

## Policy on Social Enterprise

**ISSUE:** Given the increased interest in social enterprise and the number of organizations taking on these ventures, St. Leonard's Society of Canada wants to determine what constitute successful social enterprise practices.

**GOAL:** To understand and support the development of best practices on social enterprise.

**BACKGROUND:** St. Leonard's members have and continue to engage in social enterprises. Given growing interest in social enterprise, SLSC has held forums and participated in other events to discuss social enterprise best practices to facilitate opportunities to learn about this concept. In conjunction with SLSC's 2014 Annual General Meeting, a one day forum co-hosted by St. Leonard's Society of Hamilton was dedicated to social enterprise. On November 26<sup>th</sup> 2014 SLSC held a social enterprise forum as follow-up to the 2013 forum on best practices co-hosted by Employment and Social Development Canada (ESDC) and Correctional Service of Canada's Women Offenders Sector. Recently, SLSC completed a project funded by ESDC to synthesize the evaluations of five Federal Horizontal Pilot Projects (FHPPs).

Throughout these events and projects a number of best practices came to light. These best practices include:

- *Client-centred approach:* social enterprises should continue to focus on the strengths of clients, their individual needs, and giving clients an active role in their own progress.
- *Communication:* organizations which are involved with a social enterprise should communicate what is working, what the challenges are and what the results of the enterprise are. These valuable lessons should not only be shared within their organization, but with a broader network who are interested and have a stake in this area.
- *Clarity of mission:* the inherent conflict of trying to achieve a social mission while also making profit can cause mission drift. This happens when organizations lose sight of their original public benefit mission and focus more on profit making ventures. To avoid this, organizations should make their social and financial objectives clear from the beginning of the venture, strategize how they will achieve each goal and determine the amount of resources that will be dedicated to each aspect of the enterprise.

- *Community partners*: social enterprises benefit from having a variety of community partners who can provide employment opportunities if that is how the social enterprise is designed and/or partners who can provide supplementary support and services (i.e. housing, transportation), and who benefit from the goods/services provided by the enterprise.
- *Competence*: running a social enterprise is extremely challenging. Ensuring that adequate expertise in this area is involved in the planning and execution of the enterprise is key to its success. Hiring the right staff who have business knowledge and skills as well as a social focus is also very important as staff will have to work with a complex population and will have multiple roles and duties. Overall, evaluating the organization's capacity to run a social enterprise is a key aspect to setting realistic goals and avoiding complications.
- *Considerations*: Decisions as to the appropriate format (profit – not for profit), ensuring compliance with Canada Revenue Agency if a charity, limits of directors' liability and related accounting and legal strictures need to be decided early on.

RESOLVED that:

The St. Leonard's Society of Canada supports the use of social enterprise, where feasible, as a tool to provide opportunities and support to vulnerable populations. SLSC considers that a client-centred approach, communication, clarity of mission, community partners, and competence are key best practices to be considered and implemented when launching a social enterprise.

*Adopted at SLSC's Annual General Meeting, June 6, 2015 in Ottawa, ON*