

How do you measure success?

BY NABELAH FREDERICKS

JOSH Cox was able to make a key breakthrough in how he runs his social enterprise Trade-Mark when he realised that he was measuring his outcomes based on an incorrect assumption.

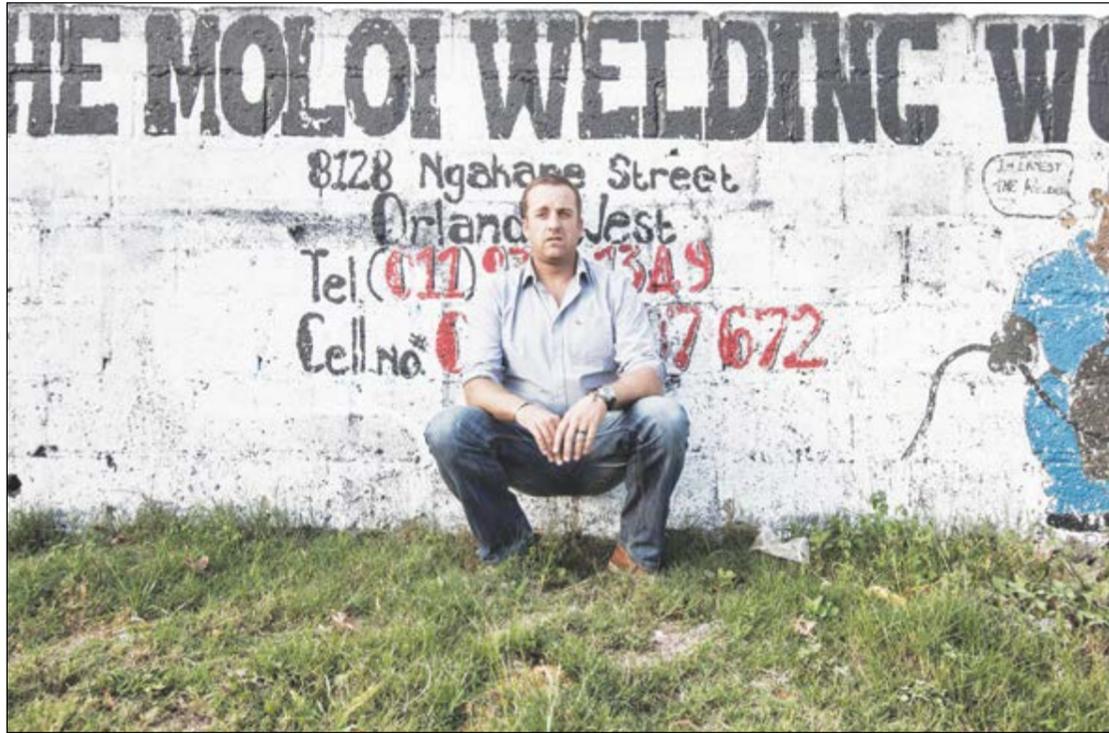
The realisation came to him shortly after he was able to secure R2.5 million in funding from the Industrial Development Corporation's (IDC) Social Enterprise Fund in February.

Trade-Mark is a non-profit organisation that assists tradesmen from poor communities and townships in growing their businesses through business skills training and marketing. Cox's organisation also links tradesmen up with suburban homeowners who require their services.

The idea to start Trade-Mark came after Cox was approached by a friend from Diepsloot township in Johannesburg who was also a tradesman and requested assistance in the form of a reference letter as well as help in creating business cards. Following his assistance, his friend was able to secure contracts of up to R40 000.

"It occurred to me that I could identify other tradesmen with similar needs and help them in the same way," says Cox. He then returned to his hometown of Cape Town in 2012, where he identified the nearby community Nomzamo, Somerset West as an area where he could assist tradesmen.

Initial funding of R20 000 from LifeCo UnLtd South Africa in 2012 and R300 000 in funding from the Douglas Murray Trust last year helped him get started. A website



Josh Cox runs Trade-Mark, a social enterprise that assists tradesmen in poor communities and townships.

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soon followed and Trade-Mark was registered as a non-profit trust. "From then on we received exposure on the radio and in local newspapers and the business really began to grow," says Cox.

He received more requests for assistance and Trade-Mark applied to the IDC for funding and was successful.

But he discovered he was making a crucial error when he attempted to measure the impact that his organisation was having on the lives of the tradesmen and their families.

Says Cox: "We assumed that a higher income would lead to a better life for people in poor communities. On further investigation, we realised that

this was not necessarily the case. "Without life skills training, including management of personal finances, some of our tradesmen, did not experience an improvement in their quality of life, even though their earnings had increased."

He realised that he needed a tool to measure whether his organisation's services were improving the lives of the tradesmen and their families.

In February he began looking at organisations involved with similar to see what these organisations were doing. It was also here where he first heard about the Poverty Stop Light tool that The Clothing Bank had begun using to measure its

outcomes. The Poverty Stop Light is a measuring tool used to develop strategies to improve the lives of low-income families. The tool uses 50 indicators to measure poverty. "A survey is done with the tradesman and their family and for each indicator produces a result of red (dire poverty), orange (moderate poverty) or green (above moderate poverty)."

Trade-Mark's pilot programme is a partnership with The Business Place in Philippi where it provides tradesmen with business and life skills training as well as mentorship support through a programme called Business Builder. Cox has applied the tool to measure the programme, with initial surveys having



Join the online discussion

SOCIAL entrepreneurs have a new platform to learn about successful social enterprises.

This follows the launch of Talking Social Enterprise, an online "talk network", hosted on the third Wednesday evening of each month at 7.30 pm. It aims to stimulate debate amongst social enterprise entrepreneurs and is hosted on the Google Hangouts platform.

• Sign up via www.TalkingSocialEnterprise.net.

been completed in August. The figures he submitted to the IDC as part of the business plan to get funding, project that Trade-Mark will be financing itself within five years.

Cox says Trade-Mark is now reaching tradesmen beyond just Somerset West and its surrounding areas and he plans to expand to Johannesburg soon.

The organisation currently has 18 tradesmen on its database. Tradesmen who want to access Trade-Mark's services need to have secured and completed at least one contract and should request a referral from a previous client via Trade-Mark's website.

• Visit www.trade-mark.org for more information.

Define the positive outcomes your enterprise achieves

BY MARCUS COETZEE

THE third principle in our "Think like a Social Enterprise" series is to be able to clearly define the positive outcomes that your enterprise achieves.

The owner of a social enterprise knows why their social enterprise exists. They have a deep sense of purpose and can describe the change they want to create in the world. This clarity of purpose helps to focus their strategies and to inspire others. This was discussed in last month's edition of Small Business Connect.

Since a social enterprise is a social business, it is concerned with its financial performance and strategic position.

However, since a social enterprise has a "double bottom line", it is equally concerned with its social performance, and

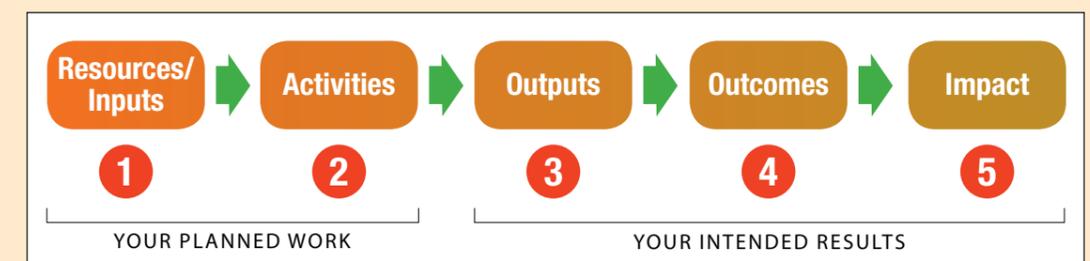
this is expressed in the form of key social outcomes that need to be achieved.

These outcomes are achievable and measurable. The outcomes act as social performance targets in much the same way as a traditional business aims to capture a certain market share or achieve a certain profit margin.

The Logic Model Development Guide by the Kellogg Foundation (available for download at www.wkff.org) places social outcomes in perspective. This model describes how an enterprise uses its inputs to conduct activities which produce outputs, outcomes and social impact. This is described in the figure below.

Here is a description of the key components of this model.

• Resources/inputs: These are things such as time, money and people that allow your



enterprise to do things.

- Activities: Things you do every day (attending meetings, sending emails, manufacturing products).
- Outputs: The immediate visible result of activities. Outputs include the number of wheelchairs manufactured, workshops facilitated or people completing a training programme. Outputs demonstrate how busy an enterprise has been. Focusing on output increases productivity.
- Outcomes: These describe the changes in people or organisations that occur as a result of activities and outputs. Outcomes may include the increase in knowledge and skills

of workshop participants or the decreased rate of tuberculosis in a community. Focusing on outcomes enables an enterprise to be innovative and measure how well it is doing.

• Impact: The long-term effect of these outcomes on a broader community or system. A social enterprise might seek to reduce crime among youth or ensure that everyone in a community has access to health care. Social impact takes time to achieve and is influenced by forces such as economics and community dynamics that are outside of an enterprise's control.

Have you considered measuring your social performance? What are the social outcomes that your enterprise

aims to achieve? These are important questions, regardless of what your enterprise does.

Asking these questions will enable your enterprise to move beyond the standard metrics of financial performance. It will add another dimension to how you do things. It will also enable you to be more creative about how you can meet your customers' needs. Furthermore, it will help you to focus your activities and inspire others with what you want to achieve. And it will help to transform the way you do business!

• Marcus Coetzee is a social enterprise strategist and heads up the African Social Entrepreneurs Network.