

WP T2

Testing Social Enterprise Support Models

ACTIVITY A. T2.3

Joint preparation and evaluation of pilots

Summary Report on Pilot Action

Social Enterprise Start-up Incubation – SPS

November 2018 – September 2019

Created by REGIONAL CENTRE FOR SOCIAL POLICY IN RZESZÓW,
RZESZÓW REGIONAL DEVELOPMENT AGENCY

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1. Pilot Action Synopsis

Pilot Action Title	Social Enterprise Start-up Incubation – SPS
Country	Poland
Region	Podkarpackie Voivodship
Name of the organisation	Regional Centre of Social Policy in Rzeszow Rzeszow Regional Development Agency
Contact Person:	Bartosz Świder – ROPS Danuta Kandefer - RRDA
Overall Objective	<p>Basing on the analysis of the situation in the region covering both the sphere of support and networking of Social Enterprises, a Pilot Action was planned to improve the existing support system implemented by Social Economy Support Centers (OWES). This improvement would allow to remove barriers that affect the formation process as well as the sustainability of Social Enterprises in the Podkarpackie Voivodship.</p> <p>At present OWES support system for emerging Social Enterprises is based on cyclical projects co-financed with the European Union funds. Due to the nature of support provided in the project, there is no possibility of making changes while its implementation. Every individual or entity that wants to get financial support to start a business in the form of a Social Economy Entity (i.a. Social Enterprise) must go through all the elements of the support path provided by the project framework. The support is universal, i.e. the same was given to everyone regardless of their experience, development status, qualifications etc. Everyone has to go through the same form of support, which means that the whole support process is extended and the work and financial expenses increase. People who are willing to operate within the Social Economy sector are discouraged, what affects the instability of the actions taken.</p>
Purpose of the pilot action	The purpose of the pilot action is to test a new support path for emerging social enterprises as well as to adjust the existing support path for the individual / entity which would like to set up a social enterprise to their real needs. Not all persons / entities need the entire support system offered by OWES. Support should be more tailored to the individual situation of each person / entity.

	Only entities / persons without any experience or qualifications should use the entire support system.
Expected Results	The results of the pilot action will contribute to the development of a better support model for emerging social enterprises and development of existing ones. This new support path will be offered by OWES as part of projects in the period from 01.01.2020. This will also contribute to improvement in functioning of the Social Economy Support centers. Activities related to the Pilot Action will also contribute to raising the level of knowledge in the field of Social Economy and the creation of Social Enterprises in the Podkarpackie Voivodship.
Key Activities	Pilot Action consist of the few key stages (milestones) which are: <ul style="list-style-type: none"> - Preparation (analysis of weaknesses / problems regarding support of Social Economy Entities, creation of PA structure, basic documents, posters, gathering the list of experts, preparing a schedule of activities, etc.). - Information (information campaign, spreading news about pilot action etc.) - Recruitment (recruitment process, collecting application forms, selection of candidates etc.) - General training concerning the basis of social economy - Profiling/grouping of candidates, diagnosis of the candidates needs - Specialist training selected by experts during the diagnosis of participants needs, mentoring and coaching sessions - Study visit to prosperous social enterprise for participants - Final event of pilot action, presentation of draft business plans, evaluation of participants support path
Key Stakeholders	The main and the most important stakeholder is Rzeszow Social Economy Support Centre. This institution on the regular basis deals with support for emerging and already operating social enterprises. The new support path is tested in order to use it in the future by this institution in the first place. Apart from OWES our stakeholders are experts in the field of social economy e.g. businessman running or working in the social enterprises, businessman from the open market companies, academics, journalists who specialize in SE etc.
Target groups	Pilot action has two target groups. To the first one belong people or entities interested in setting up a social enterprise. Institutions and persons must be eligible to set up an enterprise in accordance to the law requirements, i.e. they must be endangered with social

	<p>exclusion (long term unemployed, disabled, terminated addiction therapy etc.) or has a social aim (institution). Thanks to the participation in the PA, people / entities will be able to gain knowledge and experience in the subject of creation of a Social Economy Entity or a Social Enterprise</p> <p>The second groups are mentors / experts - people with practical experience in the area of social economy, i.e. social entrepreneurs, entrepreneurs from the open labor market, employees of ROPS, RRDA, ROWES, other representatives of institutions supporting social enterprises. These people will benefit from the direct results of the PA, i.e. from the new developed path of support for the emerging social enterprises. These people participate in each stage of the Pilot Action as practitioners / experts / trainers / jurors. They are members of the Experts' Committee - they verified the application forms and participated in the selection of candidates and the selection of participants. The experts take part in the diagnosis of the participants' needs and directing the participants to appropriate trainings / workshops. They also conduct workshops and trainings. Experts participated in specialist training during the TWG 3 in Italy.</p>
Author of the Report	<p>Bartosz Świder – ROPS Danuta Kandefer - RRDA</p>

2. Executive summary

The main aim of this report is to evaluate the Polish pilot action which tested new support path for emerging social enterprises. It was created in cooperation with Rzeszow Social Economy Support Centre (ROWES) – institution which deals with the support for new and already operating social enterprises. The support path was tested by involving 6 emerging social enterprises (at least 4 according to AF) in a simulation process. The pilot action consisted of a following stages: preparation (creation of structure, basic documentation etc.), information campaign, recruitment of candidates, general training concerning social economy, diagnosis of candidates needs, specialist trainings, mentoring/coaching sessions, study visit, final event (with the presentation of business plans). Each part of the pilot action resulted from the previous one. The main and the most important part of the support path was a diagnosis of participants needs as this determined the further support path.

The main purpose of the evaluation is to assess if the pilot action was relevant for the SE support organizations, was it conducted in an efficient and effective way, will it have a positive impact on social economy sector and will the results be used in practice.

In order to create and test a support path for emerging social enterprises which would be used in the future by Social Economy Support Centres and other SE support organizations we maintained constant cooperation with ROWES. This enabled us to adjust the support path to the real needs of support organization on the regular basis. Pilot action had a form of simulation process only but it was conducted as if it was an ordinary support of the new social enterprises. Each stage of the process was rated and consulted with the experts. We also took into consideration the experience of the participants. In an interviews they gave us a thorough feedback concerning used methods and tools. They also consulted with us their needs and expectations.

In a simulation process we involved 13 participants who were preparing for creation 6 social enterprises. According to the AP our target was 4 social enterprises. On the one hand such a low number of participants simplify the work in terms of coordination and organization of the task. On the other hand, it creates the threat that participants resign, and we will not be able test the path carefully and the results will not be reliable. Moreover, as it was just a simulation only, none of the group has actually set up a social enterprise what reduced the possibility of checking the effectiveness of the path.

The main result of the pilot action was a new support path for new social enterprises where the most important part was the diagnosis of participants needs. Wrong or inadequate diagnosis of participants needs lead to wrong support path what affects the survival of the enterprises. It also might prolong the support path what result in waste of money, time and resources. It also might lead to the split up of the emerging social enterprises.

Apart from specialist trainings which provide knowledge in the field of marketing, law, accounting, sales technique etc. it is very important to provide individual sessions which would concentrate mainly on team building, interpersonal relations, leadership skills and motivation. The lack of such support might lead to a quick split up of the group.

The final lesson learned is that the offered support without financial grants is unattractive and insufficient for emerging social enterprises. Without financial grants for the initial stage it is difficult for social enterprises to survive in the open market reality.

3. Introduction

According to the Application Form Polish pilot aim was to eliminate early stage barriers faced by social enterprises during its social incubatory process. The supporting and decision making process should be tested by involving 4 social enterprises in a simulation process. So the most important assumption of the pilot action in Poland was to test the new support path for emerging social enterprises. The pilot action was prepared and conducted in close cooperation with Rzeszów Social Economy Support Centre (ROWES) – institution which supports new and already operating social enterprises. During the preparation phase pilot action draft was discussed with the representatives social economy sector during the 2nd Stakeholders Roundtable as well as in face to face consultations. The main problem indicated by ROWES was lack of flexibility in the support system due to the fact that it is based on the cyclical projects financed by EU. Once the social enterprise or initiative group sign in for OWES support, it has to participate in all offered support tools. This is the main problem especially for emerging enterprises as not all initiative groups which want to set up SE need all the support. It is a waste of time, resources and money. Due to the fact that some groups are very experienced, well organized and have a strong and definite aim, they do not need most of support offered by OWES. So the new support path has been created. It is more flexible, adjusted to the real needs of the emerging social enterprises and is based on the diagnosis of the SE needs.

The pilot action began with the preparation phase. The detailed structure of the pilot action was prepared. It was consulted during the 2nd Stakeholders Roundtable with experts involved in social economy sector (representatives of OWES, local government, local social enterprises etc.). All the necessary documentation has been prepared such as: Regulation of Pilot Action, Application form, Declaration of participation and the poster. Then information about the pilot action was spread (websites, social media – facebook, posters, information in OWES local offices, in communes and labour offices, especially in less developed areas etc.). Once the information campaign was finished the recruitment began. At the beginning there was a problem with the number of candidates as not as many applied as it was estimated. The extension of the recruitment period was successful as the expected number of candidates submitted the application forms. In the same time we selected the group of people with appropriate knowledge in social economy sector who took part in the pilot action as experts. Experts conducted selection procedure but hopefully all the candidates met the criteria and were involved in the pilot actions.

The first main part of the pilot action was “the General training concerning the basis of the social economy”. It was decided that all participants need such training as their knowledge about social economy is mediocre. The training was prepared by two experienced ROWES employees who work as animators and business advisors. The subjects of the training concerned basic terms in social economy, cooperation, social aims, recourses, financing, non-financial sources of support and good practises. The training enabled participants to gather the basic knowledge about social economy, social enterprises and their different forms, the differences between social enterprises and ordinary company. It was also a time to decide if the social economy is the right path for participants.

After the basic training the experts who form Expert’s Committee prepare the diagnosis of needs. Each participant had short interview with the Expert’s Committee which consisted of the animator, key advisor and business advisor. The individual support path was prepared for each participants. It was found that one more experienced participant need only just a few hours of coaching sessions while the rest need also other forms of support. Participants received a specialised training in the

field of social business responsibilities, interpersonal communication, team building, marketing, sales techniques, fundraising, design thinking, canvas models, milestones and preparation of the business plan.

Each participant had a chance to benefit of a few hours of coaching/mentoring sessions. The main aim was to finalize their business plans and to work on their needs such as improve communication within the group, find their leader, to motivate group or discuss the strengths and weaknesses of the group. Coaching/mentoring sessions were dedicated strictly to the individual needs of participants.

Participants had a chance to learn more about social enterprises during one day study visit. The aim was to have an insight into work of 6 social enterprises operating in the field of music industry (pub, concert hall), catering (bistro, restaurant, cafe), childcare (kindergarten, nursery) and beauty (beauty Salon). Participants met and talked to representatives of social enterprises who explained how the work in their companies look like, what are advantages and drawbacks of social enterprises, what are the main problems of SE, how social goals are implemented, etc.

The pilot action terminated with the Final Event. All participants presented the draft versions of their business plans to experts (OWES employees, representatives of social enterprises and representatives from the open labour market) whose remarks and comments helped to improve and polish the documents. During the event participants, organizers and experts played a board game – “Cooperatives”. The game was used in order to present participants what steps needs to be taken to open and operate as a social enterprise and to check the participants knowledge.

The evaluation of the pilot action was an important matter as it helped us to keep on the right track the whole support process. The most important was to follow the planned path as well as adjust to the real needs of our participants and provide them the support they really need. In order to do that we stayed in close cooperation with OWES employees. We discussed with them every phase of the pilot action before as well as after it was terminated. Only after the detailed analysis of each phase we proceeded to another. Our main methodology in this field was gathering the information about the pilot action after each support they received. At first we introduced a short satisfaction questionnaire but as we had a small number of participants with whom we maintained close relations we preferred just interview them and write down a short memo.

We were especially interested in the participants opinion about received support: what was the quality of it, was the time dedicated to each subject appropriate, was it helpful, will they use the knowledge in practice, were the techniques and methods used adjusted to participants experience, what was the experts knowledge, what they think about the organization of the support such as venue, location, catering etc. Mainly the responses were very positive because most of our participants had almost no experience in the field of social economy and running own business so all the support was highly scored as interesting which might be used in the future. Only once we received a negative opinion about the expert and his methods of running the training but it was caused by the last minute change of instructor. However, we have not received any complain about the organization of the support as we always tried to adjust location, date and time of the event to the participants needs and availability.

Moreover we participated in most of the offered support (trainings, study visits).

4. Indicators

	Indicator	Indicator description / comment	Starting situation / number	Ending situation / number
1.	Number of participants	According to AP we need to simulate creation of 4 social enterprises.	0	6
2.	Number of tools and methods used	Number of methods and tools (target – 5) tested and positively evaluated by the organizers	0	5
3.	Number of barriers identified.	The number of barriers shown in the creation of SEE and the strength of their negative impact on the formation of SEE.	1	2

5. Findings and conclusions

Findings

As far as we are concerned the pilot action reached the planned results. Our main task was to plan, create and test a new support path for emerging social enterprises. The draft of the path was prepared with the employees of Rzeszow Social Economy Support Centre. We received information how the present support path looks like, what is wrong with it, why it is inadequate and insufficient, what should be changed. The information were very specific as were provided by experts who has been working in the social economy environment for many years. Thanks to earlier analyses, among others data from focus groups, we also had information about problems and difficulties from existing SEs. As soon as the information were collected we prepared the draft of the pilot action. It has been checked and corrected many times in order to adjust it to the real needs of emerging social enterprises and the capabilities of the SE Support Centres.

The main assumption was that the support path should be as much as possible adjusted to the needs of emerging social enterprises. That is the reason why the most important part of the path is the diagnosis of participants needs. It was done by Experts Committee – animator, business advisor and key advisor as each of them will analysed participants from different perspective. The diagnosis was conducted on the face to face meeting in the local Experts office but it was possible to do it on the spot of future social enterprise in order to better estimate the resources of the participants. The diagnosis proved to be a crucial part of the support path.

The main task of Experts Committee was to choose a support path for each participant (or group): what kind of training they need, in what field, what they need to improve etc. Apart from the

specialized training the coaching/mentoring sessions were provided in order to work on such issues as motivation, leadership skills, team building etc.

When it comes to the experts we relied mainly on the ROWES employees as we knew that they are reliable, have knowledge and experience in this field. We also hired external experts in order to broaden the perspective, make the trainings more diverse.

According to the Application Form our target was to prepare and conduct a pilot action where 4 social enterprises will be involved in an experimental learning and simulation process. At the beginning we had 7 groups (11 persons) willing to set up a social enterprises. In the course of the pilot action 3 persons resigned but 2 other joined in. We still managed to maintain the target of 4 social enterprises involved (with the final result 6). For us these were not social enterprises but the groups or individuals willing to set up a social enterprises.

For most participants we provided trainings in approximately 15 subjects such as: basic information about social economy (basic terms, cooperation, social aims, resources, sources of financing, non-financial sources of support and good practices), social responsibility, interpersonal communication, team building, preparation of the business plan, marketing, preparation for pitching sessions, design thinking, sales techniques, fundraising, sources of financing, self-presentation, canvas model and milestones. All the trainings were well prepared by experts and conducted in an interesting and innovating way. Some had a form of lecturers and some of workshops in order to make it more approachable to those who have no experience in business or social economy. This part of support path also proved to be successful. All participants increased the knowledge in those subjects. For us it was difficult to choose the training subjects as most participants had no experience in the field of social economy and running a business. Only 2 participants have already prepared their business plans and applied in the past for a subsidy to open their business.

Coaching and mentoring sessions were indispensable part of this support path as it provided a great support in the field of team building, leadership skills and motivation. The last matter was very important as many initiative groups loose motivation while difficulties arise or the start-up time is postponed due to unexpected circumstances. Coaching and mentoring sessions increased participants strength, confidence and belief in their capabilities

It was difficult to keep all participants in the pilot action for the whole time of its duration. 2 person resigned because they found work and 1 lost interest in the project. In order to check the support path we tried to encourage participants to take it seriously and to engage as much as possible by participation in all offered trainings, self-preparation for the trainings (homework) etc. However, some participants did not put as much effort as others due to the fact that we couldn't offer any financial support for a start-up.

According to the interviews and satisfaction questionnaires most of the offered support was rather highly rated. First of all the diagnosis of participants needs was mainly described by participants as apt and the support path as adjusted and well prepared. The most interesting was the general training concerning social economy as it was run with the usage of involving workshops and innovative techniques. Moreover the mentoring/coaching sessions were indicated as the most educative, team building and enhancing motivation. As a reason it was indicated that it was organized on the face to face basis. It is worth mentioning that the most inspiring for all participants were the study visits as it was a chance to see how social enterprise operates and how it is organized

in practice. It was an opportunity to talk to the employees and managers of SEs and to receive the first hand opinion about the enterprise and its work.

The highest rate received the organization of the support because we tried to arrange it taking into consideration the availability of participants and their place of residence. It was important for participants that most support was organized near the place of their residence. If it was not possible, as we organized one event for all participants such as study visits, we offered a reimbursement of the travel costs. The participants derived from the whole Podkarpackie voivodship so it was difficult to find the most convenient location for all.

SWOT analysis of the pilot action

STRENGTHS		WEAKNESSES	
<p>criteria examples</p> <p>Advantages of proposition?</p> <p>Capabilities?</p> <p>Competitive advantages?</p> <p>Resources, Assets, People?</p> <p>Experience, knowledge, data?</p> <p>Innovative aspects?</p> <p>Location and geographical?</p> <p>Price, value, quality?</p> <p>Cultural, attitudinal, behavioural?</p>	<ul style="list-style-type: none"> • Pilot action was a first step for participants to gain the knowledge about social economy and how to set up a social enterprises. • The support path is carefully tailored to the individual needs of the participants. It is based on the application forms and diagnosis of individual needs conducted by the Experts Committee. • The support path has been shortened to a short time (one, two months or less, depends on the participants needs) comparing to existing one (at least 6 months). • Experts taking part in pilot actions have a great knowledge and experience in the field of social economy. Some are OWES employees, some are leaders running social enterprises. • Professional and innovative workshops • Face to face coaching and mentoring sessions increasing knowledge and motivation of participants • Free of charge consultations in the field of marketing, law, financial issues etc. • The main partner of pilot action is Rzeszów Social Economy Support Centre – institution with deep 	<ul style="list-style-type: none"> • Restricted project resources (financial) • Lack of financial support offered for participants for a start-up, • Pilot action is restricted to the Podkarpackie region • Small number of participants limits the possibilities of successful testing new support path, • Pilot action do not offer practical training such as practices, apprenticeship etc. • Lack of IT tool supporting the training 	<p>criteria examples</p> <p>Disadvantages of proposition?</p> <p>Gaps in capabilities?</p> <p>Reputation, presence and reach?</p> <p>Financials?</p> <p>Own known vulnerabilities?</p> <p>Timescales, deadlines and pressures?</p>

	<p>experience in the field of social enterprises support.</p> <ul style="list-style-type: none"> • Pilot action prepared in cooperation with ROWES and after consultations with social economy environment in Podkarpackie. 		
	OPPORTUNITIES	THREATS	
<p>criteria examples</p> <p>Market developments?</p> <p>Competitors' vulnerabilities?</p> <p>Technology development and innovation?</p> <p>Global influences?</p>	<ul style="list-style-type: none"> • The results of pilot action will be used by Social Economy Support Centres. • Shortened period of support – save of money, time and resources. • Pilot action was an opportunity for participants to test their ideas without setting up an enterprise (simulation only). • Access to the experienced OWES employees • Workshops enabled participants to test in practice their idea about the enterprise. • Access to practicians enabled to confront ideas about enterprise with reality. 	<ul style="list-style-type: none"> • Small number of participants – high threat of resignation, • The support path might not be adopted by SE support organizations due to legal regulations, new project guidelines, or lack of funds. • Incorrect diagnosis of participants needs might result in inadequate support path, 	<p>criteria examples</p> <p>Political effects?</p> <p>Legislative effects?</p> <p>Environmental effects?</p> <p>IT developments?</p> <p>New technologies, services, ideas?</p> <p>Sustaining internal capabilities?</p> <p>Obstacles faced?</p> <p>Insurmountable weaknesses?</p> <p>Sustainable financial backing?</p>

Conclusions

Created and tested support proved to be relevant with the participants needs. Diagnosis of participants needs enabled us to gather as much information as possible about each participant and their needs. This led to the preparation of the adjusted support path in the form of proper trainings, coaching/mentoring sessions and study visits. It was also relevant for our main stakeholder – ROWES – institution which helped us to prepare the pilot action and will use the results. The proper diagnosis of needs is key factor which influence the emerging social enterprises.

Pilot action was also conducted in the most efficient way when it comes to time and money. We tried to reduce the costs by grouping participants on the trainings. While coaching/mentoring sessions required individual time of the experts, the trainings were organized in groups. We also organized one common study visit for all participants in the prosperous social enterprises. We tried to make the pilot action as short as possible and not to extend the time of it but as we are public institutions we are bound by the public procurement law what prolong the procedures. Moreover, it was difficult to organize joint trainings for all participants in the same time due to their personal responsibilities and restricted time. The time and the length of the support path is one of the main barriers that affects the emerging enterprises. The longer support path, the less probable is that the initiative group will finalize their plan and set up a social enterprise due to reduction in motivation, personal changes in a group, unexpected difficulties or lack of strong leader.

Our pilot action had a very positive impact on the participants. It enabled them to gather knowledge about social economy in general, how to set up a social enterprise and how it is to run them. Some participants found out that social economy is not their call, but some will certainly set up a social enterprise or at least an association or foundation with social aim.

Further steps (Action plan), sustainability and transferability potentials:

The pilot action was created in close cooperation with the employees of the Rzeszow Social Economy Support Centre so the results of the pilot action will mainly be used by them. The organization provide support to the social enterprises on the regular basis. The new support path will be adjusted to their needs and will be included in the future projects run in the following years.

The information about the new support path will also be spread to the other two Social Economy Support Centres which operate in the Podkarpackie Region – Podkarpackie Regional Social Economy Support Centre in Przemyśl and Social Economy Support Centre in Jasło. It is possible, that this information will be shared with the other SE Support Centres in Poland outside Podkarpackie Region. In order to do that we will use national conferences (e.g. during Local Initiatives Forum organized every year by Regional Centres of Social Policy operating in 5 regions of Easter Poland) , events, bilingual meetings, study visits or just via websites and social media (e.g. facebook – Podkarpacka Ekonomia Społeczna).

In Poland the support to the social enterprises is offered mainly by the SE Support Centres accredited by the Ministry of Family, Labour and Social Policy. That is the reason why we will try to spread the information about the new support path mainly directly to those organizations and indirectly through Regional Centres of Social Policy or other organizations which has an influence on the social economy sector.

6. Lessons learned and Recommendations

The most important lesson learned of the pilot action is that it would not be possible to create and test the new support path without close cooperation with institutions supporting social enterprises so the ones which are mainly interested in testing new support tools. The engagement of the whole social economy environment increases the chances for success. Without this cooperation we would not be able to test new tools suitable for those who use it in practice. Moreover, it is very important to engage participants who are really interested in receiving the support. Only their full involvement in the project will enable to test new tools and solutions. It is better to involve less groups but conscious and with the clear aim than to increase the number of participants only in order to meet the target. It is also very important to find and choose a strong leader of each emerging social enterprises. Without a person who act as representative and leader the group will not manage the reality of open market and will probably split in a short period of time.

As we indicated in conclusions the most important barrier for new social enterprises is improper diagnosis of the needs which lead to wrong support path and consequently to the extended period of support. If the support period is too long the initiative groups very often loose aim, motivation, zeal, resources, members and finally split apart.

It is also important to add that the support path which consist mainly with trainings, coaching, mentoring sessions is very often insufficient as it lacks the financial support. Without the start-up subsidy and without local support the enterprises are not able to survive for a long time. It would also be very useful for public institutions to make use of social clauses, thanks to which SE could develop.