How nurses can use social enterprise to improve services in health care

This article discusses how nurse entrepreneurs can set up social enterprise projects to improve patient care.

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**ABSTRACT** Dawes, D. (2009) How nurses can use social enterprise to improve services in health care. *Nursing Times*; 105: 1, 22–25. This article describes the concept of social enterprise in nursing, and outlines how this model can help to improve care delivered to patients. It provides advice for nurses interested in pursuing this entrepreneurial route and also offers case studies demonstrating how the social enterprise model has been implemented in practice.

**INTRODUCTION**

Many nurses are starting to hear and read more about social enterprise schemes in the health service and are questioning what social enterprise is and what it has to do with them. This article defines social enterprises and explains how they relate to nursing and how being an entrepreneur can enable some nurses to provide the high standard of care they have always wanted to deliver.

A social enterprise is a business that works for public good rather than private profit. Mary Seacole was one of the first nurses to set up a social enterprise in order to provide health care through the hotels and boarding houses she established in the late 19th century. Her passion did not revolve around the hotel business; rather, she aimed to use hotel profits to pay for medicines and supplies to treat poor people who could not afford to pay for their health care.

The UK is often considered the birthplace of social enterprise, with the founding of the cooperative movement in the 18th century and places such as Bournville in the West Midlands and the New Lanark Mill in South Lanarkshire, where business owners used profits in order to create housing, schools and hospitals for their workers and families. Some of the more famous contemporary schemes include the Eden Project, Jamie Oliver’s Fifteen, the Big Issue, Café Direct and the London Symphony Orchestra. A range of social enterprises also deliver and support health care, such as Local Care Direct, Sandwell Community Caring Trust, the Kath Locke Centre, Central Surrey Health, Turning Point and Entreprenurses. Many of these schemes have been established by nurses who believe that care can be provided and health can be promoted in a different way than that often undertaken by the health service or independent sector. Bill Drayton – the founder of ASHOKA, the international organisation he set up in 1979 to develop social entrepreneurs – is characterised as a social entrepreneur as having the following (Bornstein, 2004):

- A powerful new system-changing idea;
- Creativity, both in goal-setting and problem-solving;
- Potential for widespread impact;
- Entrepreneurial quality that is required in order to engineer large-scale systemic social change;
- Strong ethical fibre.

**ADVICE FOR NURSE ENTREPRENEURS**

There is a range of support organisations that can offer help:

- Entreprenurses CIC – www.entreprenurses.net
- Social Enterprise Coalition – www.socialentreprise.org.uk
- Department of Health Social Enterprise Unit – www.dh.gov.uk/socialenterprise
- RCN’s Nurse Entrepreneur Network (hosted by JISCmail) – register at: tinyurl.com/nurseentrepreneurs
- RCN guidance on how to set up as a nurse entrepreneur – tinyurl.com/entrepreneurguidance

In order to help these organisations to provide better support, nurses are advised to consider the following key questions before contacting them:

- What is motivating you to consider being a social entrepreneur?
- What would be better about your service if you were running it?
- How many people do you see being involved in your team or enterprise?
- What support and/or funding do you think you will need?

It is also advisable for nurses and their team to work through the EPOCH model together (see p24 for a full explanation of the model).

**SOCIAL ENTREPRENEURS IN NURSING**

Social entrepreneurs identify what is not working and solve problems by changing the system, spreading the solution and persuading entire societies to take new leaps. Drayton said: ‘Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionised the fishing industry’ (Bornstein, 2004).

There is a long tradition of nurse entrepreneurs both in the UK and internationally. The International Council of Nurses (2004) estimated that around 1% of registered practising nurses are nurse entrepreneurs.

There are two triggers for nurses becoming entrepreneurs. These are push factors (unemployment or job dissatisfaction) or pull factors (market opportunities) (Traynor et al, 2006).

An unpublished survey carried out by the RCN in 2006 found that 83% of nurse entrepreneurs made this decision as a deliberate career move, and the other 17% as a result of redundancy or early retirement. Nurse entrepreneurs have...
worked in the UK for several decades, in sexual health, mental health, aesthetic nursing, community nursing, health promotion, training and development and consultancy. Although there is significant nursing experience as entrepreneurs, there is very little academic research in this area (Traynor et al, 2006; ICN, 2004).

**Why nurses may choose to set up a social enterprise**

What are the reasons for nurses wanting to leave their organisation (typically the NHS) and set up a social enterprise to deliver care? In my experience, it is usually deep frustration with the organisational culture, management style, obsession with targets and a constant focus on saving money and cutting costs.

Most nurses have a clear idea of what excellent care should look like and the kind of care they want to deliver. However, many feel frustrated when they work in organisations which seem to value money above care, make decisions driven entirely by cost, reduce staffing levels, ration essential supplies, cut budgets year on year and, at worst, bully and harass staff to reach targets. Creating a social enterprise for some nurses provides an opportunity to create the kind of care environment, deliver the care and have the staffing levels they want, as well as an opportunity to grow and increase the service.

Although nurses have always been able to set up enterprises in the past, it has often been a difficult route. For many of us, when we left the NHS to create social enterprises, we lost our NHS pension, had little or no support and there was little or no funding. Since the launch of Lord Darzi’s (2008) NHS Next Stage Review, much of this has changed. There is now over £100m of funding available to support the development of social enterprises, most healthcare staff can now retain their pension and there is a new ‘right to request’ for staff in PCTs.

The Darzi report stated: ‘We will also encourage and enable staff to set up social enterprises by introducing a staff “right to request” to set up social enterprises to deliver services. PCTs will be obliged to consider such requests, and if the PCT board approves the business case, support the development of the social enterprise and award it a contract to provide services for an initial period of up to three years’ (Darzi, 2008). In practice, this means that practitioners who work for a PCT can make a formal request to the board to establish a social enterprise. If they succeed in this, the first three years of funding is guaranteed.

**STARTING OUT**

In my experience of supporting people to develop social enterprises, nurses tend to be at one of the following five stages in relation to setting up their initiatives:

- **Stage 1** – They are unaware of the business model for their new venture and of the risks of setting up a social enterprise;
- **Stage 2** – They have a business model for their new venture and are aware of the risks;
- **Stage 3** – Stage 2 plus they have worked out a detailed business model, developed legal and organisational structures, and worked out start-up finance requirements;
- **Stage 4** – Stage 3 plus they are ready to begin trading and have secured start-up finance and initial contracts;
- **Stage 5** – They are trading as a social enterprise.

To move from the end of stage 2 to stage 5 usually involves some coaching, specialist business and human resource support, and legal and financial advice. This is a well-worn path and there are many organisations nationally and regionally that can support nurses through these stages. However, moving from stage 1 to the end of stage 2 is a different matter.

**The risks involved in setting up a social enterprise**

Although there are many opportunities for nurses in the world of social enterprise, there are also several risks that need to be taken into consideration. In the UK it has been estimated that 30% of social enterprise start-ups will fail within the first 12 months and this figure rises to 55% within three years (Traynor et al, 2006). If social enterprises fail there is a real risk that entrepreneurs could lose their homes and/or become personally bankrupt. Most nurses are unaware that in a new social enterprise, there is a direct link between the business finances and the founding directors’ personal finances.

Table 1 outlines the advantages and disadvantages of setting up a social enterprise. A good test of personal risk tolerance is to see whether the eyes are drawn more to the left (advantages) or the right (disadvantages) of the table. People with a high tolerance for risk will be very excited by the list on the left and will put measures in place in order to mitigate the list on the right. Those with a low tolerance for risk will find the list on the right frightening and being an entrepreneur may not suit them. However, this does not necessarily mean that such people are not creative or innovative or even entrepreneurial but it does suggest they probably would not cope well founding a social enterprise scheme.

**OVERCOMING OBSTACLES**

Many of these problems are preventable and it is important that nurses obtain good support and advice when considering this entrepreneurial route. The majority of nurses are women and there are particular barriers for women moving from...
employment to creating their own social enterprise. According to Traynor et al (2006) they may encounter the following barriers:

- Lack of business support;
- Lack of role models and mentors;
- Difficulty accessing finance and capital funding;
- Impact of combining family/childcare responsibilities and work;
- Limited access to informal and formal business network mentors;
- Issues with skills, self-belief, self-esteem and confidence.

The evidence shows that women are less likely to perceive or identify themselves as entrepreneurs, describing their work as entrepreneurial rather than themselves as entrepreneurs, describing their work as less likely to perceive or identify themselves and confidence.

EXPANDING AND PROTECTING HEALTHCARE SERVICES

There is the potential to bring in new money to expand and protect a service and factors can be identified by using a framework like the EPOCH model (Entreprenurses, 2008). This is a process whereby founding nurses work through the following questions:

- E – What are you EXCELLENT at?
  Nurses need to start with something they are excellent at because that will be something they will excel in, will give them the most personal satisfaction and will provide a degree of protection from competitors who are merely average. For example, nurse founders could be excellent at providing sexual health advice and screening, and in providing counselling and support for young people.

- P – What PEOPLE could benefit from doing the things you are excellent at?
  Taking sexual health as an example, existing patients of a sexual health service are a good starting point. In addition, this might include people concerned about their sexual health, young people, parents of young people, schools, universities, local hospitals and voluntary groups that need help and support.

- O – What are the OUTCOMES on the people receiving the service?
  How would the people receiving the healthcare services be better or different because of the intervention? Nurses need to work this through for all those included in the previous section.

Existing patients of a sexual health service could receive a better, faster or more appropriate service. People worried about their sexual health could become less anxious. Young people could become more confident, practise safer sexual behaviour and access appropriate primary care services.

For each of the people and commissioning outcomes identified above, nurses should try to establish who might be interested in paying for these outcomes.

- PCTs might be interested in funding better, faster or more appropriate sexual health services. They may also be interested in reducing anxiety and stress in people concerned about their sexual health, and in promoting safer sexual behaviour.
- Practice-based commissioners might be interested in funding young people to access more appropriate primary care services.

**BOX 1. CASE STUDY – CUCKOO LANE HEALTH CARE**

In 2005 the two GP owners of a London general practice retired, and Ealing PCT put the contract to manage the surgery out to tender. Unusually, two nurses employed at the practice decided they would like to bid to run the surgery. They wanted to set up as a social enterprise, in which any profits would be reinvested in the practice, because it was closer to their values than running a private business. They approached an established local social enterprise, Ealing Community Transport (ECT), to support them with business and finance aspects.

Cuckoo Lane Health Care now employs all the clinicians at the practice, including one salaried and two self-employed GPs, and holds an Alternative Provider Medical Services (APMS) contract directly with Ealing PCT.

In a change from existing practice at the surgery, appointments have been lengthened from 10 to 15 minutes to allow fuller patient assessments. The skill-mix at the practice is also unusual, with most appointments involving nurse practitioners, allowing GPs to focus on more complicated cases. The company is interested in developing additional community services for the surgery to host, such as mother and baby checks, and there is the potential to develop its nurse agency further, with business opportunities expected to emerge from the practice-based commissioning group. The social enterprise is also looking at options for moving to new premises and is exploring the possibility of opening satellite practices in the more deprived areas of west London bordering Ealing.

Cuckoo Lane Health Care is also represented on the local practice-based commissioning group, providing a nurse’s perspective in a GP-dominated forum. In the company’s first year, it achieved the highest patient/user satisfaction levels in the local area, according to quality and outcomes framework results.

Established: 2005
Turnover: £485,000
Number of employees: 20
In January 2005 East Elmbridge and Mid Surrey PCT’s board decided to focus on its role as commissioner of healthcare services and to explore other options for those services it provided directly. Following the decision, the board gave two senior staff (director of therapies and director of nursing) approval to develop a proposal for the PCT’s provider arm. Seizing the opportunity, they brought together a group of 35 senior clinicians to conduct a detailed options appraisal.

The aim was to find a model for the delivery of nursing and therapy services that suited staff values, was flexible enough to adapt to a changing healthcare system, and could deliver integrated patient-centred services.

Central Surrey Health is a company limited by shares which operates with a ‘not-for-profit-distribution’ ethos. The shares are owned by all the company’s staff, who are referred to as ‘co-owners’. An important challenge has been ensuring co-owners are kept informed and engaged so they can have proper input into decision-making. The company is run on a day-to-day basis by teams responsible for different clinical services. Clinicians in Central Surrey Health have come to understand the importance of the cost of services they provide in business as well as in clinical terms. This change in perspective is taking time to develop but is central to the company’s ethos of giving practitioners leadership. The rationale is that co-owners who are most familiar with what patients need are in an excellent position to decide where investments are needed and to improve efficiency and productivity.

Central Surrey Health is looking to develop new services that tackle the causes of health problems as well as their effects, working where possible with the local community, patients and local organisations.

Established: 2006
Turnover: over £20m
Number of employees: 650

Local NHS acute trusts might be interested in funding better or more appropriate referrals.

Local authorities might be interested in funding young people to develop confidence and support parents to feel less worried and build better relationships with their children. They may also be interested in funding a better support service for voluntary and community groups to provide improved services to people with sexual health problems.

Schools, universities and local education authorities might be interested in funding young people to develop improved lessons and providing more appropriate personal support services for young people.

Local voluntary and community groups might be interested in providing better services for people with sexual health problems and possibly increasing their grants and funding.

H – HOW MUCH would these commissioners pay for these outcomes?
Finally, for each of the above commissioners and funders, nurses should work out how much the outcomes are worth and this will give them the potential income generated for the social enterprises. In addition, having multiple sources of funding provides added protection and financial security.

When nurses work through this process, they typically identify many more funding streams, market opportunities and commissioners than they have currently. Information on sources of advice and support for those nurses who are considering starting up social enterprises can be found on p22, while the cases studies in boxes 1 and 2 demonstrate how the social enterprise model has been implemented in practice.

CONCLUSION
Becoming a social entrepreneur is concerned with delivering the high-quality healthcare services to patients that nurses have always dreamt of providing and leading a happier and more fulfilled life to a greater extent than it is to do with business and profit-making. For those nurses who are willing and able to follow this entrepreneurial route, it can be a fulfilling way to earn a living.