

Toolkit for social enterprise

Starting a Social Enterprise

CHECKLIST

Set out on the right foot and get ready to make sustainable impact!

Use this tool to:

1. Understand what might be needed to start your social enterprise.
2. Understand your starting up business obligations.
3. Understand how to start thinking about impact and how it fits in.
4. Understand who can help, and where they are.

How to use this tool

This tool is a checklist designed for you to work through and learn what there is to consider when starting up a social enterprise. Social enterprises need to balance both a business model and business obligations, and what we call an impact model and their community obligations, in order to be sustainable over the long term.

You can work through the checklist in any order you like, but we recommend doing each section in order (develop your idea, create your plan, get going).

Please note this tool does not cover any and all compliance required for small business management. Please check business.govt.nz for any additional information.

Definitions used in this tool

Social enterprise	A purpose-driven business that trades to deliver positive social, cultural and environmental impact.
Impact	The positive social, cultural and/or environmental change delivered by a social enterprise supplier when a buyer purchases a product or service from them (Social Procurement).
Impact Model	A visual representation of the logic of how an activity will lead to social or environmental change. The framework identifies the intended causal links between activities, and outcomes over a length of time. Also called theory of change, impact logic model, programme logic, programme theory, causal model, outcomes hierarchy, results chain, or intervention logic.

Checklist

Developing your idea

Category	Check	Things to do
<input type="checkbox"/> Research your impact	<p>Make sure you understand the system you are working in. Who is already out there? Who could you partner with? Is the opportunity what you think it is? What could happen if you intervene, either positive or negative.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Attend local relevant networking events or online webinars. <input type="checkbox"/> Reach out to your local social enterprise champion for a coffee. <input type="checkbox"/> Complete an online course for spotting opportunities. <input type="checkbox"/> Talk to those working in the same area who are willing to share.
<input type="checkbox"/> Research your market	<p>Who are your competitors for your product or service idea? What do you think is the market size and opportunity?</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Attend local relevant networking events or online webinars. <input type="checkbox"/> Do some desk research (articles, data and books) <input type="checkbox"/> Create a competitor analysis and see if there is a gap for you to fill.



Creating your plan

Category	Check	Things to do
<input type="checkbox"/>	Purpose	Explore your organisation's primary purpose. Is it social, cultural and/or environmental mission that provides a public or community benefit? This statement may be included in your governing documentation.
<input type="checkbox"/>	Method of impact delivery	<p>Decide how you will deliver impact, depending on how close you are to the opportunity or what your business model already looks like. Consider one or more ideas from here:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Profit Generator Do you plan to generate surplus cash through selling a product or service and direct it towards your chosen impact area? This could be through your organisation or by making a donation to an existing charity. E.g 27 seconds, Thankyou <input type="checkbox"/> Employment Access Do you plan to provide employment to individuals who may otherwise struggle to access employment? E.g. Nisa, DINE Academy <input type="checkbox"/> Product/Service Do you plan to create impact directly through providing a product or service? You could provide a product or service that would otherwise be unaffordable or inaccessible thereby increasing equity. In other cases the product or service directly contributes to creating an impact. E.g. Eat My Lunch, Butterbean Motivation
<input type="checkbox"/>	Impact model	Try articulating the way impact is or will be delivered through your social enterprise using our Impact Model Canvas. It is important to have an impact model that shows your activities and how these logically link to the outcomes and impact you seek over time. An impact model adds credibility and consistency to what you do. Update your canvas as you work on your business.

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- Business model Use the [Social Lean Canvas](#) template to get your business model on one page. It will highlight the assumptions you'll need to validate, and enable you to start crunching the numbers and making sure you can achieve impact. Update your canvas as you work on your business.

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- Validate your idea We recommend using the 'lean' methodology which enables you to work fast and test your assumptions in a cheap way. [See here](#) for further information. It's important to work closely with those you are wanting to create an impact for.

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- Check regulation Look into regulations that may affect the industry you plan to enter. This could involve employment, manufacturing, health and safety, food safety. [See here](#) for further information.

Get going!

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- Team Build robust governance and a skilled team around you. This could take many forms, such as an advisory board, mentors, a diverse team with the business skills or impact skills necessary to deliver meaningful impact and sustainable revenue.

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- Business structure What legal structure will work best for you? Understand why you are starting a social enterprise, and weigh up the pros and cons of each option. If you need to, get professional advice from a lawyer and accountant on your decision. [See here](#) for further information.

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- Charitable Status In some cases, social enterprises will register a charitable status along with their business structure. As with a business structure, it's important to consider if this will help or hinder your ability to deliver impact. If you need to, get professional advice from a lawyer and accountant on your decision. [See here](#) for some benefits and obligations for registered charities.
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| <input type="checkbox"/> | Choose a business name | If you've decided to register as a company, use Onecheck to see if your company name is available across web, companies register and trademarks. |
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| <input type="checkbox"/> | Register your business | Register your company at the Companies Register , you can register for GST at the same time, which you will need to do if you earn over \$60,000 in revenue in one year. |
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| <input type="checkbox"/> | Register for charitable status | If applicable, register your charity at Charities Services . They also provide information on what you need to be able to register such as purpose, and trust deeds. |
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| <input type="checkbox"/> | Report your impact | Consider how you will report on your impact. This demonstrates commitment to your purpose, and provides transparency of your impact to others. Use your impact plan as a starting point. |
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| <input type="checkbox"/> | Set up bank accounts | Set up relevant bank accounts. Some banks have packages available for start-up businesses. See your local branch for advice on this. |
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| <input type="checkbox"/> | Accreditations, memberships and licences | Gain the accreditations, certifications, licences and memberships that may be beneficial for the industry you operate in and for your product/service. This may or may not be different to industry regulation. |
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| <input type="checkbox"/> | Insurance | Talk to an insurance broker and ensure you have any relevant cover you need. |
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| <input type="checkbox"/> | Line up ongoing support | Business mentoring and advisory services are widely available. See here for further information. |
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This guide was created as part of The Impact Initiative.

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