

Module 1: Learning and Teaching Resources

An Introduction to the Internationalisation of Social Enterprise

This module will include the following sections

- What is internationalisation of social enterprise
- Motives and drivers for the internationalisation of social enterprise
- How are Social Enterprises deciding where to Export?
- When do Social Enterprises begin Trading Internationally?
- Modes of entry into international markets
- Support for the Internationalisation of Social Enterprise



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What is the Internationalisation of Social Enterprise?

Despite the growth and role of social entrepreneurship, studies and research in this domain have tended to concentrate on the native country perspective, resulting in little focus on the international perspective (Tukamushaba et al., 2011).

This Erasmus+ project has focussed on the internationalisation of social enterprises, which involves geographical expansion of economic activities across country borders and can be an important strategy for the future growth and development of organisations (Ruzzier et al., 2006).

There are various definitions of internationalisation, for example Ahokangas (1998) defined internationalisation as:-

“the process of mobilizing, accumulating and developing resource stocks for international activities”.

Zahara and George (2002) define international entrepreneurship as the:-

“process of creatively discovering and exploiting (entrepreneurial) opportunities that lie outside a firm’s domestic markets” (p.261).

Whilst according to Sommer (2010) the internationalisation process involves the geographical expansion of economic activities across borders and can be an important strategy for a firm’s future growth and continued development.

Tukamushaba et al. (2011) define international social entrepreneurship as the:-

“process of creatively discovering and exploiting social entrepreneurial opportunities overseas with the application of business expertise and market-based skills, with innovative social goods and services, either with or without profit orientation, but, with the pivotal objective of creating societal value rather than shareholder wealth in the overseas territories where the enterprise functions.”

Färdig and Häkensson (2014) summarised the following advantages associated with the expansion of social enterprises into overseas markets:-

- Can contribute to an organisation’s sustainability (Lee et al., 2012)
- To find new customers (Lu and Beamish, 2001)
- improve efficiency (Leonidou, 2004)
- Leverage new resources (Lu and Beamish, 2001)

According to Ruzzier et al (2006), the nature of enterprise influences the motives for internationalisation as well as how, when and where foreign establishment takes place; these issues will be explored further in this module.

Motives and Drivers for the Internationalisation of Social Enterprise

During the interview stage of this project participants were asked about their motives and the drivers for internationalisation. The responses were grouped into 13 main themes:-

- Linguistic similarities/Borders
- Digital Era
- Enterprise
- Quality/Unique products and services
- Feedback from others
- The leader
- Location
- Networks
- Previous experience
- Skills
- Social issues
- Targeting expat communities
- The transfer of knowledge and best practice.

The above areas will be explained in greater detail below:-

Linguistic Similarities/Borders

Linguistic similarities were highlighted in two regions that took part in this Erasmus+ project, namely between the Baltic States and the Baltic States and Russia and between Ireland and the UK; across the Irish/Northern Ireland border, thus allowing social enterprises to operate across borders and with cross border communities relatively easily.

Digital Era

The influence of the digital era has influenced social enterprises to trade internationally in a number of different ways, firstly through direct internet sales:-

“Business development is easy through online shopping (e shop) and selling through shops in other countries. It is possible to be part of an international business/group.”
(Lithuania)

Secondly, social enterprises were exploiting the links that they had made through social media as a driver to internationalise and finally one organisation used the availability of online learning platforms as a way to become involved in and contribute to European projects:-

“The initial driver to internationalisation was in 2013 with our participation in European works (with many participants from different countries) and more

specifically through one tailor made program “School Lab”. “School Lab” is a digital learning program that helps students to explore the fascinating world of Science – in a large science field from Astronomy, Biology and Chemistry to Maths and Physics – and discover how thrilling science can be! It can also apply as an innovative online platform for the creation and exchange of scientific ideas by students, teachers, and researchers.”

(Greece)

Enterprise

Enterprise opportunities were the main reasons why social enterprises had begun to trade internationally and this category is sub-divided into a number of areas:-

Changes to existing markets; markets changed for a number of reason such as saturation of the domestic market and changes to government support schemes. This situation is highlighted by the quote below:-

“The recent changes in government support of renewables means that there are no new renewables work being done in the UK; in comparison to what there was. The market now exists overseas.

For the renewable side of the business the UK was our main market when the government was supporting renewable initiatives. As a result of that we have had to change. We have always done some work in Europe and now we are just trying to do more of that work. Interestingly Ireland is now a real focus for us. We do not manufacture and sell products apart from the water screen and the fridges. We are an independent service provider, so we are not tied to any supplier. We use the best supplier for the situation. Potentially if we are doing a project in Africa and we need solar panels we will choose who ever can provide it best to that country. So, as well as selling goods internationally the company are also buying goods internationally.”
(UK)

Demand; was also highlighted as an issue:-

“We became international by responding to demand. People were looking at Scotland and they liked what they saw, and we recognised that learning and development was a very powerful piece of the puzzle and could we replicate this? So, we were directly approached in the first instance by a partner that was working in Africa. So, we thought “great, let’s see what we can do”, but, we also had hesitations about it.”

(UK)

Gap in the market; some social entrepreneurs identified an obvious gap in the market, which allowed them to expand their enterprise:-

“So, we were established because there was a gap in the market for people who were looking to develop community based/community owned projects to access interest bearing debt to get products across the line. Banks weren’t lending money, international philanthropist, they would have been pumping money into the 12 county region up there for years and years. Once the peace process kicked in, they started to reduce that contribution towards that geographical area and hence there was a

gap in the market that we decided that we would come in and see. And so, we set up a membership organisation, not for profit, taking ethos and accessed cash then to lend onto other likeminded organisations across the entire island.”
(Ireland)

“At the time that this was developed no-one else was doing this kind of work.”
(UK)

Market expansion; was highlighted by some respondents:-

“we started our operations abroad aiming at a new selling point and wanting to expand our markets.”
(Greece)

“Internationalisation of our company is based on specific targets that contribute in:

- increasing the market security (either nationally or internationally),
- expanding our market and dynamics in an extended field.”

(Greece)

Natural progression; some felt that the step to trade internationally was a natural progression for their enterprise.

“Our activities with the international market came as an expected step of our company’s development.”
(Greece)

“When we started the tartan social enterprise, at the beginning we were not motivated by becoming international, but we always had it at the back of our minds. It was motivated by the fact that it was a natural progression for a sewing group.”
(UK)

Need; this area identified both market needs and the needs of the social enterprises to generate income:-

Market need

“The very first things that the company did were international projects because there was a need. The fridge business makes up a large proportion of our turnover, there was a need in Eritrea in the early nineteen eighties to have blood and vaccines stored in cold conditions and there was no power. The engineering brains from CAT realised that they could use solar power to create refrigeration. The whole company when it was set up was about solving problems and predominantly those problems were overseas.”
(UK)

“Another driver for was need, the fact that there were disengaged young people all across Europe, most of whom related to sport, particularly football.”
(UK)

Need to generate income

“It moved into knitting mainly because of the sort of push within social enterprise to generate traded income.”
(Ireland)

Opportunities; building on their entrepreneurial skills many social entrepreneurs took advantage of business opportunities to begin trading abroad. Taking advantage of such opportunities was particularly highlighted by participants in the UK:-

“Motives for entering international markets are to make the most of opportunities so that people from community can get additional incomes and we can help them to find customers.”
(Lithuania)

“We knew that there was potential to trade internationally from the beginning, however, what sped it on was an investment grant for the Scottish Government. My predecessor applied for a grant from the Scottish Government to develop international trade; this was the sole purpose of that funding stream. My predecessor left and I came in at the tail end of the funding and to be honest the results from the funding are a little bit disappointing.”
(UK)

“This drifts on to the financial piece, that there was a market opportunity to sell our products, both direct sales from Scotland, but also putting into the hands of local people to operate overseas.”
(UK)

“The driver for starting the international social enterprise was commercial opportunity. In the beginning there were 5 or 6 of us across North Wales, that all, for charitable purposes or social enterprise purposes collected textiles and sold them to a rag merchant and used this money for the social aim. We all used to meet regularly because we were all social enterprises. Textile collection was the one thing that we had in common, we did other things, but we all did textiles. We used to get about £600 per tonne and as we got more experienced in the textile market, we realised that the middle person in the chain was getting about £2000 a tonne to export our goods. As a group we kept saying why can't we be this middle person? what is stopping us, and we talked for about 2 years. During this time lots of things stopped us progressing, as in thinking it was too hard to do, who is going to take the lead? Then eventually one day, we said let's just do it. “
(UK)

“The other overseas opportunities were us reacting to opportunities because as we were setting up in the states we also setting up the franchises which were founded in different locations but all bought into the concept and were keen to support their local food related charities.”
(UK)

Social enterprises had also taken advantage of specific funding opportunities, allowing them to grow and develop their operation and acting as a driver for internationalisation:-

“Specific funding opportunity – we applied to various funds, as the municipality suggests. Some of them are very small, but for us is important to buy as example outdoor training device, projects for cognitive trips to other communities and begin to grow.”

(Lithuania)

Quality/ Unique Products and Services

Participants evaluated that the quality and the uniqueness of their products and services had allowed their enterprise to compete in international markets:-

“Based on the high quality of our products we started trading the products with the first foreign countries.”

(Greece)

“Because we have found that basically we do have the only insulated internal walling system in the world.”

(Ireland)

“Because we have quite a niche product and we are in a quite new, innovative area, where there are not too many reference projects yet.”

(Germany)

“Our products are developed for international markets; our goods are unique and exclusive”

(Lithuania)

“But the specificity of the product and services derive from specific expertise. We are exclusive.”

(Lithuania)

“Tartan is an international product and Scotland is a unique brand. Everyone loves Scotland, the music, the people, the history, the heritage, the films and the tartan. It is a sellable culture. Scotland has a history of immigration and emigration and lots of people that have emigrated from Scotland still have strong links to Scottish heritage and culture.”

(UK)

Feedback from Others

Positive feedback about their products and services, inspired two Germany social enterprises to develop their products and services internationally:-

“And I think this internationalisation is something that came from outside. So, people who visited the exhibition and were so enthusiastic about it that they said they wanted to build it up somewhere else.”

(Germany)

“People gave super positive feedback. And yes, for us it was clear after this conference that it's not just something we thought up in our heads and where we feel like doing it, but also something that really appeals to young people and where there are a lot of people who are totally into it and who want to play it. And that's what motivated us in the end to really get started.”

(Germany)

The Leader

The influence of the leader; their aspirations, influences, entrepreneurial drive and personal connections had an obvious part to play in the internationalisation of many of the social enterprises that were involved in this project:-

“I suppose it originated from my own idea. An accidental coincidence fell into place too as well.”

(Ireland)

“Personal satisfaction from realising entrepreneurial ideas – I always think what would we leave for future generations.”

(Lithuania)

“The influences that caused us to trade overseas were personal connections and then the realisation that there were markets that provided opportunities for our products.”

(UK)

“So the CEO saw the opportunity, saw that bread was being wasted everywhere so it was a really simple but engaging medium in which to get people to be aware of and do something to tackle the problem of food waste.”

(UK)

“So it wasn't until the CEO and I were at a conference and we heard the founder of the Big Issue in Scotland and the homeless world cup giving a speech and we were inspired. It was so impressive how you had homeless people from all over the world being elevated to that global stage. Also backed by Nike and he was looking at CSR and how you shift these big companies. He had no worries about operating on a global stage as a SE, it was not a concern. In fact, he felt he had a responsibility to do it. He said, “if you think you are doing something good, you have a responsibility to share it” and this landed with us. We thought Ok, we know that this works and actually you have just given us the motivation to think that this is our responsibility, let's get this out there.”

(UK)

Location

The location of the social enterprise had also influenced their decision to trade internationally. For those involved in the tourist industry, the participant spoke about how the beauty of the area meant that international tourists would be attracted to the area:-

“It's very beautiful here. It's on the Wild Atlantic Way and the scenery is just every time you turn around.”
(Ireland)

“The walks are, definitely without question they are a major thing. We also have one very large area of blanket bog here and the mountains. That in itself is a huge attraction”
(Ireland)

“We need to develop regionally because of few reasons. First of all the location is extremely beautiful itself. This place is next to the sea is of special importance, because many years ago there was well developed resort and people from abroad came here.”
(Latvia)

“The heritage and history of the country was a driver, people feel a historical connection to Scotland, it has a big reach. Probably the driver for the organisation to expand internationally would be the international feel of Greyfriars Kirk. That is where a lot of the inspiration and the vision for the organisation came from. They have a very international congregation because of their proximity to the university and they are one of the few churches in Edinburgh that benefits massively from tourism.”
(UK)

Networks

For some social enterprises, having a network of contacts, developed through conferences, trade shows, organisational membership, etc, gave them the motivation to start trading their goods and services internationally:-

“Our competence in projects along with a network of contacts have helped us significantly to start our collaborations abroad.”
(Greece)

“Our participation in exhibitions has helped us to secure strong networks and to present our products to potential customers who eventually seemed to be interested in adding them to their own portfolio.”
(Greece)

“International links through membership organisation - BNI: Business Network International Business Networking.”
(Lithuania)

Previous Experience

One entrepreneur cited previous experience as a driver for operating internationally:-

“The drive to start an international social enterprise developed from previous volunteering experience in India.”
(UK)

Skills

The skills of team members can also be an influential in the decision to trade internationally, for example:-

“The greatest influence for our company is the experience in similar projects that the key members have.”

(Greece)

“Foreign language skills – we need English and Russian.”

(Lithuania)

“Experienced human resources helped significantly in the immediate start of exports.”

(Greece)

Social Issues

The drive to trade and operate internationally for social enterprises, is of course significantly influenced by need to tackle social issues, both in their country location and in many cases the countries in which they are operating internationally. The motives to deal with social issues and social inequalities are highlighted in the quotes below:-

“Influences and drivers are closer with furthering our social aims/social purpose.”

(Lithuania)

“We looked at strategic drivers and as a SE we had both social drivers and financial drivers. The social motivation was that we could share this learning, with evermore social entrepreneurs around the world. We can also share and learn in return. We can have reciprocal learning here. We can also build the team back here and create increasing benefits for Scotland through quality enhancement and innovation. We could also have a resilient business model.”

(UK)

“A couple of key things that drove us, one; we believed we could do it was the first thing. Belief can sometimes be a good thing or a bad thing. The second thing is that the fundamental thing that was driving us was that there was over a 50% unemployment rate in our area. A common theme from that was that lots of people were saying that people won't give us a job because of our address. That was how they felt.”

(Ireland)

“The main motive for starting this internationally oriented business was the will to make some impact. This makes me happy – helping others, being selflessness, care about others. Once you start social business, when you understand it, you just cannot stop.”

(Latvia)

“Economic and/ or social transformation (based around improving communities, improving health and wellbeing, creating employment opportunities.”
(Lithuania)

“Economic and/ or social transformation (based around improving communities, improving health and well-being, creating employment opportunities for member of the community.”
(Lithuania)

“We had realised just the inequality and problem with coffee and the coffee industry and particularly how coffee producing countries like Ethiopia were getting really bad deal, as part of how coffee was working. So, he set up Moyee to solve that, raised a couple of million to build a roastery in Ambasada in Ethiopia and started selling in the Netherlands.”
(Ireland)

“Generally, the goal of each project is to create the basis for which the population is better; the wealth can be that of having a bath, of having water that arrives at home clean, of lowering the costs of health, of having a nearby school and not losing hours to get to school. Most projects are not just for information but to improve the lives of the beneficiaries, the people who received the aid.”
(Italy)

To Target Communities Living Abroad

Many social entrepreneurs view expat communities living abroad as an obvious market segment and for some the majority of their international operation was based upon targeting this market:-

“The contact of our members with other Greeks living abroad has enabled a more immediate step.”
(Greece)

“Once back in Italy I decided to specialize and work in projects that allow Italian descendants living abroad to feel closer to their homeland, with the idea that everyone has the right to know their own history, to discover its roots and carve out a role in the world.”
(Italy)

“Relations with emigrants from Lithuania help to find homes for animals and earn income from sales.”
(Lithuania)

“This is true in Europe, but particularly in the US, Canada and Australia, there are so many Scottish people there. They still feel a connection, they still feel that Scotland is their home country and their roots. A lot of people that buy our products from our café shop, here on site do it because they feel this romanticised connection with their grandparents or great grandparents.”
(UK)

The Transfer of Knowledge and Best Practice.

The transfer of knowledge and the sharing of best practice also acted as a motivator when social entrepreneurs made the decision to trade internationally:-

“The main motivation is the need to transfer knowledge to the community and to gather information from those who have expertise on the subject they are dealing with.”

(Greece)

“more importantly I would say is it allows us to see where the solutions are in other countries. So we can go over to another country and see what they do and we can understand what they do and learn from them.....it’s about really trying to understand how to where the solutions are around Europe, how do we copy those solutions and how do we make it work on the ground.”

(Ireland)

“Yes I suppose originally when I started 12 years ago, we were very much looking up to everyone and to see a lot of the solutions and now I’d say that other people look up to us.”

(Ireland)

“To learn to look at other solutions in the countries and to participate in marketing development activities in parallel with other people who have the same struggles so we can learn from them.”

(Ireland)

“The broader dissemination of our educational programmes.”

(Lithuania)

“Critical knowledge and resources not available domestically. Firstly, foreign market is bigger; they have and use different methodologies and tools. The educational programmes are more specialised. As example, - programmes for children with autism, practice books for children with Down syndrome. In this situation, we want to show and to give possibilities for parents.”

(Lithuania)

“One of the drivers for us to take their sport programme abroad was to share best practice.”

(UK)

Other Studies

Few other studies have reviewed the motives and drivers of social enterprises trading internationally. In 2014 The British Council published a report titled “Exporting Social Enterprise. This report was a survey of overseas trade by UK based social enterprises and also looked at how to foster future growth of the sector. Another publication, by Färdig and Häkansson (2014) also looked at the internationalisation of social enterprises and was based on 65 social enterprises, located around the

World and operating internationally. The studies highlighted the following drivers for internationalisation:-

British Council Survey (British Council 2014)	Färdig and Häkensson	InTSEnSE Project
Collaboration with overseas partners	Secure existing markets/market share	Linguistic similarities/Borders
Further social aims and purpose	Exploit or enter new markets	Digital era:- <ul style="list-style-type: none"> • e-commerce • social media links
Previous work abroad	Global opportunities	Enterprise:- <ul style="list-style-type: none"> • Changes to existing markets • Demand • Gap in the market • Market expansions • Natural progression • Need (market and financial) • Opportunities
Specific policy/incentives in another country	Inquiries from foreign buyers	Quality/unique products and services
Specific funding opportunities	Initiate new partnerships	Feedback from others
Links between local and overseas communities	Alleviate social problems in foreign markets	The Leader
Product/ service developed for an international market	Closeness to stakeholders/customers	Location
Chance enquiry	Domestic market saturation	Networks
Family/friends overseas	Critical resources not available domestically	Previous experience
International links through social media	Institutional failures in foreign markets	Team Skills
Foreign language skills		To tackle social issues
Part of an international business/group		Target communities living abroad
International links through business membership		Transfer of Knowledge and best practice
Proximity to other importers/exporters		
Product or service unsuited to home market		
Part of an international supply chain.		

The drivers and motivators highlighted in all three surveys are generally similar. However, as this Erasmus + project used semi structured interviews as its means of data collection, rather than questionnaires, the results are able to add depth to the findings of the previous two reports. It could be argued that one of the differences in the results of this project was the emphasis on the entrepreneurial drivers as a motive for internationalisation. In addition, previous studies have not highlighted the quality/unique products and services which social enterprises consider that they offer the market and the motive of transfer of knowledge/sharing of best practice as a driver for trading internationally.

How do Social Enterprises decide where to Export?

According to Forsgren (2002) the choice of location is a substantial part of the internationalisation process. A literature review by Färdig and Håkansson (2014) outline the following issues:-

- Based on the Uppsala model, uncertainty and lack of knowledge of foreign markets affect how a firm selects overseas markets
- Organisations that establish themselves abroad suffer from the liability of being foreign, compared to domestic companies
- Physical distance and factors in the foreign market that are difficult to understand affect the choice of location. As a result, firms often choose a foreign market that is similar to their own domestic market and thereby close in terms of physical distance.

Many of the social enterprises that took part in this project many were exporting and trading their goods and services around the world. Their main reasons for their selection of countries to export to are outlined below:-

- Opportunities/demand/markets
- Existing contacts and networks
- Neighbouring countries
- Cultural connections
- Language
- Targeted aid/need
- Social awareness/fit with social mission
- Previous volunteering experience

Many organisations, involved in this project, used a combination of the above reasons to grow, develop and sustain their international trading activities, for example:-

“Our strategy for internationalization focused on two different categories. One refers to the countries that are facing social problems and the second one to countries that have developed a good market economy system and expertise (e.g. England, Germany).
(Greece)

The reasons for choosing specific countries or continents are outlined in the sections below:-

Opportunities/Demand/Markets

Other European countries were the obvious choice for trading their goods and services internationally:-

“We export mainly to Germany, Sweden, Denmark, Norway and France. We also do exports outside of Europe, but they are a small minority.”

(Italy)

Many social enterprises, however, had taken advantage of a variety of routes, including e-commerce, which have allowed them to sell their goods across the globe:-

“We trade on all continents and in more than 14 countries”

(Greece)

“We have operated in Africa, Europe and to a smaller scale in Australasia. We have not operated in North America but have worked in South America and Asia.”

(UK)

“We are currently operating in Europe, North America, Asia and we have worked in Australia.”

(UK)

“We would yeah we do, we get a few from the US here and there, we get them, we have had from Australia, we have had Azerbaijan was the most unusual one, a café in the Ukraine.”

(Ireland)

For one organisation the choice of countries in which to operate was as a response to demand from their services:-

“For us the choice of countries was responding to demand. We saw a variety of countries which were interested and we looked at our strategies and grouped the interest that had been shown into regional groups. From that and from our experience we reckoned from our basic understanding of where social enterprise was starting to take hold and catch light, this is probably where we are going to go. We weren't too geographically limited, we saw it as one big market globally.”

(UK)

A number of social enterprises were directly targeting tourism markets, to sell their services:-

“So, I would watch the trends. So, if I give you an idea of 2017. So, the Irish market was 27%, Northern Ireland was 19%, UK was 7% and that's nearly half of our business. Then Germany was 18%, France was 16% and other was 13% and the other were from Australia, America...Switzerland.”

(Ireland)

“We more pay attention from which countries tourists are coming to us. Main countries are Latvia, Estonia, Poland, German, Netherlands, and Israel. A few year ago, we had tourists from Russian, but now they are coming very seldom (for policy reasons). Tourists from Netherland are looking for natural areas.”
(Lithuania)

Some organisations had taken advantage of project based opportunities to work overseas:-

“A lot of countries, so in the last 3 years I have been to Spain, Portugal, France, Belgium, Holland, the UK, Sweden, Denmark, Germany, Croatia, Slovenia, Hungary.”
(Ireland)

“In over forty years of activity, we have operated in all parts of the world, creating thousands of projects.”
(Italy)

Overtime one organisation had changed the direction of its operation as a result of their involvement in a previous project:-

“At the time the organisation was born as a support of the Latin American movement so it had a presence in Central America, in South America, but there we talk about the study centre and then we say it was the cooperative that carried out development education activities in Italy compared to the thematic ones. Then in an almost casual way, there was a project I believe in the late 90s, I was not with them, in collaboration with a foundation of a project to care for people who came mainly from the areas of the great Middle East, that is to say about Kurdistan, Iran, Lebanon, Syria, etc. From there it was born, so let's say a little casual, a relationship with the institutions and associations of local civil society that led to capillarisation in Syria and in Lebanon basically.”
(Italy)

Others had seen the opportunity of grant funding as a chance to trade in another country:-

“It was only when that grant aid was finished that we could take a serious look at operating on an all-Ireland basis, across all 32 counties.”
(Ireland)

Two organisations highlighted that they had difficulties reaching certain markets:-

“Mostly Europe, Asia (Japan, China). USA is difficult to achieve by logistics costs.”
(Lithuania)

“We have exported to every continent except Africa. Although, we had had goods taken there by the First Ministers team. We mostly sell to the Americas, Asia and Europe. We have not had much success exporting to Australasia, but, lots of Australians come in here to buy goods.”
(UK)

Existing Contacts and Networks

Social enterprises were using networks and contacts, sometimes established by taking part in projects to grow their international presence:-

“I would have to count the countries where we were last year. But we were working with networks in Mexico, Brazil, Germany, Finland, Greece, Italy, Austria, Turkey, Israel, Russia, China, Korea, Singapore, Japan, Thailand, Malaysia, India”.
(Germany)

“Currently our commercial activity is moving to Greece, Italy, Germany and France where there are consumer networks (people who buy with particular interest). There is a social solidarity network in Italy, which has helped us to create synergies and strong relationships with many local producers and customers.”
(Greece)

“At the moment we have already developed partnerships with many European countries (Cyprus, Ireland, Germany, Switzerland, Norway, etc.) through our participation in European programs as partners, as well as some more strategic partnerships and franchise festivals.”
(Greece)

“Ukraine, Belarus, Russia, UK, Egypt. All these families came to us to receive services only thanks to our specialist from USA, who has worked as a connector and promoted us.”
(Latvia)

Neighbouring Countries

Some organisations had focussed on cross border countries as their choice for international trading operations:-

“But most of all in terms of content, where you can talk about a real cooperation, it is really focused on the Danish market. And everything else is rather loose contacts, which focus more on the Scandinavian-Baltic area.”
(Germany)

“We have organised some workshops also in Estonia and Lithuania.”
(Latvia)

There was a clear link between Irish based social enterprises focussing their trading on the UK, particularly Northern Ireland. Common language is also likely to have played a part in such decisions.

“So we’d have customers in Northern Ireland and in the UK would buy from us.”
(Ireland)

“It originated in the UK the first factory is in Wales, in Bridgend, we opened a second factory in Aberdeen in May of this year. And we have since opened the factory here in Limerick, and another factory in London.”
(Ireland)

Cultural Connections

Expat communities living abroad had influenced the trading locations of some social enterprises; this was particularly prevalent amongst Lithuanian social enterprises:-

“At this moment, many efforts focus on establishment of contacts with Israel. It is preparation to go to Tel Aviv for international exhibition.....From Israel are coming people who once emigrated from Lithuania or Russian. They want to see a lot, to try different services. By the fact, history of our area has links with the Jews and their inheritance.”

(Lithuania)

“Often emigrants are coming home or for holiday and want to show our traditions for foreigners.”

(Lithuania)

“it is countries where live emigrants from Lithuania. Many of them remain in close contact with their country of origin.”

(Lithuania)

“Eight years ago, I discovered Argentina and from the first day I always felt a very strong connection with this country and with the Italian community that resides there.”

(Italy)

Language Skills/Language Similarities

Language skills and language similarities had also influenced trading choices:-

“Our activity abroad has not long begun to start. My origins from Italy and my knowledge of our country helped us to make the first communications in order to present our products. The mother language made easier the direct contact with our first potential collaborators. Moreover, the existence of consumer and association networks in the country of Italy was the occasion for the first cooperation and gradually followed others.”

(Greece)

“I am Russian speaker and it is my mother-tongue. I think and communicate much better in Russian. The market of Russia is huge and people are extremely active there.”

(Latvia)

“So we did have a rough plan, but, within that plan, certain parameters began to emerge, such as English speaking countries. So this was the importance of having a phased approach, because in the pilot in phase one we would take on anything and see what it was like to replicate to a non-English language country. We recognised that it was going to be at least phase 2 or phase 3 by the time we could cope with non-English speaking countries. It is hard to give all of your materials to another country in English and then let them localise them.”

(UK)

Targeted Aid/Need

For social enterprises working in the overseas aid sector, their choice of operational location was driven by social need:-

“In Damascus we work together with an organisation that runs a social centre, which in recent months has become a fundamental reference point for families who find support and protection there. In Lebanon, we have started a collaboration within the United Nations (UNDP) project to promote a territorial cooperation program with Italian entities and local municipalities.”

(Italy)

“Clearly in Syria, given the situation that has been created since 2011, we are also working on the humanitarian emergency.”

(Italy)

“In terms of choosing the countries in which we operated, it was based on social need. On the fringe side of the business this is still the same. We are working with UNICEF and other NGOs and they have to get vaccinations and blood storage out to the furthest reaches of countries in need.”

(UK)

Social Awareness/Fit with Social Mission

Awareness of social enterprise can also have an impact on trading locations:-

“Before we start we need to know more about the target market: if the concept of social entrepreneurship is known well in the destination country. We don’t want the situation, when we enter the market with the flag of social entrepreneurship, but people actually are not even aware of it.”

(Latvia)

“I’m of German origin, but Sweden – because Swedes are grabbed with the idea of social business, they see the value in it, and they are very good at running small boutiques of labels. They don’t want to produce in China, and on the other hand – the production in Sweden or Spain would cost much more, so they choose Latvia.”

(Latvia)

One Lithuanian organisation raised an interesting point; that when working in partnership or sharing best practices social enterprises should be influenced by the choice of organisation to collaborate with, rather than being influenced by the country in which that organisation is based:-

“There are countries as “best fit with social mission/purpose”, because for us is interesting to have partners from countries with more developed advanced environmental monitoring and control programs, such as Scandinavian and Western Europe. But for us more interesting are organizations, not countries working in the same field, as us.”

(Lithuania)

Previous Volunteering Experience

For two of the social enterprises involved in this project, the past volunteering experience of the founder had swayed their choice of which country to operate in:-

“Then we made a kick-off trip. We all flew to Tanzania together and spent three weeks researching there, getting to know the country and I showed the others the country. I did my community service there, speak Swahili, so I know the country quite well, have a lot of friends there, connections and could show them around a bit. There we also met a lot of initiatives, some of which I already knew, some of which I opened new ones. During our time on site we did some research, got to know the target group a bit better on site, and even got an impression of the Swahi culture and passed it on to the others. And exactly, then we started and set up a prototype.”
(Germany)

“Bangalore in India was chosen because of my volunteering experience in the area.”
(UK)

Choice of Countries Not to Trade With

Although organisations had found some enterprises, some countries and continents more difficult to trade in than others, the organisations that took part in this project had not positively avoided trading in any countries.

When do Social Enterprises begin Trading Internationally?

Many of the social enterprises that took part in this study were trading internationally from inception. For some internationally trading activities had begun within two years of trading. For others this step took longer, the longest being 20 years.

For example:-

“the international orientation is virtually part of the entire project. It's a core component, because you have to see it in a way that we have carried out an intercultural project or that we're still in the process of concluding it. And this game came out as an output, so to speak. So from the beginning we rather thought about how we could initiate an intercultural exchange, how we could get together with other developers, collect ideas and develop concepts, and then at the end of the day we could also carry out this game development together. And the result is Kawaidas Journey, a small game for smartphones and tablets.”

(Germany)

“Actually, there was no decision to work in Latvia, so the initial focus was set on the foreign markets.”

(Latvia)

“We were international from the start of the CIC. That was the purpose.”

(UK)

“From the very beginning I did not focus on Latvian, but rather on Russian market.”

(Latvia)

“Our activity with foreign partners began in 2012 with the foundation of our company”

(Greece)

For others the process took longer:-

“Organisation had been in existence until 2012 and began trading internationally 2013.”

(Lithuania)

“For us the process of international trading took Four years”

(Greece).

“Our social business started at 2014, but still we are starting only first steps to go internationally.”

(Lithuania)

“The tartan social enterprise had been operational for about six months before it started trading internationally.”

(UK)

“We began operating internationally in 2012, within 2 years of operation.”

(UK)

“We had been operating for 8 years before we decided to become international. However, when we looked at it we had always been in Europe. We had been part of European projects. We had partnered on different programmes and we had participated in study visits, so we weren't ignorant, but, we had not turned it from one off projects into something more strategic.”

(UK)

Planning Prior to Trading Overseas

Even though many of the organisations that took part in this project had operated internationally from the point of inception, the majority of social enterprises had entered international markets without an internationalisation strategy or an export plan. The spontaneous nature of the internationalisation process is outlined in the quotes below:-

“Q: do you have any sort of specific international marketing strategy have you an element which is specifically targeted towards an international dimension?”

A: Not really.

(Ireland)

“We started our operations abroad aiming at a new selling point by expanding its market. However, we do not follow a targeted export plan.”

(Greece)

“Q: Do you have an internalisation strategy, did you come up with a document in order how to enter foreign markets?”

A: No.”

(Ireland)

“The first contact with them was almost random. We were with friends to visit one of the first distribution cooperatives in Padua. At that time there was only one importer..... So I, together with other friends in Rome, tried to bring this project to Rome, too..... The first contacts are based very much on mutual trust. There was the enthusiasm of the new project...”

Over time, other importing cooperatives were born, and we also made contact with them because we were interested in offering the best to producers and our customers.”

(Italy)

“There were not special decisions for organization development. All decisions were spontaneous.”

(Lithuania)

“We didn’t really have a strategy when we first started trading internationally. America was an obvious market, however, the British Council contacted us about selling our goods in South Korea. The British Council has strong links with South Korea, and we visited as part of a lecture tour in Social Enterprise. Whilst I was there, I also met a lot of buyers in the biggest Department store in the world, but the issue for the buyers was the price. In the Asian market they want to tap into brands that are already successful, such as Barbour, Harris Tweed, brand that are established; to the Asian market this is really cool.”

(UK)

Three social enterprises, all based in the UK spoke about the strategy and planning that occurred prior to trading internationally:-

“Then what became interesting was how do you get it out there and how do you do it in a socially enterprising way? You don’t want to just share it online as free content. What is the business model? So we put together a full 10 year business plan, we went through replication training and we presented the replication strategy, the business case and the investment plan to the Board, saying that this is the internationalisation plan for the next 10 years and this is what we think we could do.”

(UK)

“We produced our strategic plan in a lean way, but, the Board took a lot of convincing, partly because we were a successful operation we had, at this point, a turnover of almost £1million. We had to write a strategic plan because we needed to get investment to internationalise and then even when we had done this we were still lean in getting the application ready and getting the first contacts and learning what people wanted. Once you put it into someone’s hands, you are then into training them for the first time. We adopted a very much learning by doing methodology, but, with a set direction and scale. For me it is a myth that entrepreneurs really give things a go without having thought about it. Entrepreneurs soon look at the figures and think “these will stack up”. The really professional ones certainly do, they really know their numbers or they get someone to do it for them.”

(UK)

“At the point that the company started operating internationally there was no operational strategy it was a case of responding to a tender, solve a problem and respond to another tender. This is different now. Today the international strategy and marketing is part of day-to-day decisions.”

(UK)

“We had a specific business plan, before we went ahead with the project.”

(UK)

“The lack of planning, prior to internationalisation, perhaps, embodies the entrepreneurial spirit of social entrepreneurs. One UK based social entrepreneur commented that because they had internationalised after two years the board of governors were satisfied to go along with her decision, she felt that the organisation had matured and the skills of the governing body had evolved, she would have to make a strong business case for the governors to make such a decision now.

Modes of Entry into International Markets

A social enterprise can choose from a variety of modes of entry into international markets. No one mode of entry is superior to another, however, each approach has advantages and disadvantages. The choice will depend on a variety of factors such as:-

- Organisational mission
- Organisational goals
- Objectives of the internationalisation
- Resources available
- Opportunities
- Motives/drivers for the internationalisation of the enterprise.

The modes of entry utilised by the social enterprises that took part in this project are outlined below, however, it is worth noting that some organisations had used a variety of modes to expand their trading operations.

Mode of Entry	Additional characteristics
Direct Exporting	Direct Export Business to Business
	Direct Exporting via contracts
	Direct export via e-commerce
	Direct Export through a distributor/ Intermediary
	Direct Export (Niche) Tourists and Expats
	Direct Export (Niche) Cross Border Communities
Cooperative Export	Group Export
Licensing	As Licenser
	As Licensee
Franchising	As Franchiser
	As Franchisee
Joint Venture	
Subsidiary	
Fair Trade	
Partnership/ Collaboration	
Consultancy	

Direct Exporting

Direct exporting is a very common entry mode used by organisations who want exposure to a foreign market but want to limit the risks associated with other types of entry modes. There are a number of modes of direct exporting being used by social enterprises and these are outlined in the sections below:-

Business 2

Business Direct Exporting

Examples of organisations that were using business to business direct exporting are:-

- Mammu
- Blind Art
- Pasaku nams
- PALMI
- Patraiki
- Moyee Coffee

A number of comments relate to business to business international trading of goods and services including:-

“B2B is the strategy, which we develop now. We start to define partners to collaborate with. Mainly these are partners from Scandinavia, Germany and Great Britain. These are stores and ambassadors.”
(Latvia)

“Then we started to collaborate with local and world-famous designers. But we realized very fast, that we are not a fashion gurus and we don’t have a fashion vision designer need to have. We had the vision only to support mothers in need. So in years we shifted and now we only produce for other companies as a social business. Also we turn other companies into the social businesses, as their products are produced by social businesses.”
(Latvia)

“Virtually all of our business has always been exporting and working with national and international banks. A lot of banks were in London, some were over in New York, nearly all of our oil and gas work was based out of Houston and Calgary. It’s always been a huge part of the business. In terms of method of international trading we are direct of export of goods and services. Today we predominantly service based, whereas in the past we sold a software product, but now it is about the end to end services.”
(UK)

“So within companies we are also trying to internationalise the impact and with one big company we sell to their head office in Dublin and their Berlin office, and hopefully soon their London office. And we have been able to show them that they drink 6 million cups of coffee a year around the world, and if they switch all of their

offices they have about 15 in Europe, they'll have a massive impact in Ethiopia. So I think there is a way to internationalise to customers directly, but then also within the companies we sell to."

(Ireland)

"Yes 80% of what we do at the moment is business to business sales, so it's selling kind of office coffee, docks office machines. So it would be to tech companies, co-working spaces, creative agencies who want better coffee at work and then also want to know that the coffee they are drinking is having a positive impact."

(Ireland)

Direct Exporting via Contracts

Some of the social enterprises that took part in the project were tendering for contracts in competitive markets. Their expertise related to tendering and fulfilling international contracts had developed over many years, examples of organisations using this mode of entry are:-

- Dulas
- ETL Solutions

"The initial mode of entry was a call to a tendering request. Probably similar to the way in which the company operates now."

(UK)

"The only strain that we have as a result of working internationally is cash flow. We have a number of different parts to the business; we do projects, we install solar panels, we do consultancy and we tell people how to install solar panels and we make products; you need a business model that can hold stock and ship stock internationally. For consultancy you need to up skill and training knowledge, but don't hold any cash. For the project side you need to be able to bank roll projects. So we have three competing business models all under one roof. So the biggest challenge we have with the international work whether it is a project, it is really consultancy work, or whether it's stock that we need to hold on site until we can ship it the biggest challenge is cash flow, how do we prioritise. Or if we don't have cash how do you funded to allow the project to happen."

(UK)

Direct Export via E-Commerce

Social enterprises are also taking advantage of the internet to sell their products overseas and examples include:-

- Memory Water
- Grassmarket Tartan (e-commerce)
- Relative Art
- Shuttle Knit
- Panara

"The e-commerce site is still operational. We are selling products such as make-up bags, handbags, scarves, kilts. We occasionally get surprise orders, we had a

woman buy 50 souvenir dogs in America.”

(UK)

“Now that is not to say, we definitely would love to build our online presence, for the main reason is your profit margin. We get a certain amount of hits on our site but it would be small.”

(Ireland)

“Of course first step it was website. We did it in 2 foreign languages and also, what I would like to say it is that of course we have some barriers of language we can reach some people who speak in Lithuanian, English and Russian, but anyway we would like at first we would like to reach people, Lithuanians who are abroad, some of them even they are not speaking in Lithuanian, but still with heart they are Lithuanian and they would like to have some inputs into Lithuanians life especially for poor families who have some support from all of us.”

(Lithuania)

“We are making a craft product and if you look at the craft market locally and internationally, it is individuals or small family businesses, normally piggy backing on the success of another platform, with very low profit margins and they are not bringing along a dozen or so people with support needs. Their business model is to use their craft to make something beautiful for a craft fair or a website. We weren't selling enough to develop get that serious amount of development and investment funding needed to develop those individuals.”

(UK)

Direct Export through a Distributor

Selling through a distributor was a method chosen by a small number of the social enterprises in the study, such as:-

- Shuttle Knit
- Officine creative made in Carcere
- Memory Water

Comments made relating to this method:-

“in France, in Berlin they have appreciated our products and have included them in their sales catalogue.”

(Italy)

In the case below the social enterprise is the intermediary, working on a cooperative basis, but, not formally a cooperative structure:-

“the world is a big, big place and we thought if we could establish on a cooperative basis way of marketing, all the products of these craft producers to the audience and on the internet and we have established the “Tru Irish” as a brand name but it's a collaboration of all the craft producers. All the ones that are willing to come aboard or want to come aboard or permission to come aboard to try and help with an integrated market at the moment.... we have 45.....we support them in their work. So, that their time isn't taken up with the sales and the marketing of their products.

We do all of that for them and sell predominantly to the USA and the UK.”
(Ireland)

“I would say no. No, we have a stockist in the US. we export to one place, we started that last year, the company is called Gael song, they are actually a catalogue company with a, they have a huge online presence.”
(Ireland)

“One of the things that I have learnt as a Social Entrepreneur is don’t promise what you can’t follow through. This is why when I was speaking to the buyers in South Korea, I was very careful, I didn’t want to promise something that would get the organisation into serious trouble. If for example one buyer asked “how much of an order would it take for you to get your factory in place?”, off the top of my head I said hundreds of thousands of Pounds and they said “Ok”, I had to explain that we weren’t ready for that type of scale up. Imagine if I had come back from South Korea and said that we have two months to make 10,000 scarves, everyone would have said that I was completely insane. We hadn’t got the staff, we hadn’t got the factory, I just couldn’t have seen it through. Whatever I promised them needed to be realistic.”
(UK)

“We don’t have long term clients at the moment, because our product is quite specific and those distributors, we are selling it to don’t have capacity to promote our products in a big scale, as we don’t sell massively. We have sent to 10 countries, but the problem is, that it does not last for long. We don’t have an opportunity to pay distributors a lot for marketing.”
(Latvia)

Direct Export Targeting and Tourists and Expat and Cross Border Communities

A variety of social enterprises have seen opportunities in targeting their services at tourist and expat communities. This involved marketing overseas, sometimes through tourism agencies, contacts and networks and via their websites. Organisations involved in this included:-

- Creevy
- Raiz Italiana
- Basos Rasos
- Surus vejai
- Early intervention centre Stork

Quotes relating to this niche area included:-

“So the international tourists who come to Ireland will buy your product, so you are really most of your products are catered for an international audience.

I would say 65%, 70% yeah because the shop is attached to the hotel; it is attached to the tourists.”
(Ireland)

I cannot say that we are known abroad, but cooperation with travel agencies, communities, ministerial representatives are our business segment. And they have direct connection with tourist from other countries.”
(Lithuania)

“Our task is to create and offer services for any tourist. The attraction of tourist is function of tourist centre. We can adapt our services for any segment and tourist from other countries. Only we hope for motivated tourist who wants to know more about our traditions.”
(Lithuania)

“We have two type of customers from abroad: guests from Austria and Italy and are buying handicrafts and other group of customers are our emigrants. The second one will be as “existence of communities living outside of their homeland”. Therefore, we can call it as export of Goods because it goes UK, Ireland. Kaleidoscopes with amber had been sold to USA. Souvenirs liked quests from Poland. By cultural motivations is Poland, for language and respectful of cultural diversity and based on common values.”
(Lithuania)

“Customers are coming and buy production from Poland, Belarus, Latvia. For customers from these countries tea drink traditions are usual thing, but for us are coming delegations from Japan. They came not only as tourist, but they tried different tea and liked taste and smell of it.”
(Lithuania).

“The instruments achieved to attract new tourist groups were cooperation with Molėtai tourism and business information centre, advertising from people, the participation in international exhibitions and visits to neighbouring countries and advertising of emigrant communities. Emigrant communities, inviting to visit Lithuania together with them and then people are coming again.”
(Lithuania)

Sliabh Beagh Hotel and Truagh Development Association, both in Ireland, were directly targeting cross border communities to trade their goods and services:-

“I got funding then under the peace fund for manager and the manager’s posting to put a focus on the community development and the other focus on education. We developed a whole programme in education which across borders... using the curriculum north and south in two or three areas, history maybe and a few others and developed a common curriculum.”
(Ireland)

“We could have 30 or 40% of our customer base coming across that border. That's reality and then I'm talking there of Saturday or Sunday lunch trade. We've a huge amount of people coming across.”
(Ireland)

Direct Export through a Cooperative

Cooperative exporting is another exporting option that organisations can use as a foreign market entry strategy. Organisations use this entry mode by entering an agreement with another foreign or local organisation to use its distribution network (Kotler & Armstrong 2012). This entry mode allows organisations reach to the foreign market without the associated risks that come with other entry modes. Cooperative exporting is generally mutually beneficial, provided the goods being exported do not impede the sale of other products being sold (Kotler & Armstrong, 2012). For cooperative exporting to be successful the exported product should complement, as oppose to compete against other products being sold. Within the project there was an organisation that was established as a distribution cooperative and an organisation that used a distribution cooperative:-

“But we always work through an agency, that is, we do not deal directly with customers, we do not have direct contact with customers abroad. This agency is a consortium, Alegra, which brings together various cooperatives...., they act as intermediaries between us and the end customer.”

(Italy)

“Ours is a fair-trade cooperative established to promote this trade. An alternative to traditional commerce. Fair trade is organized this way. There are some cooperatives that are called "importers" and others, like us, are distribution co-operatives. We buy directly from importing cooperatives, those that have a direct relationship with the south of the world. We, among the goods offered, choose according to our possibilities and the needs of our customers.”

(Italy)

Licensing

International licensing is a cross border agreement that permits organisations in the target country the rights to use the property of the licensor (Kotler & Armstrong, 2012). This property is generally intangible and includes trademarks, training materials etc. The licensee is required to pay a fee in exchange for the rights specified in the contract between the parties. Licensing is commonly chosen because it is low risk, has low exposure to economic and political conditions, has high return on investment and is preferred by local governments (Agrawal & Ramaswami, 1992). Examples of organisations that were using licensing were:-

- Coffee Moyee (as a licensee)
- Social Enterprise Academy (as a licensor)
- Toast Ale (as a licensor)

“Yes we have a license for Ireland and the UK, so we call it a kind of a social franchise I suppose.”

(Ireland)

“It wasn’t this here’s your finished product, here’s how you sell it, here’s your plan, it wasn’t a complete product we had to build up a lot of the kind of sales materials story ourselves and we do contribute to the design to those bags for example, to direction of the company. So it’s a good partnership we get design help and sales help from them, but it’s kind of a two way process really.”

(Ireland)

“This was all back in the pilot phase, so we were testing joint venture versus license. The license was winning as a mode of replication. What we learnt by building the local business plan, the business case the business models and going together to pitch to new partners. We were learning how to enter a new market, the legal constraints, rebuilding the legal constraints of our model from confidentiality agreements, expiration agreements, start-up social license agreements to the sustainable 20 year license agreement, all of the different clauses, these have taken years. All of those years of negotiation, of what is in the boring technicalities, but, fundamentally important for operating your business. It is incorporating all of the knowledge that you have learnt over that time, it about getting stuck in and learn it by doing it because you will never get all of that from sitting and planning.”

(UK)

“We thought that Australia and India are geographically huge too and we are only having one per nation. In the Australian context we are now piloting in rural Victoria and then to Melbourne and then to different states, but, we only have one license holder. They have a market opportunities that they can scale to the required size and they haven’t got competition issues, same is true in India. We learnt from UnLtd India’s experience of licensing out to four or five hubs across India, thinking one would not be enough actually the ecosystem is quite small, so you end up speaking to the same funders, competing with your brand partner. Even though regions of Canada are very different, we just want one national partner. We have found that national partner now that we can work with.”

(UK)

“So in Australia, we were calling it social franchising, but, really it was replication in a licensing way, so we shifted from the word franchising to the word licensing. We still had to have local legal support and we managed to get this pro bono from our partner organisation. Again in replication you get advised that you write your replication document and your licensees or franchisee are paying you for those documents, but, what we found in a more partnership based approach to licensing we co-developed the agreements with our first couple of partners. There is some mantra about never be the first licensee because the licensing organisation does not know what they are doing yet! And that is very true, it takes double or triple the time to work things out for the first licensee. It is far better for the third or fourth!”

(UK)

The quote below highlights the complex process and stages that licensing can include:-

“We know what we are looking for so then we can select a partner quite quickly, get the confidentiality agreement into their hands and then, generally, the stages start

costing them something. So if they can't afford it we need to find an economic buyer that can and then move to an exploration stage. Then we have to jump in, they can learn about us and we can learn about them. It is difficult for them to make a decision unless we have got to this stage. The real test is can they put some money on the table, to make things happen, so that we are starting to get paid for our time. It is difficult to have this conversation sometimes in a culture around our industry which is more about partnership working and creating collaboration and creating consortiums and we are saying that before we go any further with these usual discussions you need to start paying us because this is a commercial opportunity. The jury is out as to whether this can keep working, unless we can find the right price point. As we start training the tutors they start to get a feel for how the methodology works, they experience it for themselves. It is not training, it is not teaching, it is not university, it is learning development, which is different. Then as you progress you start building a data set that is local and then you can convince the funders to back it and then the business opportunities start to stack up. We then move them to a social license agreement which is more thorough, it is more full, but, it is still short term two-three years. It recognises that you need two to three years to pilot this and give it a go and see if it going to work. If it not going to work then we switch the license off or we offer it to someone else. But at least there will have been some impact delivered in this time. Three years in, if is working and there is a good opportunity socially and commercially then we do a 20 year social license agreement, which in terms of replication means that you can begin to build your business over a meaningful period of time.

The process progresses people quickly from stage to stage, but, takes time where necessary.”
(UK)

Franchising

Franchising is a foreign market entry strategy where a semi-independent business owner (the franchisee) pays fees and royalties to the franchiser to use a company's trademark and sell its products and/or services (Kotler & Armstrong, 2012). The terms and conditions of a franchise package vary depending on the contract, however, it generally includes: equipment, operations and management manual, staff training, and location approval (Alon, 2014). Franchising is commonly used and a largely successful method of cross border market entry, however, organisations pursuing this entry mode need to consider both the positive and negative aspects of franchising.

The most common advantages of franchising are that it capitalises on an already successful strategy. The franchisee generally has local knowledge, it is less risky than equity based foreign entry modes and the franchisor isn't exposed to risks associated with the foreign market (Alon, 2014). Disadvantages include: decreased brand quality due to not having full control over franchises, not maximising profit as

franchisor only receives a royalty fee and not the full profit made, and the possibility of nurturing a future competitor. Examples include:-

- Teach na Ndaoine (franchisee)
- Toast Ale (franchiser)

Quotes relating to franchising include:-

“the franchise system is simply the more effective system for us. We make our know-how available in order to enable other people in other countries to work for the same thing there, if you like.....so this is just one, yes our goal is to reach one million people by 2020.

(Germany)

“Then we went down the road saying - ok, we need to start talking now to a number of providers who might be the franchise we would go with. We started discussions with Cost Cutters, we started discussions with others. All of those discussions and who were going to land with were driven by a number of key factors. One we were always going to employ 50% of our staff from this area. Within that, there were going to be fundamentally from day 1 a number of people with intellectual disabilities on the staff team. We needed a franchise that would be supportive of that. In the early days none of them were. They were looking at it very coldly from their point of view; this is a new business, what's the risk of this going bust and we don't want to lay out anything. From our point, there was this fundamental piece and it's something that we struggled with that our shop even today, four and a half years later, for us is not a community shop. It's a training facility first and a community shop second to address the unemployment needs in this area. That's a very, very hard message to get through. I suppose in trying to secure a franchise there was all of that at play. There was all of the agenda that they had. Then in the middle of it, there was, we're going to offer a community service like a community shop, there also needs to be value for the customer. This is an area that's unfortunately very heavily dependent on social welfare. It needed to be tailored that one would make it a profitable business and two that would provide value for customers as well. When all came to push we were left with only one player in the game. That was the Cost Cutter one.”

(Ireland)

“You enter a franchise agreement with them. That franchise agreement would say that we must purchase 85% of our stock from them. The other 15% they would want 100% obviously. The other 15% can be purchased outside of that. For us it was important to have local suppliers. We entered an agreement with them. We are now coming near the end of that agreement and it's been a very interesting journey for everyone. I think the fundamental issue at play is that certainly the franchiser still after four and a half years, really struggle with this idea of a not for profit social enterprise.”

(Ireland)

“I would say that we entered into it with a bit of closed eyes and let's say we negotiated a contract that was ok, it was just ok. We have certainly learned the

lessons when we were going down the road of our second contract. We have become very much clued and we'll drive a harder bargain without a doubt because the franchise sector not matter who they are, are interested in one thing, they are not interested in our community's soul.”

(Ireland)

“We built up the network of activists in terms of food waste around the world and this enabled us to make contact with other organisations that wanted to become part of what we are doing. That is why we have been able to set up these franchises as we have involved passionate people from around the globe. In Brazil we looked at licensing as we realised it would be a long-term issue to uncover potential franchisees.”

(UK)

“So, it seems that franchisees have happened through connections.”

(UK)

“Access to finance has been a constant problem although the franchisees have to access their own financing. So, in terms of franchisees it is a matter of doing due diligence to make sure that the business is healthy. There are other options in terms of measuring social impact but accessing finance in an ethical manner is especially difficult. We need to be careful in who we chose to bank with but in reality, that choice is very limited. There is a balance to be struck in terms of not wanting to move too quickly so as to avoid a feeling of running before we can walk. So, we need to appreciate that there is a long lead times so that you need to have the history and then planning to make the best of any commercial opportunity. I guess we have made the mistake of wanting to do too much too quickly.”

(UK)

“Again, on your model of doing business, if you adopt a franchising approach, you quickly come up against franchise legislation, which in some countries is modelled on the American system.”

(UK)

Joint Venture

An organisation may choose a joint venture as their foreign market entry mode for a number of different reasons, for example: to divide the risk with other parties, to leverage off each other's strengths etc. If a joint venture is to be successful the two or more organisations that form the joint venture must/should have common objectives in regards to: the market of entry, acceptable levels of risk/reward of the market entered, the sharing of technology, joint product development and follow-local government laws (Kotler & Armstrong, 2012). There was only one example of a joint venture involved in the project:-

- Ddraig Tex (Based in home country, exporting via direct sales and a foreign distributor)

“I used to be the CEO of a cooperative and it had been doing textile recycling for quite a long time as quite a lot of third sector organisations do; collecting textiles and then selling them to the rag merchants, who then exported them. So, for quite a long time, a number of different organisations, we all talked about why don't we come together and set up our own export centre. So ourselves and a few other organisations ended up setting up DdraigTex, but it wasn't a separate organisation from the cooperative, it was a joint venture between us and the other organisations, but, we were the lead body and so we were still responsible for everything, so legally the cooperative was the organisation.”

(UK)

“We were directly exporting goods to overseas market.”

(UK)

“Ultimately the three of us stuck together when things started to go wrong, but the other two organisations knew that if went wrong financially it was on our heads and not their heads and that is the other thing that I would never do, I would never be a lead partner again. Yes, you reap the better rewards when it is going well, but equally when it is not going well, you take all of the risks. It was easier for the other two organisations to walk away because financially they weren't at risk of anything.”

(UK)

Subsidiary

A wholly owned subsidiary is the process whereby an organisation enters a foreign market with 100% ownership of the foreign entity (Yiu & Makino, 2002). Acquisition is the purchase of a foreign organisation as a way to enter a new market. A greenfield operation is the creation of a new organisation and legal entity in the foreign market.

Wholly owned subsidiaries incur more risks than all the entry modes previously mentioned, however, if implemented correctly and in the right circumstances, it generally results in high rewards. An organisation that enters a market as a wholly owned subsidiary has high control, high commitment, high presence and high risk/reward. A wholly owned subsidiary allows an organisation to reach diverse geographic regions, markets and different industries. Through entering the correct markets and with good management a wholly owned subsidiary is a good hedge against market changes, such as political changes, legal changes and declines in different sectors (Yiu & Makino, 2002). Examples included:-

- Community Finance Ireland
- Seil Bleu
- Matilda's Planet
- Toast Ale

Comments relating to subsidiaries include:-

“I think one of the reasons why we established a southern based subsidiary, it wasn't the sole purpose but a complimentary reason for doing it was we accessed in 2007/2008, we became accredited as a social lending organisation for the Social Finance Foundation which is a wholesale provider of credit to the social lending organisations here in the Republic. One of the stipulations of being a social lending organisation accredited with those is that you have to have a southern based organisation that they can lend money to and the majority of the people or the reason why we would have set up a southern subsidiary but also because we had southern bank accounts, we would have been dealing in different currency and we wanted to get buy it from our client base.”

(Ireland)

“Yes we are a limited company here in Ireland. So, the ethos behind the company is to basically give local jobs to local people, that's one of them. And he does not take any profit out of the company, but of course the rest of us do need to get paid! And that's basically the way it's run.”

(Ireland)

“But in the US the subsidiary company was set up with the idea that we could do something to tackle food waste in the US. In the US the craft beer market is already huge and so it was a project that we knew would be quickly taken up and we knew that food waste in the US was a huge problem in terms of awareness and there were a number of other organisations working on raising awareness of food waste and other commercial organisations looking to activate their CSR policies and we felt very strongly that if we did not do it ourselves then somebody else would do it... so we just wanted to get into the market and get the brand there and get started.”

(UK)

Fair Trade

Love Zimbabwe Fair Trade is a certified as Fair-Trade organisation, selling traditional Zimbabwean crafts at specific event locally and nationally and via e-commerce and supporting community development and education for children with special needs in Zimbabwe.

“We are a Fair-Trade organisation. I have been a Fair-Trade speaker in schools. I have been promoting fair trade as well and all of this has raised our profile. When I have spoken about fair trade, I have also spoken about the work I have been doing in Zimbabwe.”

(UK)

“We have become quite international because people find us online. We have been selling in America, we also have connections with a university in America and we have linked them with our producers in Zimbabwe, so that they actually buy them direct, so we don't have to get involved, apart from our managers, in Zimbabwe that are involved in organising shipment to make sure that the quality of the order is

correct.....The connection with America evolved because they saw our products online.”
(UK)

Partnership/Collaboration

Partnership and collaboration were the most popular mode of entry into international markets. It usually involved a low cost and low risk strategy and was normally over a time limited time period. This mode can also be used across a variety of sectors.

Organisations which used this mode of entry were:-

- Dialogue Social Enterprise
- Open Campus
- Cultural Games
- Economy for the Common Good
- Intermediakt
- SciCo
- Energy Agency
- Armadilla
- GVC
- Baltijas rehabilitācijas centrs
- Penkta Koja
- EmPower be the Change
- Vi-Ability

Quotes relating to partnerships and collaborations include:-

“In these last years, our main commitment has been to guarantee humanitarian aid and cooperation to the victims of the war in Syria and the Syrian refugees in Lebanon, a commitment that has seen the our operators strengthen the partnership mainly with the association Zahret Al-Mada'en (ZAM) of Damascus with the support of international entities.”

(Italy)

“In over forty years of activity, the organisation has operated in all parts of the world, creating thousands of projects. It also collaborates with public bodies, cultural associations, cooperatives, Italian and European NGOs, organizing seminars, conferences, exhibitions and festivals, workshops in schools and refresher courses for teachers. It produces educational material for education and conducts communication campaigns on sensitive topics such as differences, human rights, the status of women, sustainable trade, biodiversity.”

(Italy)

“It happens more and more to do projects with other NGOs: they are called consortia, generally and are projects where everyone puts his skills, that is the part where everyone is technically stronger; who deals with water sanitation, who the

legal part and so on.”
(Italy)

“Our trainer from abroad deliver lectures and trainings to those, who are interested....Twice a year we organize lecture cycles. We send the information about us and planned lectures abroad. This system needs also to be improved, for example, Latvian Chamber of Commerce and Industry helps us to promote the organisation. We can go there and talk about our services, they help to pass this information abroad. It is helpful, because nowadays we need to pay even for information.

We deliver training, that give theoretical and practical insight, explaining how parents can use this information in practice.[...] I personally read books and each of them helps me in my work. I use the information I have acquired to empower others.”
(Latvia)

“But we have established good cooperation with Riga Palliative Association and we plan to found common Association through organisation of summer school here in Liepaja this year. The school will be developed together with organisations working with palliative patients in Estonia and Lithuania, and by hosting the summer school we will present them our services and propose cooperation not only within a field of palliative care, but also promote other services, such as educational training.”
(Latvia)

“So, we now had 26 exhibitions in 2017, 10 workshop centres, i.e. these are not exhibitions, but usually management training sessions, i.e. they don't always have a permanent area, but definitely have trained teams and sell the programs. And sometimes they are set up ad hoc. And we have a total of 33 locations. And we have already been to 45 countries worldwide, more than 140 cities. (...) And yes, I would have to count the countries where we were last year. But we were in Mexico, Brazil, Germany, Finland, Greece, Italy, Austria, Turkey, Israel, Russia, China, Korea, Singapore, Japan, Thailand, Malaysia, India.”
(Germany)

“Yes, that’s essentially it really we try and do similar things in different countries. A lot of the programmes we’d use would be capacity building programmes, you might have a leading country on a particular topic like Denmark Industrial heating and then you’d have five follower countries like Italy, Spain, Ireland the UK and we’d all be learning from the Danish.”
(Ireland)

“When we had the product developed, I started to collaborate with media partners, write articles in magazines, comment (consult) as a specialist and also journalists asked me to tell more about my business activity and products. It began like this. Then immediately the propositions from 3 publishing houses came and offered collaboration in production of my books in Russia. Then I have sold my copyrights.”
(Latvia)

“We were able to replicate aspects of their UK programmes. They adopted a partnership approach and some of the first clubs to come on board were AC Milan

and Turin. The international partnerships came about through opportunity rather than through strategy. “See a problem, see a Solution”.
(UK)

“For example at present we are involved in an inter-reg funded programme between Wales and Ireland. The “More than a Club” project, is led by the Football Association of Ireland and Vi-Ability, aims to develop new social enterprises aligned with four football clubs in Ireland and Wales, which will design, develop and deliver innovative social programmes centred around health, education and social inclusion.”
(UK)

“Empower be the Change has been working with Silo India and FSL India in an international partnership.....Our placements are hosted in partnership with FSL India. You will work directly alongside FSL India staff and local organisations on a day-to-day basis. Placements are in the heart of Indian communities. They have not been artificially created for the sake of vol-tourism. Things can change on a regular basis and at short notice.”
(UK)

“The process of internationalization and development of partner’s relationships does not follow a specific pattern but it is based on experiences, contacts and opportunities created with the community.”
(Greece)

“Legal constraints or limitations in different counties several times raise concerns for certain partnerships”
(Greece)

Consultancy

Consultancy, via invite or awarded by tender can be a good first opportunity to trade, usually services, in an overseas market. Consultancy contracts tend to be for short periods of time and are relatively low risk. They provide social enterprises with the chance to look for future opportunities and develop their network of contacts. Social enterprises that were trading their consultancy services overseas include:-

- Pasaku nams
- Early intervention centre Stork
- Social Enterprise Academy
- Dulas
- PI Creative Corner 360

“The entire model that we have got is about moving from stage to stage with a partner, but you have to jump in at some point. We tend to do a scoping study/desk research, then get on a scoping trip and then as part of our lean model we try and win a contract. Then whilst you are delivering the contract you can scope the area further and met people. There is demand globally for training around SE, and that is what we do. So for us and our model where our learners are, the majority of learners

are still in Scotland, we also have learners through direct contracts, but, from those we try and put our model into local hands because we don't want to keep going in forever and delivering from outside.

For us we have a lean cost of customer acquisition, if we can win a grant or additional capacity money here then we can go on a business development trip and scope options, but it will cost us money to do this. If we can win a consultancy contract and do it then the cost is absorbed by the contract.”

(UK)

“For consultancy you need to up skill and training knowledge”

(UK)

Combination of Modes

A small number of social enterprises that took part in the project had combined a variety of entry modes into different international markets and this is illustrated in the quote below:-

“In terms of our operations we would agree that the UK is the base country for our trade, we have a subsidiary company that is based in New York and then we have looked at franchising our model and so we have set up franchises in Iceland, and South Africa ... These franchises took a long time to get set up because we needed to put in place the brewer, the bakery, and the sales team. So, then we looked to expand by licencing and so we are in Brazil now and we are working with a company in Rio.”

(UK)

The table below outlines some basic considerations for social entrepreneurs to consider before deciding on the most suitable mode of entry into international markets. The considerations highlighted below resulted from the data collected from social enterprises as part of the research phase of this project.

Mode	Characteristics	Basic Considerations
Direct Exporting	Direct Export Business to Business	<ul style="list-style-type: none"> • Cost of entry can vary depending on size • Awareness of distribution costs required • Awareness of customs and trade issues • Need to specify payment terms • Can the order size be fulfilled in the required time? • Does the social enterprise have the ability to say 'no' if the order is too big? • Good way of defining partners to collaborate with in the future • Some businesses have multiple sites which may result in future sales opportunities • Opportunity to emphasise the social and environmental mission of the social enterprise
	Direct Exporting via contracts	<ul style="list-style-type: none"> • Need expertise in writing tenders • Expertise/experience in relevant field • May need local knowledge • Time to build relationships with local contractors/suppliers • Legal expertise to check contract conditions • Costs can vary depending on contract size • Awareness of export costs, if products made in home country and being exported to fulfil the contract • Awareness of customs and trade issues • Be aware of terms of payments as cash flow will be affected • Will usually involve travel of key staff to undertake and oversee the contract • Build relationships • Develop local knowledge • Future opportunities
	Direct export via e-commerce	<ul style="list-style-type: none"> • Can take significant resources to develop a website • Website may need a variety of languages • May need to limit order size • Profit margins can be low • Takes time to build online presence • Continual refinement of pricing and website required

		<ul style="list-style-type: none"> • Need to be selling enough products to justify investment • Awareness of legal requirements associated with the product • Take account of shipping cost • Awareness of customs and trade issues
	Direct Export through a distributor/intermediary	<ul style="list-style-type: none"> • Can be lower risk • Should know the production requirements in advance, as orders tend to be placed a number of months before required • Products should provide a synergy with other offerings sold by the distributor as this will increase sales • Can enhance online presence, as customers may look at the offering on the social enterprise's own website. • Distributor may want more products than you can provide • Be sure of the payment schedule • Will goods be returned if they are not sold by the distributor • May have to pay the distributor to market the products
	Direct Export Niche:- Targeting Tourists Expat Communities Cross Border Communities	<ul style="list-style-type: none"> • Low cost of entry • Need to establish relationships with tourism agencies • May need to build networks in Expat communities • Marketing services • Marketing via website and social media
	Direct Export Niche:- Cross Border Communities	<ul style="list-style-type: none"> • Local cultural issues • Local politics • Currencies/exchange rates
Cooperative Export	Exporting group	<ul style="list-style-type: none"> • Low cost of entry • Synergy effect with other products sold by the cooperative • Building a long-term relationship • Awareness of any additional legal, transport or marketing costs
Licensing	As Licenser	<ul style="list-style-type: none"> • Low entry risk • Will probably need to visit the preferred country at least once • May take time to find a potential partner • How many licensees are you going to issue per country? Some organisations suggest

		<p>one, as ecosystems for social enterprise, even in large countries can be small.</p> <ul style="list-style-type: none"> • What level of control will be maintained over the product/service? • Ensure the legal terms of the contract are thorough and enforceable • How will quality be maintained? • First licensee issued will be a steep learning curve • Generally easier to negotiate than a franchise • Usually a shorter time length than a franchisee
	As Licensee	<ul style="list-style-type: none"> • Need to know you have a local market for the product/service • What costs are involved? • Can the product/service be amended to local requirements? • Are there other licensees in your home country? • What support is provided by the licensor? • Awareness of the legal obligations of the license? • Can the license be terminated? • Are there future opportunities to extend the license if the collaboration is successful?
Franchising	As Franchiser	<ul style="list-style-type: none"> • May take time to find the right franchisee • How will the franchise be monitored? • How will quality be maintained? • How much will you charge for the franchise? • How long will the franchise last? • Franchise agreements/contracts are complicated and expert legal advice is needed • Legislation relating to franchises is complicated and varies from country to country • Do you have a clause in the franchise that allows it to be terminated/extended?
	As Franchisee	<ul style="list-style-type: none"> • May need to speak to a number of franchisers to find the right one • Some franchisers perceive social enterprises as a risk • Are there opportunities to tailor the franchise? • Do all products need to be supplied by the franchiser or can they be from local suppliers?

		<ul style="list-style-type: none"> • Be prepared to negotiate with the franchiser to get the best terms and conditions • How will the franchise be financed? • Obtain legal advice regarding the requirements of the franchise • Franchises tend to be for longer periods of time than licences • Are you able to terminate or extend the franchise?
Joint Venture	Based in home rather than overseas country	<ul style="list-style-type: none"> • Need common objectives between partners • Can be high reward • Need to have done research relating to international markets and trading opportunities • For sustainability it is advisable to build networks in countries you want to export to • Entry costs vary depending on the size and sector of the operation • What is the division of risk in the partnership? • What are the obligations for individual organisations if the project is unsuccessful?
Subsidiary	Creation of subsidiary in overseas market	<ul style="list-style-type: none"> • High market entry costs • Higher risk • Require knowledge of local market • Need to comply with local legislation and standards • Full control over the operation • May take time to find suitable location and premises
Fair Trade	Buying Fair Trade products from overseas markets	<ul style="list-style-type: none"> • Need to find suitable partners/groups/exporters in other countries • Recognised certification required • Local knowledge • How will local communities overseas be supported? • Need to ensure product quality • Opportunities for selling via direct sales in home market and internationally via e-commerce
Partnership/ Collaboration	Variety of models available	<ul style="list-style-type: none"> • Popular mode of first entry into international markets • Low risk • May take time to build a network of contacts to find suitable partner/s • Usually time limited (one or two years) • Applicable to a wide variety of sectors • Partnership contract advisable

		<ul style="list-style-type: none"> • Need to be aware of resources required to fulfil obligations • Can be used as knowledge transfer partnership • Recognised qualifications may need to be adapted for new markets and recertification is likely to be required • Language can be an issue • Usually undertaken by smaller enterprises and can be resource intensive • Can mean that key staff may be away from the base country for a long period of time • Each partnership tends to be unique • Can evolve into longer term collaborations and further opportunities
Consultancy	Generally short term, service-based contracts in areas of expertise	<ul style="list-style-type: none"> • Usually short term • Low risk • May need to go through a tendering process • Need appropriate experience and expertise • Opportunity to develop overseas knowledge and contacts • Likely to result in future work opportunities

Support for the Internationalisation of Social Enterprise

One of the intellectual outputs for this project was a review of the support that is available to social enterprises, if they want to internationalise their operations. This report is available on the project website.

The social enterprises, which took part in this project, and were already exporting goods and services overseas, had accessed support from a variety of sources. Their support needs had also varied during their existence and many had accessed some type of support, particularly, financial support during their initiation phase, whilst other had directly sought business support to enable their international trading activities.

Sources of Support

Financial Support

Financial support was available at a variety of levels. Some organisations involved in the project had accessed European funding through such programmes as Interreg and LEADER and International funds such as the UN Environment Fund.

“Well, of course the Interreg programme was helpful. This was also so sustainable / because it tied us together over a certain period of time and I don't know if we would have done it so intensively without the Interreg programmes.”
(Germany)

“The first support was very important - by project of the United Nations Environment fund, we wrote project and got support. Financial support for technology, consultations, highly qualified specialists”.
(Lithuania)

Some National Governments were also offering financial support to social enterprises, for example: -

“The biggest grant has been received from Ministry of Welfare – ALTUM grant.”
(Latvia)

“We have definitely had assistance over the years. We have had assistance from Welsh Government and the Welsh Assembly, such as payments towards overseas trips for conferences, which have been useful. We have had a jobs grant in terms of growing and sustaining jobs. We have also had a grant to support product development. The Welsh Government has been our biggest supporter from a grants perspective. It has definitely been very helpful and has come when we needed it.”
(UK)

Many social enterprises had also received financial support from local councils and municipalities, however, this was generally aimed at supporting local activities, rather than international trading.

A small number of organisations had received funding from private foundations such as the Soros foundation. One social enterprise has received financial support from a private donor to grow its business at both a community level and to promote itself internationally.

Often though social enterprises were combining funding sources, in order to grow, both in their home market and internationally, this is illustrated in the example below:

-

“Just like we are one of the support organisations for others, we have drawn on support as well. We sourced some funds which were explicitly for internationalisation. These were Scottish funds and we used them quite quickly to build that plan and go and get investment. So, we took social investment from big issue invest and social investment Scotland and because we were going for a loan, we managed to get funding from Highlands and islands enterprise support and Scottish Government to put in some funds to match the loan. So, we had a grant and a loan situation. This was important to us to build that investment track record and to becoming investment ready, professionalised us to another level as well.”

(UK)

Some social enterprises that had experienced negative issues with funding programmes, the quote below related to the Interreg programme: -

“The disadvantage with Interreg, or at least with us in the region, is that it has a relatively high level of co-financing.....At Interreg, the projects are subsidised with 60 percent, 40 percent co-financing has to be provided by the participants themselves.”

(Germany)

On a more general note some funding streams can be very specific and may not be suitable for the sector in which the social enterprise is operating.

Educational and Mentoring Support

Educational/ training support, from higher education institutions, social enterprise networks and charities, such as the ASHOKA foundation was regularly accessed by social enterprises. Areas for development included accounting skills and marketing skills.

Mentoring support, to international social enterprises was provided by local or national enterprise organisations, such as Local Enterprise Offices in Ireland and organisations such as Social Business Wales. Private companies also offering mentoring to social enterprises: -

“So, for example as I mentionedcame along and mentor so say for example when we took over 4 years ago, we put our trust into this. And there was certain strengths and stuff that we didn't have and then we got that support. And then business supports so we have had Solicitors, we had accounting support, all support from Deloitte, Nutrition Medical have been excellent support as well.”

(Ireland)

For some social enterprises they considered the support from external companies to be collaborative/ cooperative, rather than direct mentoring: -

“Also, we had partners..., whom we don’t perceive as supporters, but rather as business deal partners, because we always go with some proposition for collaboration. For instance, we have received financial, business and legal consultancy services from PricewaterhouseCoopers, but it was mutual deal.”

(Latvia)

“Collaboration with organization ‘Reach for Change’ also give a possibility to get support because they are investing with us as a social entrepreneur. The type of support was consultations from experts, mentoring.”

(Lithuania)

Networking Support

The social enterprises that took part in the project also highlighted the support available from social enterprise networks, particularly at local and national level, rather than a European or international level. The role of networking will be discussed in greater detail in the networking section of Module 2.

Support with Resources

In one example a private company had given a small social enterprise resources free of charge: -

“There was one institution.....and they had a managing director who was extremely open at the time. She more or less offered us an office space after the first appointment, which we could use free of charge.”

(Germany)

Holistic Support

Some organisations were able to offer a variety of support services to social enterprises which were trading internationally, such as the example below: -

“A very important partner and network is the British Council that has helped our extroversion in various ways:

- through its involvement in our projects
- through the dissemination of our actions and outcomes on its network
- by providing training opportunities for our team
- with the exchange of collaborators and speakers with our organization

- with mentoring sessions about science communication
- with financial support”

(Greece)

Scotland

In terms of support offered for social enterprise initiation, growth and development, including internationalisation, it is worth highlighted the support structure available in Scotland. Through both the desk-based research undertaken for the report produced as part of Intellectual Output 2 of this project and the case study research undertaken within Intellectual Output 1, it became obvious that the support for the internationalisation of social enterprise in Scotland is more integrated than anywhere else in Europe. The Scottish Government have a specific strategy entitled “Internationalising Social Enterprise” (2016), which includes the policy context, the strategic priorities and an action plan for the internationalisation of social enterprise in Scotland. Two Scottish based social enterprises took part in this project and the quotes below emphasise the support and resources available in Scotland: -

“The Scottish government are very supportive. The strategies have been really well co-produced between the sector and government, it doesn’t feel top down at all. It is great to be recognised in that. It is not always rosy, but at least there is dialogue and generally they are enabling.”

(UK)

“Recently we had support from Scottish Development International and they had a raft of grants, for example around picking up 30 to 50% of the travel cost to new markets, supporting an international business development manager post even employing contractors overseas, that know the overseas markets. With their help you can find the right partners of find the right funders, you can travel with lots of meetings set up and hopefully win some business.”

(UK)

“Scottish Development International, for example, has a research team of 50 people. You can ask them a question and they will do the research and get back to you. It is having support like that which means that you do not have to waste your teams time.”

(UK)

No Support Received

Most of the social enterprises that took part in this ERASMUS+ project started to trade internationally without receiving or even looking for any support: -

“Did you get much support from any organisations with regarding moving to Ireland?

It wasn’t looked for.”

(Ireland)

“We have not received any help from the institutions, rather on the contrary. “
(Italy)

“No, everything we start and continuous doing with our own funds.”
(Lithuania)

“We went to the agencies that are there to support you, but we did it ourselves in the end.”
(UK)

An interesting comment from one social entrepreneur was: -

“We don’t usually go and ask for support, because then the sense of social entrepreneurship disappears.”
(Latvia)

Issues with Support

The biggest criticisms levelled against the support available to social enterprises, especially the internationalisation support was that it was limited and generic:

“The support from external entities is particularly limited. Any support we have received is mainly from international clubs and producers. In our team there are people from different professional fields who help us by providing specialized knowledge. In addition, our external contact has enabled us to establish relationships with other clubs abroad and organize exchange of experiences both in Greece and abroad. These programs involve various activities where we host the participants and provide complete tours, touring crops and visiting the natural landscape.”
(Greece)

“However, what was out there, in terms of support was not suitable for us. I went to business Wales, to the export service, but it was very generic.”
(UK)

“As well as the funding we had an export advisor. My predecessor met with him a few times. The advisor had an impressive resume, he was independent but also did some work for the Government. He basically gave expert export advice. He was not an expert on social business, in fact this is one area that is lacking, there are not a lot of experts on international trade for social business. Most have an unrealistic understanding of what social business can achieve. People were full of ideas and advised me to speak to lots of people, but it would result in a dead end”.
(UK)

“We talked to many experts and got a lot of advice. Some of the advice was a load of rubbish and the one thing that we have learnt, in this game, everyone's an expert.”
(Ireland)

Future Support Needs

The majority of the social entrepreneurs interviewed did not indicate any future support needs, however, one spoke of the following: -

“I would like to have some structured, targeted database of contacts, which is not ‘info@..’ and maybe you will be lucky to receive some answer, but a database with contacts and profiles, where we could find people and organisations interesting for us to cooperate with and could address to them directly. For now, we spend a lot of energy to find the right person, so it is all about access.”

(Latvia)

Conclusion

The experiences of social enterprises, that have taken part in this project, have varied greatly in terms of the support that they have received for internationalisation. Many have just seen an opportunity to internationalise and have taken it, without trying to access any support. Some organisations have tried to access support, for the internationalisation process and have found it generic and limited and failing to address the needs of social enterprises. In terms of financial support, many social enterprises have found grant funding and mentoring, available through various sources, as a necessary building block on the path to becoming an international social enterprise.

Support for social enterprises needs to be available at a variety of stages of the international development and growth process and this necessity is outlined in the quote below: -

“This support is ongoing, and it needs to be, because as you grow you just have more and more needs. The needs are just different. Never think that you don’t need backup. In terms of the timescale it takes to get your business growing, you may have a product that flies off the shelf with an incredible margin, but, if you are in social enterprise, the chances are that you won’t. You are learning how to export the product as well and export always comes with a few extra costs, so your margins are going to drop.

“Trading internationally takes longer, it out of you as well. You need to build up your team, bigger, perhaps that you might otherwise need to. I would say that this support and being able to inflate your extra investment at the front end and just have those connections.”

(UK)