

Community Enterprise

A case study

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1.0 Project summary

Community enterprise provides community organisations with an alternative to grant-dependence and an opportunity to be financially self-sufficient and sustainable. This case study documents a project to establish a community enterprise. It describes the process, challenges and outcomes, and provides recommendations to inform future practice.

A community enterprise is a specific model whereby a not-for-profit organisation generates an independent income (generally via selling of goods and/or services, but including also obtaining revenue from investments and property) to finance its community work. In doing so, they essentially become a not-for-private-profit. The organisation earns an income that does not go to shareholders, but remains within the organisation to be used in service of stakeholders¹.

Community organisations are well aware of the challenges they face generating a sufficient and secure income necessary to do their work effectively. They are often run by a small group of passionate and resourceful people, many of whom are working voluntarily.

A dependence on grants for income can create a great deal of stress and insecurity for organisations. It reduces their ability for long-term planning and takes up valuable staff time in the process of grant application and reporting. In addition, an organisation runs the risk of becoming tied to the demands and priorities of funders and losing its ability to make decisions based on its strategic plan and the needs of its stakeholders.

Auckland City Council identified the opportunity presented by community enterprise to meet some of the challenges faced by organisations. The council wanted to explore and document the process of establishing a community enterprise and provide recommendations for future practice. The council was particularly interested in learning about the role of the facilitator, to consider it as a possible role that council staff could play or support to be established.

¹ The organisation was involved in a simultaneous project of community and business collaboration. The case studies for these two topics have been separated for clarity of distinction. For a comprehensive picture, they can be read together.

2.0 Stakeholders

Community organisation

NZ Somali Women Incorporated (NZSWI) is an incorporated society with charitable status that has been operating since 2001. The group supports women of all ethnicities (predominantly from countries in Africa, South Asia and the Middle East), a high proportion of whom are from refugee backgrounds. Many of the women experience barriers to their participation in the New Zealand workforce and society, including having limited English, a lack of New Zealand work experience and the responsibility for large families (often as a sole parent). NZSWI offers a range of services and activities to encourage the development of skills and confidence to assist in their settlement in New Zealand. Services include English language classes, health education and a playgroup promoting the Somali language. The organisation is run by volunteers and the only people paid are those contracted to deliver specific services such as the sewing teacher and playgroup coordinator.

Since 2007, the group has run a sewing school to build technical skills and work experience that can lead to paid employment. NZSWI successfully secured a building from which to run the classes, sewing machines and a professional sewing teacher. The women began to produce clothing that they were selling at low cost at a local market. The chairperson and other members were interested in developing a sewing business to provide an income for the women involved.

Enterprise participants

The enterprise participants were all women who had attended the NZSWI sewing course. NZSWI selected these women as participants for the pilot project due to their medium to high level sewing skills and their commitment to securing employment. Their countries of origin were Somalia, Iraq, Pakistan and India, and the majority were unemployed sole parents. During the pilot project, participation was limited to six women at a time with the aim to increase the number of participants with the growth of the enterprise. The individual women participating changed during the time due to their personal circumstances.



NZSWI enterprise participants

Project manager

The chairperson of NZSWI acted as the project manager in this community enterprise. Her role was to decide on the direction of the project and liaise with all stakeholders. She maintained responsibility for the project and associated finances.

Community enterprise facilitator

A community services adviser² from Auckland City Council acted as the community enterprise facilitator whose role it was to support the capacity of the community organisation to develop the community enterprise. The facilitator discussed with the organisation their vision, priorities and needs, and connected it with the appropriate information and expertise. This included the brokering of a relationship between the community organisation and a business (as discussed in the case study on collaboration)³.



Mark Baker (business mentor), Susan Barter (sewing teacher), Eva Lawrence (community enterprise facilitator) and Fadumo Ahmed (project manager)

Business mentor

The business mentor joined the project through Leadership New Zealand. His role was to provide ongoing support and expert advice to NZSWI in developing their enterprise. This role involved designing a business model, creating a business plan and supporting the organisation to negotiate with external stakeholders.

Sewing teacher

The sewing teacher provided ongoing training and support to students of NZSWI sewing classes and enterprise participants. The sewing teacher also offered advice and opportunities to NZSWI on product design and markets.

Supporters

A number of other parties were involved in this project in a support capacity. They provided financial support as well as information and advice on business development, legal, tax, funding and benefit-related issues⁴.

Customers

Essential for a successful community enterprise, customers included a clothing outlet and a design company that ordered the production of bags.

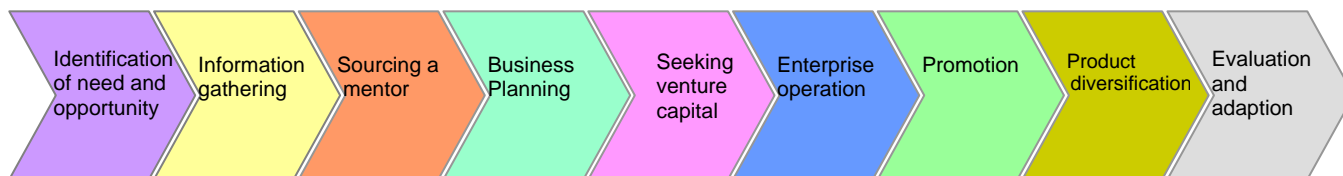
² Community services advisers work in a community development role with community organisations. The work involves ongoing capacity building and support in organisational development and funding as well as a variety of projects.

³ In this instance the community services adviser was also responsible for project evaluation and the development of case studies to inform community organisations, government and businesses.

⁴ These parties are listed in Appendix 7.1

3.0 Narrative

The case study covers a period of one year. The project involved an exploration of a number of approaches and developing, adapting or discontinuing them depending on their outcomes. Many of these stages occurred at the same time or in an iterative cycle and are presented below in an indicative chronological order relating to when each phase began.



Identification of need and opportunity

NZSWI, that had been running sewing classes and selling clothing at a local market, decided it wanted to develop the enterprise. The community enterprise facilitator was informed of NZSWI's intention and approached the organisation with a possible work opportunity, making bags for a local business. NZSWI agreed and the chairperson of the organisation (project manager) began working with the facilitator to develop a community enterprise.

Information gathering

The project manager and facilitator contacted a variety of parties to explore the requirements and possibilities in establishing the enterprise. They received advice from government agencies, community organisations and businesses on funding, organisational structure, business planning, tax, legal obligations and mentoring. From this, the parties had an understanding of the topic area, what they needed to undertake and what support was necessary to achieve this.

Sourcing a mentor

The facilitator began searching for a business mentor for NZSWI. She attempted unsuccessfully to secure an appropriate mentor through Business Mentors New Zealand and the Auckland City Council, as well as through community volunteering organisations and government agencies. Eventually, an appropriate business mentor from Leadership New Zealand joined the project.

Business planning

NZSWI (in particular the project manager/chairperson and the treasurer) worked with the facilitator to develop a basic business plan. They then contracted an organisation to draw up financial projections and the draft business plan, based on NZSWI's idea and requirements (this was funded by a supportive organisation). When the business mentor joined the project, he worked with NZSWI to develop a more comprehensive and specialised business plan for the enterprise.

Seeking venture capital

The facilitator, project manager and the business mentor investigated a range of options for procuring venture capital to fund the establishment of the enterprise. These options included fundraising, micro-loans, and grants from government agencies and philanthropic organisations. At the time of writing this case study, venture capital had not been secured.

Enterprise operation

NZSWI, supported by the facilitator, made an agreement with a local business to produce bags made from old billboards. Enterprise participants made product samples and then carried out a two week production trial to ascertain the production rate. The business ordered a subsequent lot of bags to be produced. The bag production service continued on an intermittent basis as orders were sought by the business.

Promotion

NZSWI and the facilitator promoted the project to encourage service contracts and buyers and to elicit funding. The enterprise was promoted via a fashion industry newsletter, speaking at a cultural festival, interviews on two television programmes, a newspaper article, and on a government website promoting diversity.



Promotion at the cultural festival

Product diversification

The parties involved in the project decided they needed to develop a range of goods and service options to provide income from diverse sources. The sewing teacher worked with the enterprise participants to generate ideas, design and develop new product lines. The project manager, facilitator and business mentor explored new contract options with businesses.

Evaluation and adaption

Evaluation and adaption were constant features throughout the project. The various parties had frequent meetings to analyse and plan their approach. Further evaluation and planning occurred at the end of the pilot project period to assess progress and decide on next steps.

4.0 Reflections

This project had a number of positive outcomes:

- The creation of a community enterprise model and business plan
- An increase in skills and work experience for stakeholders including sewing, product design and business operation
- A committed business mentor who works with the organisation to develop their enterprise
- The beginning of employment for enterprise participants, who had experienced structural unemployment
- Promotion of the organisation and their work in the media
- Product planning, development and production
- Providing information on the process of establishing a community enterprise.

In addition to these outcomes, this section provides a summary of the themes, challenges, strengths and learning of the project. Topics have been classified into thematic categories that at times overlap or are not discrete to themselves.

Innovation and learning

This enterprise was an example of social innovation. Its development involved rapid prototyping as approaches were developed, trialled and assessed, then continued, adapted or discontinued depending on their effectiveness. The process has been a strength and challenge of this project. It has provided significant learning and led to the development of a model that best suits the characteristics and requirements of the community organisation and the external environment.

Cultural diversity

This project had a strong element of cross-cultural discourse. NZSWI is an organisation run by and for women of refugee and migrant background: continue to face, a number of challenges in their lives. While any small business owner will talk about the work it takes to establish a viable enterprise, the participants in this venture faced the additional challenges of operating in a system in which the laws, language and cultural norms were unfamiliar to them.

Language comprehension and different customs around communication provided some challenges at times in this project. There were occasions in which parties had different understandings of what had been agreed upon and this led to mistakes. The women involved in NZSWI and the people supporting the project needed to ensure that ideas and decisions were communicated clearly and appropriately so that all parties understood and were in agreement.



Enterprise participants cutting out bags

The skills and knowledge of the women gained through their cultures and faith was also a strength of the enterprise. Many of the women were Muslim and had direct personal experience, for example, of the clothing in demand by a growing number of Muslim women in New Zealand. This knowledge led the women, with the assistance of the sewing teacher, to design a 'burkini', a swimsuit that covers the hair, arms and legs. Product ideas have also included using specialist embroidery methods that enterprise participants have learned in their countries of origin.

Capacity

To successfully develop a community enterprise, the organisation needs to have sufficient capacity in terms of funds, business skills and time. This was a challenge for NZSWI.

The organisation, while having experience in operating in the usual community organisation framework (for example providing community programmes and organising grants), had a lot of to learn about developing and managing a community enterprise – essentially a business. In this area, a business mentor was essential.

It is important that the skills, capacity and workload is shared between a number of people within the organisation. This ensures the sustainability of the project and reduces its dependence on one or two key people. In the case of NZSWI, the chairperson held a pivotal role within the organisation. Her vision and unpaid work was essential for the running of existing programmes and the development of the community enterprise. While she did a huge amount of high quality work with very good outcomes, this model is not sustainable. The amount of unpaid work negatively affected her potential to earn an income from other work and also to spend time with her family. Furthermore, any significant changes in her personal circumstance could be a significant threat to the viability of the enterprise. A larger number people with growing capacity also creates a more participatory, equitable and democratic organisation. This growth in group capacity was a significant aspect of the model developed by the business mentor.



Enterprise participant sewing bags

NZSWI was already operating a number of programmes and it was important that the development of the community enterprise did not negatively impact on existing programmes and relationships. It did not have sufficient funding to deliver its existing programmes and begin a new venture. As discussed below, a significant amount of venture capital is necessary to establish a community enterprise.

Venture capital

A community enterprise needs a sufficient amount of seed funding, or venture capital, to establish itself and operate effectively. Sourcing this venture capital was difficult and at the time of writing this case study it had not been confirmed. The lack of capital meant, for example, that when one of the sewing machines broke, NZSWI could not afford to get it fixed until they were paid by the business. This in turn reduced productivity and earning capacity. Furthermore, they did not have a telephone or computer at the workshop, which restricted their ability to communicate with potential customers.

The project manager, facilitator and business mentor explored a number of options for funding including fundraising, and grants from businesses, philanthropic trusts and government agencies. The facilitator and project manager had considered the possibility of a micro-loan to establish the enterprise but the business mentor advised against this option, in preference of a grant, which was lower risk. In addition, the availability of this specific micro-loan funding became unlikely due the credit crisis and subsequent contraction of the funder's money.

The project manager and facilitator began the process of application for Enterprising Communities, a fund offered by Work and Income New Zealand that provided venture capital to community organisations developing enterprises that created employment. However, the fund was terminated in the Budget in May 2009. Other WINZ funds did not suit the characteristics and needs of the organisation. For example, while Taskforce Green funding could help subsidise the costs of wages for enterprise participants, the organisation could only apply for reimbursement after four weeks of paying wages and would then receive money two weeks later. This meant that NZSWI needed to have enough money available to cover six weeks worth of wages. Project participants considered the lack of suitable funding and an inflexible process from WINZ a significant challenge in this project.

Multiple stakeholders

There were a large number of stakeholders involved directly and indirectly in this project. Each party brought with them their expertise, experience, expectations and priorities. The different stakeholders gave the project its strength and diversity; it also led to challenges in communication, extended timeframes and the need for compromise.

Information was conveyed frequently through a chain of people rather than all parties directly with one another. This meant at times not all people had accurate or up-to-date information on the project and the perspectives and actions of the other parties. At times this caused confusion and mistrust between parties.

Frequent communication between different individuals, and the larger meetings between key stakeholders (such between the enterprise participants, project manager, facilitator and business mentor) were integral to ensuring effective communication and understanding, and all parties having a sense of ownership of the project.

Time and planning

The community enterprise was established based on a presenting opportunity from a business. A large number of things needed to occur simultaneously and as a result, the organisation did not have the chance to plan comprehensively their whole model before beginning production.

Developing this community enterprise took a significant amount of time at each stage. This was caused by a number of factors including: the number of parties involved, existing commitments and programmes, a staff of volunteers, insecure income, childcare responsibilities, Christian and Muslim holidays and the challenges in sourcing external support. The slow development of the enterprise was unavoidable, and led to a more sustainable model. However, the pace caused frustration for parties involved, particularly enterprise participants who were eager to earn a regular income.

Balancing community and business objectives

A key learning in establishing a community enterprise was the importance of balancing desired community outcomes and generating sufficient income through productivity. It has been a challenge for the organisation, and individuals within it, to develop the entrepreneurial approach necessary to establish an enterprise. If a community organisation is going to succeed in the business sector, it is necessary for it to understand and be able to operate effectively in this environment.

It was necessary to focus on maximising productivity through the efficient and effective use of resources and time. For example, the participants needed to work collaboratively in production of each product (washing, cutting and sewing) rather than carrying out all parts individually. In addition, the business mentor suggested that instead of all enterprise participants working in the morning, they could work more or different hours to each other (some in the morning and some in the afternoon) to maximise the use of the two industrial sewing machines. While this approach was the most productive and likely to ensure the financial viability of the enterprise, it was not the most convenient for the women who had to consider the impact of different hours of work on government benefits and family responsibilities.

Personal investment and benefit

In small businesses, entrepreneurs frequently invest money and a huge amount of unpaid time to get the enterprise established. People are generally willing to invest in an enterprise if they feel a

sense of ownership and see the potential for long-term benefit. While in the case of a private business, this may be a monetary investment, in the case of a community enterprise, the investment from participants may be in terms of time, and their benefit may be in terms of services available rather than individual income.

The initial bag production run was done as a fundraiser for the organisation. The income earned was used for essential costs to the organisation. The enterprise participants that volunteered also received groceries as acknowledgment for their time and costs. The income from subsequent production runs was paid to the enterprise participants. However, the income generated was only sufficient to cover the participants' wages and not to provide income to the organisation nor to provide wages for the project manager and NZSWI treasurer who volunteered as supervisors.

Business model

For NZSWI, the purpose of the enterprise was primarily to provide work (experience and income) for the enterprise participants and secondly to generate an income for the organisation to run its programmes. The organisation had low capacity, in terms of money and business expertise, and people involved worked as volunteers. It needed to generate an income without risking its ability to deliver its existing programmes. The organisation needed to create an enterprise model that matched these aims and characteristics.

NZSWI, with the assistance of the business mentor, developed a cooperative sole trader model⁵. In the cooperative structure, NZSWI will support the women to operate as sole traders. The organisation will provide the equipment and technical training as well as business-related support (for example tax advice). The women will have the opportunity to use the resources of the organisation to do contracts with the enterprise or independently and will contribute a proportion of their income and/or a per hour fee to use the facilities. In this model, the organisation supports the women in their own work, without the risk of guaranteeing permanent employment without the means to provide it. This model is consistent with the aims of the organisation to provide capacity building to participants. In this model, the women have a great degree of personal investment in, and ownership of the enterprise.

Diversification of income streams

The organisation learned the importance of having a range of goods, services and buyers to be financially sustainable and independent. NZSWI had an initial understanding with the business that offered the sewing job to enter into a contract for regular guaranteed demand and supply of products. However, the business revised this decision as it posed too greater financial risk for it to take on. This lack of guaranteed work became a challenge for NZSWI that had relied on this regular work for income.

⁵ At the time of writing, this model was still in the planning stages and enterprise participants were being paid as employees.

In order to provide a range of income sources, the organisation decided to provide sewing services to different companies and to design and develop its own product ranges for retail sale. The business mentor and sewing teacher worked alongside the enterprise participants and project manager to develop these new options.

Product decisions

In developing new products, NZSWI had a number of decisions to make regarding the type of goods and services it would offer. The organisation had to decide on whether to focus on being a sewing service provider for other businesses' products or to develop its own product ranges.

Working as a sewing service meant the organisation had fewer responsibilities (no need for product design, material purchase or sales). However, the revenue potential was greater for selling products that they designed, reducing the number of stages from producer to consumer. Selling retail (for example via the internet or to personal networks) could also be a higher income source than selling wholesale but this would add extra demands of time, cost and expertise. NZSWI decided that it would take approaches, working as a sewing service and also developing its own products to sell.



Bags produced by enterprise participants

In deciding on products to create, the enterprise needed to find its niche. To do this, it considered the characteristics of the group, market realities and consumer demand. It decided for example that it would be undesirable and impossible to produce low cost clothing and try to compete with offshore producers in China and other developing countries. Instead, NZSWI decided to use the unique skills and knowledge of participants and create quality higher-end products that could be sold to ethical consumers.

External impacts

The economic and political environment provided unforeseen challenges to enterprise establishment. When the project was initiated in September 2008, the worldwide economic recession was not large in public consciousness nor showing significant impact in New Zealand markets. By February 2009, when the enterprise was scheduled to take off, the market was a different place and buyers were less assured. The recession also caused a decrease in funds available from key philanthropic bodies that the organisation needed for venture capital.

In addition, the political environment in New Zealand changed during this time, with a National government taking power after the elections of November 2008. A specific impact of this was the cutting of the Enterprising Communities fund in the May 2009 budget. This fund, that provided venture capital to community organisations developing enterprises that create employment, had been a key element of NZSWI's business plan.

New territory

Community enterprise is a relatively new field in New Zealand and at present, there is a lack of comprehensive and tailored support from existing services. This meant that those involved in the project spent a lot of time gathering information and trialling different methods.

While various organisations had specific knowledge related to funding, small businesses, legal requirements or tax, there was no one specialist that could explain all the necessary factors to consider in establishing a community enterprise. This indicates that there is a gap in the market for information provision and services for organisations wishing to establish a community enterprise.

A particular challenge was experienced in sourcing an appropriate business mentor for the group. The project facilitator tried a number of options before finding a mentor through Leadership New Zealand. While there are some good mentoring options available, none fitted the requirements of the group. For example, while Business Mentors New Zealand provides a free mentoring service (after the membership fee of \$100+GST) they only guarantee a mentor for two sessions with the group; NZSWI needed a mentor that could commit to working with them over an extended period.

There was a lot of interest and support for the community enterprise approach from other community organisations, government agencies and the media. Other refugee and migrant groups have since approached the Auckland City Council seeking support to establish an enterprise.

5.0 Recommendations

Mentor

A business mentor, who can provide advice and support to establish and maintain the community enterprise, is highly recommended. The amount of support needed will depend on the capacity of the community organisation.

Capacity

The organisation needs the capacity to develop and run a community enterprise; it needs to have the money, staff, time and skills to begin this new venture and maintain existing programmes.

Group capacity building

The organisation should ensure that a number of people in the organisation have the necessary skills and knowledge to operate the enterprise so that project success is not dependent on one or two people.

Information

There are a number of organisational, legal, business and tax-related factors that an organisation needs to learn about to establish a successful community enterprise. Information and support should be sought from different parties to gain a comprehensive understanding.

Communication and collaboration between stakeholders

All key stakeholders should be involved in planning and developing the enterprise, and subsequent evaluation and monitoring as the project progresses. Clear and frequent communication ensures that all parties understand and have a sense of ownership of the enterprise.

Appropriate enterprise model

The organisation should develop an enterprise model and business plan that are consistent with the characteristics and requirements of the organisation. Considerations include the purpose of the organisation and enterprise, and whether those involved are paid staff or volunteers.

Establishing a niche

Produce goods or services that match the skills and qualities of the organisation and participants, and for which there is market demand. While the enterprise may target ethical consumers, ensure a quality product and do not rely on charity purchasing.

Venture capital

An organisation should secure sufficient venture capital that is guaranteed for a reasonable period (two-three years).

Diversification of income streams

The enterprise should not be reliant on one business or product to provide all of its income. A range of goods, services should be developed and buyers found.

6.0 The role of the facilitator

As previously noted, there is a gap in the market for comprehensive service provision to organisations wishing to establish a community enterprise. This role could be played by local government, a specific organisation or by a network of organisations. Responsibilities and characteristics of this role may be to:

- Provide information on community enterprise to organisations via events, courses and resources (such as fact sheets, checklists and assessment tools)
- Work with organisations to establish their goals, priorities, capacity and needs
- Connect organisations with necessary support and services such as organisational, employment, tax and legal advice, funding opportunities and business mentoring
- Document examples of community enterprise and share these with community organisations
- Provide mentors or connect with organisations that can provide mentors. Advocate for specific types of mentors that are appropriate for working in community enterprise projects i.e. that can commit to long-term mentoring, that have an understanding of the operation of community organisations and that know about establishing small to medium enterprises.

7.0 Appendices

7.1 Project partners and supporters

The following organisations have been directly involved in the project and/or provided advice and support in the establishment of this community enterprise:

- NZ Somali Women Incorporated
- Auckland City Council
- Leadership New Zealand
- Department of Internal Affairs
- ASB Community Trust
- Methodist Mission Northern
- Paradigm
- Migrant Action Trust
- Grey Lynn Neighbourhood Law
- Work and Income New Zealand



Enterprise participants sewing clothes

7.2 Evaluations from stakeholders

Evaluation from NZ Somali Women Incorporated Chairperson (project manager)

How would you describe this project?

The reason for doing the project was the ladies getting some professional skills. It also benefits the community because the ladies stop being beneficiaries and some communities get positive things.

We made different products – decorations, bags, and clothing for example Muslim women's clothes such as swimming togs, and children's clothes.

What have been the successes?

We started a small business. We are still in process so it's not fully successful but some successes – confidence for the women of how to run their business for the future.



Fadumo Ahmed, NZSWI chairperson

What have been the challenges?

It is not easy because you need money to fund. You need some funding for your rent, teacher, supervisors and resources.

It is hard when you start, how to organise. Also it is hard to make something new to you – learning to make the bags. It is hard how to set up the business – marketing. Especially at this time with the market (recession).

It is very challenging, organising the people to put some effort to get successful for the project – motivate the people to do the work.

What have you learned?

I learned many things about how to drive the business plan and also how to organise the business enterprise.

Where to from here?

Next thing to do is to do different types of products – bags. We also need to relate to the market – making products that are successful in the market.

Our plan is to make some progress, but it related to how we get the funding. Funding is a priority for now. Also, resources are a priority – material and equipment.

What have you thought of the role of Auckland City Council in this project?

The role of the Auckland City Council has been to organise a business mentor to organise our business plan and also organising meetings, advising, getting the ladies to talk about the business, how to involve the ladies, and with the teacher, how to supervise the students of the sewing class. Also the City Council, linking us, how we get the networks of other funders – how to get some funding for the project.

NZSWI are thankful for the Auckland City Council about how they give us support and advisers to make our project successful.

Other comments

I think without a business mentor we can't do anything because we come from another country and we are not aware of a lot of things about the New Zealand system like making a business plan. Also a business mentor is good for our community enterprise because we want to know what is an advantage and a disadvantage – to understand business risk and what might be successful.

I encourage all refugee women to go ahead and to do their own business to be successful for their future.

Evaluation from Mark Baker, Business Mentor

How would you describe this project?

I would describe this project as a grass-roots, visionary exercise that sought to bring together the social and commercial worlds in a facilitated manner to provide medium-term social change for a specific section of the community in such a way that it would be self-sustaining from a commercial, environmental and social perspective. It has been an exciting opportunity to work within a space that has as its goal self-reliance rather than dependence.

What have been the successes?

The major success I would recognise is the alignment of all the various stakeholders to progress towards the outcome. I don't think it would be possible to select a more diverse group if we tried, however all parties worked very well to broker the challenges of culture, language and expectation that we were confronted with. Although we have been unsuccessful to date in getting the venture sustainably off the ground, the reality is that NZ Somali Women have a higher profile, have greater capacity and in my view a much better possibility of realising their visions than they had prior to this project commencing.

What have been the challenges?

The main challenge has been funding and certainty of this to get operations of the ground. Insufficient funds have prevented us from bringing in the necessary business development and administrative structures in place. Language has been a little bit challenging, but in the scheme of things, it has been overcome pretty well.

Linked to the funding challenge has been expectation management of the women within NZ Somali Women in terms of the ability to get a business off the ground and provide them a steady income stream.

The major challenge from a community enterprise perspective has been finding logical "hooks" into corporates so that the needs of the community enterprise can be directly related to those of the corporate. For example, a company using billboards that can then be recycled into gear bags for their staff, meaning they don't have to buy bags, can dispose of their billboard skins in a more environmentally friendly manner and the act of doing so aligns with their own social and environmental agenda. Having found the link, actually engaging is a different matter. Although a

fan of a smaller government and simpler taxation regimes, maybe some form of tax break for firms that engage (a bit like a donation) with community enterprises would be a good thing?

What have you learned?

Heaps. About the challenges in the not for profit sector, about the challenges of refugees settling in NZ, about the un-navigable compliance regime we have to operate under, about the disconnected bits of central government (which agency to deal with) and about the bits of the Council not involved in rubbish collection and parking wardens. Just heaps of learning.

Where to from here?

My intention is to continue to work alongside NZ Somali Women to keep trying to advance their vision. Just because we have struggled to get funding to date, doesn't mean we will never get it. Keeping the business model flexible enough to secure opportunities as they may present themselves is key.

What have you thought of the role of Auckland City Council in this project?

God-like. No Auckland City Council, no project. Quite simple. Eva's commitment, passion, tenacity and pleasant manner has underpinned this project from start to finish. The challenge for ACC is whether a project can be repeated without someone like Eva. It isn't a role that has done this – it is a person.

Other comments

My personal view is that these sorts of initiatives are vital to the wellbeing, evolution and regeneration of many of the minority or underachieving segments within the wider NZ community. Big brother state funding and operation cannot be as effective as a very local and focused initiative such as this.

Evaluation from Susan Barter, Sewing Teacher

How would you describe this project?

The match between Paradigm and NZSWI was initially the point of interest for my involvement. It seemed an excellent way to enhance their products. The work was not technically demanding, so this fitted well with the skills having been already taught through the sewing school. The ladies learn many new skills that could take them into industry, for those able to make that choice.

What have been the successes?

- Confidence building has been huge.

- The final order was completed in record time.
- Their skill levels have increased.
- Decisions that would have previously not been made were taken
- Initiative was exercised.
- One lady successfully applying for and starting to work fulltime within the industry after completing the first round of bags.

What have been the challenges?

- Inconsistency was a difficult issue causing a loss of interest amongst the women, to the extent that some trained women left altogether.
- A lack of trust was present within the group at times. This seemed to result in a loss of momentum and an un-even workload.
- The first few orders were made more difficult due to un-cleaned billboard material, this was physically demanding.
- Communication or lack of led to a sense of frustration at times.
- Lack of funds created difficulties, leading to machine problems and the use of inferior thread, both of which would have helped production in the long term.

What have you learned?

This group of women are amazingly resilient, they face so many hardships. The classes and the bag production are a break from their daily challenges where they gain a sense of worth and value. To have achieved something and learned a new skill is important for them. My expectations were sometimes different to theirs. I thought the 'business' side of the operation would be quickly understood, I can see now that this will need more time and teaching.

Where to from here?

I can see many opportunities. So many diverse products could be made from the bill-board material. The ladies have suggested some great ideas aside from the bag making. One is to try to make more links with the community for example by offering an alteration service. These could be carried out under supervision becoming a great training ground before the ladies set up on their own. Some of the women have a determination to succeed demonstrated by their persistence to perfect their sewing skills. There is also the 'burkini' waiting in the background to be developed and marketed.

What have you thought of the role of Auckland City Council in this project?

The work carried out by Auckland City was consistent as staff endeavoured to facilitate the best solution for both parties at all times. It was however, not good timing due to the current economic

climate, this has impacted both parties. Significant effort was made to bring all the right ingredients together to create a successful enterprise. I think the idea is certainly one that has much merit and would like to see other such projects supported by Auckland City Council.

Other comments

I have appreciated the opportunity to work on this project with Auckland City Council staff. I have learned a great deal and now will approach future contracts or ideas with greater realism and clarity. I have a great regard and respect for the leadership of the NZSWI. The challenges they have overcome would defeat most. The desire to build capacity in the refugee community is to be commended.

7.3 Community enterprise information

This sheet provides information to assist organisations in creating a community enterprise. While there are many organisations and resources that can help, no single one holds all the pieces of the puzzle. Here are some suggestions to help you on your journey.

Business.govt.nz: “The New Zealand government website that brings together free business resources, tools and information to help people start, manage and grow their business.

Business.govt.nz provides free access to a wide range of resources. ...On the site there are practical resources and links to information to help business owners and managers start, manage or grow their businesses, and deal with the day-to-day challenges they face.”

www.business.govt.nz

Business Mentors New Zealand: “This organisation, operating with over 1,400 volunteer mentors and administered by 15 regional Agencies provides a national mentor network to help any New Zealand company which has been in business for at least 12 months and has less than 25 employees. Monday -Thursday 10-3pm, ph 0800 103 400.” www.businessmentor.org.nz

Charities Commission: “Responsible for registering and monitoring charitable organisations in New Zealand, as well as providing support and education to the charitable sector on good governance and management.” www.charities.govt.nz

Community Net Aotearoa: “An information sharing resource for NZ community and voluntary groups. Here you'll find guides, news and tools for and by clubs, groups, charities, trusts, hapu & iwi.” www.community.net.nz

Development Trusts Association: The DTA is a UK-based network of community practitioners. The website contains a lot of useful material about setting up community enterprises.

www.dta.org.uk

Inland Revenue Department: Regarding GST and other tax obligations www.ird.govt.nz

Keeping it Legal: “This online resource has been developed in response to a continuing need for all organisations, groups, trusts and societies to have simple, accurate information about their legal obligations.” www.keepingitlegal.net.nz

Office for the Community and Voluntary Sector: “The OCVS exists to inspire co-operation and superb relationships between the government and the community and voluntary sector.”

www.ocvs.govt.nz