

Understanding and using the materials

Introduction

Welcome to the 'Becoming a social enterprise: essential business understanding for VCS boards' learning materials. The materials comprise of five modules, each focusing on a different element of business. This section is separate from the five modules, and is intended to be a reference point for trainers, offering context to the issue of social enterprises, as well as help and advice for facilitating learning sessions.

Who should use these materials?

The aim of these materials is to give Board Members of Voluntary Community Organisations (VCOs) an understanding of business practice, and help them guide their organisation as it becomes a social enterprise. The materials are designed for trainers who will be facilitating Board Members' learning sessions.

Why are VCOs becoming social enterprises?

Over recent years, VCOs have needed to broaden their funding sources, as both the Government and funders have discouraged organisations from depending solely on grants. In addition, the emergence of Service Level Agreements (SLAs) has meant that the way in which VCOs receive funds has been formalised, with an emphasis on contracts and measurable targets and outputs. VCOs are increasingly facing up to these challenges by trading and becoming social enterprises, and as a result Board Members have identified a need to have a greater understanding of business in order to better direct their organisations.

These training materials were developed and produced by Governance Works Ltd on behalf of the Small Business Service, Social Enterprise Unit.

Making the most of the materials

These materials are not designed to work as a traditional teaching manual – the five modules are linked but independent from one another. We recommend that trainers work with learners to complete the checklist at the end of this introductory section before starting; this will highlight knowledge gaps, and ensure that learning sessions are as productive as possible.

The materials are very flexible in both the structure of the five modules and the individual make-up of each module. Timescales for delivering the modules are difficult to predict – modules could be taught in a couple of hours or a day, depending on the prior knowledge, confidence and needs of the learning group. Facilitators are advised to work with learners to negotiate timescales and ensure that learners concentrate on the elements of the modules that they need most guidance on.

Key to learning symbols used



Question(s)



Exercise



Answer(s)



Stop & Think



Case Study

Module checklist

The following checklist may be useful for trainers and learners to uncover knowledge gaps and decide which modules will be most valuable for learners.

Module 1: Being a social enterprise – understanding your organisation in business terms

Questions related to Module 1	Yes	No/would like to know more
I understand what a social enterprise is.		
I can explain what my organisation does in business terms – e.g. I can explain the difference between my organisation's social and business objectives.		
I understand what a stakeholder is, and I can identify the key stakeholders for my organisation.		
I can explain why Board Members need to understand about social enterprises.		

Module 2: Planning – understanding business plans: what they're for and how to use them

Questions related to Module 2	Yes	No/would like to know more
I understand what a business plan is, and why it is important.		
I understand the critical steps in the business planning process, I can outline the main sections in a business plan and I understand what will need to be reviewed.		
I can describe the Board's role in business planning, and I can describe the key events within the annual governance calendar.		

Module 3: Marketing – understanding who your customers are and how to reach them

Questions related to Module 3	Yes	No/would like to know more
I can define the following terms in the context of a social enterprise: 'user', 'beneficiary', 'client' 'customer' and 'market'.		
I understand why it is important to understand client and customer needs.		
I understand what a competitor is.		
I can identify my organisation's key competitors and list how we are different to them.		

Module 4: Money – understanding and managing social enterprise finances

Questions related to Module 4	Yes	No/would like to know more
I can define financial terms such as 'fixed assets', 'turnover', 'profit' and 'full cost recovery'.		
I can identify the type of financial risks that could affect my organisation's sustainability.		
I understand the various forms of finance available to my organisation.		
I can describe the Board's role in negotiating and managing contracts.		

Module 5: Social Enterprise Boards – understanding the roles, responsibilities and legal status of Board Members

Questions related to Module 5	Yes	No/would like to know more
I can describe the main legal frameworks used by VCOs and businesses.		
I understand how relationships with key stakeholders may change as a result of becoming a social enterprise.		
I understand the roles and responsibilities of the Board of a trading organisation.		
I can identify the potential liabilities and risks that come with trading.		