

Response to Mission-Led Business Review: Call for Evidence

Instructions for responding to the call for evidence

You can fill out this PDF form to respond to the Call for Evidence. Respondents are invited to respond to all questions or only to some.

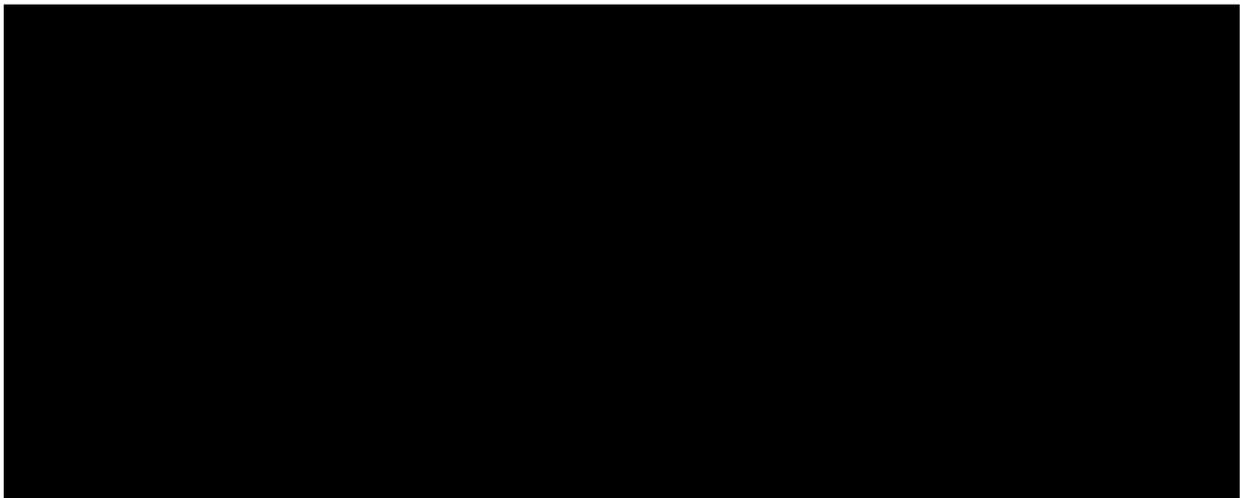
The closing date for responses is 8 July 2016. Responses received after this date may not be read. Call for Evidence responses should be returned to:

missionledbusiness@cabinetoffice.gov.uk

Or if you would prefer to send your response by post:

Mission-led Business Review Secretariat
c/o Alexandra Meagher
Cabinet Office
1 Horse Guards Road
London
SW1A 2HQ

Contact information



Part 1: Profile, drivers and potential of mission-led businesses

Question 1: What do you know about the number and profile of mission-led businesses operating in the UK? Please share evidence.

The term mission led business isn't a well used term in the network we move in however there are a growing number of organisations who are having to run more mission led / community business to be sustainable in the long term. I think in many cases the vehicle and governance which an organisation used to set up isn't the best structure to develop from a charity / social enterprise operational model to a mission-led or community business model as CIC and Charity's have certain restriction in operation and are difficult to understand by much needed commercial and wider partnerships

In the North of England there are not many organizations we work with that would fall into this category. Working with over 60+ referral agencies into our community engagement services and 20 to 30 key commercial partners we have set our organisation up to link the best of the social engagement and commercial organisations together through Spacious Place and it's unique model.

However we have set up in a way that helps our commercial partners understand our organisation rather than the charitable or social enterprise sector partly because that's the leadership teams

Question 2: What do you know about the impact of being a mission-led business on business performance and social impact? Please share evidence.

Spacious Place Enterprises across call centres, construction and digital marketing has a unique model that we believe is a showcase mission-led business. Being unique caused us several problems the first being we where sucessful with a £575K business grant through regenerate Pennie Lancashire DCLG fund which our local council didn't sign off due to a lack of understanding, short sightedness and lack of capacity to take the time to understand our model and business.

We then had to go to the social investment market to complete the funding picture and have used our money to purchase a 22,000sqft building which completed a major heritage building project in the town, employed 64 individuals soon to be 90 that would have been unemployed in the town, are ex offenders, long term unemployed or just needed help and a opportunity. The building also has 7 local business that all rent space adding commercial value to our business but also expertise and opportunity in several different industries.

Mission led business is the catylist not just to meet the needs of individuals who need opportunity but to grow aspiration, hope and long term sustainability. This excites many commercial business but scares to death local and regional councils and many public bodies who have the budgets and contracts to grow this sector.

The issue as I see it is public sector and mission led business are growing apart not together because public sector organisation can't move quick enough or don't have the resource to work with organisations like ours to try something new.

Question 3: In your view, what are the ways that quantitative data on mission-led businesses could be better captured over time?

The last 5 years in the social business sector has been extremely tough with grant funding, public contracts and funding diminishing rapidly. The result has been many organisations have been chasing after the same resources and become very protective of ideas and best practice to give them a commercial edge in tenders, bids and grant applications.

The technology is available now to measure in both a qualitative and quantitative way across the whole picture of the UK and as Spacious Place we have designed a CRM that measures this within our business and to help our partner organisation to measure with us increasing the information data and analysis to help everyone continuously improve.

However the most difficult battle is to create the economic situation where the resource is available and it's more commercially beneficial to work together as it is apart.

One of the keys to this in my opinion is mission led business developing key partnerships with commercial business to grow resource together as it isn't in the public sector as it has been historically.

To gather the quantitative data we need to follow an individual journey through 100's of services and this needs a well developed, designed and robust solutions that not just collects the data but showcases it to all the partners involved to demonstrate that the sum is much much greater than it's parts. A data gathering solution which isn't just about the incredible important numbers but about the stories behind the numbers which is the driving force and starting point for every mission led

Question 4: Why would a business set-up as or become a mission-led business? Please share evidence.

I think Mission led is about a network of business working together to achieve an outcome that is defined in a mission. As Spacious Place we need Ltd companies to make money, grow business and create more Job's. This creates the sustainable employment progression which is unique to our model.

We need charities and social enterprises to engage with the hardest to reach in community to start the journey into volunteering, employment and improved wellbeing

We need Faith based organisations to get involved in volunteering to increase capacity and help deliver services without time restraint or restrictions.

We need Mission Led Entrepreneurs to pull all these organisations together under a common set of values and mission that makes it a win win for all the different groups and organisations to get involved.

If this happens the collection of data, stories, impact is a basic an simple functions but the opportunity for people from the hardest to reach in a community to the CEO of the largest company all has a part to play.

**Question 5: How do you see mission-led businesses developing over the next decade?
Please share evidence.**

I think mission led business will probably be called several different things and look many different ways over the coming decade but the principle of this type of organisation I think has 2 potential routes.

1 - that it grows with commercial partners and slowly takes over the delivery of the none core business of what is currently run by the public sector.

2 - It grows with commercial, public sectors, charity and social enterprise partners and we have clear focus on core services and delivery making each individual organisation thrive while growing a better services for the individual.

The second option is much harder to create but the first has the potential to be an sub standard version of what could be possible.

Mission-led business - case studies:

If you are a mission-led business, or know of mission-led businesses that you are willing to share publicly, please complete the following table.

If you would like to share examples of more than one business please complete an additional table and submit with this questionnaire.

Name of business	
Contact details for business	
Brief description of business (please keep under 5 lines)	Delivery our unique engagement to employment model in contact centre, construction and digital marketing industries providing progression for individuals with multiple and complex needs providing wrap around support throughout in
Why is this a mission-led business? Please include details on any corporate governance or reporting steps.	It's a missional business as it has been created to be self sustaining and with the ability to commit to an individual in terms of help, support and opportunity for life. This makes the commercial operation and the social impact equally as important. It also adds value to our commercial partners and our community engagement partners to grow there organisations. We are set up a individual non for profit companies ltd by guarantee which makes
Stage of business development (i.e. start-up, growing, mature, repurposed)	Growing
Industry sector	Contact Centre, Construction, Digital Marketing, I
Geographic focus	UK currently North West of England
Evidence of financial growth	Growing month on month and delivering beyond our commercial partners in the contact centre business.
Evidence of social impact	Social Impact evidenced on a monthly basis showing an increase need for personal development and wrap around support across all our employees. If this wasn't in place on a
Any other details (e.g. legal form)	

Part II: Challenges faced by mission-led businesses

Question 6: What are the practical steps that a business can take to make a commitment to deliver on its intention to have a positive social impact?

There are lots of governance and financial measures that can be put in place but it is driven by the leadership of the business.

If the board are just about profit not profit and social impact where the bad times come protecting profit will be the default setting and the fall back position.

Leaderships and Governance are the 2 key areas that route social impact at the heart of a company.

Question 7: Do you think these steps could be better communicated to entrepreneurs and businesses? If so, how?

The opportunity to learn and grow is a pretty common thread amongst most entrepreneurs either social or commercial.

I think there needs to be shared learning across the board commercial entrepreneurs with drive and passion and how to create profit and social entrepreneurs with a drive to see people grow and succeed.

The major so to provide investment opportunity and vehicles so calibration and resource can move into mission-led business in a well governed simple way.

Question 8: The loss of focus on social and environmental aims has been identified as a potential problem for mission-led businesses (“mission drift”). When do you think this is most likely to happen? What could be done to prevent this?

This is often down to resource to keep the mission moving you have to keep the vehicle the mission sits in alive.

I think the correct investment / investors and business plan and structure is critical to making sure an organisation is well resourced to deliver the mission that is set out.

Many mission -led organisation have a good idea but not the commercial knowledge to sustain the idea or in larger organisation the Mission is secondary to share holders, commercial delivery.

It's always a difficult balance but much of this could be driven by incentive based on delivery of the environmental or social outcome committed.

Question 9: Have you identified barriers to new entrepreneurs or established businesses who want to easily convert their intent to make social impact into a long-term or binding commitment?

If yes, please provide details of these barriers, in particular identifying those that may be caused by regulation.

Understanding is the major barrier we have come up against I think Investors understand and having the flexible funds to invest in commercial business with social aim and mission is crucial.

As a not for profit we fitted into the social investment picture with some constitutional changes but for an Entrepreneur or established business in a Ltd company structure a high street bank often doesn't have the expertise or understanding at a local level and social investors struggle to invest in commercial vehicles.

Question 10: In your view, what are the barriers to a large corporate (including a public company) to becoming a mission-led business or owning a mission-led business within its group structure?

Shareholders and size - In large companies you have to deliver returns to the Shareholder and some of those shareholders won't want to deliver social impact which is a costly exercise done correctly so that makes it difficult.

Also size i think many large business tip there hat to CSR to tick the box but to fully embrace a mission led approach in a large business is a complete change of values, culture operations and delivery at all levels of the business.

I am sure it could be done with the right leadership and control but extremely difficult if not built into the DNA from the start.

Spacious Place Enterprises is designed in a group structure which helps deliver values, mission and culture across all the parts without taking away focus. As companies ltd by gaurentee we don't have shares so the group structure in legal / governance terms is more difficult to achieve but that would be helpful to us.

Question 11: Do you think mission-led businesses have or should have a different culture/values system to traditional (i.e. non mission-led) business? If yes, please provide best practice examples of this.

I think traditionally many business did have a mission led business with retail being in the community for the community people and service at there heart. Cotton Mill owners building housing and education establishments for staff alongside work.

In recent history the world has got much smaller and although community looks different its difficult to build a sustainable enterprise serving one community.

I think a key point is even if a mission led business is in multiple location around the UK or world it has a fundamental responsibility to the local communities in which it is based. including local employment, community regeneration and financial resource.

I think culture and values come from the leaders of the business and if they are truly mission led they will bring value to employees, customers and community alike.

I think there is a key to supporting disruptive enterprises that may bring different culture and values to the business world or community and commitment to working through these ideas even though it's never been done before or isn't tried and tested. This requires specific purposeful investment.

Question 12: What challenges do mission-led businesses face when engaging with potential customers, employees and investors about their social impact?

We have had very few challenges there aren't many people in the world that is you offer employment a great product or service alongside significant and measured social impact will cause a challenge.

Our biggest challenge with our social mission has been with our local council not wanting to promote the types of people we work with. Which is extremely disappointing at the time but it's a greater loss to them than to us in the long term.

Question 13: What do you think is the role of certifications systems (e.g. B Corps) or of frameworks (e.g. Blueprint for Better Business) in helping mission-led businesses engage with external stakeholders?

As long as it doesn't force business to work with mission-led business to tick a box. Any commercial business should go to the market and get the best product or service at the best value for them.

I think to put mission-led business in the mix of that choice is crucial and needs a lot of help but if mission-led business can't deliver the service or product it can't delivery the service or product and shouldn't be forced on anyone as that grows a false economy that is unsustainable

Question 14: What are best practice examples of social impact measurement and how are they being applied by mission-led businesses?

I think social impact measurement is still in the dark ages with all the technology available to organisation we still don't measure and present that measurement in a way that excited the person doing the measuring or the reader who is reading.

The key is the story behind the figures we are developing a CRM solution currently that we hope will add advancement to the process but I think this is an incredible area where commercial business like google can add massive value to mission led business to record and measure and analyse data and then present it in a interesting and useful way to all the different audiences that will benefit.

Question 15: Have you identified specific barriers to the growth of mission-led businesses? If yes, please provide details of these barriers, in particular identifying those that may be caused by regulation.

Secondary creative investment - the ability to raise funds to grow quickly often the initial investment is such a long and involved process the investors are so keen to see it working before committing to further funds to develop.

Commercial delivery is critical and investors need to see it working but as with any business when the opportunity to grow comes momentum is lost if funds aren't available.

I think a company structure that would allow not for profit companies to sit alongside commercial companies in a group structure would also be very helpful but would need a clear definition that both the commercial and social worlds could identify and work with.

Question 16: What do existing mission-led businesses need in terms of support and what do you think could be done to incentivise the creation of more mission-led businesses over the next decade? Who is best placed to do this?

Mission led business, social enterprise and community business are often very small fish in a large commercial pond. I think a major part in terms of support is to be invited to the table alongside commercial business when it comes to government and public contracts.

It is very difficult for a mission led business to compete with G4S, Sodexo for example on CRC contracts. I think in this process mission led business like us that deliver the day to day outcomes for these contracts with no funding or support.

The support to develop these tenders and be considered in the mix of service delivery would produce much better outcomes and be significantly better value for money.

I also think an innervation fund and expertise would be good to encourage good ideas to be structured in a mission led vehicle to add value to the idea that could have less impact if just done commercially

Thank you for your response.