

WP T2

**Testing Social Enterprise Support Models**

ACTIVITY A. T2.3

**Joint preparation and evaluation of pilots**

# **Summary Report on Pilot Action in Hungary**

Created by HCSOM and KONETT

October 2019

## 1. Pilot Action Synopsis

<b>Pilot Action Title</b>	Opportunity and Trust – Mentoring program for social enterprises in the less developed regions of Hungary
<b>Name of organisation</b>	Hungarian Charity Service of the Order of Malta KONETT
<b>Contact Person:</b>	Gábor Kovács (HCSOM) Péter Nagy (KONETT)
<b>Overall Objective</b>	Expansion of selected SEs in underdeveloped regions; strengthening managerial and change capabilities through mentoring and organizational development support for the SEs working in less developed regions of Hungary and establishing a network that might be further developed in the market
<b>Purpose</b>	<ul style="list-style-type: none"> <li>- Identifying the needs and the possibilities of the SEs</li> <li>- Provision of as specific and tailor made support for the involved SEs as possible.</li> <li>- Fostering communication and networking among the organizations and pilot testing at least one networking operation among them.</li> <li>- Establishing HCSOM as a networking center for social enterprises in Hungary with the partnership of KONETT Team as the professional mentoring and training provider.</li> </ul>
<b>Expected Results</b>	<ul style="list-style-type: none"> <li>- at least 5 SEs involved with a new, or improved business plan or new activity plan after the mentoring process</li> <li>- an active and operating network with the pilot partners</li> </ul>
<b>Key Activities</b>	<ul style="list-style-type: none"> <li>- Selection of the partner SEs and agreement on the purposes and means of the pilot</li> <li>- Work plan for each pilot SE</li> <li>- Individual mentoring activities for each organization</li> <li>- Joint mentoring events (trainings and workshops)</li> <li>- Networking with stakeholders</li> <li>- Establishing an Advocacy Network</li> </ul>
<b>Key Stakeholders</b>	<p>Pilot SE representatives (owners, directors, financial, marketing and project management key players)</p> <p>Possible market partners and networking organizations</p> <p>Experts of the Social Economy sector</p> <p>Governmental representatives</p>

	<p>Researchers, other experts</p> <p>Press and media</p>
<b>Target groups</b>	<ul style="list-style-type: none"> <li>• The primary target group are the representatives of the organizations involved</li> <li>• The secondary target group (who also benefit from the mentoring process) are the employees and partners of the SEs involved</li> </ul>
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## 1.Executive summary

The main objective of the Hungarian pilot activities in SENTINEL project was to provide organizational support for social enterprises working in underdeveloped regions through a tailor-made mentoring program.

In this document, while evaluating our pilot similarly to the project partners, we basically tried to find answers to five main topics:

- The relevance of the pilot
- The effectiveness of the pilot
- The impacts and results of the activities
- The questions of sustainability, and
- The dimensions of cooperation and networking.

In order to find the relevant answers, we used several different evaluation tools.

We took different surveys that have been suitable tools for gathering information about the results achieved and the experiences of the participants.

We conducted semi-structured interviews with the managers and key staff of the organizations on a deeper level, on their further plans and opinion and recommendations about the mentoring pilot.

Last, but not least, we also used the results of observations: the mentors who worked with the social enterprises gathered a lot of experience about them, which are also useful for the evaluation. Because every mentioned tool both has advantages and limitations, this multi-dimensional approach made it possible for us to discuss the issues from multiple points of view.

We concluded the following findings:

**Relevance:** thanks to the thorough preparatory process and tools (general needs analysis and organizational needs analysis, selection of participants) the pilot was well targeted. Organizational development, improving entrepreneurship skills, and partnership building are actual challenges of the SEs; so, the services we provided could give relevant answers. The methods used and the goals defined mostly met the ideas and needs of the participants, and they are generally satisfied with the implementation of the pilot.

**Effectiveness:** the mentoring process used several tools and methods and their effectiveness are different. The most effective tools were the common workshops and the tailor-made personal events. In general, according to the opinion of the participants, the main reason why the pilot was effective is its practical approach.

**Impacts:** the pilot process generated positive changes in various ways. The most important elements are the following: the organizational system of the SEs became more efficient (marketing, controlling and management became more focused and deliberate), the leaders' (managerial and business) skills improved and useful relations have been built.

**Sustainability:** of course, the results achieved have both short and long-term effects, but there are some points where sustainability looks really factual. The previously mentioned impacts (most of

them) will continue to play a decisive role in the life of the organizations. The acquired knowledge, the experiences, and the living cooperation will be able to help them with their work, regardless of future changes.

Partnership and cooperation: one of the most successful elements of the pilot was partnership and cooperation. The participants were very satisfied with these activities and clearly stated that this gave real added value and learning experience. Joint workshops provided them with the opportunity of meeting each other and thinking together on common issues, while through these events they benefitted not only from the experience exchange, but they also learned practical and useful things. The Hungarian pilot had another goal: to build the basis of an SE network with the contribution of HCSOM and KONETT. The first steps have already been taken, and there is a great need for collaboration among the participants.

Based on our experiences and the results, we can give some general recommendations. The key element of success is that the pilot process is tailor-made. This approach is necessary to connect the real needs of the participants with the provided services. Another important issue is to organize the whole process very practically in order to facilitate the work with organizations. And last, but not least one cannot omit the joint events, which were also major success factors.

## **2.Introduction**

The main aim of the Hungarian pilot project was to give a tailor-made consultation support for social enterprises (SEs) working in disadvantaged regions. Linked to this main goal, there were several sub-goals defined:

- To pilot and test a flexible, and demand-driven supporting method for SEs, based on the experiences and knowledge of KONETT Team
- Based on the above, create a knowledge-base and gain experiences about supporting SEs, which in the future will become a very important part of the mission of HCSOM
- Create the foundations of a networking center for SEs managed by HCSOM with the cooperation of KONETT in case of further provision of training and mentoring
- And, last, but not least, to exchange experiences and knowledge with the project partners of SENTINEL.

As a first step, in 2017-2018 the project partners made an analysis about the problems and supporting needs of the SEs in each region or country. The main challenges of these organizations in Hungary are the lack of entrepreneurial skills, the low visibility of the sector, weak cooperation in the market, the low level of financing and crediting, as well as the insufficient system of regulations.

The pilot activities and of course many other parts of the SENTINEL project tried to give some solutions for these challenges. In itself, the pilot program directly helped the selected organizations to solve their problems of entrepreneurship, business and management skills, etc. Not only the separate and group mentoring activities, but as a result (and also an expected indicator), the new business plans for

the SEs also provide solutions for these challenges. The other main activity in the pilot, to organize a methodology center that facilitates networking, can be the answer for weak cooperation.

The other parts of the SENTINEL project have been providing help for the other challenges of the sector. Of course, in itself, the project cannot solve all the problems, but as a good example, with a lot of expert work, it could give some guidelines. The involvement of some governmental representatives and the output documents (like the action plan, which will be finished later) should help the changes of the regulations in a positive way. Also, the communication activities (e.g. the fair of SEs, press reports, etc.) could be good means of increasing the visibility of the whole sector and its values. Later, when the center and network will become stronger (with the background of the international cooperation), it could become a significant representation (partly advocacy) organization. Therefore, the whole pilot project, with all of its activities has been conducted in connection with the real challenges of the Hungarian social entrepreneurial sector.

Naturally, the key stakeholders of the pilot were the representatives and leaders of the social enterprises involved. As for the leading managers, for them the consultation and advising activities were the most important parts of the pilot, with a view to increase their entrepreneur skills. Generally, the SEs were participating with 1 or 2 colleagues during the mentoring process.

In the pilot, the secondary level of stakeholders appeared, who were not direct beneficiaries of the project, but had an important role in it. With their advice and contribution, the experts of the SEs sector and the governmental representatives could influence the process and the results of the pilot activity.

The main objectives and questions of evaluation of the Hungarian pilot program are the following:

- **Relevance:** Did the pilot meet the needs of social enterprises?
- **Effectiveness:** Was the pilot effective? Could it give answers and solutions effectively to the needs of the SEs?
- **Impact:** What are the positive or negative long-term multi-level changes and effects for contributors and the ecosystem?
- **Sustainability:** What are the long-term results of the pilot that can be maintained after the project?
- **Partnership and cooperation:** What are the effects of the pilot for the partnership, and for cooperation between the participants and external partners?

To provide relevant information about the efficiency of the pilot project, one needs to have other means to compare. Although there have been many other mentoring programs in Hungary in the past decade, there is no available structured analysis of their effects and impacts. Without these, there is no sound basis for evaluating the current pilot activity's efficiency, and for comparing that with the efficiency of other pilots.

Several tools are needed to conduct this multi-dimensional evaluation, and, of course, it has many limitations. For creating the current evaluation report, we used the following methods and tools:

- **Organizational and business development survey:** In the beginning of the pilot, KONETT Team conducted a selection process, a survey with all possibly participating SEs, to get information about their operational systems, services, customers, problems, market status, financial status and mentoring needs, etc. Out of 20 respondents, project partners selected six to start with, and in the course of the project, an additional partner has been selected later. As part of the final evaluation, one and a half years after the initial questionnaire we made a similar, but altered survey, which has been formulated as a development plan, to find out about the changes of these dimensions and to draw conclusions about the effects of mentoring. Despite the limitations of the tool, the development plans serve as a strong basis for future work.
- **Quality assurance survey:** As part of the mid-term monitoring report, we created a survey for the SEs to gather answers about their experiences, opinions about the mentoring process, and its expected results. In the final evaluation, we repeated this tool with the same questions, which allows us to make conclusions from the changes of the answers. This tool is a closer way to gather information about the effects, relevance and the sustainability of the pilot, but of course it has limitations as well. We use this tool knowing that it is not capable of collecting information about the deep effects, the emotions, the experiences and many other qualitative dimensions.
- **Semi-structured interviews:** We used an additional tool to fine-tune the findings and the interpretation of the QA survey. We made semi-structured interviews with the managers of the participating SEs. In concordance with the main issues of the evaluation for the interviews, we set up four main topics: effectiveness, impacts, sustainability and partnership cooperation. During the discussions, the respondents had the possibility to explain their own experiences, personal impressions, effects or the relevant problems, future expected results and recommendations.
- **Observations:** As an additional tool, we also processed the experiences of the mentors. The mentors, who worked a lot with the participants, have a lot of information not only about the problems of the SEs, but also about the changes of the last year, the personal capacities and knowledge of the managers, and the effects of their work. This tool needs self-reflection from the mentors, but the strong cooperation and culture of trust developed among project partners resulted in honest opinions and open statements of results and shortcomings as well.

**Indicators:** In the pilot progress there was only one official indicator, which is the number of social enterprises involved. The pilot started with 7 participating organizations and all of them went through the full process. Another, additional indicator was to organize a networking initiative for the social enterprises, and the pilot has also reached this goal.

	<b>Indicator</b>	<b>Indicator description/comment</b>	<b>Starting situation/number</b>	<b>Ending situation/number</b>
1.	Social enterprises involved	The number of social enterprises which	7	7

		took part in the mentoring process		
2.	Networking initiative for social enterprises	One of the main objectives of the pilot was to organize a network	0	1

### 3. Findings and conclusions

#### 3.1 Findings

##### **Relevance**

Before the pilot activities, in the first part of the project, all of the partners made a needs analysis. In Hungary, with the help of several research tools, we concluded that the main challenges of the SEs are the lack of capital, weak market cooperation, the problems of the regulation, and the poor entrepreneurial and leadership skills of the management. This made clear that the pilot activity can mostly achieve visible results in the latter topic. Other problems can only be targeted partially or indirectly by mentoring. The mentoring process was planned with these in mind.

On the other hand, in the beginning of the pilot, KONETT Team made an organizational development survey with all the participants. The main goal of this tool was to explore the leading problems and needs of all SEs. Based on that, there was a possibility to plan a real tailor-made mentoring process which is really suitable for the organizations. Because of this method, each personal mentoring activity was different. Consequently, the goals set were also different. Some of the SEs needed help with their markets, others needed help primarily with organizational development, others received support primarily for fundraising activities, etc.

Besides mentoring, the other activities of the pilot tried to provide support for the other relevant challenges. The common workshops were good opportunities to build connections with other organizations and to meet with stakeholders. In addition, the other major aim of the project, the establishment of a methodology and networking center was carried out, which is also an answer for relevant challenges of the SE sector.

Consequently, the pilot activity responded to relevant problems. On the other hand, when discussing the problems, our questionnaires tried to find out what kind of experiences the participants had.

During the mid-term pilot report and also in the final report, the organizations had a possibility to appreciate the methods and recent results of the mentoring process on the scale of 1-5. (Where '1' means the worst and '5' the best opinion; or agree or disagree with the statements.) Some questions targeted the relevance of the pilot activities.

The main question was *"the mentoring service targets our real problems"*. In the mid-term status report, the average result of the answers was 4.4. Generally, it was a good result, but two of the



organizations gave a little lower grade, which was a useful feedback to improve the tailor-made nature of the pilot.

In the final evaluation, the average result was exactly the same, 4.4. This means that the majority of participants thought that the pilot was well targeted, and they got answers and help for their real and actual challenges. Only one social enterprise gave a lower grade (3). It seems that in this case the cooperation was not fully satisfactory.

Respondents, both in the mid-term and the final report, have stated that the mentoring methods and techniques met their needs. (With a similar result, 4.6.) This confirms that not only the content, but also the implementation was relevant for the needs of the participants.

### ***Effectiveness***

The second main question of the evaluation is: *Was the pilot really effective? Could it give effective answers to the needs of the SEs?*

Because the question is complex, it needs to be answered from multiple perspectives using different tools. First of all, the surveys gave us some useful information.

Our first question was what the participants thought about the mentoring methods and their usefulness and effectiveness. We asked this question both in the mid-term status and in the final evaluation. The answers all agreed in that personal mentoring events, both in their content and their effectiveness have been very successful. (The average rating was 5, and even improved compared to the mid-term status.) We also achieved similar good results in terms of the effectiveness of joint mentoring events and workshops.

However, the perception of online mentoring tools and smart methods is less clear. On average, respondents gave a rating of 4 for the content and usefulness of online mentoring events. This in itself is not a bad result, since it means that most of these activities were *good and appropriate*. However, this value is markedly worse than in the mid-term review, when the average result was 4,7. In addition, one organization rated these activities as "2". This may indicate that the targeting and implementation of the online mentoring events was not entirely appropriate.

However, all the SEs gave a highly positive feedback on the useful knowledge and information that they gained during the mentoring process. From this point of view, the mentoring activity was sufficiently effective.

*In terms of the effectiveness of the mentoring tools:*

Individual mentoring meetings proved to be more effective when not only the director but other representatives were also present. A typical meeting took place at the location of the respective SE and lasted between 2 to 8 hours. We always set up a specific topic for the meeting, usually parts of the development plan or managerial and marketing issues. We have contributed to the sustainability of SEs' newly developed services, as mentoring was also aimed at supporting them in acquiring funding for the newly developed activities.

Supporting SEs via telephone and telecommunication tools have been effective in fine tuning various planning issues.

We prepared a detailed table for partnering opportunities for each SE based on the existing social cooperatives databases – this tool has been utilized by at least 50% of the participants of the pilot.

Joint mentoring sessions (workshops) have been the most effective tool in terms of learning from each other in specific subjects: canvas model, value proposition, etc.; and was also an effective way of establishing networking and joining forces in terms of marketing efforts.

The personality profile was effective in increasing self-awareness of behavior, values and decision making abilities.

The results of the interviews serve with further information for our findings. Most of the SEs had past experiences with mentoring; consequently, they were able to identify the most effective parts of the pilot compared to other programs.

Regarding the above mentioned points, they gave similar answers. For most of them, the personality and knowledge of the mentors was an important element of the effectiveness. The leaders of the organizations responded that their kind, open attitude and their expansive knowledge was a key factor for an effective mentoring process.

Many of them also emphasized that the program was very practical. Both personal mentoring and the joint workshops were based on real experiences and practical knowledge, thanks to which the learning process was both interesting and effective. For many, it was of similar importance that there was an opportunity to exchange experiences during the process, which also increased efficiency.

As for the recommended tools of the Toolbox, we embedded active listening and feedback in the process. We have tried to support the SEs' staff to use these techniques: active listening is something that caretakers and people working with disabled employees and clients need as a competence, but proper feedback is an organizational development process that can be learnt and practiced for a lifetime.

As for the suggested mentoring process in the Toolbox, as described earlier, we set up and followed an almost identical process which, with slight modification, can be a common practice effective in any supporting cooperation.

We used the suggested canvas model for discussing the new services, projects or expanded operation of SEs, although have not stressed the importance of the LEAN methodology. The canvas model is used widely, but there is always room for improvement in terms of effectiveness. The tool is very effective and we recommend to use it in future projects as well.

Measuring social impact is a very serious topic and we learned about it during the project on the basis of the model of Social Impact, our quality assurance partner. The social impact measurement methodology would be a very useful and effective tool for future development projects.

The last factor related to effectiveness was that mentoring activities were highly tailor-made and responded to the real needs of the participants. In their former experiences, mentoring programs usually gave general information and knowledge, which was not always useful for the organizations. Because in SENTINEL project, mentoring was based on a detailed organizational needs and problems screening, it managed to become very personal. Thus, the tailor-made nature of the process was one of the main elements of the pilot's effectiveness, according to the answers from the SEs.

## **Impacts**

Describing the impacts of the whole mentoring process is a complex and multi-dimensional topic. The impacts generated by the mentoring activities have several levels, which all need a different approach.

Certainly, our survey also gave us some information about the impacts in general. Most of the participants agreed with the statements: *“We have learned many useful things”* and *“The common mentoring events helped us to build cooperation.”* (With an average rating of 4.8.) This means that for the social enterprises, the process has had positive effects. However, the degree of realization of these effects is not yet complete. This is mainly due to the fact that only three organizations were able to declare that they have already started to apply the acquired knowledge, while the rest of the organizations either disagreed or could not answer the question. First and foremost, changes are taking place in terms of sustainability.. On the other hand, most of the knowledge and competences gained are practical in nature, and that means that the organizations will start to utilize them in their new market activities and later on, after the project’s end.

The impact of our work is related to the implementation of our recommendations, assistance and mentoring support as well as input from peers during the workshops. While some organizations have successfully built those into their activities, others needed to wait with applying them because of the complexity of their day-to-day tasks and a focus on economic survival, which diminished the potential of the effects and results. However, our partners knew that we focused all of our assistance on reaching a higher revenue and business health through a smoother operation – with a long term return of the time invested. To assess the positive or negative impact that we achieved together, it is also important to mention that we were not the only partner of the organizations in the Pilot Period. Most of them received additional support from different organizations – Civil Support, SIMPACT, Erste SEEDs – in the form of consultation and financial support.

After observing it, we have summarized the impact of the pilot as follows:

- Increased level of focus, deliberation and concretization of managerial tasks. This means that general managers of these SEs have been involved in a lot of activities: strategic and operative management, professional work, networking and advocacy. We have supported them in developing their management structure, based on the size of the operation. Also, we have worked towards dedicating staff to the newly initiated services, projects and functions, such as marketing and networking.
- Strengthened capability for change management and organizational learning. That have been done through the managerial level and the organizational key staff – we made them familiar with change management aspects and trained them to use those.
- Developed orientation towards market and business (and related financial) issues. Improved level of marketing and social media communication. Market presence, communication, public relations and networking are key to increase the business potential of the SEs. This should also be supported by an up-to-date, controlling-oriented financial management. During the mentoring pilot, we worked on strengthening these functions.

- Sound culture of cooperation and networking. We have supported the enhancement of internal cooperation through strengthening the role of key staff and intra-organization group work; and we have contributed to external cooperation through the joint workshops and events.
- An expected impact of the pilot was the SEs' reduced dependence on grants and the increase of business revenues, hopefully with the new and expanded services. Currently, the proportion of business revenues in the total income of the SEs ranges between 5% to 35%, and all of their development plans include increasing this rate in the next two years.
- Some of the measurement tools have been used. When focusing on the extension of market opportunities, we provided the SEs with an appropriate tool. However, when we collected an action plan at the time of our visit, and after a couple of days we followed up on how our partner initiated our agreement, we experienced diversions from the schedules, due to lack of time and high workloads, lack of resources, etc. – resulting in no changes compared to the start of the mentoring process.
- Another impact could be sales revenue measurement, if they had their own controlling system in operation. In the case of the largest pilot partner SE, at the end of the pilot period we observed significant progress and a real cost and value analysis, as well as the foundation of a real controlling system with the appearance of an experienced new colleague.
- Still, regarding some of the SEs, full understanding and application of the new know-how about price-quality correlation, cost effectiveness, exploitation capacities, controlling and monitoring is only wishful thinking.
- Customer satisfaction measurement as an operational activity would be another impact, if they had it in their - usually non-existing - Quality Control or customer satisfaction systems. (NB: we could not follow the suggestion of the Toolbox in terms of installing the PDCA quality management process – this would require a kind of specification and management structure that have not been set up in most of the SEs). The changes in their thinking and working methods can be qualified, as can be seen from their answers in the quality assurance questionnaires.
- Supporting sales and marketing was crucial and we expect increased professionalism in this area. The Máltai Manufacture brand introduced by HCSOM can serve as a networking, marketing and quality control tool as well.
- Until now, employment has been the primary focus of social enterprises. Getting a regular job instead of public work, or the chance for a better working life and dignity in case of the tenants of shelters is very crucial. Work opportunity instead of living from charity is also very important; however, the measurement of what has happened in the mind set, approach, working habits and culture of these people is rarely quantifiable. Despite that, we think that the positive impact of our project has been an increased focus on business approach and practices.

During the interviews, representatives of the SEs mostly agreed that the pilot has had several additional impacts. As a result of the mentoring, their business approach was strengthened, which is

an important achievement, because one of their main challenges identified was the weakness of business and entrepreneurship skills. Their organizational operation – working as a professional system – was also strengthened, which is an important result as well. Some organizations mentioned that, thanks to the improvement of their working system, they were able to submit applications during the pilot period in a smoother and braver way, because they were aware of the needs of their organization. Practical results are decisive in this, as mentors have helped them to draw up business plans.

Some of the participants commented that not only were there changes in their organizations, but also in their leadership abilities and skills. In any case, the knowledge they have acquired is very important, and as a result, their attitudes have changed in many ways. This will be also important for the operation of the SEs in the future.

In connection with all these, the respondents mentioned one more impact. The mentoring process has also helped participants to redefine their organizational identity: their realistic goals, limitations, and their true strengths.

### ***Sustainability***

Future expectations of the participants regarding the mentoring process belong to the question of sustainability. We also asked these questions in the mid-term status report, when the most of the SEs gave only positive answers, which showed us a high level of trust in the mentor service. The vast majority of respondents were confident that as a result of mentoring process:

1. The effectiveness of their organizational operation will increase
2. Their managerial and business development will be improved
3. Their entrepreneurial activity will be strengthened
4. They will build active partnerships
5. They will gain new market opportunities
6. and will continue to cooperate with HCSOM and KONETT in the future.

After the pilot, the SEs' answers and consequently their expectations are mostly and generally positive, but not entirely. Slightly more respondents have replied that they are currently unable to judge the future impact of each of these aspects. However, the most of the SEs think that their participation may lead to positive changes in the future, which is an important basis for the sustainability of the results.

Sustainability has been twofold in the pilot. The personal side means a very different, but very close connection with our partner, which might be maintained after the end of the SENTINEL project. Based on the organizational differences, we will continue empowerment and the business and organizational development process as well. The sustainability of the businesses as a network can be achieved through appropriate coordination and material support planned and initiated by HCSOM as well as the continuation of professional (mentoring and training) support from KONETT. These issues will be further developed when planning the advocacy network (i.e. identifying the areas to be supported through international cooperation).

Out of the seven SEs mentored, three have taken serious steps for sustaining their activities by structural development of their new services and applying for donor funds. A fourth partner has gathered enough munition for sustaining a new activity started during the period of the pilot.

As for sustainability, we assess that we have introduced methods and the focus on strengthening marketing and controlling functions. SEs participating in the pilot will be more organized in these areas.

As for the use of mentoring tools, these activities will be sustained through several managers and key staff of these SEs since they are working on various other projects (supporting other civic organizations, knowledge sharing through conferences and study tours, participating in professional networks, contributing to state organizations working with civic organizations as consultants) in which they can use the methods introduced during the pilot (social value impact, marketing, controlling, facilitating planning and group work etc.).

### ***Partnership and cooperation***

Based on the general needs of the SEs in Hungary, one of the main objectives of the pilot was to help the organizations build partnerships and increase cooperation. During the implementation, there were several activities to support the participants in these matters. The main question of the evaluation is: what are the effects of the pilot regarding partnership and cooperation between the participants and external partners?

First of all, there were several joint mentoring workshops during the last months. These events were aimed not only at learning and discussing various issues (business planning, marketing, etc.), but also at providing the opportunity for the participants to meet each other. The events were particularly useful because participants were able to get to know each other's problems, challenges and suggestions for solutions, and learn from each other. Thus, they had the opportunity to build relationships of trust, which is a key factor for future cooperation.

On the other hand, there were also possibilities to meet with stakeholders and other relevant members of the SE sector. One of the joint events was an SE – stakeholder meeting, which provided grounds for building useful connections. Another event: the SE Fair to be held in the middle of October 2019, is not only a fair which can improve the visibility of the sector, but it also includes a special program with presentations and discussion, where the participants can meet each other.

During the pilot, our main goal was to ensure that participating organizations not only benefit from organizational development. Therefore, we have established a network with the social enterprises involved, coordinated by HCSOM. For the time being, we have laid the foundations for networking by organizing joint thematic workshops for them. Another important element of the networking initiative is to provide them with an expert (a staff member of HCSOM). The main task of the expert is to help them to become sustainable and improve their presence in markets, and of course, to strengthen business relations and connections.

There will be another significant step: HCSOM will launch a retail store in the next period in Budapest, through which the partner organizations have the opportunity to sell their products.

With these planned parallel activities, we wish to strengthen networking activities and the willingness of the SEs to stay actively involved in the future.

All the SEs answered in the survey that they are absolutely satisfied with the networking parts of the pilot. Practically all of them agreed that the joint workshops provided good opportunities to strengthen their business relations. They are confident that thanks to the networking, their partnership cooperation will strengthen in the future and they will be able to improve their market presence with the help of HCSOM.

All participants agreed in the interviews that for them, the most important part of the pilot was the opportunity of partnership building. As we declared in the needs analysis, for most of the SEs, one of the main challenges is the lack of living connections. For this reason, the organization of the partnership events like joint workshops and study visit was important both for the business and for personal reasons: to meet and talk with other managers whose problems and everyday work is similar. Most of them agreed that these connections became real living relations, which gives them a lot of support.

The possibility of experience exchange was also very important to them, and they could learn a lot about making business decisions, and doing market, leadership or organizational development.

Not all of the participants have positive experiences with partnership building. One of them has a different opinion: for them the cooperation parts were not specific enough; they would need much more opportunities to obtain business relations, and the lack of this was a bit of a disappointment for them. However, their relation with HCSOM became much stronger, and the network established will be a very important common working and thinking opportunity in the future.

Based on the above phenomena, there is a very unequivocal commitment to continuation. For this reason, they have a strong hope in the planned and organized SE network center under the auspices of HCSOM.

## SWOT analysis of the pilot action

STRENGTHS		WEAKNESSES	
<p><b>example criteria</b></p> <p>Advantages of proposition</p> <p>Capabilities</p> <p>Competitive advantages</p> <p>Resources, assets, people</p> <p>Experience, knowledge, data</p> <p>Innovative aspects</p> <p>Location and geographical aspect</p> <p>Price, value, quality</p> <p>Cultural, attitudinal, behavioural</p>	<p>The advantage of our proposition has been that we have worked with the SEs bilaterally and multilaterally, aiming at their individual development and networking as well.</p> <p>Participant SEs were capable of contributing to the project</p> <p>Mentors were among the most experienced consultants of the sector, HCSOM is one of the most prestigious civic organizations in Hungary.</p> <p>SEs tried to include as much innovation as possible in terms of service provision, inclusion of their colleagues (a lot of them are disabled), and marketing.</p> <p>Cooperation and networking culture increased to another level.</p>	<p>Due to multitasking and their complex service portfolio, our partners have sometimes been behind the schedule of the work plans.</p> <p>Financial controlling is an area of operation that can be strengthened more.</p> <p>Vulnerability can be observed in terms of multitasking and the lack of succession planning.</p>	<p><b>example criteria</b></p> <p>Disadvantages of proposition</p> <p>Gaps in capabilities</p> <p>Reputation, presence and reach</p> <p>Financials</p> <p>Own known vulnerabilities</p> <p>Timescales, deadlines and pressure</p>
	<b>OPPORTUNITIES</b>	<b>THREATS</b>	



<p><b>example criteria</b></p> <p>Market development</p> <p>Competitors' vulnerabilities</p> <p>Technology development and innovation</p> <p>Global influences</p>	<p>The ecosystem provides a lot of opportunities for cooperation in market presence.</p> <p>Communication is much easier than ever before – a more deliberate and planned approach to use it is a great opportunity.</p> <p>The reservation system introduced on SEs' webpages for accommodation facilities is a good opportunity to increase guest night occupation percentages.</p>	<p>In terms of the ecosystem, sound and systematic financing for acceleration and expansion is reduced to the only possibility of European Union funds.</p> <p>In some underdeveloped regions, SEs need to compete with, the local authorities' other companies and social economy undertakings.</p>	<p><b>example criteria</b></p> <p>Political effects</p> <p>Legislative effects</p> <p>Environmental effects</p> <p>IT developments</p> <p>New technologies, services, ideas</p> <p>Sustaining internal capabilities</p> <p>Obstacles faced</p> <p>Insurmountable weaknesses</p> <p>Sustainable financial backing</p>
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### 3.2. Conclusions

**Relevance:** Has the activity really met the needs of social enterprises?

The relevance of the pilot was strong: based on the different types of needs analyses, the targeted activities matched the problems of the social enterprises indeed. The information received with the help of the evaluation tools also confirms that for most of the participants, the pilot provided relevant services and help.

**Effectiveness:** Was the pilot really effective? Could it give effective answers to the needs of the SEs?

According to our findings, the pilot was as effective as could be given the context. The mentoring tools used, the former experiences of the mentors, and also the joint workshops were very effective elements of the pilot and most of the participants are truly satisfied with them. The tailor-made approach and the practical way of learning were also important factors of effectiveness, compared with former mentoring experiences of the participants. It seems that only the so-called smart mentoring methods were not entirely effective, as they received more negative feedback. We strongly recommend to improve the relevance of the Toolbox in order to be an effective and useful tool for future development activities of SEs.

**Impact:** What are the positive or negative long-term multi-level changes and effects for contributors and the ecosystem?

For the participants, there were several long-term positive impacts, as mentioned above: their business skills, the organizational system, market relations, cooperation, etc. have all improved. We could not observe any negative changes related to the pilot.

For the implementing organizations, HCSOM and KONETT, the pilot also brought about positive changes. First of all, the main element is experience: thanks to the pilot, both organizations received a lot of tested knowledge on how to organize a mentoring program, which will be very useful for future plans. Relationship building has also been an important element. The successful cooperation with both the participants and the stakeholders (governmental departments, researchers, financiers, experts, etc.) provides them with excellent opportunities for long-term partnerships.

It is much more difficult to describe the positive impacts for the whole ecosystem. As we know from reflections, the SENTINEL project has a good reputation, and many stakeholders follow the project implementation regularly. There is a clear expectation that with the contribution of HCSOM, the whole project with its networking activities will be a good opportunity for the Hungarian SE sector, especially in the field of awareness raising and strengthening cooperation. However, its long term effects cannot yet be evaluated.

**Sustainability:** What are the long-term benefits of the pilot which can continue after the project?

As discussed above, the sustainability of the results consists of several factors. Participants will be able to use most of the knowledge and competences acquired in the future. This is a clearly sustainable result, along with the living cooperation between not only the organizations but also the managers and staff members as persons. The consulting network to be organized under the patronage of HCSOM (with the first steps of branding) will also be a sustainable element of the pilot.

**Partnership and cooperation:** What are the effects of the pilot for the partnership and for cooperation between the participants and external partners?

Last but not least, we can declare that based on the experiences of the participants, the most successful part of the pilot was partnership building and cooperation. The joint workshops truly provided important opportunities for partnership building, and there is a clear intention to continue cooperation with HCSOM and the partner social enterprises. The trust for cooperation increased and it met the needs of the organizations.

In the whole ecosystem, there is a definite willingness to establish a sectoral network which will be able to represent common interests, and the initiative will create a good basis for that. On the other hand, we should strengthen support for grass-root nonprofit enterprises, in a time of intense public relations and social media activities, and the support of big companies for the sector are sometimes more visible than the everyday struggle of SEs in underdeveloped regions.

### **3.3. Further steps and transferability potentials**

A lot of further actions are planned for the future.

First of all, the Hungarian pilot experiences will be built into the Toolbox and also the Handbook during the autumn. There is a plan to translate the entire documents into Hungarian to provide new, tested international information and knowledge for the ecosystem. Based on our own experiences with the pilot, it will be a good opportunity for other organizations (SEs and stakeholders) to learn from good practices of mentoring and networking. We are planning to make these documents available for anyone interested through sending them, or making them available for download. Thanks to this, the whole SE supporting sector will benefit from the project.

The results and mainly the experiences of the pilot will provide an appropriate background for the policy recommendations which is one of the final products of the whole project. For this task, the most significant information does not come from mentoring activities, but from the problems and needs explored in connection with the deeper level functioning of the SEs.

There is a preliminary plan to improve the social enterprise network with the support of HCSOM and KONETT. In the future, when the cooperation has become stronger, there will be more possibilities to use the results and experiences. For now, it is a plan that needs to develop into organizational intention.

We should focus on the appropriate planning of the advocacy network as well, in order to achieve a meaningful and realistic cooperation with international potential for SEs in the project partners' countries.

## **4. Lessons learned and recommendations**

The pilot activities provided a lot of experiences from which there is much to learn.

Our experiences confirm that in the Hungarian ecosystem, social enterprises have complex needs. Their jobs and goals are so complex, and their current status and everyday struggle is so difficult, that only a multi-dimensional and tailor-made mentoring program could give them useful and truly effective support. This is the reason behind the effectiveness of our pilot.

Naturally, every organization is different: they have various goals and they are not at the same stage in their life-cycle. For these reasons, general mentoring and development programs are not recommended for implementation; only initiatives that can take this bottom-up approach can succeed. That is why the non-profit sector, NGOs and independent professionals have an important role, as they can meet the specific needs of the whole sector.

Our pilot also pointed out that the needs of social enterprises cannot be solved with a sole mentoring program: the government participation is also needed. Problems like underfinancing, the lack of special regulations, the low level of visibility, etc. cannot be solved without targeted governmental support programs. The key to the development of the whole SE sector is the realization of this two-way (governmental and non-governmental) cooperation.

Based on our experience and findings, we can recommend the following to other similar programs.

Relevance: a program can only be successful when the provided services meet the real needs. In conclusion, a strong emphasis on relevance is needed. This requires, first and foremost, a thorough needs assessment about both the whole sector and also the current status of the participants.

Another important factor is effectiveness. This must also be based on the needs analysis, while the mentors are also of great importance. During the planning, it is primarily necessary to determine what tools can be used to provide truly effective answers for the organizations. This requires a truly tailor-made approach.

It is difficult to make generic suggestions on impacts, because that mostly depends on the current situation. In general, we can only recommend to determine and plan realistic impacts both in the medium- and long-term. Of course, it is practical to implement this in a way that ensures the sustainability of the effects and impacts achieved. We can only repeat that a proper needs assessment is essential for this.

Based on our experiences, it seems that the partnership building elements are absolutely necessary. It is not just a way of learning, but it also highly increases trust in general. When participants facing similar challenges are able to meet each other, is a very good opportunity for experience exchange, while it has the effect of increasing self-confidence, with the feeling "I am not alone with my problems." In addition, partnership building also provided a special support for the participants. With the help of the joint events, they had an opportunity to take specific examples, business solutions, and business plans from each other.