

# 8 Strategies That Businesses Can Use To Become Social Enterprises

This strategy brief examines how a business can integrate elements of a social enterprise into its thinking and operations. This also shows how it is possible to adapt one's legal form to introduce social enterprise elements. See link to full article at bottom of page.

Businesses must realize that there are many different ways to have a social impact that don't involve giving to charity. The strategies below will help you to integrate a higher purpose into your core business practices. Apply some of these ideas and your business would have started the journey to become a social enterprise and change the world.

- 1. Define your purpose.** Your business can define its purpose in social terms, as opposed to simply setting financial targets or aiming to capture a certain market share. This will help to engage people around your strategy.
- 2. Measure social impact.** Building on this clarity of purpose, your business can then start to measure its intended social (and environmental) impact. This evidence should be published and openly discussed with your stakeholders.
- 3. Sell shareholding.** Your business could to revisit its shareholding, and consider "selling" some of it to a non-profit organisation or social enterprise. And if this organisation is a broad-based ownership scheme, then this will also count towards your B-BBEE points.
- 4. Use infrastructure.** Your business to use its existing infrastructure to do good when it is not engaged in normal business activities. This could range from a mobile network zero rating a website through to a retailer using its trucks to deliver excess food to children's homes.
- 5. Cultivate supply chain.** Your business can cultivate social enterprises into its supply chain. Too few businesses realise what a powerful force for good their supply chain can be.
- 6. Use profits.** Your business can dedicate a significant proportion of its profits to tackle a social or environment problem. By "significant", we mean much more than the 1% of Net Profit After Tax required by the B-BBEE codes. Those businesses that don't feel this brave can also consider a running a cause-related marketing campaign. This is when a marketing campaign is linked to a social issue, and a percentage of sales allocated to fixing this issue.
- 7. Certify.** Your business could choose to certify its products, thereby ensuring that they are ethical and constructive to the world. It could also take a step further and be accredited as a B-Corp.
- 8. Support minority groups.** Your business could consider employing a marginalised group, and doing everything you can to help build their confidence, skills and future prospects.

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