

Subject:

FW: Social Enterprise submission

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Submission on Social Enterprise

As somebody involving in both the private sector and working alongside social enterprises for Rural areas. I would like to make the following points. Please not that these points reflect my personal opinion and not necessarily the enterprise I work for.

Social Enterprise has many benefits both to the people that work there and the community that they operate within.

They offer huge benefits to communities and to the private sector. They can employ staff in areas that is normally not employment attractive.

As part of their corporate social responsibility alignment interaction with well organised social enterprises can be a very positive marketing story.

If managed correctly, they can if a very positive impact on staff and allow for progression within the organisation or work in the private sector.

There is huge benefits from a social and environmental perspective associated with social enterprises and the rationale for setting one up is not fully focussed on financial reward and gives thought to social and environmental issues. The flip side of this is that many social enterprises fail due the fact that they are not planning for financial security.

Social enterprises need to balance their management with successful business people that can help drive this business and be cognisant of the fact that these are often done on a voluntary basis. Managers need to be dynamic and that dynamic comes at a cost so

There is in my opinion opportunities lost in having more social enterprises due to the set up issues. This is more so as there is very little straightforward information on what is involved. Application forms and processes are onerous. The commercial person from the private sector becomes disillusioned long before set up due the pace of set up and the hoop jumping required to access support.

On suggestion would be to streamline the process with multi annual support with a straightforward proposal that will provide full details and costings. A good example of this is something like an Ignite application and a bad example is the Leader Applications.

Applications need to accept proposals that will take into account that social enterprises will require higher level of support and more development time to set up and achieve its objectives. Also funding draw down issues a can be a major stumbling block. The strength and motivation behind social enterprise is often the voluntary equity of those involved who come together for the good of the area. Having to spend first and the draw down can be impossible for some enterprises.

Also I think funding rates can become an issue both from onerous management but from a cash flow perspective. One suggestion would be to reduce some of the funding rates and instead provide zero interest loans to enterprises. Financially and from a management perspective this would be an easier managed system.

One of the great issues about current policy is that the research and the delivery systems currently involved with social enterprise and social innovators are the Public service agencies or local authorities.

Those involved in Social enterprise are entrepreneurial by nature would be very rarely found working in this environment and often don't understand the motivation and drive by those involved. Furthermore the costs involved in paying a public service administration model is self defeating as many of the costs are used up in administering the process. The whole are needs to be reviewed and streamlined. Otherwise the Local authority or similar organisation becomes the social enterprise. It would be an interesting research to critically analyse the cost of what is paid to such agencies to develop a social enterprise.

A better model might be to look at existing successful social enterprises and get them to work as lower cost initiators. One example is the credit union whom would have a much better track record that the existing stakeholders.

In summary, I firmly that there is a significant role for social enterprises particularly in Rural raes where they can reduce employment and align its self with private business to give business PR boost. However it needs a radical review on the associated costs and who is tasked with supporting these enterprises and the current model is far too slow moving and cost focussed.

Kind Regards

Sean McGloin