

The Social Enterprise Partnership Quality & Impact Project is a national initiative aimed at helping social enterprises to find the tools and resources to prove and improve their quality and impact. We are researching, developing, piloting, and rolling out 'tools' or methods to help social enterprises in their efforts to strengthen their businesses and demonstrate the 'added value' they generate for customers, communities, funders and other groups.

Welcome again to **imPROVEit**. In this issue, we seek to examine some of the foundations of quality and impact work, by asking: what exactly is 'quality'? We also report from the 'Enterprising Solutions Awards' and examine the 'proving and improving' social enterprises that showed their quality.

Following last month's introduction to their new chief, this issue we find out about the Small Business Service (SBS) Social Enterprise Unit's work seeking to 'establish the value' of the sector. We also bring you the second 'Divine Update' – and find out how the fair trade company's work with the Strategy Map is coming along. We hope this will go some way to giving you a sense of timescales and some solidarity and inspiration when charting unfamiliar 'proving and improving' terrain.

We love to hear about how this news brief can be of best use to you and your colleagues – and you can tell us what your organisation has been 'proving and improving' -we'd love to feature your work right here...

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PDF Edition: http://www.neweconomics.org/gen/newways_qualimpact.aspx
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In this issue...

Hot topics

- [Jargon](#) Feature: What is 'quality'?
- [Enterprising](#) Solutions Awards: Quality and impact works!
- [Striving for Social Enterprise](#): The SBS Social Enterprise Unit's Assistant Director speaks about 'establishing the value' of social enterprise
- [Front Line Update](#): The Divine Chocolate Company gives us their latest news on how things are progressing with the Strategy Map.

The news round

- [Send us your news!](#) We love to hear from you.
- [You Heard It Here!](#) News from the 'proving and improving' front, and general social enterprise goings-on.

- [Coming Attractions](#): Conferences and training events for your diary.
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What is Quality?

We've heard that 'building the quality' of social enterprises - or any organisation - is essential to their ability to flourish. Customers want quality goods and services, funders and investors want to work with quality businesses. However, in order to measure and build 'quality', some knowledge of *what* we are actually seeking to 'prove and improve' is crucial. With this in mind, *imPROVEit* caught up with Dr. Rowan Astbury, a Senior Consultant at Charities Evaluation Services, to find out what we mean by 'quality' and why it's an important term to consider.

ImPROVEit: What is quality?

RA: Quality is about the degree to which a product, service or process meets or exceeds the requirements which have been agreed with 'stakeholders' – the people who influence and are influenced by an organisation. Quality is about excellence in the way that the organisation is run, in service delivery and about achieving the very best results.

ImPROVEit: Why consider quality?

RA: Concentrating on quality can be a way for organisations to demonstrate accountability, transparency, efficiency and effectiveness to a variety of funders, regulatory bodies and other stakeholders.

Focusing on quality can also be a means by which organisations can provide better services for users. It's important for social enterprises to think through what quality is *really* about in their organisation. Revisiting your organisation's purpose and values is a good place to begin.

ImPROVEit: How can social enterprises go about deciding what 'quality' means for them, particularly when it might involve many different people? Who defines what quality is?

RA: Which people to involve is a good question for social enterprises to think about. Considering the weightings you give to different stakeholder's views is also important and needs to be thought through. Of course it may be possible to carefully blend together any differing perspectives on quality and include them all. There's no magic formula.

ImPROVEit: Once quality has been defined, do social enterprises need to measure and to revisit the process and idea over time?



RA: We would support the idea of continuous improvement with quality. Organisations should clarify what quality is then continually make amendments that will help to instigate a virtuous cycle of proving and improving.

As a way of approaching quality it can be helpful to use a known quality system such as PQASSO or Investors in People. This will give you a framework against which to measure your organisation and see where to put your effort.

ImPROVEit: As quality becomes more important in social enterprise relationships to funders and other stakeholders, is there a danger that 'quality' can be used to instigate compliance based on an external agenda rather than something that can genuinely improve your enterprises' performance?

RA: It's important to recognise that there are two main focuses. The first is about internal development and user service and the second is about accountability. Keeping a balance between accountability and internal development is very important here. Quality systems that fit in with organisational values are likely to deliver more benefits.

ImPROVEit: How do you guard against defining quality as something that simply backs up or further ingrains a specific way of doing things, rather than a process for genuine proving and improving?

RA: When you look at how it benefits the end users – this is your motivation. It's important to avoid creating huge lists and trying to reach too many goals simultaneously.

ImPROVEit: What is the next step, once an organisation has become interested in defining and using 'quality'?

RA: Many organisations ask that question. Charities Evaluation Services has lots of useful forthcoming events and publications to help. Our next big conference, explaining the main systems, is 22nd April 2005, run jointly with NCVO. Other [seminars and events](#) for monitoring and evaluation are also running continually and with the option of tailoring courses to your organisation's particular needs.

CES provide training, consultancy, advice and information on measuring and evaluating quality through standards such as Investors in People – a national standard for improving quality through people; PQASSO – a standard for small organisations that provides a step by step approach to improving, and the EQFM Excellence Model – a broad framework (not a standard) focusing on enablers and results. They have a forthcoming 2-day course entitled, '[Implementing PQASSO](#)' on 7th - 8th December.

For more information: www.ces-vol.org.uk/, 0207 713 5722 or see the 'Coming Attractions' section of this newsletter.

Enterprising Solutions Awards: Proving and improving works!

On Tuesday, 19th September, social entrepreneurs, support organisations, government bodies and supporters congregated at the Royal Bank of Scotland, in The City of London to celebrate the achievements of "the best social and community enterprises operating in all trade sectors". Five social enterprises were honoured and two of those – Cafédirect and Hill Holt Wood – have used tools to measure the impact of their work and improve on it. *imPROVEit* attended the awards and later on, talked to Hill Holt Wood Director Nigel Lowthrop to learn about his motivation for thinking about social impacts.



Since 1995, Hill Holt Wood has managed a 14-hectare woodland through sustainable development principles. They provide vocational training for young people who have been excluded from school or are unemployed and are increasing access to, and knowledge of, the countryside and environmental issues. For them, impact measurement has been embedded in the organisation from the beginning. As Nigel comments, "We recognised from the very start that we had benefits of some sort – although until recently through very informal measuring. We

opened the wood for free; people were visiting and enjoying it. You can't have a business that's sustainable without thinking about the environmental, economic and social impacts that lock together at the heart of what you're doing."

Hill Holt Wood has recently expanded on this more 'informal' measurement, by using [LM3](#) to measure their contribution to the local economy and by collecting information to publish their first social accounts in the spring. After that they hope to measure the Social Return On Investment ([SROI](#)) in order to, "put some actual figures on that social audit" as SROI helps to place a monetary value on social impacts.

How do these tools and social accounting help them build upon their existing success? Nigel indicates that there are two main reasons for carrying out quality and impact measurement, or social accounting.

"I see social and environmental accounting as being really important not only to see how successfully we are working but for investment as well. I have a big concern about making sure social enterprise is allowed to be enterprising. Having the social audit, the LM3 indicators and the SROI work will allow us to go back to potential investors and say, 'here's the (social and environmental) dividend, invest in it and grow your dividend'. We're putting this to Future Builders at the moment."

Their work with these approaches helps them to build upon their success is through "changing the mindset at the top, of the policy makers, to give the evidence to them of what really works, to help more projects and more social enterprise".



This belief is informed by Hill Holt's experience in translating their holistic approach to environmental, social and economic change to local policy makers. "We're taking on youngsters and providing alternative schooling and skills and we might be moving them on to a college place and possibly helping to reduce crime. But the local government are not interested in the fact that it takes place in a social enterprise woodland. Often, it's a case of 'it's someone else's budget or responsibility'.

You often find the individuals that visit us, they love it when they see the site, but the problem is that further up the line you don't have that interest. When you get to the more senior managers, they don't see the nitty gritty, they set the targets and push the money'."

This is where 'proving and improving' can help Hill Holt Wood really establish their credentials and increase the impact of their work and philosophy in a wider context.

"A lot of projects like ours that are doing great things, but can be constrained by a lack of belief from those outside the enterprise and I'm hoping with the social accounting we can hit them with the figures and we can get to the top people and really influence them."

Information and links to all the award winners at the Enterprising Solutions Awards can be viewed here: <http://www.enterprisingsolutions.org.uk/>

For further information on Hill Holt Wood, including their shop, you can also visit: <http://www.hillholtwood.supanet.com/> or telephone 01636 892836.

Jargon Smasher Alert



LM3 is an impact measurement tool that enables organisations to track how the money invested in an organisation is spent and re-spent in order to improve local economic impact. http://www.neweconomics.org/gen/tools_lm3.aspx

SROI is a tool that uses the value of the work of social economy organisations by

capturing the social and environmental benefits of their activity and provides different levels for organisations to use depending upon their starting point, capacity and resources.

http://www.neweconomics.org/gen/newways_socialreturn.aspx

Establishing the Value of Social Enterprise

imPROVEit spoke with Dr. Jessica Rafinski, Assistant Director of the Small Business Service's (SBS) Social Enterprise Unit to highlight the importance of what social enterprises are doing to 'prove and improve' and to find out about the 'Establishing the Value' strand of their work. The role of the SBS Social Enterprise Unit is to: act as a focal point and co-ordinator for policy making affecting social enterprise; promote and champion social enterprise; take action needed to address barriers to growth of social enterprises; and identify and spread good practice.

Imp: What work does the Small Business Service (SBS) carry out to establish the value of social enterprise? Are you looking to prove the value of the sector as a whole - for legitimising and promoting social enterprise and entrepreneurs nationally - or is your work concerned with encouraging social enterprises and individuals to prove and improve their quality and impact?

JS: The starting point, or the main focus of our work at the moment, is around establishing the full value nationally, through our support of the Social Enterprise Partnership and the Quality and Impact Project.

Overall, there's a two-stranded approach to our work. Firstly, we are trying to encourage *individual* enterprises to measure social, environmental and economic impacts and improve their own performance, as well as seeking to provide evidence of the value of the sector *nationally* and practically to allow social enterprises to raise funding or secure procurement contracts. The second strand is slightly separate and that is the base line research we are carrying out. We're taking forward a project to gather base line data across the UK, due for completion early next year, as a first step towards building a strong national evidence base and some estimates of the strength of the sector as a whole and its contribution to the UK economy. This will then provide a framework for future work. One of the key areas for future work is likely to be around identifying what the social and environmental value of social enterprise is, which will hopefully lead to more qualitative work in this area.

Imp: Why are you establishing the value?

JS: That's a huge area! **The key thing is around providing more than anecdotal evidence to what people feel the sector contributes. Not just to the economy, but a range of objectives – citizenship, social inclusion, environmental sustainability, wealth creation and trying to provide some strong evidence that backs up the impact that social enterprise can have, supporting an increase in understanding of social enterprise, which relates to a variety of policy objectives.**

Imp: You've mentioned the role of understanding and establishing the value of social enterprise at the national scale, can you tell us more about how the Unit's work on 'establishing the value', 'fits in' at the local/regional/supranational scale?

JS: Locally, it's a two-way thing. We believe that the national base line research will be of value to local bodies who can then take that data forward. By doing national work we can provide an initial set of comparable statistics for regional bodies to then utilise in whatever way is appropriate to their particular organisation and context.

As far as the EU, or internationally, we're looking at how social enterprise might be a part of the EU Presidency – which the UK holds very soon, and we're trying to engage with the EU social enterprise sector to discuss their work. In the future this could be something that develops further.

Imp: In your work attempting to 'establish the value' of social enterprises, what sort of challenges have you faced? Has there been any resistance to social enterprise?

JS: Generally it's been very good, with little resistance, but the biggest challenge is where to start. The sector is so diverse, which is its strength, but it means that there's no single solution, no one size fits all policy. Coming up with something that is workable but that also reflects the diversity of the sector is the challenge that we work with.

Imp: Have you seen any growth in the sector as a whole during your time as Assistant Director? Are more and more organisations now 'proving and improving' successfully?

JS: The trouble with knowing whether there has been growth in the sector is that there's no data to clarify or provide evidence - which is where the base line research comes in. Anecdotally, there is increasing interest in social enterprise and statistical evidence as they become better understood, and for me there are more and more brilliant examples of great social enterprises – which implies that things are growing.

For 'proving and improving' work - again there's increasing interest in quality and impact and social enterprises and social entrepreneurs are at the vanguard of social accounting. Social enterprises are doing more and more work towards establishing their value and we are looking forward to carrying on our work with the sector in the future.

For more information on the SBS's Social Enterprise Unit and its work 'establishing the value', visit: www.sbs.gov.uk/socialenterprise For the Social Enterprise Partnership Quality and Impact Project visit: http://www.neweconomics.org/gen/newways_qualimpact.aspx

Divine: Front line update

Continuing our reports on The Day Chocolate Company/ Divine Chocolate's work with the Strategy Map and Balanced Score Card to manage and measure, Sales and Marketing manager, Louise Mollring told *imPROVEit* how things are progressing. For a 'strategy map' definition see issue two of *imPROVEit*: http://www.neweconomics.org/gen/newways_qualimpact.aspx



The third workshop session was a real eye-opener as we started to see what you do with your strategy map once you have squeezed all that information onto one piece of paper! Through looking at ways to measure our objectives we have been reassured that a lot of measuring is going on already - we just don't 'know' it! That is to say, not everybody has a full understanding of how they, and others in the team, are already contributing to measuring our social impact. We hope the strategy map will prove an excellent tool for structuring internal communication and sharing knowledge. Much inspired, we are planning a team day to work together on the Balanced Score Card, with a task for team members to do before hand, which we hope will lead people to recognise the contribution they already make and give them a chance to share that with others.

Send us your news...

Post your upcoming events, publications, reports, news, proving-and-improving-related jobs, partnership opportunities, and other important goings-on here. You can email us now: imPROVEit@neweconomics.org

Coming attractions...

November

- **Throughout November/December** *'Social Enterprise Visit Programme', UK.*
Social Enterprise Visit Programme aims to share and spread best practice among practitioners by arranging visits to successful social enterprises. November and December brings opportunities to visit Bootstrap Enterprises, ABC Tales/Get Ethical and Dove Designs. For more information and hosts: <http://www.socialenterprisevisits.com>
- **19-21/11/2004** *'basaac Annual Conference', Royal York Hotel, York.*
Will explore how organisations can become more effective in empowering local communities and examine what needs to be done for organisations to boost their status as a community resource. Arranged using Open Space Technology, this conference will seek to give everyone an opportunity to present and attend workshops that are important and relevant to your needs. http://www.bassac.org.uk/info_conference.htm or email: bassac@eesolutions.co.uk or tel: 01633 411732

December/January

- **07-08/12/2004** *'Implementing PQASSO', Charities Evaluation Service, London.*
This course covers all aspects of introducing and implementing PQASSO within an organisation. It outlines all the necessary steps, and explores the process of establishing a sustainable quality assurance system. It is designed to support participants in developing an action plan for implementing quality within their organisation and involving all the key stakeholders in the process.
 - **25/01/2005** *'Social Enterprise Coalition National Conference', G-Mex Conference Centre, Manchester.*
The Coalition's conference aims to bring together social enterprises across the UK to share best practice and shape the future agenda. The event will provide a wealth of practical solutions and networking opportunities through presentations, workshops, fringe meetings and invaluable information from exhibitors.
<http://www.socialenterprise.org.uk/Page.aspx?SP=1688>
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You heard it here...

Nearbuyou: Social Trading Network

Nearbuyou aims to increase the trading and networking capacity of social enterprises. The site provides an array of tools including a searchable directory of organisations and their products and services, access to business opportunities such as tenders and an e-alerts system. The first of its kind in England, the site provides social enterprises with a real opportunity to promote their products and services to potential buyers. www.nearbuyou.co.uk

Social Audit Network Email List

The SAN e-mail list is a network of over 600 people in the UK and abroad who are interested in the theory and practice of social accounting and audit for social enterprises and community organisations. The network is there not only to send out information but is also used as a way of contacting other people and spreading information about what network members are up to. <http://www.socialauditnetwork.org.uk/> for information and newsletter sign up box.

About the Q&I Project and team...



The Quality & Impact Project is one of the national strands of work of the Social Enterprise Partnership (GB) Ltd., a partnership among Co-operatives UK, the Development Trusts Association, nef (the new economics foundation), Social Enterprise Coalition, Social Enterprise London, Social Firms UK.

The Q & I Project is managed by Lisa Sanfilippo, with contributions from Petra Kjell, Richard Murray, Hetan Shah, and Steven Wraith. Special thanks go to our volunteers Martin Cooper and Heather Savory, as well as to Jessica Bridges-Palmer for her contributions.



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nef (the new economics foundation) is an independent think-and-do tank that inspires and demonstrates real economic well-being. We aim to improve quality of life by promoting innovative solutions that challenge mainstream thinking on economic, environment and social issues. We work in partnership and put people and the planet first.



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www.neweconomics.org/gen/m1_i2_join.aspx

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