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RURAL
SOCIAL
ENTERPRISE
PROJECT

DOCUMENTING THE LEARNING

The Rural Social Enterprise Project | Foundation for Rural Living

Preface: Overview of Rural Social Enterprise Project (RSEP)

In 2010/2011, the Foundation for Rural Living (FRL) partnered with Eko Nomos and C Lang Consulting to deliver the Rural Social Enterprise Project (RSEP). Over 150 rural non-profits and social entrepreneurs, in four regions of southern and northern Ontario, participated in social enterprise workshops and coaching, in collaboration with the RSEP project collaborative and local Community Futures Development Corporations (CFDCs) and Community Economic Development (CED) organizations.

“A social enterprise is an organization or venture that achieves its social mission by using value-added earned income strategies.”

Funded by the Ontario Trillium Foundation, the project followed an earlier pilot in 2010 through the United Way of Greater Simcoe, supported by the federal Community Capacity-Building Program through Nottawasaga Futures.

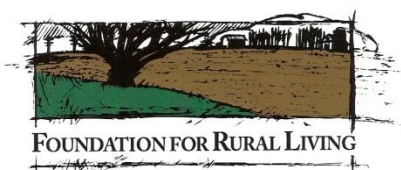
Both initiatives documented significant interest from, and need among, rural nonprofits in and for social enterprise development support. Specifically, the projects demonstrated that:

- There are a large number of rural nonprofits engaged in social enterprise at various stages of development, from early stage to mature.
- There is a pent-up desire for SE skills training and capacity-building.
- There is a general lack of capacity-building and knowledge of SE tools, resources, policies and sector supports available to rural nonprofits.
- There exists little regional infrastructure to support ongoing capacity development and investment for rural SE.
- There is little connection among rural SEs or to the growing SE sector in Canada, including urban and rural linkages.

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Introduction

There are many inspiring examples of rural people and nonprofits mobilizing their considerable assets in creative ways to serve community needs and contribute to quality of life. Co-ops,

“Social enterprise presents an important opportunity for rural communities. It is a way of meeting needs from within the community and generating added value that blends social, environmental and economic benefits. It is not a silver bullet, but it is one important tool in the toolbox for creating vibrant communities with good jobs and thriving local economies.”

*From Need to Opportunity:
Building Vibrant Rural
Communities, SERA*

volunteer-run enterprises and nonprofit revenue-generating businesses have been operating for years. Museums and theatres, farmers’ markets and agricultural societies, thrift stores, conservation initiatives, nursery co-ops, First Nations owned enterprises, recycling businesses, and youth-run cafes are just a few examples.

In spite of this considerable track record, the links between enterprising rural nonprofits and the growing social enterprise sector in Ontario are weak at best. There is a lack of representation of the unique voice of rural nonprofits in social enterprise (SE) practitioner and policy discussions.

Increasingly the nonprofit sector is being recognized as an important contributor to not only the health and wellbeing of our diverse communities but also our provincial economy. We know a significant portion of the nonprofit sectors’ income is generated through earned revenue: 43% of the core nonprofit sector (excluding hospitals and universities)¹. And yet there are

still few supports to build the capacity of community organizations to explore SE intentionally so they can maximize their earned revenue potential, and sustain and increase their social, economic, environmental and cultural impact. This is particularly true in rural communities.

The Rural Social Enterprise Project (RSEP) was a collaborative effort of the Foundation for Rural Living, Eko Nomos, C. Lang Consulting and four regional partners in southern and northern Ontario that took place in 2010/2011. The project sought to contribute to the resilience and resource development capacity of rural nonprofits by promoting knowledge, skills and supports for social enterprise development. The collaboration also gave us the opportunity to involve our partners in peer learning, documenting and sharing information on the needs of rural nonprofits for social enterprise capacity building and supports. The report that follows presents some of this learning. The voices and experience of RSEP participants, partners and supporters are integrated into the text and featured in the quotations and vignettes throughout the report.

¹ The Nonprofit and Voluntary Sector in Ontario: Regional Highlights from the National Survey of Nonprofit and Voluntary Organizations, Katherine Scott, Canadian Council on Social Development, Spyridoula Tsoukalas, Canadian Council on Social Development, Paul Roberts, Canadian Council on Social Development David Lasby, Imagine Canada, 2006.

Learning Themes

Rural nonprofits are sustained by volunteers

Volunteerism is a primary strategy for the delivery and management of community-based services in rural Ontario. A variety of rural groups, differing in size and mandate, sent representatives to the RSEP workshops and consultations. Compared to similar workshops in urban settings, a greater number of participants were volunteers. The majority of workshop registrants (30%) were from Boards of Directors and another 14% identified themselves as “social entrepreneurs”.

Many rural organizations we encountered through the RSEP have no paid staff. Some run programs with temporary or project staff who support and advise the volunteer directors on “working boards.” Several initiatives were driven by volunteer community committees and are not yet formally incorporated.

“Our board of directors has the mentality that they shouldn’t have to pay someone to do the work that a volunteer could do.”

“The members of the board are at different levels of experience with the organization and with various levels of understanding about how the organization operates. We weren’t all on the same page.”

The fact that many rural organizations depend on volunteers and expect to continue to do so means that they may not be willing to hire the staff support needed to effectively engage in social enterprise, even when they can afford to do so.

In smaller rural regions active volunteers “wear multiple hats” making them very influential in the community. This can lead to struggles with inclusion and exclusion in new social enterprise development, especially with collaborative initiatives. Existing dynamics within organizations and among volunteer leaders need to be carefully negotiated in order to move forward with social enterprise development.

In order to take into account these organizational needs, our RSEP consulting with volunteer-led groups focused on readiness, strategic planning and organizational development while also addressing specific social enterprise/business planning tasks such as market research. We learned through the process that current tools available for assessing organizational readiness for social enterprise do not take into account the volunteer nature of these rural organizations and need to be adapted to be more relevant.

Social enterprise is a sustainability strategy

Sustainability is a key concern for rural nonprofits, as for nonprofits throughout Ontario.

Community groups who participated in the RSEP were seeking new opportunities for funding and staffing their activities, and for carrying out their mandates. Social enterprise or earned

“We are looking for ways to grow financially and make stronger business decisions.”

revenue development was seen as one strategy to keep the doors of their organizations open.

A number of RSEP workshop registrants were looking for information on linkages to funding, to

explore SE as a strategy for moving forward. Almost 70% of registrants were not sure what kind of investment their own organization could make in developing their SE ideas, given lack of staff resources. However, the majority (28%) were willing to invest time.

“It would be useful to gain some start up funds in order to devote the time and research necessary to begin this (SE) process.”

Small rural nonprofit organizations face a dilemma. They often need external investment to explore whether and how they can generate sufficient revenue through a social enterprise strategy, before they can take the risk of investing more of their own time, limited assets and resources. In rural areas there are currently few sources of small grants to enable this kind of exploration.

“We are a young group in transition, needing to hang on until eligible for diversified funding opportunities. We will include social enterprise as a piece of the puzzle when this can be actualized.”

The ENP Program (www.enterprisingnonprofits.ca) is an effective practice – a collaborative funders’ round table and grant program that helps nonprofits explore social enterprise strategies. The development of this kind of small grant program in rural regions is an important building block for SE development.

For some organizations participating in the RSEP, thinking about social enterprise came too late. At the workshops we encountered organizations that were facing imminent shutdown or layoffs due to lack of funds.

Nonprofit sector identity is evolving

Leaders’ networks exist within subsectors of the nonprofit sector in the RSEP regions we targeted. In the social services, health, arts, culture, agriculture and environmental sectors there are common tables, network organizations, or informal leaders groups. However, we

discovered that there was no one organization that had an intimate knowledge of, and relationship with, the larger nonprofit sector and there were no comprehensive regional lists of nonprofits.

All RSEP partners leveraged their existing relationships with nonprofits to successfully promote the social enterprise workshops. With project funds, some did extra research to reach out to new organizations.

One regional partner hosted the RSEP workshop at a Community Conference where leaders from nonprofits, municipalities and community groups were drawn to participate. Another partner, interested in exploring the needs of the NFP sector, collaborated with the local United Way and 211² to survey nonprofit leaders on their capacity needs for earned revenue generation and business planning as a follow-up to the RSEP workshops.

“Non-profit organizations are challenged to provide service to a distributed population during a time of economic restraint. Many are searching for new and innovative ways to raise more money and diversify their revenue streams.”

The nonprofit sector is composed of organizations that vary greatly in size, sources of funding, reliance on paid or voluntary staff, field of activity, and beneficiaries. Only recently, with the development of the Ontario Nonprofit Network (ONN), and greater attention to the unique role and economic contribution of the NFP sector, have organizations across subsectors begun to identify more common interests and values. Social enterprise for financial sustainability is one such common interest.

The language of social enterprise is new

Social enterprise terminology is not part of the everyday lexicon for most rural organizations and key SE stakeholders.

“People don’t talk SE in Northern Ontario. They see it as doing business to achieve their mission.”

“[We were]...introduced to social enterprise funding which some of us were familiar with if not by that name. This gave us some very useful concepts for fundraising.”

Participants in RSEP

workshops and consultations were not familiar or comfortable with the language of “social enterprise”.

The concepts of “earned revenue” or “enterprising nonprofits” seem to be more palatable for rural nonprofits. We learned that, to survive, many rural organizations employ multiple earned revenue strategies, including fees for service, contracts, and ticket sales. These organizations do not refer to

² 211 is a three-digit phone number providing free, confidential, multilingual access to information about the full range of community, social, health and government services. United Way of Huron Perth manages the 211 service for that region.

themselves as social enterprises, yet they can benefit from social enterprise-specific coaching, funding and supports.

Through the RSEP several organizations were supported to review their streams of earned revenue and set priorities as to which could best address their mission and revenue targets.

“[I learned that]...the struggles within our project were not unique, and I learned ways to express these “struggles” in an SE kind of way.”

In a survey of those attending the RSEP workshops, 77% agreed strongly that the workshops were effective in introducing the language and basics of social enterprise. We suspect that some people did not respond to the initial workshop promotion due to the social enterprise language used.

Language is also important in “selling” social enterprise to key stakeholders in rural Ontario to solicit their support – this includes nonprofit boards of directors, staff and directors of capacity building organizations, as well a municipal staff and politicians. We learned in particular that nonprofit directors and even funders need more information on social enterprise to understand how this strategy relates to the continuing work of nonprofit and charitable organizations.

Finding the language that suits diverse groups, and increasing the comfort level with social enterprise terminology, will be important in scaling up social enterprise in rural and northern regions.

There is pent up demand for SE support in rural

Through the RSEP and the rural pilot project that preceded it in South Simcoe County³, we discovered much interest and pent up demand for SE knowledge and skill building. At the same time, we learned that there is still little organized support.

“We need help securing some operational funding...and to review our soon-to-be business plan and help to evaluate it.”

Over a period of only a few months in 2011, 141 people from 105 organizations and community groups attended RSEP workshops in designated rural regions, and over 150 people were actively engaged in consultations on specific

rural social enterprise initiatives. Diverse organizations were represented including those focused on: economic development, agriculture, arts and recreation, health, local food tourism and food security.

³ The RSEP project followed an earlier pilot in 2010 with the United Way of Greater Simcoe and Eko Nomos supported by the federal Community Capacity Building Program through Nottawasaga Futures.

A significant percentage of workshop registrants (over 20%) had no prior knowledge of social enterprise, and just over 50% reported some knowledge. The majority rated all of their stakeholders (staff, directors, volunteers, participants) as needing significant development to become ready for social enterprise. Seventy percent (70%) of registrants had never received social enterprise support or technical assistance.

Here are some of the social enterprise supports RSEP participants said they need:

- Basic information on how social enterprise fits with organizations
- SE funding development
- Advice on how to bring boards and other political support on side
- Advice on business models, legal and tax issues
- Business idea development
- Issues related to human resources (HR) and staff development
- Feasibility and business planning
- Partnership development and building community support

"I am a relatively clean slate and would like to bring back more information to our members and staff about social enterprise generation to further concept development."

Clearly the RSEP only scratched the surface of these articulated needs.

The development path is not linear

The development path for nonprofit social enterprise is often not a simple linear process. It can take many months before an enterprise is conceived and launched and years before there is a significant social and/or financial return on an organization's investment.

Early stage development requires explorations of enterprise ideas and setting criteria for ideas that fit with the mandate and mission of the organization. At this early stage stakeholders consider their risk tolerance and commitments, their organizational readiness, and negotiate the time and resources necessary to move the enterprise ideas forward. Following stages require feasibility work and market research, and embedding the social enterprise development into organizational strategic plans. Later stages involve business planning, finding funds for start-up, operational and systems planning, and launching an enterprise. All of these activities occur simultaneously with the ongoing delivery of a nonprofit's mandated services.

"We need help choosing the right ideas for our organization as we have a lot of talent but a widespread in ages and energy as well as interest in the level of participation."

I've become more aware of the gaps in SE supports in rural areas. There is so much more work to be done to give rural SEs a level playing field with urban SEs." RSEP Partner

Through the RSEP we heard from rural community partners and participants that significant capacity-building is needed to instill the skills and culture necessary for social enterprise to succeed. Capacity-building should be hands on, paralleling the active steps in SE development, to successfully integrate new skills and knowledge into practice. Initial SE workshops are simply a "kick-start" – an opportunity for participants to learn the basic concepts and language of SE, and to share

experience with peers in the sector.

In some cases RSEP coaching took place over seven months. Even then more time and supports were needed for the groups to develop sufficient capacity to lead their own development process with confidence. In that time, volunteers and short term project staff came and went, as communities experienced crises and other priorities took precedence. In fact, RSEP consulting came to a halt in two rural communities during the project period. One remote First Nations community was evacuated due to a fire, and another southern community experienced a tornado.

Regional capacity for SE development needs co-ordination

In the regions where the RSEP took place, there was no single organization that provided social enterprise development supports. One or more community leaders or capacity-building organizations often play the role of linking nonprofits to the knowledge and expertise needed for social enterprise development at different stages. United Ways, Community Futures Corporations, private consultants, municipalities, and small business centres are a few potential sources of support or information. Some sector, industry-specific or provincial organizations such as

"We were surprised to learn of those currently working in the SE realm and those interested in starting a social enterprise." RSEP Partner

the Ontario Arts Council, the Ontario Co-operative Association, or the Canadian Community Economic Development Network (CCEDNet) can also provide information and resources.

Most RSEP partners expanded their own capacity for social enterprise support in their regions over the course of the project. Partners told us they increased their knowledge of social enterprise, learned more

"Funding and time to work on ideas suggested during discussions [are needed]. Securing the future of this program will take time to develop into a social enterprise."

about the level of interest and activity in social enterprise in their regions and about social enterprise resources and funding supports. Two partner organizations increased their level of investment in SE development.

“Our work won’t stop because the project ended. These groups will have ongoing needs we’ll have to address.” RSEP Partner

Staff and volunteer directors from regional partners participated in the RSEP workshops. Some were involved actively in the consultations, job-shadowing and working alongside the RSEP consultants. Those partners who were more engaged found that the RSEP built their knowledge and skills and created new opportunities for them to work with other community partners.

“Other than our own organization there are few supports for social enterprise in this region. A result of this project is that now others beyond ourselves are more aware of this fact and more likely to encourage funding for SE.” RSEP Partner

While a number of rural organizations play a role in supporting nonprofits with earned revenue strategies, there is a need for one or more key champions in a region who can co-ordinate and take a lead. CED organizations, United Ways or Community Futures Corporations appear to be best positioned to take up that role of “SE champion” in rural regions. Community Futures Development Corporations are an excellent source for business supports, but not all are familiar with or committed to working proactively with the nonprofit sector.

Organizational policy and Board direction can determine whether a rural resource group or a single nonprofit will be able to dedicate its time and resources to SE development. Making the case to free-up the needed time and resources to reach out to the nonprofit sector means adapting the language of SE supports to fit current policy priorities. Using such language as “nonprofit business development”, “business planning”, “earned revenue strategies”, “social entrepreneurship”, “marketing support”, “organizational development”, “job development”, “strategic planning” and even “community capacity building” – all aspects of SE development – can be helpful in selling social enterprise.

As a social enterprise develops, the needs of the nonprofit organizations and their staff and volunteers also change. The RSEP addressed the needs of some nonprofits at one point in time over a period of ten months. However their needs will continue to evolve and grow as the organizations integrate their learning and take action on their social enterprise development. Ongoing access to affordable SE supports that change and evolve along with the nonprofits and their entrepreneurial strategies is required in rural Ontario.

There is no one approach to regional SE development

It isn't feasible to expect that there will be one "cookie cutter" approach to building social enterprise development in rural Ontario. However, some features may be similar across locations. Each region we worked with through the RSEP had its own unique assets and challenges with respect to social enterprise development. Developers in the remote north were very enterprising yet needed access to tools and resources for distance coaching and funds for longer development periods. Other regions with highly-mobilized communities used community development strategies to identify integrated plans and respond to social enterprise ideas. Still others focused on the sustainability of charities and nonprofits and capacity-building of agency staff and leaders.

RSEP partner organizations, too, had their own approaches to working with the nonprofit sector and social enterprise. Some "incubated" social enterprises, using staff and organizational resources to actively engage in convening collaborations and supporting new enterprises from an early stage along a development path. Others were less proactive, yet did respond to requests for business development support.

Regardless of the approach, we discovered some key building blocks for an effective SE infrastructure in rural regions through our hands-on work and discussions with project participants, partners and CED practitioners in other regions⁴. These include:

- Stakeholder understanding of, and buy-in for, social enterprise investment
- Staff and board capacity building and training in SE and business development
- Development of an entrepreneurial culture
- Stories of effective SE practice and SE models
- Access to grants along the SE development path, early-stage through launch to operation and growth
- Specialist technical support and coaching
- Up-to-date information on legal and regulatory issues
- Asset mapping of organizations, sector, or region for SE ideas and capacities
- SE-positive policy at municipal, regional, provincial and federal government levels

⁴ Learnings from regional SE partnerships were shared and/or considered in the RSEP project, including: the Collaborative for Innovative Social Enterprise Development (CISED) in Ottawa, the Toronto Enterprise Fund, the Peel Social Enterprise Enabling Group, Pillar Nonprofit's SE program collaboration in London and Sarnia, ENP, and the Canadian Centre for Community Renewal's Development Wheel project. As well RSEP and CISED project representatives facilitated a workshop at the CCEDNet regional conference in June 2011 on SE infrastructure with participants from across Ontario and Manitoba.

Social enterprise can benefit from municipal support

Local rural governments can be influential in supporting or actively engaging in nonprofit social enterprise development. While some county and municipal staff and politicians attended the RSEP workshops, and expressed interest in knowing more about social enterprise, these were the exception - not the norm.

As the level of government closest to rural nonprofits and communities, local governments can play a key role in the support of SE and the rural nonprofit sector. Some areas of assistance include: financial support; in-kind support; planning, research, advising; human and social capital development; land use; and procurement⁵.

Many rural municipalities are already actively involved in the social economy, including efforts in neighbourhood and town revitalization, agri and food tourism, the arts, small business/entrepreneurship, and local renewable energy initiatives. Yet these efforts are often not integrated within a larger vision and policy to support the nonprofit sector and community-based economic development.

There is significant work to do to inform and engage this stakeholder group in the SE sector in rural Ontario. One important step will be to identify champions and effective practices where local governments have contributed to social enterprise in the rural nonprofit sector, and share these stories within the system to move things forward. Examples from cities, as well as other rural constituencies, can also be instructive. The work of urban social enterprise consortia where municipalities are active players include the Toronto Enterprise Fund and the Collaborative for Innovative Social Enterprise Development (CISED) in Ottawa.

Huron Business Development Corporation (HBDC), one of the RSEP partners, has been active in developing local government investment in economic development. Ten years ago the HBDC, as a strategic direction, worked to educate County Council about their potential role in economic development. Their strategy was to engage County Council by inviting a county council member to sit on the HBDC Board. Through this relationship both organizations benefited by learning about the key investments were being made by both organizations.

In 2007 HBDC and County Council collaboratively engaged in an economic development strategy called Huron Economic Development Matters. One key result of that work was that both organizations decided to form a joint committee of HBDC and County Council that would focus on economic development within Huron County. This collaborative committee now has a strategic economic development plan and investment strategy. In 2012 this structure was formalized and is now part of the organizational structure of both the HBDC and County Council. These strategic partnerships have created a context where a number of social enterprises are flourishing in Huron County as initiatives that have been jointly incubated by these two partners.

Some examples of social enterprises that have benefited from this collaborative working relationship include:

The Huron Good Food Box
<http://www.huroncounty.ca/health/food/gfb.php>

Above the Falls
<http://www.abovethefalls.com/>

Gateway Rural Health Research Institute
<http://www.gatewayresearch.ca/HealthKick>

<http://www.healthkickhuron.ca/>

⁵ Municipal Government Support of the Social Economy, A BC Alberta Social Economy Research Alliance (BALTA) presentation, Jenny Kain and Emma Sharkey, 2009.

The Centre for Employment and Learning (CEL) in Stratford is owned and operated by the Avon Maitland District School Board and provides a variety of adult and continuing education programs, including fee for service educational and training opportunities for employers. The CEL recently launched a unique program to link individuals' employment outcomes with employer needs through their Practice Firm project.

PF Solutions Perth-Huron is a virtual company that will provide a potent learning environment for recent graduates and young adults to link to the workforce through experiential learning and skill development. Practice firms are realistic simulations of a business and its administrative functions. Partners with CEL include the United Way Perth-Huron, the Stratford Perth Centre for Business and consulting via the Avonova technology group. McNain Communications near Mitchell is the program's mentor firm. The practice firm uses McNain's logo, product lists and pricing.

Participants in PF Solutions will experience all of the actual tasks they would in a regular business with a hands-on learning by doing approach to provide them with experience to move on to "real" jobs in addition to weekly workshops and job search. The free program runs daily for 8-12 weeks with the goal that participants secure employment during that period.

CEL is also exploring the development of a new social enterprise; that is, a working business owned by the School Board that will provide additional job training opportunities for those who are disconnected from the workforce, while providing fee based services to the business community in the surrounding county.

In fact, rural municipalities are not unfamiliar with operating enterprises themselves, from fee for service recreation facilities and arenas to electric and phone companies, and the many First Nations band-owned

businesses. While RSEP was focused on enterprising nonprofits, we did encounter at least one school board engaged in enterprises to train and employ marginalized youth and adults. More research could be done to collect stories of these

experiences in the interests of engaging municipal government support for ongoing SE capacity building and development.

"It is wise to take the time to answer some difficult questions. Everyone needs to get on the same page or at least everyone knows what page everyone else is on so we can catch up!"

Collaboration adds complexity

Increasingly, nonprofits and community groups are joining together to address local issues and to sustain impact and program delivery. Some of the initiatives that received coaching through the RSEP were complex collaboratives that involved government departments, nonprofits from various subsectors, such as health, arts, social justice, as well as farmers and private entrepreneurs.

"The most important part was showing that we were not ready to work on a joint social enterprise project."

Collaborative SE initiatives engaged multiple partners excited to work together to achieve something important for their communities. Social enterprise or earned revenue schemes were considered as a strategy to sustain the collaborative initiative; these included local food, health, transportation and arts-based projects.

As keen as the partners were, there was confusion about roles, accountabilities, decision-making, and ownership. Most of the collaborative initiatives we encountered lacked formal

collaboration agreements. In this context, the SE support required included facilitation of relationships, and organizational development, for example sustainability planning, as well as business development support.

With limited resources and without clear agreement or protocols, some partnerships ran into problems during the RSEP project timeframe. Conflict can easily arise when rural nonprofits compete for scant resources to stay afloat, and individuals working in and through rural nonprofits are pressed to sustain their own jobs.

Social enterprise creating employment

In rural areas, there are many talented people who are underemployed or unemployed. Sustainable livelihoods can be difficult to achieve. For some social enterprise may be an opportunity to create or sustain work and a livelihood in their rural community.

Through the RSEP project we expected to encounter more employment support nonprofits interested in developing social enterprises to train or employ marginalized folks. In fact, very few employment-related nonprofits took advantage of the RSEP workshops and consulting support. This may have been due to insufficient promotion or the recent reorganization of the employment development sector in Ontario.

Rather, we discovered what might be a uniquely rural need; that is, underemployed or unemployed persons with significant employment assets and skills seeking out social enterprise as a strategy to create or retain their own employment. This included talented artisans or seasonal employees as well as knowledge workers who returned to rural from the city for a healthier lifestyle, yet have been unable to secure a livelihood. Some of these people are already involved in project work or as volunteers with rural nonprofits.

Engaging the “lone eagles” (knowledge workers with highly transportable skills) and other talented, underemployed persons in rural areas in social enterprise is one way to leverage their assets for the community while providing them with more sustainable livelihoods. The Foundation for Rural Living’s Rural Development Officer program⁶ also worked to match unemployed people with rural nonprofits to address resource development gaps.

⁶ FRL designed and delivered the Rural Development Officer (RDO) Program from October 2008 to February 2012, with support from the RBC Foundation and the Ministry of Employment, Training, Colleges and Universities, linked unemployed persons with work placements in rural non-profit, charitable and community-based organizations to help build the organization’s human and resource capacity.

Social Enterprise Trends and Ideas

We had an opportunity through the RSEP project to learn more about trends and needs related to social enterprise development in rural areas. Following are some key trends we identified.

Food System Social Enterprises

The local food movement is a major and growing force in both rural and urban communities today. We were not surprised, then, to find several food-related projects that are exploring social enterprise strategies for sustainability. These represented over 20% of those we coached through the RSEP.

Many local food initiatives are collaboratives that combine the interests of farmers, food security and anti-poverty activists, municipal economic development and tourism staff, food businesses, and health-related organizations. Given this diversity of interests, our work focused on building capacity and structures for effective collaboration, in addition to dealing with questions of ownership, membership modeling and sustainability.

There is much more work to do to support initiatives in this growing movement. Peer sharing and exploration of common and tested models across urban and rural zones will be an important component of the work going forward.

Co-operatives

Several opportunities for co-operative development emerged through the RSEP project outreach. These ranged from a First Nations artisans co-operative, to a food distribution co-op, to the potential conversion of a private health-related business to a worker co-operative. In most cases the co-op model was not well enough understood for the host group to feel confident in leading its development.

The Guelph Wellington Local Food (GWLF) program envisions "a community of rural and urban neighbours committed to growing one of the most vibrant, local food economies and food tourism regions in Ontario". GWLF has provided leadership and played a strong networking and facilitator role for the regional food system since 2005. Among the 120 collaborators in the initiative are farmers and farm organizations, restaurant and hotel operators, food processors, municipal tourism and economic development staff, the Community Health Centre, food security groups, OMAFRA, the Wellington Waterloo Community Futures, and many others.

GWLF is supported through in kind contributions, project grants, as well as earned revenue from Partnership and user fees. Guelph Community Health Centre has played a key role as project manager and steward for external grants. The innovative programs that have resulted include the production of an annual local food map, many annual events such as the Source it Here networking event for businesses, Farmalicious, a community culinary event, the Local Food Fest and the Wellington Rural Romp. Central to the promotion of this work is the "taste real" brand initiative.

With an ambitious mandate, demanding on the ground activities, and diverse stakeholders, GWLF is considering how to ensure their sustainability. Organizational by laws have been drafted. Earned revenue and partnership fees will be a significant part of their economic model. A business plan is in development and the steering group is currently exploring the sustainability options to carry their work forward.

(<http://www.guelphwellingtonlocalfood.ca>

and www.tastereal.ca)

Existing since 1792, Agricultural Societies could be the oldest social enterprises in Ontario. Fairs and exhibitions attract millions of visitors to over 200 communities each year, upholding their mandate of promoting agriculture and rural life.

Like most charities and nonprofits, Agricultural Societies are having to find new ways to generate funds to support their programs as competition for corporate and government funding increases. Many Agricultural Societies bring in funds additional to their fair revenue through catering, facility rentals, farmers' markets and other such ventures.

The Erin Agricultural Society (EAS) was established in 1850. Their Fall Fair is known as "Ontario's Preview to the Royal [Agricultural Winter Fair]" because so many winners from Erin also go on to win at the Royal. An estimated 25,000 people attended the Erin Fall Fair in 2011.

EAS has been using Facebook as a tool to market the fair for the past few years. Over 1000 people have "liked" the page and receive EAS Fall Fair updates on their walls. Volunteers monitor the page constantly and quickly respond to any inquiries that are posted. The Facebook page is also used for getting feedback from patrons.

This year EAS used Survey Monkey software successfully to gather information on the feasibility of hosting a farmers' market at the fairgrounds. Both consumers and producers were polled, by posting the survey link to the Society's website and Facebook page.

RSEP workshops and consulting helped groups to explore the fit and the possibilities of this social enterprise model. However the timing and resources were not sufficient to support a full co-operative development process. Linkages were made to the Ontario Co-operative Association to connect groups with additional co-operative development resources.

Use of Internet

Several groups we consulted with are exploring the use of the internet and social media to access markets regionally and further afield.

Rural organizations do not usually benefit from large markets that urban nonprofits have access to. To capture markets further afield, one rural enterprise we consulted with uses Skype to provide coaching sessions as far away as western Canada and Australia. Other initiatives explored the use of websites and internet-based software for ticket sales and for the management of food distributions systems. An agricultural initiative uses Facebook to link nearby urban markets to its annual fair and do market research on new initiatives.

In the far north, use of the internet over distance is imperative for communication and key to accessing social enterprise supports.

Replication of SE models

Rural nonprofits are looking for successful models to adopt or adapt to their context, as well as lessons on sustainability from other jurisdictions.

"Our rural communities are resilient. But we have much to learn from other jurisdictions about how to effectively use social enterprise as a means to ensuring prosperous and sustainable rural communities."

Through RSEP we learned that urban social innovation initiatives and social enterprises are being replicated in rural settings, including models such as: the Centre for Social Innovation, The STOP community food centre, The Good Food Box, and Habitat for Humanity. Rural community leaders are exploring how social enterprise strategies can help

Willow Springs was purchased by four social entrepreneurs in 2002 as an Artisan Gift Store and Studio. Then in 2006 the business evolved into an incorporated nonprofit organization, Willow Springs Creative Centre.

Willow Springs Creative Centre now operates as a social enterprise that develops and delivers in-house and mobile creative expression and therapeutic gardening programs to organizations, social service groups, schools and the general public. Located in Kaministiquia, 33 kilometers from Thunder Bay and serving Northwestern Ontario, they are inspired by nature, the power of creativity and the strength of people coming together to make a difference.

The store, which retains many of its original fixtures and character, continues to provide meeting and retail space. Willow Springs operates as a community arts hub with many partners and a number of programs. The centre offers arts programs, creative life skills, and garden development using horticultural therapy for diverse groups including participants in The John Howard Society of Thunder Bay's Remote Aboriginal Intervention Program.

Willow Springs is a diverse organization that is well integrated into the community. Staff and board are considering new venture criteria for assessing the revenue generating potential of 15 on-going activities so they can focus their attention on areas with the greatest potential. They are also working on orienting their team to the business planning so that they can begin to develop their plan for organizational sustainability.

<http://willowsprings.ca/index.html>

to financially sustain these initiatives post-replication, and apply their unique rural assets to evolve the models.

There appears to be little reverse exchange of innovative rural models that may be replicable in urban locations.

Social Entrepreneurship

Many of the participants in the RSEP workshops could be classified as social entrepreneurs. They have started up nonprofit or charitable initiatives, as well as private businesses with social bottom lines in their rural regions. In rural areas, some of these innovators and leaders “wear many hats” and share their skills across several community-based organizations.

With our RSEP consultants, three social entrepreneurs who currently own private enterprises explored the possibility of transferring ownership and control over to a nonprofit and to the broader rural community.

“The Ontario Trillium Foundation’s study, “Small Towns: Big Impact” identified the current mismatch between skills/education and job opportunities, along with a need for diversification in local economies as critical factors effecting the sustainability of rural communities. Social enterprise is one way to address these concerns by bolstering local leadership through social venture development.”

Rurality and Social Enterprise

The RSEP focused on the specific needs of rural nonprofits in exploring and realizing their earned revenue and SE ideas. Throughout the project we continually asked what, if anything, made rural social enterprise development different from that in urban settings. In this report we’ve noted several areas that may warrant further discovery and research about rurality and social enterprise. These are:

- Creative use of rural assets such as land, farming, cultural and geographic attractions in social enterprise development
- Lack of targeted investment in rural nonprofits and rural social enterprise development specifically relative to needs and opportunities
- Rural distances and geography that challenge community leaders in trying to come together for lengthy or complex development processes, sometimes leading to development innovations
- Weather that can significantly affect daily living in communities and divert attention away from SE development
- Lack of access to larger customer markets and, conversely, captive or friendly markets for some social enterprises in rural communities
- Dependence on volunteerism in the rural nonprofit sector and high engagement of volunteers in social enterprise development
- Collaborations among diverse stakeholders especially in complex community issues, e.g. food security, access to health services, and willingness or predisposition to collaborate to make best use of resources
- Use of web-based strategies to reach out to broader markets or SE resources beyond rural localities
- Potential for formal co-operative social enterprises

“Community events [across the north] have shown a frustration with a global economy that favours large urban centres and a strong interest in exploring alternative models for sustainable local economic development that also promote the values of inclusive and vibrant small community life.”

- Use of social enterprise to create or retain temporary or contract jobs for underemployed rural residents
- Less-expressed interest in training and employment social enterprises for very marginalized groups
- Replication of SE ideas from urban to rural settings

This list of issues is based on observation rather than being evidence-based; it is also by no means exhaustive. However it does point to ample opportunities for further research that could contribute significantly to the development of the larger social enterprise sector.

Looking Forward

Social enterprise will continue to be an important strategy for the sustainability of rural communities and rural nonprofits. Even with the significant track record of rural social enterprise, there is still a pressing need to catalyze rural networks and supports for accessible social enterprise programming.

The RSEP project has begun to foster links between rural stakeholders and the larger nonprofit, social enterprise and CED sectors. Project partners have connected with the Ontario Nonprofit Network, the Canadian Community Economic Development Network, and many other stakeholders to begin conversations on strategies for moving the sector forward. These strategies are focused on SE capacity building and knowledge transfer as well as regional SE infrastructure development and developing rural/urban linkages.

Our vision for the future of social enterprise in rural Ontario includes the following:

“Social enterprises are emerging as a capital market for CFDCs to provide patient capital loans of up to \$150,000 as well as business counseling support for social entrepreneurs.”

“If we want to support our rural nonprofits and social entrepreneurs to help develop jobs and build resilience and sustainability a lot more needs to be done.”

- Trained local capacity-builders and student interns
- Engagement of colleges and universities, funders, and regional capacity builders as partners in SE development
 - Collaborative stakeholders round tables and greater regional investment in SE with rural nonprofits
 - Access to funding and approaches such as the ENP program across more rural regions
 - Easily accessible and relevant SE resources, technical assistance and supports
- Dedicated research on rural social enterprise
- Peer exchanges among rural social enterprises
- Linkages between rural and urban social enterprise practitioners and leaders and sharing of effective practices and great ideas
- Replication and adaptation of workable models across regions including rural/urban, and
- A stronger voice for rural nonprofits within the larger social enterprise sector.

We welcome input from, and collaboration with, like-minded groups to make this happen!

RSEP Quick Facts

Project Time Frame

November 2010 – November 2011

Targeted Regions

Huron, Perth, Thunder Bay and region, Wellington-Waterloo

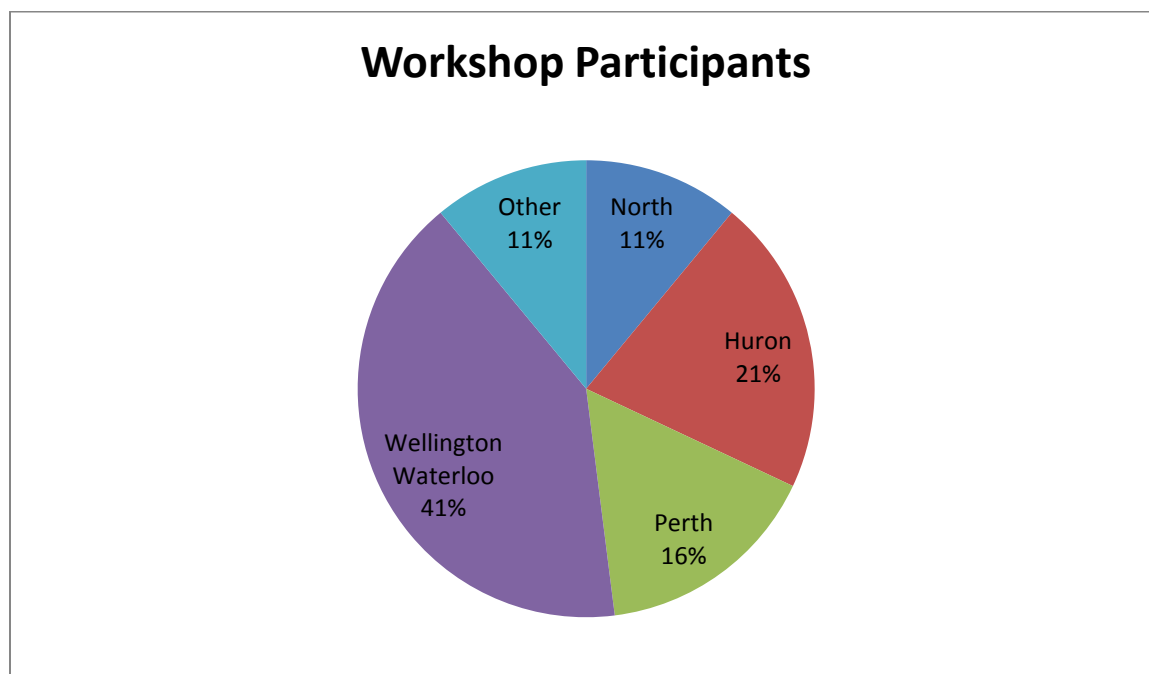
Social Enterprise Workshops

Number of workshops held

Total: 6 Primer Workshops, 4 Feasibility Workshops, 3 Webinars

Number of people attending workshops

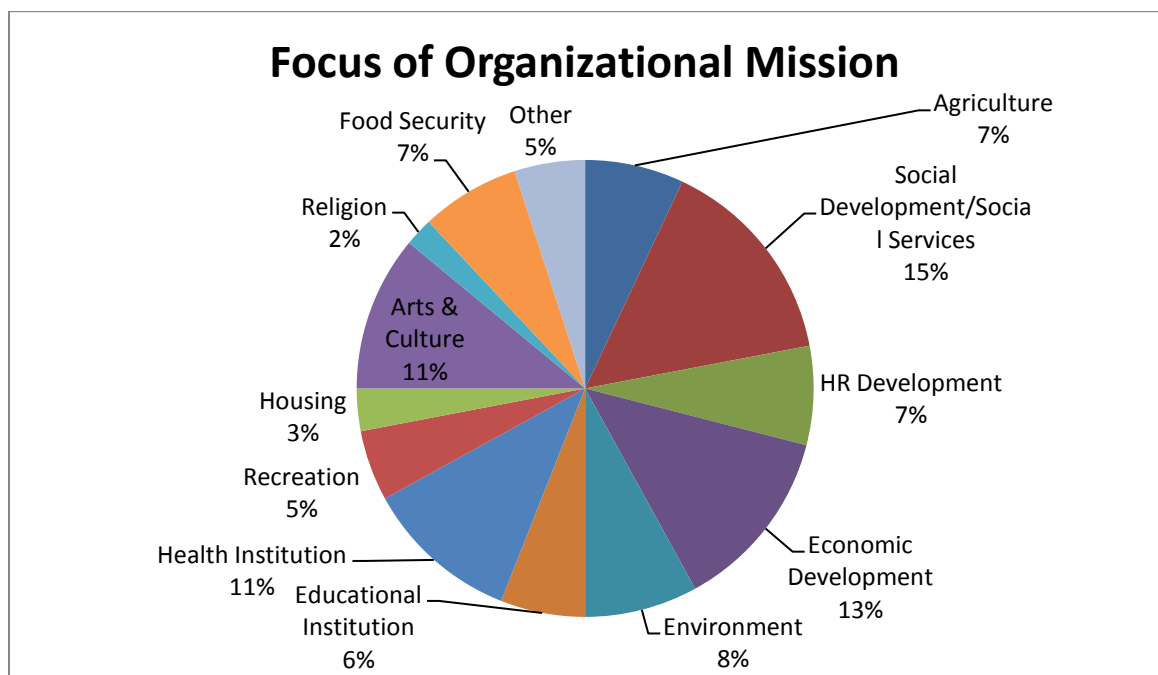
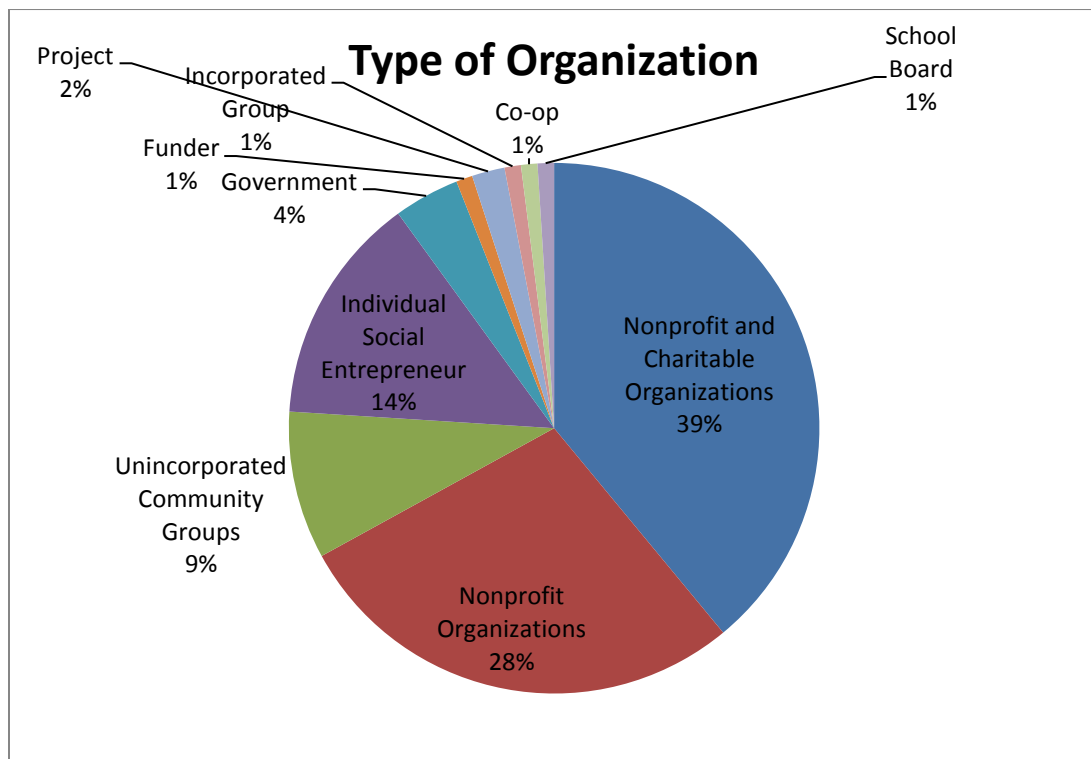
Total – 141



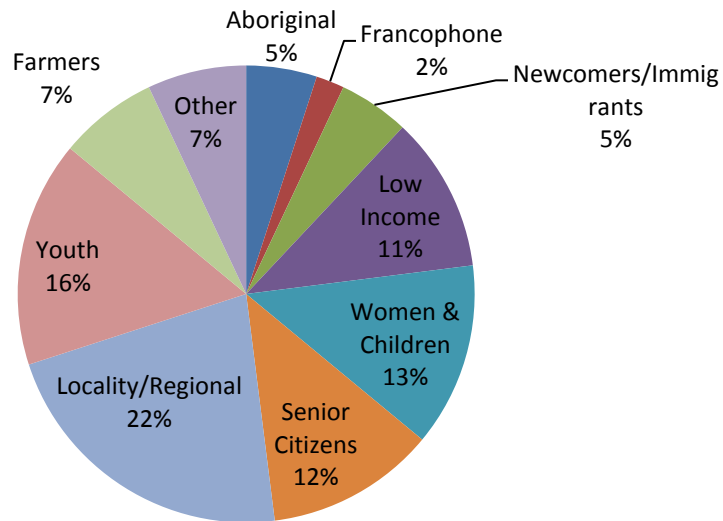
Number of organizations represented at workshops

105

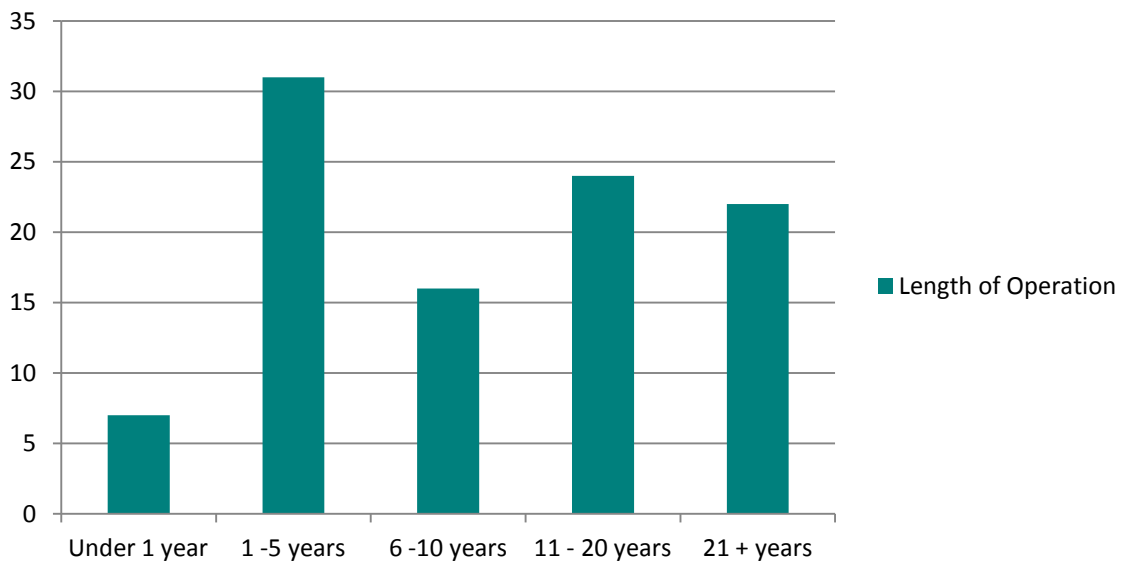
Profile of workshop registrants

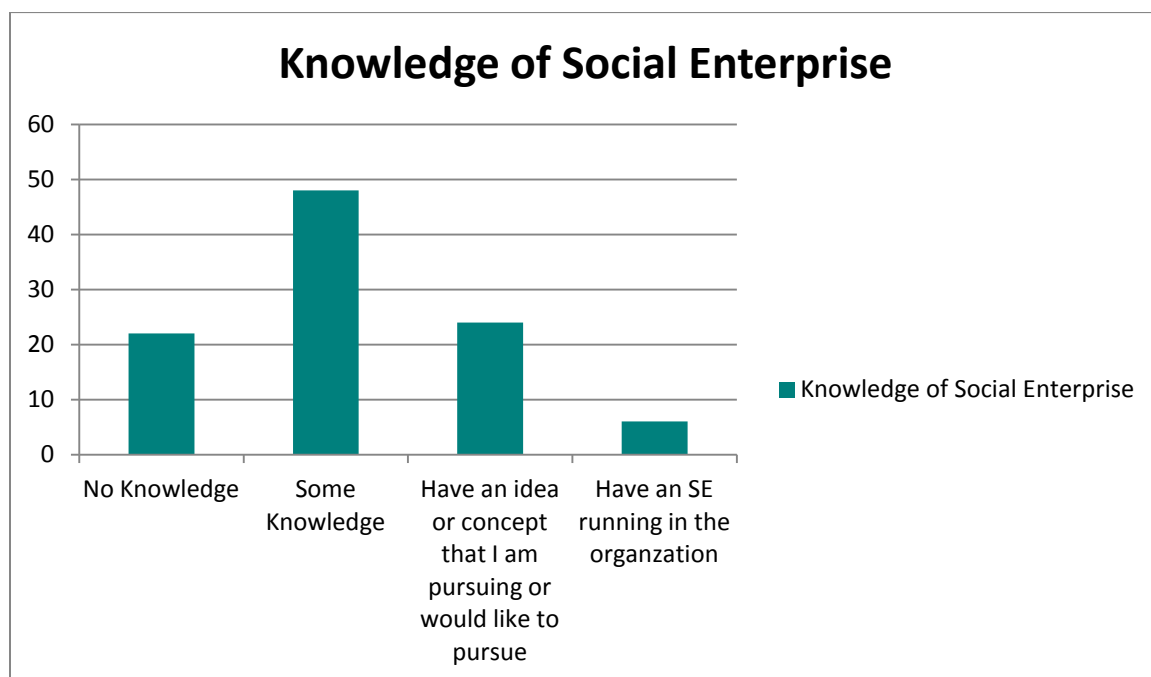
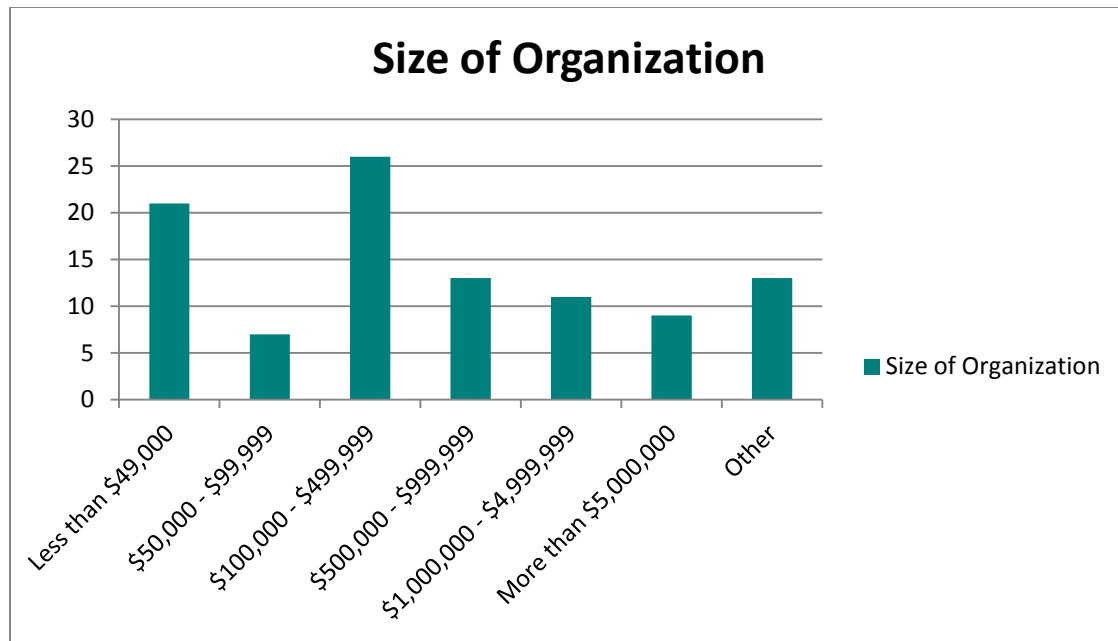


Target Groups Addressed by Organizations

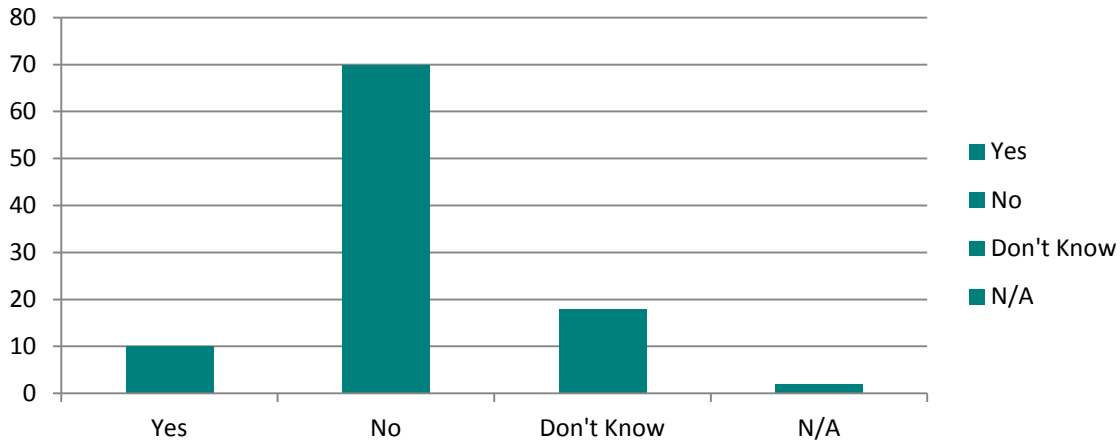


Length of Operation





Have you or your group received social enterprise development supports or consulting services in the recent past?

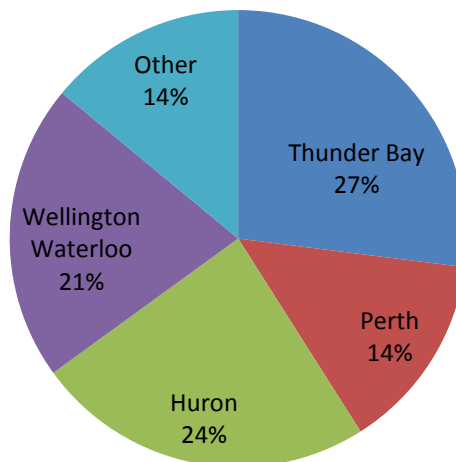


SE Consultations and Coaching

Number of organizations receiving consultation

37

% Representation



Number of people participating in consultations

153

Average number of hours consulting provided

12 hours/organization

