

WP T2

Testing Social Enterprise Support Models

ACTIVITY A.T2.3

Joint preparation and evaluation of pilots

D.T2.2.4

Summary Report on Pilot Action

Social Enterprise HUB

October 2018 – September 2019

Created by FOUNDATION FOR IMPROVEMENT OF EMPLOYMENT
POSSIBILITIES, PRIZMA

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1. Pilot Action Synopsis

Pilot Action Title	Social Enterprise HUB
Country	Slovenia
Region	Podravje
Name of the organisation	Foundation for improvement of employment opportunities Prizma
Contact Person:	Mateja Karničnik
Overall Objective	SEs able to play a prominent role in local economy.
Purpose of the pilot action	Improved managerial competencies and entrepreneurial mind-sets of SEs in the region.
Expected Results	30 SEs with improved business plan and/or equipped with new business skills. Established base group of mentors and advisors. Established network of SEs in the region.
Key Activities	<ol style="list-style-type: none"> 1. Setting up a SE support model 2. Empowering SEs 3. Hosting regular SE clubs
Key Stakeholders	Business support organisations, chambers, local companies, public authorities, ...
Target groups	<ul style="list-style-type: none"> • owners, managers and employees of SEs in Podravje region (direct TG) • mentors and business advisers (indirect TG) • SE support organisations and other businesses (indirect TG)
Author of the Report	Mateja Karničnik

2. Executive summary

The aim of the pilot action was to support SEs to be able to play a prominent role in local economy. With the objective to improve SEs managerial competencies and entrepreneurial mind-sets. The pilot target group were owners, managers and employees of SEs in Podravje region, while the indirect groups were mentors and business advisers who were involved in the network of supporting model for SEs, as well as the SE support organisations and other businesses that were involved in networking activities with SEs and were a part of the supporting model.

The evaluation was conducted with the purpose to get the information that will be important for a continuous improvement process of delivering support to SEs in the future. This information will also be used for the toolbox of social business mentoring services - information on how different aspects of a pilot action were working and the extent to which the objectives were met.

With the evaluation the relevance, efficiency, effectiveness, impact and sustainability were investigated by the use of different evaluation methods (monitoring, interviews and observation).

The major limitation in reaching the set targets was the discrepancy between the number of officially registered social enterprises and the ones operating. It was established that the registered number was mostly due to the past incentives from the state when this was the main reason to get the status. Such support was offered during the economic crises and not accompanied or followed with a systematic support to social enterprises.

Nevertheless, the pilot involved 27 SEs and established a database of mentors/advisers from which the mentors/advisors were engaged to support SEs in developing skills and activities according to their needs, identified at the first stage. Most of the mentoring/advising sessions were done in the field of marketing and sales, covering development of marketing, sales and communication plan, online marketing, B2B sales, entry to foreign markets, etc. The rest of the sessions were related to measuring social impact, HRM, legal issues regarding SE status, accounting, etc.

The involved SEs stated that the support they received was highly relevant, because it strengthened their abilities at points where they lacked knowledge and experience. Most relevant were the needs and priorities analysis activity at the beginning, engagement of thematic/specialist mentor/adviser with the skillset and experiences that matched the nature/business field of SEs needs and priorities, and continuous monitoring of the mentoring/advising process. considerable interest of potential mentors/advisors to support development and growth of SEs, and good cooperation of stakeholders of SE ecosystem in the region. The significant challenge in achieving pilot action objectives turned out to be the discrepancy between the official data on registered SEs and the actual situation in the sector. This also led to a minor deviation from the set target of SEs involved.

The activities of the pilot action are likely to improve the capabilities of SEs and their positive impact on regional economy. We can also predict that as a result of information and promotion of social entrepreneurship in the region the stakeholders and general public are more familiar with and more aware of the importance of social economy sector. Also supporting organisations and individuals (mentors/advisers) are more connected to the SE ecosystem.

The stakeholders connected during the Sentinel project build a network of supporting organisations and regional SE ecosystem, that will be further on maintained and developed within a national project focused on the ecosystem in Podravje region.

After piloting the mentoring support measure, it was established that in order to use all the potential and resources available it is crucial to connect with other subjects of the SE ecosystem, especially SE support organisations in local environments (stakeholders). Such networking enables better understanding and access to SEs as well as pooling of resources into an integrated support system. When starting with support of an individual SE it is highly important to devote certain time and attention to the need's analysis. Only when needs and priorities are well identified the offered support can be tailor made and relevant for the beneficiary. Just as important is also the identification of mentors/advisors with the right skillset, that can transmit their entrepreneurial experiences. It is also necessary to constantly monitor the progress of support activities to be able to adjust them to later identified additional needs or any changes that might happen during the support process.

3. Introduction

3.1 Short description of the pilot project

The **aim** of the pilot action was to support SEs to be able to play a prominent role in local economy. With the **objective** to improve SEs managerial competencies and entrepreneurial mind-sets, the pilot activities supported:

- Development of holistic approach to provision of individualized business support
- Setting up the network of social mentors and business advisers to support empowerment of SEs;
- Promoting peer learning through exchange of ideas, knowledge and experiences;
- SEs networking with businesses and support organisations in carrying out marketing activities;
- Establishment of cooperation of existing SE support organisations in the region.

The pilot **target group** were owners, managers and employees of SEs in Podravje region who are constrained with the insufficient level of business knowledge, skills and entrepreneurial mind-set. Their specific needs were already identified with the questionnaire during the initial analysis on SE needs conducted within the Sentinel project. The SEs in the region were approached individually by mentors, coming to their local environment to interview them and draw a development plan for the empowerment process. The mentoring and advising activities were implemented at the SEs locations, while training and networking took place at different locations throughout the Podravje region. This enabled better accessibility and availability of such services especially for SEs located in communities outside the regional centres.

Indirect target group of the pilot were mentors and business advisers who were involved in the network of supporting model for SEs. They were selected upon the established standards and competencies profile and engaged according to the specific needs of SEs. At the early stage of the pilot activity, the mentors and advisers were invited to the preparatory training on social economy and social innovation topics.

Another indirect target group of the pilot were SE support organisations and other businesses that were involved in networking activities with SEs and were a part of the supporting model. They comprise

members of national project stakeholder group and other stakeholders identified by SEs in their local environment.

3.2 Pilot evaluation

The evaluation was conducted with the purpose to get the information that will be important for a continuous improvement process of delivering support to SEs in the future. This information will also be used for the toolbox of social business mentoring services - information on how different aspects of a pilot action were working and the extent to which the objectives were met.

With the aim to determine the relevance, efficiency, effectiveness, impact and sustainability, the following key evaluation questions were investigated:

- How relevant is the pilot project to target groups' needs and priorities? (relevance)
- Were objectives achieved on time? (efficiency)
- To what extent were the objectives achieved/are likely to be achieved? (effectiveness)
- What were the major factors influencing the achievement or non-achievement of the objectives? (effectiveness)
- Based on the outcomes achieved in the pilot project, what is the likely impact? (impact)
- To what extent are the results likely to continue after the project? (sustainability)
- Is stakeholders' engagement likely to continue after project finished? (sustainability)

For the collection of the information three methods were used during the pilot action implementation:

- Monitoring of the mentoring/advising process at different steps (setting the first contact, checking the timing of sessions and their ending, documentation review, etc.)
- Interviews with the target group (owners, managers or employees at SEs) and the indirect target group (mentors/advisors to SEs), in order to better understand experience of both target groups
- Observation (to get an insight how mentoring/advising operates)

Before starting the implementation of the pilot action, the following results were planned:

- 30 SEs with improved business plan and/or equipped with new business skills
- Established base group of mentors and advisors
- Established network of SEs in the region

4. Indicators

	Indicator	Indicator description / comment	Starting situation / number	Planned situation / number	Ending situation / number
1.	Number of SEs involved in supporting measures.	SEs involved in the mentoring/advising support in the pilot action.	0	30	27
2.	Number of mentors, trainers and advisors engaged in supporting the SEs.	Mentors, trainers and advisors registered in the database of social business support provides.	0	50	60
3.	Number of sustainable networks established to support SE sector in the future.	A network of SE support organisations and stakeholders.	0	1	1

5. Findings and conclusions

5.1. Findings

The **first result** planned for the pilot action was set based on the official records of the registered social enterprises, managed by the Ministry of economic development and technology, responsible for the sector of social economy. Since the biggest share of all registered SEs in Slovenia is in Podravje region (almost 70 SEs) the targeted number of SEs involved in the pilot project was set a bit lower than half of all, being 30 SEs. After starting to communicate to the SEs the activities and possibilities of pilot action and doing a field research it was established, that more than half of all registered SEs in Podravje region don't operate (don't have any employee and/or no current account open or are in the process of liquidation). Since the ministry doesn't really systematically monitor or verify business operation of SEs, the evidence of registered SEs doesn't reflect the state of operating businesses. From other operating SEs certain share did not express any need for support nor showed the interest to be involved in the pilot action mentoring and networking activities. As a result, the number of provisionally involved SEs was reached to 90 % (27 SEs). Also, the level of their involvement was different, depending on their needs expressed during the initial interview at the first meeting (from mentoring/advising sessions for several business topics to quick fix and networking).

Most of the mentoring/advising sessions were done in the field of marketing and sales, covering development of marketing, sales and communication plan, online marketing, B2B sales, entry to foreign markets, etc. The rest of the sessions were related to measuring social impact, HRM, legal issues regarding SE status, accounting, etc.

On the other hand, the achievement of the **second result** exceeded the target value. The actual number of mentors, trainers and advisors ready to provide support to SEs and registered at the database managed by Prizma is for 20 % higher than originally planned (60 compared to targeted 50)

and the interest is still present. This indicates a rather widespread interest to encourage and empower SEs and the entire sector. While the number of involved mentors/trainers/advisers was reached, the duration of the pilot action did not allow the quality check of all of them in practice. Approval of entry into the database was based on the data provided in CV and stated references but could not be witnessed/confirmed during the practical work with SEs for all. According to the feedback of the SEs receiving support during the pilot action, the mentors/trainers/advisers did their job in good quality and in most cases met their needs and expectations. The SEs were mostly satisfied with flexibility of mentors/advisers in terms of time and content, taking into account their capabilities. On the other hand, mentors/advisers in some cases expressed their concern about the further implementation of the activities by SEs after sessions ended. The longer follow-up would in this case ensure better results.

Also, the **third result** was realized in form of a network of SEs, support organizations and stakeholders that are also members of the projects' stakeholder roundtable. Moreover, the network at the regional level connected to the national coordination group of SE stakeholders, linking the resources, activities and efforts to support the development and growth of the SE sector in Slovenia.

SWOT analysis of the pilot action

STRENGTHS		WEAKNESSES	
criteria examples Advantages of proposition? Capabilities? Competitive advantages? Resources, Assets, People? Experience, knowledge, data? Innovative aspects? Location and geographical? Price, value, quality? Cultural, attitudinal, behavioural?	First mentoring support scheme offered to SEs in the region Needs of SEs identified at the very early stage of the pilot action (during the first interview) Good response of potential mentors/advisers to the database enrolment request Established database with experienced mentors/advisers covering a variety of business areas Involved SEs with clearly defined needs and expectations from the mentoring support	Reliance on official records on operating SEs in the region, that don't reflect the actual situation SEs with a small number of employees, resulting in a mix of work tasks (multitasking), lack of focus on specific business function (in terms of time and skills), occupied with the social business survival (everyday struggle)	criteria examples Disadvantages of proposition? Gaps in capabilities? Reputation, presence and reach? Financials? Own known vulnerabilities? Timescales, deadlines and pressures?
OPPORTUNITIES		THREATS	
criteria examples Market developments? Competitors' vulnerabilities? Technology development and innovation?	Several projects running in the region and country that are supporting development of ecosystem for social economy Growing importance of social entrepreneurship as an instrument of social and development policy in EU.	Lack of coordination and cooperation between institutions to enable a friendly social business environment. Insufficient quality of legislative framework supporting the social economy and social enterprises. Underdeveloped or lacking instruments of financial support (including loans, guarantee funds, socially	criteria examples Political effects? Legislative effects? Environmental effects? IT developments?

Global influences?		<p>responsible investing, etc.).</p> <p>Local communities do not recognise the potentials of SEs and do not develop adequate support measures at local level.</p>	<p>New technologies, services, ideas?</p> <p>Sustaining internal capabilities?</p> <p>Obstacles faced?</p> <p>Insurmountable weaknesses?</p> <p>Sustainable financial backing?</p>
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5.2. Conclusions

In relation to the evaluation questions we can conclude the following:

How relevant is the project to target groups' needs and priorities? (relevance)

The involved SEs stated that the support they received was highly relevant, because it strengthened their abilities at points where they lacked knowledge and experience. Three main reasons for support being relevant were:

- The needs and priorities analysis activity as the first step of involvement into the support scheme where SEs identified their needs and shortages and objectives for mentoring/advising support were set.
- Engagement of thematic/specialist mentor/adviser with the skillset and experiences that matched the nature/business field of SEs needs and priorities.
- Continuous monitoring of the mentoring/advising process and checking the satisfaction with support provider and its methods.

Were objectives achieved on time? (efficiency) To what extent were the objectives achieved? What were the major factors influencing the achievement or non-achievement of the objectives? (effectiveness)

Most pilot action objectives were achieved on time to the planned extent, which was due to:

- Tailor-made nature of the support activities that were building on person-to-person relationship, not via institutional grand strategy, and managed by involved parties – mentees and mentors (including type and frequency of meetings).
- Considerable interest of potential mentors/advisors to support development and growth of SEs and the sector.
- Good cooperation established between Foundation Prizma and the SE supporting organisations in the Podravje region, that are at the same time also involved in the partnership of similar, but in terms of the scope of activities, duration and resources larger project.
- Satisfactory territorial coverage with the network of SE support organisations.

Although two of the objectives were achieved to the full extent (one even exceeds it), one of the objectives (30 SEs involved) was achieved to 90 %, which was affected by:

- A rather highly set target number of SEs involved in the support scheme that after starting pilot action turned out to be too ambitious. The gap between registered and actually operating SEs is substantial as it differs for more than 50 %. It is assumed that such a large dropout is a consequence of specific measures implemented in the past, that provided only financial support for the implementation of activities and employment, without support being provided to empower SEs for fostering their business activities. The other reason is probably also the fact, that SEs in Slovenia are defined as businesses with a social mission, while the significant share of SEs are by their basic organisational form an NGO with the focus on social mission and not so much on the business one.
- Only few SEs (less than 5 %) have 5 or more employees, majority only between 1 – 2, which prevents them from engaging more actively in mentoring or networking activities.

Based on the outcomes achieved in the pilot project, what is the likely impact? (impact)

At the point of the pilot action closure it is too early to assess the actual impact, it is more about prognosing the likely one. One also needs to bear in mind, that contributions of the pilot projects should be observed with other activities happening in the sector in the region.

The activities of the pilot action are likely to improve the capabilities of SEs and their positive impact on regional economy. SEs involved in the mentoring/advising activities reported to be better equipped with knowledge and skills for business growth. In some cases, the mentoring/advising was a first step towards strengthening specific skills and developing specific business activity, that will be followed by development activities in the future. Also, in networking some SEs or better to say their representatives (managers, employees) met for the first time and learned to know each other which is likely to continue and even grow into joint cooperation. We can also predict that as a result of information and promotion of social entrepreneurship in the region the stakeholders and general public are more familiar with and more aware of the importance of social economy sector. Also supporting organisations and individuals (mentors/advisers) are more connected to the SE ecosystem.

To what extent are the results likely to continue after the pilot project? (sustainability)

The likelihood of the sustainability of results is strong since the pilot action was connected to the activities of the similar project (SocioLab) that will run till the end of 2021 and is focusing considerable efforts and resources to development of SE ecosystem in the region, that would act as a model for transfer to other Slovenian regions. The model of tailored mentoring/advising support, database of mentors/advisors and network of SE supporting organisations will continue to be used with the SEs under the SocioLab and extended with the additional training programme in 8 modules, targeted also to social innovation initiatives and SE start-ups, not only SEs in operation. The lessons learnt from the Sentinel pilot action will feed into the SocioLab support model and development of SE ecosystem. Moreover, through the SocioLab advocacy activities the experiences of supporting SEs in operation will be presented at the national level and hopefully affect the measures of the national SE development strategy.

To capture at least some of the knowledge and experiences that mentors/advisors offered to the SEs – mentees in the pilot action and make it available for SEs in the future, we created the Workplace at Facebook community. This tool enabled us to offer virtual mentoring in form of pre-recorded thematic inputs, that were during the pilot tailored to SEs with the option of virtual discussion. The thematic videos were recorded by mentors/advisors and accompanied with the series of articles and posts, which offered the opportunity for two-way communication by comments and likes. This community will stay open to new members and contributions also in the future, not depending on the necessary financial sources as it is a free tool.

Is stakeholders' engagement likely to continue after project finished? (sustainability)

Sentinel pilot action contributed to the SocioLab activities in developing and strengthening the SE ecosystem in Podravje region, which connects different stakeholders of social economy. Moreover, this network is connected to the national level with their representatives being members of the Council of social economy, that will elaborate the strategy of social economy development for the upcoming period.

5.3. Further steps (Action plan), sustainability and transferability potentials:

The model of supporting already operating SEs with tailored mentoring/advising support and networking opportunities in cooperation with the SE supporting organisations in the region will be further on used in the SocioLab model, that is also extended with the modular training programme and support to the initiatives and start-ups, as well as other entities of social economy (beside SEs). The Podravje region is the one where this model will be further developed and tested till the end of 2021 and if evaluated to be successful has a potential to get support to be transferred also to other regions or spread to the national level.

The experiences and tools tested in the pilot action will also feed into the Toolbox of social business mentoring support that will be used for the SocioLab model, too. The tested tools and models will also be presented to the national coordination group of stakeholders, informally established during the time of pilot action implementation. This group represents a good platform for exchange of experiences and good practice gained through implementation of different national and European projects and also as an expert group involved in activities for SE development.

6. Lessons learned and Recommendations

The pilot implementation enabled us to learn the following:

In order to use all the potential and resources available it is crucial to connect with other subjects of the SE ecosystem, especially SE support organisations in local environments (stakeholders). Such networking enables better understanding and access to SEs as well as pooling of resources into an integrated support system.

When starting with support of an individual SE it is highly important to devote certain time and attention to the need's analysis. Only when needs and priorities are well identified the offered support can be tailor made and relevant for the beneficiary. Just as important as identification of needs is also the identification of mentors/advisors with the right skillset, that can transmit their entrepreneurial experiences. It is also necessary to constantly monitor the progress of support activities to be able to adjust them to later identified additional needs or any changes that might happen during the support process. This should be accompanied with the continuous encouragement of participants to keep them on track (be in continuous contact with them).

Depending on the size, location and business activity of the SE different forms (one-on-one, in-house, group or virtual) should be used to enable customization of the support to SEs capabilities.

To ensure success and sustainability of SEs the mix of different measures is recommended:

- customized support for SEs to develop knowledge and skills for development and growth of their business
- financial support in form of different financial instruments and incentives
- incentives for business cooperation with corporates and public institutions
- promotion of the importance of social economy sector for the economy and society

As witnessed from the past the implementation of only one of the measures can result in short life cycle of the SE or business on the brink of survival, unable to develop and grow on the long run.