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Melbourne, VIC

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[www.socialfirms.org.au](http://www.socialfirms.org.au)

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*'SVA's support and involvement has accelerated the progress of social firm development in Australia, particularly around raising awareness and providing access to pro bono expertise to refine the model.'*

**Caroline Crosse** Executive Director  
Social Firms Australia

## How we came together

Social Firms Australia (SoFA) executive director Caroline Crosse was awarded a Winston Churchill Fellowship in 2001 to investigate innovative approaches to provide employment support for people with a mental illness. Through that research, Caroline was most impressed by the social firm model and resolved to introduce the concept to Australia. SVA too recognised the potential of the model and with its help SoFA was launched in 2004, joining SVA's portfolio of supported organisations the following year. SoFA was attracted to joining the SVA portfolio to gain access to its commercial expertise, business support and networks.

## Mission

To create accessible employment for people with a disability or mental illness through the development of social firms and the transfer of the support strategies to other workplace environments.

## Purpose

Social Firms Australia (SoFA) seeks to create employment opportunities for people with a disability or mental illness through the development and support of social firms. A social firm is a real business with social and economic objectives that provides good-quality jobs to people with a mental illness or other disadvantage in a supportive, integrated working environment. The lessons from SoFA-supported social firms are documented as part of a workplace modifications project and can be transferred to the broader workplace and to organisations who wish to set up social firms.

## Growth

- The first social firm supported by SoFA was *Cleanable*, a start-up commercial cleaning business, launched in October 2005 as a program of Westgate Community Initiatives Group. *Cleanable* has been growing strongly since and at the end of 2008 had 22 staff, 12 of whom had a mental illness, compared with a team of six (five staff with a mental illness and a manager) in 2005.
- Together with SVA and Eastern Access Community Health, SoFA acquired *Bonsai – The Imagination Tree (Bonsai)*, in September 2006. This was SoFA's first 'acquisition' of a business to transition into a social firm and it worked closely with SVA to pilot the acquisition model and document the process, outcomes and lessons learnt. Since 2006 *Bonsai* has offered a responsive working environment for five employees and training opportunities for 16 people with a mental illness.
- By the end of 2008, SoFA had supported six enterprises operating as social firms with a total of 218 employees, 113 of whom had a disability. SoFA provided social firms *Cleanable*, *Bonsai* and *Outlook Victoria* with a combination of workplace modifications support and assistance to replicate their successful enterprises. Following a high level of interest, six other organisations have been working with SoFA to transition existing enterprises into social firms.
- SoFA has developed numerous partnerships, including with clinical teams, to assist in the creation of accessible employment for people with a disability or mental illness and to ensure best practice support is provided to employees at social firms. SoFA has also built a team of mentors, business consultants and consumer advocates to support social firm development.
- SoFA's annual Social Firms Forum has grown significantly since it was first launched in 2005. In late 2008, SoFA also held a six session 'hypothetical series' with a panel of lawyers to explore the roles, rights and responsibilities of people with mental illness and disability in the workplace.

## Social impact

- SVA's Social Return on Investment (SROI) toolset has been used to report on the financial and social value generated by social firms *Cleanable*, *Bonsai* and *Outlook Environmental*. The SROIs show that these social firms provide significant social returns through creating employment for people with a disability or mental illness.
- SoFA has been working in partnership with the Psychosocial Research Centre to develop a *Quality of Life Evaluation Framework* which has been piloted with employees with a mental illness in social firms and other workplaces. Preliminary findings validate experiential evidence that employees in social firms have improved mental health, sense of social connectedness and self-esteem, which also positively impacts their families.
- SoFA has begun the transfer of the support strategies learnt from social firms to other workplace environments, through the *Workplace Adjustment and Vocational Evaluation (WAVE)* program. SoFA also undertook research into workplace modifications for people with a mental illness for the Department of Employment, Education and Workplace Relations. The *WAVE* program is now running regular in-house training programs for organisations on how to support employees with a mental illness, with SoFA occupational therapists undertaking assessments for individuals with particular support needs.

	2005		
Initial SVA distribution			
Total distributions from SVA			\$413,500
SVA in-kind support			\$250,000
SVA brokered support			
– Matrix on Board financial systems assessment (2007)			\$10,000
– Freehills (2005)			
SVA distributions to SoFA affiliated social firms			
– <i>Bonsai</i> (2006-07)			\$44,500
– <i>Cleanable</i> (2005)			\$30,000
SVA brokered support to SoFA affiliated social firms			
– 'Soft loan' to <i>Bonsai</i> from an SVA private investor			\$120,000
– Mallesons Stephen Jaques for <i>Bonsai</i> due diligence			\$60,000
– Social Return on Investment report for <i>Bonsai</i> (2008)			\$30,000
– Social Return on Investment report for <i>Outlook Environmental</i> (2008)			\$30,000
– Social Return on Investment report for <i>Cleanable</i> (2007)			\$25,000
	<b>FY05</b>	<b>FY08</b>	<b>CAGR</b>
Revenue*	\$135,401	\$520,311	56.6%
Marginalised employees supported **	8	113	141.7%

\* FY revenues are being used as a proxy for calendar year revenues  
\*\* Through affiliated social firms

## Why SoFA is graduating

During 2008 SVA and SoFA developed a future strategy for both organisations to support the development of social enterprise. Through this process it was identified that after four years of intensive support from SVA, SoFA was ready to graduate from the SVA venture portfolio. This decision was based on its strong board, good operating procedures and existing links with funders alongside a sustainable funding base with increased opportunities for funding from federal and state governments.

## Looking ahead

SoFA will continue to offer business development support to community organisations interested in developing social firms, primarily in Victoria, although it may expand interstate in 2009. In addition, SoFA plans to transfer the skills it has learnt from social firm workplace modifications to the broader workplace and take advantage of the significant interest from government (state and federal) in social firms, workplace modifications and the development of the sector. SVA will continue to work in partnership with SoFA around these developments. SoFA is also a part of the Advisory Group for the Social Enterprise World Forum, co-hosted by SVA in Melbourne in October 2009, and is developing proposals for a national Social Enterprise Investment Fund.