

Doing good is big business in the UK.

Doing good is big business in the UK. There are approximately 131,000 social enterprises, with a combined turnover of £60 billion. This not only supports the economy with around 2.3 million employed within the sector but also reinvests around £1 billion of profit into their vital missions, bettering the lives of people and the planet.

As consumers increasingly look for businesses to take accountability for the significant role they play in society, organisations are looking for solutions to better the quality of lives for individuals, communities and the planet, rather than being simply 'profit-making'. One method that commercial businesses are exploring do more is through social enterprise – a self-sustaining model that creates positive impact for the long term.

Sofia Nibali, Head of Membership at Social Enterprise UK, the UK's membership body for social enterprises, describes a social enterprise as “a business that exists to address a social or environmental issue. Like any other business, it generates income through selling goods and services, but it reinvests the majority of its profits back into its social or environmental mission.”

“Social enterprises are businesses — they earn most of their income through trade, which makes them financially self-sustaining and less reliant on donations.”

Similar to social enterprises, charities also do a significant amount of good work and support a wide range of causes; however they are primarily funded through grants and donations. Sofia says “Social enterprises are businesses — they earn most of their income through trade, which makes them financially



Gary Stott
Executive Chairman,
Community Shop CIC



Sofia Nibali
Head of Membership,
Social Enterprise UK

self-sustaining and less reliant on donations. Both share a social or environmental purpose, but social enterprises combine that mission with a commercially driven model, often allowing them to respond more flexibly to market opportunities and challenges.”

But it's not just the models which are different, the mindset of social enterprises is too. Sofia says, “Social enterprises are entrepreneurial, innovative and focused on creating lasting positive change — whether that's in their local community, across the UK, or globally.”

Fifteen years ago, Company Shop Group, the UK's leading redistributor and retailer of surplus products, a for-profit business that takes perfectly good products destined for waste and sells them at discounted prices to its members, had a similar ambition and mindset; to do more with the assets they had available, not just saving products from going to waste, but creating a model which went further in communities experiencing social inequality and who had limited resources. After extensive research, they founded Community Shop, a unique not-for-profit social enterprise and the UK's first social supermarket, that was developed to tackle the root causes of food insecurity for the long term.

Community Shop





Developing Community Shop as its own social enterprise, yet connected to the existing commercial business, was purposeful, and the result of exploration of multiple routes for how the business achieved its ambition of doing more for social good. Gary Stott, Executive Chairman of Community Shop, says the business very quickly established that social enterprise was the right model that could support their mission. “We had a clear vision - we wanted to tackle the root causes of food insecurity, for the long term, moving away from ‘sticking plaster’ solutions and reliance on crisis services such as food banks that have become the norm in the UK. We had to use the assets we had available, and expertise we had as a redistributor and a retailer.”

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For a number of reasons the social enterprise model presented an attractive proposition for this

new venture. Gary says: “Firstly we chose the social enterprise model as we truly wanted to challenge the perceived norm that businesses exist to make profit and charities exist to do good. These are not mutually exclusive positions and we believed there was another way, that businesses, when they were engineered correctly, were a great drive for environmental and social good. Developing our model as a social enterprise connected to commercial business helped shine a spotlight that doing good business and doing good can work together. Secondly, we could see how our experience within our sector could work in terms of selling products at discounted prices and reinvesting the profits. And finally, through our connection with the wider commercial business, we could see how we could utilise some of the assets and efficiencies of running a successful business for the social enterprise, ‘borrowing’ the wisdom and skills of departments such as finance, marketing, operations and more, which helped support the model to be self-sustainable.”

But the journey to becoming a social enterprise wasn’t necessarily a linear one – it required careful stakeholder management, both internally and externally. Gary recalls: “The business was clear on its vision and overall was incredibly excited about the potential for the social enterprise, but there was also some nervousness; understandably, there were some that were worried about how Community Shop worked with the wider commercial business. What was key in our

Community Shop



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journey was recognising that businesses are made up of people with real emotions, and therefore managing this emotional landscape is critical. Nervousness and resistance to change is to be expected, what's important is to recognise this and bring people on the journey with you throughout the development stage, compelling them with the vision. For external stakeholders this is different, you need a clear formulated plan – what the vision is, the value the new model will add and how the relationship will work with the existing business. By identifying those 'early adopters' externally, that believe in the model, they can help advocate for your mission to others, which is critical, and was vital to the success of Community Shop."

A social enterprise model can work in multiple ways for businesses, but there are some critical aspects to help you succeed, Gary concludes: "Like any start up, it can be tough to get going, but if you remain clear on your vision and embody an entrepreneurial mindset, the long-lasting positive impact can be genuinely transformational."

It is the most rewarding position to help support thousands of families and have created a vitally integral part of the business, that culturally is now paving the way for commercial businesses, being both profit-making and purpose-led."

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