

WP T2

**Testing Social Enterprise Support Models**

ACTIVITY A.T2.1

**Pilot Actions Testing Social Enterprise Start-up Incubation**

**Pilot Activity Concept**

Created by PP8 INSTITUTE OF SOCIAL INNOVATION (USI)

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1. **BACKGROUND** (justification of the pilot action and assumption for the pilot action**)**

*(Please explain why it is crucial to address the problem identified and what has already been done to solve the problem.) (max. 1 page, bullet points)*

Although the social economy and social entrepreneurship is represented in the Czech Republic, its impact on traditional providers and on the national economy is insignificant nowadays.

The main needs & opportunities to ensure the growth & development of social enterprises in the Moravian regions are:

* Low awareness/understanding about the concept of social enterprise;
* Weak and unsustainable business models, low investment readiness of social enterprises;
* Insufficient and inadequate form of funding;
* Lack or low quality of support services for social enterprises´ support.

The importance of BEC in terms of social economy and entrepreneurship is that the unemployed and vulnerable target groups do not participate in the production of products for those who have already created their concept of social business but they create it themselves.

The Business Employment Cooperatives (BEC) is a business entity that fulfils economic goals - production/sale of goods/services and social goals. It is important in local conditions. The main objective is to support rural employment through the implementation of the BEC methodology - Business and employment centres. BEC operates in the Southern Moravia, Olomouc (Central Moravia) and Moravian-Silesian Region, which are the regions with the highest unemployment rate in the Czech Republic. The added value of the BEC is its contribution to economic and sustainable development in rural areas by supporting disadvantaged people from these areas (mostly unemployed). It provides a valuable knowledge transfer, economic activity and helps maintain social life in rural areas.

At the same time, if this new economic model is effectively undermined in terms of setting the optimal legal, economic and social environment in the Czech Republic, it could represent a significant added value for economic growth, employment and development of social entrepreneurship in the future.

BEC method will provide support for disadvantaged people to target on their self-employment and integration into the labour market based on the principles of social economy and social entrepreneurship and to create better conditions for its members to enter the labour market. BEC serves primarily to support business activities of its members to promote their common interests, to protect the interests of the members and networking, mutual cooperation and assistance. BEC provides a wide range of business activities in many fields to ensure long-term sustainability of created jobs, developing and expanding business skills for disadvantaged individuals and vulnerable persons/groups on the labour market.

There is applied the principle of cooperation and networking, i.e. that a "paid entrepreneur-employee who is testing his own business" can be involved in the operation of the cooperative as his member-partner and take advantage of positive effects of networking with other BEC´s members and BECs entities such as sharing ideas, problems, experiences, but also a supportive environment and usage of common services.

1. **TITLE OF THE PILOT ACTION** (& acronym if applicable)

**Support to creation of SEs in Moravia - Business Employment Co-operatives (BEC)**

1. **SUMMARY OF THE PILOT ACTION**

*(Please specify how you intend to implement the pilot action and which are main activities and measures) (max. 1/2 page, bullet points)*

The pilot action will be implemented in Moravian regions of the Czech Republic.

There are **3 phases of Business and Employment Co-operative methodology:**

* The first stage is education, the output of which is the preparation of a business plan.
* The second phase is called a supported business where a start-up entrepreneur, for 6 to 12 months, is experimenting with his business plan but is not yet an entrepreneur. He is an employee of the BEC coop, under whose wings his business plan develops, and receives wages for that time. During all this time counselling is provided, and mainly the economy of the business plan is controlled.
* The last stage is the business itself and the creation of self-employment for the people who were unemployed initially.

The pilot action itself will be divided into the following concrete activities:

* implementation of the information campaign to gather a group of people that want to change their situation on the labour market,
* provision of education, mentoring and coaching to create business plans,
* enabling testing and experimenting with their business on the real market under the BEC Coop for 6 months,
* continuous individual and group counselling during the testing period,
* support participants in the future independent self-employment.
1. **AIMS AND OBJECTIVES OF THE PILOT ACTION**

*(Please define aims and objectives of the pilot action you intend to implement) (max. 1/2 page, bullet points)*

The objectives of the Business Employment Cooperatives are to:

* create job opportunities for disadvantaged people in the labour market, collective dimension of operation, participatory management and involvement in decision-making processes,
* use the knowledge and skills of the local population,
* use the ideas of the long-term unemployed who want to change their situation and to solve their needs in the labour market,
* provide new and original solutions to help and develop entrepreneurial and self-employment potential for the unemployed,
* reduce the amount of work on black market or to help people stop being dependent on minimum social benefits,
* provide the opportunity to jobseekers to test business ideas based on fixed or indefinite employment.

The aim of the pilot action is to:

* gather a group of people from Moravian region that want to change their situation on the labour market,
* enable them to develop the business plans to be able to start their own business,
* provide necessary education, mentoring and support,
* provide period of 6 months to test their business in real market under the guidance of the Business Employment Cooperative,
* support cooperation and networking among the new entrepreneurs (such as sharing ideas, problems, experiences),
* provide supportive environment and usage of common services among paid entrepreneurs,
* support participants to continue their businesses on real market as independent entrepreneurs.
1. **TARGET GROUPS**

*(Please define direct and indirect target groups, present their main needs which will be addressed, and explain how you will motivate, select and engage target groups to join pilot action) (max. 1 page, bullet points)*

**Direct target groups** of BEC pilot action are primarily jobseekers and economically inactive people. They are selected according to the set criteria, the position on the labour market and the level of the entrepreneurial idea and its sophistication. Potential participants are motivated by the opportunity to become paid entrepreneurs and to experiment with their business idea under the BEC Coop.

**Indirect target groups** are labour offices from the relevant regions. They are specifically involved during the information campaign (the target group recruitment). They are one of the information channels to jobseekers in their evidence. Their motivation is to help their clients find the best solution for the current situation at the labour market. In this case, to start their business.

Another **indirect target groups** are customers of BEC paid entrepreneurs that vary based on fields of their businesses (IT, photography, seamstress, jewellery designer, writer, masseur etc.). BEC Cooperative promotes their paid entrepreneurs by a number of tools - website, facebook, this contacts etc.

1. **MOST IMPORTANT MILESTONES OF THE IMPLEMENTATION OF THE PILOT**
* The list of potential candidates is elaborated based on the information campaign (CVs, motivation letters).
* The final list of participants for the pilot action is elaborated (participant agreements).
* Education, mentoring and consulting is delivered to participants.
* Final business plans are submitted.
* Participants that will test their business ideas under the BEC Coop are selected.
* Business plans are tested under the BEC Coop.
* Joint trainings, networking and peer sessions are organized.
* Mentoring and advising services are delivered and evaluated.
1. **ACTIVITIES, IMPLEMENTATION PLAN AND EXPECTED RESULTS OF THE PILOT ACTION** (schedule)

*Please schedule accurately the implementation of your pilot by filling in the following table. Please try to define as many actions as it is realistic. Increase the number of rows, if needed.*

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Months****Activities** | **10** | **11** | **12** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **Responsible &** **Participating actor** | **Location**  | **Expected outputs/ results** |
| **PHASE 1 - INFORMATION CAMPAIGN AND EDUCATION** |
| Implementation of information campaign  | X | X | X |  |  |  |  |  |  |  |  |  | Responsible: USIParticipating: external experts | CZ | * List of candidates (CVs, motivation letters)
* List of participants (participation agreements)
 |
| Provision of education  |  | X | X | X | X | X | X |  |  |  |  |  | Responsible: USIParticipating: external experts  | CZ | Sustainable business plans prepared for testing on real market. |
| Individual and group mentoring and consulting of the business plans |  | X | X | X | X | X | X |  |  |  |  |  | Responsible: USIParticipating: external experts | CZ | Elaborated business plans fine tuned.  |
| Submission of final business plans |  |  |  | X | X | X | X |  |  |  |  |  | Responsible: USIParticipating: external experts | CZ | Final business plans submitted.  |
| Selection of participants for testing their business ideas |  |  |  | X | X | X | X |  |  |  |  |  | Responsible: USIParticipating: external experts |  | Final list of participants of the testing period.  |
| **PHASE 2 - SOCIAL ECONOMY START-UP INCUBATION - START UP ENTREPRENEUR TESTING** |
| Support of business - start-up entrepreneurs testing products and services on real market the BEC Coop |  |  |  | X | X | X | X | X | X | X | X | X | Responsible: USIParticipating: external experts | CZ | Business plans of start-up entrepreneurs tested on real market under the umbrella of BEC Coop. |
| Individual and group mentoring and consulting in the testing period |  |  |  | X | X | X | X | X | X | X | X | X | Responsible: USIParticipating: external experts | CZ | Increase revenues of start-up entrepreneurs. |
| **PHASE 3 - SELF-EMPLOYMENT OF SOCIAL ECONOMY START-UP ENTREPRENEURS**  |
| Creation of self-employment -implementing the independent business. |  |  |  |  |  |  |  |  | X | X | X | X | Responsible: USIParticipating: external experts | CZ | Independent businesses of participants are started up.  |
| Individual and group mentoring and consulting during the self-employment. |  |  |  |  |  |  |  |  | X | X | X | X | Responsible: USIParticipating: external experts | CZ | Participants have adequate knowledge to be able to start their independent business. |

1. **BUDGET FOR IMPLEMENTATION OF PILOT ACTION** (please plan the budget of your pilot action based on the application form**)**

*Since the majority of the costs of your pilot will be covered by Sentinel project, it is essential from planning point of view to use the project’s budget structure during the financial planning of your pilot. On the other hand, it is useful for you to plan your pilot as detailed as it is possible. It will definitely help the implementation. In line with this, after the completion of the implementation plan, please estimate the required budget of your pilot in EUR, based on the application form, using the table below. Increase the number of rows, if needed. You could also use excel table and copy it in to this document if you wish to.*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Activities** | **Staff cost** | **Overhead**  | **Travel & accommodation** | **External expertise** | **Total** |
| **Pilot actions – TOTAL** | **26 070,-** | **3 910,50** | **3 500,-** | **10 000,-** | **43 480,50** |
| Training Trento |  |  | 500,- | 500,- |  |
| Study visits (catering, meeting venue, etc.) |  |  |  | 2000,- |  |
| Information campaign  |  |  |  | 500,- |  |
| Education  |  |  |  | 2 000,- |  |
| Individual and group mentoring and consulting of business plans |  |  |  | 500,- |  |
| Supported business - start-up entrepreneur testing products and services on real market |  |  |  | 6 500,- |  |
| Individual and group mentoring and consulting in testing period and self-employment |  |  |  | 2500,- |  |
| Creation of self-employment - providing of the business itself |  |  |  | 1000,- |  |

1. **PILOT LOGICAL FRAMEWORK / LOGFRAME**

|  |  |  |  |
| --- | --- | --- | --- |
| **Action description** | **Indicators** | **Means of verification** | **Risks / Assumptions[[1]](#footnote-1)** |
| **Overall objective (Aim/Goal)** *[[2]](#footnote-2)*To increase the number of social start-up entrepreneurs among job seekers and economically inactive people.  | Number of business licences created.  | Business registry.  | *n/a* |
| **Specific objective (Purpose/Outcome)[[3]](#footnote-3)**To improve skills and competences of social start-up entrepreneurs. | Number of business plans created.  | Submitted business plans. | Participants of the pilot action will continue with establishing their own independent business. |
| **Results (Outputs)*** Created business plans.
* Improved business skills.
* Participants testing their business ideas under BEC Coop.
* Independent businessesinitiated.
 | * Number of candidates in the BEC pilot (CVs, motivation letters).
* Number of participants of the BEC pilot (participant agreements).
* Number of participants that will finalize the education part.
* Number of finalized business plans.
* Number of participants that will test their business idea under the BEC Coop.
 | Mid-term status report. Summary report. | * Start-up entrepreneurs follow their business plans and continue with their business.
* Start-up entrepreneurs are using the mentoring and consulting services.
* Start-up entrepreneurs are using the networking opportunities with other BEC entrepreneurs.
 |
| **Activities*** Pilot Model elaborated.
* Education, Mentoring and Consulting.
* Testing of business ideas under BEC Coop.
* Support of independent self-employment / business.
 | *n/a* | *n/a* | * Participants are interested in starting their business.
* Adequate number of jobseekers that want to change their situation on labour market and start their business.
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1. **CONTACT DETAILS FOR THE PERSON RESPONSIBLE FOR THE PILOT**

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| --- | --- |
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1. Factors external to the pilot which are likely to influence the work of the pilot management has little control, and which need to exist to permit progress to the next level. [↑](#footnote-ref-1)
2. The ultimate result to which your pilot is contributing – the impact of the pilot. [↑](#footnote-ref-2)
3. The change that accurs if the pilot outputs are achieved – the effect of the pilot. [↑](#footnote-ref-3)