the workforce due to the rising costs of living.

They have two social enterprises that they put their clients through to gain the skills and experience that will lead them on to further employment opportunities:

#### Figure 13

Certified Social Enterprise Partners for Employment Enterprises

1. Green Spin Vert, a community thrift store.
2. Entreprises Partenaires pour l'emploi, which provides property services including yard maintenance & lawn mowing, snow removal, moving, manual labour tasks and recycling pick-up services.

During the day they give their employees flexible work schedules to meet with councillors or go to appointments so they can get the support they need.



**If it doesn't work out the first time, employees can return every year for up to three years, before finally it works... [some folks] need a lot of support and chances.**

*Stephanie Lacombe, Executive Director of Partners for Employment Enterprises.*

Because their mandate is to focus on local employment in their community, and to have the ability to welcome back previous employees, Partners for Employment Enterprises is not currently looking to grow or expand their businesses outside of the region.



Through their programming and social enterprise work, clients that graduate their program have a 95% success rate in gaining employment elsewhere.



## Network for shared learning and success

Networking with other social enterprises to share key learnings and best practices helps the ecosystem thrive, and it opens opportunities for collaboration in the marketplace.

### Shared spaces

**312 Main** is a commercial building in Vancouver's Downtown Eastside. 312 Main was the long-time headquarters of the Vancouver Police Department and has been transformed into a community hub that fosters collaboration and innovation. 312 Main is a co-working space that several social enterprises based in the Downtown Eastside work from. It also has large meeting spaces and conference rooms that can be booked for events and gatherings.

Buy Social Canada hosts regular in-person Social Enterprise Breakfasts at 312 Main for Downtown Eastside-based social enterprises to gather, discuss successes and challenges, share learnings, and agree on a collective voice for issues affecting the social enterprise sector.

In Winnipeg, the **Social Enterprise Centre** is a collaborative workspace located in a former post office, one of the oldest buildings in Winnipeg. In this space there are numerous social enterprises and non-profits side by side that share kitchens, workspaces, and board rooms. There, they host regular social enterprise breakfasts for leaders of social enterprises to convene and collaborate.

Some social enterprises build connections that span the country.

**Encompass Co-op** in Winnipeg has supported the development of many workplace-integrated, construction-based social enterprises such as **BUILD Inc.**, **Building Up**, **Impact Construction**, **Build Up Saskatoon**, **Community Builders**, **Purpose Construction**, **Aki Energy**, and **NEWO Energy**. These sister organizations often convene in-person for wisdom-sharing events. Sean Hogan from BUILD Inc. shares some insights about what is discussed during these gatherings:



**There were practical discussions about costing, logistics, crew make-up, and profit models, but we also dreamed big! What's the future of social enterprise in Canada? Is it a larger market-share? ... Whatever it is, these amazing leaders will be sure to be at the forefront of it, pushing for change, dissatisfied with the status-quo, and making sure that there is space in the economy for those who have for so long been kept outside.**



## Capacity building

**Buy Social Canada** hosts regional and national engagements online and in person. There is the Greater Toronto Area Social Procurement Roundtable and the Vancouver Social Procurement Roundtable. These roundtables bring together local social enterprises, social purchasers, intermediaries, and community members to build relationships, learn about opportunities and collaborate to shape the social value marketplace. Buy Social Canada also hosts a quarterly national Community of Practice meeting online. Participants in this procurement networking group include social enterprises, government and corporate purchasers, intermediaries, and community members who can join from any location.

In Ottawa, **CSED** provides a range of services to aspiring and established social enterprises. They connect with organizations looking to support local social enterprises through purchasing, financing, and capacity building. They host regular meetups for social enterprises to convene and collaborate.

## Collaborative networks

**Furniture Bank** in Toronto serves as a prime example of collaboration services between social enterprises. It coordinates a network with other furniture banks nationwide, including **Matthew House Ottawa**, **Home Again Furniture Bank in St. John's**, and dozens of other related organizations.

This network provides informal information sharing, coordinated bulk donations from businesses, and access to optional shared services so that sales, marketing, impact measurement, and operating processes can be leveraged by the local reuse charity. In coordinating portions of their own operations through Furniture Bank's Salesforce technology, it streamlines booking management, increases revenues, significantly cuts IT costs, frees up staff time for other tasks, and facilitates the exchange of business knowledge among the organizations.

The goal is a shared national environmental and social impact case study that all members can benefit from.

**Figure 14**

Winnipeg social enterprise gathering





## Manage

Review your management approach and consider culture and leadership as you progress to sustaining your business.

### Culture and leadership

Social enterprises often emerge from the dreams of a single founder, a small group of organizers, or a Board of Directors that recognize the need to diversify and enhance the organization's revenues or increase their social impact in the community.

There isn't a correct answer, but you will have to examine your specific social enterprise conditions and needs as you respond to the social enterprise management dilemma: is it easier and better to train a social worker to run the business, or easier and better to train an experienced businessperson to have compassion and commitment to the social enterprise purpose?

When considering the sustainability of the social enterprise, you are moving from short term responses and founders' energy to a set of established principles, practices, and resources that are now required to ensure long-term success.

The unique blended value purpose of a social enterprise requires the equivalent unique leadership skills that encompass both business acumen and a passion for community values.

Beyond your individual leaders and staff members, you are building a team. A successful team requires a process of meaningful organization-wide engagement, clear and shared purpose, achievable and challenging goals, the ability

to work through struggles, and to celebrate successes.

Important issues include having and enhancing the necessary staff experience and skill sets, paying competitive and appropriate salaries and benefits, providing professional and personal development opportunities, and being proactive in supporting whole life integration.

The culture of your social enterprise includes external relationships and the marketplace. It also includes internal stakeholders including your Board, management, and staff. Cultivating and nurturing a healthy and vibrant culture must be given significant attention and must be included across all your future planning; it will underpin your success.



**Finding the right blend of business and purpose will vary across team members, but like every successful business, social enterprises must build the infrastructure of policy, programs, and resources to ensure the organization's long-term success.**



### Questions to ask yourself

Is the legal form you have chosen serving your organization's mission and market?

Have you encountered any challenges in relation to decision making, accessing funding, or accessing market opportunities?

Do you have governance documents which provide clear guidance on decision-making powers and roles?

Does your management team have any skills needs or capacity development opportunities that you could seek coaching support for?

## Case study



## Planning for smooth transitions in leadership

Buy Social Canada underwent a significant shift in leadership in 2023-24, when founder and long-time Managing Partner David LePage retired. Behind the scenes this transitional process was underway for half a decade. It focused on building mutual trust, respect, and honesty amongst stakeholders.

Here are some of our lessons learned from this period of transition:

### 1. Hire for transitional leadership

It's important to practice intentional hiring and provide an ample timeframe for the future leader to become knowledgeable about all aspects of the business.

When hiring, ensure you discuss what the expectations for the eventual leadership transition will be.

### 2. Acknowledge that the new leader will not be Founder 2.0

Not only is this not possible, but this is also an opportunity to continue to explore new opportunities and directions for your enterprise, while still learning from the outgoing leader.

### 3. Design a succession plan early on

There is a lot the new leader can learn from the founder or outgoing leader, and at the same time the new leader has been hired for their own ideas, skills, and expertise.

The succession plan should be co-created by the founder or outgoing leader and the incoming leader. Key elements include:

- The timeline.
- Decision-making power and roles.

- What processes and policies need to be formalized, created, changed, or refined.
- Key relationships to hand over and nurture.

### 4. Be transparent

It is important to communicate the intentions of your transition to key stakeholders including your Board, employees, and key external contacts.

### 5. Develop your organization's story

Your organization's origin story is a key element of your organization's story and may draw on your founders' own story. Ensure that this institutional knowledge is captured to inspire and explain your roots but consider how you can develop your organization's story including purpose, mission, and vision to show that your organization will continue to succeed after the transition.

### 6. Identify a transitional role for the founder

The founder's transitional role may change throughout the transitional period. Some considerations when identifying or designing the role include:

- What ensures both the founder and incoming leader feel comfortable with the transitional process?
- What are the internal objectives of the founder's new role? Objectives could include delivery, direction setting, guidance, and coaching of the new leader.
- What are you going to communicate to external stakeholders? The founder is viewed differently with the title CEO versus the title Chair of the Board.



Developing a succession plan allows you to identify how the new leader will be able to add to or create their own vision and roadmap.



## Money

Explore funding and business plans that will create financial sustainability for your enterprise.

The considerations for Money in Sustain are similar, but different to Plan. You should now have evidence that your business model and plan are viable in the market which you can use when speaking with investors or funders.

Now, it's important to re-commit to your financial sustainability and continue to look for new sources of funding or market opportunities.



### Questions to ask yourself

What is your financing plan?

What are your revenue sources?

What are your business operational costs?

What are your social value costs?

Are you generating sufficient revenues to be sustainable?

What are your cash flow projections for the next three years?

## Sustain your social value with social procurement

Every purchase has a social, environmental, cultural, and economic impact, whether intended or not. Social procurement is about using existing purchasing to capture those impacts to achieve overarching institutional, governmental, or individual goals that help shape inclusive, vibrant, and healthy communities.

Social procurement is a major market opportunity for social enterprises. All levels of government, institutions and corporations are increasingly asking suppliers to deliver social value as well as quality, competitive prices, and environmental goals. These purchasers want to buy from you.

The process to engage in social procurement can be more complex than selling to consumers, but it can be worth it to have a multi-year contract to sustain your business.

Procurement ranges from small credit card buys, to subcontracting, to large request for proposal contracts. Consider who your potential clients could be, what they buy and at what scale you can supply to figure out where your social procurement niche might be.

To learn more about social procurement, read the [Supplier Guide to Social Procurement](#).



One of the benefits of selling to business and government purchasers is that contracts are larger and can cover multiple years.

## Case study



### Social procurement in action

**BudgieBox** is a social enterprise that supports other social enterprises by purchasing their products to include in gift boxes, which also raises public awareness about those other businesses and can help them find new customers.

BudgieBox has benefitted from the social procurement practices of Buy Social Canada Leader Destination Vancouver.

BudgieBox has been contracted by **Destination Vancouver** since 2021 to create the goodie bags and centrepieces at their annual Christmas Lunch. They also have a contract to set up and style the centrepieces at this recurring event.

Gwendal Castellán, Destination Vancouver's Manager of Sustainable Destination Development says the "social enterprise gifts have become integrated in how the event runs."

**Figure 15**

A goody bag assembled by BudgieBox for Destination Vancouver's annual Christmas Lunch



**Fun fact:** The reason Buy Social Canada focuses the majority of our work on social procurement is because we want to build HUGE demand for social enterprises. We're marketplace wizards, working towards a social value marketplace so you can sustain and grow! Learn more about our [social procurement consulting](#) and [community benefits in construction](#) services.



## Measure

Measurement remains a crucial pillar for success as you look at how you can sustain your social enterprise.

Take this time to review your learnings from measurement and analysis from the start-up phase and see what aspects of your business may need to shift or adapt to ensure mission-delivery and sustainability.



### Questions to ask yourself

Do you have blended value key performance indicators defined?

Refer to your theory of change. Does it need updating since it was last reviewed? Has anything changed? Anything new? Anything no longer happening?

Are you measuring and reporting on KPIs over regular periods of time?

Is the data you are collecting useful? If the data you gathered was not useful, then rethink what you are measuring and why.

What have you learned from your measurement about the success of your mission? How can you use your current data to adjust and improve?

Do you need to change any data collection

methods? This could be surveys, interviews, photos, conversations, etc. Or it could be software systems such as CRMs, or project management tools. Are your systems easy and efficient for reporting on the data?

Are you communicating regularly on your impact? Think about your audience, are the methods of reporting and communication beneficial?

Are you using your data to learn, reflect, advise, improve, make decisions and/or act?

# GROW



Certified Social Enterprise: Embers Staffing Solutions

## Start here if you

**Are running a social enterprise which is sustainable and achieving your current goals**

**Are ready to grow your impact or operations**

**Are curious about what opportunities for growth and scaling there are for social enterprises**



This section shares insights and advice if you're considering expansion, scaling, partnerships, or replication opportunities.

Congratulations, you're running a sustainable social enterprise!

Not every social enterprise will want to grow. Sustainability may be your goal, or you may be in a small market. This is okay! If you're creating the outcomes you want to see, growth isn't necessary.



## Mission

As you consider how your enterprise will grow, it's important to ground yourself with your enterprise mission, and ensure it doesn't get left out of your business planning.

### Different ways to grow

Growth doesn't only mean to expand into new markets or regions, or to make your physical footprint larger.

You can seek to **grow what you're already doing**, for example by accessing social finance to increase mission delivery, like [Building Up](#) which accessed funding to buy an additional vehicle which enabled them to take on new contracts and hire more staff.

You can **replicate your existing model** elsewhere, like [EMBERS Staffing](#) which added a new service area in Edmonton in 2024 after over two decades operating their business in the Lower Mainland of BC.

You can expand from a single location to **offer social replication**, like [The Raw Carrot](#).

You can **acquire an existing business** and turn it into a social enterprise, like a group of charities did with [Just like Family Home Care](#).

Or you can **offer new goods or services**, like [DICED Culinary](#) has done by expanding from operating brick and mortar culinary training programs in restaurants, to adding a nationally accredited online school, to developing a line of merchandise for retail.



### Questions to ask yourself

Is growth aligned with your purpose?

Does your purpose still drive your social enterprise? Has it adjusted?

Can you articulate how your social enterprise activities to date are addressing your purpose?

Can you define and measure how growing will increase the blended value of your social enterprise?

Will growing your market increase your social value? How?



## Case study



### MetroWorks

**MetroWorks** is a well-established social enterprise in Halifax, Nova Scotia, which has been in operation since 1977. Their mission is to support people to overcome obstacles and achieve their employment and educational goals.

MetroWorks operates several enterprises. Their longest-running social enterprise, **Stone Hearth Bakery**, opened in 1982.

#### Deliberate growth to maintain accessibility

Rather than expanding the operations of just one social enterprise, MetroWorks has opened new social enterprises to respond to community needs and market demand. MetroWorks President and CEO Dave Rideout explains that they've grown

this way to ensure that their businesses and employment opportunities remain accessible to their target employees.

Because they work with people facing barriers to traditional employment, including newcomers and people with disabilities, growing the scale of one enterprise would make the barrier to entry for employment too high. By opening several smaller enterprises, they keep their employment opportunities easier to access, and can provide more hands-on support and employment skills and training while still increasing the number of people they are able to hire.

This deliberate choice about the kind of growth they've undertaken over the years ensures they continue to achieve their mission.

#### Figure 16

One of MetroWorks' social enterprises, Ampersand Café, in action.





## Market

When planning your enterprise growth, it's important to take stock of how you are currently performing in the market, and what market opportunities can help you achieve your mission.



### Questions to ask yourself

Are your product/service, customers, and delivery working as planned?

How will growth expand your customers? Will it be new customer growth, or will current customers buy more?

Why will new customers purchase from you?

How will you produce and/or deliver your product or service for an expanded market?

How will you promote your expanded product or service offerings?



### Saint John Learning Exchange

The [Saint John Learning Exchange](#) in New Brunswick started over 35 years ago with the commitment to empower youth and adults in Saint John to reach their education and employment goals. For nearly four decades, the Learning Exchange has pioneered innovative programs that meet the needs of the community by providing an alternative and progressive environment focused on individualized learning, employment, and personal development plans.

Over time, they have expanded their offerings and created four social enterprises to provide more employment opportunities for their participants to develop the skills and experience to further their careers. One social enterprise wasn't enough to serve the community and there were market opportunities, so they expanded into new businesses:

- The Stone Soup Café & Catering sells food and catering services.
- Viola! Cleaning provides commercial and residential cleaning services.
- Impact Market is a retail store selling clothing, housewares, artwork, and jewellery.
- Creative Squirrel is a communications company focused on storytelling, marketing, and design.

The profits generated by their social enterprises are reinvested into their teams to further their professional and personal development. Employees of their social enterprises have gone on to secure affordable housing, transition away from social assistance, complete their GEDs and purchase vehicles and homes, among other important milestones.

## Case study



### GreenForceTO

Certified Social Enterprises [Building Up](#) and [RAINscapeTO](#) partnered to deliver on a workforce development program contract for City of Toronto, called [GreenForceTO](#).

City of Toronto wanted to create a workforce development program for horticulture, to look after the City's green spaces.

The City was already connected to Building Up, so they approached them and some other workforce development organizations first. Building Up later brought RAINscapeTO into the conversation because they knew they had more expertise in horticulture and landscaping.

In 2021, the City issued a limited call for proposals. Building Up and RAINscapeTO responded together, stating that they would collaborate on the delivery from the outset. They won the contract.

Building Up brings extensive experience with workforce development and training cohorts of employees, while RAINscapeTO brings horticulture and landscaping expertise. By partnering with each other they were able to take on new opportunities and increase the number of employees they could hire, furthering their purpose while growing their businesses.

#### Figure 17

Certified Social Enterprise RAINscapeTO





## Manage

Management and governance are crucial to the success of your enterprise as you grow.

As you consider growth for your enterprise, you may need to update your organizational structure and decision-making processes. It's important to stay realistic about what your new human resources needs will be.



### Questions to ask yourself

How will you plan for the future?

Is your organizational culture prepared to grow?

Is your organizational structure, governance model, and decision making prepared for growth?

Will growing impact your corporate structure in a positive way?

Are there new, different, or additional key stakeholders' who should be involved? Why? How?

What is the human resource strategy for growth?

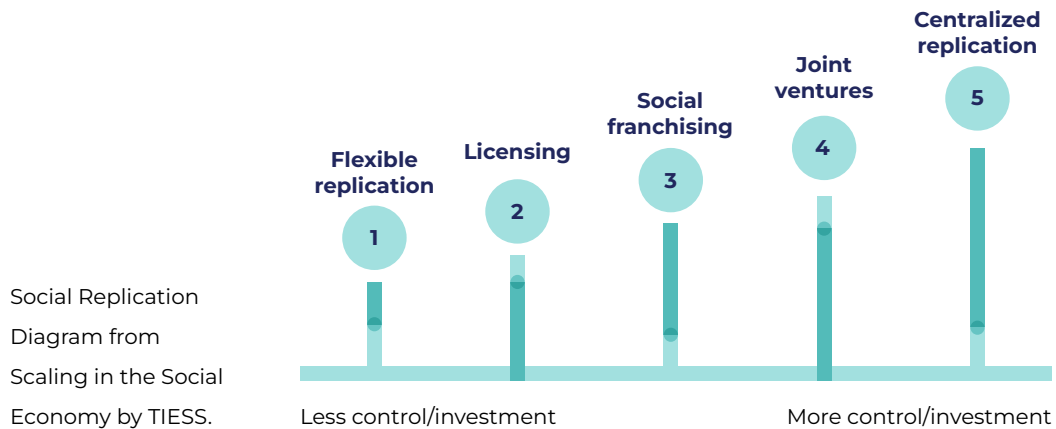
What systems do you need to develop to operate at a larger scale?

## Social replication

Most Canadians are familiar with traditional franchise businesses. There are Tim Hortons and Canadian Tires in every other town across Canada and you can find a McDonald's in most major cities across the world. There are some social enterprises which exist in a similar manner. (Albeit without contributing to the systemic wheel of capitalism!)

Social replication includes a variety of options for businesses to grow. There is different terminology for these types of relationships, whether there is a parent/child organization, a national office with members that form a membership association, a social enterprise that licenses out their business, or a franchise with franchisees.

TIESS defines social replication as a process which “involves reproducing an enterprise’s business model, line of business, service or program in one or more new geographic areas.”<sup>4</sup>



Social Replication  
Diagram from  
Scaling in the Social  
Economy by TIESS.

<sup>4</sup> Bellemare, Marie-France, Léonard, M., Lagacé-Brunet, P. *Scaling in the Social Economy: Planning the Growth of Your Social Economy Enterprise for Greater Impact*. (Montreal: TIESS, 2017, 51).

Some examples of social replication include national and international organizations with smaller locations spread across the country such as the Habitat for Humanity ReStores, YMCA, and YWCA.

**YWCA Metro Vancouver** is one of 30 member associations within YWCA Canada ‘whose programs and services create change for 1 million women, girls and their families.’ The Metro Vancouver entity operates multiple social enterprises that offer a variety of services including childcare, employment services, a hotel, and a fitness centre.

**Figure 18**  
Certified Social Enterprise The Raw Carrot



## The Raw Carrot

**The Raw Carrot** is an example of a social enterprise operating a social licensing model.



**A licence allows for a formal transfer of a business model or elements of that model, such as a trademark, product, specific know-how, or technical drawings. This transfer is considered a formal transfer because it involves conditions, rules on how to use what is licensed, and the signing of a contract that specifies the rights and obligations of each of the stakeholders.<sup>5</sup>**

They have locations in several towns in Ontario which make and sell soups. Through this work they provide meaningful employment and livelihood security to individuals on social assistance who want to work.

<sup>5</sup> Bellemare, Marie-France, Léonard, M., Lagacé-Brunet, P. *Scaling in the Social Economy: Planning the Growth of Your Social Economy Enterprise for Greater Impact*. (Montreal: TIESS, 2017, 60).

They started with one kitchen-space which was donated by a church and decided to make soup. They hired people with disabilities and other barriers to employment to make the soup and paid the workers whatever they made in sales. In their first year, they sold \$25,000 worth of soup, and knew they were on to something.

Because they operate in rural areas, The Raw Carrot licensees can't rely on corporate contracts like they could if they were in urban areas. Instead, they target direct-to-consumer sales and work to integrate into their local communities.

A few years after their first location opened, someone reached out expressing interest in replicating their success. The Raw Carrot agreed to license a pilot location and share their business model, operations systems, tools, and lessons learned. As of summer 2023, The Raw Carrot has four locations with another about to launch.

The Raw Carrot has a headquarters in Paris, Ontario which generates revenue through the [licensing model](#). The headquarters supports each of the locations with bulk buying, shared learnings, best practices, consulting, and other custom supports.



## Just Like Family Home Care

[Just Like Family Home Care](#) is a social franchising model. A social franchise requires a larger investment from headquarters than a licensing model, but also allows headquarters to have more control and remain in an ongoing relationship with all franchise locations.

They provide customized home care plans to support people aging in place. They are more than 51% owned by charitable organizations and the majority of their profits are reinvested into their social mission to provide care, connection, community, education, and advocacy for Canadian seniors and their families.

They have locations spread across the country in BC, Alberta, Manitoba, Saskatchewan, and Ontario. They sell their franchises to non-profits, churches, and equity-deserving individuals that want to become entrepreneurs. The head office is the social enterprise, and they provide the training, marketing, and business backend for all of the franchisees.

Franchisees are independent business owners that follow the brand guidelines and the requirements within the franchise agreement but beyond that, they are still their own bosses.

Franchising offers the blend of being self-employed with the independence to make decisions, but it is combined with the support of the franchisor and the wider network.

Learn more about social replication:

- [Social Enterprise Franchise Models](#) (webinar recording).
- [Win-Win Capitalism: How Social Acquisitions Will Change the Face of Business](#) (book).
- [Scaling in the Social Economy](#) by TIESS (guide).
- [From Social Enterprise to Social Franchise](#) by Centre for Social Innovation (guide).



## Money

When planning to grow, you'll need to consider what costs you will be taking on to fund the expansion, and where you can get financing.

### Accessing finance

If growth is the next step for your social enterprise, it is likely you will need to access financing to fund the growth.

Your organization may face barriers to financing.

An initial barrier may come from inside your organization; many Boards of Directors believe that a non-profit or charity cannot or should not take on debt. A non-profit or charity can take on debt. The decision to take on debt should weigh the anticipated benefits against the risks.

Traditional financing is available through credit unions and banks. This type of financing tends to be provided based on past track record and secured by assets or personal guarantees. For non-profits, co-operatives and social enterprises that are new or do not have assets, it can be difficult to access traditional financing.

However, there are a number of organizations increasing access to financing through flexible collateral requirements and forward focused investments. These organizations are developmental lenders, social finance intermediaries, and impact investors.



### Questions to ask yourself

What is your financing plan?

What are your costs to grow? Capital investments? Increased operating fixed and variable costs?

How will you finance the growth?

Do you have financial systems in place for growing?

What are your cash flow projections for year one to three with expanded operations?



Impact investor examples include:

### **Tapestry Community Capital**

**Tapestry Community Capital** supports charities, co-operatives, and non-profits to raise capital through community bonds. These work well when funding a community project, such as an affordable housing development. Tapestry works with organizations to create an interest-bearing loan with a face value, fixed return, and set interest rate.

### **Thrive Impact Fund**

The **Thrive Impact Fund** is an impact investment fund which invests in and supports non-profit, co-operative, and for-profit social enterprises in British Columbia that generate positive social, environmental, or cultural benefits. The fund provides flexible loans and wraparound supports.

### **The Government of Canada Social Finance Fund**

The **Social Finance Fund (SFF)** is a \$755 million initiative that seeks to accelerate the growth of Canada's social finance market. This fund is designed to support charities, non-profits, social enterprises, co-operatives, and other social purpose organizations (SPOs) to access flexible financing opportunities. The funds are managed by three wholesalers:

- **[Boann Social Impact.](#)**
- **[Realize Capital Partners.](#)**
- **[Le Fonds de Finance Sociale CAP Finance.](#)**

These wholesalers then invest in intermediaries, such as credit unions, community loan funds, and venture funds. These intermediaries will invest in a range of SPOs, including social enterprises. SFF is an investment fund, which must be repaid.

Additional impact investment funds in Canada include:

- **[Social Enterprise Fund](#)** (Edmonton).
- **[Jubilee Fund](#)** (Winnipeg).
- **[Verge Capital](#)** (Ontario).
- **[Kaleidoscope Social Impact](#)** (New Brunswick).
- **[Raven Indigenous Capital Partners](#)** (National).
- **[Community Forward Fund](#)** (National).
- **[Canadian Co-operative Investment Fund](#)** (National).
- **[Propel Impact](#)** (formerly the Social Value Fund, National).

For more information on social finance, see [Purppl's Social Finance Explainer](#).



## Measure

As you grow, processes for measurement and reporting become critical.

For growth, you should review learnings from your measurement when you were sustaining your business, to ensure you know what you need to be successful and identify if there are any weaknesses or challenges you want to overcome before growing your enterprise.

It will also be more important than ever to have clear metrics and processes for measurement and reporting as you expand.

### Support sector growth

At every level of Plan, Sustain and Grow, you will share your successes and stories of impact to amplify the power of social enterprise and help raise the profile of social enterprise as the business model of the future.

As you're ready to grow, however, you should have clear examples and experiences that you can share publicly to promote social enterprise, and you may be ready to mentor other social enterprises who are still looking to plan or sustain their businesses.



### Questions to ask yourself

Are your KPIs still relevant and useful?

Refer to your theory of change. Does it need updating in order to Grow?

What have you learned from your impact measurement so far?

Are you achieving your mission? If not, what needs to happen?

Are your data collection methods working? Do you need to invest in updated systems to gather the data (such as a new CRM or other software)?

Are you running a successful and viable business? If you grow, how will this change?

Use your data to learn, reflect advise, improve, and make decisions on what is needed to Grow.

How will a new social enterprise or expanded mission fit into existing measurement practices?

How and when will you communicate and report on impact?

## Case study



## An example of what is possible: GreenShield

**GreenShield** is a national non-profit social enterprise that shines as an example of what is possible in the sector. They show the scale of impact and reinvestment that can be achieved through purpose-driven strategic business practices.

In 1957, a young mother entered GreenShield-founder William Wilkinson's pharmacy with two prescriptions: one for herself and one for her daughter. She could only afford one and sacrificed her own health to fill her daughter's prescription. Wilkinson is known for saying there had to be "a better way." With that, GreenShield was born as the first pre-paid health benefits company in Canada, and an innovative non-profit focused on advancing health equity on a national scale.

Over 65 years later, GreenShield is Canada's only national non-profit health and benefits company, and the first organization in Canada to operate as a payer-provider. They offer insurance, administer benefits, and pay claims as a "payer" while offering health services such as mental health, pharmacy, telemedicine, and chronic disease management services as a "provider." As a non-profit, the company's overarching goal is to generate \$75 million of social impact investments to improve the lives of at least one million Canadians by the end of 2025. They reinvest their earnings and redeploy their health services to support underserved communities to advance their social mission of "Better Health for All."



**Giving back isn't what we do, it's who we are. As a non-profit, we don't have shareholders, so we can put Canadians first – at the centre of all we do. We are grounded in our commitment to health equity, community well-being, and driving positive change.**

*Mandy Mail, Executive Vice President, Head of Marketing, Communications & GreenShield Cares*

GreenShield proudly goes to market as a non-profit social enterprise with a strategic 'Creating Shared Value' (CSV) business model. CSV is the seamless integration of their social impact and business growth initiatives, creating a sustainable symbiotic model that exemplifies the value a social enterprise can have on health, societal, and economic outcomes.

Their CSV model is multi-pronged. They deploy their owned health and benefits services to support underserved communities, leveraging community partners to extend their reach. They also collaborate with community partners to co-create culturally appropriate health and benefits services to address the unmet needs of equity-deserving groups. Ultimately, they scale and embed their innovative social impact solutions to fill the gaps within their customer offerings. As the business grows, so does their financial capacity to be an even stronger force for good in underserved communities.

## Case study



**Our mission as a non-profit social enterprise guides our priorities and our strategic plan. We collaborate with partners who care for and understand their communities' unique needs to drive meaningful change and expand our reach. We're committed to co-creating culturally appropriate health and benefits solutions that don't just address unmet needs, but anticipate them, crafting a health care ecosystem that is inclusive, innovative, and inspiring.**

*Mandy Mail, Executive Vice President, Head of Marketing, Communications & GreenShield Cares*

Many social enterprises are small businesses having a big impact in their local community. However, GreenShield shows that when growth is the goal, and mission and market align, there are no limits to the scale and impact that social enterprises can achieve.

**Figure 19**  
The GreenShield Cares team



# CONCLUSION

No matter what stage you're at – from beginning to explore the idea of starting a social enterprise, all the way to expanding into a national business or growing your impact – now is the time to commit to social enterprise success.

Reach out to experts and peers to learn from each other, network for shared success, and collaborate to build relationships and increase market opportunities as social procurement practices grow across the country.

This is a community that wants to support each other because we are all invested in achieving our social, environmental, and cultural purposes, and don't see each other as competition in the traditional business sense.

If you haven't yet started to plan, now is the time! Don't be afraid. As this Guide has hopefully shown, there are countless social enterprises leading the way by example and showing that success is possible.

If you're passing your start-up phase and looking to sustain, don't hesitate to lean on experts and think big about what your future can hold.

If you're ready to grow, whatever that may mean to you, remember to keep your purpose at the centre and be ready to stand proudly as a champion for the social enterprise sector.

Together we can use the marketplace to build healthy, vibrant communities rich in community capital.

# Appendix A: Glossary

**Best value:** The optimal combination of total cost, performance, economic, environmental, and social sustainability.

**Certifications:** Third party verified designations that confirm social and/or environmental practices.

**Certified Social Enterprise:** Buy Social Canada offers the only Canadian 3rd party certification for social enterprise, which verifies that the enterprise is a business that generates a significant portion of its revenue through the sale of goods or services, embeds a social, cultural, or environmental purpose into the business, and reinvests the majority of profits into their purpose.

**Community benefits or community value:** The positive social, cultural and/or environmental change that happens as a result of procurement.

**Community capital:** The health of a community is not measured by economic value alone. Community capital consists of the five main types of capital: social capital, human capital, cultural capital, economic capital, and physical capital. Building community capital is the means for creating healthy communities.

**Community development:** An activity that improves the overall health of the community, whether through generating a community benefit (e.g. community service) or building a community asset (e.g. cultural venue). Rooted in local knowledge and defined by the community itself.

**Co-operative:** A co-operative is an organization owned by its members that share similar economic, cultural and/or social needs. Each member has the right to vote, giving them democratic power within the organization. Moreover, one of the main goals of a co-operative is to create a business that gives back to the community.

**Corporate Social Responsibility (CSR):** Policies and practices that demonstrate a business is operating in ways that enhance society and the environment, instead of contributing negatively to them.

**Direct award:** Purchases that are contracted without a competitive bid process. These can be under trade agreement thresholds, purchasing policy thresholds or to businesses who are exempt from the trade agreements.

**Direct mission delivery:** A social enterprise's mission will be directly achieved through the type of good or service they deliver.

**Diverse-owned business:** A business that is majority owned and controlled by a member of an equity-deserving group.

**Employment barriers:** A spectrum of factors relating to physical health, mental health, social exclusion, limited education and skills, language and cultural differences or other obstacles to engaging in a traditional employment opportunity, which requires workplace, work environment or work expectation to accommodate successful participation in the workforce.

**Equity-deserving groups:** Groups who have historically been denied equal access to employment, education, and other opportunities and includes, without limitation, the following: Indigenous peoples, racialized communities, newcomers, refugees and asylum seekers, persons with disabilities/disabled persons, women, gender minorities, members of the 2SLGBTQIA+ community, and others experiencing barriers to economic opportunity and participation.

**Inclusive employment:** Employment practices that provide flexible options that support people from a variety of different backgrounds and abilities to participate in the workforce.

**Indigenous business:** A business where 51% or more of the business is owned and controlled by Indigenous People, groups, or organizations.

**Not-for-profit or non-profit:** Incorporated federally or provincially, an organization whose purpose is to solve social, cultural, or environmental problems. Revenues or profits generated by a not-for-profit must be used to further their purpose. Not-for-profits do not have shareholders and are instead governed by a Board of Directors. They can own assets, including for-profit corporations. Not-for-profits can be designated by the CRA as either a Registered Charity or a Non-Profit Organization (NPO).

**Private Corporation:** A private corporation, or for-profit corporation, is an organization incorporated to operate a business that when it generates profits they are distributed for the benefit of the owners and shareholders.

**Registered Charities:** Organizations for the relief of poverty, the advancement of education, the advancement of religion, or other purposes that benefit the community. Registered charities are designated by the Canada Revenue Agency and can issue official donation receipts for income tax purposes.

**Revenue-generation to support mission:** A social enterprise generates revenue to support their social mission or the social mission of a closely related non-profit or charity.

**Social enterprise:** A business that sells goods or services, embeds a social, cultural, or environmental purpose into the business, and reinvests the majority of profits or surplus into its purpose.

**Social finance:** Social finance is an investment that seeks a measurable social, cultural, and/or environmental impact as well as a financial return for the investor(s).

**Social investment:** Social investment is the use of repayable finance to help an organization achieve a social, cultural, or environmental purpose. It is not a grant or donation.

**Social procurement:** Every purchase has a social, economic, and environmental impact. Social procurement is about using your existing purchasing to capture those impacts to achieve overarching institutional, governmental, or individual goals that helps shape inclusive, vibrant, and healthy communities.

**Social Purpose Organization (SPO):** Social purpose organizations consist of various organizations with a purpose to advance social, environmental, or cultural objectives. Social purpose organizations include:

- the charitable and non-profit sector (registered charities, incorporated non-profit organizations and non-profit co-operatives).
- the private sector (market sector co-operatives and private businesses advancing a social or environmental purpose).
- hybrid entities such as Community Contribution Companies and Community Interest Companies, found in British Columbia and Nova Scotia respectively.

**Social return on investment:** a methodology which aims assign monetary values to change being creating by the activities of an organization (whether environmental, social, or otherwise).

**Social value:** Social value refers to the impacts of programs and organizations on the wellbeing of individuals and communities. Social enterprises and social purpose businesses can generate social value by innovating products and services that meet community needs and participating in social procurement.

**Social Value Marketplace:** A marketplace where we trade goods and services for the purpose of creating healthy communities.

**Social Value Supplier:** A business who incorporates social value into their business in order to create impact in their community. Examples could be social enterprises, diverse-owned businesses, co-operatives, social purpose organizations and local businesses with social value.

**Supplier diversity:** A business practice that encourages the use of diverse businesses in an organization's supply chain, including social enterprises.

**Supply chain:** A supply chain is a network of organizations, individuals, resources, activities, and technology that move a product from initial production to the consumer. It is composed of a direct supply chain, which includes all materials that become part of the final product, and an indirect supply chain, which includes all resources that contribute to the product's manufacturing and delivery but are not incorporated into the product.

**Theory of change:** A diagram or written description of the strategies, actions, conditions and resources that facilitate change and achieve outcomes.



# Appendix B: Resources

## Social Enterprise Certification

Verify your social impact with Buy Social Canada Social Enterprise Certification to show stakeholders, clients, and your team that you put your money where your mouth is and contribute to community wellbeing. Not already certified? [Apply now](#).

Find valuable connections in your community and make an impact by doing business with social enterprises. Use the [Certified Social Enterprise Directory](#) to search for social enterprises by location, product or service, and social value.

## Resources in your local area

Looking for additional support with business planning and feasibility? Look for a local consultant or organization. Some resources include:

Location	Organization
National	<a href="#">Buy Social Canada</a>
National	<a href="#">CCEDNet</a>
National	<a href="#">Innoweave</a>
National	<a href="#">Purppl</a>
National	<a href="#">Realize Solutions</a>
National	<a href="#">Scale Collaborative</a>
National	<a href="#">Urban Matters</a>
National	<a href="#">Social Delta</a>
National	<a href="#">Strategy Made Simple</a>
Alberta	<a href="#">AB Seed</a>
Alberta	<a href="#">Another Way</a>
Atlantic Canada/National	<a href="#">Social Enterprise Solutions</a>
Atlantic Canada/National	<a href="#">Common Good Solutions</a>
British Columbia/National	<a href="#">Thriving Non Profits</a>
British Columbia/National	<a href="#">Propellor Advisors</a>
Calgary/Alberta	<a href="#">Momentum</a>
Manitoba	<a href="#">CCEDNet Manitoba</a>
Manitoba	<a href="#">Encompass Co-op</a>
Ontario (francophone)	<a href="#">Impact-ON</a>
Ottawa/Ontario	<a href="#">CSED</a>
Quebec	<a href="#">Le Chantier de L'Économie Sociale</a>
Quebec/National	<a href="#">TIESS</a>
Saskatchewan	<a href="#">SEDA</a>



# Guide to Social Enterprise

## Work with us

Buy Social Canada is ready to work with you to verify your impact and build capacity.

We offer:

- Social Enterprise Certification
- Social Purchasing Partnerships
- Consulting
- Training
- Construction
- Engagement

Get in touch

[info@buysocialcanada.com](mailto:info@buysocialcanada.com)