



E3M Seminar, 20 July 2017

Strategies & Models for Sustainable Growth





A strategic approach to growth

Matt Black, Head of Community,
Numbers for Good



More Than Money – Mission Before Margin

P3 @ E3M July 2017
Mark Simms Chief Executive

July 2017



THE GOOD SHEPHERD TRUST



DERBY COUNTY WIN
THE FOOTBALL LEAGUE



VISION

Our vision is that every person has the opportunity to be a full and valued member of a society where social exclusion and isolation no longer exists. It's that simple!



People First

If you can't explain it to
a six-year-old, you don't
understand it yourself.

Albert Einstein

**Our
values**

We **innovate**
in our work. We're
different, creative and like
to think outside the box.

We are **helpful**
in everything that we do.
We're always **friendly** and
approachable.

We are **passionate** about
people. We **believe** that
what we do can make a
real and lasting
difference.

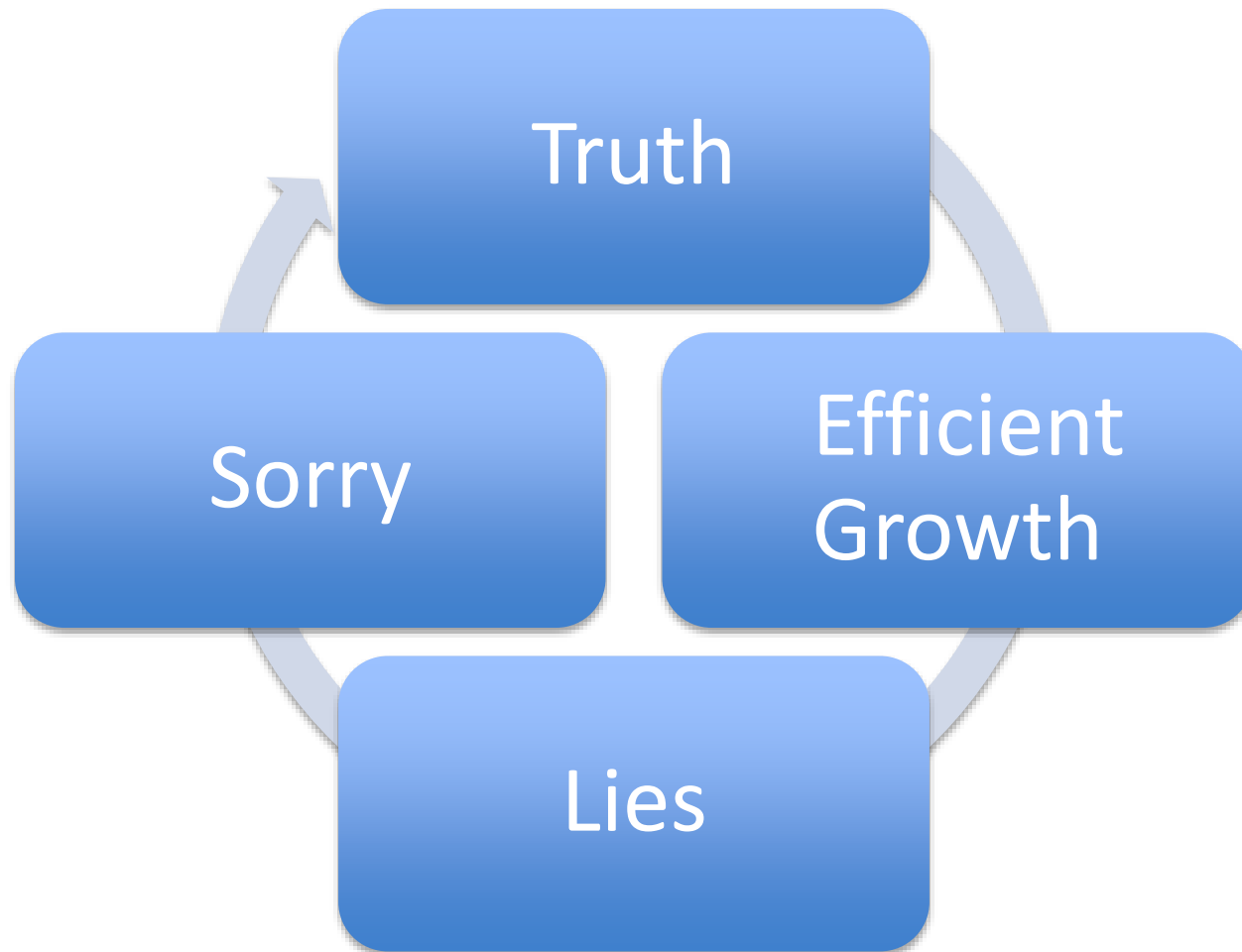
We **work together**
internally and externally to
ensure the best outcomes
for the people we support.

We are **determined**
to tackle problems that others
won't. We always go the extra
mile and work with **dedication**
and **commitment**.

People First

When morality comes up against profit, it's seldom profit that loses.

The Cycle we want to avoid



Shared Vision and Culture

What do we need to do/consider?

- We must make sure that the same vision is shared from Board to Service Manager to Handy Person
- Will our vision change as market opportunities and threats change?
- How do we communicate and share our vision internally?

How could this hurt our Mojo?

- If Senior Management just focuses on growth, the message could become blurred
- As the scale of operations increase, the meaning of the vision and culture could change



Align the vision across the whole organisation

“Our Mojo is an asset”

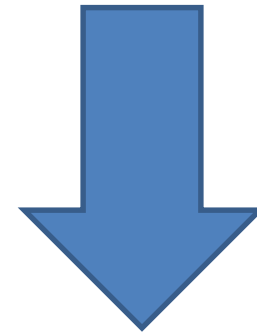
Service Delivery

What do we need to do/consider?

- We must make maintain our existing attitudes towards our people, culture, hiring etc...
 - Can this be made “concrete” so as to provide consistency as we grow
 - Example; Interview Training and Policies
- Which parts of our services can be “Industrialised”?
 - These are the things that are easy to create repeatable processes for
 - Example might be; Procurement, logistics, regulatory reporting, estate management
 - We can also share some of these across all/multiple services
 - This will allow our front-line people to focus on their core job of working with our clients

How could this hurt our Mojo?

- Growth in number of services, and therefore staff, can make it difficult to continue to recruit the right sort of people
- Too much focus on industrialisation of our operations could reduce our personal individualised approach, alienating employees and clients



**Maintain our Mojo as we grow
our service delivery
“Preserve the asset”**

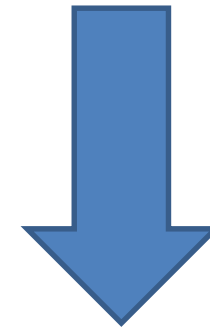
Measuring and Managing Success

What do we need to do/consider?

- What are the key KPIs/Outcome metrics we need to measure ourselves on?
- Which other metrics should we consider that might drive these?
- How do we ensure we take appropriate action?
 - What reports do we need?
 - Who looks at them?
- Growth may mean Senior Management have less visibility of day to day operations. What risks does this expose us to?
 - Reputational
 - Financial
 - Health and Safety
 - Loss of culture
- What controls do we need so that Senior Management and the Board have assurance that these risks are being managed appropriately?

How could this hurt our Mojo?

- Focusing on the wrong metrics can drive wrong behaviour
- Success may mean different things to different stakeholders
- Too strong focus could lead to risk-aversion, preventing us from growing and doing the right thing by our clients

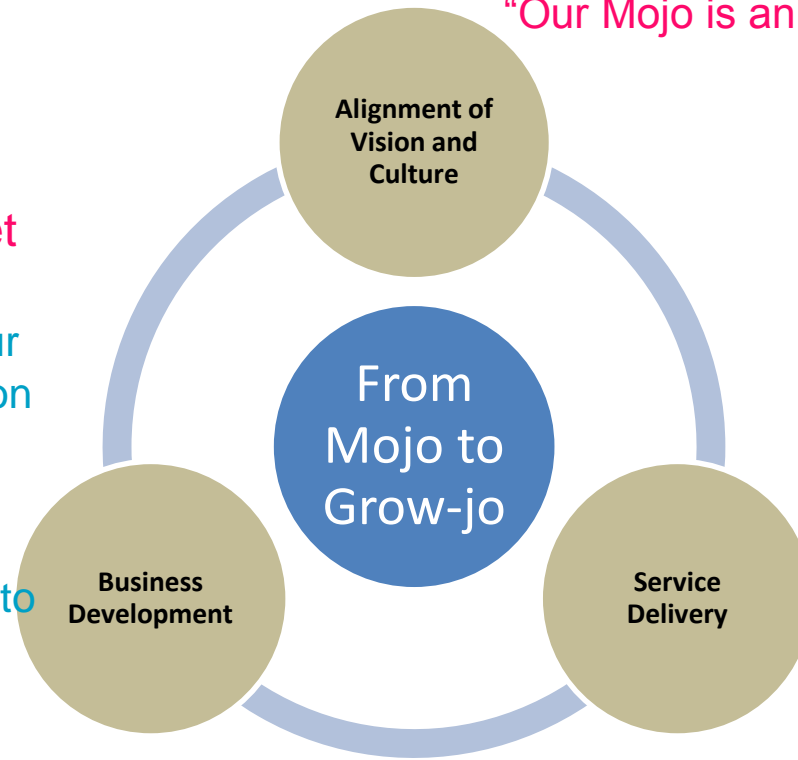


**Measure and Manage our Mojo
with metrics**

Align the Vision across the whole organisation

- Have conviction in our Mojo and it's role in the success we've enjoyed so far
- Articulate our Mojo to our Board, Senior Management and our Staff
- Re-enforce our Mojo from Board to Service Manager to Handy Person

"Our Mojo is an asset"



Use our Mojo as an asset to Develop our Business

- Articulate our Mojo as our Unique Selling Proposition
- Target sectors and customers who will buy into this
- Link our Mojo measures to measure our customers care about; SROI and FROI

"Capitalise on the asset"

Maintain our Mojo as we grow our Service Delivery

- Define our client pathways and scale up based on these
- Trusted, honest two-way communication to maintain empowerment
- Recruitment policies to find people who share our values
- Measure and Manage our Mojo with metrics

"Preserve the asset"

Maintaining Mojo within our service delivery during growth



Define our client pathways and scale up based on these

- Create well defined pathways across our services, ensuring consistency of delivery
- Ensure these are broad enough to maintain the flexibility that is so important to our clients
- Make everyone in the organisation aware of the other services that are available

Trusted, Honest two-way communication to maintain empowerment

- Enable two-way communication between Senior Management and Staff – this can be supported by social media platforms
- Senior Management attitudes must encourage honest feedback and communication and demonstrate that they respond to this
- Senior Management should be measured and appraised on this

Recruitment policies to find people who share our values

- A formalised recruitment policy that defines and communicates qualities P3 is looking for in it's people
- The recruitment process should reflect these qualities in the people it selects and how they are found
- Ongoing development programmes can re-enforce these qualities

Measure and Manage our Mojo with metrics

- Define measurable outcomes that reflect our Mojo and metrics that reflect these
- These can measure Passion (staff tenure, attendance, staff satisfaction), Positivity (number of new ideas tried) and Personality (feedback from clients)
- Someone responsible and accountable for measuring these and ensuring action is taken when required – A Mojo Champion



PEOPLE
POTENTIAL
POSSIBILITIES



E3M Growth Seminar

Survival after losing a major contract

Laurie Russell

The Decision

- April fools day 2011
- £140m contract – no due diligence and no interview
- Dead-heat on quality scores
- Tie-breaker questions

First Reactions

It's no fair!

- But we are a Scottish social enterprise !
- Can we challenge the DWP for breaches of guidance ?
- How we got the press and politicians involved
- Did that change anything ?

The Impact

- 2010 Turnover £32m
Staff FTEs 610
People into jobs 5,350
Winner RBS SE 100 index for social impact
- 2012 Turnover £8m
Staff less than 200
People into jobs approx. 1,000

The Actions

- Communications with staff
- Getting the board involved
- The political and media campaign
- Can we generate new business?

Survival and Stability

- We have no choice – just do it
- Get on top of cost base
- TUPE and redundancies
- Do we need to change the business model?

Where are we now?

We survived and are stronger and stable

- 2016 Turnover £16m

Staff FTEs 220

Partners staff approx. 250

- EFQM 5 Stars, highest ever Scottish score,
special award for leading with vision,
inspiration and integrity

The Lessons

- Culture is more important than anything
- Stick to your values
- Open, honest and regular comms
- Take quick decisions and actions
- Accept there are some battles you cannot win
- Always have a Plan B

**Devolution works for
the NHS - so why not
for Welfare to Work?**

**Stormont has these
powers. We believe
that Holyrood should
have them too.**

**It's time to devolve
Employment Services
to Scotland through the
Scotland Bill.**


wise group


wise group



Strategies & Models for Sustainable Social Enterprise Growth: Approaches to Diversification

*Justine Gibling, CEO, & Sarah
Edwards, Director for Business
Development at Ripplez*



The start of our journey..

- Ripplez formed in 2011 when 11 staff spun out of the NHS
- Focus on one product, Family Nurse Partnership (FNP), delivered to vulnerable teenage parents in Derby
- Significant support and investment from Cabinet Office and Impetus Trust to scale up the organisation in readiness to grow
- Business Plan to keep, grow and expand FNP contracts based on assumption of a growing market for FNP
- Strategic aim 2013-16 *“To expand the impact that Ripplez makes by increasing the number of young people reached and delivering FNP in existing and new areas to become a sustainable organisation”*



Growth in turnover

- 2011- 12 - £0.8 million
- 2012-13 - £1.3 million
- 2013-14 - £1.8 million
- 2014-15 - £1.8 million
- 2015-16 - £2.1 million

Changing market position

- Transfer of Public Health budgets from NHS England to Local Authority
- Growing use of the prime contractor model with sub-contracts for specialist services like FNP
- Unprecedented reduction in public sector budgets
- Requirement to find 10% year on year savings
- Impact of findings of RCT trial for FNP in England
- Continual expectations that we can do more for less
- End of investment funding – Impetus PEF



Our response

- Play to our strengths – agile, creative and innovative social enterprise
- Refresh business plan
- Diversify product range
- Collaborate with commissioners – develop new products
- Restructure business team to reduce overheads
- Develop strong partnerships with larger health providers to maintain and develop existing contract working as a subcontractor



Our Vision

To make a positive difference to the lives of families so that they can achieve their highest potential and benefit future generations.



Our Mission

We work alongside families to: **meet their health and social needs**, **encourage aspiration** and **promote self-efficacy** through **high quality evidence and strengths based programmes**.

Building trusting relationships, sharing learning and supporting people and communities to grow and develop are at the heart of everything we do.



Current Product Offer

- **Family Nurse Partnership Adapt** – first time vulnerable teenage parents
- **Family First Intensive Support** – first time vulnerable mums up to 25 years
- **Family First Group support model** – in development
- **Peer support** – pregnancy pals and buddy volunteer programme
- **Pause** – a new programme for women in a destructive cycle of multiple births with children taken into care



Future ambitions for growth

- Maintain our current contracts and secure opportunities to extend our service offer with complementary products
- Recognised Centre for Excellence in the delivery of evidence and strengths based early interventions for families and parents of all ages
- Secure Patent for our Family First Intensive Support Model so that we can generate income through licencing its use
- Develop a Pause Hub for the East Midlands, securing at least two new contracts
- Achieve the Investing in Volunteers Quality Standard
- Increase product range to include a product for working with fathers and perpetrators of domestic violence

Balancing commercial realities and social purpose in models for growth and increased impact

Julian Blake and David Davies
Bates Wells Braithwaite

20 July 2017

Commercial Priorities within transaction framework and process

- Pre-deal considerations and contractual commitments - *Heads of Terms, exclusivity, confidentiality, IP, costs*
- Commercial aspects of the deal - *structure, financing, consideration, negotiation*
- Deal mechanics - *structural vehicle, contract framework*
- Protections - *due diligence, warranties, indemnities (enhanced remedy, simplified recourse for breach; reallocation of risk)*
- Potential hurdles - *tax, pensions, TUPE*
- Beyond completion

Commercial/Social Integration

- Integration - *a priority, social clauses not an add-on*
- Effect of purpose as a driver of a transaction - *consideration, collaboration, protection*
- Risk of undervaluing commercial factors
- Undervaluing social factors/enhanced issues - *bespoke provision, public sector pensions*
- Structural - *collaborative merger; quasi-merger*
- Contractual - *acquisition with social conditions; partnership/JV with social purpose*
- Relationship factors - *agreement to agree, project management, change control, liaison, decision/disagreement/dispute; review; renewal; (exit).*

Case Study

Sale by CACHE – a (charitable) Awarding Organisation of its business and assets to NCFE - another (charitable) Awarding Organisation



YMCA Grp

Building our amalgamated business

Who is the YMCA & YMCA London South West

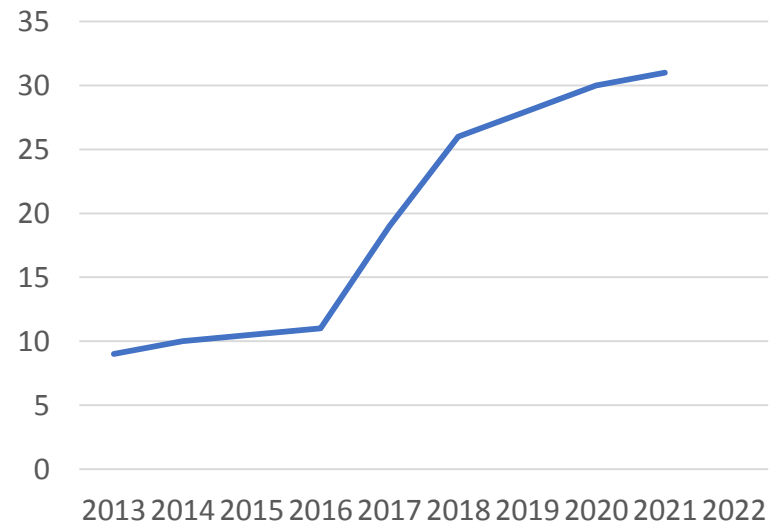
YMCA

1. YMCA is a federation of local charities, 170+ years old
2. A Christian charity, working with Young People & Communities
3. The YMCA has 95% & 5% awareness
4. Delivering Housing, H&WB, Children, Youth & Family programmes

London South West

1. Up to 2017 working across SW London, by 2019 will be working across South, East and West London
2. Largest provider in London of single homeless beds
3. Large provider of H&WB services in London
4. Nurseries, Holiday Camps, After School Clubs in over 30 schools (and growing)

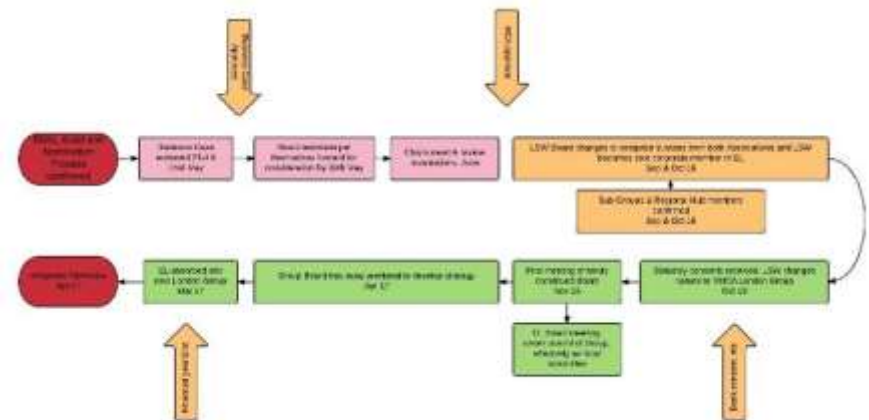
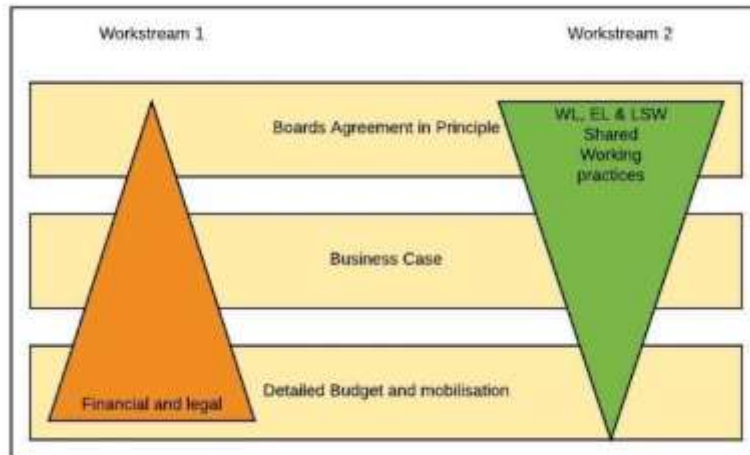
Turnover, £M



Merge, Amalgamate, Acquire

Merger 1	Merger 2	Merger 3	Merger 4	Merger 5
<ul style="list-style-type: none">• Release Counselling• £25k pa• 30 Vlntr counsellors & 1 FTE• Founders leaving	<ul style="list-style-type: none">• YMCA East London• £5.5M & 150 FTE• Regulatory Intervention• Find a partner	<ul style="list-style-type: none">• YMCA West London• £6M pa & 160 staff• Inspired by vision	<ul style="list-style-type: none">• YMCA Slough• £1M pa & 30 staff• Economic changes• Sustainability	

Merger backwards vs Merger Forward



Learning

- Every merger has been different
- Built on good Chair & CEO trust
- Inspired by a vision of the future
- Supported by a good business case
- Developed over time
- Communication is what is heard and not what is said
- There will be good days and bad days
- Change is hard but the fear of change is more challenging
- Strong, loyal team senior team is critical to success



Risks and challenges

- Financial deadlines & costs
- Hidden contracts and consents
- Speed is determined by the slowest part
- Branding & naming
- Suspicion/ Loosing the goodwill of staff
- Re-organisation / ETO
- Staff culture and 'hidden' conversations
- Misunderstanding of technical terms
- TUPE and protection of acquired employees vs freedom to change acquiring employees
- Costs of advice, redundancy, professional support – takes 2 years to recover the ' sunk' fees



Questions for discussion

1. How would you define merger, how do you think your staff would?
2. What are the advantages of doing merger backwards vs merger forwards?
3. What are the key considerations when doing a 'quick & dirty' merger opportunity appraisal?
4. What forms of inefficiencies do you think might be incurred?
5. Which regulatory approvals do you think are needed for merger, what is the timeline?



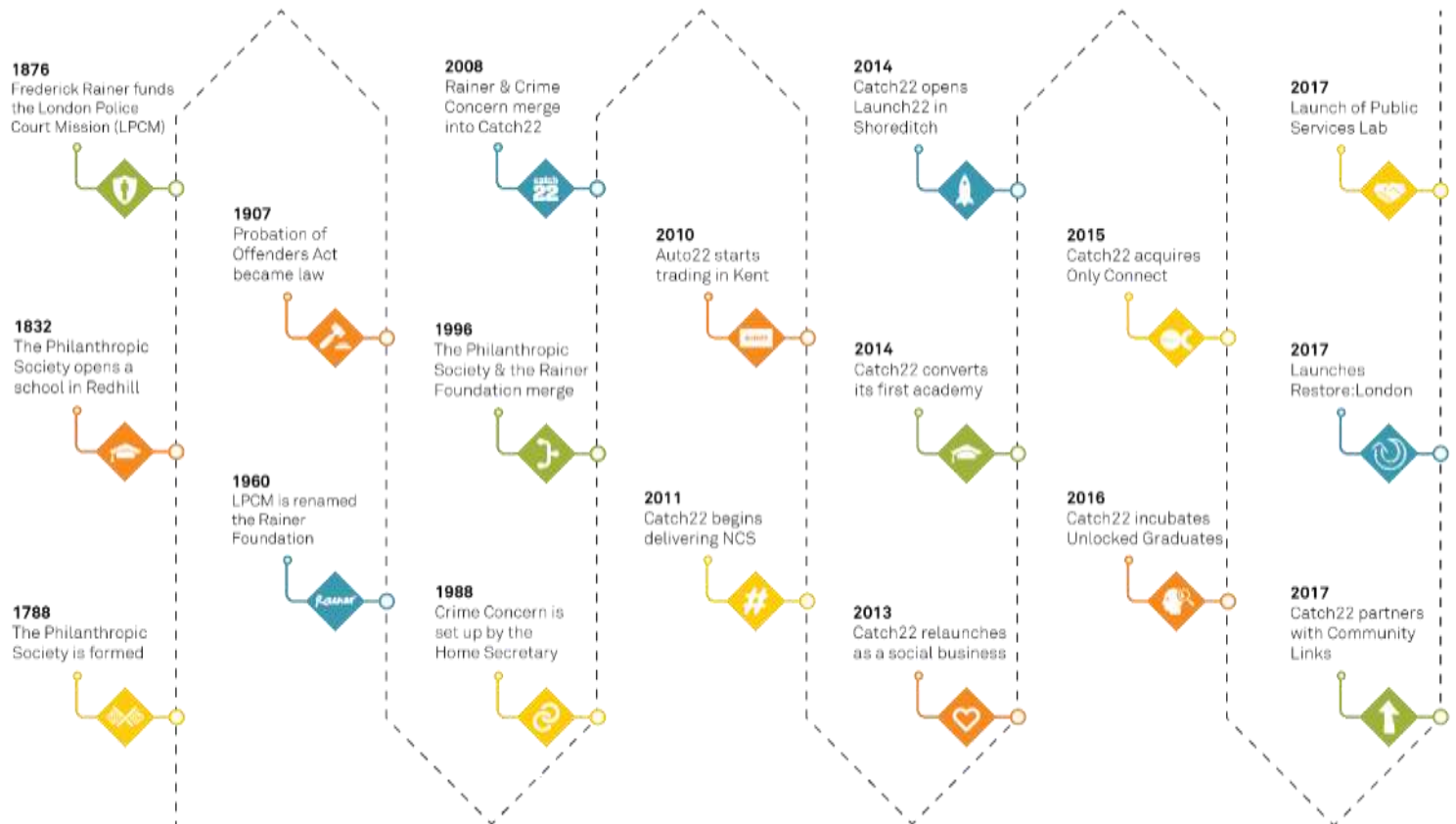
Mergers and Acquisitions

Chris Wright, Chief Executive, Catch22



@wright_catch22 @Catch22





‘When Bees Meet Trees’



- **How large social sector organisations can help to scale social innovation**



- Owen Jarvis and Ruth Marvel Clore Social Leadership Report



- Large and small social sector organisations need each other to thrive






- Collaboration helps to build on respective strengths and compensate for weaknesses

www.cloresocialleadership.org.uk/Ruth-Marvel.aspx

Only Connect



-  ■ Innovative criminal justice programmes, a belief that relationships are central to desistance from crime, and that communities must come together to solve community issues
-  ■ Problems with unpredictable funding streams, and a need for financial and expertise support
-  ■ 'When Bees Meet Trees' - neither organisation wanted to merge – working together to develop a new type of relationship between larger and smaller charities

Community Links



- A social action charity, rooted in the belief that public services should be relational, engaging those who use services in a human way.
- Reimagining how partnership's should look through alternative and imaginative models - individual identity, board of trustees, premises and charity number
- Benefits of services of a large organisation – operationally and politically

Public Services Lab



- Truly collaborative, truly local and delivering better outcomes for the people and communities it reaches



- Using Catch22's scale and financial support to help create capacity and sustainability for local voluntary organisations



- Giving the Voluntary, Community and Social Enterprise sector the chance to compete successfully for public sector contracts

Unlocked Graduates

Unlocked



- Incubation of a new social enterprise



- A Teach First style scheme which will recruit the best and brightest into prison officer roles.



- While we haven't provided financial support, we have provided a springboard for a great idea.



- A start-up social venture, with great people and a mandate to get the job done.



**catch
22**

www.catch-22.org.uk

Catch22
27 Pear Tree St
London, EC1V 3AG

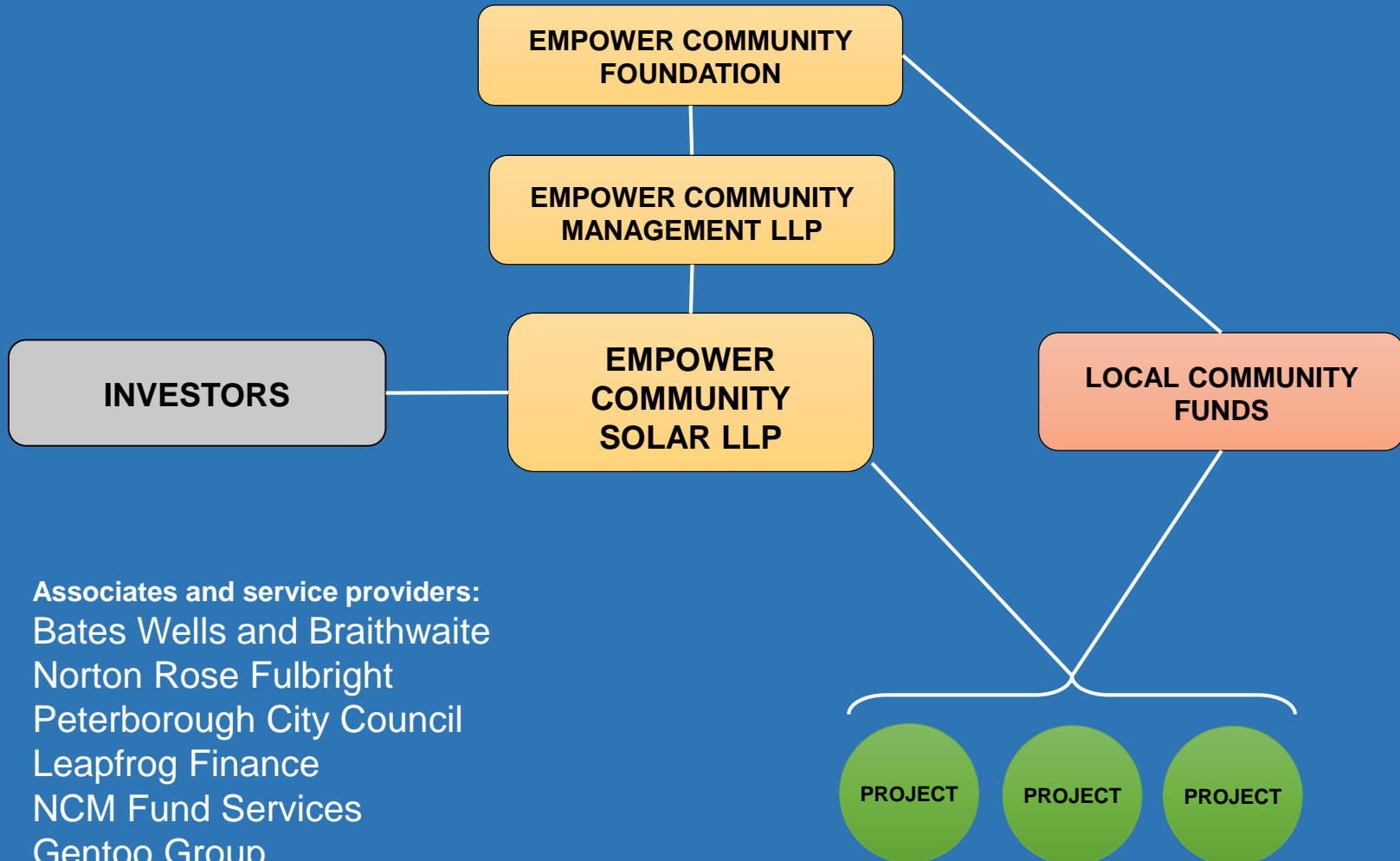
020 7336 4800
www.catch-22.org.uk



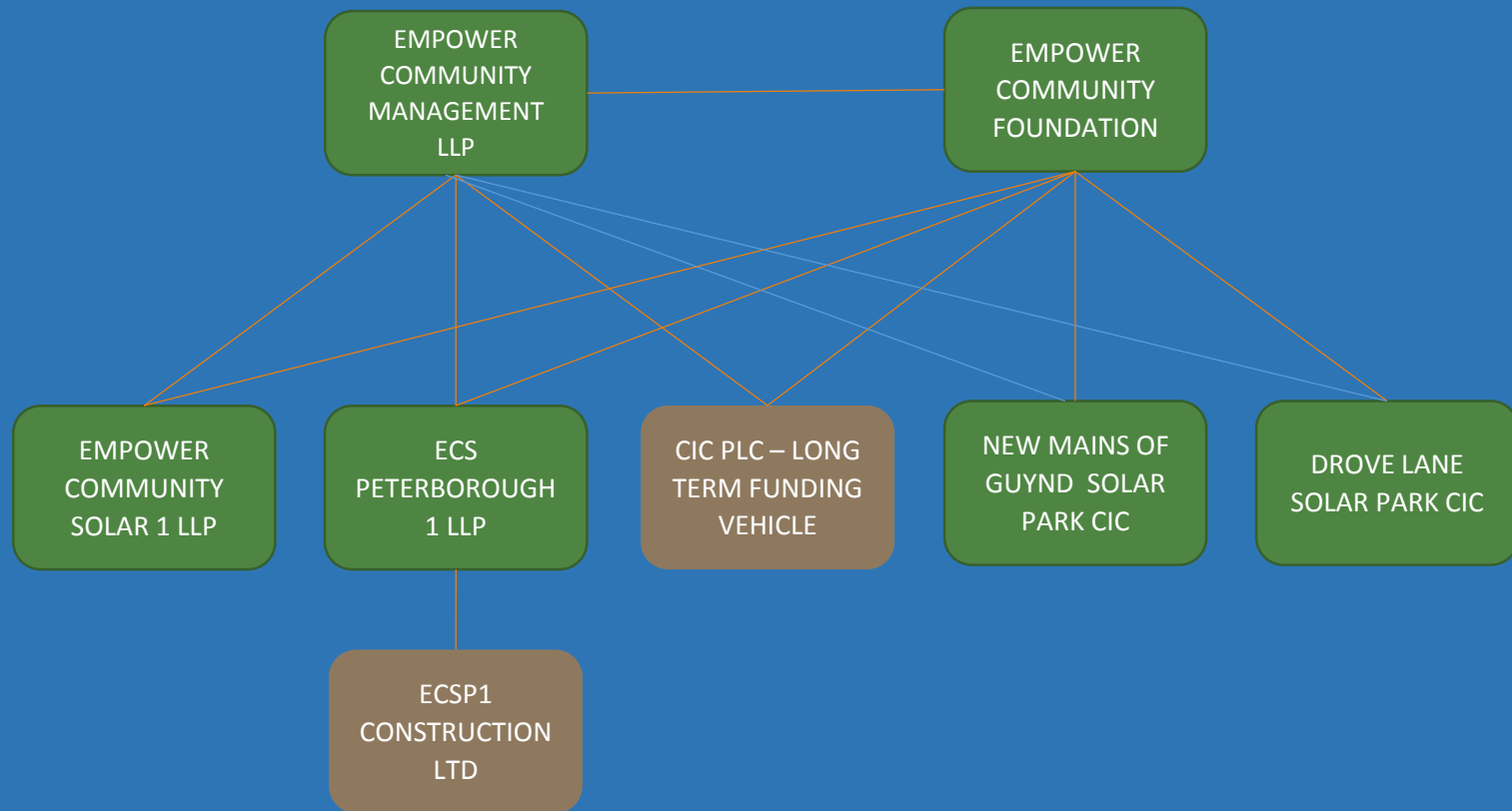
*ACCELERATING THE TRANSITION TO SUSTAINABLE
LOW CARBON LOCAL ECONOMIES*

- Funding mechanism for investment in solar PV projects at a community level
- Bridging the gap between decentralised energy projects and institutional investors
- Investment on best possible terms for the community, promoting community revenue share and asset ownership
- Social enterprise-based, rapidly scalable balanced stakeholder model
- Transition tool to strengthen resilience of local communities

Empower Community Structure



Associates and service providers:
Bates Wells and Braithwaite
Norton Rose Fulbright
Peterborough City Council
Leapfrog Finance
NCM Fund Services
Gentoo Group
Good Energy



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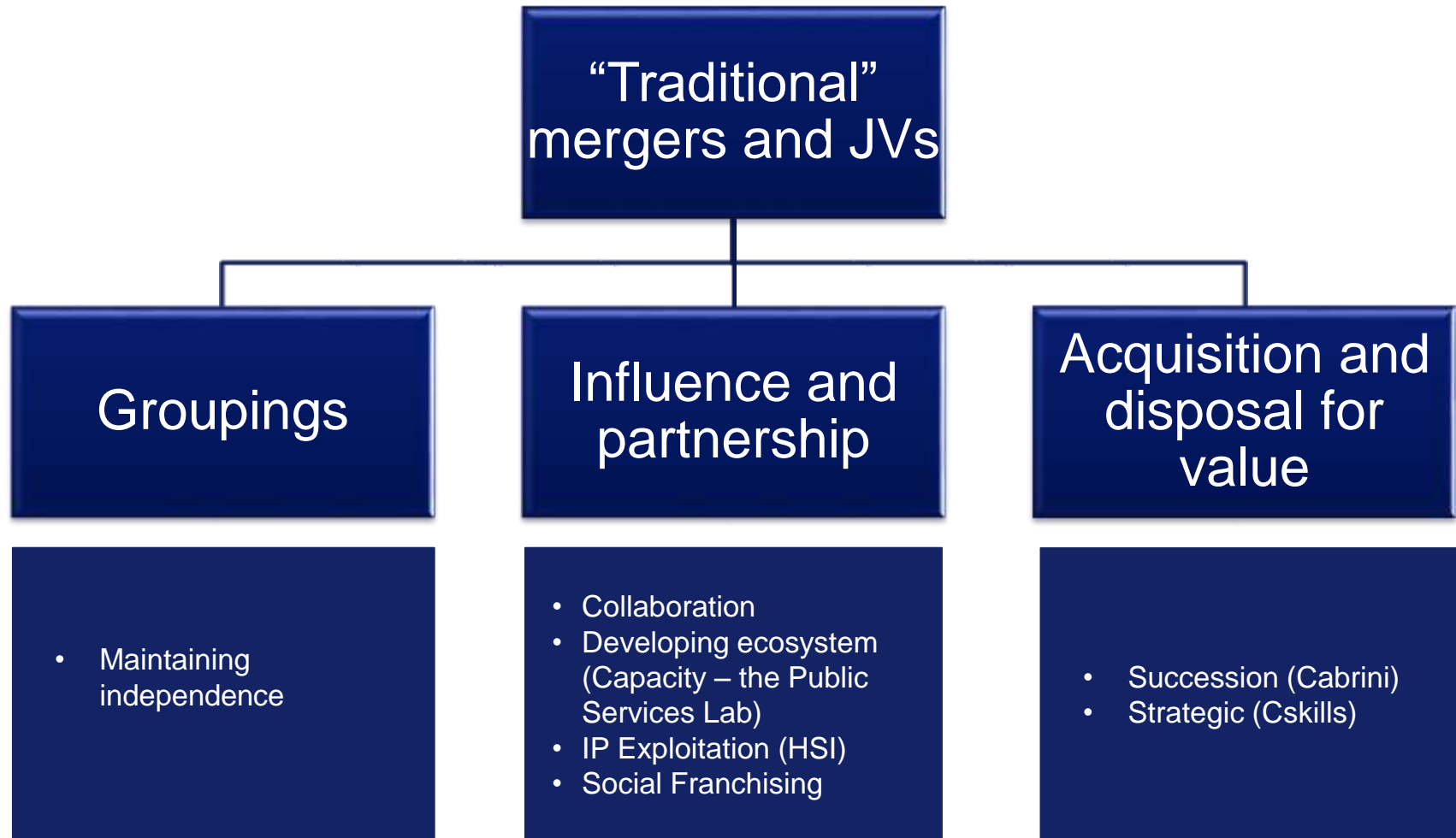


*ACCELERATING THE TRANSITION TO SUSTAINABLE
LOW CARBON LOCAL ECONOMIES*



Reflections

Future views: already happening.....





Thank you for coming.
Stay in touch at
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