

The social entrepreneurship guide

STEPS TOWARDS SOCIAL ENTREPRENEURSHIP



YOUTH FOR EXCHANGE AND UNDERSTANDING

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INTRODUCTION

PREAMBLE

This guide was created by the participants of the training course “Transforming problems into solutions; developing social entrepreneurship skills for supporting young's people autonomy and combating exclusion”. Because of its significance, it was decided that the training course will be under the title of the YEU annual event “YEU Developing YOU-2014”. The training course was organised by Youth for Exchange and Understanding International. It was financially supported by the European Youth Foundation and the Council of Europe and it was hosted by the Municipality of Perugia, Perugiassisi 2019 Foundation and, ADISU - Regional Agency for Students rights.

This guide aims to introduce its readers with the concept of social entrepreneurship and its surrounding features. It also intends to indicate the steps that (young) people can follow in order to become social entrepreneurs. Enjoy your reading!

YEU INTERNATIONAL

Youth for Exchange and Understanding International (YEU) is a youth international non-governmental organisation which was established in 1986 in Strasburg and since that has set as its mission the support of young people. Currently its member organizations are spread across the Europe and Africa. YEU is a full member of the European Youth Forum, the platform of na-

tional youth councils and international non-governmental organisations. As such, YEU promotes tolerance and diversity within young people, solidarity, peace and the peaceful resolution of conflicts, understanding, respect for human rights, cooperation, cultural diversity, inclusion of youth in society and youth policy making. To achieve its mission, YEU uses non-formal education which enables young people to self-direct their learning and build holistically their competences. Its main activities include the annual International Youth Convention, the annual YEU Developing YOU event, international youth exchanges, training courses, work camps and work groups. You can read more about YEU at www.yeu-international.org

THE EUROPEAN YOUTH FOUNDATION AND THE COUNCIL OF EUROPE

The Council of Europe is the continent's leading human rights organization. It includes 47 member states, 28 of which are members of the European Union. All Council of Europe member states have signed up to the European Convention on Human Rights, a treaty designed to protect human rights, democracy and the rule of law. More information about the Council of Europe can be found at <http://hub.coe.int/>

The European Youth Foundation (EYF) is a fund established in 1972 by the Council of Europe to provide financial support for European youth activities. Its purpose is to encourage co-operation among young people in Europe by providing financial support to such European youth activities which serve the promotion of peace, understanding and co-operation in a spirit of respect

for the Council of Europe's fundamental values such as human rights, democracy, tolerance and solidarity. If you want to read more about the European Youth Foundation, visit <http://www.coe.int/web/european-youth-foundation>

ANNUAL "YEU DEVELOPING YOU" EVENT

YEU Developing YOU is an annual event of YEU aiming to build the capacities of YEU's member organizations, or the young people who are involved in YEU's member organizations. Every year, YEU decides which event will be under the title of "YEU Developing YOU" according to the current needs of the network and the young people. YEU, realizing that nowadays more and more educated but unemployed young people delve into unemployment and social exclusion, decided to announce the training course "Transforming problems into solutions; developing social entrepreneurship skills for supporting young's people autonomy and combating exclusion" the YEU Developing YOU-2014 event.

YEU DEVELOPING YOU 2014- TRANSFORMING PROBLEMS INTO SOLUTIONS

"Transforming problems into solutions; developing social entrepreneurship skills for supporting young's people autonomy and combating exclusion" was a 7days training course which took place in Perugia, Italy, 1-7 of April 2014. The training course targeted unemployed young people from all over Europe and neighbouring countries and enhanced their skills regarding social entrepreneurship as a means to transit to labour market and solve

social problems.

The objectives of the project were

- To explore current situation regarding unemployment and social exclusion and the link between them
- To work with the social entrepreneurship principles
- To create the strategic plan of their social entrepreneurship initiative

During the activity, the participants were engaged in various activities in order to define the concept of social entrepreneurship and the skills that a social entrepreneur needs to have in order to succeed. They had the opportunity to discuss about the current business structures and the values that differentiate a social entrepreneur as an active citizen in the society. Furthermore, they analysed the processes that a person needs to follow in order to set up a successful social enterprise, such as the concrete definition of objectives and visions, the current opportunities for funding and further support and networking. Additionally, the participants had the exceptional opportunity to meet local social entrepreneurs and inform local people about social entrepreneurship and the opportunities which lie within the concept. On a personal level, the participants were given the chance to develop their individual action plans and work on the practical implementation of their future social enterprises.

BACKGROUND INFORMATION ON SOCIAL ENTREPRENEURSHIP

SOCIAL ENTREPRENEURSHIP

Social enterprises are recognized as a vehicle for social and economic cohesion across Europe as they help to build a pluralistic and resilient society. Building on the strengths of a long social economy tradition, social entrepreneurs are also drivers of change, creating innovative solutions to the big challenges that face us today. Acting in the general interest, they create jobs, provide innovative products and services, and promote a more sustainable economy. They are based on values of solidarity and empowerment; they create opportunities and hope for the future. Social enterprises come in many shapes and sizes and take different legal forms across Europe. As stated in the European Commission's Social Business Initiative (SBI1), they have the following common characteristics:

- Having a social or societal objective of the common good as the reason for their economic activity, often in the form of a high level of social innovation,
- Profits being mainly reinvested with a view to achieving this social objective,
- A method of organization or ownership system reflecting their mission, using democratic governance or participatory principles or focusing on social justice

Social enterprises offer a model for a 21st century business that

balances financial, social, cultural and environmental needs. Social entrepreneurs are agents of change, as individuals and groups who are passionate about improving the lives of people and communities. Social enterprises work. They are effective. There is no part of Europe that cannot benefit from social entrepreneurship. At this time of economic crisis and with the challenges of an aging population, youth unemployment, climate change and increasing inequalities, Europe needs more social entrepreneurs!

SOCIAL VS BUSINESS ENTREPRENEURSHIP

- Like any business entrepreneur, social entrepreneurs also find gaps and create a venture to serve the un-served "markets".
- The primary difference between the business and the social entrepreneurs is the purpose for setting up the venture. While the business entrepreneurs' efforts focus on building a business and earning profits, the social entrepreneurs' purpose is to create social change.
- A business entrepreneur may create changes in the society, but that is not the primary purpose of starting the venture. Similarly, a social entrepreneur may generate profits, but for him/her that is not the primary reason for starting the venture.
- Profitability - not 'profit-making' - however, is important for the social entrepreneur. Being 'profitable' helps self-sustainability of the venture, and also works as a mechanism for self-monitoring. To quote Dr Yunus (Grameen Bank, Bangladesh):

"Grameen's central focus is to help poor borrower move out of

poverty, not making money. Making profit is always recognized as a necessary condition of success to show that we are covering costs. Volume of profit is not important in Grameen in money-making sense, but important as an indicator of efficiency."

- Another key difference between the social and the business entrepreneur is in the meaning of wealth creation. For the business entrepreneur, 'wealth' is same as profits. For the social entrepreneur, however, wealth also encompasses creation/sustenance of the social and environmental capital. Therefore, to be viable, a social entrepreneurship venture must show a positive Social and/or Environmental capital.

YOUNG SOCIAL ENTREPRENEURS

WHY YOUNG SOCIAL ENTREPRENEURS ARE IMPORTANT?

Young social entrepreneurs are important because they:

- promote active citizenship
- are an example of what the youth can achieve
- can solve social problems (e.g. unemployment, exclusion)
- bring in a fresh approach to social issues
- inspire progress
- are the engine of a sustainable future
- the social enterprises of young people can encompass all disadvantaged groups of population

Youth social entrepreneurship is an increasingly common approach to engage youth voice in solving social problems. Youth organizations and programs promote these efforts through a variety of incentives to young people. One such program is Young Social Pioneers, which invests in the power and promise of Australia's young leaders. The program, which is an initiative of The Foundation for Young Australians, strengthens, supports and celebrates the role of young people in creating positive change in their communities. Programs in the USA include Ashoka's Youth Venture (which provides educational materials, challenges and grants), Do Something (which provides project ideas, grants and media exposure), and RandomKid (which provides youth with a wide range of free tools and resources to increase their social impact.) An example in the United Kingdom would be The Duke of Edinburgh's International Award, which has a component for encouraging and recognizing social innovation; and in Canada, one place youth can find opportunities, networks and support is at Take IT Global.

Fast Company Magazine annually publishes a list of the twenty-five best social entrepreneurs, which the magazine defines as organizations "using the disciplines of the corporate world to tackle daunting social problems." In 2009, BusinessWeek followed suit, publishing a review of America's twenty-five most promising social entrepreneurs, defined as "enterprising individuals who apply business practices to solving societal problems." Forbes launched their 30 Under 30 Social Entrepreneurs in 2011, recognizing "folks who apply their entrepreneurial chutzpah to a social problem to make the world a better place. They're creative, do-gooding business people, and they're getting a lot done.

Differences and similarities with other concepts

Similar to social entrepreneurship there is a series of traditional concepts. Among these we find NGOs, charity organizations, governmental programs and traditional businesses.

Social enterprises share the focus on social issues with (for example) NGOs. In contrast to them they focus on acquiring profit, similar to traditional businesses. However, the priority lies on solving the social problem. Since they are not a governmental program, everybody can start a social enterprise. Unlike projects funded by the government social enterprises are independent of political parties or the sympathy of the government.

STEPS TOWARDS SOCIAL ENTREPRENEURSHIP

Indeed, creating a social enterprise is not an easy task. Social entrepreneurs can be identified from their particular and extraordinary way of thinking. They can be called “visioners” that need to adopt a new perspective on the current social issues. They should be able to deal with a problem from a new, different perspective and find the best innovative solution. Moreover, they should be motivated enough to take up future challenges. They should have a strong personality and a capacity to encourage and inspire the others in order to participate in this crucial purpose. This is the major reason why social entrepreneurs should have strong leadership skills and thus lead others to adopt their way of thinking. Simultaneously, social entrepreneurship implies values such as ambition, courage, honesty and passion for what you wish to change. As already mentioned, social entrepreneurs have a diffi-

cult and challenging task to face. In order for them to be considered as such, they need to follow some specific and crucial steps.

// The main step is to identify the problem that you really want to find a solution to and for which you are willing to bring a change. Undoubtedly, there are various social issues in the world that require a change but each social entrepreneur should find one problem that he/she has a strong will to deal with. Social entrepreneurs really need to be motivated and ready to face all the blockers or difficulties that could arise while working on it.

// After the identification of the problem, social entrepreneurs need to find innovative solutions to the particular problem. Being original, inventive as well as finding unconventional ideas could ultimately lead to the success of your plan. Social entrepreneurs should focus on the present but in the same time to consider the future. They should always question their own thoughts and steps so as to become better. Thus, they need to constantly think beyond to break the established norms and mind-set.

// Social entrepreneurship takes place on an individual level but in order for it to succeed; social entrepreneurs need to move to another step: find a group of people that share the same vision as them and who are willing to support the implementation of the plan. Encouraging and inspiring others for a common vision is one of the most fundamental steps in the field of social entrepreneurship. A group of people that are part of the same vision implies power, collectiveness and ultimately leads to the achievement of the goal.

// Taking into consideration the legal national, regional and in-

ternational framework is highly significant in the career of social entrepreneurs, they should keep in mind the registration and administration processes, the time frames applied and the legal responsibilities that are associated with setting up an enterprise.

// The specification of the kind of financial and institutional resources that the social entrepreneurs need is another essential step in order to plan a sustainable enterprise. Sponsorship for the project is something that social entrepreneurs need to highly focus on.

// Concrete research on business structures and knowledge of how the market works becomes another crucial step. Social entrepreneurs need to take into consideration factors such as the cultural and market demands. Their ideas should apply to both in order to have a successful, demanding and attractive project.

// Promoting the overall plan is one of the main objectives of social entrepreneurship by using the “word to mouth” process and other networking possibilities within the state and other organizations.

BRIEF PLAN OF THE STEPS:

1. Define the social problem that needs to be solved
2. Define the skills you already possess and put an accent on your strengths
3. Research the local marketplace
4. Familiarise with your objective and develop your idea
5. Find a team that shares the same vision and are willing to

- support you (for the implementation)
6. Create an Action Plan
 - a. Specify: goal, vision, mission, values, problems
 - b. Take into consideration the legal framework
 - c. Develop a business plan
 - d. Set up time frames and deadlines
 7. Specify what kind of resources you need (financial, logistics, communication, infrastructure, timeline of the project) and plan how you can obtain them
 8. Find out about legal issues
 9. Look for partners who can cooperate with you
 10. Hunt for funds and negotiate with potential funders
 11. Start investing your money into the idea
 12. Advertise your business firstly with teasers and later with an advertisement campaign
 13. Don't forget the networking

LEARNING FROM OTHERS

EXAMPLES OF SOCIAL ENTERPRISES

ÇÖP(M)ADAM

What does the name mean?

“Çöp” means “garbage” in Turkish and “madam” has the same meaning as the French word. “Çöp(m)adam” (Garbage Ladies) is symbolic and it means taking garbage and turning it into something fashionable and fun; even though it sounds weird

What is the aim of the project?

In the ten minutes it takes to read this presentation, 5.000.000 tons of waste will be produced worldwide. When it comes to reducing environment impacts, nothing is more important to us than growing and living sustainably with our planet. There is a community-based project that would allow the organizers to address current social needs of Turkey ranging from waste reduction to women empowerment. Carefully researched to identify gaps in the marketplace and provide meaningful solutions to critical issues while simultaneously aligning with both sponsors' business and sustainability objectives, çöp(m)adam together with organizers joined forces in the last two years in order to contribute more effectively to our planet.

What are the products?

The newest fashion trend in handbags, are sweeping Turkey and putting shopper's money towards a good cause. It is a cause which on one hand touches the issue of women empowerment, on the other the issue of waste reduction. Made entirely out of wrappers, a less fortunate group of Turkish women have created a one-of-a-kind accessory that puts glamour into recycled goods.

What is their website?

<http://www.copmadam.com/>

THE FARM OF CHANGE (THE FOCH)

What is their mission?

The enterprise is about building houses for homeless people, providing them with farms to produce goods, in order to make their

own living. The enterprise will guarantee them that the goods will be realized on the market. The enterprise aims to support social change by giving equal opportunities for everyone, that is, by empowering them with resources and skills needed for more than just their own self-sufficiency.

What is their vision?

Their vision is of a more equal world where everyone will be integrated and contributing to the society. This society will give second opportunities to the homeless people, create safer cities and more developed rural areas.

What is their website

[https://www.salto-youth.net/downloads/toolbox_tool_download-file-1060/Business plan_TheFOCH.pdf](https://www.salto-youth.net/downloads/toolbox_tool_download-file-1060/Business_plan_TheFOCH.pdf)

WELL-KNOWN SOCIAL ENTREPRENEURS

BILL DRAYTON

Bill Drayton isn't just a great example of a social entrepreneur, he actually helped to define and promote the term itself. Drayton is the founder and current chair of Ashoka: Innovators for the Public, an organization that is dedicated to finding and helping social entrepreneurs around the world. Drayton spreads out his social entrepreneurship expertise in other organizations as well, working as a chairman at "Community Greens", "Youth Venture" and "Get America Working!" in addition to his duties at Ashoka.

As of 2010, Ashoka Foundation has sponsored 2,145 fellows in 73 countries, some of which have gone on to develop leading social businesses that have made a huge impact on communities around the world.

MUHAMMAD YUNUS

Bring up social entrepreneurs and one of the first names you're likely to encounter is that of Muhammad Yunus. Yunus has quite literally written the book on social entrepreneurship, sharing his expertise in microfinance and social capitalism through a number of books. Yunus is the founder of the Grameen Bank, an institution that provides microcredit loans to those in need to help them develop financial self-sufficiency. Founded in 1983, the bank has brought in a net income of more than \$10 million, and his work with the organization landed Yunus a Nobel Prize in 2006.

BLAKE MYCOSKIE

TOMS founder Mycoskie makes this list because, unlike many of these other ventures, almost everyone with an awareness of pop culture has heard of this social brand. Its popularity has spread like wildfire, which is a good thing both for Mycoskie and for the people that TOMS aims to help. Mycoskie founded TOMS in 2006 after a visit to Argentina where he learned that many children get sick or injured because they do not have shoes to wear.

To combat this, he created TOMS, a business that donates one pair of shoes to needy people for every pair that's bought. So far, the company has donated more than a million pairs of shoes. In 2011, the company launched another initiative which aims to give

away a pair of glasses or sight-saving surgery for every pair of sunglasses or glasses sold.

EXAMPLES OF ACTION PLANS FROM THE “YEU DEVELOPING YOU 2014”

As it was also mentioned before, the participants of the training course “Transforming problems into solutions; developing social entrepreneurship skills for supporting young’s people autonomy and combating exclusion” have created personal development plans on how to start up a social enterprise. Here some participants agreed to share their action plans with you!

FROM CONSTANTINA ZANTIRA (CYPRUS)

“Having studied law, my personal development plan has the objective of providing legal services and assistance in relation to the registration and development of public benefit organisations, non-governmental organisations and social enterprises.

The target is to spread awareness on social entrepreneurship and activism and enhance the engagement of young people in this sector. In order to proceed with the action plan, it is imperative to start networking with existing non-governmental organisations, public bodies and people who are experienced in this field and have a success story to tell. This will be achieved by setting a team of people with the same goal, who will be administering the business and will start networking using social media and per-

sonal communication. Also, an important step is to conduct a research in relation to the existing local and international legal and business structures, as well as in relation to the funding opportunities, the social and market demands and the supporting organisations and public bodies.

An important impediment which has to be removed is people's reactions in light of the new business structure that unsettles the current norms. The arrangement of events, conferences and training courses will act as the connecting link in order to achieve the coordination of the team with other networks.

The goal will be achieved when the demand for the provision of the legal services will be raised after young people will start to get involved in setting up social enterprises and public benefit organisations. Also, the continued goal will be to raise awareness within youth in relation to the social business sector and the ongoing networking."

FROM GIAMMARCO CASANOVA (ITALY)

"The action plan I outlined is aimed at creating the first food-sharing online platform in the city where I live. Food-sharing was born as a way to avoid food wastage through free of charge sharing of one's leftovers with the others. The website, with relative app for smartphones and tablets, will ease the process of matching offers and requests as users will be able not only to give out but also to ask for something in particular, also thanks to geo-localization. The idea came looking at foodsharing.de, a similar website active in Germany that, up to now, has "saved" more than

34.500 Kg of food and gathered more than nine thousand active users. The key to success is to involve not only private citizens but also NGOs and societies to bring them together working on a common objective. The action plan shows the different strategies to overcome possible problems the start-up may face at the beginning; moving from a general objective, that is “provide an online food-sharing platform to the local community”, to specific actions “find partners, money, users, ...” there is plenty of space for creativity but at the same time, a solid structure to make ideas fit into logical schemes.”

FROM IVANA SEKULIC (MONTENEGRO)

“My action plan was about enhancing the work of my youth NGO “FOR BETTER TOMORROW” in the topic of youth social entrepreneurship.

The objectives of the action plan are:

- To promote social youth entrepreneurship
- Open a first youth social enterprise in the municipality of Niksic

The specific actions are:

- To organize workshops about social entrepreneurship
- To establish and strengthen cooperation between young entrepreneurs with outstanding entrepreneurs
- To organize the Regional Festival of social entrepreneurship's ideas
- To organize the national stock market for entrepreneurial ideas
- To open first youth social enterprise in Niksic within cooperation with Delegation of EU in Montenegro

- To provide a student exchange with youth entrepreneurs from Italy
- To write a new project proposal on social youth entrepreneurship with an aim to foster and encourage youngsters to proceed with education in this field.
- To carry out new seminars and trainings for youth entrepreneurs and ones who want to become entrepreneurs

The success criteria of the action plan are:

1. The increased number of youngsters who are interested in social entrepreneurship as a new opportunity to overcome increased deployment.
2. Investment in entrepreneurial ideas of youth entrepreneurs
3. Opening of first youth social enterprise Hair & Beauty Salon: Apolo and Afrodite in Municipality of Niksic
4. Continuous support of EU Delegation in Montenegro and Craft Chamber of Montenegro
5. Successful project management
6. Time Sustainability of project

In order to implement the action plan, the following support is required:

1. Funding support
2. Donations
3. Volunteers
4. Government
5. Local Authorities
6. Centre of Social Work
7. NGO sector
8. IPA funds

The necessary resources are:

1. Human resources
 - 1.1. Volunteers
 - 1.2. Social entrepreneurship experts
 - 1.3. Successful entrepreneurs
 - 1.4. Highly motivated students
 - 1.5. Trainers in this field
2. Financial resources
3. Space resources
4. Time resources
5. Technical resources
 - 5.1. Equipment
 - 5.2. Manuals
 - 5.3. Online publications
 - 5.4. Webinars on social entrepreneurship

DO YOU HAVE YOUR OWN IDEA?

Do you have your own idea for social entrepreneurship action plan? Below there are different ways on how to fund or promote it!

WAYS TO FUND YOUR IDEA AND/OR PROMOTE IT

WWW.STARTSOMEGOOD.COM // Start some good helps change makers to raise funds and change the world to something better
www.kiva.org Kiva empowers people around the world with small loans.

WWW.FUNDRAISING.ORG // Carlton & Company helps nonprofit or-

ganizations -- nationwide -- in developing successful fundraising programs that reach the right people and produce remarkable results! Carlton & Company has conducted capital fundraising for new buildings, transformational spaces, and revitalized communities. Their approach integrates leadership, coordination, energy, hard work... and gives you proven fundraising strategies that work in today's complex environment.

WWW.KICKSTARTER.COM // Kickstarter is a vibrant community of people working together to bring new things to life. Friends, fans, and inspired strangers have pledged \$1 billion to projects on Kickstarter, funding everything from homemade postcards to Oscar-winning documentaries

WWW.OPENIDEO.COM // OpenIDEO is an open innovation platform. You can join this global community to solve big challenges for social good.

WWW.FUNDLY.COM // Fundly help you to raise money for anything

WWW.YOUTHBANK.ORG // YouthBank is a unique way of involving young people in community activity. It does this as an all-island of Ireland initiative through a network of grant-making committees run by young people

WWW.CALVERTFOUNDATION.ORG // Calvert Foundation with the support of people is creating affordable housing, promoting education, protecting the environment, and creating numerous other impacts.

SOCIAL ENTREPRENEURSHIP CHECK LIST

1	2	3	4	5	6	7
Idea	Team	Objectives	Legal Issues	Partnerships	Funding	Realisation
Define your idea, skills and strengths	Find people to build a team	Establish common and concrete objectives	Outline possible law matters	Look for interested partners	Search and negotiate funds	Implement the idea and advertise it properly

INGREDIENTS OF SOCIAL ENTREPRENEURSHIP!

Lots of skills, Several objectives, 1 Team, Partners, A sprinkle of legal help, 2 or more funds, 1 implementation, A unique way to advertise, Strong networking, lots of courage and persistence

CONCLUDING REMARKS:

- If you decide to be a social entrepreneur, think of the improvements you will bring to your local community
- Develop yourself to develop community
- Familiarise with the principals of social enterprises.
- Importance of cooperation between social enterprise and traditional businesses
- Transform the idea into an action plan
- Make your social enterprise sustainable
- Networking is a necessity for the social entrepreneurship
- Well-organized and precise promotion leads to success!

BE THE
SOCIAL
ENTREPRENEUR
YOUR
COMMUNITY
NEEDS!

COUNCIL OF EUROPE



CONSEIL DE L'EUROPE

With the financial support of the
European Youth Foundation and the
Council of Europe