



Building Bridges 2022 Annual Conference

The Alliance for Nonprofit Growth and Opportunity (TANGO)



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Building Bridges 2022

Social Enterprise: Leveraging Dual Bottom Businesses to Advance Mission and Fiscal Sustainability

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CW Resources



Start with Why

- Simon Sinek - [Start with Why Ted Talk](#)
- The Golden Circle - Why, How, What
- Transforming our reason for being in business
 - Why did our organizations begin?
 - Why do they exist today?
 - How are we sustaining our reason for being?
 - Inspiring Change
 - Scaling into the future

Terminology

- Core Competencies – “stick to the knitting”
- Driving social impact – BHAG – Big Hairy Audacious Goal
 - Jim Collins, *Good to Great*
- Capital
 - Fiscal
 - Human
 - Foundations & Program Related Investments (PRI)
 - Targeted philanthropy vs fund raising
 - Social Venture Capital
 - Impact Investing
- Revenue
- Cost
 - Everything matters
- Margin and Net Income

Terminology

- Social Enterprise - Dual and Triple Bottom Line Businesses
 - Mission based*
 - Profit
 - Fiscal Sustainability
 - Scaled impact
- Charity vs. Business Enterprise
- Not for Profit is tax status only, not our business model
- No \$\$ No Mission
- Corporate Structure
 - 501c3
 - LLC
 - Benefit Corporation – B Corp
 - Greyston Bakery - [Click here for Greyston Bakery](#)
 - L3C – Low Income Limited Liability Company
 - Franchisee (corporate structures as above)
- Employer of Record (EOR)
- Business Development Pipeline



The Kennedy Collective Model

- 3 Operational Divisions
 - **Adult Services**
 - Housing Supports, Community Access, IHS, ABI, Autism Specific
 - **Workforce Development**
 - Transition, Employment Supports - internal and external
 - **Social Enterprise**
 - 3 lines of business — Competitive Integrated Employment at and above state minimum wage and
 - **Logistics and Supply Chain**
 - Light assembly and manufacturing
 - Retail operations – Brick and Mortar, Online, Franchising
 - Warehousing, Inventory Management, Fulfillment
 - **Facilities Management**
 - Landscaping & Janitorial
 - Facilities Maintenance
 - **Staffing**
 - Administrative Supports
 - Management and Back office



Mission is Key

All heard it said, NOT-FOR-PROFIT IS A TAX STATUS, NOT A BUSINESS PLAN

- How many of us have taken this to heart and implemented strategies to become more efficient?
- What you all do in this room has value. Are you receiving that value for the work you are doing? Are you undervaluing your services?
- Your mission and revenue stream need to align, and both need a plan on how to achieve.
- Reducing time spent on fundraising and focusing on the mission is key.
- Your fundraising efforts are just as important to develop relationships as raising revenue.



Invest in the Mission

So why don't we run our agencies as a for-profit business?

- 1) Our staff has different values and motivation, this is true of most of your employees who could make more money in the private sector. My counter, those same staff could focus on the mission and improve services when resources are more readily available.
- 2) Budgets are set to soft numbers; you hope to have enough money to fulfill your mission. The extent to which you will fulfill your mission is directly related to your bottom line. Treat it like it is your money the difference of when you do well that success enhances your mission by investing back into the business.
- 3) This is the way we have always done it.



Future Growth

- Diversify your revenue streams instead of relying on donations or grants.
- What do you do well and look to expand who your providing those services to.
- Build a long-term vision that allows your organization to scale and grow over the next decade with action steps on how to get there.



Look at Affiliations

- Can other Social Enterprises add value to your organization?
- Expand outside your geographical area, and look to expand operating hours.
- Look for Small Business partners to expand opportunities.
- Price your services competitively; what you do has value to ensure you are fairly compensated.
- Look to reduce costs by leveraging your buying power with others, and join existing buying programs to reduce operating costs.

Resources

OMNIA Partners: The Future of Group & Cooperative Purchasing

<https://www.omniapartners.com>



Resources

- Below is a listing of good articles that also contain links to additional educational opportunities. This is not an exhaustive list but contains valuable resources as you consider entering the Social Enterprise ecosystem or scaling your existing Enterprises
- Bank of America - <https://about.bankofamerica.com/en/making-an-impact> - \$1Billion investment in Social Enterprise – Key areas, Economic Mobility focused on needs of individuals and families and Economic Mobility focused on needs of Community, Environmental Sustainability
- Beneficial Returns – <https://www.beneficialreturns.com/> Ted Levinson, CEO, Impact Investment
- Ashoka – <https://www.ashoka.org/en-us> - Long standing Social Enterprise with global focus, fellowships, funding, thought leadership, etc.
- REDF – Roberts Endowment Development Fund – <https://redf.org/> - Leading foundation supporting a nationwide Social Enterprise ecosystem
- Looking for purpose and fulfillment in your workplaces? You HAVE TO connect with Imperative! - <https://www.imperative.com/>



Resources

- REDF – Mathematica Jobs Study - <https://redf.org/the-impact/measurement-evaluation/> - Powerful report on Return on Investment for Social Enterprise employment. Other great links are included – Read more about Social Return on Investment
- Social Enterprise Alliance - <https://socialenterprise.us/>
- Forbes - 2019's Top 5 Most Innovative And Impactful Social Enterprises – zillions of Social Enterprises – this is a good article with links to those who have global impact - <https://www.forbes.com/sites/lilachbullock/2019/03/05/2019s-top-5-most-innovative-and-impactful-social-enterprises/?sh=21f9903f774a>
- SCORE - the nation’s largest network of volunteer, expert business mentors, is dedicated to helping small businesses get off the ground, grow and achieve their goals. <https://www.score.org/>
- Franchise Well - Dr. Benjamin Litalien, CFE - <https://franchisewell.com/>



Resources

- One historical perspective of Social Entrepreneurship – worth the read to understand historical implications of social innovation - <https://hotcubator.com.au/social-entrepreneurship/the-historical-evolution-of-social-entrepreneurship-field/>
- Potential corporate models for consideration depending on your state – Marc Lane and his practice is a leading expert in corporate models for Social Entrepreneurs - <https://www.marcjlane.com/practice-areas/areas/social-enterprises-l3c-s/>
- B-Lab - <https://www.bcorporation.net/en-us/>
- L3C – Low Profit Limited Liability Company – we can benefit from engaging in Program Related Investment conversations but we must beware of the potential disadvantages - <http://bclawlab.org/eicblog/2017/3/21/what-exactly-is-a-l3c>
- Another view of L3Cs - <https://www.missionbox.com/article/401/companies-with-purpose-the-l3c-option-in-the-us>
- Leaders to learn from and see how collective impact can be scaled - <https://www.investopedia.com/articles/investing/092515/10-most-successful-social-entrepreneurs.asp>



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