

Business Support Additional Standards

These standards are intended to complement the main SFEDI Business Support standards. They include:

<i>Occupational area</i>	<i>Standard(s)</i>	<i>Approved</i>
Social Enterprise Adviser	A – D	March 2007
Business Mentor	E	March 2007

A Apply your knowledge of social enterprise

Summary

To work effectively with social enterprises, you need to understand how the social enterprise sector works. This is important whether you are a general business adviser who is working with social enterprises or whether you are a specialist social enterprise adviser. It will also apply whether you are working with social enterprises at the concept stage, at start up or once established. You particularly need to understand:

- the values that social enterprise is built on and how this affects their working arrangements;
- the types of organisational structure that social enterprises normally follow; and
- the typical social, financial and developmental issues social enterprises face and the availability of support services to address these issues.

Helping your social enterprise clients to work within their structures and constraints and overcome the key issues they are facing will significantly affect the quality of advice that you give them.

What you need to show

You must make sure that your practice meets the following requirements.

- a Apply your knowledge about social enterprise when working with your social enterprise clients.
- b Keep your knowledge about social enterprise up-to-date.

Business Support Additional Standards

What you need to know and understand

You need to know, understand and be able to apply each of the following.

Social Enterprise

1. The meaning of the term 'social enterprise' when used by the Government and other agencies that promote social enterprise.
2. The values of social enterprise.
3. What circumstances may lead to a social enterprise being started.
4. The similarities and differences between social enterprises and other organisations including:
 - private businesses;
 - charities;
 - voluntary organisations; and
 - community groups.
5. The similarities and differences between different types of social enterprise including:
 - social objectives;
 - management and ownership structures; and
 - who is involved with making decisions.
6. How to link social objectives to commercial objectives and include them in a business plan.
7. The legal formats and structures that social enterprises use.
8. What start-up capital is available for social enterprises.
9. How trade income in social enterprises is handled and the issues involved in mixing trade income with grants, donations, volunteers and so on.
10. What specialist support is available for social enterprises locally, regionally and nationally, and how this specialist support links together.

Improving your performance

11. Where to access information about social enterprise.
12. How to find out about changes in the social enterprise sector.

Personal behaviours

You need to be able to:

13. develop self to improve performance. ^{lip7.2}

B Develop opportunities to start social enterprises

Summary

This is about identifying and promoting opportunities for social enterprise. This involves recruiting and working with interested individuals and organisations (stakeholders), researching what might affect potential social enterprises and developing a proposal that describes the potential social enterprise and its likely success.

What you need to show

You must make sure that your practice meets the following requirements.

- a Identify and research opportunities to create social enterprises.
- b Analyse information about trends that affect possible stakeholders.
- c Identify and tell potential stakeholders about social enterprise ideas and opportunities and encourage them to take them forward.
- d Identify what products or services the social enterprise might trade, who the target customers or service users would be and find out about the sectors that the social enterprise might trade in.
- e Make sure that trading plans agree with the purpose, resources and capabilities of the proposed social enterprise.
- f Reach agreements with stakeholders to set up a social enterprise.
- g Help stakeholders decide what type of social enterprise would best suit their purpose, what funding or resources are available to help them and what other stakeholders they should involve.
- h Help stakeholders develop an outline proposal for starting a social enterprise and test its likely success.
- i Help stakeholders develop the skills and knowledge they need.
- j Provide links to sector specialists when necessary.

What you need to know and understand

You need to know, understand and be able to apply each of the following.

Researching a social enterprise

- 1 How and where to find out about the range and type of social enterprises already in your area.
- 2 Where to find business information for feasibility studies (to check whether the proposed social enterprises will be likely to survive).
- 3 What support is available for people starting social enterprises and how this might affect the likely success of their proposals.

Business Support Additional Standards

- 4 What strengths, weaknesses, opportunities and threats for the proposed social enterprise should be considered.

National policy and trends

- 5 The national policy for social enterprise development, and the regional and local policies and objectives that affect your area.
- 6 What conditions encourage individuals and organisations to consider starting a social enterprise. (Examples of conditions are local government support for social enterprise, changes in local unemployment rates, new legislation or growing interest in buying electricity generated from renewable sources.)
- 7 What external trends might affect potential stakeholders. These might be political, economic, social, technological, legal or environmental.
- 8 How 'The Business Enterprise standards' can help individuals and organisations to start a social enterprise.

Stakeholders

- 9 Who the key people in social enterprise development are in your area.
- 10 How to involve potential stakeholders in searching for social enterprise opportunities.
- 11 How to present information and answer questions to improve understanding and achieve commitment.
- 12 How to encourage people and organisations to be as open as possible when giving their views.
- 13 How to deal with conflicting views from different individuals and organisations.

Development needs

- 14 What learning and development opportunities are available to improve the skills and knowledge of teams, networks and steering groups.

Trading and competition

- 15 What affects the success or failure of proposed social enterprises.
- 16 How to arrange contact with social enterprises that trade in the same way.
- 17 How to identify which businesses social enterprises might be in competition with, and the effect this might have.
- 18 What the main sources of competitive advantage are for social enterprises. (These might be providing lower-cost services to low-income families, becoming involved in ethical markets such as fair trade or providing public services.)

Business Support Additional Standards
Personal behaviours

You need to be able to:

19 handle disagreements or resistance constructively and fairly ^{liP2.4}

20 deliver thoughts in straightforward terms, but maintain listener interest ^{liP4.3}

21 invite a two-way exchange of information and feedback with others ^{liP6.3}

C Help clients to start social enterprises

Summary

This is about deciding the purpose, values, principles, objectives and legal structure for the potential social enterprise. It involves deciding how the social enterprise will be structured and run and developing a social enterprise business plan.

What you need to show

You must make sure that your practice meets the following requirements.

a Advise clients on how to find suitable premises.

Help clients:

b develop as a business-focused team that is committed to starting a social enterprise.

c prepare a statement of the purpose, values and principles of their social enterprise.

d decide on their rights, responsibilities, risks and rewards as founders of the social enterprise.

e decide on, and identify and settle any potential conflicts between, their commercial and social objectives for the short and medium term.

f decide what they will do with any profits the enterprise makes.

g choose which organisational and legal structures will best suit their social enterprise and whether they should apply for charitable status.

h decide if their social enterprise will have members and, if so, what the membership criteria will be.

i decide what ownership and control rights to give to stakeholders and how the social enterprise will be managed and run

j identify what should be in their social enterprise business plan, decide how they will structure it and collect the information they need to produce it.

k identify any sources of specialist help they may need, including legal advice, and where to get it.

l identify and obtain the most appropriate sources of investment capital for their social enterprise.

m present their plans to funders, investors and other potential stakeholders.

n develop an operational plan, job descriptions and a recruitment strategy.

Business Support Additional Standards

What you need to know and understand

You need to know, understand and be able to apply each of the following.

Purpose and objectives

- 1 What values and principles are held by a range of different types of social enterprise.
- 2 How to encourage teams to improve their skills and knowledge and the way they work with each other.
- 3 How to help teams to resolve conflicts between their members.
- 4 What ownership and control rights are given to people starting social enterprises and how they are rewarded for their work in starting the enterprise.
- 5 How different types of social enterprise treat profits and how this affects investment and funding.
- 6 The main reasons why social and commercial objectives may conflict with each other.
- 7 The different types of stakeholder that social enterprises can have.

Legal status

- 8 The reasons for developing complex legal and organisational structures involving subsidiaries, holding companies or trading divisions.
- 9 The relationship between the legal set-up of the enterprise and how the enterprise can be financed.
- 10 Where clients can get specialist legal advice on social enterprise structures.
- 11 The reasons for setting up a social enterprise as an incorporated organisation
- 12 The organisational and legal conditions for membership of national organisations.
- 13 The advantages and disadvantages of having charitable status.

Management structure

- 14 The advantages and disadvantages of different management structures and decision-making processes.

Business plan

- 15 The main parts of a social enterprise business plan. These include:
 - a description of the social enterprise and its objectives;

Business Support Additional Standards

- a description of the main products and services and how they will be sold;
 - a description of any marketing that will be needed;
 - an estimate of the start-up costs and working capital needed;
 - forecasts of the income, expenditure, cash flow and profitability; and
 - the equipment, tools, materials, premises and staff or volunteers that will be needed.
- 16 Who the clients are writing their business plan for, and how this will affect its content.
- 17 How to put together and present information in a business plan, including using summaries and appendices.

Finance and resources

- 18 How to find out about the sources and types of finance available for the social enterprise when starting up.
- 19 Where to get information about suitable premises.
- 20 What business planning tools and training courses are available to people starting up social enterprises.
- 21 Where people starting up a social enterprise can get specialist support and advice when they need it.

Personal behaviours

You need to be able to:

- 22 achieve results through the guided actions of others ^{liP7.5}

D Help social enterprises to improve their performance

Summary

This involves reviewing the social enterprise's performance to make sure it is meeting its social and commercial objectives, improving the way it is structured and run, balancing its commercial and social objectives and preparing plans to achieve financial stability and independence.

What you need to show

You must make sure that your practice meets the following requirements.

- a Persuade clients how important it is to review their social enterprise's performance.
- b Show clients different ways they can review performance and help them choose the way to review performance that best suits the purposes and objectives of their social enterprise.
- c Advise clients how to involve their stakeholders in their review and how to improve the way they involve stakeholders in all parts of the social enterprise.

Help clients:

- d develop their own way to review performance and carry out the review.
- e draw conclusions from performance reviews and use these conclusions to plan improvements.
- f balance their social objectives with their commercial objectives.
- g set targets for the best size and scale of the social enterprise and understand the effect that growth and change will have on the social enterprise's management and organisation.
- h review their membership structures.
- i distinguish between the duties of managers and board members and improve the structures they use to run and manage the social enterprise.
- j design jobs and work practices that reflect the values and principles of the enterprise.
- k review their financial structure, prepare plans for financial stability and independence and raise investment capital.
- l improve their trading profitability, develop and expand trading and identify opportunities for new trading.

Business Support Additional Standards

What you need to know and understand

You need to know, understand and be able to apply each of the following.

Review processes

- 1 What the strengths and weaknesses are of different ways of reviewing the performance of social enterprises.
- 2 How performance reviews and quality assurance systems are linked.
- 3 How to get information and feedback from stakeholders about how they think the social enterprise is performing. Stakeholders could be board members, sponsors, funders, customers, members, staff members or volunteers.
- 4 How to design performance reviews so they satisfy the needs of external funders as well as social enterprises.

Size and structure

- 5 How the values and principles of social enterprise are embodied in organisational structures and processes.
- 6 How to use social enterprise values and principles to design jobs and ways of working.
- 7 How management is structured and how decisions are made in social enterprises.
- 8 How their size affects the way that social enterprises are organised.
- 9 What affects the best size and scale for a social enterprise.

Stakeholders

- 10 How relationships with stakeholders may change as a social enterprise becomes older and larger.
- 11 What the costs and benefits are of improved stakeholder involvement.

Legal requirements

- 12 What the legal duties of directors are.
- 13 What the latest changes in corporate law are that affect social enterprises.
- 14 What processes must be followed when suggesting changes to how a social enterprise is set up.

Financial stability and independence

- 15 What the term 'sustainability' means for social enterprises.

Business Support Additional Standards

- 16 The key characteristics of each stage a social enterprise will need to go through to survive and grow.
- 17 What areas of commercial practice are most likely to conflict with the social enterprise's social objectives.
- 18 What types of capital investment support the values and principles of different types of social enterprise.
- 19 The advantages and disadvantages of debt and equity finance for social enterprises.
- 20 What external factors might affect how social enterprises trade. These might be political, economic, social, technical, legal or environmental factors.
- 21 What internal factors might affect the productivity of social enterprises.
- 22 What opportunities there are to expand the activities of social enterprises through partnerships, joint ventures, franchising (using another company's name or methods in return for money or a share of the profits), mergers, acquisitions (buying businesses) and takeovers.
- 23 The main sources of investment for social enterprises.

Personal behaviours

You need to be able to:

- 24 invite a two-way exchange of information and feedback with others ^{liP6.3}
- 25 achieve results through the guided actions of others ^{liP7.5}

E Support clients by business mentoring

Summary

This is about mentoring clients to help them identify their personal development to achieve their business goals, and supporting clients in achieving them. It involves establishing a good client relationship, helping clients identify needs and priorities, providing encouragement and support to help clients maintain their motivation and carry out their plans and encouraging clients to act for themselves.

What you need to show

You must make sure that your practice meets the following requirements.

- a Make sure your clients understand your role as a mentor, how it differs to other business support roles and agree with them the goals and rules of the mentoring process, and how long it will last.
- b Help clients to express and discuss ideas and any concerns about their business situation, needs and progress, without judging them and give them feedback.
- c Encourage clients to explain clearly what they want to achieve and to compare their needs and abilities with current business practices.
- d Recommend and agree in detail a programme of activity which best meets your clients' needs and agree with them how often to review progress and in how much detail.
- e Encourage your clients to develop the confidence, understanding and skills needed to meet their personal and business objectives.
- f Present new information to clients in a way that they are able to understand and that is relevant to their needs.
- g Recognise when you are giving business advice and no longer mentoring, and act appropriately.
- h Help clients review progress, and set a realistic range of options to meet their needs and goals and understand how, and whether, the options are practical.
- i Help clients reflect on and learn from things that did not turn out as expected.
- j Refer clients to relevant sources of information, advice or further support, as they need them and where relevant plan how it will be provided and evaluated.
- k Present a positive image of business mentoring, and follow the code of ethics for mentoring set by the organisation you represent, behaving in a

Business Support Additional Standards

way that shows you are willing to help your clients and will respect their confidentiality.

- l Encourage clients to use new points of view when evaluating, considering and using information to improve their own skills and the performance of their business.
- m Help clients take more and more responsibility for setting their goals and encourage them to make their own decisions, make plans, prioritise actions and put these into practice.
- n Keep up-to-date and accurate records of client contact.

What you need to know and understand

You need to know, understand and be able to apply each of the following.

Principles of mentoring

- 1 What your role as a business mentor is and how it is different from other business support.
- 2 What the code of ethics for mentoring is that is set by the organisation you represent and how to work within the requirements and policies of the mentoring scheme in which you are involved.
- 3 What the rules on confidentiality and data protection are, and how to follow them.
- 4 The different reasons clients might have for starting or running a business, and how these will affect their goals.
- 5 What rules to set for the mentoring process. These might be about how often to meet, the places and times to meet, what to do if someone can't make a session, confidentiality, involving other work colleagues, or dealing with problems.
- 6 How to identify and agree a contract for mentoring.
- 7 What resources and facilities are likely to be needed for the mentoring process.

Mentoring relationships

- 8 How your behaviour is different when you are advising instead of mentoring, how to recognise this and the effect it will have on the mentoring relationship with your clients.
- 9 The range and limits of different communication methods (for example, face to face, phone, fax, e-mail and body language).
- 10 How different people learn.

How to:

- 11 create an environment in which clients will feel at ease.

Business Support Additional Standards

- 12 make the mentoring experience effective for different clients.
- 13 identify when the relationship has reached a natural end and end it successfully.
- 14 gain and maintain clients' enthusiasm, commitment and trust.
- 15 listen uncritically so as to identify clients' real situations, problems or needs.
- 16 question and check with clients what they have understood from you.
- 17 share information, ideas and arguments patiently and tactfully.
- 18 inspire confidence, persistence and realism.
- 19 build long-term relationships.
- 20 give, receive and pass on feedback.
- 21 sort out any difficulties and reduce conflicts and differences as far as possible.
- 22 manage your time and activities.
- 23 show respect for and sensitivity to the needs and feelings of other people.
- 24 avoid bias, preconceptions and judging.
- 25 recognise the effect of your own actions and behaviour on other people.
- 26 present yourself positively to other people.
- 27 stay calm in difficult or uncertain situations.
- 28 handle other people's emotions without becoming personally involved in them.

Supporting clients' development

- 29 What clients' personal goals are. Goals can be specific problems with the business or broader personal and business targets.
 - 30 What further sources of support may be relevant to clients and how to recommend them.
 - 31 How different clients have different learning preferences and limits and what they are.
- How to:
- 32 help clients identify or develop practical and affordable solutions.
 - 33 develop clients' self-confidence.
 - 34 help clients review and develop skills that will improve how competitive their business is.
 - 35 develop clients' personal skills so they can develop the business for themselves.

Business Support Additional Standards

36 encourage clients to express themselves and take action to meet their goals.

37 help clients accept and manage change.

Personal behaviours

You need to be able to:

38 respect the client's need for information, commitment and confidentiality. ^{liP1.3}

39 listen and respond effectively, and check understanding. ^{liP4.3}

40 adapt your personal style to empathise with a whole range of clients. ^{liP6.1}

41 build and maintain rapport over sustained periods. ^{liP6.2}

42 invite a two-way exchange of information and feedback with clients and others. ^{liP6.3}