

# IMPACT TO LAST:

## Lessons from the Front Lines of Social Enterprise

### ABOUT REDF AND SOCIAL ENTERPRISES

REDF creates jobs and employment opportunities for people facing the greatest barriers to work. We invest capital and expertise to grow the impact of social enterprise (SE)—mission-driven businesses focused on hiring and assisting people who are willing and able to work, but are disconnected from the workforce due to a history of homelessness, addiction, incarceration, mental health challenges, or limited education.

# REDF

Investing in Employment and Hope

**CORE DRIVERS OF SOCIAL ENTERPRISE SUCCESS:** *Impact to Last* is a series of in-depth case studies commissioned by REDF that profiles a diverse group of high-performing social enterprises from around the country and the key drivers of their success.

### 5 KEY DRIVERS OF IMPACT AND GROWTH



**ANCHORS.** Large private and public sector customers buying goods and services from social enterprises, or hiring people trained and prepared by social enterprises.



**AUDACITY.** Expansive and creative leadership, pushing organizations toward new commercial relationships, path-breaking business models and bold long-term goals.



**EVIDENCE.** Data and insights to drive performance and prove social enterprise works.



**GROWTH CAPITAL.** Funding or investments that build the capacity for planning and business expansion.



**IDENTITY.** A combination of brand, culture, and operational practices that make a social enterprise distinctive.

### A Few Facts About the Social Enterprises We Studied. Combined They:

Have **300** Years of Operating History

Represent Over **20** Lines of Business

Employ Over **10,000** People Annually

Earned Over **\$150** Million in 2014

Are in Over **25** Cities Across the Nation

# KEY DRIVERS IN ACTION

To access the case studies for each social enterprise, click on their name. To access the Executive Summary for the series, click on the *Impact to Last* title on the first page.



## ANCHORS

### GREYSTON BAKERY

- **Business:** Bakery producing 4 million pounds of brownies & cookies each year; hiring formerly incarcerated, chronically unemployed, or low-income individuals
- **2014 Revenue: \$11 million**
- **144 full-time employees**

**ANCHOR:** The relationship with Greyston's key anchor customer—Ben & Jerry's—fostered growth and other benefits:

- Ben & Jerry's lent their staff to Greyston to help Greyston increase capacity and efficiency
- When Unilever bought Ben & Jerry's it unveiled its Sustainable Living Plan, which showcased Greyston Bakery as a model partner & encouraged the business to make environmental improvements

**RESULTS** in 2014:

- 3,358 hours of training and 122,714 hours worked
- 532 employees placed in affordable housing
- Sales increased 17 percent to \$13.4 million

### EVERGREEN COOPERATIVES

- **Business:** Worker-owned cooperatives providing goods and services in commercial laundry, solar panel installation, LED retrofitting, and greenhouse production; hiring low-income residents in seven Cleveland neighborhoods
- **2014 Revenue: \$6.3 Million**
- **110 full-time employees**

**ANCHOR:** Community institutions buying goods & services from the worker-owned businesses

**RESULT:** Anchor institutions account for 15% of total revenue:

- Laundry services for local University Hospitals totaling \$1 million over five years
- Subcontracts for lettuce with Sodexo Aramark & Bon Appetit supplying several local businesses



## AUDACITY

### GOODWILL CENTRAL TEXAS (GCT)

- **Business:** Retail and recycling, public sector commercial contracts, and staffing services; hiring people with disabilities, who are homeless, or who have a criminal history or limited education
- **2014 Revenue: \$73 million**
- **1,600 employees**

**AUDACITY:** Ambitious long-term goal setting focused on achieving scale. Current 10-year goal: full-time jobs and careers for 100,000 people that all pay a living wage

**RESULT:** Building on their 2013 successes including 3,135 job placements and \$181 million in economic impact for the community, GCT started ground-breaking initiatives:

- With employer input, directing clients toward in demand, high-quality jobs
- Opening a first-of-its-kind charter school for adults aged 26–50 to obtain a HS diploma and a Career Academy for professional certifications
- Policy advocacy on issues affecting target population (e.g., criminal sentencing)

### HUMAN TECHNOLOGIES (HT)

- **Businesses:** Supply chain logistics, facilities management and environmental services, professional cleaning/janitorial and grounds maintenance, and high-tech document management; hiring people with disabilities
- **2014 Revenue: \$33 million**
- **683 full-time employees**

**AUDACITY:** Bold targets for business growth and a relentless focus on execution

2010 vision: To be a world-class business of choice, creating global transformation by unleashing human potential

**RESULT:** HT has largely realized a rapid pace of growth and business excellence:

- Revenues have grown from \$18 million to \$33 million since 2011
- 99.89% of products are shipped without defect
- 99.91 % rate of accuracy in order processing



## EVIDENCE

### CENTER FOR EMPLOYMENT OPPORTUNITIES (CEO)

- **Businesses:** Highway maintenance and cleaning, outdoor maintenance and beautification, rebuilding communities after natural disasters; hiring people who were formerly incarcerated
- **2014 Revenue: \$20.7 million**
- **6,000 transitional employees/year**

**EVIDENCE:** Random control trial over a six-year period showed a 3:1 benefit-to-cost ratio of the program and 20% reduction in recidivism

**RESULT:** Increased funding opportunities:

- CEO chosen as one of the country's first Pay For Success initiatives; a five-year, \$13.5 million investment extending CEO's services to an additional 2,000 individuals

### BANK OF AMERICA SUPPORT SERVICES DIVISION (SUPPORT SERVICES)

- **Business:** Back office support to Bank of America divisions, primarily warehousing, printing, and fulfillment; hiring people with disabilities
- **300 full-time employees**

**EVIDENCE:** With a laser-like focus on quality and precision, Support Services does work that requires perfect accuracy and high efficiency rates. These metrics are tracked for each individual client and employee daily, allowing management to implement changes in real time

**RESULT:**

- With a nearly 100% accuracy rate and high levels of efficiency, Support Services is able to maintain customer loyalty and grow the business
- 95% of Support Services customers are repeat business
- A new customer, Home Loans, hired Support Services to centralize all their printing and mailing, resulting in a new company division



## GROWTH CAPITAL

### JUMA

- **Business:** Concessions at major sports venues; products include coffee, ice cream, and nuts; hiring low-income students
- **2014 Revenue: \$6.4 million**
- **650–700 transitional employees**

**GROWTH CAPITAL:** Due to previous experience Juma does not enter a new site without upfront funding to cover at least three years of operating costs. Factors that have helped Juma attract investors and grow their business include:

- Partnerships with local service providers, reducing concerns about redundant services
- A focus on core strengths—transitional jobs, financial education, and saving for college— attracting financial institutions including Citibank, Bank of America, BlackRock, and Wells Fargo

**RESULT:** Organization has grown from two to 14 business locations

- Revenues increased roughly six-fold during expansion
- In 10 years increased number of students served by 550, with 96% enrolled in post-secondary education



## IDENTITY

### WOMEN'S BEAN PROJECT

- **Business:** Manufacturing of handcrafted gourmet foods and handmade jewelry; hiring women with multiple personal and economic challenges to self-reliance including limited education and marketable skills, and histories of homelessness, incarceration, substance abuse, and domestic violence
- **Revenue: \$2.2 Million**
- **50–60 transitional employees/year**

**IDENTITY:** A focus on creating a compelling brand and excellent customer service attracts high-volume buyers, and a culture of focusing on training in workplace competency and life skills leads to high job retention

**RESULT:**

- Customers include WalMart.com, Krogers, Amazon, Overstock, and SamsClub.com
- 80% graduate from the program
- 100% obtain a job after finishing the program and 85% are still employed one year later

### THE CARA PROGRAM (TCP)

- **Business:** Neighborhood beautification services, staffing firm, book resale and recycling; hiring people affected by poverty and homelessness
- **2014 Revenue: \$7 million**
- **700 transitional employees and placements**

**IDENTITY:** TCP's training program includes socio-emotional health, with classes on love, forgiveness, & even job termination providing a backbone of long-term success for those they serve

**RESULT:**

- In 2013 TCP students earned over \$4 million in wages
- Those placed in permanent jobs worked 443,949 cumulative hours, saved an average of \$620, and paid nearly \$100,000 in taxes

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