

# Starting up as a Social Enterprise in NI

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When setting up a Social Enterprise, please remember it is still the same as any other business, it is just how you distribute your profits that sets you apart from another SME.

## Important areas to consider when setting up a Social Enterprise

- **Leadership & Governance**
- **Business idea that meets a gap in the market**
- **Create a business plan to include:**
  - What is your product or service?
  - Who are your customers?
  - Who are your competitors?
  - SWOT Analysis
- **Pricing Structure:** Should you be seeking investment?
- **Goal Setting:** Define short-medium- and long-term goals
- **Sales:** Forecast your sales - will this cover your costs and make a surplus?
- **Social Mission:** Have a clearly defined social mission
- **Legal Structure:** (Refer to Factsheet 3 for more in-depth information)



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## The importance of Leadership

- Without leadership, your social enterprise will not be successful
- Do you have the time to commit to lead a Social Enterprise?
- Do you have the required skills for operating a Social Enterprise?
- What are your reasons in setting up a Social Enterprise? (If it is to create personal wealth then this is not a social enterprise, you should set up as a private business.)
- Are you looking to create a job for yourself via the new Social Enterprise? If so, are you willing to hand control of your SE to a voluntary board?
- You will need to set up a voluntary board of directors/trustees that will give you clear governance and guidance and enable you to secure funding as one element of your revenue stream.

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## Legal Structures

There are different types of legal structures for Social Enterprises. We can assist you in getting advice from one of our strategic partners who will educate you in this area.



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# Define your Business Idea

**We believe that Social Enterprise is the future of business**



- Your business idea may come from a specific need in your local area or a cause close to your heart.
- In terms of a Social Enterprise there are no limitations, you just need to ensure you have customers for your services or product. Having the right price will enable you to make a profit.
- Remember you are a business like any other who needs to make a profit to re-invest into its social mission, which may not be linked directly to your business.

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## Write your Business Plan

A business plan is there to provide all the answers and a clear strategy. It is a clear plan about how the business will work and will be your bible to refer back to the future.



## Making a Profit

You must consider your finances. This can be daunting and overwhelming but the key to any successful business is to bring in more money than you pay out.

**Ask yourself these questions to estimate your financial needs:**

- What price will I charge for my product/service?
- What are my competitors currently charging?
- How many products or services can I deliver each month?
- How many do I have to sell each month to cover my costs?
- What will be the monthly running costs for your Social Enterprise (salaries, electricity bills etc)



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## Have a clearly defined Social Mission

- A Social Enterprise is about making a difference in people's lives via an enterprising model.
- Like any business you have to generate income. You must manage your social impact/purpose and generate an income, which is not an easy task. Generating profit is vital.

**Please consider the following:**

- Who are your beneficiaries & what is your social mission?
- How is your Social Enterprise going to make a difference?
- Can your Social Enterprise make enough money to cover its operational costs, make a profit and be able to reinvest that profit to benefit the social mission?
- Is there any other Social Enterprises/organisations already providing this service? If so, why are you wanting to start a new Social Enterprise?



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