Indigenous Social Enterprise Resource Bundle

A collection of resources for indigenous non-profits exploring social enterprise in Metro Vancouver
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Purpose

Social enterprise has steadily gained popularity over the past decade, with a growing ecosystem of supports within the non-profit community, and a continued push from government to see economic growth and plans for financial sustainability. There are now community, municipal, regional, provincial, and national supports for social enterprise development; from peer-learning and planning resources to funding opportunities. This has resulted in a well-established network designed to support and grow Canadian social enterprises. That being said, there still seems to be an issue of access for some groups looking to enter the space, in particular, Indigenous non-profit organizations. The purpose of this resource bundle is to address this need through emphasizing the shared values that exist, highlighting the elements of creating a social enterprise, and sharing some examples of Indigenous social enterprises.

Common Ground

Social enterprise is a type of business model that focuses on more than just the traditional priority of financial profit. It seeks to achieve a blend of social, cultural or environmental goals, as well as financial. In the social enterprise space, this is often referred to as ‘blended value’.

It is this blend that makes the social enterprise model unique, and is its defining characteristic. How this blend plays out will differ for each social enterprise, and will depend on the mission and business model (how the enterprise will generate revenue) of each enterprise. Throughout this paper, the phrases ‘social impact’ and ‘social goals’ will include social, cultural and environmental impacts and goals. This commitment to social impact in addition to financial goals is a more holistic approach to business, and one that is more in-line with Indigenous values. As such, Indigenous communities and organizations have more in common with social entrepreneurship than they may think.

While there are many different Indigenous cultures in Canada, all with varying worldviews, there are common themes across most of them. These include interconnectedness, connection to the land, the primacy of community and collectivity, and the four R’s: respect, reciprocity, responsibility, and relationships. The inherent understanding of and responsibility to sustainable land practices, and commitment to community are central values that Indigenous people share with the social enterprise model. Despite the fact that these traditional values still hold true for many communities and organizations, there has been a significant disruption due to the effects of colonization. Particularly, the displacement of peoples from the land through the relocation to reserves or urban areas. This has contributed to the loss of traditional social, cultural, economic, and other culture-bound systems. The issues that Indigenous non-profits work to address stem from this great loss, and social enterprise can be a way for communities to reconnect with their culture and reinvigorate traditional practices and teachings. This has been the case for Siska Traditions Society.

1 Dragonfly Consulting: www.dragonflycanada.ca/resources/aboriginal-worldviews/
2 Ibid.
Benefits
The social enterprise model can allow organizations to take greater control over their finances as well as play a direct role in meeting the needs of their community. For Indigenous organizations, this is a strategy towards self-determination. While it will

The Good and the Bad

Siska Traditions Society is a non-timber forestry products enterprise of the Siska Indian band, outside Lytton, BC that makes teas, soaps, jams, oils, and salves. After a conflict with a forestry company that wanted access to their land, Siska needed to find a way to prove that they were using their land for traditional purposes. So, the community took an assessment of what plants grew in the territory, and with guidance from their Elders, they created a plant identification system. Through the use of their traditional language, a harvesting certification program was designed, and a product line was created. The enterprise reinforces traditional, sustainable harvesting and land stewardship principles, and it teaches community members their traditional language. It connects youth with Elders, which allows for further knowledge transfer and the understanding of roles and responsibilities. The enterprise is highly successful, though direction from their Elders is one of sustainability and community benefit, first and foremost. Therefore, Siska Traditions only creates as much as the land and community can support. Siska Traditions has instilled greater pride for Siska’s culture and has increased confidence among members.³

Social enterprise should be viewed as a tool or strategy to help build healthy communities; and like any tool or strategy, the organization must consider whether or not it is the right approach for their community. It is not a sure-fire solution to any problems an organization may be facing. It is the creation of a business, and must be given a great deal of consideration, with the involvement of all stakeholders.

³ Siska Traditions Society video: www.ruralnetwork.ca/tools-resources/siska-traditions
depend on the business model of the enterprise, some of the benefits include:

- Reducing funder dependency and generating sustainable income, while diversifying the organization's revenue streams.
- Providing sustainability for social programming, thus removing the precariousness many programs face, and allowing for long term planning, goals, and successes.
- Increasing accountability. Running a business involves tightening controls to ensure long-term success. This increased accountability will support meeting the blended targets of the social enterprise.
- Strengthening the non-profit organization through the organizational readiness phase and adding robust structure through the use of business tools.
- Increasing adaptability to a changing environment due to situational analysis planning when developing the enterprise.
- Increased efficiency and strategic thinking.\(^4\)

**Risks**

Starting a social enterprise requires a considerable amount of time, energy, and expertise, as well as some funding. Do you have a dedicated team to develop this business? Ideally, these people should not be working off the side of their desks because starting a business requires flexibility, expediency, and dedicated effort. Do these individuals have the necessary business expertise? Having a great idea and a passion for a cause is necessary, but you also need a sound business model, sales strategy, and the ability to carry it out. Some common risks of social enterprises include:

- Mission drift. This occurs when the organization makes compromises that favour profit over mission. Stakeholders become confused and trust can be lost, resulting in low productivity, loss of key staff, and a weakened connection with the mission related activities of the organisation.
- Perhaps a precursor to mission drift, it is a lack of distinction between business objectives and activities and the non-profit's objectives and activities. This can lead to non-profit clients falling through the cracks and employees feeling confused and unconfident in their decisions. The business can suffer from non-profit leadership treating it as a program and delaying decisions that need to be made in a timely manner.
- Overestimating sales and the resulting income generation and profitability. This can lead to cash flow issues and the enterprise requiring additional funding support to make up for this miscalculation.
- Risk aversion and adaptability are important entrepreneurial traits that are uncommon for most non-profit organizations. The market can change due to increased competition or perhaps a supplier becomes unavailable; the enterprise team must be able to adapt to stay relevant and thrive.
- Poorly planned marketing strategy. Most non-profits don't have a marketing department and therefore often lack a marketing mindset. Most commonly, this can lead to problems with pricing, such as reduced margins, and confusion over customers versus clients. Non-profits are used to serving clients or community members, and these are rarely the target market of the enterprise.

The Wachiay Friendship Centre located in Courtenay, BC operate three different social enterprises: Wachiay Studio, AQ’SAAK Foods, and Wachiay Multimedia (WAMM). The studio has a dedicated art room for analog and digital art preparation and film, a t-shirt & textile department, limited edition screen printing up to 30x40" using water based inks, and industrial/functional print capabilities. The studio offers services for artists, schools, community groups and individuals along with an opportunity for urban and rural aboriginal youth interested in a career in art and screen printing to learn while working alongside professionals.\textsuperscript{5}

AQ’SAAK Foods creates authentic teas from the West Coast cultures of Aboriginal peoples. They are beautifully packaged and sold to a variety of retailers.\textsuperscript{6} WAMM is a practice-related education that combines design skills, hands on practical experience and knowledge of communication technology through digital manipulation. During our programs an internship will be completed where students will have the opportunity to use the skill-sets and competencies they have gained during their studies working alongside professionals in the field.\textsuperscript{7}

Wachiay has built on the strength of their programming. Noting the strong interests of their youth and the quality and demand for their product, they secured the expertise to run their businesses and have seen great success.

Before the launch of a social enterprise, the organization should ensure that:

1. It is a good fit with the agency;
2. You know your industry;
3. You treat your enterprise as a business;
4. You hire the right people;
5. You set realistic expectations; and
6. You improve your financial literacy.\textsuperscript{8}

The Social Enterprise Institute (www.socialenterpriseinstitute.ca) is an excellent resource for those starting out on their social enterprise journey. It offers courses for those in the exploratory stage, to those with a more established business and who are looking to grow. Many of the early stage courses are free, and there are numerous free resources on the website. The full program is designed to take the learner through mission, market, money, manage, and measure modules to cover the necessary topics for social enterprise development. These five M’s are the evolution of the social enterprise development path presented in The Canadian Social Enterprise Guide, formerly known as organizational

\textsuperscript{5} Wachiay Friendship Centre: www.wachiaystudio.com
\textsuperscript{6} AQ’SAAK Foods: www.aqsaakfoods.com
\textsuperscript{7} WAMM: www.wachiaymultimedia.com
\textsuperscript{8} Doing Well By Doing Good: How to Launch a Successful Social Enterprise. www.torontoenterprisefund.ca
readiness, opportunity identification, feasibility study, business planning, launch/start-up, evaluation, and growth.

For a non-profit organization, a critical step is organizational readiness. A significant part of this readiness is ensuring the organization understands the difference between a non-profit and a business. This cultural shift is one of the most common challenges for enterprising non-profits and can lead to the eventual undoing of a social enterprise.

**Organizational Readiness**

The Canadian Social Enterprise Guide provides a tool to help organizations determine where they are at along the readiness continuum called the *Organizational Readiness Questionnaire*\(^9\) (see Appendix). This questionnaire allows those involved to look at organizational readiness, social enterprise readiness, and business readiness. It will highlight areas of strength and weakness, thus creating target areas to focus on before moving forward with the business.

Once it has been determined that the organization is ready to explore a business idea, a three-item checklist can be considered before embarking on the social enterprise:

1. Quality of the team;
2. Demand for product or service; and
3. How is the product or service innovative?\(^{10}\)

Having the right people is crucial to the success of any business, and this is a common challenge for social enterprises. Many entrepreneurs start with what they feel is a great idea and jump right into setting up their businesses. It is important to note that in order to sell a product or service, there must be a demand. Determining this demand is one of the first steps to starting an enterprise because without it, you will be out of business before you have even started.

An important note of differentiation is whether you are responding to market demand or social demand. Many social enterprises focus on a social demand, as this is where their non-profit roots are, but this might lead you down the non-profit path into designing a program, rather than a business. You must remember that you are serving customers who must be able to pay for your product or service. Lastly, how is your product or service innovative? Why should customers choose your business over others, and if it is the only option available, how can you ensure your success if competitors decide to enter the market? Ultimately, what is your competitive advantage?

The latter two questions can be addressed by going through the Lean Start-up cycle.

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The Lean Start-up

The Lean Start-up is an alternative to traditional business planning, and one that has been embraced by the business world. Introduced in 2011 by Eric Ries, the Lean Start-up model promotes continuous innovation and customer integration—two essential components of a successful business that are sometimes left out of the traditional planning process.

The model can be viewed as an evaluation process, whereby the business is testing whether or not it is solving a problem correctly, the problem being a customer need. In the lean cycle, business idea generation is like identifying a hypothesis, in that your business is making an assumption about a potential customer's needs. For example, you might make the hypothesis that customers want traditional Indigenous foods and plant-based products that are harvested by Indigenous people using traditional methods. To know this for sure, you must interact with your potential customers and get their feedback. Through this process, you begin to gather information and then narrow down to your target market. Their feedback is instrumental in creating the best possible product or service to meet their needs. Too often businesses assume they know what customers want or they rely on what may have worked in the past without adjusting to the customer's changing demands. This customer or constituent discovery is an invaluable step in the lean process, and any business planning. Murry & Ma (2015) express that ideation and constituent discovery should work together in a rapid feedback loop, as seen in Figure 2.

Through this iterative process, you will get a great understanding of what your product or service could look like. It is at this time that you want to construct your value proposition. A value proposition simply and concisely outlines how your product or service will solve your customer's problem, including the functional and emotional benefits it provides. The Value Canvas is a helpful tool to walk you through the process of matching your product with your customer, and pinpointing what kind of value is being created for them (see Value Proposition Canvas in Appendix).

After crafting a solid value proposition, your next step will be to create what is called a minimum viable product (or service) also known as an MVP. This is an early stage prototype or the most basic version of your product or service. The purpose of the MVP is to begin testing as soon as possible, with low cost and low risk. For a service, this could include a paper version outlining your offering or a sign up page, as a way to gauge interest. The testing phase is just that, you are testing the response of early adopters to your MVP. To test accurately, you must create metrics that make sense for your product or service, and that provide you with information that you can use to further develop your business strategy. If your business is silk screening, you'll want to measure customer perceived quality, whether they like the designs, and do they like the variety of products available for silk screening (e.g. t-shirt, tote bag, tea towel, etc.). Accurate and relevant measurement is important because this will ensure you build the right product or service to solve your target market's needs.

The creation of an MVP is not only for engaging
customers, it is also an effective tool to attract investment. An MVP shows investors that you have a product or service that customers are willing to pay for, thus a proven means to generate revenue. This is much more attractive than a business plan without a tangible, tested business model. A MVP is also a great way to encourage crowd funding, while also creating a buzz about the new enterprise. Funding for the MVP itself should be minimal, as this is the simplest version of your product or service. The results from your testing will then allow you to either “pivot or preserve”.\textsuperscript{12} If a pivot is necessary this may require you to go all the way back to the drawing board, or it may require a slight adjustment to your MVP and then a re-testing. Once your results prove you are on the right track, you’ll have an initial blueprint from which to build your business. You now have solid evidence to show your board, the community, additional stakeholders, and investors. Full product development, a sales strategy to reach your target market, and an evaluation plan will be needed to scale your operations beyond the lean cycle. The lean model has grown in popularity throughout the business world due to its simplicity and ease of entry. This simplicity means that expert consultants are not necessary to carry out a lean strategy, a board vote is not necessary to implement it, and special funding is not required to run lean experiments.\textsuperscript{13}

\textsuperscript{11} The lean startup for social entrepreneurs. The Changer: www.thechanger.org/resources/lean-startup-social-entrepreneurs
\textsuperscript{12} The lean startup for social entrepreneurs. The Changer: www.thechanger.org/resources/lean-startup-social-entrepreneurs resources/aboriginal-worldviews/
\textsuperscript{13} The promise of lean experimentation. Standford Social Innovation: www.ssir.org/articles/entry/the_promise_of_lean_experimentation
The Lean Experimentation Process

FIGURE 2. Lean Experimentation.

The Lean Experimentation Process

[Diagram showing the Lean Experimentation Process]

Resources

Early Stage Social Enterprise Development:
www.socialenterpriseinstitute.ca
www.vibrantcanada.ca/files/social_enterprise_guide.pdf
www.unltd.org.uk/socialentrepreneurshiptoolkit/social-entrepreneurship-toolkit-matrix/

Lean Start-up:
www.theleanstartup.com/
www.ssir.org/articles/entry/the_promise_of_lean_experimentation
www.thechanger.org/resources/lean-startup-social-entrepreneurs

Value Proposition Canvas:
www.strategyzer.com/canvas/value-proposition-canvas
www.peterjthomson.com/2013/11/value-proposition-canvas/

14 The promise of lean experimentation. Stanford Social Innovation: www.ssir.org/articles/entry/the_promise_of_lean_experimentation
The people you bring in to run the enterprise have the power to make or break the enterprise. At first, the enterprise will likely be born out of the hard work of one or two key individuals, however, once the enterprise is up and running, a core team with distinct skills is necessary. Key roles include:

**Leader & Visionary** – known in traditional business as the CEO. This person is often the founder of the enterprise and the one most invested in the social mission. This person sets the organizational culture and ensures the enterprise is on track to meeting its mission. The visionary aspect of this position means that this person can keep their eye on where the enterprise needs to be in the future, and sets the course to get there.

**Builder** – this person ensures the enterprise can realize the vision set out by the CEO, and is traditionally known as the COO, or Chief Operating Officer. They should have considerable experience and knowledge with strategic planning, developing and implementation of systems, and with strong management and organizational development skills.

**Realist** – every organization needs a numbers guru, commonly referred to as the Chief Financial Officer (CFO). More than a bookkeeper, this person will create and maintain the financial systems of the enterprise. Social enterprises often juggle several different funding sources, for example, they may be partly subsidized by the parent organization, or by a grant, in addition to earning their own revenue. This role must coordinate these funding streams, while accurately monitoring earned revenue to ensure the enterprise is meeting its financial goals. 

**Connector** – this person will have strong interpersonal skills, and their currency will be relationships: relationships with the customer, primarily, and strategic relationships with partners. Partners may include funders, other businesses, or community organizations. Their motivation will be sales, and the key to sales is quality of relationships.

No single person can fulfill all of these roles; they represent different skills sets and involve different ways of thinking. Building a dream team will also require the right cultural fit. Do their own values align with that of the social enterprise? Will they embody the mission of the enterprise, or contribute to its realization? Cultural fit is important for most businesses, but it is particularly important for blended value businesses.

Finally, the success of any enterprise is shared amongst its partnerships, and no social enterprise can survive without them; in fact, partnerships are
By going through the lean process, you will have done some initial feasibility and market research already. This includes product and customer research, creating a value proposition, and determining pricing. The experimental aspect of the lean process will help to revise or reject your product or service in a more objective way. The go, no-go, or revise decision is a tough one, but it is critical. If there is no market for the idea, there is no sense in pursuing it any further. This stage is where some organizations go wrong, often because they have invested so much time and energy that they can’t let go. Remember the mission of the enterprise and who the beneficiaries are. A failed enterprise can negatively impact these people, the organization, and the organization’s reputation.

For Indigenous organizations who often work with our most vulnerable people, it is especially important not to risk any activities that could negatively impact our communities. The lean cycle can help avoid major losses before they occur.

Marketing is one of the most essential components of running a successful business, and is often one of the least understood by non-profits. Non-profit organizations traditionally do not have a marketing department, though they may have a communications role. Marketing is much more than social media campaigns. The goal of marketing is to know and understand the customer so well that the product or service fits the individual and sells itself; it should result in a customer who is ready to buy.

Skwachays Lodge is a boutique hotel, a fair trade gallery, and an urban Aboriginal artist residence in downtown Vancouver, BC. Owned and operated by the Vancouver Native Housing Society (VNHS), Skwachays is housed in a unique building comprising Victorian and Aboriginal architecture. To complete a project of this size, VNHS needed significant financial support. They were able to secure funding from a partnership of all three levels of government, along with Vancity Credit Union, contributing the remainder. Vancity also supported the development of the art gallery and healing lodge, through their expertise in social enterprise. Skwachays Lodge is an impressive example of an Indigenous social enterprise, and it would not be possible without these funding partners.¹⁶

Feasibility & Market Research

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¹⁶ Skwachays Lodge: www.skwachays.com
Some key market research and planning activities include:

- Market Analysis & Customer Segmentation
- Strengths, weaknesses, opportunities & threats (SWOT Analysis)
- Competition & Positioning
- Marketing Mix (product, price, place/distribution, promotion)
- Break-even Analysis
- Sales Forecast
- Contingency Planning (risk management)

Market research involves getting close to your customer and understanding their needs and wants at an almost intimate level. The danger with writing lengthy, detailed plans is that sometimes they are developed alone, via secondary research rather than in conjunction with customer interaction, feedback, participation, and real-world application. A customer-centered approach must be developed from the outset and reinforced throughout every step and stage of the business development process. The lean cycle process places the customer as an active component of the process, introducing customer discovery as one of the first steps in the process.

Social entrepreneurs are great at putting the needs of their clients at the forefront, but if your social beneficiaries aren’t your customers, a shift must be made. This is not to say that your social mission is not important, rather that if you don’t have customers, you don’t have a business, and therefore cannot meet your social goals. Therefore, making sure your customers are happy and satisfied will go a long way towards meeting your social mission.

Resources

Full Suite of Marketing Tools:
www.qulutch.com/
*Free to use plans online, affordable cost to download plans

Target markets:
www.marsdd.com/mars-library/how-to-conduct-market-research-on-target-customers-techniques-for-start-ups/
www.marsdd.com/mars-library/identifying-target-customers-for-a-social-enterprise/

SWOT:

Marketing Mix:
As previously mentioned, a challenge for many non-profits is the use of an entrepreneurial approach when thinking of starting a business. Often times, what might seem like a good idea is actually more of a fundraising activity, rather than an ongoing business that can generate sustained revenue. The missing element here is a business model.

**Business Model**

A business model is a clearly articulated explanation of how a business will create, deliver and capture value for customers. For a social enterprise, this includes how the business will generate both financial and social value, and what the relationship will be between those two values. It should also illustrate how it does business – how does the business generate revenue, what value does it offer (and to whom), who are the customers and why will they keep coming back.¹⁸

**Business Plan**

The traditional business plan has dominated the business development landscape up until fairly recently. There are countless resources online, in small business centres, libraries, etc. While you can find some templates that are tailored to a specific industry, most traditional plans are made up of these elements:

- Executive Summary
- Business Description
- Products & Services
- Sales & Marketing
- Operations
- Management Team
- Financial Summary

A business plan provides a detailed layout of the above areas, while illustrating how the business will achieve its goals. It can also work as a tool to secure investment funding. Generally speaking, business plans are larger documents that comprise significant research and planning to complete. They are time and cost intensive, with many non-profits outsourcing to a consultant to create one.

For non-profit organizations, starting a business can be a daunting and intimidating process. The traditional school of thought is that a solid business plan is your key to success, but there is no correlation between the quality of a business plan and the business

itself. Rather, it is revenue that determines the early success of your enterprise, and the sooner you generate revenue the better. A well written plan may secure a grant or investment, but persuading an investor is different from persuading a customer to part with their money. The rapidly changing entrepreneurial environment has created a need for a more flexible, responsive and less intensive business development strategy. The Business Model Canvas has been embraced for these very reasons.

**Business Model Canvas (see Appendix)**
The business model canvas (BMC) has gained favour over traditional business plans due to its simplicity. It provides a clear one-page picture of a business’s essential components. Not only does this one page make a business easier to communicate, but it also allows better ease of redesigning aspects of the business as needed, which encourages innovation and adaptability.

The BMC is particularly useful for social enterprises because it clearly defines the business and the social impact the business is trying to achieve, along with the interactions between these two areas. Having these elements and their relationship with one another laid out on the same page keeps them top of mind. This helps when dealing with situations that might have them pitted against one another and there is the potential for mission drift.

The BMC is divided into nine sections, and for a social enterprise, each of these sections can be divided into the commercial and social impact elements of the business, thus describing their integration and relationship with one another throughout the business model. The nine sections of the BMC include:

- **Key Partnerships** – suppliers and partners necessary to run the business.
- **Key Activities** – essential activities that need to be done for the business to work.
- **Key Resources** – essential assets and resources (physical, intellectual, human, and financial) needed for the business to work.
- **Value Proposition** – refer to Value Proposition Canvas
- **Customer Relationships** – types of relationships the business has with each type of customer segment (if more than one).
- **Channels** – how the business communicates and reaches its customer segments.
- **Customer Segments** – refer to Value Proposition Canvas
- **Cost Structures** – all the costs involved in running the business.
- **Revenue Streams** – the money generated from each customer segment, minus costs.

There are numerous BMC resources online that will walk you through the process. Some are interactive, allowing the user to grab and move things around, as well as watch videos and see examples of other social enterprises’ BMCs.

For an example of a BMC of a café that employs individuals with barriers to employment see the Appendix.

**Resources**

**Financial Intelligence for Social Enterprises:**
www.demonstratingvalue.org/resources/financial-intelligence-social-enterprises

**Social Purpose Business Model:**
https://www.marsdd.com/mars-library/social-enterprise-business-models/

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Implementation & Measurement

Launching the social enterprise is an exciting time, and is an opportunity to celebrate all of the planning and experimentation that has occurred to date. It can be a scary process to officially put everything out into the world, but reflecting on the lessons learned in the lean cycle can provide the confidence and lessen pressure associate with the launch. Entrepreneurship is a process that involves learning by doing, and making course corrections as you gain feedback. Launching the enterprise will involve continued testing, like the lean process, by measuring results against specific targets or indicators (social, financial, other).

Just as a traditional business must evaluate its financial performance to ensure it is on track, so must a social enterprise. However, there is the additional need to measure social impact. Impact measurement allows a social enterprise to see whether it is meeting its strategic targets and creating the intended social impacts.

There are many impact measurement tools available for social enterprise, and it will be up to the individual enterprise to decide what method is best for them. Each enterprise will need to develop their own particular set of key performance indicators (KPIs) that align with their social and financial goals.

Demonstrating Value.org is a great resource for various measurement tools, including worksheets, surveys and evaluation questionnaires, as well as a unique management tool they have developed called a ‘Snapshot’.

Resources

Demonstrating Value:
www.demonstratingvalue.org/tools-and-resources

MaRS:

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Fear of failure is a natural response to embarking on the social enterprise journey. It can inspire thorough research and planning, as well as cripple risk taking ability and put off simply getting started. All the planning in the world won’t make your enterprise successful, you will eventually need to take that leap and test it for yourself. This is a learning process and the social enterprise community is a welcoming and supportive one.

There are networks to tap into for advice, best practices, and partnership opportunities. Indigenous organizations are not alone in this venture, there is a community with similar values and goals to those of traditional Indigenous teachings. What’s more, there is even a supportive online community celebrating failures and the lessons learned from this important learning experience. See Failforward.org.

For Indigenous organizations, social enterprise is an opportunity for reconciliation. Most Indigenous organizations have experienced failed partnerships due to broken promises or uneven disbursement of “shared” benefits. However, the shared values of traditional Indigenous knowledge and the social enterprise model means that the social enterprise community is a low risk entry point for Indigenous – non-Indigenous relationship building. Further, as partnerships are major keys to success for social enterprise, Indigenous organizations would do well to open

their doors to fellow entrepreneurial non-profits or social entrepreneurs. While there is still a learning curve for non-Indigenous allies, the social enterprise community is a great space to start.

The Prince George Native Friendship Centre runs multiple social enterprises: PGNFC hall rentals, Camp Friendship Centre rentals, and the Smokehouse restaurant and catering services. The Smokehouse Restaurant, operated by the Prince George Native Friendship Centre, offers a 6-month culinary training program. Students participate in the operation of the restaurant while receiving Cook's Level One training, and certification in First Aid, Serving It Right, First Host, and FoodSafe. Through a partnership with the local school district, program participants receive course credits toward the Adult Grade 12 Dogwood Diploma. This restaurant does more than provide opportunities for youth; as a popular establishment, patrons from all over Prince George come to have a meal. The restaurant is now a regular location for Indigenous and non-Indigenous people to share with one another and build an understanding with one another. This understanding is the first step towards reconciliation, and it makes the case that there needs to be more shared spaces like this.

Resources

**Sector Support**
Social Enterprise Council of Canada – Community Links page:
www.secouncil.ca/index.php/community-links/

**Comprehensive Social Enterprise Planning**
The Canadian Social Enterprise Guide:
www.vibrantcanada.ca/files/social_enterprise_guide.pdf
UnLtd Social Enterprise Matrix:
www.unltd.org.uk/socialentrepreneurshiptoolkit/social-entrepreneurship-toolkit-matrix/

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22 The Smokehouse Restaurant: www.thesmokehouse.ca/about/
23 Prince George Native Friendship Centre: www.pgnfc.com/programs_services.html
Indigenous Social Enterprises in BC
AQ’SAAK Foods:
www.aqsaakfoods.com

Friendship Centre Catering Services:
www.vafcs.org/programs/cateringmenus/

KUTERRA:
www.kuterra.com

Osoyoos Indian Band Development Corporation:
www.oibdc.ca

Siska Traditions Society:
www.vimeo.com/58212063

Skwachays Lodge:
www.skwachays.com/

The Higher Education Society:
www.hghes.ca

WAMM Wachiay Multimedia:
www.wachiaymultimedia.com

Wachiay Studio:
www.wachiaystudio.com
## Appendix A

### Do This Agency Self-Assessment

Now that you have reviewed the readiness discussion we have provided, you can use the following assessment exercise to help you identify just how ready your organization is to start a business, or if you require further organizational development. It will help you to identify those areas of your organization that may need some planning work before you start your enterprise. You can also use this questionnaire to identify those areas of your organization that can help you build your business acumen as you develop the enterprise. (If you are accessing this chapter online, you can download the questionnaire for separate use in the resource library at www.enterprisingnonprofits.ca).

### AGENCY SELF-ASSESSMENT QUESTIONNAIRE

<table>
<thead>
<tr>
<th>Basic organizational readiness</th>
<th>Points Weak to Strong</th>
<th>Notes on how to improve</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Does your organization...</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>have its vision, mission, and goals articulated and supported by your board and staff?</td>
<td>□ □ □</td>
<td></td>
</tr>
<tr>
<td>have a strategic plan that’s current and up-dated on a regular basis?</td>
<td>□ □ □</td>
<td></td>
</tr>
<tr>
<td>have experience in planning and implementing internal change?</td>
<td>□ □ □</td>
<td></td>
</tr>
<tr>
<td>have experience dealing with internal conflict?</td>
<td>□ □ □</td>
<td></td>
</tr>
<tr>
<td>know its financial situation and have possible scenarios for the next 2 – 3 years? Have financial stability; e.g., for the past 3 years?</td>
<td>□ □ □</td>
<td></td>
</tr>
<tr>
<td>have diversified funding?</td>
<td>□ □ □</td>
<td></td>
</tr>
<tr>
<td>have clearly defined lines of accountability and is results-oriented?</td>
<td>□ □ □</td>
<td></td>
</tr>
<tr>
<td>have a demonstrated commitment to continual learning and innovation, and encourage staff to take risks?</td>
<td>□ □ □</td>
<td></td>
</tr>
<tr>
<td>examine cost effectiveness in evaluating your activities?</td>
<td>□ □ □</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal:</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social enterprise readiness</th>
<th>Points Weak to Strong</th>
<th>Notes on how to improve</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Does your idea fit with your organization’s competencies, assets, and strengths?</strong></td>
<td>□ □ □</td>
<td></td>
</tr>
<tr>
<td>Is your board, management, and staff interested in the concept of social enterprise? Do they understand social enterprise? Do they support further investigation of social enterprise?</td>
<td>□ □ □</td>
<td></td>
</tr>
<tr>
<td>Does the social enterprise idea fit with your mission? Is there a value fit?</td>
<td>□ □ □</td>
<td></td>
</tr>
<tr>
<td>Have you set aside staff time for developing the enterprise? Are your staff and board willing to put in extra effort?</td>
<td>□ □ □</td>
<td></td>
</tr>
<tr>
<td>Do you have outside stakeholders (clients, members, donors, funders) and do they support social enterprise?</td>
<td>□ □ □</td>
<td></td>
</tr>
<tr>
<td>Do you know your potential allies or competitors? Have you thought about partnerships that would support your organization?</td>
<td>□ □ □</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal:**

<table>
<thead>
<tr>
<th><strong>Business readiness</strong></th>
<th>Points Weak to Strong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have business experience on your board or among staff? Is there an internal champion?</td>
<td>□ □ □</td>
</tr>
<tr>
<td>Do you have strong book-keeping/accounting systems that can track your business venture?</td>
<td>□ □ □</td>
</tr>
<tr>
<td>Have you thought about how you can raise funds to plan and launch the enterprise?</td>
<td>□ □ □</td>
</tr>
<tr>
<td>Do your staff have the necessary skills, or do you have an idea of how to build these skills?</td>
<td>□ □ □</td>
</tr>
<tr>
<td>Do you have the space or equipment that may be needed?</td>
<td>□ □ □</td>
</tr>
<tr>
<td>Do you have some capital to invest in the enterprise development?</td>
<td>□ □ □</td>
</tr>
</tbody>
</table>

**Subtotal:**

**TOTAL:**

**How to assess your score:**

- **21 to 30:** Low level of readiness. Lots of work to do.
- **31 to 49:** Medium level of readiness. Some significant issues or key areas require attention.
- **50 to 63:** High level of readiness. Ready to go!

Even if your overall score is encouraging, take a look to see if there are some individual instances of only 1 point (Weak) on a particular question. You will need to pay some attention to strengthening the organization in that respect before going further in your plans.
Social Enterprise: Raising Capital
Exercise #1: Getting Ready

When raising capital, investors/lenders/funders will evaluate your social enterprise through a number of criteria. Use the chart below to evaluate your readiness and identify areas that require improvement.

*Score each category with the following number:*

1 = Weak, much work needed to be done
2 = Good, some progress made but needs improvement
3 = Strong, solid pieces in place

<table>
<thead>
<tr>
<th>Social problem identified</th>
<th>Enterprising solution proposed</th>
<th>Community buy-in &amp; support</th>
<th>Score</th>
<th>Areas of improvement?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Community Impact</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moved from program to enterprise</td>
<td>Dedicated staff/resources</td>
<td>Projecting profits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Transition to Business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clearly, identified leader</td>
<td>Leader show passion, commitment</td>
<td>Fairly compensated for time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Committed Entrepreneur</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clear/simple business description</td>
<td>Identify customer segments</td>
<td>Solid cash flow projections</td>
<td>Social impact cost analysis</td>
<td>Social impact accounted in financials</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>---------------------------</td>
<td>----------------------------</td>
<td>---------------------------</td>
<td>---------------------------------------</td>
</tr>
<tr>
<td>Appeal product with market</td>
<td>Identify competition</td>
<td>Demonstrated financial</td>
<td>Social impact</td>
<td>Organizational buy-in</td>
</tr>
<tr>
<td></td>
<td>analysis</td>
<td>capacity</td>
<td>accounted in</td>
<td>completed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>financials</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Costs</td>
<td></td>
</tr>
<tr>
<td>8. Team Building</td>
<td>Key staff positions</td>
<td>Engaged board of directors</td>
<td>Supportive mentors</td>
<td>Score</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------------</td>
<td>---------------------------</td>
<td>-------------------</td>
<td>-------</td>
</tr>
<tr>
<td>9. Management and Governance</td>
<td>Clear management structure</td>
<td>HR and board governance policies</td>
<td>Efficient decision-making process</td>
<td>Score</td>
</tr>
<tr>
<td>10. Monitoring and Evaluation</td>
<td>Clear social impact targets</td>
<td>Clear financial measurements</td>
<td>Regular reporting</td>
<td>Score</td>
</tr>
</tbody>
</table>

**Total score**

**Scoring evaluation**

30-50 = More work needed. Identify capital sources to support you in strengthening readiness.

50-70 = Good progress. Investors may help with growth and shoring up key categories.

70-90 = Great work! You are in good shape for investment.
The Value Proposition Canvas