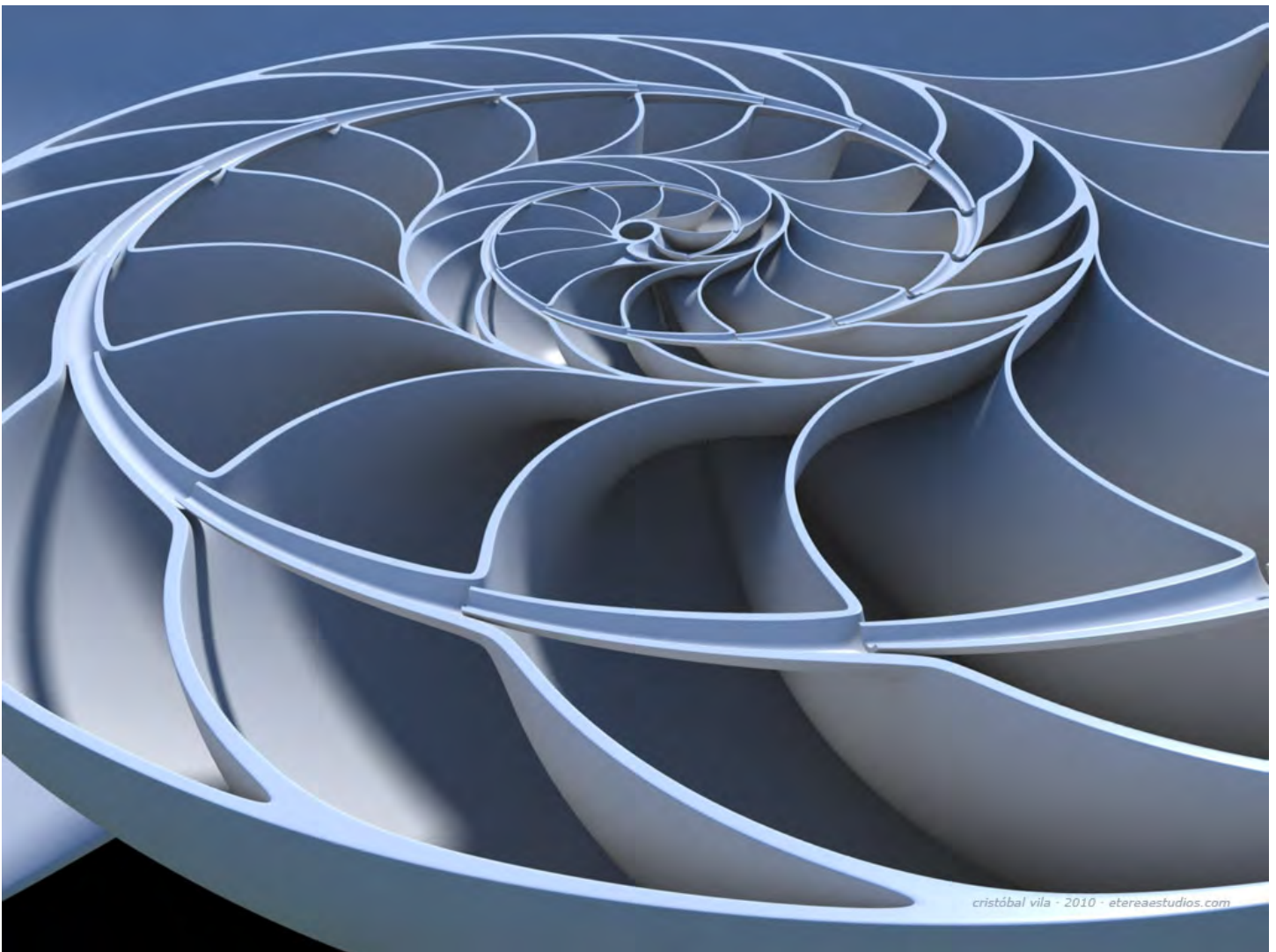




Fairfield County
Community Foundation

The State of Social Enterprise in Fairfield County, Connecticut:

Analysis of the Social Venture Partners, Connecticut Social Enterprise Landscape Survey



November 2013

Acknowledgements

Fairfield County Community Foundation and Social Venture Partners Connecticut thank these individuals and organizations who contributed to this report, and lent their expert insights during our planning process.

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About the Social Venture Partners Connecticut Fund

The Social Venture Partners Connecticut Fund was launched at the Fairfield County Community Foundation in 2012 with the goal of actively engaging philanthropists to participate hands-on to strengthen and support social enterprise as a means to achieve and sustain the nonprofit's mission. Built around a global model, Social Venture Partners projects require a high level of involvement from both parties – the philanthropists and the nonprofit – and typically focus on building stronger management teams and boards, investing in outcome assessment, improving products, services and delivery, and other strategic ways to improve effectiveness and increase scale.

Contributing their expertise, time and financial resources, Social Venture Partners seeks to be a catalyst for long-term growth within social enterprises, as well as a convener and educator for the venture philanthropy community. Connecticut is the newest addition to the worldwide Social Venture Partners network of 33 affiliates involving more than 2700+ philanthropists, entrepreneurs, and community leaders that has contributed over \$50 million in grants and thousands of volunteer hours.

About Fairfield County Community Foundation

We advance the growth of the community and regional philanthropy to improve the quality of life for all throughout Fairfield County.

Individuals, families, corporations, and organizations can establish charitable funds, or contribute to existing funds focused on specific areas of need or communities in Fairfield County.

The Foundation provides philanthropic advisory services, brings to the table community leaders to tackle critical community issues, and leads regional initiatives.

It is in compliance with the Council on Foundations' 41 national standards for community foundations.

The Foundation has awarded over \$151 million in grants to nonprofits in Fairfield County and beyond.

Please visit www.fccfoundation.org



32% of respondents indicated they were currently involved in social enterprise.

Executive Summary

During the spring of 2013, Social Venture Partners Connecticut (SVP-CT) fielded a survey to learn more about the region's social enterprise landscape. This survey was disseminated by staff at the Fairfield County Community Foundation, which administers the Social Venture Partners Fund. Survey results provide basic information on Fairfield County's social enterprise landscape.

While the data provided is somewhat limited (119 respondents, of which 54 respondents only partially completed the survey, with actual responses to any given question ranging between 27 and 59 respondents) and general in nature, it does indicate that Social Venture Partners Connecticut has a reasonable starting point from which to build a comprehensive social enterprise support program in the region. Many of the key elements needed are present:

- Some local nonprofit organizations are currently involved in social enterprise.
- Organizations and individuals expressed interest and enthusiasm in supporting social enterprise.
- Interest is distributed geographically in Fairfield County.
- Interest is from an adequate array of people and organizations in key roles, such as nonprofit executive directors and social entrepreneurs as well private

investors/funders, mentors, service providers, and advisors.

- Potential partners from community, philanthropic, and academic institutions expressed interest.

A sustained SVP-CT educational program in our region – the major take-away recommendation from this survey – will increase awareness and strengthen these key threads. In this way, an active networking effort can help create a vibrant new social enterprise community in Fairfield County.

Analysis of the Current Environment

32% of respondents indicated they were currently involved in social enterprise. Of these respondents, more than half are currently working within a social enterprise while the others are:

- Individuals, including people associated with nonprofits, who are interested in starting a social enterprise at some time in the future;
- Individuals who have social enterprise involvement outside Fairfield County; or
- Potential resource providers such as consultants, funders, etc.



35 respondents indicated they would need some kind of start-up assistance

Only 12 respondents readily saw a part or role for them to play within the social enterprise landscape in Fairfield County.

These roles seem to be proportioned in a reasonable manner among founding organizations and entrepreneurs needing help, resources, and assistance (24%); and investors/funders, mentors, resource and service providers, and advisors, etc. (80%, including those in multiple categories). The actual impact of the 80% would have to be further investigated because of the number of fee-based (versus pro bono or volunteer) roles that are indicated. This could be a challenge, given the limited ability of new or start-up social enterprises to pay consulting fees.

Respondents indicated that interest in social enterprise went beyond their direct responses and personal involvement in social enterprise. Respondents recommended that SVP-CT contact 15 other organizations and individuals (See Table 1 - Other Social Enterprises or Organizations Recommended for Involvement, page 8).

Another positive factor is that 40 out of the 54 full respondents -- almost 75% -- are willing to participate in a follow-up interview with SVP-CT. We conducted several of these follow up interviews, which provided very helpful information and advice (see page 8).

Social Enterprise Needs and Program Benefits

35 respondents -- specifically interested in starting new social enterprises - indicated they would need some kind of start-up assistance (See Table 2 -- Social Enterprise Needs, with multiple entries per respondent, page 8).

It might be stating the obvious, but almost all these needs correlated with resources and expertise: money to help really get them going and the knowledge to help provide confidence and credibility in operating a social enterprise.

Of these 35 respondents, only 21 individuals positively recognized how a social enterprise would benefit their own program or organization. This finding merits future attention by SVP-CT.



Sector and Geographic Representation

Geographically, the most populated cities (Bridgeport and Stamford) were well-represented, with other respondents spread across Fairfield County and a few with statewide interest (See Table 3-Geographic Representation, page 9).

Sector interest and participation was also reasonably balanced (See Table 4 - Respondent Sectors of Involvement, page 9), but seemed to reflect the urban profile of most respondents (nonprofit community development, affordable housing, family services, education, etc.).

Factors and Programs Driving Future Participation in Social Venture Partners

The 24% to 80% split between those needing help, resources, and assistance and those providing it is also reflected in the factors attracting them to potentially participate in SVP-CT (See Table 5-Factors Attracting Involvement, page 10), as well as the events and programs of inter-

est (See Table 6-Program Participation, page 10). The quality of the future SVP-CT approach and fit with the individual's existing interests were two common factors in future participation that cut across this split.

Only 32 people responded to the Program Participation question, but of these, the majority indicated they would participate in a social enterprise incubator, networking events, and developing SVP-CT's program (See Table 6-Program Participation, page 10).

Geographically, the most populated cities were well-represented in Fairfield County

Fairfield County's social enterprise landscape is fertile, with the seeds, elements, and conditions needed to build social enterprises.



Implications for Social Venture Partners -Connecticut

This survey indicates that Fairfield County's social enterprise landscape is fertile, with the seeds, elements, and conditions needed to build social enterprises. The concentration in nonprofit sector interest (human services), geography (Bridgeport and Stamford), and roles (entrepreneurs, mentors, and resource providers) suggests that SVP-CT can start by developing a focused and prioritized initiative. However, an on-going, two-pronged effort will be required to move SVP-CT beyond a few individual supported enterprises to achieving a larger goal of building a robust social enterprise sector in Fairfield County.

This survey offers the following recommendations for the SVP-Connecticut business plan:

1. Launch a focused education and outreach program about social enterprise, its potential results, and SVP-CT's plan to achieve those results.

This survey shows interest in social entrepreneurship, but demonstrates a lack of knowledge and clarity about the subject. This is not a surprising

finding, as the field of social enterprise is still relatively new in Connecticut – including to both leaders in the non-profit and business sectors. The people currently involved do not clearly understand what social enterprise means; nor do they plainly see their roles in it, or how their own organizations and programs might benefit from a social enterprise support program operated by SVP-CT. Even among those already involved, there is very little awareness of other local social enterprises (beyond their own), thereby limiting the support and learning social entrepreneurs could gain from each other.

An educational program, focusing first on high-priority geographies and needs, would raise the general level of knowledge about social enterprise. Attracting a nationally known social enterprise practitioner might be the centerpiece of an initial SVP-CT educational program. This educational program would specifically inform local nonprofit leaders and business leaders about social enterprises' potential for their respective organizations. An important objective of a SVP-CT educational program would



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therefore be to encourage a pipeline of ideas, organizations, and people committed to growing the number of social enterprises in the region.

2. Design and deliver a structured support program to convert “pipeline ideas” into social enterprises that successfully impact Fairfield County’s highest priority needs.

The objective here is to effectively connect social entrepreneurs to mentors that will help them develop their ideas, draft business plans, and acquire the capital and resources necessary to implement them. An incubator, where social enterprises can compete for funding, based upon the quality of the leadership, work quality, and business plans could be a good approach. The survey listed a “*Start Up*” weekend, pitch or business plan contest as an option, but this approach may not be well understood. It also does not provide enough time to build the necessary relationships, or to allow early stage enterprises to evolve sufficiently.

In SVP-CT’s start-up public phase, before the educational process shows results, SVP-CT is most likely to attract very early stage social enterprises. Social entrepreneurs will typically be affiliated with local nonprofits trying to serve their community. In early stage development, social venture ideas, concepts, and business models are often not fully developed. Most social entrepreneurs do not come from a for-profit business background which further extends their learning curve. This has several implications for SVP-CT’s incubation program:

- Material and content (i.e. business culture and decision-making, market analysis and marketing, financial management, etc.) needs to be more basic and granular, especially in the beginning of the incubation program.
- Social entrepreneur progress needs to be closely monitored with active and regular encouragement and support.
- Because social enterprises take longer to crystalize and develop, the incubation program may have to run longer, with informal post-program mentor involvement.



Implications for Social Venture Partners - Connecticut (continued)

It is important to realize that social enterprises usually focus narrowly around local community needs whose scale has natural boundaries. It is different from the venture capital, or private equity model, where everyone has global, large-scale aspirations. Accordingly, it will be important to adjust SVP-CT's expectations. A few social ventures are triples or home runs, but a social enterprise support organization (such as SVP-CT) needs to be prepared to be satisfied with a bunch of singles, at least initially.

Once SVP-CT's social enterprise pipeline and support program is successfully established, SVP-CT efforts can be expanded to address additional Fairfield County priorities and needs. Eventually, these local successes will establish a base that can lead to statewide advocacy and new partnerships, including with reSET, Connecticut social enterprise support organization.

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The Fairfield County Community Foundation conducted several follow up interviews with specific survey respondents. Below are key points gleaned from these telephone interviews:

Tap Into the Fairfield County Regional Context

One interviewee encouraged SVP-CT to tap into the growing population of young people staying in or moving to Fairfield County. In addition, this interviewee stated that engaging the large number of private foundations in the region will be important as this is a distinguishing regional characteristic.

Link with Local Universities in Fairfield County

One interviewee highlighted that partnerships with local universities could be very beneficial for SVP-CT. However, it will be important that these partnerships offer both parties real benefits.

The Power of Convening

One interviewee stated that convening can be a powerful strategy for SVP-CT since the social entrepreneurship sector in Connecticut is so young. At the right time, SVP-CT could sponsor a conference or symposium on social enterprise.

Complement, Not Detract

One interviewee stressed the importance of SVP-CT complementing existing nonprofit efforts in Fairfield County, rather than pulling energy away from these existing efforts. Interviewees acknowledged that the regional nonprofit landscape is dominated by smaller nonprofits which differs from other metropolitan areas.

Integrate, Not Segregate

One interviewee believed strongly that social enterprises operating within nonprofit organizations need to be fully integrated into the organization, rather than operating separately. The interviewee warned SVP-CT to be careful of inadvertently reinforcing this separation.

Indeed, evaluation research on nonprofit social enterprises has found that social enterprises embedded within nonprofits can often fail when they are siloed from the rest of the organization. When this siloing occurs, these social enterprises can often inadvertently drain resources from the overall nonprofit organization. SVP-CT needs to be aware of this issue in its work with nonprofit social enterprises.

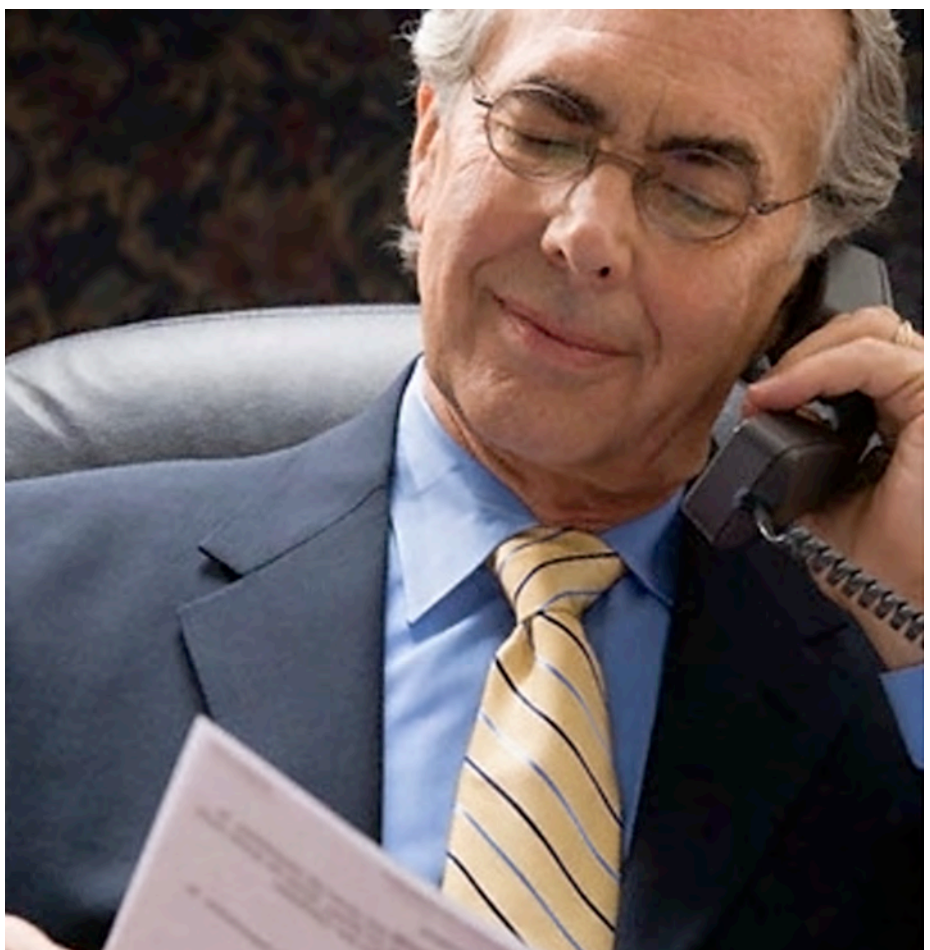


Table 1 – Other Social Enterprises or Organizations Recommended For Potential Involvement by Respondents

| | |
|---|---|
| Chatham Square (New Haven) | Frog Hollow (Hartford) |
| Neighborhood Studios of Fairfield County (Bridgeport) | New Neighborhoods, Inc. (Stamford) |
| The Grove (New Haven) | Franklin Street Works (Stamford) |
| Inspirica (Stamford) | Strive Bridgeport/Career Resources, Inc. (Regional) |
| Green Village Initiative (Westport) | reSet (statewide) |
| Network for Teaching Entrepreneurship-NFTE (Fairchester office in White Plains) | Greater Bridgeport Community Enterprises, Inc. |

Table 2 – Social Enterprise Needs

| <u>Need</u> | <u>Responses</u> |
|---|-------------------------|
| Capital (Start-up and Ongoing) | 21 |
| Case Studies & Success Stories (Illustrating best practices in social enterprise) | 18 |
| Business and Financial Planning Expertise | 17 |
| Market Analysis and Marketing (closely related to the entry just below) | 15 |
| Feasibility and Concept Development | 12 |
| Technical Assistance & Training (Subject-Specific) | 10 |
| Organization Partnership Building (Education, Business, Government) | 5 |
| Leadership & Board Development | 4 |
| Capacity Building | 3 |
| Office Space | 2 |
| On-going Research (Best Practices & Metric Development and Achievement) | 2 |
| Resource Development | 1 |

Note: Multiple entries per respondent.

Table 3 – Geographic Representation in Connecticut

| <u>Community</u> | <u>Responses</u> |
|---------------------------|-------------------------|
| Bridgeport | 7 |
| Stamford | 7 |
| Countywide | 3 |
| Danbury | 1 |
| Norwalk/Waterbury/Shelton | 1 |
| Hartford | 1 |
| New Haven | 1 |

Table 4 – Respondent Sectors of Involvement

| <u>Sector</u> | <u>Responses</u> |
|--|-------------------------|
| Community & Neighborhood Development | 7 |
| Education | 5 |
| Early Childhood Education and Family Support | 4 |
| Affordable Housing | 4 |
| Job Creation | 4 |
| Environment & Water Quality | 4 |
| Health Care | 2 |
| Food Security | 1 |
| Arts and Culture | 1 |

Table 5 – Factors Attracting Potential Involvement in SVP-CT

| <u>Factor</u> | <u>Responses</u> |
|--|-------------------------|
| Quality of SVP-CT Approach (Strategy, Plan, Leadership, Programs, Resources) | 7 |
| Opportunity to Mentor (Individual Entrepreneurs and Nonprofits) | 6 |
| Fit (Mission, Priorities, Geography, Existing Programs) | 6 |
| Funding Availability | 5 |
| Academic Partnerships | 4 |
| Case Studies and Success Stories | 3 |
| Quality Social Enterprise (Strategy, Plan, Leadership) | 3 |
| Program Metrics | 2 |
| Community Involvement (Partnerships & Residents) | 2 |
| Fun | 2 |
| Clear Expectations for Involvement | 1 |
| Youth Program | 1 |
| Demonstrate Investor Return on Investment (ROI) | 1 |
| Incubator | 1 |

Table 6 – Program Participation

| <u>Social Enterprise Program</u> | <u>Participation Interest</u> |
|---|--------------------------------------|
| Networking Events | 18 |
| Incubator (as mentor or entrepreneur) | 21 |
| “Start-up Weekend,” Pitch, Business Plan Competition | 11 |
| Helping Develop SVP-CT Support Programs | 21 |
| Teaching and Writing | 1 |
| Expand the Harbor Watch/River Watch (EarthPlace) to new communities | 1 |
| Develop new partnership between FCCF and reSET | 1 |
| Being evaluated as a potential SVP-CT Investee | 1 |

Note: Multiple entries per respondent.

Resources on Social Enterprise

reSET

reSET is a community. We are entrepreneurs, educators, innovators, investors and policy makers. We are committed to making our communities healthier, safer places to live through social enterprise. We believe that these businesses can successfully generate both purpose and profit.

Our mission is to promote, preserve and protect social enterprise, and to help entrepreneurs leverage the power of business to create public good. Strategically, our goal is to make Connecticut a national leader in social enterprise.

- See more at: <http://www.socialenterprisetrust.org/>

SVP International

The SVP Network Office serves as a hub for information, guidance and connection. We are the invisible backbone that allows each city in the SVP Network to focus on their purpose and passion and less on the processes associated with nonprofit management.

The first SVP was established in Seattle in 1997. Paul Brainerd had just sold his software company, Aldus Corporation, and was ready for his next journey. Drawing on a life-long passion for the environment, Paul invited colleagues, friends and community members to discuss his new idea – this one borne of the desire to get thousands more people highly engaged in philanthropy. These people would not just write checks. They would work shoulder-to-shoulder with nonprofits – using their professional skills to tackle Seattle’s most pressing problems. More than a hundred people showed up for that first meeting. Soon after the SVP model and the engaged philanthropy movement was set in motion.

- See more at: <http://www.socialventurepartners.org/network-office/>

NESC National Executive Service Corps

We combine top-quality consultants and affordable fees to provide a broad array of consulting services to the nonprofit community in the tri-state region. The NESC Mission is to make a meaningful contribution to our communities by strengthening the management of America’s nonprofit organizations, schools and government agencies through high-quality, affordable consulting services.

The nonprofit National Executive Service Corps since 1977 has been helping more than one thousand fellow nonprofits in New York, Connecticut and New Jersey solve their managerial and operational problems, operate more efficiently and seize strategic opportunities that can spur their growth – thus allowing them to serve their communities even better. This NESC does through consulting projects that bring proven business planning and management skills to the nonprofit sector. NESC has special expertise in nonprofit social enterprise.

- See more at: <http://www.nesc.org/>

Echoing Green

Since our founding in 1987, Echoing Green has provided nearly 600 emerging social entrepreneurs working in more than forty countries with \$33 million in start-up funding, customized support services, and access to our global network of champions. By year two, the majority of our Fellows raise three times their Echoing Green support. By year five, after the completion of their Fellowship, Echoing Green-funded organizations raise, on average, thirty-seven times their Echoing Green seed investment. What’s more, approximately two out of three Echoing Green-funded organizations reach sustainability.

Our Fellowship equips emerging visionaries with the skills, resources, and guidance to solve the world’s toughest social problems. Echoing Green’s Work on Purpose program challenges young people to build careers that are right for them and good for the world. Using tools like the book, *Work on Purpose*, discussion and activity guides, Echoing Green-led workshops, and a suite of resources, we’ve helped thousands of young people take steps to shape their paths and leave a social footprint on the world.

- See more at: <http://www.echoinggreen.org/>