

# BIG ISSUE INVEST

Michelle Mone,  
Britain's new tsar for  
entrepreneurship



## ENTREPRENEURS' GUIDE

### Want to start a social business? Don't Mone, do it

Last week bra queen Michelle Mone was named new tsar for entrepreneurship in Britain. She said she would travel the country to help young entrepreneurs from deprived backgrounds. She immediately faced criticism. Douglas Anderson of the GAP Group, which employs 1,300 people, said she was totally unqualified for the role. Mone might also find it tricky advising the growing number of people wanting to start a business with a social echo. We thought it might be useful to look to folk who are qualified to offer this advice. After almost 10 years in the game, Big Issue Invest knows a thing or two about helping social enterprises find their way.

**Here are Big Issue Invest's top five tips on how to start a business that creates a social impact:**

#### 1. Know who you are

As is true of life, the same is true of business. In this regard we are specifically referring to your 'legal structure'. This term is nothing to be daunted by – however, it is essential to get it right when you are thinking about starting a social enterprise. You need to consider if the type of product or service you are offering may be more suited to being set up as a charity rather than a community interest company or company limited by guarantee. So do the research, talk to people in the field and then make your decision.

#### 2. Raise funds

When it comes to raising funds to get your venture off the ground, think very carefully about the type of finance you need. There

are a whole host of options available – from government start-up grants to social investment and corporate support. It may sound obvious but if you go down the investment route you need to factor in paying the money back when you're developing your overall financial and business plan.

#### 3. Measure your impact

It is important to measure the impact your social business has on the community. You need to identify what your outcomes and outputs are from inception and consider what good your business actually does. It is one thing to state it but it needs to be demonstrable. For example, how many people have got into employment as a result of your business? In turn, how much has this saved the state in reduced welfare payments? These are the questions you will need to answer when it comes to securing future funding and it will also help you assess and develop your overall strategy.

#### INVEST IN THE FUTURE

Big Issue Invest is the social investment arm of The Big Issue. They aim to help prevent poverty by backing sustainable social enterprises, charities and ventures. They provide finance, not grants, from unsecured loans to equity investment – whatever is best for an organisation.

For more info and to see if Big Issue Invest can help you, visit [bigissueinvest.com](http://bigissueinvest.com)

#### 4. Network

Networking is key for any budding social entrepreneurs. It is very much a collaborative area given that the sector is relatively new and small compared to our corporate

counterparts. People in this sector thrive off learning from each other and are generally very supportive and happy to help. Get in touch with bodies like Social Enterprise UK and the regional variations. Utilise Meetup and Eventbrite to search for relevant events in your area.

#### 5. Don't forget branding, marketing and communication

The creation of a communications strategy is often forgotten in the initial stages of setting up a social business but it is key to your sustainability. Essentially, if you cannot articulate what your organisation does and why your target market needs to be involved with it then your sustainability could be jeopardised. There are plenty of affordable options and free online tools that can be used to help you implement this successfully. For example, we have invested in a business called Digital Mums through our Corporate Social Venturing Programme. They train mothers to become social media managers, specifically for SMEs, charities and social businesses, allowing them to develop their careers while working from home. You may also want to consider approaching branding agencies as they will often offer their services for discounted rates to social enterprises.

"Many people have the idea that social entrepreneurs are an exclusive breed but, really, people from ordinary backgrounds are now running some of the most successful social enterprises. If you identify a need and you've come up with a solution, it's important to give it a go," says Danny Wilson, senior investment manager at Big Issue Invest.