



Business Development Services for Social Enterprises

EVALUATION AND FINAL REPORT

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Of the project

Business Development Services for Social Enterprises

Introduction

This evaluation and final report of the project has been prepared by external consultant Miodrag Shrestha who has been engaged by SMART Kolektiv, leading implementation organisation of the project. Report describes the implementation of the project with results but focuses on the outcomes of the project, effects on social enterprises and short and long term impact that the project produced. Materials used in preparation of the report included all the products/outputs from the project, internal reports from different activities, needs assessments of the social enterprises, reports on social enterprises. Besides that the evaluator conducted a series of short interviews with the project staff, partner organisations representatives, social enterprises representatives, consultants, UNDP/YEM officer and member of the Selection Board. In total 12 people were interviewed.

Main domains of evaluation were:

- 1) Program content: Type and quality of the professional support provided by business consultants/mentors.
- 2) Impact: Changes and effects professional support produced in social enterprises and their surroundings.
- 3) Challenges and lessons learned from different perspectives.
- 4) Possible follow up and recommendations: How this program can be improved and what else is needed for social enterprises.

This was evaluated through set of questions posed to different stakeholders that can be summarized as: What benefit social enterprises had within this project, what were concrete changes that happened? How did the cooperation between different stakeholders (with the emphasis on consultant – social enterprises relationship) within the project go? Challenges encountered and how did you overcome them? Was the program useful and successful? How should it be improved? Lessons learned? Is there a need for additional support which could be compatible to this program? What other kind of support is needed to the social enterprises?



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Background

Initiative for Development of Social Entrepreneurship implemented project *Support to the Business Development Services for Social Enterprises* from November 15th 2010 till November 30th 2011 as part of the larger program Youth, Employment and Migration supported by MDG Achievement Fund. The leading and coordinating organization of the project was SMART Kolektiv. The Initiative was established in May 2010. The founders of the Initiative were: Balkan Community Initiatives Fund (BCIF), European Movement in Serbia, Initiative for development and cooperation (IDC), SMART Kolektiv, and Group 484. In February 2011, Initiative had a strategic planning process, where it defined strategic directions, set milestones for the social entrepreneurship development, changed the name in to the *Coalition for development of Social Entrepreneurship* and started the process of enlargement of the Coalition. *Support to the Business Development Services for Social Enterprises* was the first project implemented by the Coalition in supporting social enterprises using strengths and specific capacities of each of the members but also having synergy and joint effort throughout the project implementation.

For many reasons this was a pilot project. First this was the first project providing concrete supports to the concrete social enterprises, it defined what social enterprises are, gathered a group of experts in the selection committee, sensibilised business consultants to social enterprises and vice versa. Main aim and outcome of the project was to improve social enterprises' business performance through business consultancy provided by business experts.

Main components of the project were: Selection of the social enterprises, Creation of the Guidelines for the Monitoring and Evaluation of the Social Enterprises, Selection of the Business Consultants, Assessment of the Needs of the Social Enterprises, Business Consultancy. Each of the components of the project was led by one of the member of the Coalition with participation and contribution of all the others.



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Implementation of the project by components

1. Coordination of the project

Smart Kolektiv was responsible for the coordination of all the activities envisaged within the project. At the same time they were chosen to lead/coordinate the Coalition for Development of the Social Entrepreneurship. Every two months regular meetings of the Coalition took place where the project implementation was discussed. At the beginning of the project implementation the concrete time work plan was designed with responsible organisations for each steps and dates they should deliver outputs. This timeline was quite strict and some time holiday seasons and summer holidays were obstacles for fulfillment of these tasks but never the less all tasks were finished in due time and the outputs were largely overcoming milestones defined in the project proposal.

From the interviews with all stakeholders it was evident that coordination of the project was successful and effective. Many of them rated coordination as excellent and most helpful. SMART project coordinator was evaluated as committed, professional and always at everybody's disposal. She was the one providing different kind of information to the social enterprises about other programs (British Council program) partner organisations events (seminar for social providers realized by Group 484), conference (Erste bank and SIPRU team) that social enterprises attend. This kind of coordination and commitment of all the participants in the project resulted in good implementation of the project with excellent results. From the SMART Kolektiv point of view the project was coordinated smoothly and without any significant problems that could not be overcome. They also stressed excellent communication that SMART had with the YEM/UNDP responsible persons for the project and availability and flexibility that was there all the time. The project was extended for two and half months with the approval of UNDP and the reason for that was that consultants needed more time for the implementation of the action plans designed. From UNDP/YEM point of view the cooperation with SMART was exquisite and without problem, it was build on mutual understanding and it was flexible, some deadlines were moved because there was a need to do so (because of the summer holidays, more time that consultants need for the implementation of the action plans etc), Only observation goes to the lack of regular reports/information about project implementation during the business consultancy period which was not defined in the TOR but would be useful that the donor did have this kind of information regularly throughout a whole project implementation.



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2. Selection of Social Enterprises for Business Development Support

Balkan Community Initiatives Fund (BCIF) was responsible for the selection process of social enterprises requiring business development support. This encompassed writing a manual for selection, forming the selection committee, announcing and administrating a call for applications and preparing materials for selection committee.

This was one of the first selection process for social enterprises and one of the first open calls for them. It was set transparent and in the consultation with all the members of the Coalition as well as with UNDP. Prominent selection committee was formed with the participation of individuals, experts from the state institutions, academic community, and socially responsible entrepreneur and UNDP responsible officer.

Committee consisted of: Ljiljana Džuver, assistant to the Minister of Economy and Regional Development; Dr Slobodan Cvejić, professor at Philosophy Faculty in Belgrade; Jelena Milovanović, member of the Deputy Prime minister's team for social inclusion and poverty reduction; Dr Žaklina Stojanović, Associate Professor at Economic Faculty in Belgrade; Dr Marija Parun Kolin, Center for Sociological Research, Institute for Social Science; Jovana Hrvanović, owner of the restaurant Medijapan and Irma Lutovac, National project adviser for UNDP.

All the members accepted the invitation to join the committee and at the first meeting on December 10th, they were discussing the materials that BCIF project officer prepared. The materials included: Criteria for the selection of social enterprises, score table and scoring according to those criteria, Announcement of the Call for Application, Code of Conduct of the Selection Committee as well as the Application form. The selection committee was very active and after three hours of discussion the materials were finalized. The Call was launched on December 15th 2010 and was open until January 31st 2011. BCIF and members of the Coalition disseminate information about Call using existing CSO networks such as CRNPS, Civic Initiatives, FENS, CSOs Focal points for Poverty Reduction etc. The Call was distributed to the business community as well through Business Leader Forum, but also through UN Global Compact and Chamber of Commerce. Press release was issued and disseminated to all media. And as a result these were the electronic announcements of the Call for Applications:

http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=01&dd=20&nav_category=9&nav_id=487180

<http://www.vesti.rs/Ekonomija/Podrska-za-socijalna-preduzeca.html>

<http://www.naslovi.net/2011-01-20/b92/podrska-za-socijalna-preduzeca/2273931>

<http://www.konkursi.rs/>

<http://www.icr.rs/2011/01/17/program-strucne-podrske-za-unapredenje-poslovanja-socijalnih-preduzeca/>



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http://www.hranazasve.com/info/vesti/index.php?yyyy=2011&mm=01&dd=20&nav_category=9&nav_id=487180

<http://www.inkluzija.gov.rs/?p=4630>

<http://www.youth.rs/volontiranjekampovi/program-strune-podrke-za-unapreenje-poslovanja-socijalnih-preduzea>

<http://www.stipendije.rs/pages/detalji/50886>

<http://www.zrenjanin.rs/1-334-0-0/Konkursi-i-obavestenja>

<http://blokvesti.net/index.php?det=4032764>

<http://www.paznjapaznja.com/podrska-za-socijalna-preduzeca/>

Thirty three applications were collected; three were excluded because they didn't match basic criteria and the rest were processed by the project officer in order that Selection Committee receives summary of the applications which will enable them to fulfill scoring. The Selection Committee evaluated applications and on the February 14th at the meeting they selected ten social enterprises that would participate in the program.

These are the selected organisations:

1. eko BaG, Beograd
2. Udruženje Živimo zajedno, Beograd
3. Pirotex triko d.o.o. Pirot
4. Naša kuca, Beograd
5. STUDIO, Beograd
6. Etno forum, Svrljig
7. Liceulice, Beograd
8. Klub žena Hera, Bačka Topola
9. Lak žica D.O.O. Bor
10. TELEDOM SAVEZ SRBIJE, Bačka Topola

Selection Committee proposed additional two social enterprises to be included in the program if it would not distort implementation plan of the project and if some additional available funds could be found:

1. SOSINA kujna, Zrenjanin
2. Ženski centar, Užice

SMART Kolektiv as the leading organisation in the implementation of the project respond that 12 beneficiaries would not disturb the plan of implementation and YEM/UNDP representative confirmed that additional funds can be provided for two more beneficiaries. In the end YEM/UNDP approved to have 12 social enterprises participating in the *Support to the Business Development Services for Social*



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Enterprises. In March 2011, Sosina kujna from Zrenjanin has informed SMART Kolektiv about their decision to dissolve so they stepped out of the project and next candidate stepped in which was NANA, agency from Belgrade.

Effects of the Selection process

Selection went efficiently and without problems even though it happened in the middle of Christmas and New Year's Holiday Season (which in Serbia usually last at least two weeks). Whole process last for two and a half months which includes: ten days for the recruitment of the selection committee and preparation of all the materials (Criteria for the selection of social enterprises, score table and scoring according to those criteria, Announcement of the Call for Application and press release, Code of Conduct of the Selection Committee and the Application form), month and a half was the competition opened, and in two weeks time applications were processed and given to the selection committee which they evaluated and at the meeting decided who will be supported. Few days afterwards the final list was released and announced (right after the confirmation came about additional two participants).

One of the members of the Selection Committee stated that the selection process was conducted excellently and the greatest impression was how prominent selection committee was with members that are highly respected members of the community and experts in the area of social entrepreneurship. Selection committee members were professional, motivated and committed for the selection process and even were eager to learn more about the results at the end of the project. They were praising all the documents that were produced by BCIF staff. BCIF did lead very good selection process with the involvement and leadership of the Executive Director and Program Director with other staff involved as well. Coordination with SMART and all the other members of the Coalition in this process was excellent.

One thing that was envisaged in the project proposal but was not realized because it would prolong the decision of social enterprises participating in the program was the field visit to the social enterprises. This was remark coming from the Selection Committee when they made decisions, saying that it would be lot easier if there is some independent verification of the application, for the best judgment. This was a remark made by Project Coordinator and Executive Director of SMART Kolektiv as well, since in their experience from the project some of the social enterprises were significantly at lower level of development or even not interested genuinely in social entrepreneurship.

3. Selection of business mentors and consultants



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SMART Kolektiv was leading this component parallel to the selection process of social enterprises. SMART's mission among other things is involving business community in the non-profit projects. In one of the previous experiences the project called *Business mentorship for youth entrepreneurs*, has been successfully implemented in collaboration with the Business Leaders Forum Serbia¹. Smart Kolektiv, within this project, created a pool of top-level business managers from Serbian most successful companies who are willing to share their experience, knowledge, skills and business contacts with social and youth entrepreneurs during a specially designed mentorship program. This business mentors' pool has been updating since 2009 and it was utilized for the selection of the business mentors and consultants. An internal call for mentors and consultants to apply for assistance to social enterprise was issued in December through out this network and on SMART Kolektiv's website. Fifteen experts in different areas applied to become mentors/consultants. After interviews conducted by SMART's Executive director and Project coordinator twelve experts were selected for potential candidate for the business mentors and/or consultants. The final selection of the mentors and consultants was depending on the needs of the social enterprises.

Once the needs were assessed the matching and final selection were concluded. The selected mentors and consultants have great expertise, experience in successful companies but also personal reputation, contacts and enthusiasm to support social enterprises.

The project methodology envisaged two levels of business support: mentors and engagement of paid consultants experienced in various business fields (e.g. marketing and sales; finance, PR, project management). Selection of the consultants depended on the concrete social enterprises and their need assessment. In the end the consultants selected were very experienced experts tackling different fields that have worked before with civil society organisations (which are the majority of the selected social enterprises). Consultants had crucial role in defining the concrete business development needs and preparing, according to enterprises' specific needs, business development plans for each of social enterprises. In the end consultants selected were exquisite former and current business managers and directors with experience with civil society. For example one of the consultants selected is Maja Dzelatovic, free lance business consultants for strategic communications, who has extensive experience working with Holcim, USAID, EU CARDS project, civil society, and marketing agency.

¹ Business Leaders Forum Serbia, administered by Smart Kolektiv, is a unique business network for social responsibility, with 16 member-companies: RDP B92, Erste Bank, Holcim Serbia, Société Générale bank Serbia, U.S. Steel Serbia, Lafarge BFC, Coca-Cola Hellenic, DIN Philip Morris International, British American Tobacco, PricewaterhouseCoopers, Droga Kolinska, VIP mobile, KPMG International, Serbian State Lottery, EFG Eurobank and Ernst&Young.



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One of the engaged consultants was also Edin Veljović. Edin worked in non – for profit organisations Fomep and YIHR, is the Fellow of The Consultancy Academy, is creating, organising and delivering lectures, trainings and workshops on Leadership, Entrepreneurship, Marketing strategy and CSR, Sales Strategy and Strategic HR. Edin is a consultant for Human Resources at International Development Ireland Ltd and PWC Academy Trainer.

SMART has defined with engaged business experts the minimum of their engagement as well as means of their mutual collaboration (visits, meetings, e-mails, telephone calls). Both mentors and mentees were obliged to obey the principles of collaboration that were specified in the agreement defining the mentor-mentee relations and mutual responsibilities.

Effects of business mentors and consultants selection

Process of selection went without problems. Existing SMART network of business consultants was expanded and sensibilized to work with social enterprises. All those that wanted to volunteer or applied to be consultant could not be engaged, so the process was highly competitive.

Interviews with the social enterprises showed that all those interviewed were very much satisfied with the mentors and consultants. All of the representatives of the enterprises were praising consultants/mentors knowledge, skills, approach and transfer of knowledge. Project team has emphasized that both social enterprises and consultants/mentors had an option in their agreement with SMART Kolektiv to change their counterparts without any specified reason, but this possibility was not used by any of the parties. That was also a clear indicator of good selection of the consultants/mentors. Good selection caused a long term commitment of the consultants/mentors that seems now will continue beyond the project time frame. Quoting one social entrepreneur: “I want to thank our consultant for having patience to talk about business to somebody who did not know anything about the business”

The social enterprises, in the interviews could not tell the difference between consultants and mentors. For them it was the same, there were business experts that are helping them to improve their work. It was little bit confusing structure where mentor did not participate in the need assessment done by consultant, which one mentor estimated as less effective than if mentors would participate in that process. In the practice actually 7 social enterprises had consultant and mentor in one person, because it seemed like most practical and because that was the request coming from the concrete social enterprises and/or consultant.



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4. Guidelines for Monitoring and Evaluation of Business Development Support for Social Enterprises

Group 484 was responsible for the creation of the Guidelines for Monitoring and Evaluation of the Business Development Support for Social Enterprises. Group 484 expert in social entrepreneurship Bojan Vele² has prepared the Guidelines for Monitoring and Evaluation which was much ambitious than envisaged in the project proposal. It is real valuable output that will serve for many years as a starting theoretical and operational point when it comes to the monitoring and evaluation of the social enterprises. It is designed with great theoretical background; the paper has more than thirty bibliographic items. It is a contribution to the academic opus in the area of social entrepreneurship especially the first version of the paper. The second and final version has more operational guidelines that could be used for the monitoring of the effects and sustainability of the social enterprises not only with this program but on the contrary it is unique and could be used for monitoring purposes in general.

The Guidelines includes economic performance indicators which measures sustainability and efficiency of the social enterprises. Indicators like annual turnover in RSD, number of people employed, number of volunteers, growth margin, stability and/or growth of clients/buyers base, investments in business development/expanding.

What are specific to these Guidelines are indicators that measures social impact. There are five tables in the guidelines that describe indicators in relation to various social effectiveness and impact: social effectiveness in relation to the employment opportunity for vulnerable groups, working environment and quality of the work, regarding owner's policy and management of the enterprises, cooperation in the local community and market performance indicators. Tables include means of verifications and concrete tools how you can measure these indicators.

Effects of the Guidelines for Monitoring and Evaluation of the Social Enterprises creation

This is for sure one valuable output and contribution to the academic work in the area of social entrepreneurship. But in general it was not used enough in the monitoring and evaluation of these social enterprises mainly because it was designed more for developed social enterprises which in case of Serbia still is not the case. However for the preparation of this evaluation report Guidelines were very useful and in the

² Bojan Vele² has done master thesis at University of Twente with the topic Social Entrepreneurship in Serbia as a New Model for Employment Generation for Refugees and Internally Displaced Persons (IDPs)



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measuring improvements of the social enterprises in this report the indicators from the Guidelines were referential.

5. Identifying needs of social enterprises

After the selection of social enterprises, on March 8th and 9th SMART Kolektiv organized the Workshop with social enterprises³. Workshop was used to introduce participants with mentors support program. Practical advices how to use the experience and knowledge of consultants/mentors, how to communicate with the mentors/consultant was presented. Facilitator of the workshop was Edin Veljovic, very experienced business consultant with considerable experience in the civil society. Agenda included session about strategic thinking (vision, mission, goals) and sessions about sales, marketing, human resource and finance. The Workshop was interactive, with some theory, handouts for participants and role plays. Participants filled the questionnaires about the needs that their social enterprises have at the workshop. Upon data provided in the workshop facilitator and project team created separate Need assessment for each social enterprise.

General conclusion of the facilitator is that social enterprises participating in the program do not have nor think about defining strategy of the development of their enterprises. He also pointed out that most of the social enterprises need support in the area of sales and market positioning. Precisely in the interview he said that most of the social enterprises have following features:

- a) lack market orientation (they rely on donations, state, founders)
- b) lack of basic business knowledge
- c) lack of business vision, mission and strategy
- d) strong solidarity with employees and therefore lack of clear human resource policy
- e) lack of marketing and sales strategy

Effects of the workshop and need assessments

Representatives of the social enterprises evaluated Workshop as useful especially in terms of understanding different aspects and angles of business management. It was also helpful to define business areas which they haven't work on previously or do not have enough knowledge about it and where they need professional support. Several social enterprises representative emphasized the benefit of meeting and talking to other

³ Originally in the project proposal the Workshop was designed to be an informative session for social enterprises in order to motivate them to apply, but at the first meeting of the project team and Coalition this was changed to a workshop with selected social enterprises for their need assessment.



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social entrepreneurs in the workshop (especially those from outside of Belgrade). Concerning the need assessment it has been done based on the input provided at the workshop by representatives of the social enterprises (of course using the data from the application as well) and they changed only in two cases, which showed that it was properly designed.

6. Mentorship and consultants support to social enterprises

This was the main part of the project. It lasted for seven months. Mentorship and consultants support is designed as a non-financial advisory support to social enterprises. However, this mentorship methodology brings added value in terms of sustainable social businesses' development, collaboration between social enterprises and large successful companies and strategic investment into the field of social economy. The mentorship methodology of this kind has proved successful for business development of enterprises, especially in vulnerable periods of their operations.⁴

Each enterprise got their own business expert according to the specific needs they had, who monitored the enterprises' performance and development providing consulting support and help them in solving some of their current and/or strategic problems. The hours of their minimum engagement were specified as well as means of their mutual collaboration (visits, meetings, e-mails, telephone calls). Both mentors and mentees were obliged to obey the principles of collaboration specified in the agreement regulating the mentor-mentee relations and mutual responsibilities.

Business consultants were chosen from the fields which are most needed for the development of the social enterprises (marketing and sales; tender preparation and contract negotiation, finance, PR, project management). These consultants had a crucial role in defining the concrete business development needs and preparing, according to enterprises' specific needs, business development plans for each of social enterprises. These development plans were supposed to be implemented during the mentorship process, and experts provided their consultancy support in applying the parts of these plans which related to their area of expertise. These individuals also provided written report on the program's success after its completion, including the quality of mentorship collaboration and improvement of business operations of the enterprises.

⁴ Similar programs have been applied in countries across the world; Smart Kolektiv' has learnt a lot from the experience of the business mentorship methodology developed by the program called Youth Business International, gathering business mentorship initiatives aimed at young entrepreneurs across the world (www.youthbusiness.org). Smart Kolektiv has completed special training to implement developed methodology in Serbia.



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Apart from preparing reports, preparing and monitoring development plans and performing evaluations, these business experts were available during the whole mentoring process in order to help mentees in more sound and professional directing of the advisory process when it comes to some specific field of business expertise.

The mutual responsibilities of business experts, business mentors and mentees (social enterprises) were defined in a contract. Business experts' responsibilities included the following: writing of the business development plan to be implemented during the program according to the identified needs of each social enterprise; meeting mentees and mentors twice during the mentorship support in order to assess the program's progress and advice on its further implementation; writing the final report paper, evaluating the success of the entire program in terms of business development of each particular social enterprise.

Final reports of the consultants were written very well describing the social enterprises, their main features and current problems. Depending on the problem, consultants were able to assist social enterprises more or less. For instance eko BaG did not have clear customer target groups, after work with the consultant they have a clear customer approach defined on the several characteristics (multinationals with CSR agendas, marketing agencies, international organizations, local nongovernmental organizations, ministries and fashion agencies). On the other hand for Women Center Uzice, problem that was identified was lack of product and what would they produce as unique product of their social enterprise. In their case consultant could not do much since she can not define the production and select the product for the social enterprise. In that sense cooperation between the social enterprise and consultant was stuck.

Each final report has SWOT analyses which were targeting real strengths and weaknesses and opportunities and challenges and not arbitrarily chosen. Some of the SWOT analyses show great strengths like good premises, commitment of the employees, good products etc but also some great weaknesses like no sale, marketing strategy, low financial capacity, lack of basic business knowledge. In the report objectives are set and if necessary modified. Action plan was always developed at the beginning of the cooperation and then modified if needed. Impact is the next item in the final report which was tackled and it was divided in the short and long term impact. In general Clients/Social Enterprises were highly satisfied with inputs and consultancy intervention provided to them. At the end of the report consultants did provide, recommendations for the future development of the social enterprises as well as general comments which could be very useful, they also provided lessons learned and challenges which were helpful for the improvement of the methodology and program in the future (like: avoid summer months for implementation, continued work with the same



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social enterprises is essential, consultants among each other should have a space to share experience and learn from each case study).

Effects of the consultants and mentors support

Through the reports of the consultants/mentors and interviews with the social entrepreneurs (social enterprises representatives) it is obvious that this supports had great effects.

Interventions of the consultants went in two directions: one was instigating concrete activities that would lead to **short term impact**. This for many social enterprises has been made in the area of: **Sales** - better targeting of the customers, improving sales process, creation of the plan for sales, new partnership established, creation of viable product portfolio, design of sales letter template, agreement with PwC Serbia to establish small sales stand for employees and clients in PwC's premises, creation of salesman job description, enhancing selling skills of new salesman, partnership with local municipality; **Marketing** improvement of the communications plan, tools (websites, promo material), new products suggested, design of the brand, promotion of the brand, introduced with the basic knowledge of marketing

The second direction of the intervention made by consultants was in creating a system that would support **Long term impact**. This has been made in the area of: **Strategic planning** (creation of the business vision, mission, introducing Annual planning, long term partnership established, communication strategy, stakeholder analyses, developed Sales and Marketing Strategy), **Human Resource** (systematization of the working places, recruiting system, HR procedures, employees motivation and satisfaction, delegation), **Organisational culture** (changing organizational culture – outward oriented rather than self – sufficient, being more responsive to market or community trends, creating more market driven culture, changing people's mindset, adjusting business model to your needs, include corporate volunteering as an addition to the standard sales offer to companies, **Organisational Development** (changing structure of the organization, business plan, improving finance)

Evidence of the improvements of social enterprises work

Here only hard evidence of the direct effects of the business consultant's support will be presented according to the indicators from the Guidelines on Monitoring and Evaluation of the Social Enterprises



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STUDIO is an art workshop founded in 2004 and its main purpose is to provide expert assistance to persons with special needs primarily through stimulation of their creative and work skills. Through the work with consultant Studio succeeded in:

- Partnership established and sales opportunity increase through agreement with PwC Serbia to establish small sales stand for employees and clients in PwC's premises
- From 20-25% of the organisational budget coming from income in previous years in 2011 it will be raised to 50% of the total budget. The sales and collecting in 2011 is more than doubled and by founder and leader of the organisation Studio this was only because of the radical change of the mindset and more business oriented approach "I want to thank our consultant for having patience to talk about business to somebody who did not know anything about the business"
- STUDIO has made the biggest sales ever - 2000 pieces for Euroturs in this year.

LICEULICE is independent nonprofit civil society organisation with the aim to contribute to social emancipation, economic, cultural and social inclusion, interculturalism, and environment. Team and consultant analyzed the previous year and altered the business plan so they managed:

- Increase not only in number of copies from 3000 to 5000 with a plan to reach 6000 copies in February 2012 but also in selling part from 50% to 70%. In total sold copies in six months time came from 1500 to 3500 copies. This happened due to the increase of selling location, new partnership developed, introduced subscription mechanism and hired another sales officer.

Naša kuća, CSO working with children and youth with disabilities. They are producing paper bags. Consultant suggested simple task for attracting clients: Since Naša kuća has already made thousands of paper bags for bread, consultant asked them to try to sell it: *Did you go to the neighboring bakery to ask whether they are interested to purchase paper bags?* So in simple one day by going to the local bakeries, Naša kuća has found two clients Bakery Grobanovski and Ruski Car which become their regular clients.



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Challenges

Of course there were some challenges that the project has raised. There were internal (within the social enterprises) challenges such as:

STUDIO has experienced a discussion and dispute within the organisation concerning new business/market approach by some of the old members that did not think this market approach is right. Behind that is actually fear that something might change in providing assistance to the youth with disability. This challenge has been successfully overcome.

Pirotex, state owned company with limited liability status. The company is a market-oriented and basic economic effect achieved by the production and sale of products made of polyethylene, printed on the packaging, purchasing and recycling of polyethylene as well as non-hazardous waste. The General Manager is demotivated to conduct any marketing activities because of political pressure coming from local authorities. Local authorities are jealous because Pirotex is supported through the budget of the Government almost in the same amount like local authorities. Project was not too much attractive to her because she was more focused on receiving money (funds from the Government) than establishing managerial systems. In order to achieve its social objectives the company has to be more professional and consistent in management strategy.

There are also objective challenges that could threaten existence of the social enterprises or hinder the program. For instance: Local consultants could not be found for some of the enterprises at the local level. One of the organisations dropped out of the program and entered in commercial business.

Lessons learned

Concerning the program implementation:

- Using different consultant and mentor with one social enterprises could be too complicated and less successful.
- Summer (holiday) period was not a good period to implement the project
- Smart Kolektiv has to be involved in entire communication process between the companies and consultants / mentors



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- One organised meeting of all consultants was excellent idea and it should be a regular practice
- For the majority of the social enterprises, consultants intervention brought totally new perspective and way of thinking, it is important to keep this momentum
- Seven months is not enough time to see results of these changes even in traditional entrepreneurship.
- Bigger effects on sales and marketing would be accomplished if there were any budget for this kind of activities
- The consultation process needs time and sometimes it was hard to find this time, due to the workload of staff or also consultants. This should be overcome somehow

Recommendations

- Selection process should encompass interviews with the potential beneficiaries of the program in order to ensure that only those committed to the idea of the social entrepreneurship could be the beneficiaries of the program.
- It would be good to continue with this kind of support with the same social enterprises but to extend to new/others as well. This kind of the support should last longer than seven months.
- Financial support should be available parallel to this professional support
- Hiring local consultants for social enterprises is highly recommended, since they are more familiar with the local environment and stakeholders.
- Joint and simultaneous consultant/mentor approach to intervention is more effective to the separate functions one, since the same person does the diagnosis, sets the action plan and executes it. On the other hand, social enterprise representative(s) get used to one person's dynamics, approach and tactics without the need to adjust to new ones.
- Summer (holiday) period for this kind of project should be avoided
- Smart Kolektiv has to be involved in entire communication process between the companies and consultants / mentors



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- Social enterprises should be more proactive in contacts with consultants; they should have clear understanding of the benefit they could have and show their commitment to this relationship
- Joint trainings could be delivered to groups of social enterprises who lack knowledge in certain areas (for instance sales skills).
- Consultants should meet on regular basis (e.g. monthly) to share ideas, problems and manner of intervention.
- From the experience from the project it would be useful to develop a detailed framework of cooperation between the consultant and social enterprises.
- Creation of the common brand *Social Enterprise Brand* which would help all the products in selling and social enterprises in positioning at the market,
- For the state owned social enterprises state, ministry should support recommendations made for this enterprises since they are not interested in change.

What are the current needs of the social enterprises?

Those social enterprises that were interviewed said: assistance in strategic planning, financial support, redefinition of the business plan, training/education, credit loans, and continuation of this project.