



# MYTHS AND REALITIES

**SOCIAL ENTERPRISE  
AND THE  
COMMUNITY AND VOLUNTARY SECTOR**

**ACTION LEARNING SET  
March – May 2010**

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## INTRODUCTION

At the ESRC/SEC/LARCI public policy seminar 'Social Enterprise and Community Empowerment' on the 10<sup>th</sup> June 2009 hosted by DCLG it was suggested that an Action Learning Set (ALS) be organised. The TSRC Knowledge Exchange Team approached Social Enterprise Coalition to develop this suggestion in partnership with London Civic Forum, who have a track record of running successful Action Learning Sets. As part of our role to support stakeholder engagement in our research process, TSRC is keen to work with stakeholder partners to inform our research using different activities. This Action Learning Set will inform TSRC's future research on social enterprises. To date TSRC has been working with University of Middlesex, Centre for Enterprise and Economic Development, who leads on our Social enterprise research stream to develop the research knowledge base on the sector. In appendix A are the abstracts of briefing papers and full working papers related to this topic, that are available to download from our website [www.tsrc.ac.uk](http://www.tsrc.ac.uk).

### About the organisers

**London Civic Forum** believes in and promotes representative government as well as participative democracy. We believe in and promote consultation and ongoing engagement with communities. We believe in and promote clear outputs for intervention programmes that are designed to improve life in London along with quality processes that ensure people are empowered during these activities. London Civic Forum regularly holds events on key topics in the areas of civic engagement and participation and community empowerment. Training and learning events-such as capability sessions or Action Learning sets- are also offered throughout the year. This action learning set is being sponsored by as part of this program.

**The Social Enterprise Coalition** is the UK's national body for social enterprise, it represents a wide range of social enterprises, regional and national support networks and other related organisations. We believe that social enterprise is the right way to do business and we work with our members to: Promote the benefits of social enterprise through the media, campaigning and events. Promote best practice amongst social enterprises through networks and publications. A key part of the Coalition's work is to enable social enterprises to share know how, network and do business. We publish a range of case studies, 'how to' guides and training materials. Inform the policy agenda working with key decision makers. Our aim is to improve the operating environment for social enterprise by advising government, informing consultations and hosting policy events. We influence politicians across the political spectrum, generating support for social enterprise. Political engagement has been the bedrock of the Coalition's work in promoting social enterprise and in pushing the issue up the policy agenda. Undertake research to expand the social enterprise evidence base. We are supporting this action learning set as part of our research.

**Third Sector Research Centre** is the ESRC national centre for academic research on the third sector. It is funded by the Economic and Social Research Council, Office of the Third Sector and the Barrow Cadbury Trust. It was established in September 2008 when the Universities of Birmingham and Southampton were announced as the successful hosts of the centre. A unique element of the TSRC is its emphasis of working in partnership with practitioners, policy makers and other academics, through its Advisory Board, Research Stream Reference Groups, Capacity Building Clusters and Knowledge Exchange Team. This is initially a 5 year program to have a real impact by ensuring that the research knowledge produced advances our knowledge and understanding of the third sector, is of good quality and is relevant so as to inform policy and practice. We are hosting this action learning set as a knowledge exchange activity for our social enterprise research stream.

## Establishing an Action Learning Set

Publicity was disseminated through TSRC, LCF and SEC networks in January 2010, and there were eighteen applications to join the set from across England. Issues that they raised for consideration are attached in Appendix B. Due to funding constraints only those from London could be considered. A smaller group of ten were invited to join the set to ensure a complement of interests, background and experience. Three sessions were held over a three month period. Eight people participated in the Action Learning Set, with six participants sharing their issues and dilemmas. The outcomes of these sessions are detailed in this report.

Collectively the Set members agreed three main topics for the Action Learning Set to focus on along with dilemma's to present on:

### **1 The extent to which social enterprise can deliver innovative public services**

- a) As a public sector officer how do I get a social enterprise off the ground in this current climate and I am the right person to run it?
- b) How can we learn from failure, and what is the distinction between a business that wants to 'do good' and a charity that is trying to 'do business'?

### **2 How stakeholders influence the positioning of social enterprise**

- a) As an organisational development advisor what influence have legal issues on positioning social enterprises?
- b) As a local authority partnerships officer what does social enterprise mean for voluntary and community groups and local commissioners? And how can we raise their awareness of the concept and support appropriate action to embrace it?

### **3 Exploration of appropriate business models for different measures of impact**

- a) As a social entrepreneur how do I demonstrate the value of non-monetary impact ?
- b) As a voluntary organisation how can we help our members achieve sustainability and why is it so important?

The Report is not an analysis or summary of the Action Learning Set participants contributions but captures their discourses when discussing the topics and issues. For confidentiality we have not attributed names or places to the dilemma's presented.

The Action Learning Set offered a number of outcomes for the participants as well as the wider communities of interest. By participating in the ALS process the participants learnt new techniques and approaches to problem solving and reflective learning. They also found potential actions to move forward on current dilemma's they are facing regarding the myths and realities of social enterprises. For wider communities the report offers an insight into real life issues with regard to social enterprises and potential solutions - whether you are a social entrepreneur, a policy/decision maker, or a public sector officer /voluntary/community worker who is being encouraged to embrace the social enterprise world. For TSRC this knowledge exchange activity will help inform research on social enterprise; for the London Civic Forum the report will be used to highlight issues to the London Empowerment Partnership; and for SEC it will help inform research on social entrepreneurs.

## TSRC Research Stream Analysis

Abstracts from research published to date by TSRC are in Appendix A. Briefing Papers for these were included in the participants packs at the first session of the Action Learning Set. A researcher from the Social Enterprise research stream attended the second session as an observer. His thoughts are outlined below.

As part of the application process, potential participants were asked to set out what they hoped to gain from being involved in the Action Learning Set. Analysis of these applications (See Appendix B), demonstrated how those from the voluntary sector, statutory sector and social enterprises had different motivations for attending.

As a general overview, respondents from the **voluntary sector prioritised**: definitional issues – they wanted to understand what a social enterprise was, and whether all (voluntary) organisations can become one; the wider policy environment and whether voluntary organisations might become marginalised by a focus on social enterprise, particularly in relation to service delivery; funding issues, particularly how social enterprises raise money; and demonstrating the impact of social enterprises. **Respondents from the statutory sector** wanted to know more about the sustainability of social enterprises, with particular reference to how the public sector might support their development through different stages of the life cycle. Respondents from the statutory sector were also keen to gain an understanding of the differentiated nature of social enterprise and move away from a one size fits all approach. Finally they wanted to know more about how the performance of social enterprises might be evaluated. **Those working in or leading social enterprises** who expressed an interest in taking part expressed an interest in understanding why social enterprises are politically popular, and to dispel some of the myths around social enterprises. They were also keen to know more about people's motivations for setting up or working in social enterprises. Sustainability was also an issue, with particular reference to the role of the state in supporting the social outputs of social enterprises. Like respondents from the statutory sector, people from within social enterprises were also keen to take a differentiated approach, particularly to understand similarities and differences between social enterprises and voluntary organisations. Should the voluntary sector be seen as complementary to social enterprise or as an alternative?

It was interesting to note that the topics agreed by the action learning set were reflective of the early priorities for TSRC's research into social enterprise. This would suggest that our evidence reviews and consultation with key stakeholders have been broadly successful in capturing research priorities for the sector. Topic 1 'the extent to which social enterprise can deliver innovative public services' is a planned area of research within our service delivery research stream. Topic 2 'the positioning of social enterprise' is explored in social enterprise working paper 15. Topic 3 'exploring different measures of impact' is being addressed through our work on evaluation and SROI.

Many of the concerns expressed by the participants occur repeatedly in our evidence reviews, particularly the balance of economic and social values (See also working papers 3 & 5). Additionally our research on social enterprise and failure (working paper 31), and on the ways in which internal and external stakeholders are involved in the positioning of social enterprises have relevance to our participants. Our future research will explore in more detail how the commissioning process might be adapted to help social enterprises compete on a level playing field. We also hope to explore the use of social enterprise models by public sector spin offs. Finally, much of our work is devoted to questioning some of commonly held assumptions about social enterprise. Over the next year we expect to publish papers exploring these assumptions. For example, how sustainable are different types of social enterprise? Where does the 62,000 figure from?

## METHODOLOGY

This action learning set was adapted from the model of Action Learning established by **Reginald Revans** (1907 – 2003), originally a physicist graduate from Oxford, later renowned as a management expert. He combined his logical approach to problem solving with his need to develop a national training programme for miners. He saw learning as a shared social activity, rather than one in isolation or competition with others. Action Learning created the conditions for collaborative learning. The process integrates three elements into a single activity:

**Research** - into what is obscure  
**Learning** - about what is unknown  
**Action**- to resolve a problem

By developing an attitude of questioning and reflection, Reginald believed individuals and organisations could change themselves in a rapidly changing world. The most common reason that people cooperate is that it brings a synergy. People tend to specialize just to be able to form groups with high synergy. **But, creative synergy usually arises when two people with different complementary skills cooperate to develop new solutions.** Thus the uniqueness of Action Learning Sets are that people from different disciplines come together in a safe space, on a regular basis to learn from each other's knowledge and experience.

**The Theory:  $L = P + Q$**

**L** learning is determined by  
**P** programmed knowledge  
**Q** insightful question

Using the stimulus of real life problems, the participants work within a supportive environment with other set members to develop their ability to reflect and learn from being challenged by the Set members, and when they try out new solutions in the real world sharing their experiences.

### Stages

1. **Introductory workshop** - to understand the concept of Action Learning and the roles of the Set
2. **Topic setting** - agreeing the topics that the Set will work on and who will present on each topic area.
3. **Presentation and Feedback** - participants present their perspectives on the topic to the Set. The Set asks insightful questions and gives feedback and possible solutions
4. **Implementation** - participants explore implementing the solutions in the real world through an action plan
5. **Reflective Learning** - participants report back. The Set agree shared learning and evaluate the process of the ALS.

In preparation for stage 3, all participants were given reading for homework and asked to prepare an outline of their dilemma to circulate before the meeting. Stage 3 is where the crux of the Action Learning takes place and follows a prescribed format:

## SET in action

- 1 **Describing the problem** as we see it
- 2 **Receiving contributions from others** in the form of questions, suggestions and feedback
- 3 **Reflecting on our discussion** and deciding what action to take
- 4 **Evaluate session and the process**

In the fifth stage the participants **report back** on what happened when they took action and **reflect on and evaluate the overall action learning set** process.

Action learning is not just about learning by doing; you need to reflect on that experience in order to **identify exactly what it is you have learned, internalise the lessons and pragmatically devise action plans** so that you can take effective action in the future in a new and different situation.

In this Action Learning Set some changes were made to the previous process: due to resource and time constraints the ALS ran for three sessions over a three month period rather than six sessions over six months; a short 'mock' presentation of a case dilemma was introduced by the facilitator as a 'dry run' for the participants; observers from SEC and TSRC attended the second session of presentations although the Set is usually closed to outsiders. Given the nature of the group, the facilitator did not always try and restrict discussion by adhering strictly to the ALS principles, if it was contributing to solution development and learning for the participants.

## TOPICS EXPLORED

In this section we outline the main contributions made by participants starting with their baseline position regarding social enterprises, then exploring the key issues for each of the topic areas the Set agreed to explore, then the details of their case dilemma's and learnings. The section concludes by asking participants what their individual learning were from participating in the Set.

### BASE LINE POSITION: PARTICIPANTS VIEWS ON PRIMARY SOCIO-ECONOMIC AIMS OF SE

Annoyed with "Social Enterprise (SE)" term and political vive to sell – been core of VCS already. Interest in SE as no good definition, funding, legal & governance, lack of clarity – doing good but generally for profit - **voluntary sector officer**

Primarily making things better whilst making wealth. People/group doing things for themselves to meet a need? Any betterment not necessarily just about charity and deprivation – **statutory sector officer**

Social aim of SE, to improve knowledge or information, offers freedom to do things in an entrepreneurial way – economic bottom line - **social entrepreneur**

Social business invests in triple bottom line – business model with freedom to deliver on social aims– **social entrepreneur**

To support social justice in the community, to enhance community outcomes and to make money while doing good for society and strengthening communities **statutory sector**

### THE EXTENT TO WHICH SOCIAL ENTERPRISE CAN DELIVER INNOVATIVE PUBLIC SERVICES

#### Issues raised:

- Implications of public sector staff/teams to become SE
- Explore if a SE can use the local Compact to be treated fairly
- Ensure that LA commissioning processes understand the added value of SE and subcontracting
- The ability of SE to understand public sector culture (Is a campaigning role incompatible with this?)
- Social Enterprise can go bust

#### Presented dilemmas:

**1) *As a public sector officer how do I get a social enterprise off the ground in this current climate and I am the right person to run it?***

I have worked in the field of mental ill health for 10 years, specialising in involving people with direct experiences to shape the services they receive. I designed an extremely successful 'training as trainers' course for service users to co-deliver mental health awareness training. The Trust doesn't have the right kind of structure to support this work and has suggested I explore establishing a social enterprise to become sustainable. But I have no experience in business and am not sure that the current climate is right for such a venture. Although I am skilled and experienced in my job to support and develop trainers, I question whether I am the right person to take on this new responsibility of setting up a social enterprise. My concern is that if I focus on setting up an SE the

service users will suffer, as I won't have time to find training contracts to keep them motivated and engaged. If I am not the right person to set this up, then how do I find the person who is? There is a huge gap between going from a regular paid job with a pension and salary to setting up my own business.

### **Actions**

- Contact: Social Firms UK, Young Foundation, Social Spider, Strategic Health Authority, local LSP
- Create videos of people's stories/new stuff into existing video
- Speak about making it into a pilot in the Trust
- Create prospectus

### **Learning**

The session and learning more about SE's made me realise that I do not want to set up a social enterprise. I had a meeting with the Social Enterprise Investment Fund who will give some feasibility money to explore the development of a social enterprise but I will focus on implementing the project. I intend to have a meeting with Trustees of the Trust and present the idea of SE to them. I have attended useful networking events in the SE sector and have a clearer picture of what I am looking for and what we can and can't do. We are developing promotional materials of our training for the web.

## **II) How can we learn from failure and the distinction between a business that wants to 'do good' and a charity that is trying to 'do business'?**

**Actions** – unable to attend session

### **Learning**

There are two ways of approaching SE, from a business model entering the 'do good agenda' and from the charity model trying to 'do business' and not always succeeding. I am interested in the 'glory of failure' and what can be learnt. People don't want to be open to their failures to explore and learn from it, but want to learn from others failures. The SE sector is small so doesn't want to highlight failures, but the SE model has not been tried and tested enough. Self financing a feasibility study is not easy and there is a skill gap between the charity and enterprise sectors. It is difficult to work with a customer base who won't generate a profit. The commissioning process has no space for risk, innovation and learning from failure. Evaluation and monitoring is not about learning but if the project succeeded on targets or not. We need a cultural shift to not just celebrate what is achieved but to learn from what went wrong. Public sector cuts will tighten criteria for outcomes but need more flexibility in targets to learn and change projects over time.

## **HOW STAKEHOLDERS INFLUENCE THE POSITIONING OF SOCIAL ENTERPRISE**

### **Issues raised:**

- What influence do legal issues have on positioning?
- Viability as influential factor
- Access to finance and skills

#### *For example*

*Imposing control – is there ample funding provided to achieve full project aims (hard & soft outcomes), what about different power issues depending on stakeholder type?*

*Not sharing aims – are employment “rights” and skills development achieved through organisational operations?*

*Restricting opportunities – are SE’s able to take up opportunities quickly?*

## **Presented Dilemmas**

### **III) *As an organisational development advisor what influence do legal issues have on positioning?***

In our mentoring programme more and more people say that they want to become a SE, but they don’t really know what this means. They want to earn a living from their job and be in strategic control. Can every organisation become a SE and what model is best when considering governance, control and risk? What are funders views on different legal structures, are the structures flexible enough to change, or would profit making structures be more appropriate? What cultural issues influence which structure is best, and what about policy preferences?

#### **Actions**

- Speak to manager and find out what the position of our organisation is on giving advice to social enterprise and learning from that.
- Speak about organisations who have successfully done the journey
- Explore the opportunity of running action learning sets or an event for advisors and community development workers

#### **Learning**

From speaking with managers we have changed our priorities away from SE toward commissioning and collaboration, and will refer enquiries to more specialist organisations. We will link up groups with other SE’s who have had experiences with similar financial support. We will learn through working together and explore events such as action learning workshops.

### **IV) *As a local authority partnerships officer what does social enterprise mean for voluntary and community groups and local commissioners? And how can we raise their awareness of the concept and support appropriate action to embrace it?***

There are different models and understanding of SE, what it can achieve and its limitations. Voluntary and community sector (VCS) organisations don’t seem interested in SE even though many engage in income generation and are in pursuit of funding. In the statutory sector many still struggle with understanding VCS let alone SE, or having a tendency to see SE as the solution to difficult issues without fully understanding what is involved. For VCS organisations to deliver services governed by a contract or SLA they will need to adopt a more SE approach while retaining the ethos of independence and passion. Commissioners may see the label of SE and feel more confident about the capacity of such an organisation to deliver. Does it matter that VCS don’t define themselves as SE in the commissioning process?

#### **Actions**

- Work with local infrastructure organisation to “reinvent” social enterprise network
  - Rename to focus on “how to sell stuff”
  - Commissioning/procurement
  - Use Compact to underpin
- Look for simpler commissioning/procurement documentation from other boroughs

- Plan cross-borough events/examples of good practice

### **Learning**

I was struck by the amount of ground work done in promoting SE in the VCS but making it work in practice is frustrating. But the promotion can't be seen as coming from the statutory sector, that is why we are working with the VCS to demonstrate impact. There is a new SE post in the health sector so will learn from that and explore practical ways of supporting SE set ups. Will use the Compact and N17 to develop protocols on how to work across the statutory sector. Restructuring is taking over and invariably reality lags behind rhetoric as priorities and pressures change. But will be working across the borough to organise events with the VCS.

## **EXPLORATION OF APPROPRIATE BUSINESS MODELS FOR DIFFERENT MEASURES OF IMPACT**

### **Issues raised:**

- Demonstrations of the value of non-monetary impact
- Exploring a tool kit that SE's could use to measure impact
- How to agree on value of inputs and who they are valuable to
- Finding ways of working to satisfy different stakeholders

### **Presented Dilemma's**

#### **V) *As a social entrepreneur how do I demonstrate the value of non-monetary impact?***

One of our social enterprise media projects is a magazine written by and for people with mental health difficulties. We currently distribute 10,000 copies to subscribers and organisations. But we need to find a useful way of demonstrating the social impact of our magazine. How can we find out if the magazine is of benefit to people who read it and present it in a way that is useful to funders and stakeholders? We already have reader's surveys in the magazine and online, focus groups, discussions with subscribers and participants at our other activities, but this is not sufficient.

### **Actions**

1. Contact social enterprises who may be able to do evaluation of social input or market research
2. Talk to major customers about mutually useful ways of assessing the magazine's impact
3. Consider ways of expanding reach of magazine by delivering outcomes to new subscribers, such as GP surgeries/job centre plus

### **Learning**

Need additional funding to undertake an evaluation as has resource implications and I am exploring this. We have accessed some consultancy work which is asking why subscribers buy the magazine and there will be an interim report. There have been suggestions that we put the magazine on the website, but this assumes that people have easy access to the internet. There is a challenge in how to make the product more socially useful (is that by making it free?) but it also needs to be a viable business. We have accessed some money to extend our circulation, but GP's are very reluctant to receive things even if they are free and even expect to be paid to have things in their waiting rooms. We have approached different people to join our Advisory Board to create new networks. We have also considered putting different things into the magazine to widen reach and have had talks with Trusts to bundle the magazine with their other resource distributions.

## **VI) As a voluntary organisation how can we help our members achieve sustainability and why is it so important?**

We need to have local organisations that have been there yesterday, are here today and will be there tomorrow, rather than being around on the 'whim' of funders. They need to be sustainable in order to decide their own future. Organisations either need to trade or have an asset base to be sustainable. Organisations need to identify local needs and priorities, find a gap in the market and market in the gap. We need to develop programmes, project, products and services which are relevant, feasible and sustainable. But the present internal and external environments are in flux. What opportunities are there and what community enterprise models will deliver sustainability?

### **Actions**

1. Sell 'replicability'
2. Be the 'bridge' – green initiatives & employment creation
3. Promote needs/opportunities to funders

### **Learning**

I learnt that I needed to be very clear about what replicability is & what it can deliver since there seems to be a range of understanding. All responses need to be tailored to the place / people / community / neighbourhood needs & opportunities. However there are some 'core' features that suggest that some form of replicability is possible, even if these only amount to learning what did or did not work for organisation A in place B. Make sure we 'capture' the learning so others can benefit from it. Looking at 'green initiatives & employment creation; encouraging/ providing information and contacts for colleagues / members already pursuing this route. Make sure we are creating the 'space' for members to share good & promising practice. Making sure those organisations / communities engaged in 'green' initiatives are aware of each other and their different responses based upon need and opportunity. As ever the answer is 'it depends' - there is no right answer but we get closer to the 'right' recipe. Make sure we circulate /disseminate success & failure information / learning to funders & investors

### **Individual Learning for Future Actions**

- To let go of total responsibility for effective resolution of issues
- Remember that everyone thinks differently and approaches things differently so there is no right answer
- The process can be as important as the content and you need to believe in that (even when others don't). It is vital to take people with you. The timing/messenger is also important
- ALS is an important tool when you are stuck with a question/dilemma
- Answers need to come from me, not be given by others for me to take action on
- The responsibilities aren't all mine, nor do all the solutions need to come from me
- Try to phrase questions differently e.g. how would this look?
- Actually the biggest thing is that I have something to offer to others in terms of asking helpful questions that people find useful

- Supporting/enabling people to look at their problems from a different perspective
- ALS can be a good tool to use
- The confusion about the differences between Social Enterprise and other bits of the voluntary sector is widely shared by people within public, voluntary and social enterprise sector
- There is usually no magic solution to things – just a series of logical approaches that have to be carried out and refined
- Action Learning is an interesting process about which I would be keen to learn more at some point
- ALS is a great tool if applied confidently-requires better preparation and support
- Actions generated in ALS can seem artificial to others (you are taking an unfamiliar stance)
- Cross-sectoral groups very valuable for gaining insight into issues and solutions - this can be continued outside ALS

## REFLECTIVE LEARNING

This section gives a verbatim account of participants reflective learning firstly after presenting their cases and then at the end of the whole action learning process. The process was conducted using the following agreed ground rules for the Set:

- Chatham House Rules
- Challenge the statement not the person
- Agree to disagree
- Focus on topic
- Be SMART

### Presenting case dilemmas

#### ***As a presenter***

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##### *Knowledge acquired:*

- That I am on the right track in terms of thinking of the issue i.e. it should be me running it
- Presenting concisely enables better transfer of information
- Clarity in focusing on problem and way forward
- Learnt how to step away from the issue and re-focus
- New information and ideas
- Presenting a problem in a concise and comprehensive way
- Ideas for possible organisations and parties who could help solve the problem
- Ideas for ways of working with existing parties to tackle the problem

##### *Skills developed:*

- Listening to questions and taking time to think what responses they elicited in me
- Being more disciplined about exploratory questions rather than jumping to solutions
- Listening
- Ability to respond to questions and prompts
- Assessment of new ways of working and their viability

##### *Attitude changed:*

- I enjoyed challenging questions – glad not to feel defensive
- I was encouraged to develop new ideas for methods of impact assessment building on existing practice

#### ***As a set member***

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- I had the chance to learn how to ask questions in a different way
- I learnt how to ask tactful plus insightful questions
- I learnt how to resist giving advice
- I enjoyed being interrogated by people not from my world
- I felt very engaged and interested-the opportunity to have the space to hear other people's issues was useful
- It feels hard to ask "insightful" questions
- Sometimes it's difficult to distinguish between suggestions and solutions
- I was interested in the topic perhaps even more than the process
- I was engaged when I asked questions or people asked questions I found personally challenging

- I found it difficult to ask insightful questions and still don't understand what meaningful questions are or are not
- I learnt a lot about how to approach a dilemma from observing and listening to other presenters and questions asked
- I find the process of framing all interventions as questions quite challenging but also interesting
- I think that it's a method that is potentially valuable to find ways to explore different ways to make it possible to overcome the challenges you face
- It's very difficult to answer general questions i.e. 'what is social enterprise' by this method

### ***Overall Learning***

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- Enjoyed learning from others and hearing their dilemmas
- Not enough facilitation/ input when people asked questions too directly
- Didn't feel set members helped me reframe questions in a different way or see things differently which would have been good
- Evaluation form needs to have questions where you can write comments along the following lines: eg, anything else you felt the set could have done differently for you, any points for improvement in the way the day was run/facilitated – this would give space to write things from a more improvement focus rather than just a positive one, which this evaluation feels skewed towards getting
- Interesting observations about group dynamics, very supportive environment
- Questions were challenging; listening to questions thinking about the action points, a new way of seeing the issue
- More about the topic than the process, but was a useful reminder of discipline of action learning set.
- Enjoyed the engagement and involvement of others - interesting to put a framework on individuals who clearly do things/think about things differently
- I learnt a lot about how questions that don't allow solutions can help to create an innovative thinking process. However I am still not sure what an Action Learning Set is and how it works, in particular what questions to ask. I feel that most of the basic solutions were offered and it would have been good to have more time for guidance. Also, we didn't use the problems/dilemmas we agreed at the first meeting consistently as not everyone could attend the first session. So I am confused if we really have to create a dilemma or not.
- It was an interesting process. I am not completely convinced that Action Learning Set was necessarily the best vehicle for discussing some of the issues raised

### **Overall reflections of the Action Learning Set**

#### ***What have you learnt?***

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##### **Principles**

Ask open questions; bring people from different sectors together for effective learning to take place

Focus on process rather than content

-stand back and enable rather than 'telling them' for problem solving

- exploring what we don't know and looking at things from a different perspective

Mentoring relationship but as a group (non-judgmental-CHR, honour and trust),

Reflecting- internally and between group members

##### **Components**

A problem (real), and manageable (SMART)

Actions and exploration

Manageable dilemma and present with questions (about other person not you),

### **Advantage, Disadvantage and benefits**

- ✓ ALS offers valuable time out to think and reflect
- ✓ Other members of the Set are not part of the problem situation so can see wood from trees when the problem is presented
- ✓ The process of ALS engenders ownership and empowerment
- ✓ The environment gives everyone a space to be heard
- ✓ The focus is on the problem, all participants are equal no one's experience, gender, background is more or less valid
- ✓ Solutions more robust as thought through
- ✓ Breadth of knowledge of other perspectives/sectors gained through participating in the ALS (could have been developed more with more time)
- ✓ Networking/opportunities created

### **Problems faced**

- ✓ Feel empowered with new ideas when with the Set but when go back into reality.....
- ✓ Tension around process and content
- ✓ Sharing your process and environment with others – do they really understand where you are coming from?
- ✓ But not understanding fully gives alternative approaches so can be helpful

### ***What are your reflections?***

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#### **Setting of Aims**

- ✓ Communications challenging in first session as difficult to understand others perspectives (as the group is meeting for first time)
- ✓ Introduction to ALS was a gallop but good
- ✓ Didn't really achieve SMART topics, given need to implement solutions, and not everyone understood 'insightful questioning'

#### **Presenting the case**

- ✓ The A4 outline of the dilemma was really hard to articulate but good to do
- ✓ To start with the discipline to write down your topic dilemma was hard but a useful exercise
- ✓ "SMART" problems?
- ✓ New faces and observers were difficult (what they should and shouldn't do, what role they are meant to play) All Set members should attend all sessions – beginning to end
- ✓ People were confused about what observers were doing there – maybe could give ideas afterward rather than during the session
- ✓ Discipline of process - what is or isn't a "good question" – A 'crib sheet' of what is or isn't a good question might be useful

#### **Learning in action**

- ✓ Pre outline of dilemma and agreed actions sent around was good
- ✓ Solutions and action plans have to come from you to do something with it, but inevitably involve others, which is a challenge to creating change in the real situation
- ✓ Selling ideas and process to outside world can be challenging
- ✓ Good to be given time to try out actions and learn from them
- ✓ Personal reflections on how to present

## ***What was your experience of presenting and asking questions?***

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### **Critical assumptions & reflections**

- ✓ Able to understand my place in process of taking actions forward and how I should interact to realize policy into action
- ✓ People got hooked on how to do it – not what you want to do
- ✓ Don't have solutions in my head and stick to them, forced to listen and open up rather than depend
- ✓ Your role in a shared problem – questioning helps realize others have a similar problem and where you stand in relation to it
- ✓ Assumption of missing something obvious – but realized more to do with trying different actions – no 'right answer'

### **Capitalizing on learning**

- ✓ Letting go of total responsibility and reality to work with other people
- ✓ Able to let go of feeling the need to know, but to focus on own strength and not have to deliver on expectations

### **Other assumptions**

- ✓ Other people's reflections on the position you are in now and where you could be in a years time – you really know what you want already

### **Other comments and suggestions**

- ✓ Takes longer than you want as involves whole person and in-depth conversation & debate
- ✓ Insightful questioning and appreciative enquiry
- ✓ Open & honest space creates empathy – and as we had no prior assumptions about each other we were free to express ourselves and our realities in the outside world, and get honest feedback from the other set members without any hidden agenda's
- ✓ Think about other perspectives
- ✓ So little time for reflection and conceptualizing situation in reality
- ✓ Dynamic and energizing, meeting people from different backgrounds
- ✓ Real learning
- ✓ It was FUN!

## APPENDIX A

### TSRC RESEARCH ABSTRACTS

#### **A3: Can social enterprise address social exclusion? Evidence from an inner city community**

***Dr Simon Teasdale, University of Birmingham***

This paper explores the potential impact of social enterprise on exclusion within an inner city location. The case study research involved participant observation over a two-year period enabling a wider and deeper understanding of the phenomena under investigation. Selection of cases was based on a preliminary typology for social enterprise. Exclusion was conceptualised as multi-dimensional and relative to the standards of the society in which a person lives. The research literature suggests that the aggregate economic impact of social enterprise on economic dimensions of exclusion is marginal, in part a consequence of a mismatch between policy expectations and what is happening in the field. However, this case study research found that different forms of social enterprise impacted on exclusion in different ways. Social enterprise tended to impact along the less tangible lower levels of the dimensions of exclusion. People could become included within a group, but remain excluded by the standards of the society they lived in. This paper outlines these different impacts in order to open up a more balanced perspective on the potential of social enterprise in combating area based exclusion and their limitations.

#### **A 4: Mapping social enterprises: past approaches, challenges and future directions**

***Professor Fergus Lyon and Dr Leandro Sepulveda, University of Middlesex***

This paper examines how mapping of social enterprises has been carried out in the past, and the challenges being faced by current studies. It pays particular attention to the definitions used and how these definitions are operationalised. The challenges and future opportunities are examined, and recommendations are made for policy makers commissioning studies. The paper draws on a range of different approaches, namely literature reviews, interviews with key informants, focus group type discussions with social enterprise support providers and researchers in different UK regions and with policy. There has been a variety of approaches with different definitions and politically-driven interpretations of definitions, which limits the ability to compare results. A particular challenge has been in interpreting what is meant by “trading income” or “social” aims. This presents interesting political dilemmas with many studies avoiding clarity in order to be inclusive thereby reducing the rigour of their data collection and analysis. Research at a national and regional scale is being carried out to identify the scale of the sector so that public sector support resources can be justified, support can be targeted, and public sector spending can be evaluated. These approaches will need to be explicit about how they are carrying out the research, recognising the political nature of definitions and addressing the challenges identified. This paper will be used by researchers examining the impact and extent of social enterprises and policy makers commissioning such studies.

#### **A7: Measuring the value of social and community impact of social enterprises delivering public services**

***Professor Fergus Lyon, University of Middlesex***

The roles of social enterprises are shifting, with a period of unprecedented change for the sector. While social enterprises were originally seen primarily as a way of meeting social needs for local communities that had been let down by both the market and the state, they are now seen as playing a greater role in a competitive market both within the private sector and within the markets for public services. It is the latter set of activities that is of particular interest here as social enterprises

and other parts of the third sector increasingly become a delivery agent for the state, working in competition with other parts of the private, public and third sectors. However, little is known about the impact of the third sector with regard to the delivery of public services, and there is an urgent need to measure the social and community benefit. This needs to go beyond the boosterist analyses of successful case studies and include more critical appraisals of impacts (positive and negative), comparisons of social enterprises with other forms of public service delivery, and the dissemination of this information. This requires investment in research and auditing and a degree of bravery within the third sector. Without this, there is a risk of losing the chance to learn from successes or failures, repeating mistakes and damaging the reputation of the sector in the long term. This paper examines the different approaches to measurement, distinguishing between the need for individual organisations to measure their impact and the need for larger scale studies that examine the impact of social enterprises more generally, providing the evidence base for policy makers. Looking forward, the opportunities and challenges are also presented.

#### **A15: Outsider, missing link or panacea? Some reflections about the place of social enterprise with(in) and in relation to the third sector**

***Dr Leandro Sepulveda, University of Middlesex***

The paper argues that visions of social enterprise and its relationship with the third sector vary significantly from those that loudly or silently see social enterprise as conventional businesses and therefore as ‘outsiders’ to the third sector to those that see them as the ‘missing link’ between the third sector and markets and even a ‘panacea’ to solve social problems. The paper critically examines these views in the UK context and concludes with some policy considerations in relation to the place of social enterprise within the third sector and future policy scenarios.

#### **A 22: Social enterprise and the environment: a review of the literature**

***Dr Ian Vickers, University of Middlesex***

Not-for-private-profit organisations and entrepreneurs within the social economy have long played a role in pioneering creative responses to environmental issues, although often with only limited impact in terms of the wider dissemination of solutions. In recent decades, social enterprise activities that aim to combine environmental and social benefits have been particularly centred around employment creation and work experience initiatives targeted at disadvantaged groups and communities. Sustainable waste and resource management constitutes the largest sector of the green social economy and, as such, has received the most systematic attention. Issues and challenges identified in the recent policy literature relate to the financially precarious nature of social enterprise operations, the dynamic and increasingly competitive nature of the markets involved, the difficulty of scaling-up and potential adverse consequences of this, and the complexities involved in assessing environmental and social impacts. Other academic literature examines entrepreneurship and innovation that is motivated by environmental and social/ethical concerns. Entrepreneurial actors, with their propensity for innovation, experimentation and risk taking, are identified by these authors as the driving force of a sustainable society. In conclusion, social enterprises, with their (in the main) local focus and concern with community engagement, are seen as integral to the advancement of environmental and social innovation in support of sustainability. There is a need for further research, however, to clarify the nature of the challenges and barriers in particular sectoral contexts and in relation to a rapidly evolving policy environment.

**A 23: The contradictory faces of social enterprise:  
Impression management as (social) entrepreneurial behaviour**  
**Dr Simon Teasdale, University of Birmingham**

This paper demonstrates that social enterprises can exhibit multiple faces to different stakeholders in order to access resources. The research involved a longitudinal case study of a group of Kurdish refugees and asylum seekers producing a theatrical play based upon their collective experiences. Participant observation enabled a deeper understanding of the phenomena under investigation. The approach to analysis was inductive, drawing out themes for further investigation. This paper focuses upon one particular theme: the role of organisational impression management in resource acquisition. Key findings are that the social enterprise is seen and presented in different ways by different internal stakeholders; social enterprises can use organisational impression management to demonstrate multiple faces to different resource holders in order to acquire resources; however the resource holders are not passive recipients of impression management. Each has a strategic interest in the social enterprise being presented in a particular way; the social enterprise needs to be seen to conform to these impressions.

**A31: Black boxes in the wreckage?  
Making sense of failure in a third sector social enterprise**  
**Dr Duncan Scott, Associate Fellow, Third Sector Research Centre**

This paper examines the experiences of a single social enterprise that grew rapidly but ended in failure. Over more than eight years, the author conducted intensive field research during the social enterprise's life and held detailed post-mortems with key players after its death. This material is part of longitudinal research on social enterprise activity in the voluntary and community sectors, (Pharoah, Scott and Fisher, 2004; Russell and Scott, 2007). It is complemented by a review of five studies of social enterprise failure, together with some wider reflections about reporting on various 'troubles' (e.g. error, failure and scandal). The primary emphasis is upon problems involved in 'making sense', but is illustrated with reference to the experiences of this case study and the limited literature relating to social enterprise failure.

## APPENDIX B

### Original issues raised in selection of applications

#### Voluntary sector

- The gap between the rhetoric and the reality of Government's support and dependence on the third sector in public service delivery.
- Funding the sector
- How should social enterprises seek investment?
- How should social enterprises articulate their social impact to funders?
- How can best practices be shared within the sector?
- Defining mission and purpose - are we a socially conscious or responsible 'business' or are we a 'socially driven organisation' using a business model to be sustainable?
- The future 'enabling environment' which in my view is about cross sector working and market making/growing
- The impact of concentrated government funding on SE at the expense of the rest of the VCS? How different are SE's to other VCS organisations?
- Current aspects of social enterprise movement in the UK
- Defining a social enterprise
- Are social enterprise the way forward to cope with the reductions in public spending?
- Why not every organisation can become a social enterprise
- Community ownership of social enterprises
- Developing social enterprise in the form of community run or workers co-operatives
- Motives and the real benefits of social enterprise
- Funding and finance for social enterprises in a touch economic climate when banks, lenders and community organisations are all more risk averse
- Encouraging better understanding of social enterprise and the effective use of surpluses for other community projects.

#### Statutory Sector

- Generating more discussion about the different, diverse, models for social enterprise, particularly the difference between, for example, more 'traditional' VCS organisations evolving to work in this way, the 'hived off' sections of statutory bodies (e.g. leisure services, health services) and the organisations set up by 'social entrepreneurs' (like Divine Chocolate).
- This may be linked to a greater understanding of the stages of development (and support for) social enterprise activity. (For example, trust and local authority funders may be reluctant to fund organisations sitting on high reserves, but this may be necessary for greater investment and to allow them to engage in speculative tendering; there are issues about funding organisations that pay directors, where does the idea of a trading arm fit etc.)
- Encouraging VCS organisations to think about their 'business' as well as 'social' objectives and to develop the skills required to achieve these.

- The concern that the belief in social enterprise at national level will result in disinvestment in the more traditional voluntary sector; for example, where do smaller organisations fit and how can they be supported?
- The capacity building agenda for VCS organisations, including the role of Management Committees in considering all the above and how they can develop their mission and develop more sustainable sources of funding without compromising their independence.
- Measuring social return and developing performance management frameworks that are compatible with, and meaningful to, other local partners.
- The development of social enterprises in the public sector, particularly workforce issues including terms and conditions of transferred staff and new starters, employee consultation processes leading up to the development of a social enterprise

## Social Enterprise

- Understanding of community & social enterprise, as in where the motivation for it comes from & its way of working i.e. looking for a gap in the market & a market in the gap.
- Sustainability, why it's so important
- Why community & social enterprise is so 'popular' now with all sectors (public, private, community & voluntary). The threats & opportunities in that popularity
- Understanding similarities & differences – where community & social enterprise enjoys common cause with other sectors & where it does not
- Not an alternative to the community & voluntary sectors but a complimentary way of working; sharing many 'ends' with organisations from the community & voluntary sectors but often using different 'means'
- Addressing the myths that surround social enterprise as a business model. In 2009 the level of ignorance I encounter around this topic is astounding – even from people who really should be more accepting and supportive. Only this week I heard a senior local authority commissioning officer dismiss social enterprise as a 'gimmick'! I did ask if he thought the co-operative movement was simply a gimmick – unfortunately he didn't have an answer.
- How do we separate SE from all the other 'feel good/do good' organisations? Should we even try? A personal view is that the 'Third Sector' is far too ubiquitous a term. Even in your web page SE is lumped in with voluntary and community – is that the best place to be? I would suggest not. Does SE need a separate identity? A colleague is adamant that SE is not in the 'Third Sector' but very much in the First Sector – and I am inclined to agree.
- Should Govt be supporting the 'Social' bit or the 'Enterprise' bit? Do they appreciate or even recognise the difference?
- Why social enterprise is a target again.

## APPENDIX C

### List of Participating individuals and organisations

S. Ashby	DCLG
J. Darling	Royal Borough of Kingston
M. Doyle	Development Trust Association
D. Floyd	Social Spider
R. Persaud	Commutiny
K. Podschun	London Voluntary Service Council
Z. Portlock	Bikeworks CIC
S. Mckinley	NHS Trust

### Applications

Rev'd S. Barter	Crossover 619 Ltd
R. Chambers	Be Inspired Consulting and Films
L. Damerell	Development Trust Association
C. England	Midwest Rural Enterprise CIC
P. Cheng	CAF Venturesome
S. Horn	Women Resource Centre
S. Martinez	Ethnic Minority Foundation
T. Meredew	Account3
R. Mclloy	Trade Union Congress
S. Skidmore	St Helens CEN

### Observers

Lidija Mavra, Senior Research Officer, Social Enterprise Coalition

Dr Simon Teasdale, Research Fellow, Third Sector Research Centre