

DO A GREAT DEAL



**BUY
SOCIAL**

The Social Enterprise Supply Chain Guide

Contents

Introduction	1
What is social enterprise?	2
Why do companies buy from social enterprises?	4
Case study: Deloitte + GiveMeTap	6
Case study: Landmarc + CAN Invest + Poached Creative	8
What sorts of products and services do social enterprises provide?	10
Are there any barriers to working with social enterprises?	12
How do companies find and identify social enterprises?	15
Case study: Wates + National Community Wood Recycling Project	16
What are the practical things to do right now?	18
Showcase your company's commitment to Buying Social.	20

Introduction

This guide is aimed at people working in businesses of any size – from people in Corporate Social Responsibility and procurement teams in large companies, to MDs and frontline staff in small businesses. It can also be used by people working in the public sector, or in a charity, as the principles can apply anywhere. We have produced it to help you grow the positive social impact your business or organisation has on the community, on the environment and on the economy overall.

Awareness is growing among businesses and consumers alike about the social impact that businesses and other organisations have. Just like having a carbon footprint, each business has a social footprint, and any business can take simple steps to improve theirs.

Perhaps the simplest and most effective thing you can do is to 'Buy Social'. Buying social means buying the everyday goods and services you need, from a social enterprise. That way you can ensure that the money you have to spend is making a real difference. More and more businesses and people are looking to Buy Social as a way of improving the lives and communities of those around them.



Watch the Buy Social animation at
www.buysocial.org.uk

What is social enterprise?

Social enterprises are businesses that trade for social and environmental purposes. If you've ever bought the Big Issue, eaten a bar of Divine Chocolate, bought a bottle of Belu water in a restaurant, or watched Jamie Oliver's Fifteen on TV, then you're already familiar with the idea. They are businesses that earn money and make profits, but do different things with those profits – reinvesting them back towards their social mission, to do more good and change more lives. So when they profit, society profits.

Social enterprises aren't only well-known retail brands like those above – they operate in almost every industry: from transport to training, healthcare to housing, finance to facilities management, recycling to regeneration and construction to catering. Through their work, they provide vital services and create employment opportunities for people who might not get them otherwise. And right now they are growing faster than mainstream businesses, with much greater start-up rates. In fact, the social enterprise movement is growing around the world.

Social enterprises have five things in common that define them:

- 1. PURPOSE:** Their social mission or purpose is in their governing documents
- 2. ENTERPRISE:** They earn more than half their money from trading (they don't rely on grants and donations)
- 3. SOCIAL:** They reinvest or gift more than half their profits towards their social mission
- 4. OWNERSHIP:** They are independent and owned in the interests of their social mission (they do not exist to maximise profits for owners or shareholders)
- 5. REPORTING:** They are transparent about how they operate and the impact they have

Government surveys estimate that there are about 70,000 social enterprises in the UK based on the definition above. It's estimated that social enterprises make up about 4-5% of UK business, and employ close to a million people.

from babies with love

from babies with love sells beautiful, organic baby clothes and donates 100% of its profits to orphaned and abandoned children around the world. Its stylish range includes baby grows, t-shirts, dresses and accessories for 0-24 months. Buy gorgeous baby clothes and enjoy helping babies in need – the perfect present for a colleague who's expecting a little one!

www.frombabieswithlove.org



Why do companies buy from social enterprises?

Trade between private businesses and social enterprise is increasing. Our biennial social enterprise survey¹ tells us that half of social enterprises do business with the private sector, a figure which has grown over recent years for several reasons:

Changing attitudes to Corporate Social Responsibility (CSR): Forward-thinking companies increasingly say they want to align their CSR objectives with their **core business**; many organisations are realising that the potential for social impact through what they already spend can far outweigh more traditional CSR activities on the fringes of their business.

Awareness is growing: The word is spreading that many **social enterprises deliver business-to-business** products and services with competitive quality, delivery and pricing; and they may have reach or innovative solutions that a larger business would struggle to achieve.

Developing the sustainability and diversity agendas: Many private companies have already done significant work in **procurement** from a sustainability, diversity or small business perspective. So buying from social enterprises, who contribute to all three areas, is a natural extension to such work.

Business responsibility: There are growing **expectations** for all businesses to consider their wider role in – and responsibility to – the communities they work with and operate in. And buying from social enterprises is a simple and effective way to make a positive social contribution in communities. Many social enterprises operate locally and employ people and procure goods locally. They can often help businesses to keep the money they spend within the local economy, which is good news for everyone.

Responding to the Social Value Act²: For businesses whose client is the public sector, or who work a lot with public sector partners, this legislation is driving change: one approach to demonstrating social value when bidding for public sector contracts is through buying from social enterprises.

Responding to business customers: Whether driven by the Social Value Act or more strategic CSR, many large companies are increasingly asking their tier 1 and tier 2 suppliers to engage with and buy more from social enterprises.

And, of course, many businesses buy from social enterprises because the people in those organisations simply think it is the right thing to do. If your employees and colleagues understand that their business purchases have a social and environmental impact, they will very often work to try to make sure it's a positive one.

*‘At PwC we are supporting Social Enterprise UK in their Buy Social campaign to encourage businesses to embed the Social Value Act into their procurement.’
David Adair, Head of Community Affairs at PwC*

1 48% of social enterprises do business with the private sector – The People's Business report – www.socialenterprise.org.uk/advice-support/resources/the-people-business

2 www.socialenterprise.org.uk/policy-campaigns/we-create-social-value



Case study

Deloitte + GiveMeTap

As part of Deloitte's 'Our Green Journey' Corporate Social Responsibility programme, the firm purchased 12,500 reusable GiveMeTap water bottles to reduce the millions of plastic cups that are thrown away in its offices every year.



In early 2013, Deloitte gave away the first 5,000 bottles to staff. Within 90 minutes, every single GiveMeTap bottle (co-branded with the Deloitte logo) was claimed and over 2,000 employees pre-registered to get one of the next batch. Deloitte has reduced its plastic cup wastage by nearly 20% in the five months since the launch.

The social enterprise, GiveMeTap, helps people in Africa access clean water. For every GiveMeTap bottle purchased in the UK, one person in Africa is able to access

clean safe drinking water through the development of water boreholes and wells. The social enterprise's latest project in Ghana was funded by its partnership with Deloitte.

www.givemetap.co.uk

www.deloitte.com/view/en_GB/uk/about/environment



Case study

Landmarc + CAN Invest + Poached Creative

Landmarc Support Services, which manages the Ministry of Defence's training estate, is the third biggest land manager in the country. Motivated by the arrival of the Social Value Act, they approached Social Enterprise UK to think about how they could incorporate social value into the heart of their business.

That work has led to a series of actions, including that Landmarc is seeking to procure more from social enterprises and as such, are changing their procurement guidance and training.

To get the ball rolling Landmarc commissioned social enterprises to undertake the evaluation (CAN Invest) and design (Poached Creative) for its first social impact report which assesses its total economic, social and environmental contribution. The report is intended to act as a benchmark so that the company can measure its progress as it embeds social value in its culture and practices.



www.can-online.org.uk

www.poachedcreative.com

www.landmarcsolutions.com

What sorts of products and services do social enterprises provide?

Social enterprises pretty much supply everything that ordinary businesses do. They work in a wide range of industries, providing both products and services to other businesses. Here are some of the things social enterprises supply:

- Bottled water
- Catering
- Corporate and luxury gifts
- Electronics manufacturing
- Event management / production
- Facilities management (e.g. cleaning services)
- Fair-trade coffee, tea, chocolate
- Grounds maintenance
- Painting and decorating
- Printing and design
- Promotional items (e.g. pop-up banners)
- Recycling services (e.g. office furniture, wood, carpet)
- Stationery
- Toiletries (e.g. antibacterial handwash)
- Translation services
- Website development
- Workspace and hot-desking
- Venues (e.g. for staff training, away-days, parties, dinners)
- Video production

What this list shows is that buying from social enterprises isn't just about the central procurement department – **it is about every person who makes purchasing decisions in your organisation**, whether that is what coffee to buy or where to hold an event, or whether it is ordering that next pop-up banner or deciding who to use to design and print a brochure or report.

Whether you are an Executive Assistant, a Marketing Manager, a CSR Director, a Head of Procurement, or working in HR, you can create positive social impact and make a real difference depending on the type of business you buy from. **Choose social enterprise and society profits.**

Belu

Belu donates 100% of its profits to the charity WaterAid. Since 2011, the social enterprise has given £414,187, funding clean water projects for more than 27,000 people in the developing world.

Belu supplies bottled mineral water, including new larger bottles for water coolers. The social enterprise uses the highest level of recyclable materials possible and is 100% carbon neutral. Belu works with a long list of businesses, hotels, bars and restaurants in the UK.

www.belu.org



Are there any barriers to working with social enterprises?

The vast majority of social enterprises are small businesses, so many of the barriers and challenges are similar to those you may face when working with SMEs generally.

For individual social enterprises, the challenges tend to be about their limited size, capacity or track record – especially when dealing with specific procurement systems. This can mean, at times, that some may not be able to deliver at the scale you require, have the capacity to go through a formal procurement process, or have the necessary paperwork in place. Of course, this is not true for many, who are as commercial and prepared as any other business.

Worth bearing in mind!

There is a great deal of spend that is outside of centralised procurement systems, where it might be easier for people in your organisation to purchase services or goods from social enterprises.

For social enterprise overall, the broader challenge is one of patchy provision in different industry sectors and geographical areas. Social enterprises tend to be strongly concentrated in urban centres (e.g. London, Manchester, Bristol, Liverpool) and less so in rural areas³. Similarly, there may not always be a local catering or cleaning social enterprise in every area. Of course, for businesses with offices in major towns and cities, this is often easily surmountable.

It's not uncommon for company employees to have low awareness of social enterprise, or to be unsure about how to find them. It helps if people and teams are incentivised to Buy Social, and this can be addressed by both senior leadership taking simple steps, and also by embedding within internal processes.



With partners, the Royal Bank of Scotland (RBS) has developed and promoted a Supplier Diversity and Inclusion Code of Conduct, which includes buying from social enterprises. The code seeks to not only set benchmarks internally for RBS, but also to influence practice across industries through encouraging business peers to sign up.

Visit www.rbs.com/sustainability/citizenship-and-environmental.html

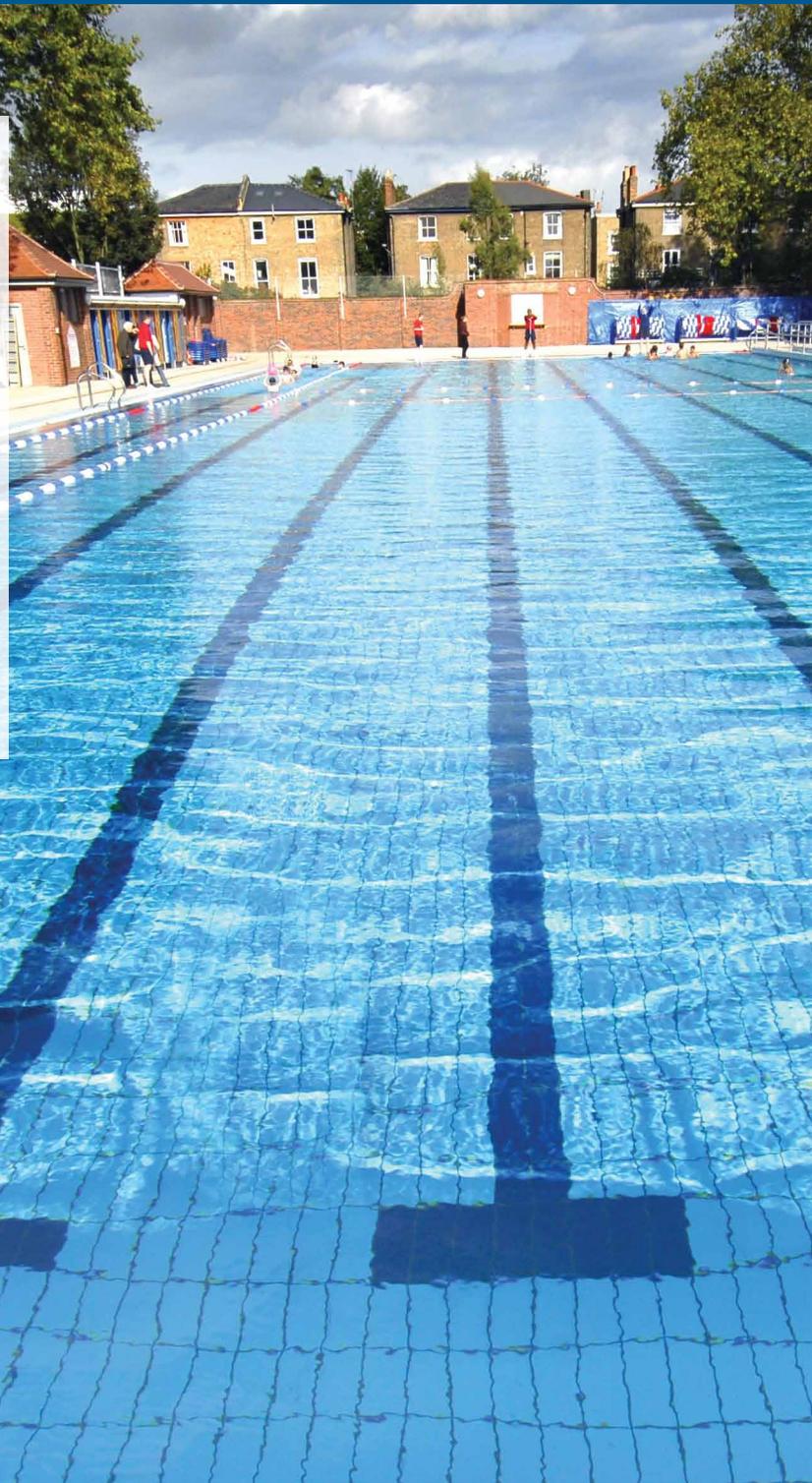
3 Landmarc have started an initiative, Landmarc 100, to support small businesses and build this pipeline in rural areas – www.landmarcsolutions.com/landmarc-100/

Better

Better runs more than 120 public leisure centres across the UK. It reinvests its profits in order to benefit the communities in which it operates and is committed to engaging with groups who traditionally may not have had access to local sports and leisure facilities. It also gives funding and training grants to young athletes through its sports foundation.

Better offers corporate packages, working with companies small and large, including Sony and London's Liberty department store.

www.better.org.uk



How do companies find and identify social enterprises?

Social enterprises will often use a badge or belong to a membership organisation, which helps people identify them. Social Enterprise UK members, for example, can display this badge.



Other things to look for would be membership of Social Firms UK or of local and regional networks, such as Social Enterprise North West or Social Enterprise West Midlands, or use of the Social Enterprise Mark. All of these tell you that a business is a social enterprise.

There is no single directory of social enterprises in the UK at the moment and this can, at first glance, make it seem hard to find them. But there are a number of independent directories such as www.buyse.co.uk and Social Enterprise UK has the largest membership database and directory – www.socialenterprise.org.uk/membership/members-directory.

At Social Enterprise UK (SEUK), we can:

- Help companies find social enterprises directly from our membership and can develop pre-approved supplier lists to meet your company's specific needs.
- Refer companies to local and regional networks of social enterprises in their area as appropriate, and put specific calls out via our social media channels.
- Help companies organise 'meet the buyer / meet the supplier' events to help engage with and showcase social enterprises. We have supported companies including Telefonica UK and Interserve to run these popular events. And we've worked in partnership with PwC and Legal & General to host internal fairs where their employees can buy a range of products and gifts from social enterprises.

Case study

Wates + National Community Wood Recycling Project

Wates, one of the largest privately owned construction companies in the UK, have set themselves the target of spending £5 million with social enterprise suppliers across their sites by 2015.



To meet the target Wates has set up, in partnership with Social Enterprise UK, a brokerage service to help its construction workers find and buy from social enterprises. Support is available through an online directory and telephone helpline.

The brokerage service is part of Wates' 'Reshaping Tomorrow's Communities' programme, which aims to support job creation in local communities. One of the social enterprises Wates has in its supply chain is the National Community Wood

Recycling Project, which has developed a nationwide network of wood-recycling social enterprises.

All of the social enterprises rescue and re-use waste timber that would otherwise be landfilled and create employment and training opportunities for local people – especially those who are disadvantaged and finding it difficult to get back into work.

www.communitywoodrecycling.org.uk



What are the practical things to do right now?

There are a number of things you can do today to help increase the impact of your business through buying from social enterprises. Here are our top tips:

1. **Share this guide** with anyone in your organisation who buys something, or to whom you think it might be relevant – you could upload it to your intranet
2. **Watch and share the Buy Social animation** – visit www.buysocial.org.uk
3. **Buy something** from a social enterprise supplier – easy and quick wins can help get things started; look for opportunities that are coming up
4. **Look at your current suppliers** and identify opportunities for social enterprises to be included
5. **Organise a meet the buyer / supplier** event to broker relationships and raise awareness of opportunities
6. **Bring in an expert intermediary** (such as SEUK) to train procurement teams and broker introductions – to get your company ready to Buy Social
7. **Sign up to Business In the Community's Access Pledge** – this helps demonstrate that a company is open to working with small businesses such as social enterprises (www.bitc.org.uk/accesspledge)
8. **Talk to your peers** – speak to other companies, including your clients and customers, about how they have gone about making progress in this area

'Telefonica UK is actively seeking to open its supply chains and worked with SEUK to establish a Buyers' Fair where social enterprises and SMEs were able to meet buyers from Telefonica and its key suppliers. We found SEUK's knowledge of the sector and their contacts invaluable.'
Keithley Martin, Head of Supplier Development, Telefonica UK

And lastly, you may wish to join Social Enterprise UK. Many businesses, large and small have joined us as corporate members to support the social enterprise movement. They include well-known names like PwC, RBS, O2, Wates, Interserve and many more.

Visit www.socialenterprise.org.uk/membership

Hill Holt Wood

Hill Holt Wood is an award winning social enterprise situated in ancient woodland on the Lincolnshire / Nottinghamshire border. It manages the woodland and utilises the natural resource to provide training and education.

Its award winning eco-designed Wood Hall is available to hire for meetings, conferences and corporate entertainment. Trained Rangers facilitate outdoor team building activities and workshops, including bridge building and bushcraft sessions.

www.hillholtwood.com



Showcase your company's commitment to Buying Social

To help companies that are looking to open up their supply chains to social enterprises, Social Enterprise UK have produced a 'We Buy Social' badge and criteria. This will allow companies to showcase their commitment to socially responsible procurement to suppliers, clients and colleagues with an independently verified stamp of approval from the national body for social enterprise.

To find out if your company meets the criteria for the 'We Buy Social' badge, contact Social Enterprise UK's business team on 020 3589 4950 or email business@socialenterprise.org.uk.

We are committed to buying goods and services from social enterprises, businesses that reinvest their profits for good, benefiting people and planet.

- We have fair, accessible and open procurement processes
- We are raising awareness of social enterprise across our business
- We have trained relevant staff about buying from social enterprise
- We work with Social Enterprise UK to find social enterprise suppliers
- We are committed to measuring the impact of buying social



Social Enterprise UK

We are the national body for social enterprise. We are a membership organisation.

We offer business support, do research, develop policy, campaign, build networks, share knowledge and understanding, and raise awareness of social enterprise and what it can achieve. We also provide training and consultancy for clients of all kinds.

Our members come from across the social enterprise movement – from local grass-roots organisations to multi-million pound businesses, as well as the private and public sectors. Together with our members we are the voice for social enterprise. Join us from £75.

Web: www.socialenterprise.org.uk

Telephone: **020 3589 4950**

Twitter: **@SocialEnt_UK**

Thank you to Poached Creative, a social enterprise design and communications agency, which helped in the production of this guide.

Published by Social Enterprise UK, November 2013

© 2013 Social Enterprise UK

