



Interreg
CENTRAL EUROPE

SENTINEL

Template for the “Toolbox for Social Business Mentoring Services” country cases (D.T 1.4.2)

Partner level input from partner organizations and PPs’ expectations towards Toolbox

Country case Italy

By Central European Initiative

1.The defined mentoring needs and opportunities in the partner country or region

Concerning Social Enterprises, Italy is characterized by a complex world of not-for-profit organizations.

The key national legislation is based on the historical law governing social cooperatives (approved in 1981), while the broader law on social enterprise is more recent (2005). A new law on the Third Sector was approved last year (2017) and it includes a huge diversity of organizations like enterprises with social purposes, social cooperatives, associations, foundations and businesses oriented entities. Defining mentoring needs and opportunities, a large number of legal and organisational models, governance configurations, activities and, not least, business models should be taken into account. The key point remains the principle of social function and the purpose of social benefit that all organizations must have explicitly as core business.

Social entrepreneurial business must be of social utility, that means to consider two situations: it regards social utility sectors - welfare, health, education, instruction, culture, environment etc. – and it is aimed to the work integration of disadvantaged and disabled worker.

SEs have an explicitly social aim with activities that generate direct benefits for a community or for disadvantaged persons; they are constrained — at least partially — in their profit distribution, and they are characterized by an inclusive and participative governance. A mandatory task for SEs is to measure and report their social impact.

Several barriers and constraints emerged during the research and needs’ analysis:

- high dependency on public funding: approximately 70% of turnover comes from public clients. This is a key problem for the majority of SEs (and even more social cooperatives) that are concentrated in few sectors – i.e. social cooperatives that provide social and health services – and derive the most of their income from contracts and/or agreements with public institutions;
- Access to finance and financial sustainability, due to a lot of SEs still depending from public sector but also accessing finance from traditional sources can be particularly problematic for social Enterprises and there is the need of dedicated financial instruments;
- access to market and lack of specialist business development services have emerged as critical issues as well, that demonstrate the existing problem of skills development;
- There is the need of innovative instruments but also the need to give different rules to traditional instruments. For examples, there is the need of specific training and education plans, but also existing regional funding instruments for education and training could be adequate only with flexible rules for different territories; on the other side, awareness raising on the importance of training for the social enterprises is needed because very often they are focused only in the daily life work and they aren't receptive and/or do not have time to dedicate to the training opportunities offered to them;
- legislative framework is considered an opportunity but also a barrier, and many concerns are reported about a lack of attention to different needs related to different organizations from historical social cooperatives to a wider universe of social enterprises;
- lack of innovation, both in long term plans and in daily work, because a lot of cooperatives have the risk of burn out on daily life job and still work with perspective of providing a service without thinking strategically;
- localism, with weak awareness of wider markets and opportunities;
- the need to re-establish contact with the everyday life of the communities in which they operate, especially in order to identify emerging needs (increase of conditions of vulnerability and social exclusion, but also opportunities for development). that can be addressed by SEs.

2. Already used mentoring methods and good practices

The results of the Country reports and needs' analysis demonstrate that in the Italian regions involved in the project there are already experiences where SEs are supported through the offer of different mentoring services: consultancy, access to credit, assistance in developing a business idea. Many services are aimed to those who are in the start-up phase and need advice, support and professional advice concerning laws, funding opportunities and procedures. Legal and organizational support can be received, also with the support in drafting their statute and elaborate the business

plan in the start-up, in drafting the documentation required and to fulfil the mandatory obligations for its formal constitution.

Moreover, mentoring activities and practices are promoted offering the following services:

- to provide services in the framework of contracts and collaborations both with public and private organisations;
- to enhance the role of social cooperatives in labour market integration, promoting business models that can create job opportunities and social inclusion, to implement activities and services to support the business development of social cooperatives also through mutual help and exchange mechanisms among the associated cooperatives;
- to access finance opportunities;
- to improve the quality of the processes of labour and business inclusion, promoting high quality of goods and services, aimed to strengthen the capacity of enterprises to compete on the market and produce social wellbeing (job and social inclusion);
- to increase the level of quality in the pathways of job placement, promoting and supporting the adoption of monitoring and evaluation tools;
- to promote cross-sectoral and joint training initiatives among the members in order to improve skills and professional competences
- to provide appropriate organizational and business management tools to improve the performance of its services.

In this framework the main mentoring and coaching activities provided by the Consortium to its members are:

- a) Training
- b) Legal support
- c) Management support
- d) General contractor role

Concerning mentoring activities, there good practices where SEs networks are committed to promote innovation, especially at the organizational level, constantly looking for the best matching of the needs and the skills / abilities, in particular in three levels of innovation:

→ process: to strengthen the integration of the services provided by the consortium members in order to be increasingly more effective in its activities;

→ service: encouraging the introduction of innovative processes and technologies to improve the performance in terms of time and cost while ensuring a better social and environmental impact;

→ product: with the aim to innovate the production and to support the communication of the double value, economic and social, of the products, also through the use of new information technologies.

Coaching SEs in quality assurance is also a key activity. Quality is a crucial element for the SEs in business development and attention must be paid to:

→ the operational quality;

→ The quality of the services provided, that help to strengthen recognition and visibility in the market.

→ The quality of internal policies: to share principles and values aimed at creating the best conditions for selecting managers, within the framework of the cooperative mission.

3. Further mentoring methods and activities

It is crucial to provide different mentorships program, trainings, workshops for different enterprises and there is the need of specific activities and programmes dedicated to SEs. Concerning what came out from the analysis already implemented, the further methods and activities could be the following:

- To coach SEs in market diversification, to avoid situation where the demand is no longer increasing or where the financial support for these services won't increase in the future;
- To coach SEs in developing innovation processes, to strengthen their capacity to address the main challenges of social innovation and their ability to start new cycles of innovation, which will allow them to move towards new partnerships, new services and new products;
- To mentor SEs in accessing new finances and to open new business opportunities, to identify new resources, addressing private demand as well as demand for community-based and corporate welfare; the role of innovative finance in addressing social needs is more current than ever and is at the core of public debate and national policies, and SE can play a great role on that supporting the capacity to invest in social innovation;
- To train SEs in managing skills and in organizational strategies and in developing innovative tools to address the challenges ahead;
- To coach SEs in building closer cooperation between different actors, with profit organizations, finance institutions and other social organizations;
- To mentor SEs in developing high value-added activities, to overcome traditional welfare service that are indeed, to a large extent, low value -added activities;
- To coach SEs in increasing their capacity to compete in the market, through new strategic partnerships – i.e. with for-profit SMEs;

- To mentor SEs in access valuable professional training for their employees and for people bringing potential ideas to be developed, in more skilled tasks demanded by the open labour market;
- To coach SEs in developing projects aimed at producing added value in the local communities producing a positive social impact.

Key Factors Enabling or Hampering SE Support Services in Trentino Region

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Autonomy of the regional Government enabling a closer understanding and connection with the local needs • Increasing number of start up in form of cooperatives/social enterprises • Joint effort between the public institution in charge of Education and the Federation to implement dedicated training sessions and working opportunities for students • Coverage of the main economic sectors with second level organizations that can provide specific support to single enterprises 	<ul style="list-style-type: none"> • Rural and remote area that are characterized by depopulation • Localism: scarce awareness of European rules and opportunities • High dependence on public policies and resources (cut in public expenditure) • Poor understanding of the concept of SE • Lack of supportive legislative frameworks • Lack of access to finance • weak entrepreneurial attitude and professional skills for scaling up •
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Presence of a dedicated Office in Bruxelles both of the Federazione Trentina della Cooperazione and of the Autonomous Province of Trento enabling lobby, advocacy and promotion actions • Evolution of the Reform of Social economy in Italy (this could be also a threat!) 	<ul style="list-style-type: none"> • Difficulties of traditional small enterprises and retail centres to cope with the competitiveness of bigger players

Key Factors Enabling or Hampering SE Support Services in Carnia and Cadore areas

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> - Increasing number of social cooperatives and social enterprises. - Existing policies supporting social economy as an instrument for 	<ul style="list-style-type: none"> - Lack of SE support service training - SE support services not fixed and lack of flexibility to adapt them to market needs.

<p>sustainable development.</p> <ul style="list-style-type: none"> - In marginal or disadvantaged areas, social enterprises are often the main entrepreneurial activities. - 	<ul style="list-style-type: none"> - Lack of economic resources to invest in support services. - Lack of specific recognition of SE support services that differ from other enterprises.
<p>OPPORTUNITIES</p>	<p>THREATS</p>
<ul style="list-style-type: none"> - The Third Sector and social enterprises reform. - EU funding instruments 	<ul style="list-style-type: none"> - Lack of innovative approach (no trust in new initiatives, no changes in organisation and resistance to innovation). - Lack of or weak entrepreneurial skills.