

## Financial Worksheet 4: Social Enterprise

This worksheet is intended to be used for an organization that is creating a business that will use the proceeds from the business to provide social services to a defined set of constituents. In many cases, the work site provides the setting for the delivery of training and services. Examples of social enterprises include but are not limited to:

- Restaurants, Bakeries or Catering Services that teach job skills in the culinary arts to hard to employ members of the community such as formerly incarcerated men or women, at risk youth/young adults or low skilled immigrants. These companies compete with for profit restaurants, bakers and caterers to sell their products and services to the general public or to a defined set of customers. The profits from the businesses are then used to subsidize on site programs such as life skills training, language training, GED classes, etc. Examples include:
  - Greyston Bakery in New York: <http://www.greystonbakery.com/>
  - Café Reconcile in New Orleans: <http://www.cafereconcile.com/index.asp>
- Retailers or distributors that promote and sell products created by artisans either through a store front, web site or through various distribution channels. Examples may include a US company that negotiates with US retailers to sell products developed by women’s collectives in Latin America. Profits from the sale of the products are returned to the community to be used for business training for the women in the collectives and/or scholarships to fund schools for the children in the villages. Examples include:
  - Mercado Global, an organization working with women collectives in Guatemala: <http://www.mercadoglobal.org>
  - World of Good, an organization that promotes fair trade products produced around the world: [community.worldofgood.com](http://community.worldofgood.com) and [www.worldofgood.org](http://www.worldofgood.org).
- Manufacturing concerns that provide job training and skills training, similar to the restaurants and bakeries described above, to hard to employ members of the community such as adults with disabilities or at risk youth/young adults.

**Organizational Stage:** for the first year of your fellowship, you and/or your staff will be spending the majority of your time on:

- Planning
- Research
- Product Development
- Worksite Selection and Setting Up Production Facilities
- Product Production
- Sales and Marketing
- Service Program Development
- Service Program Delivery

What will you be spending the majority of your time on in year 2?

### Staffing

Which of the following functions will your organization need/perform in your first two years?

Function	Year 1			Year 2		
	In House	Outsource or Consultants	Volunteers/ Pro Bono	In House	Outsource or Consultants	Volunteers/ Pro Bono
Finance						
<input type="checkbox"/> Accounting						
<input type="checkbox"/> Bookkeeping						

<input type="checkbox"/> Payroll						
<input type="checkbox"/> Financial Analysis/ Planning						
Communications						
Fundraising						
Real Estate: Site Selection and Acquisition (Production and/or retail space)						
Operations						
Training						
Sales & Marketing to Include Product Development and Product Management						
Administrative Support						
Technology Support/Website Management						
Legal Support						
Direct Service Program Development						
Community Outreach						
Direct Service Delivery Personnel						
Other:						

Based on the functions you describe above, how large of a staff do you envision in Year 1 and Year 2?

Year 1:

- Single employee (or two employees under partnership model): founder(s)
- Founder(s) and consultants for specific projects
- Founders plus Small Staff
- Multifaceted Organization

Year 2:

- Single employee (or two employees under partnership model): founder(s)
- Founder(s) and consultants for specific projects
- Founders plus Small Staff
- Multifaceted Organization

When calculating staffing expenses, be sure to include benefits and payroll taxes for all employees. Depending on the type of organization you are running, the skills and experience of your staff and their responsibilities, you may also need to create a budget for staff education, travel and/or meals and hosting.

If you are relying heavily on donated space/materials, you will need to account for the time and labor to secure the in kind donations and manage the donor relationship. If you are relying heavily on volunteers, be realistic in the amount of staff time required to recruit, manage and motivate volunteers.

### Work Place

Where will you work (management functions)?

- Home Office

- Donated Space
- Rented Space
- The local coffee shop in your neighborhood

Which of the following will you need to support your internal operations?

- Computers & Office Suite of Software
- Specialized software such as customized data base programs
- Phones
- Internet Access
- Office Furniture
- Business Equipment such as a photocopier, printers, fax machine
- Office supplies
- Postage & Shipping

If your organization will be producing products, goods or services, where will the manufacturing of these products take place? Where will the services be provided? Will the direct service elements of your program be provided at the work site or at a different location?

Which of the following will be required to support your enterprise?

- Specialized manufacturing/production equipment
- Raw materials
- Product packaging materials
- Inventory space
- Retail space and associated equipment
- Transportation/Shipping to take goods to market

**Legal & Administrative Expenses:** Depending on the type of services you are providing, you may be required to protect your organization against certain liabilities

- Liability Insurance
- Directors & Officers Insurance for your Board of Directors
- Background checks for staff members or volunteers (highly recommended and may be required by law if you are working with children or are delivering certain services)
- Incorporation Fees
- Banking Fees

### **Direct Service Program Delivery**

How will constituents reach your services?

- Public Transportation or their own transportation
- My organization will provide transportation

Which supplies are needed to provide your services (e.g., books/materials for literacy or language training programs)? Where will your supplies come from? Do you need to have a budget for shipping supplies to the program site? Will you need to maintain a large inventory of supplies requiring storage space? If you will be receiving donated used or “refurbished” supplies, you may need to include a line in your budget for making any necessary repairs or cleaning to make the items suitable for use.

### **Community Outreach and Attracting Resources**

Which of the following will you be creating in your first two years to communicate your mission/program to constituents, potential volunteers and/or board members, community partners and donors?

- Web site
- Printed materials such as brochures

- ❑ Events for constituents or donors

The cost of all of these items will vary dramatically depending on the intended purpose, the intended audience and the expected outcome.

Web Site Expenses: Web site development expenses can vary widely depending on the sophistication of your design; use of graphics, photos or video; and functionality.

When developing printed materials, you may need to:

- ❑ Hire a designer and/or writer
- ❑ Purchase stock photography or hire a photographer
- ❑ Invest in leasing or purchasing equipment that allows you to create high quality desk top publishing in house
- ❑ Hire a printer.