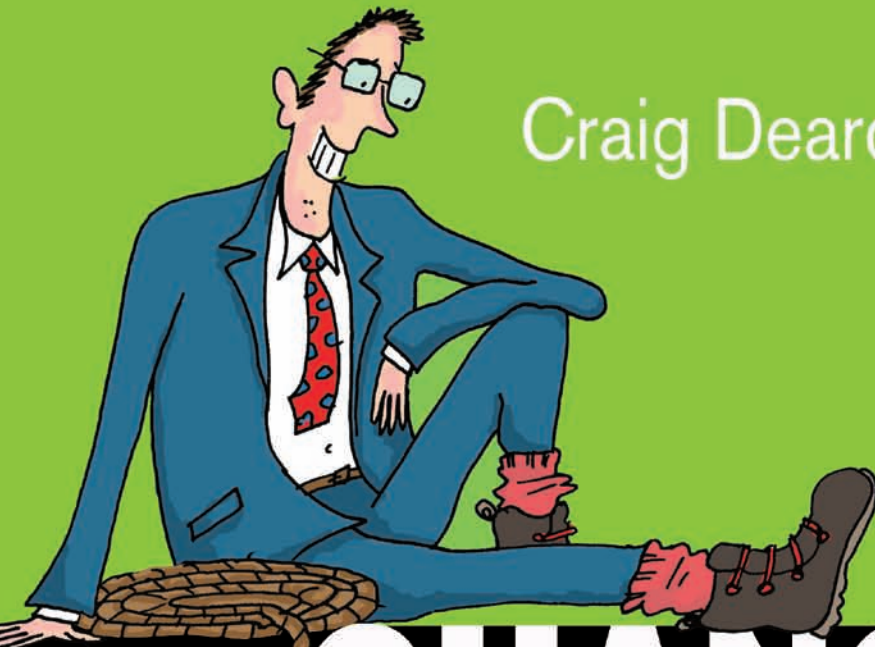


Craig Dearden-Phillips



YOUR **CHANGE** TO **CHANGE** THE WORLD

You've Changed
The World

The No-fibbing Guide to
Social Entrepreneurship



Craig Dearden-Phillips

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CHANGE THE WORLD**

The No-fibbing Guide to
Social Entrepreneurship

DIRECTORY OF SOCIAL CHANGE

In association with:



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social
entrepreneurs

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Dedication

I would like to dedicate this book to Katy, Ruby and Wilfred,
and also to all those who have backed me with their time
and money when all I could offer them was a vision.

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STEVE RALF Steve founded Focus to Work, which targets people in deprived areas of Kent to develop their opportunities in life through access to a number of social enterprises, including a café and a construction skills company. www.focustowork.co.uk

BOB RHODES Bob was founder of TACT, a charity and social business that helps people with marked learning disabilities and very challenging reputations to pursue ordinary and less service-dependent lives in the community. Bob was Ernst and Young Social Entrepreneur of the Year in 2003. www.tactltd.org

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STEPHEN SEARS Stephen was one of the first members of staff of ECT Group, a community transport organisation in Ealing during the early 1980s. Today ECT Group is one of the largest social businesses in the UK, with major interests ranging from doorstep recycling to public transport. Stephen has been CEO now for over 20 years. www.ectgroup.co.uk

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About the author

Craig was born and brought up near Manchester. He studied Politics at the University of Newcastle. He then did two years of voluntary work in the North East before moving to Cambridge to take a job with a national charity. It was here that he founded Speaking Up as a 25-year-old. After two years he gave up his paid job to develop the organisation full time. That was over a decade ago. Speaking Up now supports 4,000 people each year, employs 100 people (one quarter of whom have disabilities or are former mental health service users), works in 18 locations around the UK and has an annual financial turnover of over £3 million.



In 2006, Speaking Up won the Charity Award for Disability, a Third Sector Excellence Award, a Queen's Award for Voluntary Service and a Community Care Award for Learning Disabilities. In the last decade Craig has also co-founded several other social purpose organisations, most of which still exist.

He writes a monthly column for *Social Enterprise Magazine* and is a regular speaker at conferences and events. He now holds an MBA from the Open University and serves as a Social Enterprise Ambassador. Craig lives in Suffolk with his young family, is a passionate amateur runner and occasional triathlete.

To contact Craig go to www.craigdeardenphillips.com

What they said about the book...

‘Craig’s book gives an honest and frank account of what it takes to develop and run a social enterprise. I found myself smiling as each chapter reminded me of the highs and lows of setting up and running Unique. Its a great source of advice for anyone starting out, but also a really useful reminder to the veteran social entrepreneur that you are not alone!’

Matt Stevenson-Dodd

*Chief Executive, Unique Social Enterprise CIC
Social Enterprise Ambassador*

‘The most practical, usable guide for social entrepreneurs I’ve read. Perfect for budding changemakers, because it’s written by one.’

Nick Temple

Network Director, School for Social Entrepreneurs

‘Social entrepreneurs are at the heart of social change in our country. I welcome this book as a new resource that will inspire and inform them.’

Phil Hope

MP, Minister for the Third Sector

Foreword

by **Tim Smit CBE, Chief Executive of the Eden Project**

We are living in fast-changing times. Whenever I talk to corporates, the message I get back is deafening: many of their brightest and best are now saying that money is not enough. It is my view that the role of the social entrepreneur is to create 'added value' to a wider definition than the company's financial bottom line.

To be clear about this, at a cost of £130 million the Eden Project would never have been able to turn a profit as a straight 'bottom line' business at all. However, over six years of operating it has been independently assessed as creating net wealth of nearly £1 billion.

The state should bite your arm off for such a result, but it is currently impossible to account in this way and so change patterns of capital investment.

The challenge for social enterprise is to come up with organisational models that are more sophisticated than not-for-profits, that adequately regard entrepreneurial spirit and risk-taking yet create a wider framework of value and have ethics running through them like Brighton through rock. Craig Dearden-Phillips is up for the challenge. Are you?

Social entrepreneurs need to think big because some of the major openings in future business will be on a massive scale. Global companies will be required to solve global problems. If we allow social enterprise to be pigeon-holed as 'not-real business' or viewed as part of the not-for-profit sector, we will have missed a golden opportunity. Because profit is not bad. Personal wealth is not bad. Being big is not bad. Unethical trading, pointless waste and missed opportunities to change the world – these are the things that are most definitely bad.

Social enterprise provides the mechanism for good business and good citizenship. For me, this looks like a roadmap to a contented future. And I suspect, the world might breathe a huge sigh of relief at the same time!

This book is about changing the world – and how to go about it. Through Eden we have done it one way and you may have seen the result. We started with a vision, powerful guiding values and a big hole in the ground that flooded in the winter. We didn't have a penny in the bank and everyone told us we couldn't do it. Everything starts in the mind. Every fire needs a spark. Craig's book will help turn sparks to flames. I commend it to you.

Introduction

Entrepreneurship is the last refuge of the trouble-making individual.

Natalie Clifford Barney, American poet and writer

This book is for people who are active social entrepreneurs or for those seriously considering jacking in the day-job to become one ...

I've written it because I have been there and want to help others who are starting out. Ten years ago, support for emerging social entrepreneurs was non-existent. I wanted to write the book I never had when I began my own journey. The book that tells you some of the things that you really need to know. The book that brings together the experience of a whole bunch of other people who have been there themselves.

My belief in social entrepreneurship comes from my conviction about the special role that individuals play in changing the world for the better. History has produced an amazing number of social entrepreneurs, whose ideas and organisations have helped shape our world. Make no mistake: social entrepreneurs will matter in the future, too. Increasing numbers of people see that the world's challenges are too big for governments alone to sort out. New kinds of action and innovation are required. In the thick of all of this, social entrepreneurs from all sectors – private, public and voluntary – will forge new alliances and create new kinds of solutions.

Who are these people? Tens of thousands of social entrepreneurs operate worldwide, from well-known names like Tim Smit of the Eden Project through to the relatively unknown, like Doug Cresswell in Stockport, whose company, Pure Innovations, is changing the business model for learning disability services. In this book I speak to 25 social entrepreneurs. These people are mostly, but not all, founders of their organisations. Some joined a little way in, like Hannah Eyres of Keyfund and Jonathan Senker of Advocacy Partners. I deliberately picked a diverse group of people from a range of sectors and parts of the country. Some, like Julie Stokes of Winston's Wish, founded charities. Others, like Steve Ralf of Focus to Work, set up CICs. One or two, like Tom Savage of Bright Green Talent, actually own the businesses they founded. I also spoke to social business 'giants' like Steve Sears of ECT Group (with a turnover of tens of millions of pounds) as well as newcomers, such as Roger Wilson-Hinds of Screenreader, a two-person business.

A few of the people featured here are becoming well-known names but many will, I hope, be new to you. It is crucial, I believe, that less well-known voices are heard in a sector that can appear to be dominated by a handful of 'celebrity' social entrepreneurs.

I also saw it as vital not to be picky about the type of organisation entrepreneurs come from, be it a charity, a CIC, a private company or the public sector. We are all social entrepreneurs if we think and act in a particular way. As Liam Black, Director of Fifteen, correctly points out, social enterprise is a 'state of mind' as much as a single organisational format.

What about me? I started my own journey 12 years ago when I was 25 years of age – I quit my job in a big national charity and I have dedicated my life since to building Speaking Up. We support people with disabilities so they can have a voice and control their own lives. Speaking Up now works with thousands of people each year, employs 100 people, around a quarter of whom have experience of disability or severe mental health problems. It has an annual turnover of £3 million (2007–8) and has won a clutch of big national awards. As a founder, I feel that, after a massive slog, my dreams are starting to be realised.

I have also been involved in founding a number of other new ventures as a director or trustee. Two of these new organisations were spin-offs from Speaking Up. The other three were brand-new ventures. Viewing these from the balcony, so to speak, has given me a wider view of the challenges facing any new business.

Not all of these organisations still exist. Although I have been successful at Speaking Up, my track record is fairly mixed. Over the years, I have made as many mistakes as winning decisions. Sharing these – and the learning that came out of them – is one of my main goals in writing this book.

I know you won't have a lot of time, so this book is designed to be dipped into when you need to. The book focuses on your first few years in business. Whether you are setting up a new charity or a social business, the book is designed to be a companion to you on that journey. I have tried to make it straightforward to read and full of ideas and tips rather than exhaustive detail.

This book is also designed to make you think. I don't actually believe that reading books by itself really helps you learn. But *grappling* with a book is a completely different matter. For this reason, this book frequently asks you to think hard and jot down your thoughts. The more you do this, the more you'll get out of it.

Finally, you may be asking yourself, 'Am I a social entrepreneur?' Well, there are long and often very boring debates about the nature of social entrepreneurs – normally conducted by people with the time and energy to ruminate on these things. My advice is not to worry too much about whether you are or not. The key thing about you, which makes you different from most other people, is that you want to act to create social change. This is what matters more than anything else. You may have a new approach to an old problem. Or you could be up-scaling a small idea that's worked well locally, or be adopting a brilliant idea you've seen somewhere else. You may not necessarily be a founder; you may have arrived a little way in. You may be setting up a new charity or

thinking of running your own business. It really doesn't matter how you do it. What is most important is *what* you do. If you are seriously committed to changing the world, this is definitely a book for you. Enjoy.

Craig Dearden-Phillips
January 2008

1 Is this for you? The social entrepreneur's journey

The greatest mystery of life, is who we truly are.

Alexandre Dumas, French novelist and playwright
(1802–1870)

‘Is this for you?’ Only by answering this question honestly can you really go ahead. The demands of social entrepreneurship are such that you’ve got to really want to do it. I mean *really* want to do it. For you’re not only giving up a job, assuming you have one, you’re also giving up a lifestyle – that of the employee and regular person.

Instead, you’re looking at long hours and putting the rest of your life on hold for at least a couple of years until your venture is established. All in pursuit of a cause you believe in. In short, the list of sacrifices is long and the risks, particularly to your reputation, are high. You’ll live with uncertainty and total responsibility for your venture. There will be no safety net. So, ask yourself, ‘Is this for me?’ Remember, it is much braver to admit it isn’t than push ahead with something when you’re less than 100% sure of your desire. If you’re in any doubt about your desire, I would say ‘hold back for now’. The challenges ahead can only be tackled from a position of total commitment.

What’s your motivation?

I wanted to be an editor or a journalist, I wasn’t really interested in being an entrepreneur, but I soon found I had to become an entrepreneur in order to keep my magazine going.

Sir Richard Branson, founder of Virgin

So before you start, it is worth getting one thing clear: ‘*Why* do I want to do this?’ A study into successful UK social entrepreneurs by Chambers and Edwards-Stuart (2007),¹ shows that social entrepreneurs see unmet need and feel compelled to do something. They are disillusioned with conventional approaches to problems and seek new solutions. But, unlike most people, social entrepreneurs act. What separates them from the crowd is that they have the drive and energy to start shaping up a practical response to the problem. The decision to act is emotional as much as intellectual. Drawing on the legend of King Arthur, the authors call this an ‘Excalibur moment’.

Does this sound at all like you? Do you feel compelled to act? My Excalibur moment came when I arrived in Cambridge in my mid-twenties. I had just spent two years doing confidence-building work among learning-disabled adults in the north of England. This work had touched my heart. I had also been a care worker and seen with my own eyes what better lives people had

¹ Charlotte Chambers and Fiona Edwards-Stuart (2007), ‘Leadership in the Social Economy’, School for Social Entrepreneurs.

when they were supported in making choices. I knew from then that my long-term future lay in supporting people to have a voice and gain control of their own lives. To my surprise, when I arrived, nothing like this existed in Cambridgeshire. I made a snap decision: I would make it happen.

Then the real work began. In my spare time, I started to network locally and develop the early organisation. This was well before I quit my job to develop the organisation full time. My motivation was a realisation that if I didn't do this, no-one else would. I knew that if I could pull it off, Speaking Up would be, in a sense, my personal contribution. I sensed too, in quite an overwhelming way, that this was my life's work, what I was here to do.

What followed were probably the hardest five years of my life – hardest because I made some horrendous mistakes. Hardest because I worked like a horse, surviving on Silk Cut, Pot Noodles and Red Bull.

But it was also the best. Best because the sheer thrill of developing a successful new organisation has to rank as one of the best there is. Best because I saw life-transforming changes in the people with whom we worked. Best because of the pure joy of building something in which we all believed.

I know I'm not alone in feeling this way. When I asked a group of social entrepreneurs for their best and worst experiences, their answers seemed very familiar to me. Steve Ralf of Focus to Work told me that, 'The reward of seeing change in people on a daily basis is the best. The worst is the long hours and poor work/life balance!' The comments of TACT's Bob Rhodes seemed to echo this: 'The best include freedom to express oneself, create and make a big difference; the worst is the impact of this over-riding obsession on those you love. Later it can be managed but in the early years long hours and total focus seem to be unavoidable.'

Karen Mattison of Women Like Us told me a story about watching a woman who had been low in confidence, isolated and desperate for some local part-time work actually get a great job that she could fit around her children. 'Watching her transformation makes everything worthwhile.'

For Tim West of *Social Enterprise Magazine*, 'Best: freedom to take risks. Worst: freedom to take risks.' It's a similar feeling for Stephen Sears of the ECT Group: 'The best thing is the freedom, the worst is the insecurity – you can't have one without the other.'



Views from the social entrepreneurs

Why did you take the plunge and set up on your own?

- **'It's the attraction of feeling like a pioneer in a new land, doing something new, setting your own course while doing things you feel passionately about.'** (Owen Jarvis, Aspire Support UK)
- **'The time had come to be free from the constraints of local authority systems and controls as they had started to hinder development and delivery rather than help.'** (Doug Cresswell, Pure Innovations)
- **'An overwhelming need that felt difficult to ignore.'** (Julie Stokes, Winston's Wish)
- **'I felt compelled to share the freedom and empowerment our talking software has given us with others who can't see.'** (Roger Wilson-Hinds, Screenreader)
- **'Because I was so frustrated at not being able to get anything done in a charity and any decision made by a local authority.'** (Steve Ralf, Focus to Work)

In my experience, the 'bests' outnumber the 'worsts'. But each 'best' and 'worst' is an extreme. Life as a social entrepreneur feels much more intense than life when you're doing a 'normal' job. The best bits of becoming a social entrepreneur will surpass anything you have ever experienced at work. Equally, the worst bits are truly dreadful. I remember, many times, opening envelopes thinking 'If this isn't good news, we are finished'. Jobs lost, three years of my life down the drain. People saying 'Told you so!'

What are the common features of successful social entrepreneurs?

Life is either a daring adventure or nothing.

Helen Keller, deaf-blind American author

What do successful social entrepreneurs look like? While they come in all shapes and sizes there is, I believe, a 'DNA' (albeit one that can be acquired!) that all successful social entrepreneurs possess. I agree strongly with Chambers and Edwards-Stuart's work on this. Interestingly, all these traits have a potential downside, too. Here is a summary of these traits:

1. They use their gut as much as their brain

Upside: social entrepreneurs tend to be intuitive rather than analytical. They 'feel' as much as 'think' when making decisions. They are imaginative, good at seeing trends and painting pictures of the future. When they get it right, social entrepreneurs can generate solutions that are fresh and compelling.

Downside: they are prone to building ‘castles in the air’, which stay there if they don’t have the ability to follow through.

2. They have unusual drive

Upside: social entrepreneurs have a high drive for achievement. This is grounded either in their personal ‘Excalibur moment’ or something in their own background. It gives them the will to overcome huge hurdles and persist long after many would have given up.

Downside: channelled the wrong way, this drive can lead to tunnel vision and rigid thinking that stops them adapting to new circumstances.

3. They possess powerful values

Upside: successful people in social enterprise are highly principled, have a strong internal moral compass that guides them and an ability to embed these values into an organisation.

Downside: some people let their principles lead them to decisions that feel morally right but in fact lead to the demise of their organisation – and its good work.

4. They have strong focus

Upside: social entrepreneurs are able to settle on a handful of big-ticket goals the short and medium terms while also keeping in mind the long-term horizon.

Downside: an inability to retune their radar to new and shifting situations.

5. They are full of self-confidence

Upside: social entrepreneurs display high levels of self-belief. They are aware of their own strengths and are realistic, too, about their limitations. This self-belief is particularly helpful in securing early support.

Downside: played the wrong way, the sense of self can result in the organisation appearing to be an extension of the social entrepreneur’s ego.

6. They have fantastic communication skills

Upside: social entrepreneurs tend to be affable and charming communicators who can adapt themselves to working with people from all walks of life.

Downside: they can appear to be insubstantial in character and, in the words of one of my own staff when she first met me, ‘all charm, no trousers’ ...

7. They have good emotional intelligence

Upside: social entrepreneurs are excellent at assessing the emotional needs and potential contributions of key players. They are emotionally intelligent people who connect with people’s core values. They have the people skills to build the necessary coalitions to take a venture to its next stage.

Downside: social entrepreneurs can come across as overwhelming and too single-minded – which can be a turn-off.

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