

III► I am going to be the best entrepreneur - Portugal



**Social
Business in
PROGRESS**

“I’m going to be the best ENTREPRENEUR”

► Introduction

‘*Social Business in Progress*’ is a project that belongs to the PROGRESS programme, a financial instrument of the European Commission with the objective of supporting the development and coordination of EU policies.

The main objective of the project is to experiment and measure the effects, in Europe, of remarkable approaches in business (social business, social entrepreneurship and inclusive business) that contribute to the social integration and employability of disadvantaged groups.

This handbook is made up of three independent parts:

- **Part 1: “I am going to be the best entrepreneur”.**
Aimed at fostering entrepreneurship among disadvantaged groups.
- **Part 2: How to create a company.**
Help for those who want to become entrepreneurs.
- **Part 3: Social innovation and employment in the European Union.** The most important outcome of the project, showing the research and pilot projects accomplished by the partnership and the project conclusions.

This unit forms Part 1.

All parts available at: www.socialbusinessinprogress.org

The project partnership is formed by the following entities:

Lead partner:

- APCC (Associação de Paralisia Cerebral de Coimbra), Portugal



Co-partners:

- LCD (Leonard Cheshire Disability), UK



- Procesy Inwestycyjne, Poland



- SDC (Saír da Casca - Consultoria em Desenvolvimento Sustentável), Portugal



- IVAS (Instituto Valenciano de Acción Social), Spain



1. How can I use this Handbook?

▶▶ This handbook is designed to help people who are thinking about setting up a company.

The handbook contains easy-to-understand information about:

- The concept of social entrepreneurship
- The advantages of entrepreneurship
- How to overcome the barriers of setting up a company
- Entities or companies that might be able to help you
- How to obtain finance for your project

And a few examples of **people like you** who have set up a profitable company.



2. Social entrepreneurship

II► I would like to understand what 'social entrepreneurship' actually means

Social entrepreneurs are **people like you**, who, by setting up a company or business, hope to **improve one of the many social or environmental issues** faced by our society.

Social enterprises seek **social benefits over financial profits for the owner of the enterprise, without forgetting their financial autonomy**. These enterprises often have an innovative nature.

Social enterprises are distinguished from other businesses by defending values such as employee participation in decision making, equality, solidarity or employment of people with disabilities.

If you have an idea that you believe could help improve any of our society's issues, and you would like to set up your own company, **social entrepreneurship** could be the answer.

One widely known example of a social enterprise is a **co-operative**. Co-operatives share the **values** mentioned above and they generate benefits both for their employees and society.



Is social entrepreneurship the best opportunity to find a job?

In recent years, competition in the job market has become much fiercer. **Hundreds of people apply for the same job.** Some of these people are highly qualified and come with excellent track records.

Setting up your own company or business is an alternative way of accessing the labour market.

Moreover, if your project addresses a **social or environmental issue**, social entrepreneurship could be your best opportunity to find work.

Furthermore, your company could be considered a 'social enterprise' if it promotes the values of social economy, such as **democracy, transparency or employment of people with disabilities.**

Social enterprises seek to serve the community's interest (social, societal, environmental objectives) rather than profit maximisation. They often have an innovative nature, through the goods or services they offer, and through the organisation or production methods they resort to. They often employ society's most fragile members (socially excluded persons). They thus contribute to social cohesion, employment and the reduction of inequalities.

European Commission definition

In any case, if you are determined to set up a social enterprise, you will be contributing to the **creation of a better world**, as well as **making a living out of it.**

Advantages of becoming an 'entrepreneur'

- **Self development**

I will learn a lot, I will improve my competencies and I will also discover skills that I did not know I had.

- **Independence**

I will be my own boss and it will be me who makes the important decisions in the company.

- **Flexibility**

I can choose my working hours according to my company's and my family's needs.

- **Competitive salary**

I will get a competitive salary based on my work. If my clients are satisfied, I could earn large sums of money.

- **Satisfaction**

Setting up a company involves risks and a lot of work. However, it also entails a great sense of adventure and excitement.

▶▶ I will encounter difficulties, but this guide will help me find solutions to them

Setting up a company is not as difficult as it may sound, but you must take into account the following aspects:

- You must start off with an idea that could potentially be developed into a company or business. Moreover, in order to get future clients to like your idea, it must **stand out against the ideas of competitor enterprises**.
- Not everyone has the **qualifications or experience required** to set up and manage a company.
- Setting up a company involves a **great amount of effort, dedication and motivation**.
- Be aware that you will **require finance**, to a greater or lesser extent. You will also need to know how much finance your company will require, and where and how to get it.
- It is advisable to write up your own **business plan**. A business plan is a document that **analyses and describes in detail whether or not your business is feasible**.

This guide can help you overcome some of these hurdles:

- The core part of the guide is a detailed explanation of the **necessary stages** that need to be followed in order to set up your own company.
- Under the section **How can I finance my project?** you will find the main forms of finance available for social enterprises and a list of organisations in your area that might be able to help.
- Under the section **How and where can I get information?** you will find a list of enterprises and companies in your area that might be able to help.

- Finally, there are a few examples of **people just like you** who have set up a profitable company.

In order to overcome these hurdles, we recommend that you, where possible, seek the help of **enterprises and professional experts**, as well as **of friends and family**.



3. I have made up my mind, but I need help

How can I finance my project?

Finance is a very important factor that needs to be considered at the outset of any project. The amount of funding required will depend on your line of business. Types of financing can be divided into **donations**, **loans** and **investments**.

Some of the most common funding mechanisms for social economy companies are the following:

LOANS

Banks

Banks in Portugal are working towards financial solutions that help entrepreneurs develop projects with a social or environmental purpose.

- Montepio Geral - Mutual benefit association that offers banking services with a specific focus on the third sector.

Friends and family

This mechanism is still widely used. Friends and family can not only help with providing emotional support, but may also be able to lend a certain amount of money to start up your entrepreneurial career.

INVESTMENTS

Future clients for your enterprise

It may well be that there is a potential client who understands the benefit that can be brought to society (and to the client) by setting up your enterprise. Once the client is aware of that benefit, he or she may be prepared to invest in your enterprise.



Crowdfunding

The idea behind this phenomenon is gathering together large numbers of people who are willing to help make small contributions (mainly through social networks and websites). These actions are usually related to cultural projects managed by NGOs or similar associations.

Business angels

Business angels are normally entrepreneurs who take other people under their wing, to provide guidance and help them start up their ventures.

Private enterprises



Private enterprises may be willing to cooperate with entrepreneurs, providing they can verify the social or environmental benefits (for society as a whole) that will be achieved through the project.

DONATIONS

Public subsidies

Sometimes, governments have non-recoverable subsidies set aside for entrepreneurs. However, the required forms and documents can sometimes be rather complex. Moreover, it is often the case that these procedures drag on for a long time before the subsidy is actually granted.

The following guidelines may be helpful:

- The legal form of your enterprise may determine the finance required and subsidies you are entitled to.
 - The chances of obtaining funding may depend, partially, on your ability to prove your technical skills and/or experience.
 - A minimum level of equity may be required.
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►► How and where can I get information?

Fortunately, there are numerous companies and resources in Portugal that can help you start up your enterprise or business. Some of these are listed below:

TRAINING, ADVICE, SUPPORT AND RESEARCH

Social Entrepreneurship Research and Training Centre (IES) is a non-profit organisation that identifies support and encourages training among organisations and individuals promoting the social entrepreneurship agenda in Portugal. Its areas of intervention are research and development, training and outreach (conferences and seminars). www.ies.org.pt


MIES - The project 'MIES-Map of Social Entrepreneurship and Innovation' is an initiative of the IES – Centre for Training and Research in Social Entrepreneurship – and IPAV – Instituto Padre António Vieira, supported by COMPETE, the Calouste Gulbenkian Foundation, EDP Foundation and IAPMEI. The 'Map of Innovation and Social Entrepreneurship in Portugal' is a research project that will discover and map innovative initiatives by seeking to create knowledge using a methodology which closely involves local communities. The objective is to contribute to the growth and competitiveness of a new market for social innovation and entrepreneurship nationwide. www.mies.pt

Social Entrepreneurs Agency (SEA) is a social enterprise, founded in 2007. Its mission is the development and implementation of social and inclusive entrepreneurship that contributes to social, economic, cultural and environmental sustainability in the achievement of local and integrated development. SEA's action motto is "Think global, Act local". www.seagency.org

Stone Soup – Stone Soup Consulting's mission is to create services designed to strengthen organisations that are seeking to increase their social impact. Acting as their partner, Stone Soup Consulting helps them maximise their social value by identifying possible paths for development and growth through shared processes of strategy creation and implementation. www.stone-soup.net

Action Tank – Action Tank Portugal (ATP) starts from the conviction that the traditional solutions in the fight against poverty and social exclusion are not enough. It is possible to develop economic activities that have a social objective and create new forms of partnerships, whose goals are not only a return on investment but also a social impact. ATP is an informal alliance of business-sector entities that are developing experimental projects (of inclusive and social business) on a collaboration and co-creation basis to create projects in Portugal.





IAPMEI – Institute for Support to Small and Medium Enterprises and Innovation is the main instrument of economic policies aimed at micro, small and medium enterprises in the industrial, commercial, services and construction sectors.
www.iapmei.pt

IPDJ – Institute for Sport and Youth has a mission to run decentralised areas of sport and youth in close collaboration with public and private entities. IPDJ is intended to foster support to associations and promote volunteerism and citizenship.
www.ipdj.pt

FUNDING

Fundação EDP is a foundation that focuses its activity on five strategic values, one of which is social innovation. Each year, the foundation funds and supports several social innovation projects.
www.fundacaoedp.pt

Banco de Inovação Social (BIS) is a platform promoted by Santa Casa da Misericórdia de Lisboa with 25 partners – institutions and public and private entities – who decided to gather their knowledge, expertise, and technical and logistics assets to jointly promote social innovation through supporting entrepreneurship, participation in national and international networks of social innovation and the promotion of a culture of innovation and entrepreneurship.
<http://bancodeinovacaosocial.scml.pt/>

ANDC – Right to Credit National Association aims to foster social inclusion and autonomy of people with financial difficulties or exclusion, who are proactive in creating a business plan. ANDC exists so that through its support people who are excluded from bank credit can create small businesses with the help of microcredit.
www.microcredito.com.pt

Montepio Geral is a mutual bank with specific products for third-sector entities.
www.montepio.pt

APBA – The Portuguese Association of Business Angels aims to foster the development of Business Angels in Portugal, in order to develop the spirit of entrepreneurship and contribute to the growth of a vibrant and innovative economy.
www.apba.pt

ENTREPRENEURSHIP SUPPORT

BETA-i is a start-up programme aimed at innovating entrepreneurship.
www.beta-i.pt

Fábrica de Start-ups is a start-up acceleration programme, from creation to validation and internationalisation.
www.fabricadestartups.com

4. Look at this! People like me who have created a business

▶▶ ‘Casa dos Sabores, Casa de Santo António’

Context and Need Identified

Casa de Proteção e Amparo de Santo António (CPSA) was created in 1931. CPSA’s mission is to support young mothers, mostly single parents from disadvantaged social classes, by providing them with skills necessary for their social and professional integration. The institution has a Mothers’ House, a residence that hosts 17 mothers with their children, and the Children’s House, which hosts 35 children.

CPSA has a lot of experience in catering, particularly in kitchen and pastry work. It decided to create a business inside the institution - Casa dos Sabores - that would enable investment in the social areas of the organisation and also employ some of the young mothers. Casa dos Sabores prepares takeaway food, catering for parties and food for home delivery.

The Mission of the Enterprise

Serve the customer well to better serve society. Casa dos Sabores wants to achieve results that are able to subsidise their social projects.

The Business Model

Casa dos Sabores offers a range of services and makes traditional dishes using modern techniques.

They offer the following services: takeaway by order (the list is online and the order must be made two days in advance, by phone, mail, or online, after registration and account creation); takeaway ready to collect (directly from the store); catering for parties (tailor made to suit different budgets); dishes on request; home deliveries.

The business generated by Casa dos Sabores is invested in the social areas of the organisation.





Challenges & Successes

Key success factors:

- Professionalisation of young mothers.
- Training of collaborators, giving them experience in kitchen and pastry work.

Main challenges: sustainability of the project.

How the Enterprise was Financed

CPSA prepared a project to be financed, called Cozinhar o Futuro. They thought that if they were able to make a bigger investment in their commercial business – Casa dos Sabores – they could, in the long term, improve the quality of their social work, helping more young mothers to be more autonomous, raising the number of beneficiaries, and making them less dependent on grants. CPSA presented the project to Bolsa de Valores Sociais (BVS), which is a social investment stock exchange that financed 100% of the project.

www.bvs.org.pt/view/viewPrincipal.php

www.casasantoantonio.org.pt



►► Project Marias

Context and Need Identified

Unemployed immigrant women, without qualifications, who live in social housing are discriminated against and don't get the opportunity to find a job. Most of these women have worked as housemaids but without a legal framework, no contract or taxes, etc.

On the other hand, many families have a hard time finding maids with good references and have difficulties in understanding and managing the legal and bureaucratic issues involved.



The Mission of the Enterprise

An innovative model that handles everything, so clients can employ a housemaid with confidence and in full accordance with the law. The enterprise creates the opportunity for these women to have a long-term, secure job, and matches the gap between supply and demand concerning housemaids.

The Business Model

Project Marias knows that domestic work is often informal because clients lack time to interpret laws and handle bureaucracy. Project Marias takes care of everything: contracting, admission into social security, employment accidents insurance, coaching, etc. The clients just need to:

- sign the papers;
- pay monthly into the project, which distributes the fees for several entities (social security, insurance, etc.).

The project is managed by an NGO in a low-cost model, with monthly charges of about €2,400 covering:

- the salary assigned to manage the resources;
- costs of telecommunications, office supplies and physical resources shared with the NGO.

The objective is to be self-sustaining, so Project Marias retains 7% of the value of payments for social security and insurance (to allow the business to cover all costs, it is necessary to have 62 'Marias').

Challenges & Successes

Key success factors:

- Social investor - EDP Foundation.
- Law expert consultancy; access to technology.
- 'Marias' recruitment.
- Customer relationship management.

Main challenges:

- Financial investment.
- Coaching of 'Marias'.

How the Enterprise was Financed

The project is financed by EDP Foundation until the project has 62 'Marias', after which the project will be sustainable.

www.projetomarias.org



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For more information see:
<http://ec.europa.eu/progress>

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The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.”

The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries.

The Social Business in Progress project partners are:

