

Buying from Social Enterprises

A brief for Chief Executives

Unlock the power of your spend to do good

Buying from social enterprises is a powerful and cost effective way to be a responsible business.

Private sector support of social enterprise is in all our interests. Responsible procurement is a great way for business to live its values.

Stephen Leonard, Chair, IBM UK

We have to serve customers and clients in a way that is socially useful. Values-based procurement is one of the key ways to deliver that.

Antony Jenkins, Group Chief Executive, Barclays

We recognise the potential for social businesses to become an important economic player and buying from social enterprises is an effective way for Deloitte to be part of their evolution. Their positive contribution in our supply chain delivers social impact in a mainstream way whilst driving innovation and creativity into our business.

David Sproul, Senior Partner and Chief Executive, Deloitte UK

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of procurement officers say that potential clients have encouraged them to deal with social enterprises¹

What is a Social Enterprise?

The UK's 70,000 social enterprises employ 1 million people and contribute over £24bn to the economy, and are out-performing mainstream businesses. Social enterprises sell goods and services, and reinvest their profits to tackle social or environmental problems.²

Businesses buying GiveMeTap bottles for employees have seen a dramatic reduction in waste from plastic cups and, for every bottle purchased in the UK, one person in Africa can access clean, safe drinking water.



Why Buy from Social Enterprises?

Buying from social enterprises allows you to unleash the power of your existing spend for social purposes. From interviews with over 50 businesses and government partners, we have identified three key benefits:

1. DEMONSTRATES CORPORATE VALUES

Buying from social enterprise demonstrates your responsible business values to employees, customers and suppliers. Clients are increasingly interested in responsible procurement and public sector contracts now require demonstration of social value.³

We take a long-term view of our business. Looking beyond short-term profits and investing in sustainability makes good business sense – and is quite simply the right thing to do.

Karl-Johan Persson, Managing Director and Chief Executive Officer, H&M

2. GENERATES INNOVATION

Businesses highlight the benefits of a diverse supply chain and the innovative spirit drawn into the business by working with social entrepreneurs.⁴

Visa Europe is recruiting two media apprentices through Creative Process, a social enterprise offering creative, web and social media apprenticeships to people currently out of work.

Veolia reduces the amount of waste sent to landfill by forming long-term partnerships with social enterprises that can take these waste streams for reuse and recycling.

BP is working with its Tier 1 suppliers Johnson Controls and ARAMARK to encourage procurement from social enterprises.

Wates has traded over £4million with around 30 social enterprises in core service areas, and created the first Social Enterprise Brokerage service and directory for the construction industry.



Digital apprenticeships help businesses harness new talent that understands the digital world. Creative Process is a social enterprise bringing young people into employment through apprenticeships in the creative and digital industries.

3. UNLOCKS SOCIAL AND ENVIRONMENTAL VALUE

Businesses are under increasing pressure to create social and environmental impact alongside commercial value. Social enterprises, rooted in the communities in which they operate, offer commercial products and services with clear social impacts.

Network Rail

adopts a consistent approach for procurement teams to make sustainable decisions on a bid by bid basis, with every tender invitation issued on its infrastructure projects allocating 5% of its evaluation criteria to sustainability principles (across its annual project spend of £4billion on goods and services).

Tragus Group

has Belu as their bottled water supplier in its 295 restaurants. Belu gives all profits to WaterAid and, as a Carbon Neutral water, has avoided 2,900 tonnes of greenhouse gas emissions from Tragus Group's supply chain.

Waitrose currently has over 600 local and regional suppliers, managed directly, that serve a small number of stores. We start with the product, looking for quality, provenance and an innovative approach. Our aim is to build long-term relationships with farmers and suppliers, this helps them and us and - in turn - means our customers get the best possible food and drink. One example of the creativity that our suppliers bring is Rubies in the Rubble, a social enterprise that takes unsold fruit and vegetables discarded at New Spitalfields market in London and turns this into premium chutney. On 6th Nov this product almost doubled distribution from 9 to 16 branches. They are now in touch with some of our raw ingredient suppliers and growers and use their surplus produce.

Mark Price, Managing Director, Waitrose

87%

of global consumers consider social value when buying a product⁵

It's time for action

As a business leader, you can now make a strategic choice to use your spending power to create sustainable value.

The Access Pledge

BITC's Access Pledge contains examples of how large businesses have levelled the playing field for access to their supply chains.

Find out more at:

www.bitc.org.uk/accesspledge

Buy Social

Buy Social is Social Enterprise UK's national campaign to encourage businesses, individuals and the public sector to buy from social enterprises.



The other papers in this series, for procurement and buying professionals and Tier 1 suppliers, detail how inspired businesses can incorporate social enterprises into their supply chain, at all levels:

www.bitc.org.uk/buyingsocialpaper

www.bitc.org.uk/buyingsocialpaper2

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For more information

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References:

- ¹ BITC research among 13 Chief Procurement Officers, July 2013. Their combined procurement spend is £10.6bn with over 70,000 suppliers.
- ² 'The People's Business', Social Enterprise UK, 2013.
- ³ Increasing interest from clients: Identified through research for these papers between July & December 2013. The Public Services (Social Value) Act came into force in January 2013. The Act requires all public bodies to consider how their services contracts can improve the economic, social and environmental well being of our communities.
- ⁴ 'Access to Growth and Innovation: the case for working with small and medium enterprise', BITC, 2013: www.bitc.org.uk/accessreport.
- ⁵ 2013 Cone Communications/Echo Global CSR Study was conducted among 10,000 citizens in ten of the largest countries in the world by GDP - United States, Canada, Brazil, United Kingdom, Germany, France, Russia, China, India and Japan.

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