

Strategic planning and the life cycle of Social Enterprises

Learning Unit 17

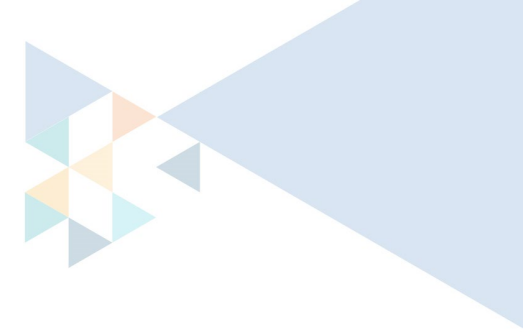
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01 Strategic planning process within social enterprises

02 Social enterprise life cycle



Strategic planning



Is the determination of an organization's key long-term goals, as well as the choice of courses of action and allocation of resources to achieve those goals (Chandler, 1962).



In planning a social enterprise, the entrepreneur must pursue both social and economic goals, he must create such a business model that is primarily focused on improving the work in the lives of individual target groups and improving the environment.

Always

Unique

Totally

Interesting

SOMETIMES

MYSTERIOUS



Why is strategic planning important?

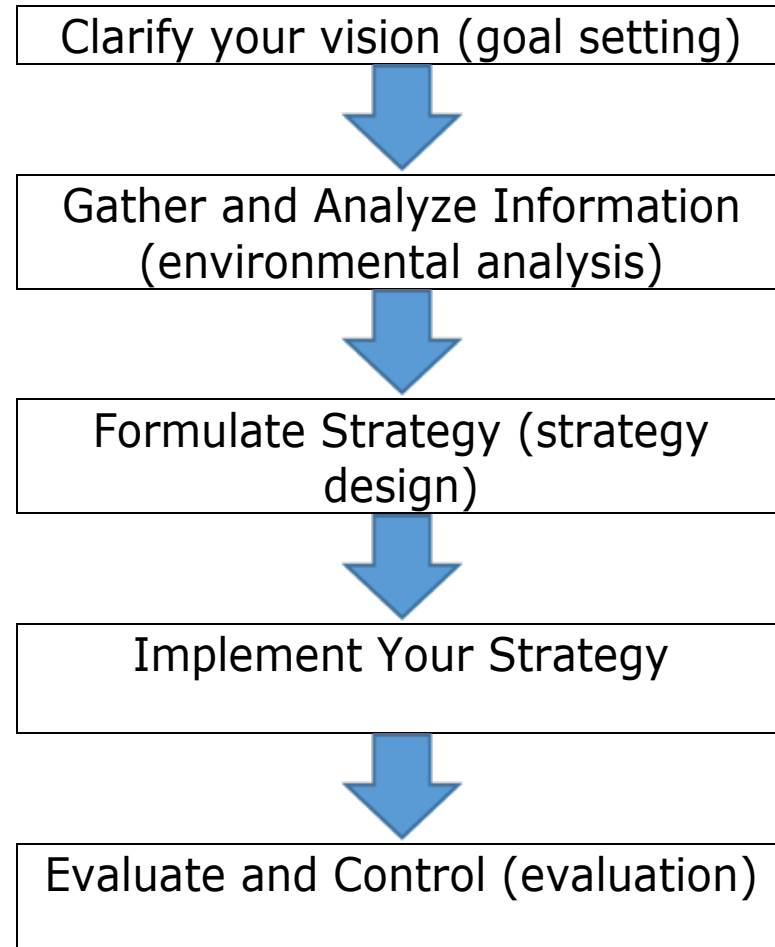
Strategic planning is important:

- helps to think ahead,
- the business can adapt to change more easily,
- achieving social and economic goals is easier,
- everyone involved knows what the mission of the business is.



For social entrepreneurs, planning is even more important because all employees, volunteers, and external stakeholders are involved in setting goals and making decisions.

5 steps of the strategic planning process



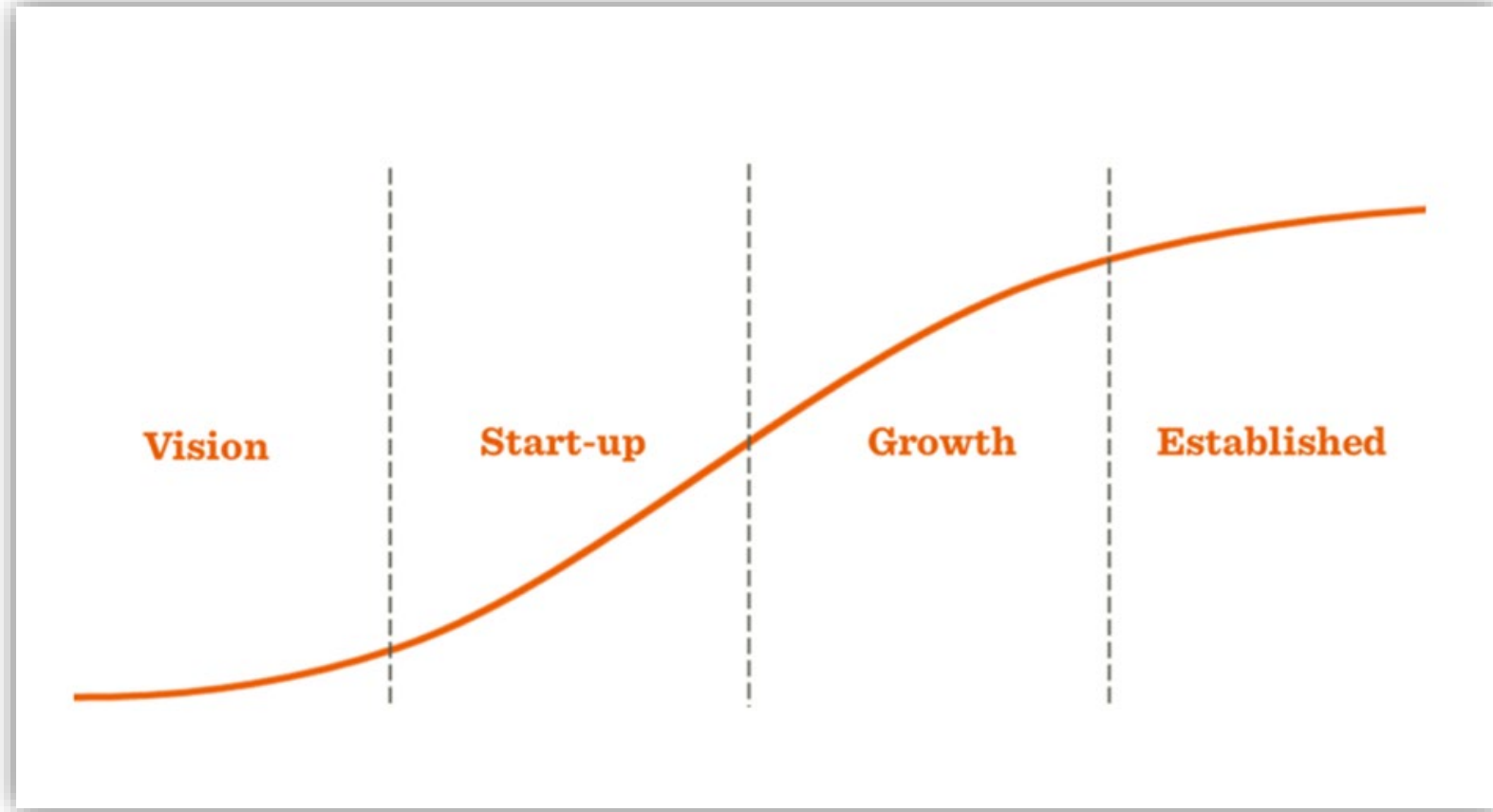
Social entrepreneurs should do?

- Phase one (pressure testing your start-up idea).
- Phase two (plan your social enterprise).
- Phase three (launch and scale your social enterprise).



At an early stage, entrepreneurs should use their imagination and their time, not their resources or the resources of their supporters.

Social enterprise life cycle



Source: <https://redfworkshop.org/learn/life-cycle-analysis>

Typical success factors in identified stages of life cycle



	Vision	Startup	Growth	Established
Social enterprise management team	Hired dedicated SE director with mix of business and social sector experience	SE director is a hands-on operator Hired dedicated employee support staff	SE director is able to delegate operational tasks and focus on vision and growth	SE director fully owns goal-setting and strategic direction for SE (vs exec director of parent nonprofit)
Supportive employment experience	Identified target population and match with enterprise idea Defined employment model (transition vs permanent)	Identified hirings sources and hired SE employees Developed program design	Refined understanding of barriers and needs of population based on outcomes data	Program design document is robust and shareable
Outcomes measurement	Defined social metrics to track and means of collecting metrics	Regularly tracking key social metrics against goals	Regular internal evaluations to present data and analysis	Conducted external evaluation to prove effectiveness of intervention
Business sales and marketing	Conducted breakeven analysis Developed basic marketing collateral and pricing model	Refined pricing through evaluation Developed standalone brand identity	Developed refined marketing and branding Understanding of customer segment profitability	Turning over available profit to parent nonprofit Brand equity strong enough for new geographies
Sustainability model	Articulated financial goal Developed a budget forecast	Developed timeline for sustainability Refined budget forecast	Achieving financial sustainability goals Earned income covers larger portion of budget than before	Demonstrated ability to maintain financial security Ability to take on other types of capital
Role of parent non-profit	Leadership and board explored feasibility of SE, are committed, and understand risks	SE director on leadership team of parent nonprofit	Parent nonprofit sets up advisory council for social enterprise Increased autonomy for SE director	Replication of social enterprise with role for parent nonprofit in new geographies
Financial management systems	Identification of systems needed Defined SE's financial policies and controls with linkages with parent non profit	Social enterprise systems interdependent with parent nonprofit Financial analyst allocated partly to SE	Strong controls system and roles for SE and parent nonprofit	Sophisticated financial systems with clear links to parent nonprofit and ability to implement in new geographies
Business planning and operations	Completed due diligence for social enterprise ideas	Day-to-day operational processes defined and implemented	Developed 2-3 year growth plan with strategies and requirements	Developed replication plan Consider new lines of business

Source:
<https://redfworkshop.org/learn/life-cycle-analysis>

Practical Activities in Group

Think about your own social enterprise you work in and how it has progressed through the various stages of life cycle:

- Which of the four stages of development has your social enterprise gone through?
- What are the most important skills needed at each stage?
- What are the most important thing you learned at each stage?

Stage in the life cycle	Skills needed	What you learned at this stage?
Vision		
Start-up		
Growth		
Established		