

Lifelong Learning Programme

Leonardo da Vinci Transfer of Innovation - 2010-1-FR1-LE005-14505

Budapest Business School

ARIADNE, the managerial guidance in Social Economy based on intrinsic skills, competences and values: commitment, behaviour and motivation

ARIADNE, the managerial guidance in Social Economy based on intrinsic skills, competences and values: commitment, behaviour and motivation

Pilot course

Date: 23-25 May 2012

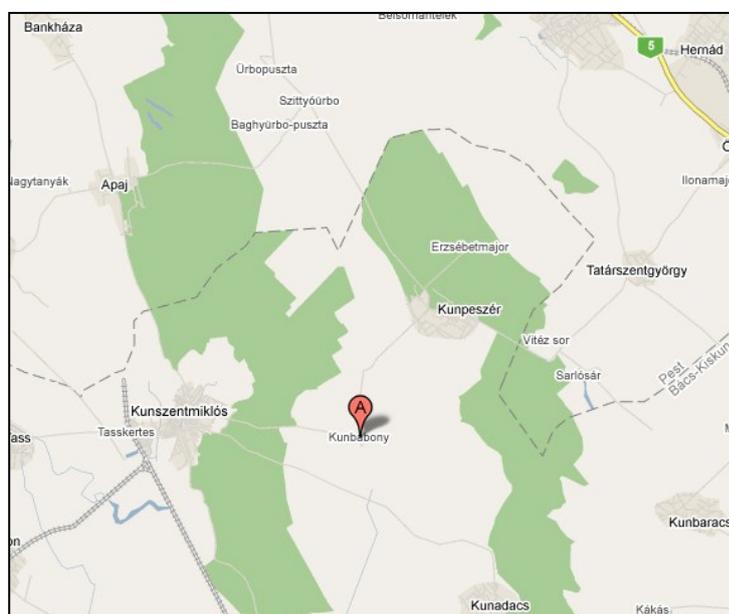
Arrival: 23 May 2012 (Wednesday) 09:30

Closing: 25 May 2012 (Friday) 15:30

Venue: Civil College – Kunbábony
H-6090 Kunszentmiklós - Kunbábony

Approach:

You can access Kunbábony from the direction of Budapest by expressway M5 to Örkény, then via Tatárszentgyörgy and Kunpeszér, or along main road 51, via Tass and Kunszentmiklós.



Organizor(s):

ARIADNE team members on project level

Project manager: Dr. András Vígvári

Project leader: Dr. Sivák József

Experts: Dr. János Zsugyel

Dr. László Osváth

External experts: Zsuzsa Mészáros

István Sebestény

Co-ordinator: László Varga

Accommodation for two nights and board for three days is provided to the participants free of charge from the ARIADNE project budget, with the support of the European Commission.

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DAY 1
<p><i>OBJECTIVE: Introduction of the theoretical basis and development of the managing competencies concerning social economy</i></p> <p style="text-align: center;"><i>RELEVANT PART OF KSC FRAMEWORK:</i></p> <p style="padding-left: 40px;"><i>F – To know, understand and be able to position the social economy and</i> <i>B – To know, understand and mobilize the internal governance system</i></p> <p><i>METHOD: lectures, best practices, teamwork and interactive discussions</i></p>

1. MODULE

Host(s), moderated by: Dr. József SIVÁK és Dr. János ZSUGYEL		
	PROGRAMME	
08:00	ARRIVAL, REGISTRATION	
09:30	OPENING Welcome and opening by the Budapest Business School	Dr. József SIVÁK
09:45	WELCOME Welcome and introduction by the Civil College	Zsuzsa MÉSZÁROS
10:00	ASSESSMENT BEFORE THE TRAINING	László VARGA
10:30	1.1. LECTURE What is the meaning of social economy and social enterprise? Introduction of the Hungarian and European approaches, models and practice of social economy. Initiatives of the European Commission for the future development of social enterprises.	Éva G. FEKETE
11:30	1.2. INTERACTIVE DISCUSSION What are the main lessons of the European experiences in social economy for the Hungarian practice?	
12:00	LUNCH BREAK	
13:00	1.3. LECTURE Main elements of the changing legal/regulatory background (expected) concerning social enterprises	Dr. Ferenc KONDOROSI
14:00	1.4. BEST PRACTICES Successful organisational, constitutional model Hungarian practice – Communal Social Cooperative – Mondragon model Foreign practice (case study) – checked on the Budapest partner meeting	László NÉMETH
14:45	1.5. INTERACTIVE DISCUSSION In what types/forms and how can social enterprises operate, and what kind of opportunities and challenges do they have?	

	Advantages and disadvantages of the different legal forms, operational problems of the organizations Difficulties of the running of the organizations, entrepreneurial opportunities, containment of owners, membership and staff (employees), types of personal affection, etc.	
15:15	COFFEE BREAK	

2. MODULE

Host(s), moderated by: Dr. József SIVÁK és Dr. János ZSUGYEL		
	PROGRAMME	
15:30	2.1. LECTURE General introduction of the competencies model developed during the ARIADNE project	XXXXXXXXXX
16:30	2.2. SELF-ASSESSMENT Participants assess their own competences, which ones they have and which they need to improve. <i>Preparation for the evening discussion. Observation criteria:</i> - Which competencies required for effective operation are obviously present in the members of the organisation and which are not? Promoting and hindering factors. - Which of the external circumstances promote and which hinder the work of the organisation?	XXXXXXXXXX
17:30	2.3. INTERACTIVE DISCUSSION Emergence of the theoretical competencies in the practice. What are the most important competencies in the praxis of participants of the training course? Which one is the most central? Do you have it or not? How can you improve your competencies (on the job or in training)?	
18:00	PRACTICAL EXAMPLE – COMMUNITY DEVELOPMENT Meeting the members of Adacs-Bábonny Social Co-operative. Social evening with dinner prepared by the co-operative. - Presentation of the co-operative: preparations (internal and external circumstances, antecedents in terms of membership), foundation, membership, activity, future plans. Motivation of the members. Discussion with moderation.	Zsuzsa MÉSZÁROS
18:30	DINNER ... and discussion	

DAY 2
<p><i>OBJECTIVE: Overview of business competencies from theoretical and practical point of view and how to utilize a multi-stakeholder approach to improve stakeholder relations, both internal and external</i></p> <p style="text-align: center;"><i>RELEVANT PART OF KSC FRAMEWORK:</i> <i>E – To manage the financial aspects and</i> <i>C – To manage the various external stakeholders (with some elements from other parts of the framework)</i></p> <p><i>METHOD: lectures, best practices, project work, teamwork and interactive discussion</i></p>

3. MODULE

Host(s), moderated by: István SEBESTÉNY és Dr. László OSVÁTH		
	PROGRAMME	
09:00	<p>3.1. LECTURES</p> <p>3.1.1. THEORY</p> <p>3.1.2. PRACTICE-ORIENTED Developing business competencies. Acquiring funds from different areas and its characteristics</p> <ol style="list-style-type: none"> 1. <i>Public funding</i> 2. <i>Market activities funding</i> 3. <i>Private funding/donations/sponsorship/grants</i> 4. <i>Membership capital</i> 5. <i>European projects and funds</i> 6. <i>Volunteer or in-kind contributions</i> 7. <i>Economies of scale/networks and consortia</i> 	István SEBESTÉNY és Dr. Anikó SOLTÉSZ
10:30	COFFEE BREAK	
10:45	<p>3.2. BEST PRACTICES</p> <p>Successful business, economic model</p> <p>Hungarian practice – Fruit of Care Nonprofit Ltd.</p>	Áron Jakab
11:30	<p>3.3. INTERACTIVE DISCUSSION</p> <p>Questions and/or remarks, comments concerning the case studies. Collecting and systemizing of the participants' own experience (starting resources and fund acquiring opportunities, advantages and disadvantages)</p>	
12:00	LUNCH BREAK	
13:00	<p>3.4. BEST PRACTICES</p> <p>Successful business, economic model</p> <p>Foreign practice – checked on the Budapest partner meeting</p>	checked on the Budapest partner meeting
14:45	<p>3.5. INTERACTIVE DISCUSSION</p> <p>What are the main lessons of the European experiences in social economy for the Hungarian practice?</p>	
15:15	COFFEE BREAK	

15:30	3.6. PROJECT WORK How can organizations obtain alternative funding, or how can they combine funds? (Mapping potential funding sources for their own organization) Participants assess their strengths, potential strategies, and competences to obtain new types of funding. (SWOT analysis)	István SEBESTÉNY és Dr. Anikó SOLTÉSZ
16:30	COFFEE BREAK	

4. MODULE

Host(s), moderated by: István SEBESTÉNY és Dr. László OSVÁTH		
PROGRAMME		
16:45	4.1. LECTURE Methodology and techniques of the stakeholder analysis (briefly) The existence and operation of the social cooperatives is many times up to their skills, how to identify the stakeholders of their activities, and the motivations, interest of the stakeholders. After that along the motivations and interest how can they carry over the stakeholders?	Dr. László OSVÁTH és Dr. Éva FENYVESI
17:15	4.2. TEAMWORK Practical Exercise: In small groups, participants prepare a stakeholder analysis about their own organization and chosen project. Prepare a map with existing stakeholders and potential stakeholders. Compare with potential funding stream exercise in previous module and think about how stakeholders can be engaged in new funding streams and/or strategies. <i>Preparation for the evening discussion. Observation criteria:</i> <ul style="list-style-type: none"> - Which competencies required for effective operation are obviously present in the members of the organisation and which are not? Promoting and hindering factors. - Which of the external circumstances promote and which hinder the work of the organisation? - To what extent did the external funds influence operation at the time when the funds were available and after that? - Established/non-existent conditions of integration (embedding) into the community. The co-operative as retaining force.. 	Dr. László OSVÁTH és Dr. Éva FENYVESI
18:30	PRACTICAL EXAMPLE – COMMUNITY DEVELOPMENT Introduction of Reflex Social Co-operative and of the small-regional community television. (Presentation compiled from the programmes of the television) - Presentation of the co-operative: preparations (internal and external circumstances, antecedents in terms of membership), foundation, membership, activity, future plans. Motivation of the members. Discussion with moderation. Resources, order of business, management tasks. Discussion with moderation.	Zsuzsa MÉSZÁROS
19:00	DINNER ... and discussion	

DAY 3
<p><i>OBJECTIVE: local community development theory and practice in Hungary. Understand the role of the organization in the community and the impact of performance and sustainability</i></p> <p style="text-align: center;">RELEVANT PART OF KSC FRAMEWORK:</p> <p style="text-align: center;"><i>C – To manage the various external stakeholders,</i></p> <p style="text-align: center;"><i>A – To develop a strategy that can sustain the SE's multiple goals,</i></p> <p style="text-align: center;"><i>G – To develop a feeling of membership and pride in belonging to the social economy</i></p> <p><i>METHOD: lecture, interactive discussion and site visit at a successful social enterprise</i></p>

5. MODULE

Host(s), moderated by: Zsuzsa MÉSZÁROS		
	PROGRAMME	
09:00	<p>5.1. INTRODUCTORY LECTURE</p> <p>Local community development theory and practice</p> <p>Mapping exercises from day 2 can be used in this lesson to connect theory and practice. (How can stakeholder analysis enhance the organization's role in local community development? Are there new business opportunities?)</p> <p>Participants think about the strategies and competences needed to communicate their activities and goals to the community.</p>	Ilona VERCSEG
10:00	<p>5.2. INTERACTIVE DISCUSSION</p> <p>Participants should elaborate 2 or 3 key questions for the site visit organizations to investigate aspects learned in the theory lessons</p>	
10:30	COFFEE BREAK	
10:45	<p>5.3. TEAMWORK</p> <p>Feedback on the presentations and exercises of the previous day</p> <p>Teamwork based on the insight into the lives of two co-operatives and one association – evaluation of the 2 evening introductions, programmes– Adacs-Bábony Social Co-operative, Reflex Social Co-operative, Association of Community Workers of Felső-Kiskunság</p> <p>Model questions: How are the human resources managed at the organisation and who takes the actual decisions? Where do the revenues of the organisation come from and how were they acquired? Nature of the relationship of the organisation to the community: How does it communicate with the local community and get involved in it?</p>	Zsuzsa MÉSZÁROS
13:00	LUNCH BREAK	
14:00	ASSESSMENT AFTER THE TRAINING	László VARGA
14:30	<p>CLOSING</p> <p>Closing speech, expression of thanks. certificates</p>	Dr. József SIVÁK

1. MODULE	
Host(s), moderated by:	Dr. József SIVÁK és Dr. János ZSUGYEL
LECTURE	
What is the meaning of social economy and social enterprise? Introduction of the Hungarian and European approaches, models and practice of social economy. Initiatives of the European Commission for the future development of social enterprises.	
Lecturer:	Éva G. FEKETE
Summary:	
<p>1. Theoretical issues of the solidarity economy</p> <p>1.1. Processes calling the solidarity and social economy to life: (1) In the current model of social organisation, long-term and mass absence from the world of paid labour logically leads to poverty, to exclusion from society. This raises social and humane issues, but it is also conducive to the shrinking of purchasing power (and through that of the markets themselves which ought to provide for economic growth), to a disproportionately overburdened state budget due to the increase in benefits, and to the absence of citizens who are autonomous in the economic sense, representing the basis of the democratic state, capable of exercising their democratic rights. That is, it threatens the very bases of the economy and of democracy. It is a common feature of solutions so far aiming at the treatment of the conflict between the volume of work and the supply of labour that while they strove to approximate full employment as much as possible – in an explicit or implicit way –, they produced no more than minor improvements. This is attributable not in the least to the fact that they do not reach down to the root cause of the problem, the economy, and the interpretation of work itself. (2) The needs are increasingly differentiated; they cannot be satisfied in the traditional settings. (3) The criteria of the preservation of the environment, not asserted by the capitalist enterprises operated on the basis of the traditional capitalist logic to the extent expected by the population, have appreciated.</p> <p>1.2. The solidarity and social economy as a solution alternative: A growing number of economists has expressed that the answer to the challenge of “worklessness” lies in embedding the economy into society; in making the economy built on competition for profits change over to one that is more solidarity-oriented. The model of the three-pole economy and of mixed work has been designed. This is the model integrating the economy into society, which is usually called the “social economy”. The social economy means two things: it is a solidarity-based alternative to the neo-liberal economic model which takes into account exclusively the market and public actors, and it covers economic activities in the narrower sense related to the third sector, functioning in the European Union quasi as a supplementary economy to market economy.</p> <p>1.3. Solidarity solutions in the economy: production and sales of local products, reciprocal exchanges, local money, microcredit circles, CSR (examples!).</p> <p>2. The social economy in practice</p> <p>2.1. Activity areas of the social economy: social and personal services; operation and maintenance of settlements; landscape and forest maintenance; nature protection; cultural, leisure, travel and information services; social, commercial and community transport services; agricultural co-operatives and community agriculture (examples!).</p> <p>2.2. Organisations of the social economy – the social enterprises: Instead of focusing on profit acquisition alone, the goal of social enterprises is to provide service to themselves or to the members of the broader community. They are independent of the state, their operation is democratic, based on decision-making and rules of operation including the participation of users and workers; as for profit distribution, people and invested work are given priority over capital brought in; activity is based on the principles of participation, empowering, individual</p>	

and community responsibility. They are in the intersection of the sets of co-operatives and of non-profit organisations. They gain significance in particular where there are no profit-oriented enterprises, but there are resources which can be used and there is significant uncommitted labour. It is typical of the European weight of social enterprises that they contribute around 6% of all European enterprises and 6% of employed persons in Europe. Half of Europeans are members of an association of some kind, and around one quarter of a co-operative of some kind. Enterprises based on reciprocity represent one quarter of the European insurance market.

3. Support for the social economy in Europe

- 3.1.** Tasks for the domestic development of the social economy: The exploration of the international experiences of the social economy and of the specific features typical of its emergence in Hungary has opened the way also for the determination of the main development tasks. These relate to topics of organisational development, the provision of an external professional helper background, the establishment of the market background and financing.
- 3.2. Place of the social economy in EU policy:** Typically, measures have already been taken in enterprise and employment policy, but it is imperative that this topic should make its way to rural policy.
- 3.3. The latest efforts:** Social Business Initiative: state supports, public procurement regulation. Taxation, research, training, financing, organisational development.

LECTURE

Main elements of the changing legal/regulatory background (expected) concerning social enterprises

Lecturer:

Dr. Ferenc KONDOROSI

Summary:

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BEST PRACTICES	
Successful organisational, constitutional model	
Hungarian practice – Communal Social Cooperative – Mondragon model	
<i>Lecturer:</i>	László NÉMETH
<i>Summary:</i>	
Presentation of CSC and structure of SROP Tender 2.4.3	
<p>We formed the Community Social Co-operative (CSC) on 5 November 2010 in Budapest, primarily with the participation of social experts. Social experts form a bridge between those who have been excluded from society, the oppressed, and the labour market activities offered by the co-operative.</p> <p>By way of preparation of the Community Social Co-operative, we studied the co-operative, community enterprise models active the world over. On that basis, we decided to model our co-operative on the Spanish Mondragon-type workers' co-operative. Therefore, we have established in the bylaws a guild unit system matching the worker co-operative structure. The guild units function, on the one hand, as a mutually supportive business system and, on the other hand, they implement their activities as organisational units enjoying great autonomy. We have established our co-operative in order to have an inclusive co-operative providing employment in the guild units to as many persons excluded from the labour market as possible, in a form in which the products being produced are created in an environmentally conscious way, and mainly from recycled materials. Our main activity is the re-utilisation of waste, contribution to sustainable development and, through that, to job creation.</p> <p>The Guild Units accepted by the General Meeting of the Community Social Co-operative and their respective managers are the following:</p> <ol style="list-style-type: none">1.) Directorate – Co-operative Development Guild Unit (László Németh)2.) Donation Shop Guild Unit (László Vizkelety)3.) Creative Objects Guild Unit (Attila Sólyom)4.) Green Energy Guild Unit (Attila Mester)5.) Experiential Expert Guild Unit (Géza Gosztonyi)6.) Work Warehouse Guild Unit (Anna Sipos)	
Duration of the implementation of the tender: 01 October 2011 – 31 December 2012	
Target group: persons in a disadvantageous situation, excluded from the labour market. The majority lives in Districts VIII and XII of Budapest, they have low school qualification and cannot be employed in the traditional labour market due to family or health reasons.	
In the application programme, the total number of employees is 16 persons.	
We implement three training programmes under the application. One among them, psycho-social training in 48 hours, is provided expressly for the target group members involved. Since the target group members we intend to involve are long-term unemployed, often without any work experience whatsoever or with very work experience dating from long ago, their social and employee skills need to be refreshed. During psycho-social development, they can step out of their “assisted” life situation and take their fate in their hands.	
The other two training programmes are joint trainings for the co-operative members and the target group members together. One is co-operative community-building in 48 hours, the other is community entrepreneurial development , also in 48 hours. These two trainings transfer knowledge and skills needed for co-operation in community enterprises.	

In the context of the application-based project, we have also created the services supporting the operation of the Guild Units, which will make it possible to **develop sustainable business plans** for them; **to carry out marketing research and to have recourse to marketing counsel**. We shall compile **product catalogues and fliers** to present the products and services.

In the framework of the application-based project, we set up and operate a **web shop**, the long-term objective of which is to be the common web shop of the actors of the social/community economy (co-operatives, non-profit organisations – associations, foundations, donation shops, Re-Use centre).

In the context of the application-based project, we intend to prepare feasibility studies on activities which might be transferred to social co-operatives and which can provide for sustainable operation. One is the feasibility study for the establishment of **Re-Use Centres**, which will be about linking district clean-ups, re-use, consumption-trimming and waste management to job creation. The feasibility study will be prepared in three environments characterised by different conditions – the towns of Tatabánya, Szécsény and Érd, respectively. The other area is the description of the operating conditions, feasibility of the **Donation Shops** and the development of their national network based on the experiences, joint commercial activity through the **web shop**, for the purpose of employing persons excluded from the labour market in environmentally conscious activities.

2. MODULE		
Host(s), moderated by:	Dr. József SIVÁK és Dr. János ZSUGYEL	
LECTURE		
General introduction of the competencies model developed during the ARIADNE project		
Lecturer:	XXXXXXXXXX	
Summary:		
The competence model – The main specific competence		
Knowledge	<i>Skills (know-how)</i>	<i>Behaviours</i>
To know...	<i>To be able to...</i>	<i>To behave with....</i>
<p><i>A. To develop a strategy that can sustain the SE's multiple goals</i> The multiple-goals nature of a social enterprise The tension that can be caused by those multiple goals The field in which the organization operates</p> <p><i>B. To know, understand and mobilize the internal governance system</i> The governance system appropriate for the social enterprise (democracy) The tasks and responsibilities of each decision-making body (board, general assembly, etc.) The legal requirements specific to the field and to the legal form</p> <p><i>C. To manage the various external stakeholders</i> The diversity of the external stakeholders, specific to the social economy (local communities, public authorities, customers/users/beneficiaries, other social enterprises, FPOs, etc.) The appropriate networks</p> <p><i>D. To manage the staff and the volunteers</i> The adapted tools of the HRM The specificities of the types of personnel involved (such as volunteers, people in socio-professional integration, co-operators, etc.)</p> <p><i>E. To manage the financial aspects</i> The revenue sources (fundraising, government aids, etc.) The various channels and possibilities of subsidies</p> <p><i>F. To know, understand and be able to position the social economy</i> The different concepts, peculiar to the social economy (non-profit, social economy, social enterprise, third sector, etc.) The history of the sector The legal, regulatory and institutional texts The legal and organizational forms and structures of the social enterprises The public regulations (specific legal constraints, public policies, public revenue sources, etc.) A global overview of the social economy market, of its recent evolution and of the 'raison d'être' of the social enterprises The main useful networks</p> <p><i>G. To develop a feeling of membership and pride in belonging to the social economy</i> To be aware of the societal role, the stakes and the issues the social economy responds to</p>		

SELF-ASSESSMENT

<i>Summary:</i>

Participants assess their own competences, which ones they have and which they need to improve.

Team-work-based assessment of the elaboration of a task issued in advance.
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Preparation for the evening discussion. Observation criteria:

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| <ul style="list-style-type: none">- Which competencies required for effective operation are obviously present in the members of the organisation and which are missing? Positive and negative factors.- Which among the external circumstances promote and which hinder the work of the organisation? |
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3. MODULE	
Host(s), moderated by:	István SEBESTÉNY és Dr. László OSVÁTH
LECTURES	
Developing business competencies. Acquiring funds from different areas and its characteristics	
<ol style="list-style-type: none">1. <i>Public funding</i>2. <i>Market activities funding</i>3. <i>Private funding/donations/sponsorship/grants</i>4. <i>Membership capital</i>5. <i>European projects and funds</i>6. <i>Volunteer or in-kind contributions</i>7. <i>Economies of scale/networks and consortia</i>	
THEORY	
Lecturer:	István SEBESTÉNY
Summary:	
<p style="text-align: center;">General problems, dilemmas of the fund-raising (István Sebestény)</p> <p>Every non-governmental organisation (NGO) is created to realise certain goals, programmes, the implementation of which always requires financial coverage (funds). Civilians often devote more energy to the acquisition of these funds than to the organisation and implementation of their programmes. That is, they are faced from the start of the activity by the dilemma of creating “a programme or funds” and they are often forced to adjust their objectives to the goals of the tenders ever to be able to raise money. That is, fund-raising is both a goal and an instrument of realising the activity.</p> <p>However, more funds often imply also more burdens; a so-called multiplying effect is asserted: the more capital is available, the more the infrastructure will increase, and the biggest the administrative burdens of the organisations. If, however, the revenue-generating options dry out, it is difficult to step back and to dismount the organisational structure established already, and hence fund-raising is present in the lives of the NGOs as a permanent constraint.</p> <p>The available financial instruments can be assigned to various ideal types:</p> <ul style="list-style-type: none">○ <i>revenues linked to the basic activity,</i>○ <i>independent or free resources,</i>○ <i>dependent or committed sources: supports</i>○ <i>business revenue.</i> <p>In a simplified form, this is what the “civil mix”, the mixture of the revenue options available to NGOs looks like. In the market of funds, the demand always lags behind the supply, and the truth of Say’s dogma, namely that “<i>every supply creates its demand</i>”, i.e., every tender finds its NGO, is redoubled here. The participants of the tendering process face three main problems in regard of the acquisition of application-based resources.</p> <ul style="list-style-type: none">○ - “demand spiral”,○ - “own contribution spiral”,○ - “overheads spiral”. <p>To measure fund-raising autonomy, a so-called “relative dependence” indicator is defined, the value of which allows determining to what extent an NGO depends on the various forms of support. The indicator value is calculated by relating the funds originating from direct support decisions and those originating from “market” activity to the total revenues. If the value of the indicator is close to 100, the organisation concerned lives almost exclusively on support; if it approximates 0, we can speak of independence from the support forms.</p> <p>In the present difficult period, NGOs must also have recourse to new types of fund-raising techniques in order to be able to survive. One “old-new” technique is savings: efforts must be</p>	

made to reduce the overhead costs (phone, internet), and the operating ones (accounting) to the minimum. Another effective means might be **mobilisation**: the volunteers and the members should be encouraged to solve certain tasks within the organisation, instead of having recourse to outsourcing. **Co-operation** can also be an asset for the organisations: the lease fee of the premises and the overhead costs can be reduced considerably if various events, conferences are organised jointly.

PRACTICE ORIENTED LECTURE

Lecturer:

Dr. Anikó SOLTÉSZ

Summary:

Developing business competencies. Acquiring funds from different areas and its characteristics

Organizations of the Hungarian non-profit sector have to envisage quickly and continuously changing business environment. (Currently they have to calculate with drastically decreasing state funds in the near future.)

This makes their operation unpredictable. Only one change can cancel the former achieved results. It would be important, that the organizations can obtain incomes from not only one accentuated funding, but study the techniques, how to use resources from several funds, and what are the advantages and disadvantages of the different funds.

The instructor should propose various funding streams and discuss the general advantages and disadvantages of each:

1. Public funding
2. Market activities funding
3. Private funding/donations/sponsorship/grants
4. Membership capital
5. European projects and funds
6. Volunteer or in-kind contributions
7. Economies of scale/networks and consortia

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BEST PRACTICES

Successful business, economic model

Hungarian practice – Fruit of Care Nonprofit Ltd.

Lecturer:

Áron JAKAB

Summary:

Áron Jakab called to life the 'fruit of care' initiative which promotes the market entry of products made by disabled persons (candles, home accessories, soap, lamps etc.). The quality handicrafts products of the disabled people are designed in this case by professional designers. "Give a net, not a fish": this well-known saying is as valid in Hungary as in Africa. The revenues of the enterprise support directly the implementation of social objectives, since every 'fruit of care' product is produced in sheltered workshops by mentally disabled people. Hence the success of the programme promotes the sustainable employment and social acceptance of the mentally handicapped.

Fruit of Care assists with the sales of the products made by the mentally disabled. "We are currently in contact with six organisations employing mentally disabled people, and we distribute their hand-made, premium-category products. The autistic people of Tata-based Esőemberekért Egyesület (Society for the Rain Men) produce, for example, the food products distributed by Fruit of Care, and the mentally disabled members of Pécs-based Fogd a kezem Alapítvány (Hold my hand Foundation), hand-made products designed by industrial designers", Áron Jakab, head of the enterprise and one of its industrial designers said, adding that last year they operated for 3 months and produced a sales revenue of HUF 6.5 million.

Áron Jakab is of the opinion that there is ample ground for development: "In three years' time, we want to have HUF 30 million sales revenue; the firm will reach the break-even point then, whereas currently it is a loss-maker. The biggest problem is that the company has to co-operate with NGOs lacking in the knowledge possessed by the market actors, which makes it expensive to work with them", he said.

According to the business model of social enterprises, the revenue obtained by the companies via Fruit of Care goes to basic materials and developments – let's say they hire more helpers -, but the expenditures which are not financed by the state must also be covered from that.

The mentally disabled receive their salary from the state; the revenue does not have to be used for that. "It is most important for the autistic people to structure their time, For, if they have something to do, always, they have no time left for their inner tensions, they do not sink deep into their autism, and hence they will not be driven by their inner obsessions", Erika Schenk, leader of the Society for the Rain Men said.

To the question how we are to know that the revenues of the NGOs employing mentally disabled persons generated via Fruit of Care are actually spent on improving the situation of the disabled, Áron Jakab said they know one another very well, they and the NGOs are linked by a relationship of trust. "It is fully transparent to us what they spend that money on, and the NGOs, too, see what Fruit of Care spends the price margin between the take-over and the sale price on", he added.

Efficiency enhancement is the future; efforts focusing exclusively on earning profits do not figure among the plans. "How do we grow? By efficiency improvement. We shall never become a for-profit enterprise, because the essential thing is the social goal, i.e. that disabled people should be better off. We shall never use machines, and neither is it conceivable that we should replace one disabled colleague by another one with better capabilities and working more efficiently," Áron Jakab said.

BEST PRACTICES

Successful business, economic model

Foreign practice – checked on the Budapest partner meeting

Lecturer:

checked on the Budapest partner meeting

Summary:

checked on the Budapest partner meeting

PROJECTWORK

How can organizations obtain alternative funding, or how can they combine funds? (Mapping potential funding sources for their own organization)

Participants assess their strengths, potential strategies, and competences to obtain new types of funding. (SWOT analysis)

Let the participants assess the potential financial sources, review further fund-raising options and analyse the probability, risks and consequences, respectively, of accessing the various resources. First the short presentations prepared as a task issued in advance shall be presented and discussed by the participants. After the processing of the materials, we shall highlight, on the basis of the proposals of the participants, the components on the basis of which an “imaginary” fund-raising strategy might be developed.

Summary:

Objective:

- Financial mapping of the organisations of the participants.
- Short presentation and assessment of their current revenue and expenditure structure.
- Collation of the tasks and objectives of the organisation and the available financial and non-financial resources.

Content of the tasks:

The participants prepare in advance a short (1-2-page-long) material on the above topic, and they prepare for a presentation of a few minutes.

They send their materials ahead, so that every participant be able to receive them.

4. MODULE	
Host(s), moderated by:	István SEBESTÉNY és Dr. László OSVÁTH
ELŐADÁS	
Methodology and techniques of the stakeholder analysis (briefly)	
The existence and operation of the social cooperatives is many times up to their skills, how to identify the stakeholders of their activities, and the motivations, interest of the stakeholders. After that along the motivations and interest how can they carry over the stakeholders?	
Lecturer:	Dr. László OSVÁTH és Dr. Éva FENYVESI
Summary:	
Objective:	
- To introduce the participants to the stakeholder analysis method, and the logic of thinking based on the method.	
Stakeholder analysis is a project management tool which promotes the mapping of the stakeholders of a project, their integration into a system which is useful from the point of view of the project and its analysis. The final goal of the analysis is to maximise the social and economic benefits of the project so that it should provide as many advantages to the project beneficiaries as possible, while minimising any damage to other groups caused by the implementation of the project. This analysis is necessary also for creating as broad a social base for the project as possible.	
It is commendable to outline shortly in the theoretical part the theoretical pathway to be followed by the participants during the exercise.	
<ol style="list-style-type: none">1. Identification of internal and external persons, groups who have some interest in the implementation of the project.2. Identification of the role of the stakeholders in the implementation of the project (do the support it, object to it, will they have an opportunity to influence the course of the project).3. Summary of the results of the analysis.	
The methodology of the analysis is not uniform for every component. Stakeholders can be classified in several ways. Typically, the output of the method is a table of some kind, in which the stakeholders and their characteristics appear in a system.	
Typically, the first column of the matrix contains the stakeholders, maybe with their important features. The second column is about the interests of the stakeholders in the project. The third one contains the interest assertion capacity of the stakeholders, and their motivation and interest assertion capacity concerning the project. The fourth column may be about how to make the supporters of the project more motivated and how to diminish the contrary interests of those who are opposed to it. (The risk of the project can be reduced to a large extent by realising such ideas.)	
Literature:	
<ul style="list-style-type: none">• Bóhm Gergely-Havas Katalin (2005) Pályázatírás az Európai Unióban (Application-writing in the EU). Ú-M-K, Budapest• Görög Mihály (2008): Projektvezetés (Project management). Aula Kiadó• Mészáros Ágnes (szerk.) (2011) Felsőoktatási stratégiai módszertani kézikönyv (Methodological manual of higher-education strategy). Oktatókutatató és Fejlesztő Intézet, Budapest www.ofi.hu/kiadvanyaink/felsooktatasi-strategiai-120131 Downloaded: 13.03.2012	

TEAMWORK

Practical Exercise: In small groups, participants prepare a stakeholder analysis about their own organization and chosen project. Prepare a map with existing stakeholders and potential stakeholders. Compare with potential funding stream exercise in previous module and think about how stakeholders can be engaged in new funding streams and/or strategies.

Objective:

- The participants are to integrate the interests affecting their activity into a logical system.
- They are to collect ideas as to what is needed to keep everyone, but at least the decisive stakeholders of the project, in favour of the project or at least make them move in that direction.
- The participants are to think over what dangers they have to face on the basis of the map, and some options may surface that could be used for supporting the activity. In the context of the latter, special attention must be paid to the fund-raising criteria touched upon in the previous lecture.

Content of teamwork:

Illustration of the teamwork assignments based on the presented tasks, with the help of the presentation of the stakeholder map of a fictitious project covering activities which are similar to, but not identical with, those of the participants. Teamwork is based on the tasks submitted by the participants earlier. The participants work in teams of 3-4 (4-5 teams altogether), assisting each other. It is important that the teams should not comprise the representatives of the same organisations.

1. Grouping of the stakeholders of the activity along two dimensions (strength of influence, interests).
2. Collection of ideas to retain the positive attitudes of the stakeholders of the activity, to strengthen their motivation and to alter their negative attitudes.
3. Collective evaluation of the experiences of teamwork at a plenary discussion.

As a result of teamwork, stakeholder maps will be produced of one activity of each participant, and they will be provided a method with the help of which they can evaluate and analyse the stakeholders of their other activities and their motivations.

(It might be a good idea to collect photocopies of the stakeholder maps for the documentation of the project.)

Summary:

Objective:

- Extension of the narrow timeframe of the three-day training.
- The participants are to orient themselves and gather information on the persons, organisations influencing their organisation.
- Preliminary information collection on the organisations in which the participants are members. This will allow to align the teamwork to the target group.

Content of the task:

The participants must select one project or activity of their organisation.

1. They are to give a brief description of their organisation and the project/activity concerned (max. half a page). – The objective is to make us capable of interpreting the contexts in which the stakeholders they list appear.
2. They should collect via brainstorming but, if possible, by aspiring to have a full list, the persons/organisations – stakeholders – who/which have/may have an influence on the project/activity concerned whether as decision-makers, partner institutions, financiers or target groups. Who are interested / counter-interested in some form in the realisation of

the project? Please indicate the persons and organisations not (only) by their name, but also by their position. – This latter is meant to help us identify the motivations of the stakeholders also in general terms.

3. Please indicate for the stakeholders the direction of their interests: Are they of the promoting or the hindering type?

5. MODULE	
Host(s), moderated by:	Zsuzsa MÉSZÁROS
INTRODUCTORY LECTURE	
Local community development theory and practice	
Lecturer:	Ilona VERCSEG
Summary:	
<p>Strengthening the inclusive social medium and the sense of identity/cohesion within the organisation with the tools of communal development – Development of communal competencies</p> <p>My lecture aims at presenting some potential community development methods for attaining communal competencies and skills.</p> <p>It is divided into two parts. Part I: Development of communal competences partly reviews the knowledge competencies, communal information/skills areas needed for life and action in the community through practical examples, whereas Part II: Community co-operation partly presents some of the community developers' methods which develop the skills necessary for action-co-operation.</p> <p>On the basis of the above it can be said that the competencies brought about/upgraded through development by the community are by and large the following:</p> <p>Output created: commitment to the community and strong communal identity. A community-oriented attitude is developed: apart from the “private good”, the “public good” also becomes important, and hence “everyone” works. Lifelong communal socialisation and co-operation can create an inclusive, supportive community medium, which is almost the primary criterion of the prosperity of the organisations and institutions.</p> <p>The range of skills, knowledge-competencies expands: communal skills (local community, small region, country, EU); organisational, co-operation skills widen; methods and techniques for action (know-hows) are being mastered. The more general circle of skills required for civil action (community, democracy, civil society, 3 sectors) as well as their local circle take shape: planning, development and representation of a civil position in decision making.</p> <p>The self-confidence of the participants, trust in the community, co-operation, organisation/networking and solidarity, i.e. social capital, increase through joint action.</p> <p>Development of skills: communication – oral – writing skills, self-organising and community organising, interpersonal skills etc.</p> <p>Motivation is built among other things on action – proactivity moves to the foreground in terms of the improvement of our situation and also in general terms -, learning, the triggering of change etc.</p> <p>The local communities and community groups play a major role in the establishment of community life allowing to lead a full-scale human life: the acquisition, preservation and further development of local culture, culture in the broader sense – economic culture included, of course –, in the development of the values and norms governing this process and in organising/converting all these into practice. Without that, social functionality (and consumer culture!) becomes predominant, and there is a very wide gap between the institutions operated by society (e.g. the law) and their everyday use (law-abiding behaviour). When we speak in East Central Europe about value crisis, moral crisis, confidence crisis, the crisis of culture and who knows what other crisis, we must realise that without communal and democratic socialisation, these crises cannot be treated appropriately. The renewal of the disintegrating and atomised local communities, totally exposed to the external world, demands in most situations the intervention from the outside of community-developers.</p>	

TEAMWORK

Feedback on the lectures and exercises of the previous day

Teamwork based on an insight into the lives of two co-operatives and one association – evaluation of the two evening introductions/programmes– Adacs-Bábonny Social Co-operative, Reflex Social Co-operative, Felső-Kiskunsági Community Workers' Association

Model questions: How are the human resources managed at the organisation and who takes the actual decisions? Where do the revenues of the organisation come from and how were they acquired? What is the nature of the relationship of the organisation to the community like: How do they communicate with and get involved in the local community?

Summary:

Teamwork (feedback on the lectures and exercises of the previous day)

Team 1:

To what extent do the opportunities and barriers implied by the legal environment influence the intra-community processes? Is democratic operation unambiguous? Which competencies are required on the part of the members? Who takes the decisions?

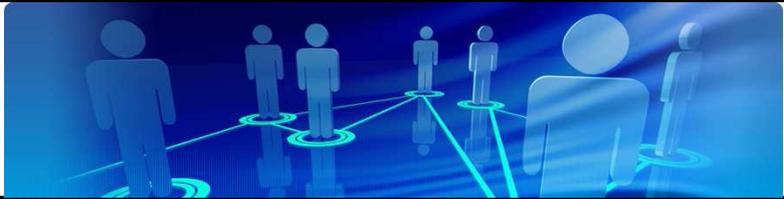
Team 2:

Advantages and drawbacks of community-based operation in business activity.

Team 3:

How can stakeholder analysis increase the role of the organisation in the development of the local community? What strategy and what competencies are needed for them to communicate their objectives and activity to the community?

Report on teamwork. Supplements, comments.

	
	
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