

# **Social Enterprise**

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**Business Plan Example**

**August 2008**

***Strictly Private and Confidential***

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## A. Executive Summary

**Social Enterprise** is a social enterprise wholly owned and operated by the **Parent Organization** in **community**. The **Social Enterprise** is designed to give women in need the chance to improve their self-esteem and self-sufficiency by providing entry-level work in a warm and welcoming peer-supported environment. The women work to produce high-quality products such as **example** and **example**. The **Social Enterprise** has a second operation that produces **type of product**. However, these products require a higher-level of skill to produce and create fewer jobs for women in the **community**.

The **Social Enterprise** exists in a relatively competitive market already saturated with various similar products. However, the competitive edge for the **Social Enterprise** is its story about being a Canadian social enterprise producing some of the highest quality products of their kind in the local market. This story provides opportunities to sell through a number of retail and wholesale channels. Past experience has proven that trade shows, events, conferences, government agencies, corporations, and other non-profits have been the best customer groups.

The responsibility of operating the **Social Enterprise** falls on the Manager and Supervisor. The Manager, reporting to the **Manager** of the **Parent Organization**, is responsible for making the high-level strategic decisions that guide the direction of the enterprise while also working to build the systems and processes necessary for **Social Enterprise** to operate. The Supervisor is responsible for the day-to-day operation of the **Social Enterprise** under the guidance of the Manager and supported by one or more part-time Assistant Supervisors. Under this leadership structure, the **Social Enterprise** can grow to provide training and employment to women wishing to perform various production jobs. With the necessary equipment, suppliers, and subcontractors already in place, the **Social Enterprise** should have no problem delivering quality products on-time and to the specifications of the customer.

The first living budget for the **Social Enterprise** has been developed that attempts to account for all the income and expenses streams expected in a given year. Under this model, the enterprise will make a 16% margin on **type of products**, a 44% margin on **type of products** and a 50% margin on **type of products**. But because of poor record keeping in the past, it is difficult to determine the true seasonal variation and the full capability of the operation. As such, a gradual climb to profitability has been developed that has the **Social Enterprise** breaking even in Oct of 2009. With continued growth, the **Social Enterprise** should be able to provide its first draw to the **Parent Organization** in 2011.

## 1. Mission Statements

**Parent Organization** – Mission Statement

**Social Enterprise** – Mission Statement

## 2. Business History

**Social Enterprise** began in **year** as self-employment program funded in part by **Provincial Funder** and the **Provincial Ministry**. With the support of some young business school students, the **Social Enterprise** spent its first 8-10 months researching and developing product. **Individual Producer** was introduced and volunteered tirelessly to create the first marketable **product**. The first **products**, were sold in the winter of **year**. During the **year** Christmas season the **Social Enterprise** increased its sales and gained valuable market learning about design and materials.

While **product type** production formally began in **year**, the **Social Enterprise** was awarded a **#### product** contract for the **Purchaser** in June **year**. This formally launched the **Social Enterprise** into the **product type** market. These **products** are in demand but competition from off-shore producers creates a price-sensitive market not seen with **other Social Enterprise products**.

Further success was seen as the **Social Enterprise** continued to earn small contracts for various events, conferences, and organizations. The current list of past and present customers has grown to the point where ongoing relationships can now be forged in the drive to sustainability. The range of services has also expanded as the **Social Enterprise** began delivering straight **service** contracts for customers providing raw material and product specifications. Early signs indicate that the demand for **product type** and **product type** is continuing to grow with record sales expected in the 2008/2009 season.

More importantly than the product development is the viable opportunities created for the women of the **community**. Many of the 50-odd women currently on the production roster had previously been living on social assistance, are single parents and were not able to gain job skills elsewhere. The **product type production** work has proven most fruitful from this standpoint as these contracts provide a large number of trainable and defined jobs. The **Social Enterprise** supervisors have gained valuable experience training women to **perform various production jobs** thus providing a stepping-stone to a better life.

## 3. Goals of the Social Enterprise

The following are the goals of the **Social Enterprise**:

- provide entry-level work skills and experience to women in need
- encourage women to be teachers and leaders
- encourage and support women's efforts to transition into external employment opportunities
- develop and maintain standard business practices in the areas of marketing, sales, human resources, operations and finance.

- reach break-even in the timeline mapped out in the financial plan
- create a sustainable revenue source for the **Parent Organization**

#### 4. Company Profile

Form of Business – Incorporated in **year**

Registered Business Name – *need to get*

Business Number – *need to get*

Ownership – Wholly owned subsidiary of the **Parent Organization**

Hours of Operation – Mon to Fri, 10am - 6:30pm

Location – **address**

Contact Information – **Manager**, phone **number**, **email**

**Parent Organization** Board – refer to Appendix 1 for the names and titles of the **Parent Organization** board members

**Parent Organization** Background – refer to Appendix 2 for a brief background on the **Parent Organization**

## B. Products and Services

**Social Enterprise** has two main product lines and one service. The designs contributed by members of the community. The service provides local designers the opportunity to create jobs in their own backyard. Future possibilities include new features to bring added value to the existing lines while researching new product possibilities for product that provides trainable jobs to women in need.

### 1. Tote and Conference Bags

**Social Enterprise** routinely gets awarded **product type** contracts for various events, conferences and organizations. These customers are free to choose the design and colours for their product and in many cases request that the **Social Enterprise** provide a sample design. As such, the **Social Enterprise** now has a wide range of products to showcase. Select lines are described on the following pages.

## Product Type



General Description	This <b>product</b> was designed and produced in house for the <b>Event Name</b> . It is high quality and is <b>description</b> .
Special Features	This <b>product</b> was also produced in a variety of other <b>types</b> including <b>description</b> .
Dimensions	<b>dimensions</b>
Materials	It is made of <b>description of materials</b> including <b>example and example</b> .
Labeling	<b>Both event information and parent organization information was part of product packaging.</b>
Production Time	15-30 min per <b>product</b> (depending on <b>producer's</b> skill level)
Retail Price	<b>\$##</b>

## Product Type



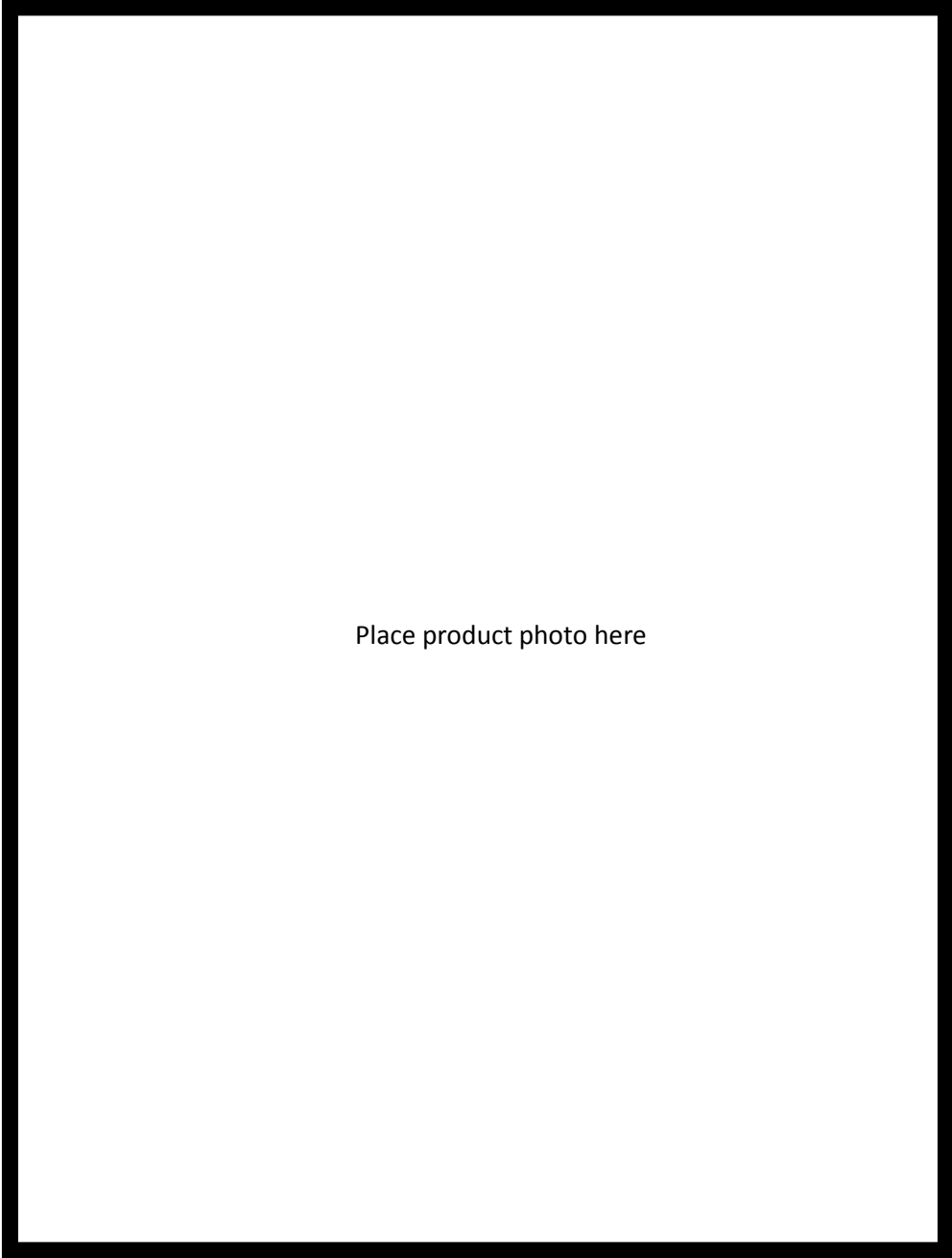
General Description	These <b>products</b> are designed and produced in house at the <b>Social Enterprise</b> . These <b>products</b> are perfect for _____.
Special Features	<b>Description of special features</b>
Dimensions	<b>Dimensions</b>
Materials	<b>Description of materials</b>
Labeling	<b>Parent organization information is on packaging</b>
Production Time	15-30 min per <b>product</b> (depending on <b>producer's</b> skill level)
Retail Price	<b>\$##</b>

### Product Type



General Description	This <b>product</b> was designed and produced in house at the <b>Social Enterprise</b> for the <b>Purchaser</b> .
Special Features	<b>Description of special features</b>
Dimensions	<b>Dimensions</b>
Materials	<b>Description of materials</b>
Labeling	<b>Parent organization information appears on packaging</b>
Production Time	15-30 min per <b>product</b> (depending on <b>producer's</b> skill level)
Retail Price	<b>\$##</b>

### Product Type

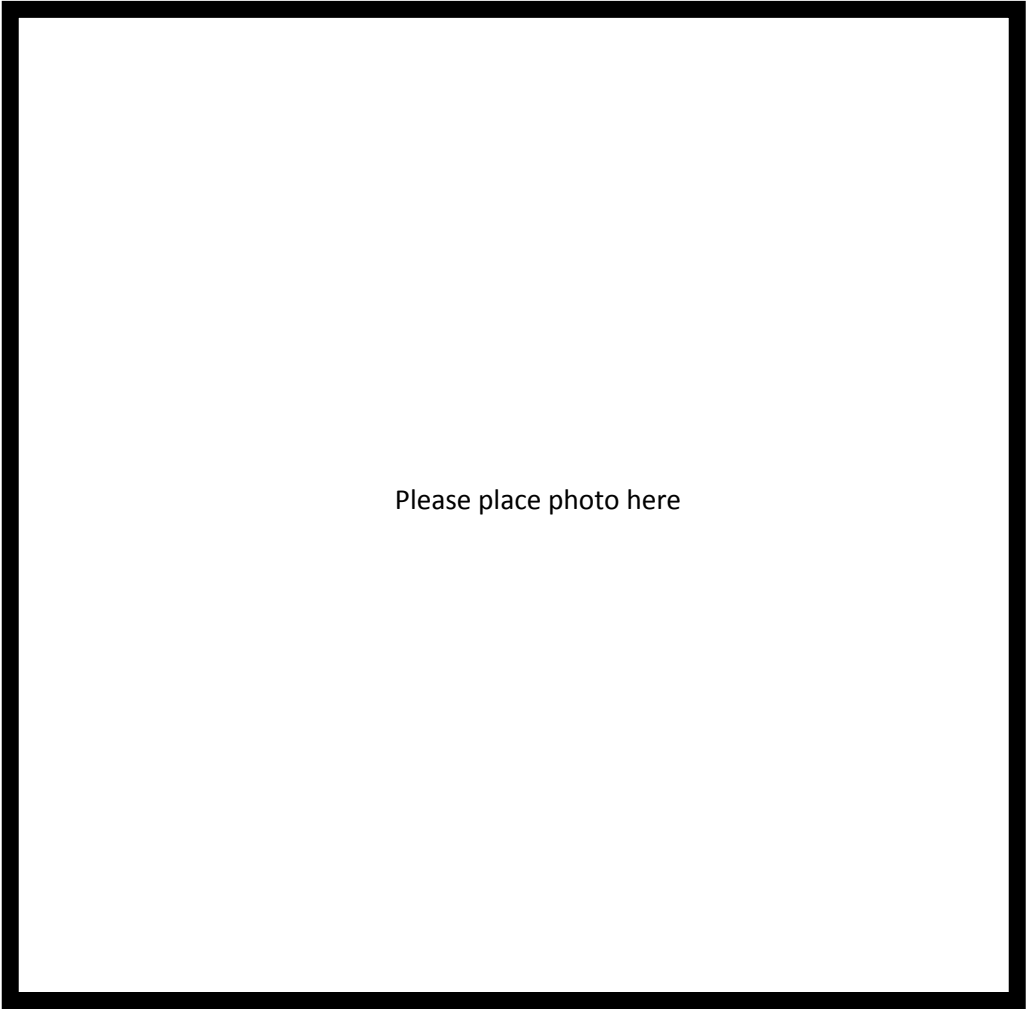


General Description	This bag was designed and produced in house by the Social Enterprise. Product description details.
Special Features	Description of special features
Dimensions	Dimensions
Materials	Description of materials
Labeling	Parent organization information appears on packaging
Production Time	15-20 min per product (depending on producer's skill level)
Retail Price	\$##

## 2. Product Type

Product type and product type are made to suit the demand of the local marketplace but still contain a wide variety of description. The product type are generally the same dimensions while product type can be made in a produced of dimensions. The raw materials used also vary in quality but the business and consumer preference is top quality raw materials. The products are most often production technique. inputs all affect the pricing of these products so some more common ones have been described on the following pages:

## Product Type



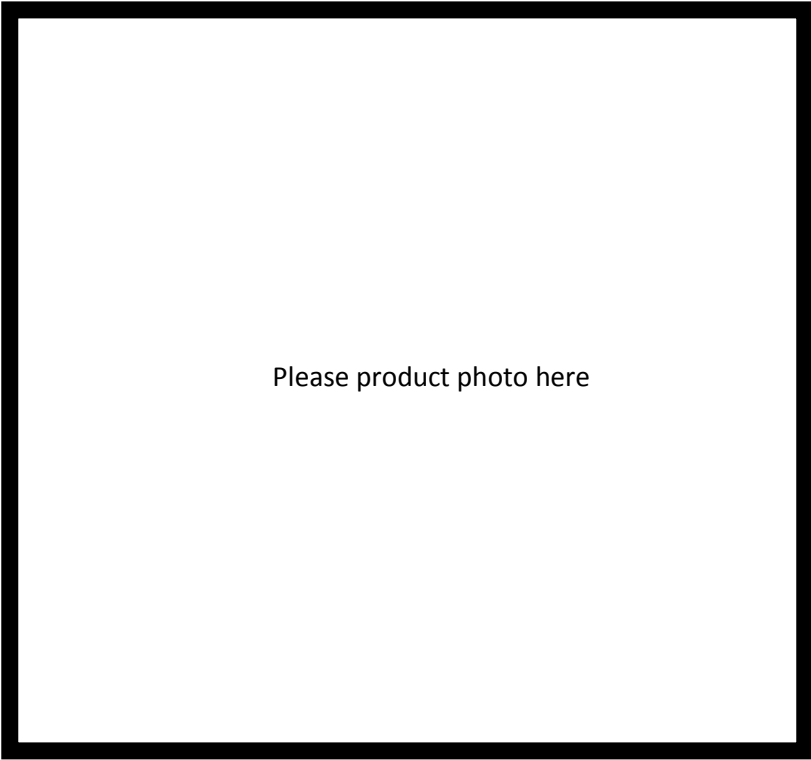
General Description	Presently we have 5 <b>product</b> designs available, <b>descriptions</b> .
Special Features	<b>Description of special features</b>
Dimensions	<b>Dimensions</b>
Materials	<b>Description of materials</b>
Labeling	<b>Parent Organization information is on product packaging</b>
Production Time	15 min per <b>product</b>
Retail Price	<b>\$##</b>

## Product Type



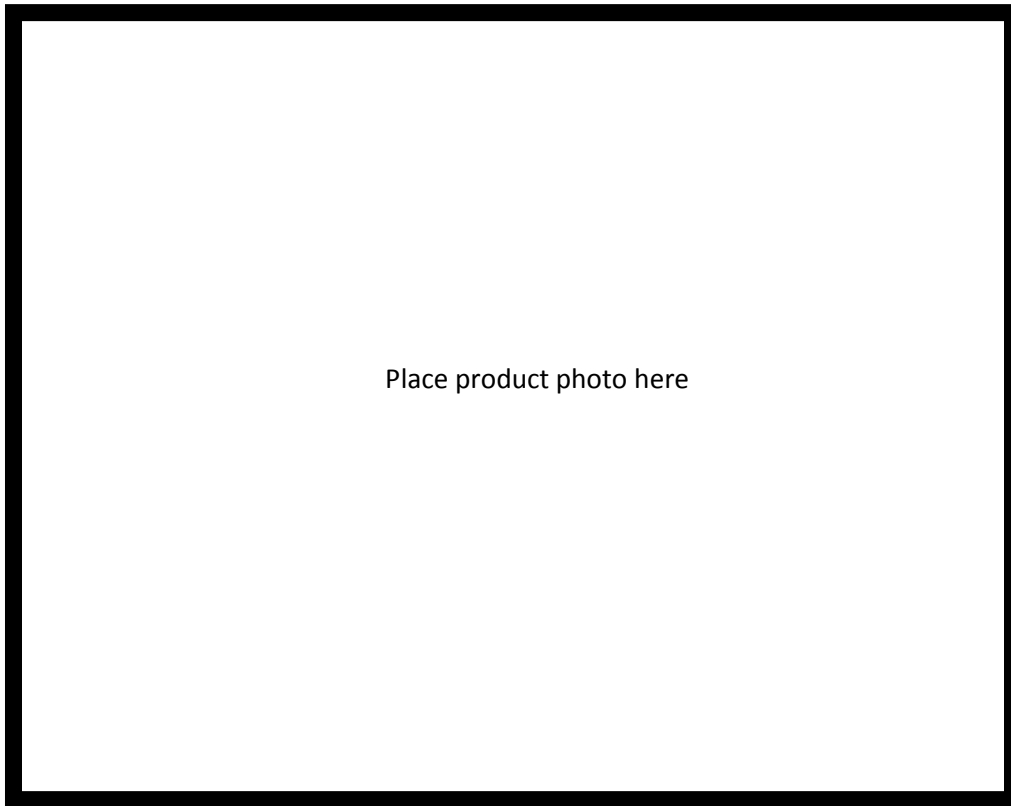
General Description	Product description
Special Features	Description of special features
Dimensions	Dimensions
Materials	Description of materials
Labeling	Parent Organization information appears on product packaging
Production Time	40 min per product
Retail Price	\$##

### Product Type



General Description	Product description
Special Features	Description of special features
Dimensions	Dimensions
Materials	Description of materials
Labeling	Parent Organization information appears on product packaging
Production Time	40 min per product
Retail Price	\$##

## Product Type



General Description	Product description
Special Features	Description of special features
Dimensions	Dimensions
Materials	Description of materials
Labeling	Parent organization information appears on product packaging
Production Time	40 min per product
Retail Price	\$##

### 3. Existing Inventory

Product Type	Amount In Inventory	Estimated Dollar Value
Product Type 1	##	\$ ____
Product Type 2	##	\$ ____
Product Type 3	##	\$ ____

## 4. Type of Service

**Social Enterprise** has occasionally fulfilled the demand of local designers and businesses. These customers come to the **Social Enterprise** with product already designed and materials already obtained or readily available through their own suppliers. **Social Enterprise** provides a quote to complete these orders based on the following considerations:

- Product in question: how complicated and work needed
- **Production** of the material
- **Production technique**
- Special features
- Time constraints
- Volume of the order

Examples of these products include, **example, example.**

## 5. Future Products

**Social Enterprise** has already experimented with a number of products which could be strategically incorporated into the current offering. While this plan does not explore these products in any detail, it is worth mentioning the lines here as they offer opportunities to expand the enterprise using existing skills and resources:

- **Product Type**
- **Product Type**
- **Product Type**
- **Product Type**
- **Product Type**
- **Product Type**

## C. Marketing Plan

### 1. Size of the Industry

Social Enterprise participates in two of Stats Canada’s industry classifications – Name of Classification and Name of Classification. The annual Canadian sales since 2000 for these two classifications are displayed in Table E1.

**Table E1 - Sales in Canada according to Stats Canada Industry Classifications**

	2000	2001	2002	2003	2004	2005	2006	2007
Knit Fabric Mills	_____	_____	_____	_____	_____	_____	_____	_____
Bag and Canvas Mills	_____	_____	_____	_____	_____	_____	_____	_____

Note: all numbers are in Canadian dollars x 1,000

The majority of statistics for **province** alone were “suppressed to meet the confidentiality requirements of the Statistics Act”. However, what was revealed indicated that the size of the industry in **province** is 15 - 20% of the Canadian total following much the same trends.

What this data reveals is a substantial decline in the **type of** industry since 2003. Present numbers are less than a third of those in 2000 and continuing to decline. However, the **type of** industry has remained fairly steady. At this level, it is impossible to determine exactly what products are being sold in this industry classification but the stability therein is encouraging.

### 2. Factors Affecting the Industry and Social Enterprise

Presently, there are a number of factors that could be having an impact on **Social Enterprise** and the textile manufacturing industry as a whole:

**Changes in the Canadian dollar** – Canadian manufacturers who export product to the US are finding it increasingly difficult to move merchandise as the Canadian dollar rises. Items priced in Canadian dollars are getting more and more expensive to American customers whose dollar has weakened. While items priced in American dollars are seeing shrinking margins when the profits are exchanged back to Canadian dollars. However, a strong Canadian dollar does have the added benefit of allowing manufacturers to purchase raw materials from foreign suppliers at more competitive rates.

**Competition from offshore producers** – Burgeoning economies are impacting almost every manufacturing industry on the planet. **Social Enterprise** has already lost business to price shoppers choosing to purchase **product type** made in China.

**Corporate responsibility and mandates** – More and more corporations are mandating support for environmental, social and economic development initiatives. **Social Enterprise** is well positioned to offer corporations a valued product that has a positive social, economic and environmental impact.

**Demand for product made in Canada** – In response to increased competition from offshore producers and the media attention brought to sub-standard products made in China, consumers are now more apt to consider where their product is made. However, price still remains the number one deciding factor for non-luxury items.

**Trends in the tourism industry** – The level of interest in **type of** tourism products in a survey conducted of visitors to **province** is 82%. This survey was very broad but did indicate that tourist would prefer products that were made in Canada, using traditional practices. The products produced by **Social Enterprise** are positioned to satisfy this demand if properly marketed and distributed.

### 3. Competitive Analysis

**Social Enterprise** competes in a diverse industry. However, there are few direct competitors that offer the same suite of products and services under the umbrella of a **type of** social enterprise. Nonetheless, we have identified a few existing businesses whose presence in the marketplace could disrupt the **Social Enterprise** if not properly understood and positioned against.

This analysis takes the following factors into consideration:

- Geographic location
- Number of years they've been in business
- The information on their website
- The types of products they produce
- The wholesale price (if available) in Canadian dollars
- The retail price (if available) in Canadian dollars
- The relative quality of their products
- Whether or not their products are made in Canada
- If they are a social enterprise
- Are there products made by **participant base** and/or do they contain **special feature**
- The distribution strategy
- Their relative market recognition/penetration
- Any final comments about their business or products

Table E2 is a summary of a number of the players in the industry according to the above criteria. This analysis has been extended to include competing businesses from **community** and **community**.

Table E2 – Competitor Summary (part 1)

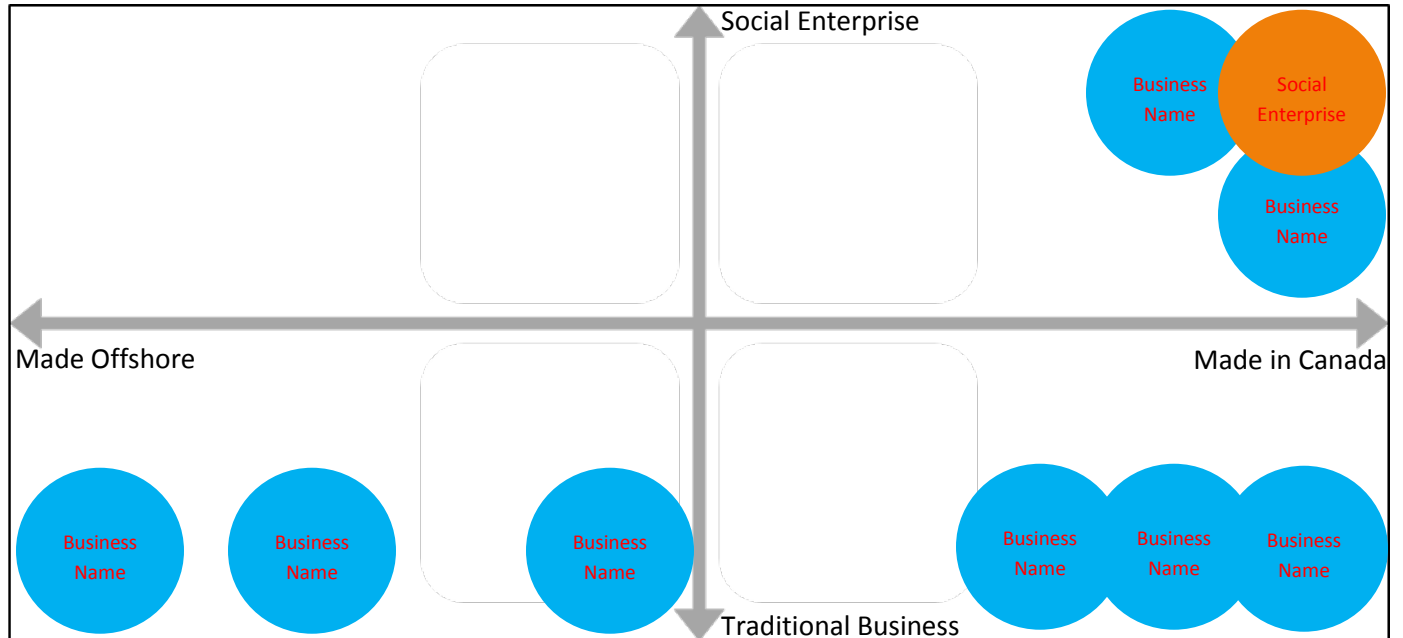
	<b>Name of Business</b>	<b>Name of Business</b>	<b>Name of Business</b>	<b>Name of Business</b>
<b>Location</b>	Community	Community	Community	Community
<b>Years in Business</b>	15 years	10 years	35 years	13 years
<b>Website</b>	Website address	Website address	Website address	Website address
<b>Types of Products</b>	Example products	Example products	Example products	Example products
<b>Wholesale Price</b>				
<b>Retail Price</b>				
<b>Quality</b>	High	Mid-range	Mid-range	High
<b>Made in Canada</b>	Yes	Yes	No	Yes
<b>Social Enterprise</b>	No	Yes	No	No
<b>Type of Business</b>				
<b>Distribution</b>				
<b>Market Penetration</b>		Annual sales of \$100,000.	Saturated in the community market.	Workshop level
<b>Comments</b>	Won contracts with purchaser. Already in discussions with them about a possible partnership.	They operate intermittently and are said to be just covering costs.		Former partner of Social Enterprise.

Table E2 – Competitor Summary (part 2)

	<b>Name of Company</b>	<b>Name of Business</b>	<b>Name of Business</b>	<b>Name of Business</b>
<b>Location</b>	Community	Community	Community	Community
<b>Years in Business</b>	15 years	Since 1863	35 years	
<b>Website</b>	Website address	Website address	Website address	Website address
<b>Types of Products</b>	Example products	Example products	Example products	Example products
<b>Wholesale Price</b>	Product \$## - \$##			
<b>Retail Price</b>	Product \$## - \$##	Product \$## - \$## Product \$## - \$##	Product \$## - \$##	
<b>Quality</b>	Mid-range. Description	Mid to high. Description	Mid-range. Description	Mid range. Description
<b>Made in Canada</b>	Few products are	No	Yes	Yes
<b>Social Enterprise</b>	No	No	No	Yes
<b>Type of Business</b>				
<b>Distribution</b>				
<b>Market Penetration</b>	Well established and recognized.	Very well established with their own chain of retail outlets. Very professional website.	Saturated in all of the tourist areas in Community.	Moderate local penetration.
<b>Comments</b>	Top producer in the market. Great marketing materials, packaging and website.	Excellent name recognition in the United States and by those living on the West Coast of Canada.		Primary objective is to employ those recovering from mental health disabilities.

Glancing at Table E2 one might conclude that there is reasonable competition in the local market. However, to better illustrate the competitive landscape, a visual matrix has been prepared to show the relative positioning of Mama’s Wall Street Studio using two different axis models.

**Figure E3 – Competitive Landscape: Made in Canada vs. Social Enterprise**



**Figure E4 – Competitive Landscape: Product Quality vs. Type of Business**



The above axis models illustrate that **Social Enterprise** is well positioned against the competition so long as it leverages and communicates the fact that it is a **type of business** Canadian social enterprise producing high-quality products. The fact that the **producer** is **description of qualities** is a major weakness that needs to be addressed in the very near future.

## 4. Distribution Strategies

The following is a discussion of the available distribution strategies.

**Wholesale to small retail outlets and catalogues** – Lists of hundreds of “retail outlets” are readily available from many of the competitor’s sites. It would be very easy to take these lists and begin marketing directly to them with the present resources. The big negative to this strategy is the large amount of time required to develop a relationship and sell to each individual retail outlet. Further, the actual turn-over of product in these outlets is relatively low (see Appendix 3 for notes from an interview with the manager of **Competitor**). It was discovered that **Business Name** (the largest player in the market) unloads only \$7500 in retail sales annually mostly in the form of **product type**. This group includes small retail outlets, **example**, **example**, and **example**. Selling on consignment is a less desirable strategy because it generally results in even less sales and the store usually takes an even higher percentage (30 – 60% of the sale).

**Wholesale to large (inter)national retailers** – **Business Name** and other retailers may be interested in carrying some of our product. However, relationships with these large retailers often come with certain pricing and exclusivity considerations and selling to these retailers requires a higher degree of sophistication than **Social Enterprise** may be able to deliver at present. Furthermore, the demand of these large retailers may be outside of the reach of the present operation. It may be wise to approach these customers in the future after the social enterprise has become more established.

**Social Enterprise retail store** – The amount of space at the present location leaves plenty of room for a retail store. The major drawbacks to this strategy are the requirements to have staff working the store during regular business hours and the lack of ample foot traffic on **Name of Street**. Security would need to be improved substantially before any investment in a retail space and signage is made. One would also have to investigate the zoning and bylaws to ensure that the retail space meets requirements.

**eCommerce** – A common strategy amongst the competition. For a nominal cost, **Social Enterprise** could easily setup an ecommerce site that allows customer to order product and pay for shipping without the need for any interaction with **Social Enterprise** staff. This could be setup relatively quickly using existing resources. The downside is the customer loses the hands-on experience of touching and seeing the **Social Enterprise’s** high-quality products and that the resulting sales will be small consumer orders. To increase volume, a virtual storefront could be setup on eBay again at little to no cost.

**Wholesale to events, organizations and corporations** – This may be the most attractive strategy at present. These customers often use the products as gifts, promotions or give-aways not core to their business. This group is more apt to be hooked by the story of **Social Enterprise** and may be more inclined to paying a higher price given the social benefits and positive PR gained from their involvement. **Community** has many conferences and trade shows scheduled to occur over the next year. Further, **Social Enterprise** already has relationships with a number of associations, non-profits and government agencies (see Appendix 4 for a listing of some the **Social Enterprise’s** past customers).

**Brokerage Services and Middle-persons** – The Canadian Women’s CED Council is working on a brokerage model that supplies orders to a number of social enterprises in Canada. This model is still in development and presents certain difficulties where the social enterprises supply competing products. However, there may still be an opportunity to gain some business through this channel. Middle-persons such as **Business Name**, have worked with **Social Enterprise** but have had little success finding a price point that allows them to make enough of a profit given mandatory royalties and **Social Enterprise’s** starting wholesale price.

**Social Enterprise** will employ a combination of the above strategies starting with those that require the least amount of development and investment. Strategic discussions with management and leadership will determine which to pursue first but some flexibility must be accepted as the social enterprise learns and adapts to the needs of these groups. Some consideration will be made on a case-by-case basis for customer wishing to purchase larger volumes of product at a discounted rate.

## 5. Branding, Labeling and Promotions

**Social Enterprise** has been using the **Parent Organization** logo as its brand. The **branding** used is satisfactory but does little to communicate the true story of the **Social Enterprise**. For ecommerce and wholesale to events, organizations and corporations, the current branding will do and can be accompanied by a nicely typed letter telling the **Social Enterprise** story. But for any products that are to reside in a retail environment, proper packaging and improved branding will need to be developed which include bar codes, French translations and other labeling requirements.

A further enhancement of the **Social Enterprise** story would be to feature the story of a woman on each unit. This personalizes the merchandise and creates a more genuine sense of positive social impact for the customer making the purchase. In addition, this would truly differentiate the product from all of the other souvenirs, **product** and **product** saturating the retail market while also commanding a slightly higher retail price.

Whether or not **Social Enterprise** decides to pursue a retail strategy, a website for the operation will need to be developed to add legitimacy and credibility to the business. A number of suitable URL’s are available for purchase while hosting can be provided pro-bono through **Consultant**.

The operation will also require a suite of promotional materials including a product catalogue/binder for sales people, brochures to mail to prospects, various product samples and business cards for key staff. Once developed, the **Social Enterprise** can begin a series of direct marketing tactics to book appointments for one or more commissioned sales people. A proper display would need to be developed should sales people wish to run a booth at a local event or trade show.

In addition to traditional marketing, **Social Enterprise** stands to get some free coverage in the local press so long as it is able to get the word out about major business or social achievements. Press relationships already established by the **Parent Organization** should be leveraged strategically to spread a positive message about the **Social Enterprise** and the **Parent Organization**. A number of stories have already been published about the **Social Enterprise** to form the beginnings of a press kit to be duplicated on the new website.

## 6. Sales and Customer Relationship Management

In place of a CRM, **Social Enterprise** will use simple Order Tracking Sheets (see Appendix 5 for a copy of this form). A rudimentary quote sheet has been developed but a formal contract will need to be developed with some legal input before sales to more sophisticated customers can begin (see Appendix 6 for a copy of the current contract).

## D. Operational plan

### 1. Management and Supervision

A key area of **Social Enterprise** (and a major weakness to date) is defining these roles and finding appropriate personnel to fill the positions.

**Management** – Experience in entrepreneurship and small business are essential to this role. The responsibilities here involve making strategic decisions about the direction of the social enterprise and motivating the supervisors and staff of **Social Enterprise** to achieve that goal. Given the fast-paced nature of small business it is essential that these duties fall on one individual who is able to make decisions as opportunities and issues arise. And while decision making skills are essential, a vision for the social enterprise and the passion to pursue that vision are vital qualities to seek out. **Social Enterprise** requires one manager who may be employed on a part-time basis or whose time can be spread amongst several social enterprises on the same premises. This person should be held accountable by reporting directly to the **Manager** of the **Parent Organization**.

**Supervision** – Supervisors of **Social Enterprise** can be developed from within the organization. These individuals must be skilled in all areas of the operation and able to take those skills and train the women that seek employment within the social enterprise. The supervisors are also responsible for ensuring that the practices developed by the manager are carried out in full. **Social Enterprise** requires one senior supervisor and two junior supervisors to be learning the operation and filling-in as required.

### 2. Human Resources

Perhaps one of the most vital areas of the operation is recruiting and training the women to work in the **Social Enterprise**. The **Social Enterprise** is not a traditional hiring and firing business where jobs are posted, interviews are held, and employees hired. The employees of the **Social Enterprise** will be women who are often single parents from the **community** living below or at the poverty line (often on long-term unemployed or social assistance). They come to the **Social Enterprise** by participating in the core services of the **Parent Organization** and getting exposed to other women who have participated in the **Social Enterprise**. Over time, this peer sharing and encouragement gives new participants the strength to “self select” themselves as ready for employment. This model has worked well to date as the **Social Enterprise** currently has over 50 women to call to help fulfill contracts. However, this is also the Achilles heal of the enterprise.

The women need to have access to the services offered by the **Parent Organization** including **service, service, service, and service**. The enterprise will economically empower the women by employing them and also by connecting them to a social supports. The **Social Enterprise** will have a learning orientation. All employees will be encouraged to learn about general operations and profitability. The women will learn business skills and transferable skills, which will assist them in enhancing their career prospects. The women will develop a stake in the business and become more committed to its successful operation. But without a thriving and active Mother Centre, the Studio becomes just another business struggling to find reliable staff in a competitive market.

If this social enterprise did not exist the women would be unemployed. There are no other supportive job opportunities of this kind within the **community**. There are many training programs but none that offer **service** on-site and none of the training/employment programs offer **service**. The fact that the women will be able to access the parent organization's services is what differentiates the social enterprise from all other pathways to self-sufficiency.

When the women are working on a contract they like to work in peer groups of 3-5 and thus the **production equipment is** set up to support their work style. If one woman is just starting out she work sit next to or across from a more experienced worker and will get assistance as needed. The women learn to work like this and it supports the learning and gives confidence to both the teacher and the student. One woman may start in the **social enterprise** as a **job title, job title** or **job title** and from there she gains confidence and starts believing in her ability to learn. This is the "Baby Steps" approach to learning and becoming self sufficient. By taking these baby steps a woman will slowly learn the new skills but she will also learn that she is capable of learning which then follows with the realization that she can do what ever she puts her mind to. Every person has a skill and from that skill they can teach others.

In the past, women have been paid as pieceworkers on a contract basis. This has the advantage of not requiring the **Social Enterprise** to pay CPP, EI and deduct tax. However, this model will not sustain itself as sales volumes increase and more and more women become full-time pieceworkers. At this point the usual CPP, EI and tax deductions will need to be made.

Also worth mentioning is the necessity to provide some internal opportunities for career progression within the social enterprise. While the **Social Enterprise** needs to maintain a base of entry-level opportunities, it does have some slightly higher skilled jobs involving the use of the **name of equipment**. Further, women with an aptitude for leadership may be able to fill assistant supervisory roles thus learning more about how to oversee the operation on a day-to-day basis.

**Production type** has been a huge issue for **Social Enterprise** as it requires a high-degree of skill and expertise. Finding individuals with the aptitude and interest to learn how to operate and maintain the **equipment type** has been a challenge. A potential partnership with **Business Name** and **Business Name** may allow for the purchase of newer **equipment type**. The **production** of **product** and **product** can then be passed on to a new generation of **producers** thus mitigating the present risk of relying on **the current production system**. But some consideration must be given to this strategy with respect to how few entry-level jobs it creates (**example, example, example**) relative to **other production methods**. Below are some images of women working in the social enterprise.

**Image F1 – Image Description**



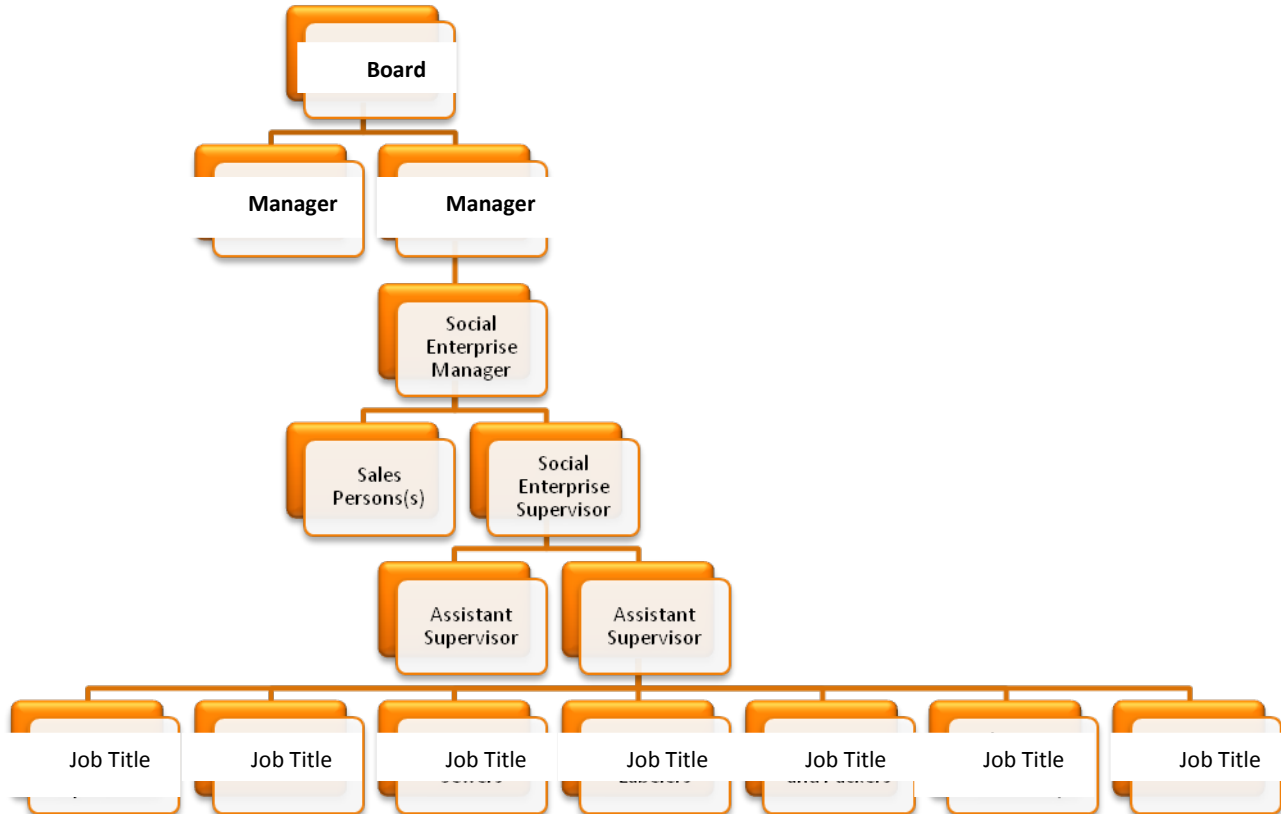
**Image F2 – Image Description**



### 3. Organizational Chart

Based on the above discussions, we can begin to build an organizational chart for the business.

Figure F1 – MWSS Organizational Chart



Note, some of the jobs in the above chart will be filled by the Social Enterprise Supervisor and/or Manager who will be wearing more than one hat as the operation develops. Because of the self-selection model discussed, a single non-supervisory position may be filled by several women working part-time.

Clear reporting lines and accountability are essential to the success of the operation. Senior authority at the executive level must be assigned to one individual who can make decisions without the need for board approval. In this model, the **Manager** has been designated as the senior person who reports to the board and who holds the Social Enterprise Manager accountable. The **Manager** is involved in the financial control of the operation but defers executive control. This must be ratified with the overall plan for the **Parent Organization** before proceeding.

### 4. Legal and Accounting

Legal services will be leveraged through the **Parent Organization**. **Social Enterprise** will pay for a bookkeeper but will hand over higher-level financial control to the **Manager** of the **Parent Organization**.

## 5. Operating Requirements

The operation itself is fairly simple but does rely on the women to operate some equipment. Below is a listing of the various equipment involved:

- 1 *Equipment Type* – Description
- 2 *Equipment Type* – Description
- *Equipment Type* – Description
- *Equipment Type* – Description
- *Equipment Type* – Description
- *Equipment Type* – Description
- *Equipment Type* – Description
- *Equipment Type* – Description
- *Equipment Type* – Description
- *Equipment Type* – Description

In *year*, the equipment in the **Social Enterprise** was purchased for \$\_\_\_\_\_ through a one-time contribution agreement from **Name of Funder**. No appraisal has been done on the equipment but it is probably worth much less at the present time and would be very difficult to liquidate.

The **Social Enterprise** requires an ample electrical supply to power all of the equipment. While there have been no issues thus far, the electrical setup may be at risk of overloading if running at maximum capacity.

The operation also requires an ample supply of **raw materials**, and so on which are ordered on an as-needed basis from some local reliable suppliers (listed in Section F6) along with equipment maintainers.

## 6. Suppliers

The **Social Enterprise** has a list of established suppliers. However, future suppliers need to be sourced based on the following:

- supplier payment terms
- quality of materials
- price of materials
- availability of materials
- shipping time/costs

**Name of Business**– Location and description.

**Name of Business**– Location and description.

**Name of Business**– Location and description.

**Name of Business**– Location and description.

Other **Type of Supplier** in North America:

- **Name of Business**– Location
- **Name of Business**– Location
- **Name of Business**– Location
- **Name of Business**– Location
- **Name of Business**– Location
- **Name of Business**– Location
- **Name of Business**– Location
- **Name of Business**– Location
- **Name of Business**– Location
- **Name of Business**– Location

Other suppliers can be found here – [website address](#)

**Type of raw material** can be obtained from the following supplier:

- **Name of Business**– Location

None of the suppliers have been approached for a longer-term supply relationship. As such, there may be an opportunity to negotiate a reduced rate when volumes increase.

## 7. Subcontractors

At present, the **Social Enterprise** has only one subcontractor.

- **Name of Business**– Location

## 8. Manufacturing Processes

This is by no means an attempt to create an operations manual, but this section does give some insight into the high-level steps required to make the various products featured in Section D.

**Product name** production has 15 major steps:

1. Step
2. Step
3. Step
4. Step
5. Step
6. Step
7. Step
8. Step
9. Step
10. Step

11. Step
12. Step
13. Step
14. Step
15. Step

Product name follow 17 major steps:

1. Step
2. Step
3. Step
4. Step
5. Step
6. Step
7. Step
8. Step
9. Step
10. Step
11. Step
12. Step
13. Step
14. Step
15. Step
16. Step
17. Step

## 9. Inventory and Shipping

**Social Enterprise** has limited space to hold inventory in the storage room. The available space is enough to hold one or two large contracts at a time. As for raw materials, they are stored **description of storage method**. **Small amounts of certain raw materials** could easily be turned into one-of-a-kind products labeled with the story of the woman who made it. This individualization and personalization positions the products against all of the competitors and at the same time commands a slightly higher retail price.

Shipping will be at the request of the customers. It can be arranged by the **Social Enterprise** or by the customer themselves but the cost of shipping will always be the customer's responsibility unless a special arrangement is made for a large order.

## 10. Quality Assurance and Warranties

All sales will come with a guarantee that the product will be free of flaws. Quality control measures will need to be taken to inspect each product prior to packaging. It is estimated that 1 – 5% of the final product will contain flaws that were not detected prior to sale. As such, sampling procedures should be documented to assure customers that

the top quality standards are met. Any product that is found to be flawed and returned to Social Enterprise will be replaced free of charge.

## E. Financial plan

### 1. Budget Discussion

If **Social Enterprise** is to move into the realm of business legitimacy, it must learn to make projections for expected sales, income, fixed costs and variable costs. Please refer to the attached budget for the following discussion:

**Gross Income** will come in from the sales of **product, product and product**. The product line will expand to include at least one more item by Jul 2009. **Product type** wholesales for an average of \$\_\_\_\_. **Product type** wholesales for and average of \$\_\_\_\_. **Product type** wholesales for an average of \$\_\_\_\_. Some seasonal variation has been built into the model that accounts for more **product type** sales in the certain months. The conference and tradeshow season dies down somewhat in the summer months as well as in December which is reflected by slightly lower sales. It should be noted that the budget is based on completed paid.

**Fixed Costs** include various overhead items as well as the salaries for the Manager, Supervisor and Assistant Supervisors. The Manager has been budgeted as part-time making \$\_\_\_\_ per month. The Supervisor makes \$\_\_\_\_ and hour but has the opportunity to make a bonus of 3% of all the orders completed on-time and to the customers' specifications. The Assistant Supervisor(s) have been budgeted at \$\_\_\_\_ per hour but only work for 15 hours in a week.

**Variable Costs** begin with the sales commissions which have been budgeted at a modest 10%. The **producer** works for \$\_\_\_\_ and hour but only where there are orders to fill. Pieceworkers are paid an average of \$\_\_\_\_ per **product**. Two full-time hourly workers are required to **perform production tasks** and are paid \$\_\_\_\_ an hour. Raw materials have been estimated at 20% of the final wholesale cost. Marketing costs come in at 3% while packaging comes in at 2%. Flawed products account for 1% of the total cost.

On a per-product basis, the model returns a net profit of \$\_\_\_\_ per **product** ( \_\_% margin), \$\_\_\_\_ per **product** ( \_\_% margin) and \$\_\_\_\_ per **product** ( \_\_% margin). The pricing of these items needs to be tested further and some adjustments up or down may need to be made to achieve sales targets.

Due to poor record keeping in the past, it is difficult to determine the actual capability and capacity of the **Social Enterprise**. As such the budget shows a slow climb to profitability with a break-even point in October of 2009. If growth can continue on a conservative but steady pace, the **Social Enterprise** should be able to turn a net profit greater than \$\_\_\_\_ in **year**. By **year**, the **Social Enterprise** should be showing over \$\_\_\_\_ in net profit thus allowing the **Parent Organization** to take a 20% draw on the profits to support its programs and services. To kick-start the enterprise, a start-up fund of \$\_\_\_\_ is required to sustain the business while it pushes to break-even.

## F. SWOT Analysis

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Already in business and have gained much learning and experience</li> <li>• Have the skills in-house to make the products</li> <li>• Have most of the equipment required</li> <li>• Pool of women ready to work</li> <li>• Ability to recruit and train women through <b>Parent Organization</b></li> <li>• Ability to understand and work with marginalized women</li> <li>• Fundraising and proposal writing</li> <li>• Recruiting and training volunteers</li> <li>• Passionate employees who care about their work and its positive impact</li> <li>• <b>Parent Organization</b> is a registered charity</li> <li>• Logo and some promo materials available</li> <li>• Diverse group of individuals on the <b>Parent Organization</b> Board</li> <li>• <b>Production job</b> is an attractive job opportunity for women</li> <li>• Products are high-quality</li> <li>• Already have a pool of past customers to draw on</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• <b>Certain equipment</b> requires a high degree of skill and experience</li> <li>• Internal lack of business management experience</li> <li>• Present lack of sophisticated business practices including sales, accounting, inventory control and performance measurement</li> <li>• <b>Parent Organization</b> unique and not well recognized by bureaucrats and other funders</li> <li>• <b>Parent Organization</b> will be taking a draw on the business which most competitors don't have</li> <li>• Lack of a devoted manager to oversee the social enterprise</li> <li>• Lack of knowledge in retail/wholesale manufacturing and distribution</li> <li>• Lack of sophisticated marketing materials including flyers, brochures, website, business cards</li> <li>• Cannot compete on price</li> <li>• Poor performance has shaken the confidence of a number of 3<sup>rd</sup> parties (some past customers)</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Chance to build a model that will revolutionize social enterprise and non-profits in Canada</li> <li>• Likely able to find some quick work by contacting past customers</li> <li>• Leverage the positive PR that will result from the <b>name of</b> initiative</li> <li>• Investigate possible funding for training programs</li> <li>• Continue to develop relationship with <b>Business Name</b> and <b>Business Name</b></li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Cheap products made in China and elsewhere</li> <li>• Shifts in US dollar and CAD affect purchasing and sales</li> <li>• Losing <b>volunteers</b></li> <li>• Renovations and change in <b>Parent Organization</b> structure affecting the ability to attract and recruit women</li> <li>• Prolonged restructuring timeline may force existing staff to find new employment</li> <li>• <b>Parent Organization</b> not finding future funding to continue operations</li> <li>• None of the <b>products</b> are protected and could easily be copied</li> </ul>

## G. Next Steps

This section is intended to provide a non-prioritized list of actions that need to be taken in the near future order to get the Studio moving towards profitability:

- Clarify the leadership structure of the **Parent Organization** and how it relates to the **Social Enterprise**
- Recruit or identify an individual to take on the Management role as described above
- Secure \$\_\_\_\_\_ in funding **from Funder** to pay for the Manager and/or Supervisor in the short-term
- Fundraise \$\_\_\_\_\_ in funding for the **Social Enterprise** to sustain it as it pushes to break-even
- Open a separate bank account for the **Social Enterprise** with its own line of credit
- Setup the necessary financial systems and controls to allow the **Social Enterprise** to track and report on its financial status
- Develop key performance indicators for the operation and methods to measure and report results
- Research possible funding to support a **production technique** training program
- Locate a 3<sup>rd</sup> party to train interested individuals on the use of **equipment type**
- Continue discussions with **Business Name** and **Business Name** on the purchase of **equipment type**
- Clean-up the **Social Enterprise** and maintain a workplace that staff takes pride in and which will impress visitors
- Develop some rudimentary marketing materials for use in sales visits
- Begin developing a website with the future intention of providing ecommerce
- Begin strategically engaging a number of past and prospective customers
- Investigate WCB, EI, CPP and other regulations relating to the employment of pieceworkers on a part-time or full-time basis
- Begin developing an operations manual to guide the **Social Enterprise** supervisor and train future Assistant Supervisors

## H. Appendices

### 1. Parent Organization Board Members

<i>Name</i>	<i>Background</i>	<i>Telephone Numbers &amp; email</i>	<i>Mail Address</i>
<b>Name</b> <i>President</i>	Background description		
<b>Name</b> <i>Vice President</i>	Background description		BC
<b>Name</b> <i>Secretary</i>	Background description		
<b>Name</b> <i>Treasurer</i>	Background description		
<b>Name</b> <i>Community Member</i>	Background description		
<b>Name</b>	Background description		
<b>Name</b>	Background description		
<b>Name</b> <i>Youth</i>	Background description		
<b>Name</b>	Background description		
<b>Name</b>	Background description		
<b>Name</b>	Background description		
<b>Name</b> <i>Community Member</i>	Background description		

<b>Name</b>	Background description		
	<b>ADVISORY BOARD MEMBERS</b>		
<b>Name</b> <i>Advisor to the Board</i>	Background description		

**2. Parent Organization Background**

The **Parent Organization** is a non-profit that was incorporated in **year**. The **Parent Organization** was born from **province’s description of** women's organization, the **Name of Organization**. The **Parent Organization**, under the auspice of **name** has delivered a number of successful client-centred projects with a strong rate of community volunteerism over the past three years. The **Parent Organization** currently offers **service, service, service, service and service**.

**3. Past Customers of Social Enterprise**

- Customer Name
- Customer Name
- Customer Name
- Customer Name
- Customer Name
- Customer Name
- Customer Name
- Customer Name

**4. Order Tracking Sheet**

*Attached*

## 5. Quote Sheet

*Attached*

## 6. Current Inventory

*Attached*