



SO, YOU WANNA START A SOCIAL ENTERPRISE?

SO YOU WANNA START...

INTRODUCTION

So, you've got something you're passionate about, good at and want to turn that into a business right? But not any old business, one with a social purpose behind it. In other words, you want to start a social enterprise. Well, it just so happens we know a thing or two about setting one up!

When we first set up GirlDreamer, we had NO idea what we were doing and we mean **NONE**, n-a-d-a. We had no idea about legal structure, registering, the legalities and all those scary, jargon-filled official steps you need to take to actually get set up. So, we did the long thing and learned as we went along, asked lovely fellow entrepreneurial friends a tonne of questions and eventually got there after about 3 years!

Our guess though, is that you want to get started sometime this century? Right! So, if that's the case, we thought we might speed things up a bit and give you the basics around setting up a social enterprise. It's not everything you need to know and definitely isn't in detail (we go over that in one of our programmes) - but it's very much a starter guide. We're going to break this down in five steps and hope it gives you more insight by the end than what you may have entered with.



Start where you are, use what you have, do what you can



10 FUNDAMENTAL FACTS ABOUT A SOCIAL ENTERPRISE

A social enterprise. . .

- Is **not** a legal structure. We repeat, a social enterprise is **not** a legal structure
- Is a way of doing business that benefits more than the owners of the company - something 'mission' or 'purpose'-led for example
- Has a social, economic, environmental or community at its core - which is what separates it from being a regular business
- Can provide **any** service
- **Can** apply for grant funding
- Should **not** rely on grant funding
- **Should** generate profits and it's own income.
- **Reinvests** profits to its social mission (although some surplus can go to owners)
- Is **not** the same as a charity
- **Must** be registered as all other businesses and charities are via gov.uk

STEP 1: AN IDEA INTO A PLAN

Before you get excited and jump right in, you need an idea. A solid one. You need something you're passionate about, something you may be good at, something that addresses a need AND something that generates income. Remember, a social enterprise is still a business and it's really easy to forget that 'business' element when focusing on your social passion.

Get that business plan together before you even think about taking the dive. We didn't and oh boy, did we pay for it as we had to learn and unlearn everything as we were in motion and let us tell you, Instagam makes it look way to easy!

It's not glamorous to always hustle like this. Careful planning will save you so much time and drama along the way, so make sure you curb your urge to just 'go, go, go' and get some solid plans in place.

One really great tool we've used in our both our personal and professional lives is the Japanese concept of **Ikigai**.



The value of an idea lies in the using of it



STEP 1 CONTINUED...

This Japanese concept focuses on four core areas:

- What you love
- What you're good at
- What the world needs
- What you can be paid for

We'll leave you to read up on it more and get stuck in when researching, planning and dreaming up your idea, but tools like this really ensure you will not only have a great idea what will help the world, but will ensure you maintain a sustainable business that pays you and the people involved.

TOP GD TIP:

Don't rush the idea and don't beat yourself up if you find that you have scribbled out 100 ideas and can't seem to get what IT is. You are starting something new, you won't have worked out all the kinks yet, so don't start with a perfectionist attitude. It will constantly block you. Once you have the overall mission and understanding in place, you can use the other steps to build on it. Nothing is perfect and that's ok.

STEP 2: THE DREAM TEAM

A good business is run by good people. A team that is driven and dedicated to the mission more than the money because let us tell you, at the beginning and during phases of the business, money can be tight. Especially if you're building a business from the ground up and don't have access to generous supporters to pump money into your idea. So, if you're team "from scratch" then people are your best asset.

The right team is essential. We cannot stress this enough. Even if that team is you and one other person to begin with, that one person is so vital to not only your business, but you as a person. You will have someone to not only share the workload with but to also share the highs, the lows, the stresses and the laughs with.

For us, having two co-founders was the best possible way to go into this.

**EDUCATE.
ELEVATE.
EMPOWER.**

However, we do understand there are some of you that want to go at it alone, which is absolutely fine and we salute you, but the same rule applies when you eventually begin hiring and putting a team together. You still want the people you bring into your business that you built to share a passion and drive for the mission. Hard-working individuals who can help elevate your hard work and take it to the next level with you, as a team.

Once you figure out who's starting this venture, whether it be just you, a team of two or a team of 10, you may want to do a SWOT analysis. This is a simple method for you to see what your strengths, weaknesses, opportunities and threats are. It's a great way to understand how your idea may play out along with the person/people attached to it before you go in all guns blazing.

TOP GD TIP:

Take your time finding the right person/people. Do not rush this process if you are finding it difficult because there's nothing more detrimental than to bring in anyone and have to deal with the repercussions of the mess that may be made. It's more work for you than it is helpful. There's no rush. If you're doing ok on your own or with a small team, then keep it that way until you need the additional help AND can find the suitable person/people to join you.



Invest in people who invest in you



SWOT ANALYSIS

STRENGTHS - WEAKNESSES - OPPORTUNITIES - THREATS



STEP 3: THE LEGALITIES

Once the fun part is over and you've spent all those days, months and years dreaming, forming your idea, doing your research and even got your people in place, you get to that dreaded part. That part where you now have to get into admin mode, learn how to legally bring that idea to life and then what legalities surround it so you don't end up with some backdoor registered company and get shut down for something illegal you didn't know about because you didn't understand all the jargon and ticked the box anyway! Yep, don't worry, this nightmare phase happens to the best of us.

When it's time to register, you also need to think about who the directors of the company are. For most social enterprises, 3 is the magic number. You'll see this time and time when applying for funding as funders tend to require you to have at least 3 unrelated board members who govern your organisation. This number can increase to however many you like but three is your base.

Coming back to the importance of people, you want a solid team here. These are the people who essentially have power and govern your organisation. You can of course be on your board but it's best to mix it up and have some people on there who have skills in areas you may think are

beneficial to your organisation but you currently don't possess. Think carefully and wisely about this part.

Luckily, we've made all the mistakes you can think of so here's a simple link for how you go about registering your private limited company and the checklist you need with it:

Head to:

www.gov.uk/limited-company-formation/register-your-company {FYI: please note it costs £12 to register online or £40 by post}

TOP GD TIP:

Research the different types of private limited companies that will constitute as a social enterprise. For example: 'private limited company without guarantee and no shares' or just 'private limited company without guarantee' or perhaps a 'CIC' is best. Either way, Google these terms and see what is best for you before registering as you'll need to tell gov.uk what legal structure you want to be set up as. This also makes all the difference when you get to apply for funding as all funders will ask what your legal set up is to ensure you qualify for grants.



The boring yet, very important side of business.

STEP 4: COMMUNITY IS KEY

If you're running a social enterprise, chances are you're doing it for a community, so you're really going to need that community's support right about now. To be fair, even before you register, you can constantly be building your community in the background. For our generation, it's pretty simple to just have an IG page and/or Twitter, FB, Snapchat or even Tik Tok account that functions way before you 'officially' become a company. This in fact is a great way to test things before you roll them out. It allows you to know and understand your community's needs and ensure you are responding well to them. It also makes it less scary when you first launch and there's just tumbleweed because no-one knows who you are and you now have to be on double time operating a business and building an audience and a community around you.

For young social entrepreneurs, this step seems like the most simple one. We have this natural way with the internet and we're sure you won't be short of digital ideas when it comes to promoting your business and it's service and/or product. Remember though, your audiences may differ. Who your business is "for" vs who pays for your service or

product may not be the same. Take us for example, our programmes and content tends to be free for women of colour because GD is a platform for them to benefit from. However, to make money, we charge clients consultancy fees, we have sponsors, etc. in order to keep things free for our GirlDreamers. So we market in different ways and have different material at the ready depending on who it's for. This is super important as you'll also need this community-building skill in the sector you now belong to, not just the audience you serve.

Building relationships and rapport with your new sector-friends is key because your funding, contacts and networks are going to be largely built in this space. In essence, when you're a little start-up, you have to take up a chameleon role and be able to adapt. Not change, just adapt to different environments and people.

TOP GD TIPS:

Storytelling is your BFF here. The human brain comprehends stories in a profound way as ultimately, we are all just trying to connect and want the same core things from this life. Use the human in you to navigate and guide your business when you want to build connections.



A LITTLE BACK STORY

Our first programme in GirlDreamer, since registering was a social event called Girls Night In. It was held every 6 weeks on a Friday evening in the city of Birmingham.

The main aim of this social event was to hold a safe and open space for women of colour and in return we managed to build a community & mailing list and inform our community of our work.



STEP 5: GETTING YOUR FIRST GRANT

Congratulations, you're officially a registered social enterprise in the UK. Your idea is solid, your people are in place, you're legally registered and have a company number and everything, woo hoo!

You now need some money to pay any fees, yourself, others, maybe an office space, resources, materials etc. Depending on your business plan, you'll either have a product or service in place ready to put together and roll out or you'll need to apply for a funding grant to get you going.

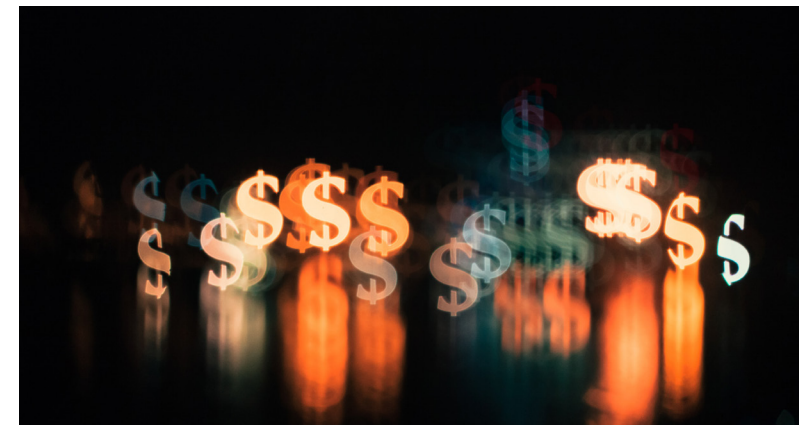
If funding grants are your starting point then we recommend having a look at:

- The National Lottery Community Foundation
- UnLtd
- The Princes' Trust

or signing up to signing up to Grants Online to get you going with what funds are available. There's loads more but these are some simple ones to get you going.

TOP GD TIP:

With grant funding, there are a few Ts&Cs that are not obvious if you've never entered this world before. Firstly, did you know there are bank accounts just for nonprofits? Neither did we until a funder told us we needed a bank account set up with two authorised signatories on the account and we were like "WHAT! What the heck does that even mean?!" Turns out, it's a thing. Ask your bank or research a new one that you like to get your new business account set up. This is vital to be able to receive money from a funder.



Fundraising isn't really about money, it's about people



WE HOPE THIS SIMPLE RESOURCE SUPPORTS YOU ON
YOUR JOURNEY AND YOU CONTINUE TO FEEL
UPLIFTED & EMPOWERED.

THANK YOU

