

Outside the Box



London's café society has helped highlight the difference between businesses with social aims and social enterprises, says CAN's Adele Blakebrough

I've recently discovered a fabulous new chain of cafés. Called Leon, you can find one on the Strand in London and another on the north side of Blackfriars Bridge. There are other branches opening as I write. The chain was co-created by chef Henry Dimbleby (son of BBC journalist David) and the idea is simple: to provide fast food which is predominantly fair trade, organic, substantial and delicious.

The décor is funky and bright and the food is outstanding. Imagine my delight to find that they are stocking Belu Water, recently named Social Enterprise of the Year (*New Statesman* Edge Upstarts 2007), which shares its home with us at CAN Mezzanine.

This is a business which happens to have all the right values as well as having great kerb appeal.

I've also recently discovered a fair trade clothing company called People Tree. It began in Tokyo and its vision is to provide sustainable, reasonably paid jobs for women in Asia. Its modern, attractive designs are very appealing. Although it is set up as a business, its profits will be held in check to ensure that its mission to provide good wages and conditions for underpaid Asian women is fulfilled.

As these fine examples of businesses embracing social values develop we need to understand the difference between a social enterprise and an enterprise with social aims. Should our resources and programmes support the businesses thus described as much as the social enterprises we encounter?

In some ways I'm glad that the boundaries are blurring and yet I feel it's vital that we're clear what the difference is between a social enterprise and a business with some social objectives.

I am clear that Leon is a business even though it is founded on values I admire and identify with. The business grew out of a passion and love for high-quality food and a dissatisfaction that fast food always seemed synonymous with poor-quality, unhealthy food. It also wanted its customers to be able to feel ethically good about the food they were buying.

It goes without saying that an equally important aim for Leon is to be financially successful.

As it expands it will borrow in the conventional manner and attract investment from people who believe in its product and believe it will be worth buying into – ie it will make a reasonable return.

This is all great but it doesn't need any special help from me apart from the fact that I might well become a loyal customer.

By contrast if you look at a restaurant like London's Hoxton Apprentice, inspired by the charity Training for Life, you'll find a big difference in the initial spur.

Training for Life is passionate about socially disadvantaged people getting good training and jobs. Out of frustration at not being able to place people in high-quality positions, it created a restaurant to provide trainees with what it thought was the right kind of work experience. Of course it needed to be a fantastic restaurant for the vision to work but underpinning that was a more important focus – providing high-quality work for its trainees. If it makes a profit, even better. The proof of the pudding, if you'll pardon the pun, is that in a social enterprise there has to be a shared benefit that goes beyond the entrepreneur and the shareholders.

So what's the crucial difference between an enterprise and a social enterprise? The commitment to solving a social problem and the ability for the rewards to remain in the hands of the community rather than benefit founders, investors or stakeholders.

This is, to me, an essential distinction. I am all for businesses which include social mission. However, the acid test is to find out where the profit ultimately goes and to discern what the principal drivers for the business are. I'm interested in supporting those social enterprises whose passion is primarily in serving an unmet social need or deprived group. That they have a great product to sell and their social business is financially viable are very important, but they aren't the most important things for me.

Personally, their primary goals have to be as compelling as saving the planet or providing legal services to those who have no access to them, or providing high-quality work to those who've been written off, and so on, if they are going to attract my time and commitment.

There are many brilliant businesses and I'm glad to support them, but my heart is in social enterprise – where the rewards ultimately remain within the communities they seek to serve.

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