



# Craft and Social Enterprise: Exploring current business models

## Crafts Council

July 2019

Sarah Evans and Chris Fortune

North Wales Business School  
Wrexham Glyndwr University



## Acknowledgements

This exploratory study would not have been possible without the willing co-operation of the following principal actors in the craft maker organisations featured in this report, namely

Emily Mathieson – Founder of Aerende, St Albans, England  
Dawn Wood – CEO of Fabrication Crafts, Leeds, England  
Pete Harrison - Volunteer Manager of Artisan Collective, Prestatyn, Wales  
Emma Daker – Manager Shelanu, Birmingham, England  
Jayne Taggart – CEO of Designerie, Bushmills, N.Ireland

The social entrepreneurs indicated above not only gave of their time to help the project but volunteered information relating to their experiences and expertise so that other may learn.

The research team and the Crafts Council wish to acknowledge the contribution to the study made by the above persons and express their gratitude and appreciation.

<b>Contents</b>		<b>Page No.</b>
<b>Foreword</b>		<b>4</b>
<b>Section 1</b>	<b>Introduction</b>	<b>5</b>
<b>Section 2</b>	<b>Data Analysis and Discussion</b>	<b>7</b>
<b>Section 3</b>	<b>Findings and Conclusions</b>	<b>22</b>
<b>Appendix A</b>	<b>Featured Craft Maker Organisations</b>	<b>25</b>

## Foreword

The Crafts Council is delighted to partner Wrexham Glyndwr University in this exploratory study into social enterprise and craft and we are grateful to Chris Fortune and Sarah Evans for this report.

*Craft and Social Enterprise* illustrates how social enterprises are supporting individuals, communities and consumers to enjoy – and profit from - the benefits of making. We know craft is practised in settings from homes and community centres to research institutions and international brands. This report now extends our understanding to include the potential power of craft social enterprises to transform communities, putting social justice and purpose at the heart of what they do.

Each of the featured enterprises works with people who have experienced isolation in some way, whether through geography or culture, physical or mental ill health, or the lack of employability skills. The case studies describe the diverse histories of the businesses' evolution, their different funding models, how participants join or are referred by GPs and the role that product sales and tourism can play in supporting particular enterprises. The report demonstrates how the social enterprise model is founded on a commitment to social objectives and cultural democracy, achieving a balance of profit and social change in circumstances that are sometimes challenging.

In each case, there is an understanding of how craft skills nurture participants, fostering a sense of community and shaping the identity of the place where they are located. At the same time, participants are developing skills to generate an income stream that is ploughed back into the business and the local economy. Local people's vision and commitment have driven the development of these business and community resources, with a profound appreciation of the value of making to participants' wellbeing.

Makers themselves have long appreciated the benefits of craft participation. We endorse and champion the now broadening understanding of the valuable role craft can play in supporting participants' mental health. We also welcome this focus on the social enterprise model as a strong vehicle for creating a sustainable economy with craft and community at its heart.

Rosy Greenlees

Executive Director  
Crafts Council

## Section 1 - Introduction

*Craft and Social Enterprise* analyses the business context of five case study organisations, drawing on earlier research of social enterprise models undertaken by Wrexham Glyndwr University. Full details of each organisation are included in Appendix A. The report explores the operational context of the organisations, their stakeholders and diverse communities, the leadership, management and governance arrangements and finance and revenue. The report concludes with an analysis of future directions and opportunities.

The aim of this project was to explore the issues affecting the sustainability of craft maker organisations that were operating either as social enterprises or with business models that reflected social enterprise values and principles.

The project was sponsored by the Crafts Council which is responsible for advancing craft across the UK. The Crafts Council seeks to ensure that the transformative power of craft making is harnessed, driving individual fulfilment, enriching society and advancing all forms of enterprise - including social enterprise.

Social enterprise is a way of doing business in which an organisation applies commercial strategies to maximize improvements in human and environmental wellbeing - this may include maximizing social impact alongside profits for external shareholders. While social enterprises have many features of more commercial businesses, what differentiates them from other types of enterprises is that their social mission is as key to their success as any potential profit.

For more information on the nature and purpose of social enterprises see <https://www.socialenterprise.org.uk/>

Social enterprises can adopt differing business models and can operate in a variety of legal forms such as- a for-profit or non-profit organisation and may take the form of a co-operative, mutual organisation, a disregarded entity, a social business, a benefit corporation, a community interest company or a charity organisation. They can also take more conventional business structures such as a business limited by guarantee.

Social enterprises follow the different types of business model set out below. (For more information on each of the models listed see <https://changecreator.com/9-business-model-examples-social-enterprises/>).

- Entrepreneur support
- Market intermediary
- Employment
- Fee-for-service
- Low-income client
- Cooperative
- Market linkage

- Service subsidisation; and
- Organisational support.

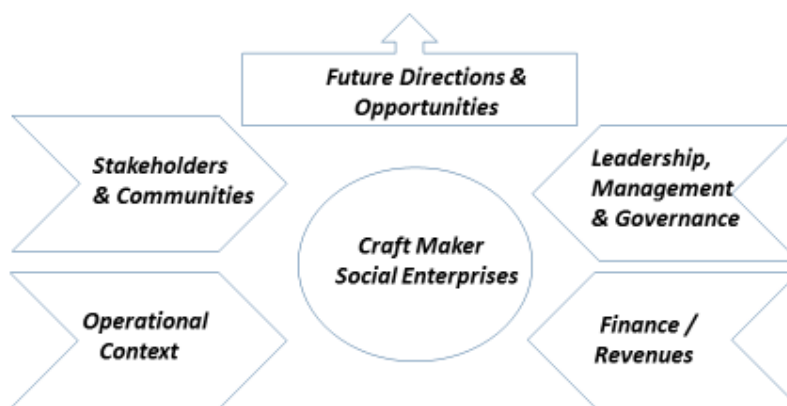
The key actors in each of the five featured craft organisations involved in this study were interviewed to provide a detailed profile of their initiation, development and current business model. Appendix A sets out the operational context of each organisation.

Using a semi-structured format, the interviews explored the key issues that the five organisations considered were impacting on the sustainability of their organisations. The data from the interviews were then analysed using the NVivo data analysis software package. Following analysis and discussion of the findings, the report makes recommendations on the future directions and opportunities available for craft maker organisations wishing to operate as sustainable social enterprises.

## Section 2 – Data analysis and discussion

The semi-structured interviews with the key actors from the five crafts maker organisations involved in the study were transcribed and subsequently reduced in volume by thematic analysis to key quotations which illustrate the points made in the discussion below. The main themes that emerged from the initial analysis of the data are shown below in Fig. 1 - Social Enterprise and Crafts Makers,

**Fig. 1 - Social Enterprise and Crafts Makers**



Each of the main themes in figure 1 were used to form a data analysis framework to draw out sub-themes from the collected interview data. The main themes and their emergent sub-themes are considered in the discussion below, together with key supportive quotations.

### **a) Operational Context**

The featured organisations (see appendix A) provided an account of the operational context of each of the five organisations that were willing to contribute to this study. The principal sub-themes that emerged from the data analysis were (i) organisational features and (ii) business models in-use.

#### Organisational Features

The data revealed that longevity, size and mission were organisational features significant to the sustainability of the following craft maker organisations involved with the study:

**Aerende** - is a non-profit organisation that was founded in 2016 as an on-line digital business that brings consumers with a social conscience together with makers who face mental health and other challenges. Its mission is to provide its customers with a source of unique limited edition products and give a sense of purpose, pride and revenue to the products makers via the charities and social enterprises that support them. Aerende is a company limited by legal guarantee and had no paid or voluntary staff.

**Fabrication Crafts** – is a limited liability company set up in 2008 with a mission to both combat the social isolation faced by many makers and to aid makers operate as viable and sustainable businesses through its mentoring services. It emphasises that although not a social enterprise in a formal sense it operates as a business on social enterprise principles and values. It supports other crafts and design businesses by providing retail space and workshop facilities for its member craft maker organisations to use. Fabrication Crafts has no paid employees other than the company directors and makes use of its member maker organisations to act as volunteer staff in its retail spaces.

**Artisan Collective**– is a social enterprise formed in 2014 by crafts makers to promote their products in a community based outlet. It has subsequently expanded to provide other health and wellbeing activities for the community that are commissioned by diverse non-governmental agencies. It employs no staff and relies upon volunteers to deliver its services.

**Shelanu**– is not a legally registered social enterprise and it employs no staff. It is an on-going project that runs on a social enterprise basis and is supported by a thirty year old charity. Its purpose is to support the integration of migrant and other refugee women to become more aspirational through creative development. Shelanu offers opportunities for its stakeholders to design, make and sell jewellery and other products inspired by the theme of migration and in so doing enable its participants to improve their business skills and employability.

**Designerie** – is a non-profit making arts and crafts social enterprise established in 2016 that employs three staff. It sells exclusive local and non-local hand-crafted home and giftware that is available to purchase by the general public both in-store and on-line. The ethos is to provide a place where individuals can develop their craft skills and so provide employment opportunities for locally based individuals in the arts and crafts industry.

The operational context of the enterprises in the study, in terms of size, longevity and mission, are central features that impact on the nature of their social enterprise. Some of the organisations have missions that focus on their maker members whilst others



consider their communities to be their focus. Similarly, some of the organisations have a social purpose rather than an economic purpose at the centre of their activities.

### Business Model

The analysis shows that craft maker organisations can use a variety of different types and mixes of business model to deliver their products and services as social enterprises, according to their particular operational.

The analysis enabled the following business models to be identified:

- The market intermediary
- Hybrid – entrepreneur market intermediary
- Hybrid – low income client / fee for service model
- Employment
- Hybrid – employment / market intermediary model.

### **b) Stakeholders and Communities**

The study found that when crafts-based social enterprises were established they either had:-

- A maker; or
- A community focus

### Maker Focus

Maker focussed social enterprises generally try to bring together craft makers in different disciplines, for example leather, glass or ceramics, with the idea of selling quality craft products in one place.

“We have selected makers that are of course local and a working in different mediums ... we have someone producing linen products, a jeweller, a coastal artist, a ceramicist, a multimedia artist, leather workers, a glass maker and a weaver.”

“So we set up an enterprise that was initially focused on textiles and leather work in a workspace as there was no other facility for those two crafts to come together.”

The participants also offered a workspace for makers and considered themselves to offer makers a route to market as illustrated below:-

“We started with the shop and we put a call out to designer makers. It was all about a route to market for them. People came forward who wanted to market their product through the shop.”

“At this stage it was never about servicing community needs it was about making an additional income for makers, who didn't have enough room in their

own studio to run their own workshops and we thought that this could be a facility for them to make more money.”

As the organisations have become more established the number of makers that sell through the organisation has grown and in some cases become more diverse.

“... since we started, when we had just 8 makers, in those days we existed very much on a month to month basis. We were just about surviving ... to now we have over 80 makers in the shop.”

Makers can be local or national. Each enterprise also had regular contact with their makers/maker organisations:-

“It was never exclusive to local designer makers, because I knew I would never get the volume that I needed in the shop.”

“I do try and visit all my maker organisations at least once a year by train despite them being quite distant from my home base.”

It was paramount that the products sold by the social enterprises were professional and of a high quality. Interestingly the social enterprises noticed a synergic effect of bringing makers together:-

“What we have discovered with is that there has been a huge benefit to makers of coming together and working collectively and building a sense of community.”

“Tourists and visitors are loving coming upstairs to the workspaces and meeting the makers and seeing them working. People absolutely love it. “

Organisations had experienced a number of challenges relating to makers. One participant highlighted maker vulnerability as a challenge:-

“We knew that we had already provided a route for makers to market through our shop, but there were also makers that were looking to scale their business and still quite vulnerable and risk-averse to renting premises, so we thought that we would incorporate a makers in a residence model to overcome this challenge.”

Another organisation had experienced challenges in working with makers who held different values:-

“Working with our makers has been a challenge and I had not realised that the generation of money was not what was motivating the maker organisations and so have a supplier maker group that are not motivated by standard commercial concerns and this has been a major challenge to the sustainability of the business.”

A final challenge relating to makers was experienced by organisations where makers were volunteers or group participants rather than employees:-

“Members have a lot going on outside of this project and sometimes that means they are unable to attend. Trying to manage projects with this element can be

difficult. This means that the artist have to be flexible and be good at problem solving.”

### Community Focus

Craft based social enterprises can also adopt a community focus. This may involve the wider community or working with a very specific group of the community.

“We are a key organisation in the community because of what we do. We are at the heart of the community.”

Makers tend to work within these organisations as part of a commission or on a voluntary basis to produce crafts of varying standards, although the work can be of a professional standard and sold as such:-

“They work with a practising jeweller or textile artist who will take them through a design process but they design and make decisions about the process. The expert just takes them through the process and facilitates the skill, teaches them the skills that they need to make that range.”

The theme of some community craft projects is also influenced by the groups involved, for example:-

“The migrant bird project; the theme was obviously migration. The projects tend to explore the women's experiences; we don't ask them for their personal stories.”

Two of the organisations involved in this study had noted a change in their “focus” as the organisations had become more established:-

“Once we had got the shop established and the Makers house and the studio then this is really when the community started to get involved.”

“Selling artisan products as we started did not work for us and so we have changed. The people that have been with us in terms of artisans have left their work with us and we are still trying to sell some of it however we are not taking on any more artisan makers.”

“We quickly found that there was a requirement in the community for more than just arts and crafts. We started out as a centre selling various arts and crafts products but we quickly found that there was more to it. However everything we do revolves around creativity. However selling the artisan products is no longer our core activity”.

The above comments recognise the need, particularly of community focused social enterprises to keep evolving:-

“We never try to pin ourselves down, we keep trying to innovate, to keep changing, to deliver things that people need.”

### Beneficiaries

The enterprises which took part in the study were working with a variety of beneficiaries and these included:-

- Groups with drug and alcohol addiction
- Groups with disabilities
- Migrant women
- Ethnic minorities
- Referrals from mental health charities
- Disengaged young people
- Community organisations
- Referrals from GP surgeries
- And the makers themselves

### Networks

The social enterprises were involved with a variety of stakeholders. However, community focused organisations tended to be embedded in a wider stakeholder network.

Wider networks involved links with:-

- Public sector organisations such as health authorities, local authorities, police and public services boards
- National and local charities, for example MIND, National Trust, Kew Gardens and Alzheimer's Cymru
- Universities.

Organisations noted:-

“Something that we do that many organisations don't is that we work with anybody and everybody.”

“We have always worked with the police especially the community team, PCSOs. We have also worked with the health board and other third sector organisations and of course the county councils.”

“We work with the initiative for social entrepreneurs in the city and they came in and did some sessions for the women. We are very linked in with the social enterprises community in the city and with migrant organisations.”

“The recently awarded grants have arisen through my engagement with the social enterprise networks and realising that I needed to be enterprising to get additional resource to try and grow the business.”

“There seems to have been a real change of mindset at the local authority in the past six months, they are really starting to understand what we are trying to do. The changes really happened to because of our involvement with the public service board, they have really committed to doing things in the community instead of just talking about it. In the past six months they have asked us to go and present to all of the community councils about what we are doing, to try to roll it out into the wider community. Two years ago they would have never considered asking us to do this. What do you find at councils is that they think they can recreate this in other places however it's not that easy you have to look at the needs of the community and how to address them.”

These social enterprises had seen the benefits of being part of their local/regional social enterprise network. However, this was not the case for all organisations. One cited time as a limiting factor:-

“We are not members of any social enterprise networks. When I presented at various conferences people have said oh you must come and join our network and let us know what we doing however we don't always have to time because of the work we are doing.”

Another of the contributing enterprises built on the above and considered that they had sufficient support from their Board and other contacts:-

“There is a social enterprise network...., however we are not part of it. I just don't have the time to attend. I know this is an excuse but it is just the way It Is. I have such support from our board and from the ENI network that I don't feel I need additional support at the present time. The board are very reliable and visionary and therefore maybe I don't need the support that maybe a smaller social enterprise would need and the benefits they would get out of it. We probably should be involved but the reality is that we're not.”

### **c) Leadership, Management and Governance**

The background varied of those involved in the leadership role in the participating organisations. Some leaders had worked within a more general business environment and others had been craft makers.

#### Leadership Skills

Organisational leaders were asked about the skills they considered that they brought to the enterprise. The following areas were highlighted:-

- Business knowledge
- Industry expertise (including craft)
- Media skills
- Marketing experience
- Financial competence
- Empathy
- Resilience.

#### Strategic Vision and Enterprise

One of the participants discussed the approach of linking a longer term strategic vision to its mission and how expansion of the organisation could jeopardise the mission:-

“So being regionally based is a real positive and especially as it allows me to focus and not lose my grip on the mission of the organisation, as it is acknowledged that other social enterprises that seek to expand outside their home locations often can lose their focus and become too commercialised in their approach and so jeopardise their mission.”

The social enterprises that took part in the study were enterprising and these skills were ingrained within the organisation. The extract below clearly demonstrated this:-

“The tourists that come to us are generally just passing through as they want to visit the tourist attractions. The cruise liners that are coming to the port always have a visit to the attractions in the area. However, they are always on a bus and they go straight to the castle and to the distillery but they never really look around the village. People told us not to waste our time trying to get in touch with the tour companies and trying to attract the cruise liner market because they are on such a tight schedule. However we went ahead and contacted an agent that handles 75% of the cruises and said what we could offer around the maker’s house and the workshops and they came down to see us and they really liked it. As a result we are now on the itinerary as one of the offerings on a tourists’ trip to do a workshop. Most of the offerings of excursions on cruise liners are about going and seeing something and not necessarily about experiences. So people want to make something and take it home with them. We haven’t really targeted any other tourist markets as the cruise market is the only really targeted marketing that we’ve done. We have done some other work through targeting the local community in terms of marketing. As a result we have involved farmers unions and mothers unions to come and visit the building and see what we are doing.”

### Management

The following themes emerged from the discussions relating to the management of the organisations:-

- Impact
- Staff, volunteers and outsourcing

These are explored in more detail below.

### Impact

The participants considered that they found it difficult to measure their impact. This was for a number of reasons, such as time constraints, organic development of the organisation, the impact measurement tools available and the difficulties in measuring “social” and “wellbeing” factors:-

“I use SROI [Social Return on Investment] as it is the only tool that I kind of know of at the moment and it is a recognised one that is starting to be quite important to me as I grow not just to show to funding bodies but also to explain to customers what it is that they are creating when they spend £1 .....and being able to explain what it means as a contribution to value for that maker.”

“.... So SROI is just something that I use as I have no previous experience of impact reporting and that seemed like a metric that we could build something around.”

“I have been on a course that talked about impact measurement however I couldn't make any sense of how to try and apply this, this concept of social value, to our project. Our project is not about pounds value, it is about social worth.”

Two organisations highlighted that impact measurement was an area that they wanted to develop in the future.

“We are very poor at measuring impact and this is one area that we really need to improve.”

“We want to introduce measuring impact more formally ... so that we can provide a sense of what is expected and what we can offer them.”

### Staff, Volunteers and Outsourcing

The organisations that took part in this study were very small, with the largest having three employees and the remainder relying on the input of volunteers and outsourcing. One of the organisations operated on a “cooperative basis” with makers taking turns to staff the shop or undertake administrative tasks:-

“ We do not have any employees as such ... The model is that everyone contributes to the fitting out and refurbishment of the space, this helps ease social isolation and encourages peer group integration.”

“As we do not have any employees some of our maker partners take on some of the business admin tasks rather than come and stand in the shop.”

Some relied entirely on the input from either the staff or the volunteers:-

“It's just us two, really, we just keep doing what we have to. Because I come from a background of working for a large international company, I think that has helped. Other people have said that it's us two that make the organisation and its impact.”

“We volunteer for up to 60 hours a week each.....Altogether I think we have six volunteers. There are no formal employees.”

Opinions differed on the input from volunteers:-

“I have used volunteers in the past but I have found it to be more labour intensive for me and so not so helpful ... This is because the type of work that I am doing is more to do with branding, marketing and administration and so unless we have a volunteer to come and do that on a regular basis then it just becomes a process of showing someone how to do something and then the volunteer disappearing and having to repeat the process with another different person.”

“Really I feel that if a job needs doing then it should be paid for.”

Participants also acknowledged that there were certain roles that needed to be outsourced within small organisations. Accounting was highlighted:-

“When I started to pay people to work on the business the first person I engaged was a chartered accountant and I now realise that I need all of those financial management systems to be working from an early stage.”

“We don't employ an accountant full-time but we do employ an accountant on a freelance basis. Back at the office I have a finance officer that does all of the bookkeeping.”

## Governance

### Board Membership

Two of the organisations had governing boards and the membership size varied between five and nine members. Governance of one organisation was currently undertaken by the overarching charity, within which it sits. However, there were plans to appoint a specific board. One enterprise was overseen by two trustees, rather than a governing board and the remaining organisation was in the process of appointing a board of governors.

The boards of two organisations were comprised of volunteers and makers that were involved in the day to day running of the organisation and the other governing board was made up of external experts from academic, entrepreneurial and funding backgrounds. Two enterprises were in the process of appointing governing boards and they were looking for external experts in both business and craft to be involved.

The role of the governing body was seen as providing expertise, challenge, business skills, access to networks and support. One enterprise had a different view in relation to the role of the governing body:-

“We are the only two trustees of the social enterprise, we have not had a board because I think they would pull us in and stop us doing what we do,”

“Because we don't have a board of governors we are able to make decisions quickly and act flexibly.”

### Leadership Challenges

Most of the organisational leaders were finding it difficult to balance leading a social enterprise with other roles that they held, for example:-

“I have found it difficult leading an organisation like this but this is because I have to balance it with my other responsibilities..... It is not the only thing I'm doing and that's what makes it a challenge.”

“As we have grown and become more sustainable so I have found that my time is more strained as I have had to become involved in more and more aspects of actually running the business rather than spending time doing my own making.”

Being pulled in different directions also resulted in a lack of strategic focus:-

“It's like I know the potential of the project, but not having the time to focus on it can be frustrating.”



## d) Finance/ Revenue

### Start-up Finance

Four out of five businesses that contributed to the study had received some form of start-up funding. Sources of start-up funding ranged from crowd funding, Community Coastal Funding (National Lottery), the Baring Foundation and the Arts Council.

### Grants and Loans

The majority of the organisations were still reliant on grant funding, usually small sums, to support projects and organisational growth. The sources of such grants were varied and included proceeds of crime funding (regional police force), Greggs, Tesco, Natural Resources Wales, National Lottery, health authorities/boards, local government, trust and foundations.

One participant commented that:-

“Having a social enterprise status has allowed us to apply for Lottery funding. If we were not a social enterprise would not be eligible for this.”

Organisations were not using bank loans to fund the organisation, as emphasised in the quote below:-

“Yes I am risk averse, I would never spend money that I did not have, I would never seek out a loan.”

### Revenue Streams

The organisations were generating revenue from a number of sources and comprised:-

- Sales through their shop or websites or stockists
- Running weekly craft classes
- Holding events
- Taking part in craft events
- Commission for stocking and selling products
- Collaborative craft projects
- Sales to distributors
- Grants

One of the social enterprises was part of a £88 million collaborative creative industries crafts project involving academics and the technology sector. The organisation considered that their role within the project was to “to fly the flag for traditional makers, as opposed to digital makers.” The crafts-based social enterprises had a variety of markets that they were accessing for their products and services.

One organisation was purely selling its artisan crafts online, another was offering a limited selection of products through e-commerce. For those organisations that had shops as their main outlets, they were trying to tap into local markets, but, some emphasised the importance of tourist markets.

“I couldn't care if there were another six craft businesses in our area I think it would just make it even more of a visitor destination.”

## Financial Challenges

All organisations had experienced challenges relating to funding. There was also an acknowledgement that the enterprises needed funding in order to be able to grow. Organisational leaders realised that sources of funding were changing and that they could no longer rely on grants from public sector sources.

It was also difficult to access funding, as sometimes the activities undertaken by the organisation or its location or its operational context precluded them from applying for certain grants.

“Having a social enterprise structure has and hasn't had advantages for us. We have been unable to apply for funding because we have been on a two month rolling lease at the building.”

One organisation had also approached a bank for funding:-

“We approached the banks for a loan but even though we have been trading for some time what we found was that they were not comfortable with our model as it was unusual and so they still did not quite get it and so would not lend to us.”

The social enterprises considered that local authority or NHS tenders could be a source of future income, however:-

“In terms of looking to gain work from local authorities and or NHS then I have found it incredibly intimidating dealing with their tender documentation especially if you are not from that public sector background then that kind of bureaucracy just appears as a brick wall to me.”

## **e) Future Direction and Opportunities**

As previously discussed all of the social enterprises wanted to expand in the future and all were looking for the means and opportunities to achieve this.

Many were looking at potential funding streams, such as philanthropic sources to allow them to grow. One enterprise was in the process of submitting a bid to the National Lottery and another had successfully received over €5 million of European funding, to undertake a large scale business development project, including the development of maker spaces, a shop, a café and community facilities. It was anticipated that the project would take two years to complete.

Two organisations wanted to look at improving their online sales:-

“In terms of growing the business I am working with several other consultants at the moment all looking to enhance the brand, but for me the need to optimise our position on internet search engines is an important activity so that our potential customers can find us. “

“We are actively exploring the development of an on-line shopping facility now with a web site and a click and collect facility.”

Organisations wanted to diversify the range of products and services that they offered, for example one business wanted to develop the type and quantity of community classes it provided, and a further example of diversification is outlined below:-

“We have received funding to look at developing another more accessible price range of jewellery.”

One participant noted that in order to take advantage of future opportunities, they needed to bring in different skills to the organisation:-

“To take this forward I think we need someone with business and enterprise skills. We can always provide the creative direction.”

### Capacity

Capacity limited the social enterprises in a number of ways including:-

- The capacity of the leader to oversee organisational change and growth
- The capacity to fulfil orders, particularly large orders
- Makers’ capacity

Participants noted that seasonality was an issue relating to the capacity of makers:-

“Crafters and designer makers can be challenging to work with and certainly when it comes to those busiest times of the year they will be off doing craft fairs themselves and this means we don't have lines of stock coming in.”

“For instance some makers say that they are only a winter product and so they do not want to be involved all the time.”

Organisations also felt that it could sometimes be difficult to fulfil orders that had been placed:-

“Another issue is managing the supply and demand associated with web based selling. Another issue is that..... there are so many options in this range, that it is difficult to stock it online. We have made it quite difficult for ourselves...”

It was also acknowledged that the pressure associated with making larger quantities of products can have a negative effect on the wellbeing of makers particularly those from vulnerable groups.

In terms of capacity related to organisational growth and development, one participant explained:-

“when I started discussing the idea with a larger business they wanted to see six samples of product and a certain amount of linen and cotton and I just realised that to undertake a contract with such volume would be really expensive and hard work and I just did not have the capacity to do that and maintain the client facing focus of the social enterprise at the same time. This sort of initiative can't really happen without another member of staff being available.”

## Growth and Space

Many of the enterprises were considering the most suitable way to grow their business. However, this needed to be balanced against the social values and mission of the organisation:-

“At the moment the business is incredibly agile, really lean and if I decide to do something then I am sure I would it a success but I am just unsure as to which direction to take.”

There was also a realisation that growth could have an impact on the capacity of makers, especially vulnerable groups. The social enterprises also struggled with having premises or space to grow the organisation. Conversely, one organisation had secured a ten year lease and this came with its own challenges:-

“A risk that we have accepted is taking the lease on this property for a ten year period although we have a review and break clause at five years should our trading position change. In a city centre location such a break clause is important to offset the risk of this part of the town seeing a reduction in footfall over a period.”

## Future opportunities related to the wellbeing agenda

All organisations acknowledged the beneficial role of craft in the wellbeing agenda. It was noted that craft had a dual role to play, both in the wellbeing of the wider community/target group, but, also in terms of combating the social isolation of the makers.

“Craft has a role to play in wellbeing, we've found this with our group. When people get referred to us we tell them about the Art Group and men's sheds and see which they would like to get involved in. We have a number of people with mental illness that are involved in the Art Group and they get together and help each other and this is what craft is all about.”

“One of our main aims is to combat the social isolation that many makers face. This is a common experience and one that we went through when we lived and worked in London. In addition makers sometimes hit a mental block and need to talk to other makers so as to work out the best way to solve a problem so we felt that there was a need to provide a space to enable craft makers to come together to get over the problems of isolation.”

“Collective making can support people in different ways, depending on the situation they find themselves in.”

All of the organisations felt the wellbeing agenda could offer them additional opportunities, as outlined in the quotes below:-

“In terms of future development it could be that we could make a contribution to the delivery of the wellbeing agenda as such initiatives would fit with the

mission of the enterprise. I think that moving into the delivery of wellbeing would be something that I would be interested in....”

“We want to be a centre of excellence in terms of a community hub. We also want to attract more permanent funding streams. I hope that we can attract funding because we are delivering what the community want and this is what the National Lottery now considered to be important. We are also getting embedded in the social prescribing agenda, we are now getting referrals from a number of organisations. We are getting referrals from the community navigator and we are now getting them from further afield.”

## Section 3 - Findings and conclusions

### Findings

The data analysis reported in Section 3 confirmed that the following were key issues for the study's contributing organisations:-

- Operational context
- Stakeholders and communities
- Leadership, management and governance
- Finance and revenues.

### Future Direction and Opportunities

Discussion and analysis of the data related to each of the above main themes and sub-themes led to the development of the model in Figure 2 Social Enterprise and Crafts Makers (see below). This illustrates the factors (in red) that were found to be influential in enabling the organisations involved in the study to remain as sustainable businesses operating as social enterprises or with social enterprise principles and values.

The model may be helpful to craft organisations operating as social enterprises or seeking to do so when making strategic decisions on growth and direction. It can be used to identify issues to take into consideration if the organisation is to be sustainable in its operational context.



The discussion in Section 2 of the context of the crafts-based social enterprises reveals that a two way axis could be formed, consisting of "focus" (vertical) and

“purpose” (horizontal) continuums (see Fig.3). The organisations that contributed to this study could be placed at different points on the vertical axis (focus) depending on whether the mission was to serve their makers or their communities. Similarly, the organisations could be placed at different points on the horizontal axis (purpose) depending on the social or economic character of their mission.

The model could be helpful to craft organisations in identifying the mission and setting strategic direction.

Organisations seeking to embrace the social values of the social enterprise model may also wish to seek support from the Crafts Council’s professional development programmes to develop their networks, strengthen their understanding of the retail environment and assist with business planning.

**Fig. 3 The Craft Maker Social Enterprise Axis**



### Conclusions

This study has revealed that there is a range of crafts-based social enterprises operating in the U.K. The organisations that contributed to this study were small in size and had differing missions and social aims. The following issues were revealed as key to the sustainability of such businesses:-

- (a) An energetic organisational leader with the capacity to be enterprising in seeking funding opportunities as well as public grants and philanthropy.
- (b) Additional space and accommodation to facilitate organisational growth.

- (c) The embedding of the crafts-based social enterprise in both its community and local and regional networks in order to engage with the emerging social prescribing agenda.
- (d) Engagement with external expertise in the establishment of governance arrangements that help shape and form future vision, mission and organisational development.

Lastly, the study indicates that organisational leaders may have to be flexible in their focus to accommodate both maker and community needs in an evolving landscape of funding and enterprise opportunities.



## Appendix A– Featured craft organisations: operational context

### Aerende, St Albans, Herts



#### What it does and why

Aerende is an online shop selling products and gifts for the home, all of them made in the UK by people facing social challenges. It is a digital place to find a range of carefully crafted products from around the British Isles, created by makers who struggle to access or maintain conventional employment.

The word Aerende means ‘care’ in Olde English – it was chosen to reflect a commitment to heritage skills and British-made items, as well as to the use of considerate business practices. Aerende believes in slow living and the power of consumers to affect social change.

Aerende is passionate about the wide range of proven benefits of craft making (from enhanced mental health and mobility to reduced isolation) and in the value that making-based charities, social enterprises and community organisations bring to the people they support and society at large. Aerende aims to foster greater thought and consideration for the things that are bought and to offer a beautiful range of goods that challenges perceptions and genuinely integrates environmental and social considerations in the way business is done.

#### How does it operate?

Aerende is a non-profit organisation that was founded in 2016 with a quest to create a model for considerate, socially valuable shopping that doesn’t compromise on quality or style.

It is based in a home office of its founder in Hertfordshire. Aerende has no paid or voluntary staff but it operates as a social enterprise in which all makers, and the organisations who represent them, are integrally involved. The tagline of 'life-improving homewares' reflects a commitment to sourcing and designing unique, limited-edition products that are intended to bring joy, beauty and utility to the customer, as well as a sense of purpose, pride and revenue to the makers, via the charities and social enterprises that support them.

Aerende's non-profit status is enshrined in its legal status (Company Limited by Guarantee) as it was felt it should be possible to run a successful, money-generating business that benefits solely those who work within it, rather than shareholders or financial institutions.

Aerende works with a range of vulnerable makers and its priority is to ensure that any relationships are based on mutual benefit and respect. Aerende prefers to partner with charities and social enterprises and its partnerships are fully consensual, and flexible, to accommodate the sometimes unpredictable circumstances of its makers.

Makers only appear on the website or social media with written permission. All makers have an open invitation to take over social media feeds, to contribute blog posts and to add content to Aerende's website. The collaborative and positive relationship Aerende has with its makers means that it can continue to offer a creative service to adults recovering from mental health illnesses.

For more information on Aerende see [www.aerende.co.uk](http://www.aerende.co.uk).

## Fabrication Crafts, Leeds



### What it does and why

Fabrication Crafts is an organisation run on social enterprise principles that supports micro craft and design businesses by providing retail spaces and workshop facilities for its member craft makers.

Set up in 2008 with the aid of an Unltd award to provide ad hoc and permanent workspaces for makers to use to combat the potential for such makers to experience social isolation. At the time it was set up community interest companies were only just beginning to become recognised and social enterprises were only emerging and so it opted to become a limited liability company with a clear mission to aid other makers remain viable and sustainable. Its owners knew they did not want to operate as a charity or as a cooperative but were committed to operating as a social enterprise. It has not yet got round to making the necessary legal switch.

Fabrication Crafts provides workshop spaces with jewellery benches, leather workers facilities, photography studio, kitchen and a fashion incubator space. It opened its first shop in 2011 and has now moved to a larger retail space in the city centre. This move gave more makers a place to sell their goods. In addition Fabrication Crafts now has a retail space in York. The workshop space in Leeds also provides accommodation for makers and community groups to deliver classes and other types of events that feature craft making.

### How does it operate?

Fabrication is run by long term makers rather than business advisors and so this provides added support to its members. Currently Fabrication Crafts has 65 makers

contributing to the shop and in some areas of craft making there is a waiting list of makers wishing to join.

Fabrication's retail space provides outlets for a range of craft makers' products such as homewares, furniture, fashion and food. There are beauty products, artwork, pet products and bespoke bridal ware as well as products from craft makers such as bookbinders, leather workers, jewellery, sewing, and textile makers. Craft makers pay for the space they use and Fabrication Crafts take a commission on any sales made. The makers themselves volunteer to work as the shop staff. The more a craft maker works in the shop the less commission they pay to Fabrication Crafts.

Fabrication's spaces can also be hired by makers acting as in-house tutors wishing to deliver classes in their own specialism that are subject to minimum numbers and hire costs. Classes can be run in topic areas such as bookbinding, cookery, leather work, jewellery, metal work, block printing, surface pattern design, sewing and textiles.

Fabrication Crafts have worked with community groups such as Mencap parents and carers, Solace refugees, adults with learning disabilities, Yorkshire Federation of Housing and Passion 4fashion to deliver bespoke programmes of learning and experiences in making.

For more information on Fabrication Crafts see <https://www.fabric-ation.co.uk/>.

## Artisans Collective Communities, Prestatyn, N. Wales



### What it does and why

Artisans Collective is a social enterprise formed in 2014 by a group of local crafts people and artists who were involved in organising and participating in weekly Artisan markets in Prestatyn.

The initial aim of the collective was to help promote awareness of local shopping during the recent opening of a new shopping park in the town. The town's library building then became available in 2014 and the collective obtained a licence to convert the old library for use as an artisans centre.

The original concept was to use the centre as an outlet for local artisan products with each participant paying a weekly rent to the Collective. However the Collective quickly found that due to demand there was a need for health and wellbeing activities such as those to enable citizens to age well in its locality. Its longest running group in the centre is the junior artisans group.

### How does it operate?

Since opening in November 2014 the centre has evolved into a community hub. Due to local demand for the activities they now hold weekly events focused on the health and wellbeing of the local community, such as - Prestatyn's Mens Shed, Coffee Pod Bereavement Group, the Morfa Gateway Project, Prestatyn Dementia Friendly Community, Aimee's Art Group and Children's art and craft workshops. The Collective is now involved with G.P. surgeries in delivering the social prescribing agenda under the Social Services and Wellbeing Act (Wales) Act 2014.

Since 2015 there have been on-going concerns about the availability of the Collective's accommodation and the County Council are currently carrying out a feasibility study to assess the possibility of constructing a community hub with housing above on the site. The Collective is therefore looking for funding opportunities to enable its long term stability and also to increase the Collective's community involvement and provide more health and wellbeing activities.

For more information about the Artisan's Collective see <https://artisans-collective.org.uk/>.

## Craftspace, Shelanu: Women's Craft Collective, Birmingham



### What it does and why

Craftspace is a charity creating opportunities to see, make and be curious about exceptional contemporary craft. It is based in Birmingham and works collaboratively regionally, nationally and internationally. Craftspace has a 30 year track record of building relationships between artists, people and organisations. Craftspace does not have its own venue. It works in partnership with a range of galleries, museums, community venues and organisations to develop and deliver its projects.

One such on-going project is **Shelanu** – which means “belonging to us” – a developing social enterprise, supported by Craftspace, that aims to support migrant and refugee women in the production of high quality craft objects inspired by their new home in the city of Birmingham and their experiences of migration.

At the moment Shelanu is not a legally registered social enterprise and it has no paid employees. The Shelanu project is run on social enterprise principles and its aim is to assist other migrant and refugee women to become more aspirational through creative development. This supports the integration of migrant women into local communities, which in turn can benefit from the rich diversity of the women's experience.

### How does it operate?

Shelanu delivers a range of activities that help members to develop new skills, increase confidence, combat isolation, challenge preconceptions and support integration. These activities include running craft workshops for adults, children and families, and designing, making and selling jewellery and other products inspired by the theme of migration. In addition Shelanu undertakes public and private commissions.

Craftspace provides opportunities for Shelanu members to work alongside and shadow professional artists and other creative professionals, to build creative, social and business skills that enable members to improve their employability.

It is anticipated that Shelanu will become increasingly self-sustaining, less dependent on grant assistance, using the enterprise's surplus to expand and develop the services provided to and by the women within local and national communities. This complements Craftspace's ethos of assisting the Shelanu members to become more aspirational, ensuring that the creative and holistic development of the women is at the core of all future policy planning.

For more information about Shelanu see <http://craftspace.co.uk/shelanu/>.

## The Designerie, Bushmills, Northern Ireland



### What it does and why ...

The Designerie is an innovative, arts and crafts social enterprise established by Enterprise Causeway (formerly Causeway Enterprise Agency) in 2016 that employs three staff. Enterprise Causeway is one of the longest established enterprise agencies in Northern Ireland, celebrating 35 years in business this year. Based in its unique creative space in Bushmills, the Designerie is a place where people can develop their creative skills, support local craft makers and connect with others. The Designerie sells exclusive and hand-crafted home and giftware that is available for purchase in store and via the on-line shop

The Designerie concept started in 2014 when Enterprise Causeway teamed up with local artists and crafters to make wooden Christmas Trees out of old wooden pallets that were found on the industrial estate where the Agency's offices were based. Enterprise Causeway opened a workshop and a pop up shop in The Diamond Centre in Coleraine. The enterprise was successful and provided a sense of accomplishment for all involved that it was quickly realised that other people would probably love making trees and other decorations every bit as much as the makers did. The makers enjoyed the experience so much that they didn't want it to end with the festive season and so the idea of the Designerie as a creative hub for people and makers to come together to learn new skills in a relaxed and welcoming environment was born.

The Designerie opened as a non-profit making social enterprise in Bushmills, funded through the Community Coastal Fund and its target market is the general public as well as the second home owners and tourists who visit the area. The Designerie's goal is to support individuals to do more and to be more in our community through connected creativity.

### How does it operate?

The ethos of The Designerie is to provide a one-stop place where individuals can grow and build their creative skills in a nurturing environment, while supporting the local arts and crafts industry in Northern Ireland.



The Designerie offers a retail space on the ground floor where in excess of 65 makers work is showcased and marketed. Makers House on the first floor provides an innovative space for 8 makers in residence to make and sell their craft from and workshops are delivered from 2 studios catering for individuals and groups in its local communities, offering a chance for local people to learn and develop new skills in contemporary crafts using re-purposed and locally available materials and textiles.

For more information about The Designerie see <https://thedesignerie.co.uk/>.

The social enterprises that took part in the study were enterprising and the skills to be enterprising were ingrained within the organisation. The following quote from The Designerie clearly demonstrates this:-

“The tourists that come to us are generally just passing through on their way to visit other tourist attractions in the area. The cruise liners that are arriving in Belfast port always have on offer a visit to the attractions on the North Coast. However, the tours on offer involve a coach trip to visit The Giant’s Causeway and Bushmills Distillery and then immediately depart back to Belfast without allowing visitors the opportunity to actually spend time in the village of Bushmills. We have often been advised not to waste our time trying to get in touch with the tour companies and trying to attract the cruise liner market because they are on such a tight time schedule and itineraries just don’t allow time for any additional attractions. However, we went ahead and contacted an agent that handles 75% of the cruises and promoted what we could offer through The Designerie and Maker’s House in terms of workshop activities and ‘meet the maker’ experiences. This resulted in a meaningful engagement and we are now on the itinerary as one of the offerings on a tourists’ trip to do a workshop. Most of the offerings of excursions on cruise liners are about going and seeing attractions and not necessarily about experiences. What we have discovered is that people relish the opportunity to engage with a maker in a practical way through a workshop activity to not only hear their story but to make something that is part of the local heritage and culture and be able to take a piece of art home with them that they personally crafted as a keepsake of their time spent on the North Coast. Other targeted marketing activities for the tourist sector include the distribution on marketing materials to our local accommodation, hospitality providers and independent coach companies and the hosting of open days where they can come along and learn what is on offer at the Designerie so that they in turn can share with their visitors and clients.

Examples of other marketing activities engaging the wider community include the hosting of makers days inviting targeted groups such as tourism stakeholders, The Farmers Union, Mother Union Groups, Community Groups and local schools and colleges. These activities are all supported with a very engaging and active digital marketing strategy designed to promote the work of the Designerie.”