Sell, Sell, Sell

An introduction to generating income through trading
The Sustainable Funding Project

www.ncvo-vol.org.uk/sfp
Types of enterprise

Entrepreneurship
Trading activity
Social enterprise
Why trade?

- Traded income is unrestricted
- Promotes independence
- Trading builds new skills
- Trading can reconnect us with our users
- Charging promotes appreciation of quality
- Opportunities
What’s stopping you?

- Skills to develop the plan
- Organisational capacity and structure
- Realistic time frame
- Understanding market and price
- Finance to develop ideas
Motivations for trading

**Product** – producing goods and services where they didn’t exist before (childcare, recycling)

**Process** – ways of working which prioritise a social element (worker co-operatives, social firms, fair trade)

**Profit** – trading in order to cross-subsidise social or environmental goods or services
On or off mission

- **Vision**: the future that you want
- **Mission**: the way that you will go about achieving that vision
- **Values**: the underlying beliefs of your organisation
**Trading and Mission**

- **Majority activity**
  - Grant funded
  - Requires subsidy

- **Subsidised activity**
  - Stay out

- **Prime target**
  - Primary trading
  - Makes money

- **Non-primary trading**
  - Proceed with caution

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Developing new products

More of what you do best

Existing market

Offer new services to the people you know well

Existing product

Take your great work to new people

New market

Reach new people with new products (diversify, risky)

New product
What is your idea?

How will it meet needs?

How will it generate income?

### Idea Appraisal for Trading

Use this simple form to sense check your enterprise ideas before you develop them further. You can create your own version with additional criteria to test against.

<table>
<thead>
<tr>
<th>1. Idea title (or number):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Criteria – degree of fit</th>
<th>High</th>
<th>Not sure</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission-related</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Will benefit our beneficiary group or cause</td>
<td>+2</td>
<td>+1</td>
<td>-1</td>
</tr>
<tr>
<td>Will provide employment/economic opportunities for our client group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Will generate income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fit with organisation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helps our organisation, e.g. by growing our capacity to respond to growing need</td>
<td>+2</td>
<td>+1</td>
<td>-1</td>
</tr>
<tr>
<td>We have relevant skills</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market need</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is evidence that this product or service is or will be needed</td>
<td>+2</td>
<td>+1</td>
<td>-1</td>
</tr>
<tr>
<td>Competitive advantage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We have some kind of competitive advantage</td>
<td>+2</td>
<td>+1</td>
<td>-1</td>
</tr>
</tbody>
</table>
### Planning for uncertainty

<table>
<thead>
<tr>
<th>RISK MAP</th>
<th>High impact</th>
<th>Med. Impact</th>
<th>Low impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>High likelihood</td>
<td>Fail to achieve sales target</td>
<td>Unexpected tax liability</td>
<td>Stock spoilage</td>
</tr>
<tr>
<td>Medium likelihood</td>
<td>Cash flow problems</td>
<td>Production problems</td>
<td>Theft</td>
</tr>
<tr>
<td>Low likelihood</td>
<td>Loss of key staff</td>
<td>Support for charity undermined</td>
<td>Breach data protection rules</td>
</tr>
</tbody>
</table>
Being enterprising

- What makes a person or organisation enterprising?
- Does your organisation have these qualities?
- Are you changing?
- What are the ethical dilemmas?
The enterprise team

- A project manager
- Senior manager
- Finance professional
- Trustee
- Prospective customer or user
Success or failure?

- Make profit
- Achieve mission
- Hit targets
- Flexible response
Tools for trading

Choosing the Right Legal Form (NCVO)

Trading Issues Made Simple (CFDG)

Keeping it Legal (SEC)

VAT for voluntary organisations

- www.ncvo-vol.org.uk
- Get Legal Website
- Charity Commission CC35
- HM Revenue and Customs
Grow Your Own Income

Salford CVS – 17th February

www.ncvo-vol.org.uk/sfp/GYOSalford