



a community caring for
families, children & youth

From Good Idea to Sustainable Social Enterprise: Community Innovation Australian Style

Social Enterprise Alliance Gathering

March 2006 Atlanta USA.

Jo Cavanagh CEO Family Life.

Overview

The Goal: To deliver our Mission and earn income through enterprise

Case Study - YouthWorx

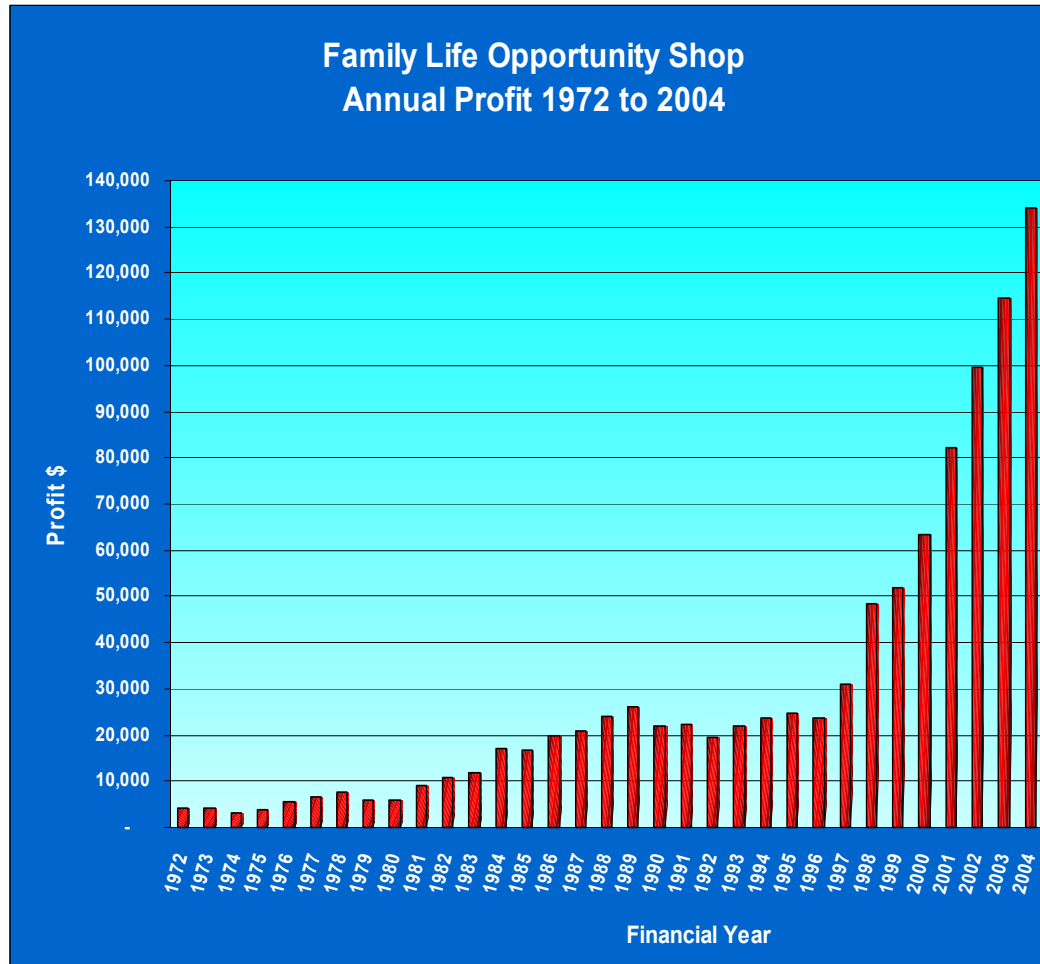
old business / new context / new model

Triple bottom line measurement

Value creation theory and process for innovation

Community building benefits

Our inspiration



The context

- ↑ needs - youth homelessness
unemployment
- ↑ agency reliable income
- ↑ effective programs
- ↑ sustainable programs



YouthWorx - January 2003



15 week Govt funding

Community Jobs
Program

Trainee Wage

Team Leader

Community support

Govt \$ →

Community/ Business
/ sales \$

YouthWorx April 2003 - June 2004

Business sponsored trainees

Masters student measuring social outcomes

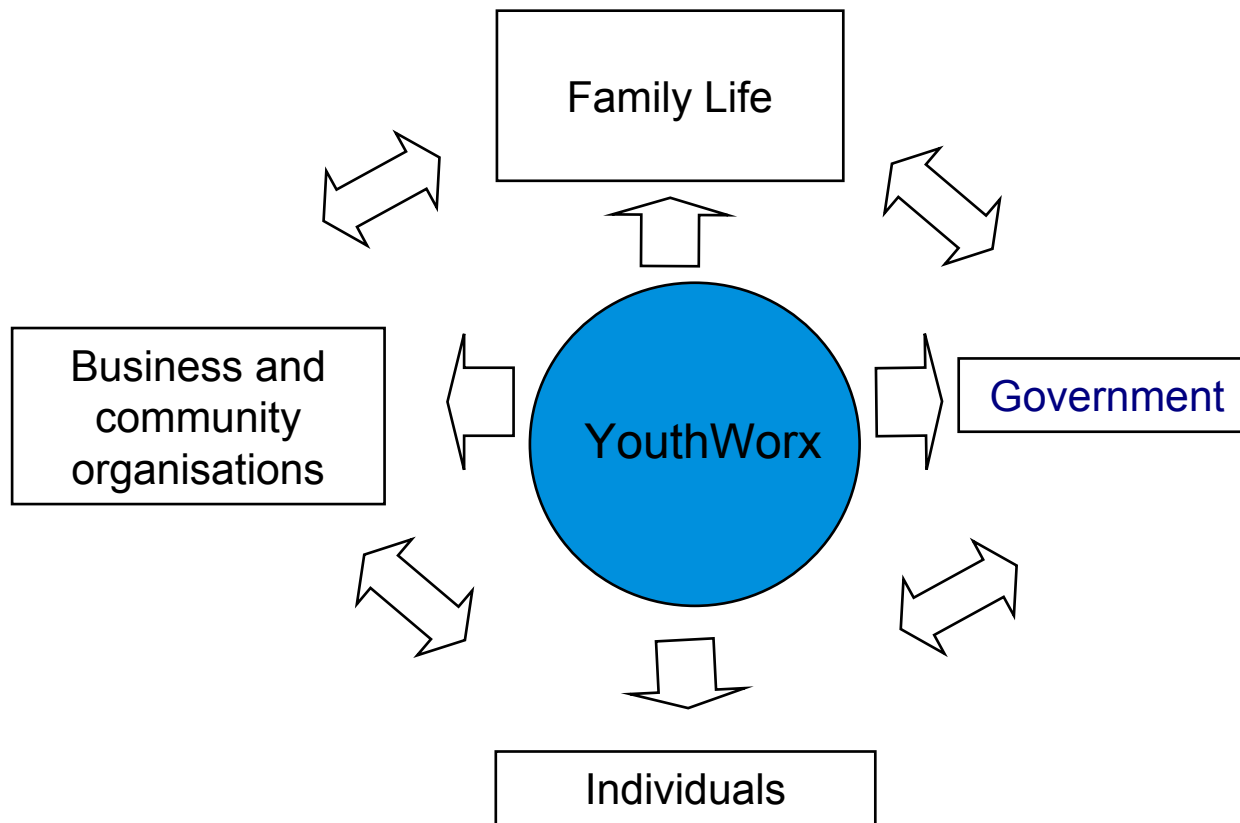
Business Advisory Board

SVA and Bain International social venture audit

Masters of Management CSR research

SVA & Bain International

Critical success factor - community and business network



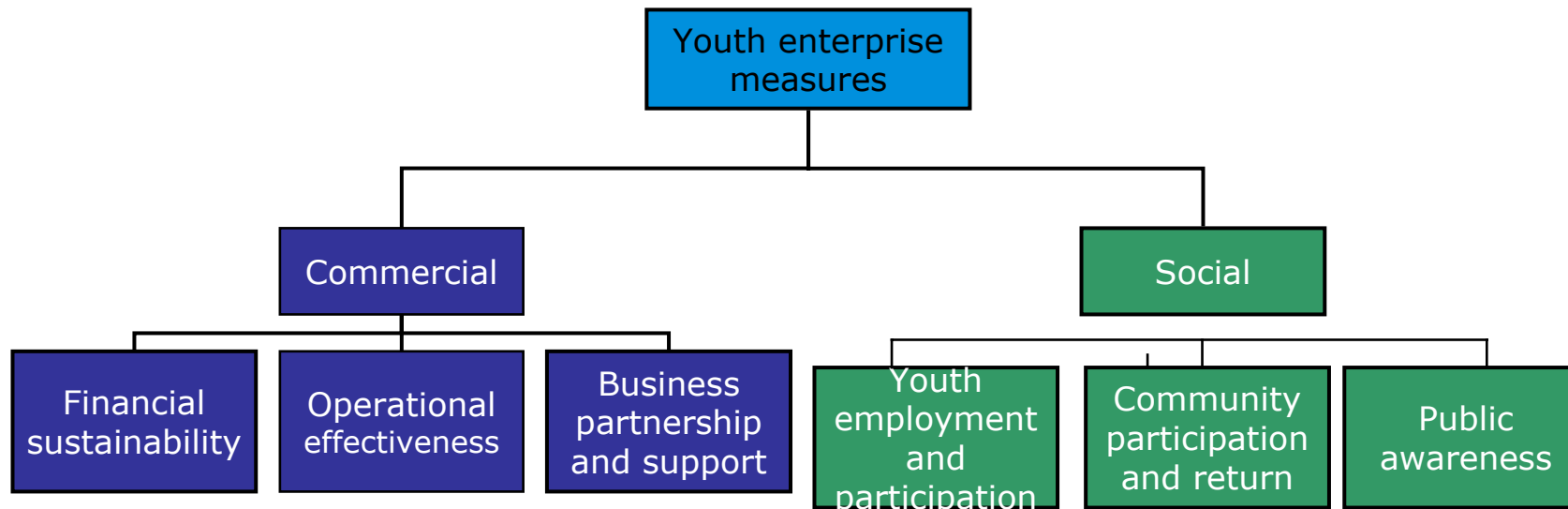
Relationship network

Family Life governance management, strong community, business and government relationships

Relationships that provide funding, skills and collection points for recycling bins

SVA & Bain International

Commercial and Social Measures



“YouthWorx scores well on a health check for youth enterprises, however gaps exist” (Bain International)

1. Local ownership & broad based community support ✓✓✓
2. Sustainable business economics ✓✓ x
3. Thorough business planning ✓✓
4. Constantly evolving business model ✓ ✓ x
5. Program leadership and co-ordination ✓✓
6. Appropriate skill level initially ✓ x
7. Accredited training and development ✓✓ ✓✓
8. Constantly evolving business model ✓✓ ✓✓ x

Measures 20 ✓ 4 X

- X Plans and processes to ensure repeatable funding/earnings enough to sustain the business**
- X Social and commercial metrics actively used to gauge success in achieving Mission and goals**
- X Reading and writing skill levels need to be tested and supported**
- X Structure and processes to support funding partnerships**

What would you do?

Performance Report - Triple Bottom Line June 04

Social - 22 graduates + 30 work experience students & vols

86 % participation in employment / training / education

100 % report improved self esteem

100 % program engagement and social participation

Environmental

Recycling business - no product cost

Financial - Cost \$150,000 p.a/ sales \$22,000 / loss \$50,000

Commercial viability ?

Alignment to Federal allowances and training?

Funding support to sustainability ???

What & Who can help? July 2004-5

Thinking and Talking (MMmt research)

Systems Theory

Value Creation & Innovation theory

Senge Learning Organisation Disciplines

Partners, Mentors and Models

Social Ventures Australia

Business sponsors - national / local \$\$\$

Social Enterprise Alliance

THE BOARD, Team & Community

Innovation

High value attaches to innovation in new or significantly improved products or processes (OECD) **Social Solutions**

Technology examples - phones / camera new markets

New models

Innovation flows from people in dialogue, brainstorming, wondering if...

High Skill Area for Social Sector

Strength based solution generation

The interaction between multiple actors is a source of innovation.

Applied explicit and tacit knowledge - social learning in a common place where we share language and interest in what the other is saying (Senge).

Concept of creative destruction - products/ processes disappear (typewriters ...) innovations emerge.

Finding what we don't know we know.

The Value Dialogue

Examples of Value Creating Dialogues:

- **Improving counselling service productivity - DNA's**
- **Responding to increased walk-in referrals -
Job re-design with staff and volunteers**
- **Increasing sales for YouthWorx -
Customer research and re-visiting customer service
Converting visits to sales**
- **YouthWorx product -
from collecting donations to providing a service**
- **Government as a customer - welfare to work reforms**

Innovation & Value Creation

Requires investment of :

time

commitment

reaching for understanding / knowledge

listening

thinking / reflecting

risk taking

leadership

planning - strategy

money

**The innovation / value creation/ solution is
in the process.**

**Encourage confidence, participation and
dialogue.**

SEA Learnings 2005

Reverse the order of thinking –

make the business successful to deliver the Mission

Advanced rating - top 35 % of successful businesses

Many successful enterprises get government subsidies

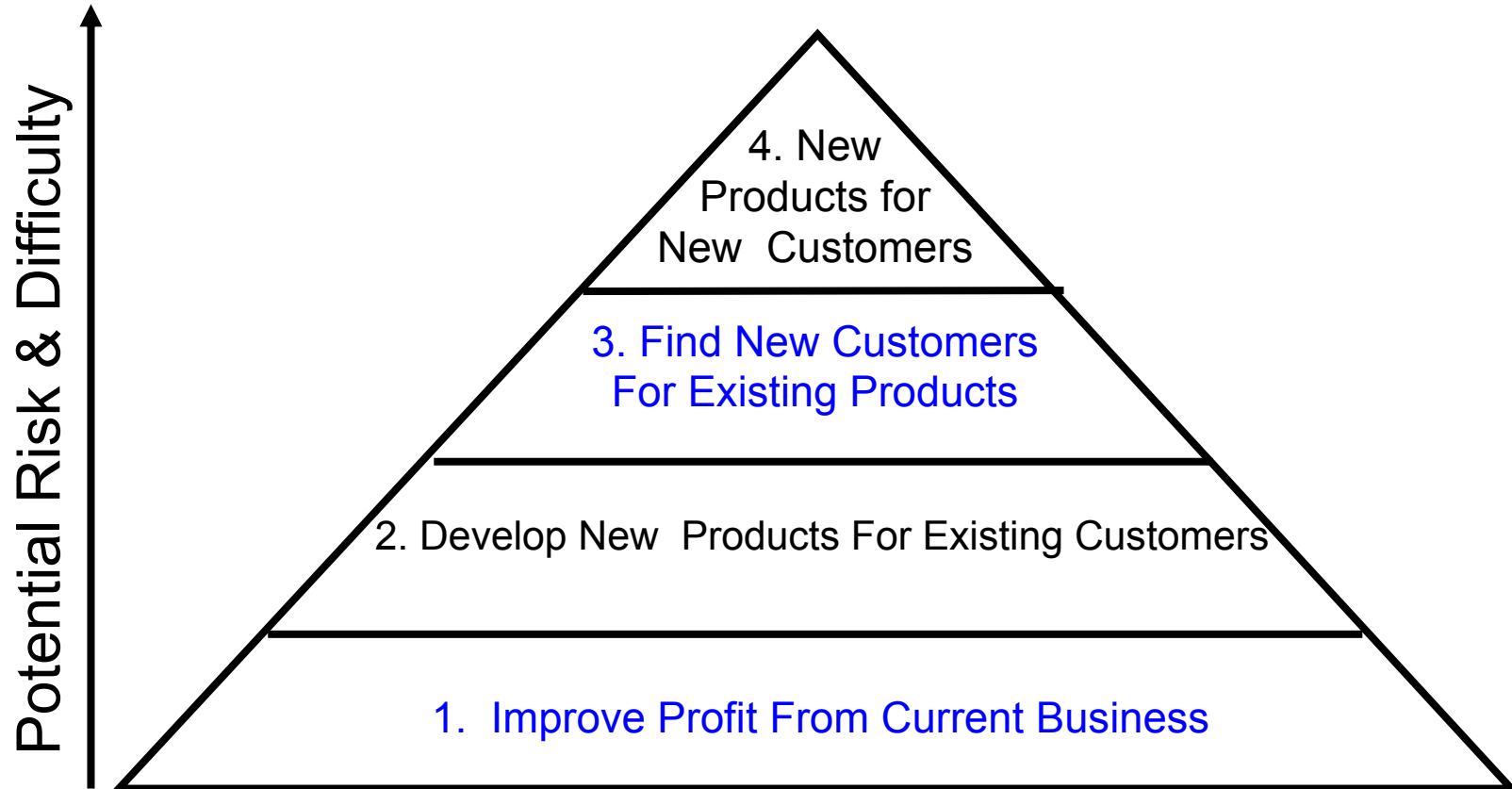
Reduce risks by building on what you know

Generate more earned income from current business activities

(Thrift Store learnings)

Re-do the business plan

Business Strategies ~ What To Do? (Larson & McClurg)



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Introduction to earned income strategies

YouthWorx 2005-6

Social Ventures Australia performance report 2005-6 (REDF SROI)

Exceeded the 100 person milestone – 112 young people

51 of the 112 were at risk and with complex needs, 34 of which found employment or went back into education within 8 weeks of completing program

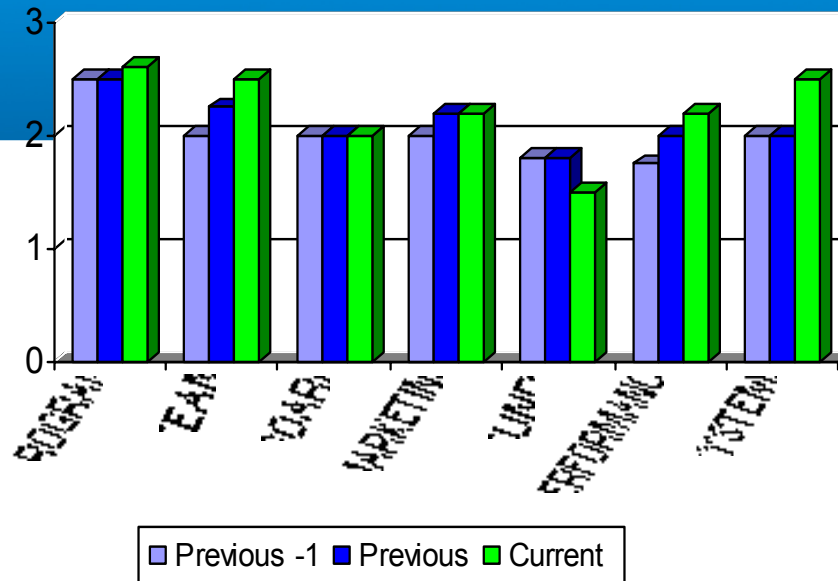
Earlier intervention engaging students at high risk of dropping out of education

Foundation grant for 3 high-speed computers and ADSL network

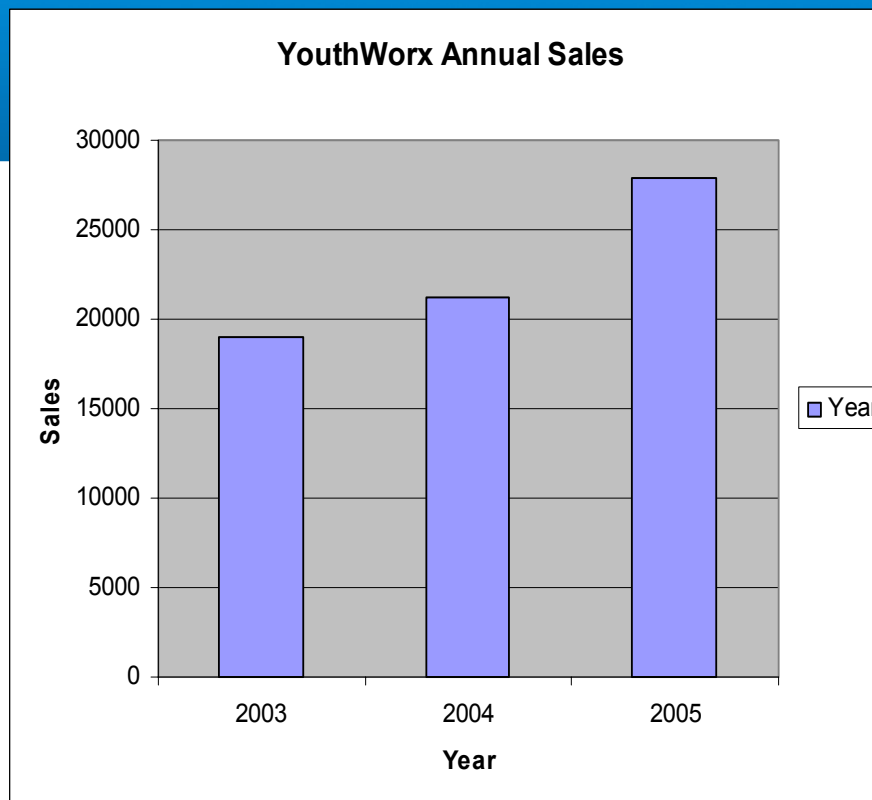
E-bay sales strategy to increase revenue and broaden skills base of young people

12 adult mentors are trained and rostered to work in the shop, providing retail expertise and support for the young volunteers

Successful transition from training wage model to volunteer



- **Improvements in all criteria except 'Funding' which is now a critical imperative**
- 'Team' increase = successful mentor model
- 'Program' = improvements with a broader range of 'high-need' young people volunteering to work in the program
- Overall performance is improving. Sales volumes continue to increase and alternate means of creating revenue are evolving
- The alumni verify the value of this program to individuals and building on connectedness to the community
- It is also providing strong role models to vulnerable "at risk" youth



Growing Attention and Investment 2005-06

- AMP Youth Boost Award - \$80,000 Feb. 05
- Young Legends Sustainable Cities Award - reputation
- Trust grant to invest in developing the model - \$ 40,000 Dec. 2005
- Government submission - structured work place learning YouthWorx 2
- Partnerships and alliances for at risk youth engagement
- Business mentors growing through Hands and Hearts CSR impact





“I don’t have anywhere to live at the moment and I don’t have any money to pay for TAFE fees. Coming here means I can get retail training and it doesn’t cost me anything. I really want to get into retail management.”

Jim now has accommodation, a part-time job and is enrolled as a student.



- Community building across the generations
- Word of mouth promotions
- Employment opportunities
- Informal networks of support
- One business with multiple outlets - Op Shop & Youthworx

Summary

Case Study - YouthWorx

old business / new context / new model

Triple bottom line measurement

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Community building benefits

*Whatever you can do, or dream
you can, begin it.*

*Boldness has genius, power
and magic in it.*

Goethe 1749 - 1832