People and structures for community enterprise

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People and structures for community enterprise

Enterprise – a new dimension?
• from social purpose…
• to becoming a business

Issues arising:
• changing the culture - is profit a dirty word?
• staying clear about purpose
• the management team
• democracy and control
• liability, regulation and legality

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The enterprise mentality?

“if we make a profit, someone is getting shafted”
“we’re here to do the right thing, not become capitalists”
“it’s a great idea, so it will work”
“we’ve got a big grant so the finances are fine”
“we’re the good guys so everyone will buy from us”
Strengths of community businesses:

- addressing local needs
- local knowledge
- drawing on skillsets of supporters
- meeting ethical values
- word of mouth marketing and networking
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Getting from here ....to enterprise

- business planning
- vision, marketing, finances, management

The people involved, and when

- generating the ideas
- planning the business
- operational management
- stakeholder management
- enterprise leadership

same people, as project progresses?
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You only need a strategy for:

- members,
- friends
- customers
- beneficiaries
- local networks
- Board
- executive team
- staff
- regulators
- competitors & partners
- help!
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Building involvement from the ground up

- executive
- Board
- committee
- activity leadership
- helping out, volunteering
- membership, loyalty
- friend/ supporter, customer
- trial, attendance
- people aware of your product/service
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Choosing your structure

- who and how many people involved?
- who makes decisions? democratic control?
- who's it for – a small group of beneficiaries, or the wider public?
- where does income come from – at start and on-going?
- what happens to the profits and assets?
- risks and liabilities
- relationship to the parent organisation
- tax and accounting

stop making it complex, we just want to sell a few veg!
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Incorporation!

- whose liability?

Some popular company structures:

- Company limited by guarantee
- Society for community benefit (Industrial and Provident Society)
- Community Interest Company
  - limited by guarantee
  - limited by shares