



Improve relationships with stakeholders in a social enterprise

Stakeholders are very important in any social enterprise. Stakeholders could be board members, sponsors, funders, customers, members, staff members or volunteers. Making sure that you maximise their involvement in the social enterprise and their links with you and each other will ensure the social enterprise gains the most benefit from them.

This involves:

1. identifying different types of stakeholder and how they might be involved in the social enterprise
2. encouraging them to be involved
3. making sure they understand what they are supposed to be doing
4. settling any conflicts of interest

What you need to do

- identify the differences between different types of stakeholders, including stakeholders who may have more than one role within the social enterprise
- identify what the social enterprise can offer to each type of stakeholder
- identify people and organisations that may be interested in becoming stakeholders
- tell potential stakeholders about the social enterprise and agree with them what their involvement will be
- encourage stakeholders to be actively involved with the social enterprise and develop processes that encourage their involvement, where necessary
- tell stakeholders what their rights and responsibilities are
- negotiate contracts and agreements with stakeholders
- manage the differences in the rights and responsibilities of directors and other stakeholders in the enterprise
- deal with any possible conflicts of interest with and between stakeholders
- make sure the spread of stakeholders represents the interests of the social enterprise in:
 - the local community;
 - networks;
 - partnerships; and
 - joint or collaborative projects



What you need to know and understand

Stakeholders

- the types of stakeholder the social enterprise needs
- what roles can be successfully carried out by the same stakeholder, and what roles should be carried out by different stakeholders
- what rights and responsibilities potential stakeholders may want, or expect to have, in a social enterprise
- the types of formal relationships that can be offered to different types of stakeholder, including those based on contracts, trade and membership
- how to communicate effectively with different types of stakeholder
- the types of activity that encourage stakeholders to become more involved in social enterprise
- how to focus marketing and sales to encourage customers to become stakeholders
- why it is important to involve staff as stakeholders and how to use employee supervision and development to encourage and support employees and volunteers as stakeholders
- how to design democratic processes so that they improve the way stakeholders take part in the social enterprise and settle conflicts of interest between stakeholders
- the buying methods and policies of stakeholder customers
- the existing networks and partnerships that are relevant to the social enterprise
- the membership rules that social enterprises can use, and the links between membership, ownership and control
- which local, community, voluntary or charity organisations are involved in the same, or similar, products or services as the social enterprise



Law and regulations

- the legal rights of employees, customers and suppliers when negotiating contracts
- how the rights and responsibilities of ownership and control can be decided and changed

Social objectives and purpose

- which local, regional and national government organisations have strategic or operational duties that are relevant to the social enterprise's aims and objectives

