

Socially Enterprising Nonprofits: The Evergreen Success Story

You, too, can make the move to social enterprise by following this model.

By Doug Eadie & Sue Buchholtz

It's been called a "movement," an "industry," and a "sub-field" within the broader field of nonprofit and for-profit leadership and management. However you characterize it, "social enterprise" has come into its own over the past quarter-century, evolving into a flourishing and rapidly growing sector.

A national nonprofit association, the Social Enterprise Alliance, now has 13 chapters in 11 states, and has hosted several national conferences known as SEA Summits. And the National Center for Social Entrepreneurs, a nonprofit consulting firm, provides training and technical assistance to aspiring social entrepreneurs around the world.

The extended social enterprise family encompasses for-profit and nonprofit organizations that use earned income to address social needs. Within this diverse family are:

- for-profit businesses that donate some or all of their profits to meeting social needs. One of the best known is Newman's Own, which under the banner "Shameless exploitation in pursuit of the common good," donates all profits and royalties after taxes for educational and charitable purposes. By 2008, Newman's Own had donated over \$220 million to thousands of charities worldwide.
- nonprofit corporations that generate earned income not only to support their services — and diversify their revenue streams — but also to provide training and employment to people with disabilities. Perhaps the most venerable and best known example is Goodwill Industries.

The Evergreen Model

Evergreen Life Services has become an enthusiastic participant in the social enterprise movement over the past few years. Serving over 1,300 individuals in six states — Louisiana, Texas, Arkansas, Oklahoma, Tennessee, and Kentucky — Evergreen offers a wide range of community-based services for individuals with intellectual and developmental disabilities. In addition to meeting its clients' basic needs, Evergreen helps them reach their potential, learn life skills, and become contributing members of society.

The Evergreen board, CEO, and executive team have made a solid commitment to social entrepreneurship. They've launched a number of social enterprises that generate new revenue streams and employ a growing number of clients with disabilities. These enterprises include:

Tearoom. Evergreen has recently opened a unique café and tearoom in its North Central Louisiana Division. The Timeless Tearoom and Café is a social enterprise that generates revenue while offering job training to Evergreen's clients. Individuals with developmental and intellectual disabilities work at the café, where they have an opportunity to earn a paycheck, gain job skills, interact with the public, and exhibit their talents. Since its launch, the tearoom has become a popular local destination for lunch, and sales have continued to grow each week, helped along by intensive media attention.

Arts Centers. Evergreen Life Services has made cultural arts a primary focus of its social enterprise mission, pledging to launch six arts centers, two in each of Evergreen's regions. The Fort Worth



Alicia Johnson, Evergreen's executive director of the North Central Texas Division, cuts the ribbon for the Fort Worth Cultural Arts Center's grand opening. Sue Buchholtz, president & CEO of Evergreen Life Services, is at the far left. A cultural arts focus is important to Evergreen's social enterprise mission.



Evergreen plans to turn this donated home into a retreat and conference center to support its vision.

Cultural Arts Center will be the model for future centers. It provides space for arts endeavors such as painting, jewelry, scrapbooking, and ceramics. It also houses a large production component that currently has nine contracts with local businesses to do piece work type production jobs. These contracts provide Evergreen's clients with valuable job training and steady income. A cafeteria in the Center not only serves meals to Center clients but functions as a training kitchen as well. Plans are being made to serve meals to outside customers, thus generating an additional revenue stream.

Retreat & Conference Center. A friend of Evergreen Life Services donated a large ranch home on 17 acres, which has become the core of Evergreen's Keeter Retreat & Conference Center. Evergreen envisions hosting corporate retreats, events put on by civic organizations, weddings, and family reunions, among other income-producing activities.

Three Keys to Success

In the process of launching these social enterprises, the Evergreen Life Services' Strategic Leadership Team — the board, CEO, and senior executives — learned that there are three critical keys to success in the social enterprise business:

1. MAKE AN EXPLICIT, WELL-REASONED STRATEGIC COMMITMENT.

Evergreen didn't ease into the social enterprise business in an informal, willy-nilly way. Quite the contrary, Evergreen became a major player in the social enterprise game as the result of formal, systematic planning that involved setting two strategic goals:

- Generate productive, meaningful, paid jobs for Evergreen clients.
- Lessen Evergreen's reliance on governmental funding by generating new revenue streams from earned income.

Within the framework of these goals, the Evergreen Strategic Leadership Team carefully assessed business opportunities and selected enterprises that promised a long-term handsome return on Evergreen's investment.

2. INVOLVE THE BOARD AS A PRIME MOVER.

Evergreen's president & CEO realized that strong backing from the board of directors over the long run would be critical to success. Such backing would accomplish two major imperatives:

- Ensure that a start-up investment sufficient to launch the enterprise would be budgeted.




The Timeless Café and Tea Room generates revenue and provides job training for Evergreen's clients.

- Help the organization weather the inevitable operational problems that bedevil any new undertaking that doesn't fit within the tried and true mainstream.

Therefore, the board was intensively involved in the strategic planning process. As a result, the board — far from being merely a hands-off audience for a finished plan — was the preeminent owner of — and champion for — Evergreen's diversification into new business ventures.

3. DO HARD-NOSED BUSINESS PLANNING.

No wishful thinking was involved in Evergreen's launching social enterprises. One of the most important guidelines that the Evergreen Strategic Leadership Team established from the get-go was that a full-fledged business plan — including detailed income targets, a detailed expenditure plan, and a rigorous cash flow analysis — would be a pre-condition for getting involved in a particular business venture. Profitability within a reasonable time was the goal, and how to get there had to be laid out in full detail before any investment would be made. 

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Your Social Enterprise Research Kit

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