



Enabling Social Enterprise for Community and Individual Change – Lessons from WorkVentures & others..

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What's the Problem?

- A welfare system that entraps recipients (agencies and clients) in dependency and requires 'parental' behaviour from government
- We may have reduced the worst of poverty but not yet found the way to wealth creation
- A growing fiscal problem - taxpayers are resistant to paying
- Alienation and exclusion impoverishes all of us
- Growing gap between rich and poor



What does Social Enterprise Offer?

- Renewed vision for economic empowerment & wealth creation in sector and communities
- Integration of social and economic development and participation for all
- Enterprise skills needed by all citizens
- Conviction that all sectors contribution is required to make significant positive impact
- Identifying and building assets as a priority – social capital is not enough



What distinguishes the 'social enterprise' approach?

- A sustainable business driven by a social vision – not an entirely new idea
- Innovation – thinking freshly about challenges we face, with all stakeholders
- Problem solving – not symptom alleviation
- Making a measurable social impact, reporting it
- Scalability and replication
- Building ownership by the service users
- Inter and intra-sector collaboration
- Valuing capable leadership
- Building high performance teams



Some observations on UK/US government involvement

- A key element of the UK Blair 'Third Way'
- Substantial political and bureaucratic support without 'takeover' of initiative
- Social/civic entrepreneurs are in the public sector as well as community and business
- Policy change required to foster this
- Emerging businesses need room for mistakes
- Partnering - 'far sighted & innovative' groups
- Secondment of departmental staff - collaboration on policy and projects



More observations

- Leadership and advocacy needed to move inertia and silo mentalities - in and out of government
- Innovation funding encourages testing new policy solutions
- Social entrepreneurs need strong business and government allies
- Entrepreneurs build community support for innovation - entrenched interests fight change
- Any new field attracts 'shonky' operators dressing old ideas in new jargon
- Look for open, ethical collaboration



WorkVentures Story

- Founded in 1979 by Malabar Anglican Parish - generalist community development - minimum government dependency
- Moved to employment/economic development focus in 1986
- History of social and economic innovation - change brings opportunity as well as risk
- Focus on performance - 'no mission without a margin' – social justice is who controls assets
- Combining vision & values + attention to execution detail



WorkVentures Group Profile

- \$18mil pa – 25% compounded growth pa over 25 years
- Employment Services, Vocational Training, Small Business formation, Electronics enterprise, Digital Divide
- Place 2500 jobseekers, assist new business starts, 200 employees
- Locations in Sydney – inner/east, west, south west + Melbourne



WorkVentures' History

- **1979-80 Peninsula Community Services** founded by Malabar Anglican Parish - \$3,000 loan
 - generalist community development agency
- **1984-86 Employment & Economic Development focus** - Sydney ITeC, Compuskill, SIRC
- **1991 becomes WorkVentures Ltd**
- **1996 WorkVentures Group Training, JOB futures network formed**
- **2001 Social Enterprise Development Unit, WV Connect, Social Ventures Australia development**
- **2008 CEO/founder steps down**



Businesses

- **1979-88**
 - *Clothing Recycling*
 - *Ark II & III Op Shops*
 - *Community Market*
 - *Carpet Recycling*
 - *Compuskill*
- **1988-92**
 - *MusITeC*
 - *ITeC Training Services*
 - *Sydney ITeC Repair Centre*
 - *Newtons - The Restaurant*
 - *Nonprofit Management Services*
- **1986-2007**
 - *Small Business Incubator*
- **1997-2009**
 - *JOB futures Employment Services sites*
- **Current**
 - *Sydney/Melbourne ITeC Repair Centres*
 - *WorkVentures Group Training*
 - *PC refurbishment*



Case Study – Sydney ITeC Repair Centre

- Began in 1988 as the result of opportunity identified from electronics training
- Grew with IT company outsourcing
- Took over NCR & Fujitsu repair centres
- Now employs 100 – majority LTU clients
- Major national business



Case Study – Computer Reuse

- Major bank has need to dispose of 25,000 PCs nationally over 3 years – other corporates have similar needs
- 75% of households under \$25,000pa lack IT skills & access
- WV wants to develop entry level training, jobs, career pathways for at risk youth



Are We In Business Anyway?

- A practical as well as philosophical question
- Making a profit
- Differences between business and community agencies - two 'bottom lines'
- Being professional about what we do
- Learning from business



Assessing Nonprofit Capacity for Enterprise

- Know the agency & its capacity
- Agency culture - do we want to? Is it us?
- What is our mission & core business?
- Is enterprise the best way for us
- Board & staff enthusiasm
- Financial need
- Available resources
- Finding the enterprise leader



Analysing Activity

- Money/ Mission Tension
- List all activities/programs or services by client group
- Analyse mission critical vs peripheral activities
- Now analyse profitable vs loss making activities
 - plot on chart
- Identify activities to drop, increase or decrease



Forms of Social Enterprise

- A strategically planned and well run organisation
- Earned income becomes more of the budget
 - Government or other
- New enterprises developed - related or unrelated
- An 'affirmative business' emerges
 - Real jobs, competitive wages, internal career paths, ownership



Conclusion

- Not new but currently gaining interest and improved practice
- An important priority for Third Sector agencies
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