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3. CORE ACTIVITIES OF THE SOCIAL ENTERPRISE

3.1. Background

Starting and running an enterprise includes ongoing learning about the end users (beneficiaries and commercial customers) and new possibilities to build a better product or service. This module will provide the answer to the often asked question: what does your organization do? Module 3 will show the most important activities and actions that help create and deliver value to the targeted social group. You will indicate which of them are key to creating and offering customers value propositions. As with resources, the type of key activities closely depends on the nature of the enterprise.

It will be very important to look back on module 1 and identified beneficiary needs, but also to understand your commercial customers needs (these two groups are often very different for social enterprises). It is crucial to know which of the Problems or Needs that you identified in module 1 are you fulfilling and what is unique about your proposed value. If you're focused on a particular target group, this will mean maintaining superior expertise on the segment(s) and creating or acquiring products and services that are a good fit. That is why you will need to concentrate on one specific target group.

Channels are the ways we deliver our value proposition to the customer. These are communication, distribution and sales channels. No matter how creative or attractive are our core activities, we need to plan their effective delivery to the market.

3.2. Module objectives

- Identifying core activities of the social enterprise (what do we do?)
- Creating a clear value added for beneficiaries
- Creating a clear value added for customers
- Mapping customer segments, their needs and expectations
- Developing the unique selling proposition (USP)
- Identifying direct and indirect competitors
- Mapping the macroeconomic environment of the social enterprise and its potential influences
- Planning distribution channels

3.3. Materials

- Introductory case study on Ambrose
- Presentation slides
- Discussion questions

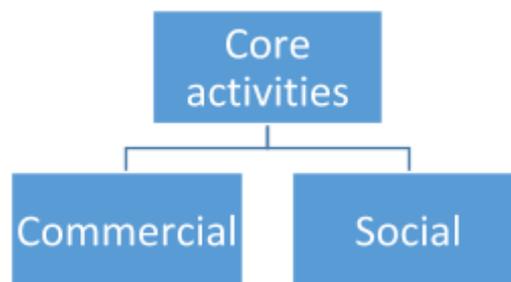


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- Beneficiary Canvas for Social Enterprises
- Customer Canvas for Social Enterprises
- Suggested tools for students to use
- Helpful links

3.4. Module content

Work with the two canvases to define your core activities.



Social context:

What will change for the social group? What do we want to do for them? What will be the program they will participate in? What value will our activities present to the target beneficiaries?

Commercial context:

Logistics! How will we obtain resources? How will the production look like? Who will be the target customers? How will we transport our goods to the market? What communication channels will we activate?

3.5. Useful links

<https://www.youtube.com/watch?v=WoGRGY9icaM>



inspire

CORE ACTIVITIES OF THE SOCIAL ENTERPRISE

1 Objectives and background

2 Case study Ambrose

3 Useful questions

4 Commercial and social core activities

5 Useful links

Objectives and background

Module 3 will show the most important activities and actions that help create and deliver value to the targeted social group and to your commercial customers. You will define which activities are key to creating and offering a competitive value proposition.

This module will provide the answer to the often asked question:
what does your organization do?

Module 3 also helps to plan how will your products and services be delivered to the market in terms of communication and distribution channels.

Case study Ambrose



Case study Ambrose - discussion questions

- Who are Ambrose social beneficiaries? What are their needs?
- Who are Ambrose commercial customers? What are they looking for?
- What does Ambrose do - what are its core activities: for the beneficiaries and for commercial customers?
- What value do they provide for their beneficiaries?
- What value do they provide for commercial target customers?
- Is there a synergy between their activities or not?
- What other alternative business models can Ambrose adapt to blend the social mission with its commercial activity?

Useful questions

- What do we want to deliver for the chosen social group?
- Are our beneficiaries also our commercial customers or are these two groups completely different?
- Who will be your customers?
- How will we sell our products/services to in order to generate income?
- How will you reach out and inform your beneficiaries?
- How will you communicate with commercial customers?
- What distribution or sales issues do you need to plan?

CORE ACTIVITIES



COMMERCIAL



SOCIAL



You will receive a worksheet of a Social Model Canvas to work on.

- <https://www.youtube.com/watch?v=WoGRGY9icaM>

Ambrose: Michigan State, USA



Adam and Anna met at the end of college, where they studied arts and design. They wanted to start their own business but they were also interested in social work and helping local communities. The main idea was to combine their passion for art and interest in social work with creating a company. Their goal was to use their talents and expertise to contribute to the situation of underprivileged youth in the US, mostly high school drop outs, who cannot afford higher education nor have skills to be employed. Both of them were graphic designers, so a natural direction was to fund a business organization connected with graphic design. This is how Ambrose, a successful printing company from Michigan, began its history.

In 2008 they entered the screen printing industry as designers and change-agents. Their aim was to fund an after school art and design program. It was altruism that started their efforts, but soon they became successful socially minded entrepreneurs.

They started a designer printing shop with very original designs and prints (often designed just for the customer) on T-shirts, bags and other fabric products. Overtime, the company was able to expand services, create a product line, open a retail space and fund the after school program for kids. The beginnings were hard, but with time, after working many hours, they gradually started training young people with no perspectives in design and printing. These young people were first able to do easy jobs, but with time their skills increased and the high schoolers could contribute to the production process. Their experience with Ambrose enabled them to develop

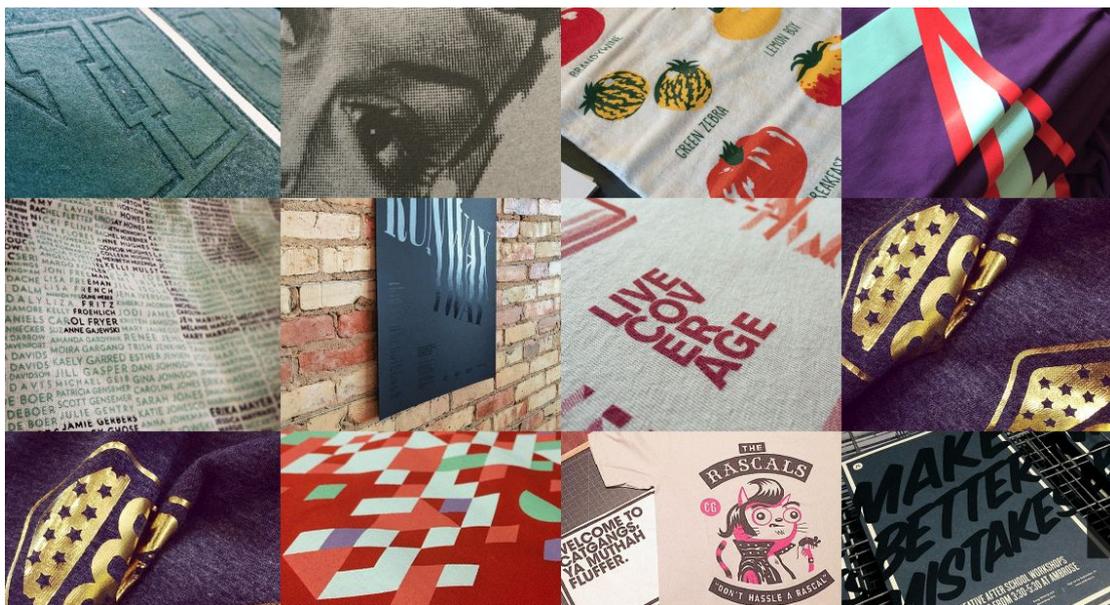


new skills, gain confidence, new friends, self-esteem and employability, as well as to make beneficial decisions early on.

Ambrose delivered very high quality products and slowly became recognized as a local provider of excellent printing services. Their original logos created for a few local companies brought great feedback, and led to printing these cool designs on employee T-shirts. But not only their professionalism, reliability and creativity were their main competitive advantage, but the story standing behind their business and their contribution to the

society. Their products are extremely powerful because of the impact, that they make, not only of the beautiful designs of t-shirts, bags etc.

After six months Ambrose already had a running internship program and Adam and Anna started having new ideas on how to expand the organization. The founders wanted to provide more growth opportunities for their interns. Adam along with some friends made a prototype of a mobile printing machine, which could be taken out to the streets. This allowed their most experienced interns to show their skills outside of the shop. This mobile printing machine enabled them to print out T-shirts in any part of the city, in public spaces, schools or community centers. It became very popular among the locals and tourists in nearby Grand Rapids. Ambrose interns had an opportunity for exposure and making some money of their own.

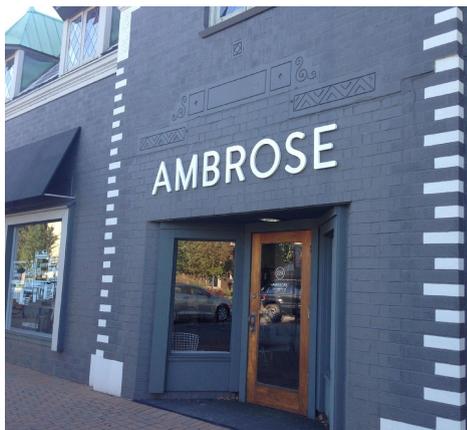


As a results of that first season of mobile printing cart, Ambrose gained recognition in Grand Rapids. This was a time for the next step. Ambrose sought partnership with West Michigan Center for Arts and Technology, a non-profit organization from Grand Rapids that provides creative after school programming for teens. While Ambrose was looking to expand further, WMCAT wanted a way to keep their alumni connected to their programming post-graduation. The two joined forces and merged in 2015. Whe the cooperation started, Ambrose moved the location to Grand Rapids, a large city, just 40 km from Holland. Their new venue was much larger. This was a huge step, which brought new possibilities and opportunities. Their social activities expanded along with many new orders coming in.

In 2015, the first group of Ambrose apprentices began and it consisted of alumni of WMCAT's Teen Arts and Tech Program, ranging from ages 18-20. They work from 10-30 hours each week and are involved in every aspect of the company: developing production schedules, creating product, customer service, ordering blank goods, social media and marketing management. All the apprentices were given a course in business acumen, including the business model canvas. Both legs of their business, the social support for teens and commercial orders doubled in a short time. Their community recognition grew which resulted in companies and individuals wanting to work with them on different projects. The founders increased employment.



The program teaches young people how to bring products to life, work together as a team and the importance of engaging in meaningful business practices. It gives skills and competencies that will be beneficial to them in the long term.



With support from friends and family, the company is on the market for 10 years now. Today, Ambrose is a non-profit venture of the West Michigan Center for Arts and Technology in the heart of Grand Rapids. With a mission of creating a culture of opportunity for people to make social and economic progress. "We entered the screen printing industry eight years ago as designers and change-agents. Altruism fueled our early efforts, but our attention to detail, competitive pricing, and commitment to our customers has kept us on the market".

Ambrose provides meaningful employment, entrepreneurial practice, and life coaching to urban teens as they pursue post-secondary education. Yet they want to be known as the best design and printing company in the region. "We want people to pick us because we are the best, not because we help out the society" admits Anna. This proved to be a very wise attitude. Their customers value the high quality, personalized designs and outstanding service.

