

SEA Consultants Affinity Group

Recommendations for Consulting in the Field of Social Enterprise

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NOTE: These principles were developed by a small group of long-time SEA members who do social enterprise consulting. Our intention in creating them was to set standards that the Alliance could use to encourage best practices and policies for consultants and their clients.

Given the goal of consciousness-raising and voluntary compliance, our hope is that SEA's Board will endorse the principles, and support their use as a basis for education and training. We are NOT suggesting that SEA use them to create a certification process or attempt to track or enforce consultant's adherence to the principles.

Purposes:

- To define context, principles, competencies and practice guidelines for those consulting in the social enterprise field, with provision of these services to all entities that are by definition social enterprises, including nonprofit organizations, for-profit companies, hybrid businesses and public agencies;
- To offer guidance and parameters for social enterprise consultants and trainers;
- To provide context for social entrepreneurs when selecting training, consulting and/or advisory support.

Context:

Social enterprise and social enterprise consulting are not new areas of work, having been part of the fabric of nonprofits and socially-focused businesses for decades. To this point, however, no specific, clear guidelines have been developed to support the emerging and continually evolving ecosystem of services available to social enterprises.

Given the growing attention on social enterprise and significant expansion of the field over the past few years, consultant members of the [Social Enterprise Alliance](#) seek to establish definitions, define parameters and formulate practice guidelines for consulting in this arena.

Definitions:

Social Enterprise is an accessible concept that, depending on the audience, sector or day, may be defined in a variety of ways. For purposes of these guidelines, the [Social Enterprise Alliance \(SEA\) definition](#) is utilized:

Social enterprises are businesses whose primary purpose is the common good. They use methods and disciplines of business and the power of the marketplace to advance their social, environmental and human justice agendas.

Three characteristics distinguish a social enterprise from other types of businesses, nonprofits and government agencies:

- It directly addresses an intractable social need and serves the common good, either through its products and services or through the number of disadvantaged people it employs.
- Its commercial activity is a strong revenue driver, whether a significant revenue driver within a nonprofit's mixed revenue portfolio, or a for profit enterprise
- The common good is its *primary* purpose, literally "baked into" the organization's DNA, trumping all others.

The terms social venture, social purpose business and impact business, including commercial activity or earned income within a nonprofit, all embrace the identity of a social enterprise.

Social enterprise training / education and consulting / advising is comprised of services provided by professionals—including solo practitioners, consulting firms or boutique practices—offering opinion, counsel, advice and/or creation of work product(s) related to the development and/or ongoing operations of a social enterprise. This includes the broad spectrum of services that fall under business development consulting to more focused advising such as legal or financial services. For purposes of these principles, social enterprise training, education, consulting and advising includes those services offered at a fee, as well as pro-bono offerings.

Social enterprise development services include the a wide range of services offered to developing and existing social enterprises ranging from readiness and ideation activities to market research and business planning, strategic planning, venture growth, replication and scale. Examples of social enterprise development services/activities include:

Readiness to Ideation

- Organizational readiness assessment and planning
- Organizational asset & competency analysis
- Social enterprise ideation and selection of ideas/ventures to pursue
- Identifying constituent engagement opportunities

Market Research, Testing and Feasibility

- Feasibility scans and studies
- Market research and competitive analysis for potential business ventures
- Exploration of whether to purchase or start a business
- Portfolio review
- Governance review

Business Planning

- Business model development
- Marketing and communications planning
- Human resource development and advising
- Business plan development
- Pitch assistance
- Start-up and seed financing and funding
- Acquisition of for-profit or tax-exempt enterprises

Business Launch and Management

- Change management (hiring new skills, integration, etc.)
- Impact Measurement (business and social indicators)
- Operational / continuous improvement efforts
- Fine-tuning the social enterprise

Scale and Replication

- Growth financing/funding
- Exploration of new markets or products/services for existing markets

Legal, Tax and Finance Activities in Support of All Phases

- Financial modeling, planning and analysis
- Accounting and tax advising services
- Legal advising including structure, intellectual property, liability, etc

Competencies:

Consulting and advising for developing and existing social enterprises requires a specialized level of knowledge and expertise. Generally speaking, social enterprise consultants should be well-versed in entrepreneurship, understand and have experience working with (or within) and developing a diverse range of social ventures, and have a level of knowledge of the subject area and/or line of business of the social enterprise. While not expected to “know it all,” social enterprise consultants and advisors should have a solid base of related education and consulting experience, colleagues who can provide specific expertise and/or access to networks that complement their experience.

Recognizing that this is a developing line of work, that field-building, bench-building, inclusivity and diversity of consultants/advisors are important considerations; therefore, no specific levels of education, years of experience or set qualifications are outlined in these principles. Junior or associate-level consultants should endeavor to align themselves with senior consultants as possible allowing for the leveraging of talent and interest with experience and expertise. Senior consultants should endeavor to engage next generation consultants and advisors when possible. All consultants should consider the best interests of the client when working with a client and seek counsel when issues arise where they have limited experience.

Core competencies and characteristics of effective social enterprise consultants and advisors include:

Expertise and experience in organizational and business development

- Practical experience in doing market research sufficient to advise/assist organizations in doing the deep market research needed for new and growing business ventures
- Understanding of the process of business planning, as well as, and distinct from, strategic planning; appreciation of the importance of feasibility studies to test an idea from both an organizational and business perspective prior to launching a business plan
- Working knowledge of organizational life cycle stages, experience assessing and understanding their applicability to readiness
- Understanding of stakeholder/constituent dynamics and their influence on business development activities
- Commitment to a capacity-building focus that increases the knowledge and skill sets of organizations (i.e., teaching and showing rather than doing)
- Awareness and understanding of emerging business trends, and integration of these trends into social enterprise development work (i.e., lean or agile practices, new financing models, etc.)

A deep and evolving knowledge of the field of social enterprise

- Experience in the field having planned, worked with, worked in, or managed social enterprises
- Understanding of the broad field of providers, advisors, resources and funding available to social enterprise and ability to make appropriate connections to resources, case studies and best practice examples to support the social enterprise development process
- Connection to the greater entrepreneurship sector and appropriate leverage points for social enterprises
- Interest in and continuing efforts to grow one’s understanding of the field; a curiosity and desire to learn more and understand emerging concepts
- Active involvement in formal (SEA) and/or informal (Meetups, ad hoc) groups / professional organizations as a way to build knowledge and networks

In-depth knowledge of consulting practice and its application to social enterprise development

- Project design and management skills that allow for the development of logical, focused scopes of work and systematic delivery of the key scope components
- Strong facilitative coaching and consulting skills; defining with the client the appropriate place on the continuum between facilitation and consulting and delivering services in a way that meets client needs
- Ability to adapt to changing needs of the organization without compromising the overall project goals and/or desired outcomes
- Ability to work with diverse people, work styles, perspectives and ideas
- Ability to build ownership of the enterprise within the organization so that it thrives after the consultant has left
- Knowledge of the oversight role of the governing board and implementation role of the executive staff and development of a team relationship with both

Willingness to act as fair, but firm, coach and mentor

- Support the entrepreneur/organization and their idea, but be willing to ask the tough questions and tell the truth when their business idea appears unfeasible based on researched facts, lack of follow-through in the process, or unanticipated results
- Strong communication skills and willingness to identify and manage conflict; comfort in speaking with authenticity and directness

Practice Guidelines:

The following social enterprise consultant practice guidelines have been demonstrated to lead to positive client results, solid business plans and successful social enterprises.

1. ***Catalyzing work that matters.*** A perspective on the engagement as catalyzing a complete and inclusive process of organizational readiness and feasibility, planning, research and development rather than simply writing a business plan
2. ***Accepting that one-size does not fit all.*** Customized planning and business development processes (based in best practices and leveraging existing resources) are critical for client success
3. ***Understanding and valuing nonprofit organizations.*** For nonprofit clients, understand that *they have unique needs* when it comes to developing social enterprises; it is critical to understand existing organizational dynamics and structure, and stakeholder involvement and impact, and integrate these within the development process
4. ***Ensuring readiness.*** An understanding of and willingness to start with social enterprise readiness activities and to provide an honest perspective when an organization or person is not ready to pursue social enterprise
5. ***Serving as both expert and student.*** Expertise and experience coupled with an innate desire to learn, grow and develop as a consultant within each consulting engagement
6. ***Being willing to say 'NO' to a client.*** Honest, open and transparent client communications and willingness to coach when the market information shows the idea is not feasible but the organization is wedded to it
7. ***Being willing to say 'I don't know.'*** Ability to acknowledge when additional expertise, support or guidance is needed to support a client and access to professional networks (formal and informal) to provide that support in multiple venues, including Business Advisory Committees or Mentors

Conclusion:

While social enterprise has existed for decades, its evolution and growth in recent years demands a cohesive set of guidelines for and clear definition of the range of services available to businesses and organizations in the field. Likewise, the expansion of social enterprise has been accompanied by rapid growth of social enterprise consultants. By establishing a straight-forward framework of the guiding principles for social enterprise consultants and advisors, an industry standard will be created that will promote and enhance the understanding of services available to social enterprises. As a result, informed social enterprises may generate a clear set of expectations for the type and scope of services needed to help them achieve their goals to serve the common good.

Charter Members:

This document was principally developed by Caryn Capriccioso, Betsy Densmore, Belinda Li, Niki McCuiston, Gayle Pincus, Suzanne Smith, Drew Tulchin and Janine Vanderburg. We hope that other colleagues, many of whom offered input, will join us in endorsing and practicing these principles.

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