



**Spotlight on Sustainability:
A conversation about Social
Enterprise**

Opening Opportunities



Opening Opportunities, Building Ownership:

Fulfilling the Promise of Microenterprise in the United States



Staying Alive

Can you demonstrate your outcomes?

Have you studied your pricing?

Do you have a cost recovery plan that works for your target market and helps your bottom line?

How can you become more entrepreneurial?



Pursuing Sustainability in the Microenterprise Field: Findings from a Literature Review by FIELD

(<http://fieldus.org/Projects/pdf/sustainability.pdf>)



FIELD Forum on Social Enterprise



BLAZING A TRAIL TO SUSTAINABILITY THROUGH SOCIAL ENTERPRISE: A CASE EXAMPLE

Introduction

Microenterprise program managers, boards and donors continue to wrestle with the challenge of sustainability. As MicroTest data¹ has demonstrated, the road to self-sufficiency – covering total program costs with earned revenues – has proved arduous. At the end of 2006, credit-led programs on average covered 30 percent of their total costs, while those programs that are training-led or technical assistance-led covered only seven percent.² While self-sufficiency has improved for many over the years – with leaders in the field reaching 33 percent or higher – most practitioners have acknowledged that their focus needs to be on a broader vision of sustainability that implies combining earned revenues and subsidies with the goal of meeting current needs without jeopardizing the ability to provide future services. Securing their institution's future sustainability will depend on adopting an entrepreneurial spirit, and devising innovative approaches that blend earned income strategies, social enterprise opportunities and creative fund-raising or capitalization techniques.

This *forum* and two future editions will explore some promising strategies that microenterprise organizations are using to increase the sustainability of program services. Each edition will focus on one strategy, profiling an organization, examining progress to date, and identifying critical decisions and success factors. Both credit-led and training and technical assistance-led programs will be profiled.

¹MicroTest is a national data collection system managed by FIELD, the Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination.

²This data is based on submission by 56 microenterprise programs documenting their program performance activities in Fiscal Year 2006.

³For more on current assessments of the capacity of social enterprises to deliver financial benefits, see *Pursuing Sustainability in the Microenterprise Field: Finding from a Literature Review* by FIELD, <http://fieldus.org/Projects/direction7.html>.

Access to Markets Trail Map

This *forum* explores the potential of a social enterprise strategy to develop sustainable client services, in this case, access to market services for craft producers. While recent experience has documented how infrequently social enterprises have fulfilled all the hopes of their implementers,³ this case – focused on Mountain BizWorks – documents an application that offers a win-win for clients and organization alike.

Mountain BizWorks, formerly Mountain Microenterprise Fund, provides financing, business instruction and on-going support to entrepreneurs in western North Carolina with the goals of increasing their income, improving their quality of life, and building a more vibrant local economy. Since 2002, BizWorks has operated Mountain Made, a for-profit retail crafts store as a wholly-owned subsidiary.

Why a Store, Why Now?

Upon becoming executive director in 1998, Greg Walker-Wilson placed priority attention on increasing the sustainability of Mountain BizWorks. At the time, 90 percent of the organization's funding was composed of grants – both philanthropic and government – making it clear that the organization needed to diversify its sources of support and, in particular, create earned

Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination

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SUSTAINABILITY

Defining our Terms

Self-Sufficient organizations can cover all of the costs of providing program services by revenue earned through program operations

Sustainable organizations can meet current needs without jeopardizing the future ability to carry-out their mission. Sustainability can be achieved by a planned mix of philanthropic, governmental subsidy and earned income sources.



Our Guiding Questions...

- what is the role of social enterprise in the microenterprise field?
- to what extent can this strategy provide "impactful" services for clients in a sustainable way?



**Greg Walker-Wilson, CEO,
Mountain BizWorks**



Mountain Made





- achieved breakeven
- served 337 unique clients from 2002 to 2007, and
- paid them \$500,000 for their products.



Mountain Made

Why a
Store?

Why Now?



Grove Arcade



Mountain Made's Story



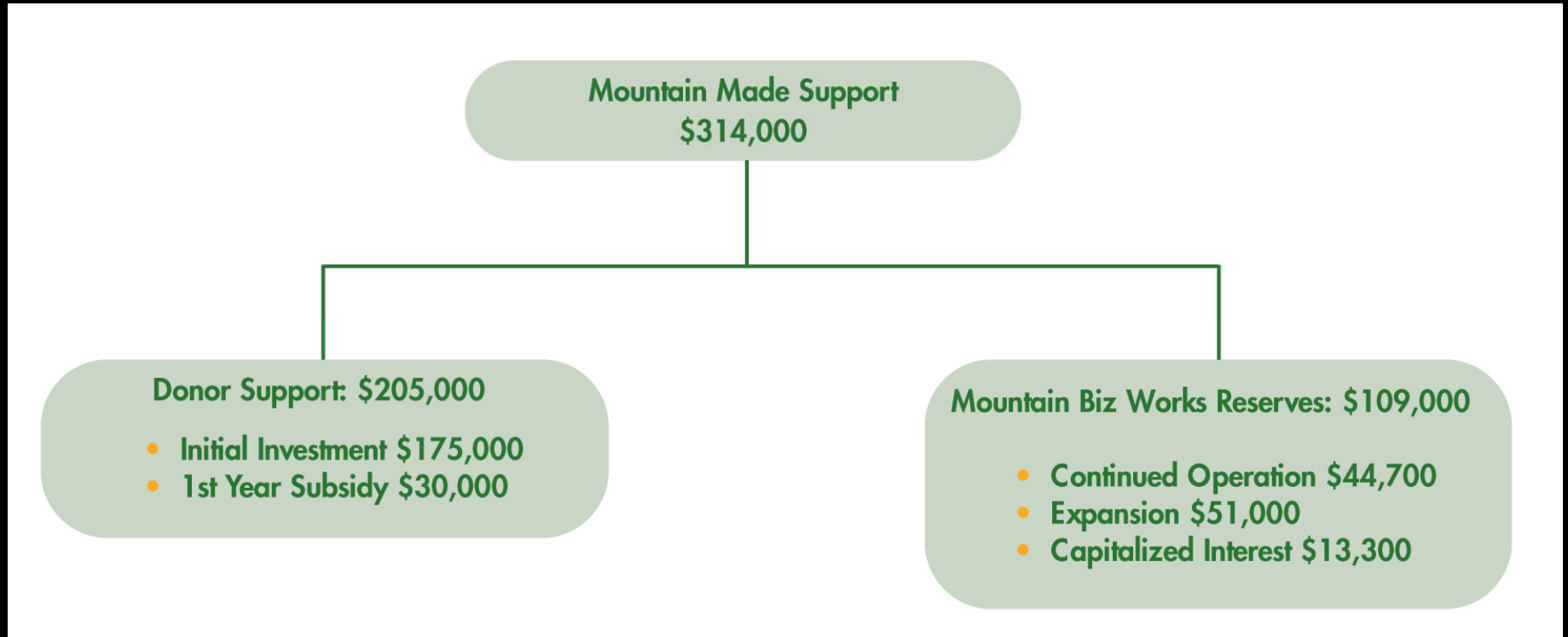
Goals

Key Decisions

Challenges



Investment Structure



Mountain Made

Next Steps



Reflections from Greg Walker-Wilson

What did you learn from this experience?



Katy Curnyn,
Director of Retail and Market Access,
Women's Rural Entrepreneurial
Network (WREN)



Wendy Baumann,
President, Wisconsin
Women's Business
Initiative Corp. (WWBIC)



WRENovation/Local Works Marketplace



- 200 members in store and gallery program
- Sales from store and gallery cover their own staff and operating expenses
- Monthly gallery openings attract 50-100 attendees
- In 2007, square footage of store and gallery double to 1,750, sales increase by 25%



- Acquisition of new office building includes space for two incubator businesses. Program rental income from these businesses covers 100% utilities and maintenance of new building



- WREN store and gallery became the economic tipping point for the town of Bethlehem.
- Renamed our store 'Local Works Marketplace'.



Coffee with a Conscience

Creating, developing, growing a social business venture for over 10 years and still standing to talk about it!

Innovating a social business venture – Coffee with a Conscience that:

- Provides access to markets for numerous WWBIC clients
- Access to Business Education Labs
- Doing business and not just talking about it



For More Information...

WRENOvation:

<http://www.wrencommunity.org/shop/shopatwren.php>

Coffee with a Conscience: <http://www.wwbic.com/cwac.htm>



Questions for WREN and WWBIC

What were/are the financial goals for your enterprise?

How have they worked out?



Questions for WREN and WWBIC

How do you blend your social mission and business focus?



Questions for WREN and WWBIC

How do you connect other program services to the business?



Questions for WREN and WWBIC

What challenges and surprises?



Questions for WREN and WWBIC

Lessons learned?



Successful Store Operations

- Niche market
- Business operating standards
- Location, location, location
- Business foremost- operation, marketing
- Integrate technical assistance



Lessons for Microenterprise

- Social enterprise- a mechanism to deliver cost-effective, sustainable services to clients
- Financing structure- can yield returns for organization
- Social enterprise can enhance institutional reputation
- Social enterprise- additional income stream in diversified portfolio



Moving Forward Web Resources

<http://fieldus.org/Projects/MovingForward.html>





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