

Social Franchising

Social franchising is a method for scaling up social enterprises by replicating existing well-functioning good examples.



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“In our view, successful reform is not an event. It is a sustainable process that will build on its own successes - a virtuous cycle of change.” Abdallah II of Jordan

Tags: Social enterprise, scaling up

Challenge

There have been numerous attempts to create models for social franchises, but many have led to few replications. The big hurdle is the second phase, the development of the model, as this is where finance is most difficult to raise.

Some of the most successful social franchises are in business areas where the main clients are public authorities, as these provide a predictable income stream.

The European Social Franchising Network (ESFN) has found some 65 social franchises in Europe. The largest of these, the *Kringwinkel* second-hand shops in Flanders, employs nearly 5,000 people, of whom 80% are disabled.

Solution

Social franchising comprises three phases:

1. Pilot: identification of a business model which works well in at least one instance, and is transferable to other contexts
2. Development: codification of business processes to create tools such as a franchise agreement, quality standards, manual and training programme
3. Expansion: opening new businesses based on the model, which share the common brand but are independently owned and operated

References

ESFN – European Social Franchising Network: <http://www.socialfranchising.coop/>

The Social Franchising Manual, Social Enterprise UK, 2011:

http://www.socialenterprise.org.uk/uploads/files/2011/11/social_franchising_manual.pdf

Opposites attract: how social franchising can speed up the growth of social enterprise, ESFN:

<http://www.socialfranchising.coop/uploaded/UKFSN%20socialfranchisingguide.pdf>

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