

THE BUSINESS PLAN

OF SOCIAL ENTERPRISE

„Colorful City“

The city of Gotse Delchev, Gotse Delchev municipality

on the project

Support for Social Enterprises and Employment Enhancement,

the acronym SoSEDEE,

under INTERREG V-A Greece-Bulgaria 2014-2020



SoSEDEE

Summary of the Business plan of the social enterprise "Color city", which was developed on the basis of information provided by the Municipality of Gotse Delchev for the design of the greenhouse and quantitative account, studies and comparative analysis of greenhouse production.

1. Description of the business: social enterprise "Color City"

1.1. Vision, mission, goals of the social enterprise

Vision: Better economic and social status of vulnerable groups in Gotse Delchev municipality, more beautiful and ecological environment for residents and visitors of the municipality.

Mission: To provide, through an integrated approach, an innovative form of social support for the sustainable and inclusive development and overcoming the social challenges of the long-term unemployed, people leaving specialized institutions and people with disabilities, by ensuring the building of work habits through employment in a social enterprise - greenhouse

The objectives of the social enterprise "Color City" are:

- To provide sheltered employment opportunities for persons leaving specialized institutions, as well as for the employment of long-term unemployed and disadvantaged people in the Gotse Delchev municipality, as an innovative form of social service for creating a supportive environment for active social inclusion.
- To stimulate professional orientation, acquiring new professional skills, building up work habits and providing equal opportunity in the labor market to vulnerable groups in Gotse Delchev municipality.

1.2. Products and services

The social enterprise will produce flowers and shrubs in a project-built glass greenhouse and nursery with a covered greenhouse and open beds that will be used for seasonal flowering of public areas in the municipality. The cultivation area in the greenhouse, covered spaces and open beds will be used in 2 stages: January - May and June - December.

Particular plant species are popular in the current practice of growing in the municipality and include three groups of seasonal flowers that provide year-round decorative effect:

- flowering species for spring / autumn bloom
- flowering species for summer bloom
- and leafy ornamental species for spring / fall coloring and summer coloring.

1.3. Business activities

The main activities of the social enterprise are:

- planting seeds and cuttings;
- growing flowers and bushes;
- realization of the produced flowers and shrubs

According to the European Commission, *"Social enterprises seek to serve the interests of the community (social, social, environmental goals) rather than maximize profits. They are often innovative, through the goods or services they offer, as well as through the organization or production methods they apply. They often hire the most deprived members of society (the socially excluded). In doing so, they contribute to social cohesion, employment and the reduction of inequalities. "*

In full accordance with the definition of EC social enterprise, the social enterprise "Color City" seeks to serve the social and public interest by producing flowers from representatives of socially vulnerable groups necessary for the flowering of public spaces in an innovative way in a technological greenhouse, by implementing an efficient production organization.

There are several models of social enterprises in Bulgaria:

1. A model for job creation and workforce development - the economic logic of a business endeavor is based on the opportunity to create jobs for disadvantaged people. The model is associated with the so-called. "Protected employment", where the social enterprise is the employer of disabled people and representatives of vulnerable groups.
2. An entrepreneurial model where a social enterprise mediates between disadvantaged people and the market. In this model in the form of occupational therapy, people with disabilities are involved in the production of products for which the social enterprise is looking for a market and engaging in marketing and distribution.

3. Direct service model - this model is most directly related to social service providers. In this case, the social enterprise provides social services in exchange of payment, to external clients and is at the same time a social service provider for its members, with payment being contracted with the municipality or the state. It is important to note that in this model, the social enterprise develops the same services but is targeted at different users and clients.

A successful social enterprise is a functioning enterprise with a social cause, a positive financial result, which is independent in decision making, does not depend entirely on external financing, has a clear prospect for development and achieves its social goals.

At the stage of its establishment, the social enterprise "Color City" will apply Model 1 - creation of protected employment and development of the workforce. This circumstance stems from the obligation of Gotse Delchev Municipality for the same enterprise not to fall under State aid regime.

Social enterprises in Bulgaria exist as municipal enterprises, commercial companies, cooperatives and non-profit legal entities. They all have socially significant outcomes for vulnerable groups. The most popular form is the NGOs.

2. SWOT analysis, environment analysis

5.1. Analysis of strengths, weaknesses, opportunities and threats for the SWOT social enterprise

The SWOT analysis is presented in Table 2.

Table 2

Strengths	Weaknesses
Gotse Delchev municipality is a guaranteed client of the social enterprise, and will consume the production	No experience in greenhouse management and greenhouse business development
The availability of up-to-date technological facilities and assets - the initial investment in the construction of the greenhouse, equipment and delivery of seeds and materials is funded by the project	Social legislation is still incomplete - there is a law, but there are no rules and regulations for its implementation, no methodology for social impact has been developed
Knowledge of the needs of vulnerable groups	Insufficiently developed financial

	mechanisms to support social enterprises
Municipality's experience in working with target groups (vulnerable groups such as long-term unemployed, disabled people, etc.) such as creating employment for long-term unemployed and disabled people, providing social services	Poor motivation among some vulnerable groups to work responsibly and qualitatively due to lower pay in a social enterprise
Experience in starting and managing a municipal social enterprise under „OPHRD”	High energy costs for a heated greenhouse, for plant protection products and for hybrid seeds
	Lack of entrepreneurial skills
Opportunities	Threats
Expanding the social enterprise and providing flowers and shrubs to other municipalities and private enterprises	Frequent change of legislation and regulations
Diversify production and add services	An unsustainable and highly changing business environment such as a sharp rise in fixed costs such as electricity, gas and fuels, water and labor and materials costs
Multiplying the social enterprise model in other areas	Risk of focusing too much on the social impact and neglecting the business development of the enterprise as inefficient use of resources, for the employment to meet social requirements, but technological and production processes and quality production cannot be fulfilled
Mobilize available internal and external resources that provide funds and programs	A risk that traditional business is going to provide products at more competitive prices

3. Social impact in the community

Social investors focus on the effectiveness of the intervention to generate social value, but also on the sustainability of the investment and on the systemic change that can be achieved through the investment.

Metric indicators:

- Number of representatives of vulnerable groups who have received training and qualification in the social enterprise - 15
- Number of representatives of vulnerable groups employed full-time or part-time
- Number of representatives of vulnerable groups received income
- Number of representatives of vulnerable groups who have been given the opportunity for social inclusion
- Number of representatives of vulnerable groups improved the quality of life
- Number of indirect participants improved their quality of life - family members, children, parents, loved ones
- Number of direct and indirect users of the products produced by the social enterprise

However, these metric indicators show the achievement of short-term goals. They show that social enterprise is on track. They indicate how far the social goals have been achieved, such as access to employment, raising income, qualification.

True positive social change requires a long period of time.

Measuring the social impact in the community as a result of the work and development of the social enterprise "Color City" is a real challenge, because the contribution is not only in numbers how many vulnerable groups are employed in it, how much production, produce and what revenue they attract, but the most significant contribution is, first and foremost, to a positive change: better well-being and quality of life as a result of protected employment, social inclusion and integration, limiting social exclusion, greater satisfaction with living OTA etc. It is extremely difficult to measure these subjective feelings, attitudes and evaluations. The most impactful way is by recording and sharing stories: initially, the starting point of disadvantaged people involved in the enterprise is defined as lack of income, lack of employment, lack of working skills, extremely high risk

of social exclusion and poverty and the events change: skills and job creation, secure employment, income and social inclusion, better quality of life.

The business plan will be evaluated after one year from the activity of the social enterprise. The planned activities will be compared with the actual activities, processes and results and decisions will be taken for effective improvement of the business and subsequent realistic business planning.

The project is funded by 85% of the European Regional Development Fund (ERDF) and 15% of the national funds of Greece and Bulgaria, within the framework of the Cross-border Cooperation Program (CBC) INTERREG V-A Greece-Bulgaria 2014-2020.

This business plan was prepared with the financial assistance of the European Union. Its contents are the sole responsibility of Gotse Delchev Municipality and can in no way be taken to reflect the views of the European Union, the parties involved, the Governing Body and the Joint Secretariat.