



Forum 3

Scale and size in social enterprise



To examine whether the economies of scale and management capacity of larger social enterprises helps to make them more sustainable and delivers higher social and economic impact than smaller enterprises.



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Scale and Size in Social Enterprise

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The Lebenswelten Group Berlin

- Integration Companies
 - ◆ Elkotec GmbH – High Tech Manufacturing Company
 - ◆ Saldo Journale GmbH – Wage and Financial Accounting Company
 - ◆ Lebenswelten Restaurations-GmbH – Catering Service Company

- Vocational Training and Rehabilitation Company
 - ◆ Spektrum GmbH – variety of rehabilitation schemes

- Labour Market Integration Services
 - ◆ Integration Service – Support at Work
 - ◆ Integration Service – Job Placement Service

- Sheltered Community Living / Day – Care - Centre

Guest Trade Market in Berlin

- Approx. 7.500 restaurants and another 1.700 canteens and catering businesses
- More than 30.000 persons are working in the gastronomic sector.
- 80% of the over 9.200 businesses are run by small trade business people (if at all only with a few employees).

Lebenswelten Restaurant and Catering Company



Lebenswelten Restaurant and Catering Company

- Italian Restaurant (former French Restaurant) since 1986
 - Contract Catering (business and school catering)
 - Event Catering (event- and party service)
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More than 50 employees – more than 50 % handicapped

Growth in Scale and Size: Restaurant and Contract Catering



Staff Restaurants / Cafeterias:

Aspects to be considered for successful participation in invitations of tenders

- Atmosphere
 - ◆ Social place for relaxation and regeneration
- Variety of dish selection
 - ◆ High quality of ingredients
 - ◆ Freshly cooked
 - ◆ Variety of choices: traditional and modern food
- Price – performance ratio
- Customer orientation and service quality



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- Contract duration always temporary
 - Contract may be cancelled prematurely due to bad performance

Event Catering Services: How can it be successful ?

- Designed as a virtual business
 - ◆ Little infrastructure
 - ◆ Few own staff
 - ◆ Do not own kitchen equipment
 - ◆ Do not own administration
- ◆ that means: small-scale fixed costs



Trend in the Event Catering Business

■ Full Service Provider

- ◆ Planning and realisation of the event according to the theme
 - ◆ Location
 - ◆ Technical equipment
 - ◆ Decoration
 - ◆ Tableware
 - ◆ Skilled staff
- ◆ Cooperation with experienced partners



Potential Clients in Event Catering

- Social aspect of our work
 - ◆ In competition with other social enterprises
- Recommendation
- Visiting current events
- Reasonable price-performance-ratio

Factor of Success: Our Staff



Factor of Success: Our Staff

- ◆ Different types of jobs with different demands on employees
- ◆ Long term jobs with reasonable payments
- ◆ Provision of vocational apprenticeship and training
- ◆ Cooperation in teams / Supportive team structure
- ◆ Dedicated Management

Economies of scale in purchasing?

- ◆ Saving potentials arise less from favourable purchases: small size of enterprise
- ◆ Saving potentials result from standardisation of certain conditions
- ◆ Economical challenge: energy prices / food prices

Conclusion

- ◆ Everyday challenges:
 - ◆ Over 2000 guests in staff restaurants and cafeterias daily
 - ◆ Up to 1000 guests per event in the full service catering
 - ◆ Up to several thousand guests per order in event catering
- ◆ Growth in scale and size helps to stay in a competitive market, since a certain size of business and the use of given structure in other parts of the enterprise causes a rise in economic efficiency.
- ◆ Social background is important but not a decisive factor
- ◆ Future: further growth as event caterer with new potentials in vocational apprenticeship

Thank you very much
for your attention!



Annie Gunner-Logan
Community Care Providers
Scotland

Social care provision

- Non-profit sector income of £750m+
- Roughly one-third of all publicly-funded provision
- 25% (+) of all social services employees
- 38% of all services registered with regulator
- Largest providers have turnover £40m+

Market environment

- Highly regulated – up to 15 monitoring bodies
- Highly competitive market – lots of providers
- Tight budgets – and getting tighter
- Consolidation of contracts – larger, more generic
- Policy drive towards localism
- Personalised services and outcomes

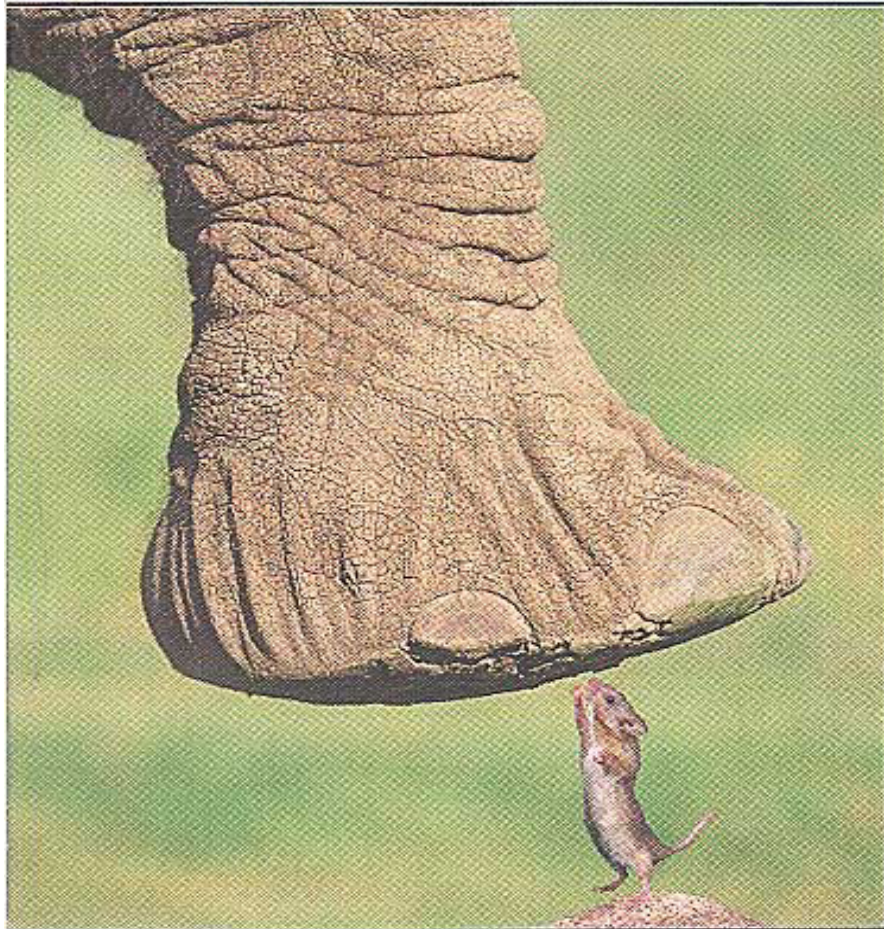
Size doesn't matter...

ccps



...or does it???

ccps



They thought that it could not be done
Some even said they knew it
But we faced up to what couldn't be done
And we couldn't bloody do it