

What is the business activity?

Services or products

You should have a clear outline of your products and services and how your business activity will operate. Your products and services should be at the core of your organisation: they are what you 'sell' to your customers and the way you generate income.

You should be able to define the sector or industry in which you will operate, for example, tourism, childcare, recycling, or care for older people. You should also include information on your specialist knowledge or expertise to operate in this sector, as well as information on your unique selling point and/or innovative approach.

Within the rural context where market failure can be a driver, it may be worth highlighting how your approach will ensure a sustainable business.

What are you going to sell? Introduce and explain your products and services. Describe the basic products or services you are going to sell. Describe the different types of products or services you are going to sell.

If your products and services are still in development, you should provide a simple description of what you intend to sell.

Operations and delivery

It is important to consider the practical aspects of delivering your products and services, including an outline of what you already have in place, and what processes ensure you have practicalities in place to enable you to trade effectively.

Operations include activities, processes and resources required for your social enterprise and delivery refers to how you will manage these in order to provide your product or service.

Resources includes tangible elements such as:

- Premises and office space, (e.g. workshop, retail unit, tourism venue, café, etc.)
- Equipment, machinery, and tools
- Vehicles
- Technology

As well as intangible elements such as:

- Access to networks
- Knowledge and skills
- People (including volunteers)

For each of these elements you will need to consider where you are at present and what you will need to deliver your enterprise activity in the future.

The section on [How Will the Financials Work](#) provides an overview of requirements for start-up, as well as an outline on activities, resources, running costs and income streams, all of which are critical for your business activity.

Suppliers

It may be helpful to outline specific suppliers (individuals or organisations that deliver materials, goods, or services) that are essential to the success of your social enterprise. This can help to demonstrate that you have considered your supply chain and what criteria you have used to select suppliers (quality, availability, affordability, flexibility).

Legal requirements

You may also have to consider legal requirements and quality standards depending on your business activity, to ensure you comply with legislation and regulations making sure you deliver your services or products legally.

Some of these will be generic, and some may be industry specific. You should outline relevant compliance, as well as specific legal requirements you adhere to, or if you are in process of securing relevant accreditations, certification, or approvals.

This would include:

- Legal and financial regulations
- Health and safety regulations
- Environmental regulations
- Human resource policies
- GDPR

There may also be voluntary accreditations which demonstrate good practice, for example you could be social enterprise code compliant, a fair work employer, or an accredited living wage employer.

Managing risk

It is important to consider potential risks to your business activity to plan for how you will manage risk. Risks are threats, events, issues, or anything else that, could potentially affect your business in a negative way. These risks can at worst cause your social enterprise to fail, and can reduce your social impact or ability to generate income.

Risks to consider:

- Financial risks (losing a key funder or investor, cash flow issues with payments being late to come in or loan repayments not being able to be met, becoming insolvent with financial liabilities outstripping available funds and assets).
- Legal risks (failure to comply with industry standards or accreditation resulting in legal challenge)
- Environmental Risks (natural disaster or weather impacting on ability to deliver or attract customers)
- Operational risks (accidents in the workplace, vehicle requiring replacement)
- Personnel Risks (losing key members of staff or board, difficulty to recruit key personnel)

This useful resource from SCVO provides a [helpful overview of risk management](#).

Risk management is about using tools to identify, assess, and prioritise risks so that you can manage them effectively and reduce their probability. This allows you to recognise what might go wrong and have a back-up plan to minimise the impact on your social enterprise.

A risk register allows you to outline potential risks, their probability and measures you can take to mitigate them.

- [Download the Risk Assessment Template here](#) - this tool will allow you to identify, assess, and prioritise risk.
- [Download the Risk Register Template here](#) - this will allow you to outline the probability of risk, and measures you will take to mitigate them.

Case Studies

- [Finland Community Guide](#) (*written in English*)
 - A short guide of good practice to assist rural communities and village associations to take forward social enterprise activity. This guide helps you to understand the rural context, explaining how to get started and identify your motivation and mission.
 - It explains how to map out the needs and hopes of local people, touches on market analysis, and the business planning process for community-based social enterprise.
 - Also gives a useful insight into collective leadership and how to distribute responsibilities equally among your group.

- [A Practical Guide for Rural Village Associations](#) *(written in Finnish)*
 - The purpose of this guide is to support the day-to-day running of associations in rural areas. The guide contains basic information about activities, as well as tips on good operating models and practices.
 - The evaluative form at the end makes it easy for organisations to evaluate their own activities, and consider how to develop them.

- [Report on the Results of the SKYE Project](#) *(written in Finnish)*
 - The main objective of the project was to enhance community in the villages, and improve the wellbeing of residents by developing activities with them.
 - All development was completed based on the needs and aspirations of local people. By describing the activities of the project, the report provides new ideas and solutions for the development of activities in a village, organisation, or business setting.

- [A Model for Rural Communities to Develop Community-Based Entrepreneurship](#) *(written in Finnish)*
 - Organisations have the opportunity to ascend the pyramid model, and develop service activities step-by-step.
 - The main rule is to develop business activities that are based on, and make best use of the capabilities of the community, thus suitable for its resources and needs.