



**Name of Policy: Social Enterprises**

**Revised Policy Adoption Date:** *SLSC Annual General Meeting, Ottawa, ON, June 5, 2020.*

**Historical Policy Adoption Date:** *SLSC Annual General Meeting, Ottawa, ON, June 6, 2015.*

**Mission and Mandate:** St. Leonard's Society of Canada is a membership-based, charitable organization dedicated to community safety. The mission of SLSC is to promote a humane and informed justice policy and responsible leadership to foster safe communities. It:

- a. Endorses evidence-based approaches to criminal and social justice;
- b. Conducts research and develops policy;
- c. Supports its member affiliates; and
- d. Advances collaborative relationships and communication among individuals and organizations dedicated to social justice.

**Purpose of SLSC Policies:** Policies of SLSC are developed in collaboration with affiliate agencies, SLSC's Board of Directors and members, and are ratified at the Annual General Meeting with the express purposes of:

- Identifying criminal justice and related issues relevant to its membership;
- Reflecting SLSC organizational values and social justice goals;
- Articulating SLSC approaches, practices and standards to achieve these goals; and
- Ensuring the good governance of SLSC on matters of legal, administrative and organizational relevance.

**Background:**

St. Leonard's members have and continue to engage in social enterprises, defined as businesses owned by non-profit organizations that are directly involved in the production and/or selling of goods and services for the blended purpose of generating income and achieving social, cultural, and/or environmental aims. Social enterprises are one more tool for non-profits to use to meet their mission to contribute to healthy communities. This definition, from the Social Enterprise Council of Canada, supports the way in which SLSC has observed social enterprise throughout the course of this research. It maintains a focus on the key components of target populations and mission and reflects a national organization that has undertaken efforts to support the growth of social enterprises in Canada. Given growing interest in social enterprise, SLSC has held forums and participated in other events to discuss social enterprise best practices with members of our network as well as federal partners to facilitate opportunities to learn about this concept. SLSC also completed a project to synthesize the evaluations of five Federal Horizontal Pilot Projects (FHPPs).<sup>1</sup>

Throughout these events and projects, several best practices came to light. These best practices include:

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<sup>1</sup> Desai, A. (2015). Social Enterprise and Labour Market Integration for Individuals Exiting the Criminal Justice System: A Synthesis of Pilot Project Evaluations. Ottawa, ON. St. Leonard's Society of Canada.

- Client-centred approach: social enterprises should continue to focus on the strengths of clients, their individual needs, and giving clients an active role in their own progress.
- Communication: organizations which are involved with a social enterprise should communicate what is working, what the challenges are and what the results of the enterprise are. These valuable lessons should not only be shared within their organization, but with a broader network who are interested and have a stake in this area.
- Clarity of mission: the inherent conflict of trying to achieve a social mission while also making profit can cause mission drift. This happens when organizations lose sight of their original public benefit mission and focus more on profit making ventures. To avoid this, organizations should make their social and financial objectives clear from the beginning of the venture, strategize how they will achieve each goal and determine the amount of resources that will be dedicated to each aspect of the enterprise.
- Community partners: social enterprises benefit from having a variety of community partners who can provide employment opportunities if that is how the social enterprise is designed and/or partners who can provide supplementary support and services (i.e. housing, transportation), and who benefit from the goods/services provided by the enterprise.
- Competence: running a social enterprise is extremely challenging. Ensuring that adequate expertise in this area is involved in the planning and execution of the enterprise is key to its success. Hiring the right staff who have business knowledge and skills as well as a social focus is also very important as staff will have to work with a complex population and will have multiple roles and duties. Overall, evaluating the organization's capacity to run a social enterprise is a key aspect to setting realistic goals and avoiding complications.
- Considerations: Decisions as to the appropriate format (profit – not for profit), ensuring compliance with Canada Revenue Agency if a charity, limits of directors' liability and related accounting and legal strictures need to be decided early on.

### **Issues/Scope:**

Given the increased and growing engagement of the justice sector in social enterprise operations, the pursuit of best practices in their successful operation is important. An examination of the benefits of social enterprise in meeting the training needs of clients, such as those supported by SLSC's affiliates, and the development of job search and retention skills are important needs.

People who have criminal records can access opportunities to benefit from the skill acquisition available through the operation of a social enterprise. It is a means to acquiring the skills and positive habits required to be successful in seeking employment, which may otherwise be limited. People such as the staff and clients of SLSC's affiliates benefit from the potential of social enterprise to contribute financially to the overall operations of the organization.

While social enterprise has limitations and risks, particularly within a criminal justice context, it can be an effective vehicle for the habilitation of vulnerable populations. It is a means by which entrepreneurial skill sets can be acquired and applied in practice through the operation of a social enterprise. Given the increased interest in social enterprise and the number of organizations taking on these ventures, the need to delineate what constitutes successful social enterprise initiatives continues to be a question for any organization intending to launch a social enterprise.

**Resolutions:**

Be it resolved that St. Leonard's Society of Canada supports the use of social enterprise, where feasible, as a tool to provide opportunities and support to vulnerable populations. SLSC considers that a client-centred approach, communication, clarity of mission, community partners, and competence are key best practices to be considered and implemented when launching a social enterprise.

**Additional Information****SLSC Reports/Publications:**

- Desai, A. (2015). [Social Enterprise and Labour Market Integration for Individuals Exiting the Criminal Justice System: A Synthesis of Pilot Project Evaluations](#). Ottawa, ON: St. Leonard's Society of Canada.

**External Reports/Publications:**

- Brouard, F., McMurtry, J. J. & Vieta, M. (2014). *Social Enterprises Models in Canada - Ontario, Report ICSEM Project*. Retrieved from [https://www.researchgate.net/publication/279294485\\_Social\\_Enterprise\\_Models\\_in\\_Canada-Ontario](https://www.researchgate.net/publication/279294485_Social_Enterprise_Models_in_Canada-Ontario)
- Canadian Community Economic Development Network and the Province of Manitoba. (2015). *Manitoba Social Enterprise Strategy – A Strategy for Creating Jobs Through Social Enterprises*. Retrieved from [https://ccednetrcdec.ca/sites/ccednetrcdec.ca/files/ccednet/pdfs/mb\\_social\\_enterprise\\_strategy\\_2015.pdf](https://ccednetrcdec.ca/sites/ccednetrcdec.ca/files/ccednet/pdfs/mb_social_enterprise_strategy_2015.pdf)
- Canadian Task Force on Social Finance. (2010). *Mobilizing Private Capital for Public Good*. Retrieved from <http://www.marsdd.com/wpcontent/uploads/2011/02/MaRSReport-socialfinance-taskforce.pdf>
- Flatt, J., Daly, K., Elson, P., Hall, P., Thompson, M. & Chamberlain, P. (2013). *Inspiring Innovation – The Size, Scope and Socioeconomic Impact of Nonprofit Social Enterprise in Ontario*. Retrieved from <https://ccednet-rcdec.ca/en/toolbox/inspiring-innovation-size-scope-and-socioeconomic-impact>
- Voluntary Sector Awareness Project. (2006). *Greater Than the Sum of our Parts: Discussion Paper*. Retrieved from [http://www.ccsd.ca/images/research/FundingMatters/PDF/FM\\_GreaterThanTheSum.pdf](http://www.ccsd.ca/images/research/FundingMatters/PDF/FM_GreaterThanTheSum.pdf)