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Scenario planning in social enterprises; the case of South Yorkshire

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Author biography

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Walter is Principal Lecturer in Business Strategy at the University of Huddersfield Business School. He holds a PhD in Social Enterprise Legal Structures from the University of Huddersfield. Prior to joining the University, Walter acquired considerable experience in providing on-going business advice, counselling and mentoring to a wide range of communities and organisations within the social enterprise sector. His research interests lie in social enterprise, micro –finance and governance

Abstract

The concept of social entrepreneurship is increasingly attracting interest as an area of academic scrutiny. Despite this development there is very little scholarly attention given to the way social enterprises plan and develop strategies to address challenges posed by changes in the environment in which they operate. Drawing on a qualitative case study of two enterprises, this study explores the role of scenario planning in the social enterprise sector. The result show that this strategic management planning technique, traditionally associated with large capitalised commercial enterprises, is becoming a key component of the practice of social enterprises in South Yorkshire

Key words: economic environment; financial sustainability; innovation; social enterprise; scenario planning; South Yorkshire.

Introduction

Social enterprise as a concept is increasingly gaining academic interest worldwide. Despite this growth, the concept is politically contested and subject to different interpretations (Dacin et al, 2011). Martin and Thompson (2010,p.6) describe a social enterprise as an intervention that seeks to bring people and communities ‘together for economic development and social gain’. Lasprogata and Cotten (2003) on the other hand, define a social enterprise as an organisation that seeks to achieve a social mission through entrepreneurial behaviour. The UK Government further defines a social enterprise as a business with ‘primarily social objectives and whose surpluses are principally re-invested for that purpose in the business, or in the community, rather than being driven by the need to maximise profit for shareholders and owners’ (DTI 2002, p, 7). Despite different interpretations, there is consensus among researchers that a social enterprise is first and foremost a business engaged in some form of trading to produce a surplus or profit (Eversole et al, 2013; Townsend and Hart, 2008). However social enterprises, unlike conventional commercial businesses are underpinned by a philanthropic ideology and a rejection of material infrastructure (Doyle, 2013). These types of businesses are largely conceptualised as hybrids, operating at the interstices of voluntary, private and public sectors (Lyon and Humbert, 2012). Researchers agree that the effects of changes in the broader macro environment particularly increased competition for resources putting more pressure on social enterprises in the UK to be more business-like (Harradine and Greenhalgh, 2012). Therefore the need for foresight and strategic planning has become more pressing due to the complexity of the economic environment in which they are operating (Boenink, 2013; Rinkinen and Makimattila,2015;Thompson et al, 2010). What is less well understood however is how social enterprises plan and develop strategies to achieve their objectives in such competitive environments. This study seeks to address this gap in knowledge by illustrating how social enterprises are exploring the use of scenario planning, traditionally associated with for-profit enterprises to ensure competitiveness and longevity of their operations. This is a key area requiring further research and comes at a time when some enterprises are adopting more innovative business practices to create critical social value and achieve financial sustainability (Griffiths et al, 2013; Mswaka and Aluko, 2015). The study focuses on social enterprises in the South Yorkshire region of the UK, which contains some of the most deprived communities in the country, due to the decline of its industrial base (Thompson et al, 2000). This decline resulted in particularly challenging socio-economic conditions that make the region an ideal location to understand the operations of social

enterprises in the UK (Mswaka and Aluko, 2014). This paper is structured as follows; first an overview of scenario planning is provided, then a discussion on the application of scenario planning to social enterprise. The study concludes by discussing the findings of a case study analysis of two social enterprises in South Yorkshire.

Scenario planning

Scenario planning emerged as a corporate level strategic management tool only four decades ago and is becoming increasingly prominent in practitioner oriented literature (Mobasheri, 1989; Thompson et al, 2010; Varum and Melo, 2010). Amer et al (2012) argue that the impetus behind the development and growth of scenario planning is the increased complexity and uncertainty in the environments in which contemporary firms operate. The origin of this strategic planning technique is associated with the work of Herman Kahn, who is considered to be the pioneer of scenario planning (Coates, 2000). Kahn (1972) described scenario planning as a set of hypothetical events of the future that allow managers to understand and clarify possible chains of causal events that guide their decision making process. Scenarios therefore explore future possibilities by focusing on potential outcomes from particular causes and seeking to explain why certain events occur. Hence they are often referred to as 'what if' possibilities (Hiltunen, 2009). While forecasting environmental change maybe difficult, researchers generally agree that organisations must nonetheless be strategically aware and have the capability to identify key drivers and trends in a systematic way (Amer et al, 2012; Thompson et al, 2010). Scenario planning in general therefore differs from traditional strategic planning techniques in that it focusses on developing a number of stylised projections of the future which portray what may, or may not happen (Hodgkinson, 2007). Despite being traditionally associated with large size organisations, there is evidence that scenario planning is now being considered by a variety of organisations irrespective of size and level of capitalisation (Goodwin and Wright, 2001). Rinkinen and Makimattila (2015) as well as Sarpong and Maclean (2011) argue that this is largely due to the pressing need for companies to keep track of changes in an increasingly hostile operational environment.

There is consensus among researchers that there is no single approach to developing scenarios (Coates, 2000; Schwartz, 1996; Shoemaker, 1995; Varum and Melo, 2010). It is generally agreed that the first step in scenario involves consideration of strategic issues that have an impact on the future development of an organisation. These can be predetermined elements

such as social changes and the size of the population or key uncertainties such as political and economic changes (Amer et al, 2012) .In addition they include driving forces such developments in technology and education (Sarpong and Maclean 2011). Scenario planning also involves the examination and exploration of plausible outcomes for a number of identified key issues. Thompson et al (2010) as well as Shoemaker (1995) argue that this component of scenario planning is critical in identifying potential positive and negative synergy as well as the interconnectedness of options. They go on to say that these activities should stimulate strategic thinking and generate consensus of viable scenarios. Schwartz (2003) however warns that the primary purpose of scenario planning should be focussed on changing the way that organisations are run, not necessarily whether predictions are right or wrong.

In order to improve scenario planning, researchers such as Eden and Ackerman (1998) and Van der Heijden (1996) introduced a technique called cognitive causal mapping. This permits organisations to elicit the views of how managers view the future and how they decide on specific courses of action to take. The technique involves the use of graphical representations, via influence diagrams in order to reconcile a variety of ideas about the future environment that an organisation faces (See Diffenbach, 1982). This type of procedure thus results in different interlocking pathways which illustrate patterns of causality within the reasoning of those involved in the exercise. It is common for participants to identify variables that may be causally related to each other either directly or indirectly, then connect them to identified independent variables by means of a number of lines (Cossette and Audet,1992) . Causal mapping procedures are increasingly becoming a key feature in scenario planning, particularly in addressing problems associated with cognitive bias and inertia (Hodgkinson, 2007).

However, it is important to note that despite the increased prominence of scenario planning in strategic management literature, there is a dearth of empirical evidence of its success (Hodgkinson, 2007). Goodwin and Wright (2001; p, 2) attribute this to the lack of ‘theoretical and axiomatic’ underpinning that can be found in other decision making tools that managers use. These researchers also go on to say that since scenario planning is a practitioner led process, results are subjective to a large extent. Further they argue that it is difficult for managers to evaluate performance across a number of scenarios. These views are supported by Franco and Meadows (2011) who stress that the impact of individual differences in scenario planning should not be underestimated as this can affect the effectiveness of this

exercise. Thompson et al (2010) adds to this debate by arguing that even though scenario planning is increasingly becoming prominent in academic literature, it still remains a fringe activity for most organisations.

Two key issues can be drawn from the above discussions. First, it can be seen that scenario planning has distinct advantages in that the technique allows organisations to develop robust organisational processes and systems to address uncertainty in the longer term. In addition, this technique can lead to increased adaptability in the immediate term by equipping an organisation with relevant ability or competence to undertake effective environmental scanning (Sarpong and Maclean, 2011; Van der Heijden, 1996). Second, it can be argued that organisations cannot rely entirely on scenario planning in formulating strategies. Like any strategic planning techniques, this technique does not provide solutions to problems or challenges but is instead an aid to strategic planning (Chermack and Lynham, 2002; Boenink, 2013). Scenario planning generates a series of scenarios, some of which might not occur and hence is not an effective strategic planning tool (Shoemaker, 1991).

Scenario planning and social enterprise

There is little literature on scenario planning in the social enterprise sector. However, over the past 15 years there has been an upsurge of interest in strategic planning and decision making processes in small to medium scale enterprises and social enterprises (Griffiths et al, 2013; Ridley-Duff and Bull, 2011; Rinkinen and Makimattila, 2015). Extensive analytical scrutiny on the practice of strategic planning in social enterprises includes the work of Bryson (2011), Callen et al (2009), De La Luz Fernandez and Llamas-Sanchez (2008), Law (2006), Stecker (2014) and Yujuico (2008).

Callen et al (2009) and Borzaga and Tortia (2006) argue that it is important to note that the economic environment of social enterprises is complex and heterogeneous compared to that of the commercial sector. Consequently, the way that the social enterprises operate is highly contextual, given the diversity of their activities. A useful starting point to explore this argument in this paper is to focus on the way social enterprises are governed, managed and funded. These organisations do not have shareholders or stockholders in a commercial sense (Low and Chinnock, 2008). They are normally controlled and managed by elected directors, volunteers or trustees on behalf of the community rather than by shareholders (Pearce, 2003; DTI, 2003; Iecovich, 2005). Most social enterprises are therefore largely grant funded, which is a reflection of their philanthropic origins and ideology (Grant, 2003). However there has

been a severe criticism of this type of governance and funding structures by researchers such as Etchart and Davis (2003) and Ridley-Duff (2002). They question the ability of boards of such organisations to fully comprehend the mechanics of a business and manage commercial activities effectively.

There is no doubt that the effects of changes in the broader macro environment, particularly increased competition for resources and reduction in statutory finance has resulted in more uncertainty in the social enterprise sector (Flockhart, 2005; Sunley and Pinch, 2012). In addition, dwindling public and philanthropic support has exposed weaknesses in institutional forms of traditional social enterprises in terms of their capacity to compete for resources (Etchart and Davis, 2003). This comes at a time when social enterprises are being encouraged by the UK government to be more entrepreneurial and develop more capacity to compliment public service delivery (Nicholls, 2010). These developments are forcing social enterprises not only to look for alternative sources of financial support but also to review the way they plan for the future (Bryson, 2011). It has now become imperative for social enterprises to place more emphasis on strategic planning so as to anticipate environmental changes and adapt accordingly (Yujuico, 2008).

It is not surprising therefore that some social enterprises are considering for-profit governance practices and share capital legal structures to mobilise resources and become more competitive in the market (Mswaka and Aluko, 2014). They are putting more emphasis on achieving financial sustainability and strategic planning (Stecker, 2014). This allows social enterprises to reduce their dependence on grant funding and instead develop more robust business models that enable them to generate sufficient surpluses to support their social objectives (Austin et al, 2006). This paper argues that this paradigm shift reflects the innovation and adaptability behaviour in the social enterprise sector. These are also some of the key elements and characteristics associated with scenario planning (Amer et al, 2012).

Two key elements emerge from the above discussions. First, just as it is important for the corporate sector, scenario planning assists social enterprises in anticipating changes in the environment, and therefore in planning better for the future. This dimension is reflected in the increasing interest in for-profit management and strategic planning techniques in the social enterprise sector (Mswaka and Aluko, 2015; Ridley-Duff and Bull, 2011). Scenario planning

enhances social enterprises' capacity to achieve financial sustainability, which allows them to reinforce their social objectives.

Second, the operating environment in which social enterprises operate has become more competitive and reliance on grant funding and institutional support no longer guarantees longevity of operations (Austin et al, 2006). For social enterprise to continue to be development actors, they have to start 'thinking out outside the box', build substantial capacity to appraise the environment and look at alternative ways of producing value (Anderson, 2014; Chalmers, 2012; Stecker, 2014).

Methodology

As social enterprise is an emerging and under researched concept, much of the literature is either in the grey form or fragmented (Salamon, et al, 2004; Swanson and Di Zhang, 2010). An in-depth case study approach involving two social enterprises in South Yorkshire was utilised in this research in order to gain a deeper understanding of how social enterprise engage in strategic planning. This method of collecting data is associated with the work of Tellis (1997) and Yin (2003). Kohn (1997) in particular argues that the use of the case study research method is gaining ascendancy because of the shortcomings of other data collection methods in providing answers to important questions researchers are asking. He goes on to say that this approach also allows the researcher to explore new themes particularly where very little theory is available to explain a phenomenon. Stake (1995) and Tellis (1997) further argue that the case study approach makes it possible to understand more than what is obvious to an observer. The key issue however in this kind of research 'is one of authenticity and completeness' (Brewerton and Millward, 2001, P.54). These researchers stress that the information derived from case study interviews depends on the trust established between the researcher and the informant. Therefore there can be issues associated with interpretation.

The research took place between June 2012 and January 2013. Parallel secondary research involving a review of existing literature on South Yorkshire as well as other sources of materials on social enterprises was also undertaken. This allowed the researcher to strengthen the validity of the findings through the triangulation of different sources of evidence and theory (Towill, 2006).

The process of case study selection needs to be carried out in a way that maximises learning. (Tellis,1997).The case study analysis in this study involved a comparative analysis of two cases, one reliant largely on grant funding to sustain its operations and the other with a well developed business model supported by commercial operations. The selection of these cases was based on the need to illustrate the diversity of social enterprises as well as the different ways they utilise their legal structures to achieve their social and economic objectives (Pharaoh et al, 2004). These cases are shown below in Table 1 below and have been given fictitious names, the Hub and Apex respectively, to anonymise them. Social enterprises operating across the South Yorkshire region comprised the accessible population. Informal research in this region put the number of social enterprises at 400 and the researcher consulted databases held by social enterprise support organisations across the region to identify suitable cases for analysis.

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Insert Table 1 about here

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Data analysis

The data that was collected from interviews of key informants was recorded, transcribed and manually analysed through an inductive process that allowed the generation of codes and identification of emerging themes (Bryman and Bell, 2003).

Findings

The case study analysis identified key themes that allow us to understand the importance of scenario planning in social enterprises. These are discussed below.

Reduction in statutory funding streams

The current economic recession and the subsequent decline in traditional financial support systems and infrastructure for social enterprises are clearly forcing social enterprise to adopt scenario planning in order to plan for the future. The UK as a whole has experienced a steady decline of grant and philanthropic support and instead seen a rise in loan and quasi –equity financial packages available for social enterprises (Flockhart, 2005; Stecker, 2014). This has exposed a number of social enterprises who were reliant on grant funding to achieve their objectives (Grant, 2003) .

While the Hub seeks to achieve financial sustainability, the attainment of social objectives is priority. The respondent from the organisation confirmed this objective when he said, *'our aims are simply to help people that need help. They don't need to pay for it...'* It is therefore not surprising that, as shown in Table 1, this organisation relies largely on grant and philanthropic funding to sustain its activities, given that there is no charge for its services. Analysis of the Hub's financial records show that approximately 75% of the organization's turnover is made up of grant funding. This dimension is crucial in that it shows that some social enterprises put more emphasis on the achievement of social rather than economic aims. However the organisation is acutely aware of the problems associated with overreliance on funding as the respondent from the organisation remarked; *'All our training programmes are grant funded and it is becoming difficult these days to secure additional grants.....we are aware of the cuts in funding and we have held a number of meetings as a board about this'*. When asked for the specific reasons why these meetings were held, the respondent said *'We have to plan for the future and look at other ways to support our projects.....we need this to secure other funding streams'*. It appears that the Hub is aware of the implications of future cuts in funding and is therefore seeking ways to address this. This is consistent with the key steps in scenario planning that involve consideration of strategic issues that are likely to impact on the future survival of an enterprise (Amer et al, 2012; Schwartz, 2003).

Although the Apex's turnover consists entirely of trading and contractual income as shown in Table 1, the organisation occasionally requires grant funding to cover specific project start-ups which feed into its value creation programmes. The organisation, like the Hub, is cognisant of the changing funding environment and government policy and therefore seeks to put in place contingency plans due to the unpredictable nature of grant funding. This was confirmed by the respondent from this organisation when he said *'securing grant funding is a problem for us and so we always sit down as a team to look at what is happening out there and develop alternative plans'*. This response resonates with Shoemaker's (1991) argument that scenario planning is not just forecasting since each scenario has an infinitesimal chance of happening. Rather, it should allow organisations to generate a series of 'what if' possibilities to aid their planning process.

Achieving financial sustainability:

Financial sustainability in the commercial world is largely concerned with business operations that allow the organisation to grow as well as to generate profits for shareholders (Dyllick and Hockerts, 2002). In the social enterprise sector this concept applies largely to the ability to successfully attain economic, environmental and social objectives and to build capacity to deliver more value to communities of benefit (Doherty et al, 2009).

The analysis of the Apex shows a strong desire to achieve economic objectives and this is evidenced by the consideration of the share capital legal structure that allows the organisation to diversify its income base (Mswaka and Aluko, 2014). This type of a legal structure allows the organisation to cede part of its ownership to external investors seeking a financial return. The respondent from Apex confirmed this when he said *'as I said before, we have people who have invested in this organisation and want a return.... 'Sustainability is the key and I firmly believe in both internal growth and external growth'*. This organisation sees the attainment of financial sustainability as top priority in order to generate surpluses to pay entrepreneurs and meet financial expectations of external investors through dividend payments. The organisation therefore sees strategic planning and foresight as vital in their operations to sustain the organisation (Boenink, 2013). When asked to comment on this dimension ,the respondent from the Apex said *' We are always planning and keeping an eye on the environment because as you know, this can change anytime... We need to have the flexibility to respond to any developments in the market'*. This response shows that the Apex engages in scenario planning as this provides the organisation with a contingency framework that allows it assess the environment and respond to changes (Nutt, 1984; Rinkinen and Makimattila, 2015)

Further analysis of this social enterprise's business operations show that developing a robust and sustainable business model precedes the achievement of social and environmental objectives. It is a clear statement of the organisations' strong ambitions to be financially sustainable. The Apex also seeks to continually appraise the environment and identify alternative commercial streams. On this aspect the respondent from this organisation said, *'we are always looking at ways to be competitive and ensure survival....we are in the process of setting up another trading arm ...a taxi business to increase income sources'*. This dimension is consistent with views of researchers such as Amer et al (1992), Kahn (1972) and

Shoemaker(1992) who argue that scenario planning is about anticipation and addressing turbulence and uncertainly.

The ability to undertake scenario planning in the Apex appears to have been facilitated by the presence of a board which recruited managers with substantial commercial experience. The managers understand how a commercial organisation works and provide hands-on management of the social enterprise. This dimension came out clearly from one of the board members of the Apex who said ‘ *We made a conscious decision to recruit people who are experienced and who can help this organisation move forward ...we are already seeing this benefit of this as I strongly believe that our organisation is strong enough to withstand changes in the economic environment*’. This paper argues that the response shows anticipatory or normative behaviour, which is associated with scenario planning (Boenink, 2013; Godet, 2000). Forward thinking and an attempt to mitigate risk can also be seen in the way then Apex persuaded a major funder to buy shares issued by the organisation. This was one of the reasons the organisation decided to adopt a share capital legal structure. It allowed it to establish links with external organisations and investors in orders to diversify its income base .This was confirmed by the respondent from the Apex when he said ‘ *It was good that they [the funder]’ purchased shares and also sit on the board because they can see what we are doing and perhaps give us more money in the future*’. This development is clearly evidence of the organisation’s innovative approach to compete successfully in the market (Rinkinen and Makimattila, 2015).

While the focus of The Hub is on achieving social objectives, there is a realisation that trading activities are also crucial for its success. A respondent for the organisation confirmed this objective by saying ‘ *at board level, we have said that we must earn more money...work towards sustainability*’. The organisation’s business plan however shows a negligible amount of trading activity often delivered for very low fee levels (or for free). Consequently, the organisation’s viability has been very fragile. Commenting on this aspect, the respondent from the Hub said’ *we are aware of this problem and we have organised focus groups involving out management team to look at several scenarios*’. He further went on to add, ‘ *We looked at what would happen if we don’t secure any funding or engage in meaningful trading....the options are there but we need help*’. It is clear that the management team of the Hub quickly realised that they needed to consider moving away from grant funding in order to achieve financial sustainability. The response clearly resonates with scenario planning as

there is evidence of exploration of plausible outcomes to ensure that the organisation achieves both immediate and short term objectives (Thompson et al, 2010; Shoemaker, 1995).

However closer scrutiny of the management team of The Hub shows that it consists entirely of unpaid volunteers, a situation confirmed by the respondent when he said,. *'we are all volunteers; we don't want to get anything out of this...I mean...financially. We are here to help the community'*. These volunteers were motivated by philanthropic rather than economic considerations in their involvement in the running of this social enterprise. This state of affairs also presented operational problems, particularly in strategic planning. This was confirmed by a respondent from this organisation when he said *'Most of us do not have sufficient commercial or strategic planning experience and so we rely on our manager [who has a commercial background] to help us with planning ahead'*. It appears that while there is awareness of the need for strategic planning, the social enterprise's ability to undertake effective scenario planning is influenced by the availability of staff with commercial experience. The above responses show a lack of strategic foresight capacity in the Hub. Given that scenario planning is practitioner led, one can also argue that competence of those involved in the exercise influences its success (Goodwin and Wright, 2001; Varum and Melo, 2010).

Three key issues can be summarised from the above discussions. First, the complexity of the environment in which social enterprises operate is forcing them to adapt and review the way they operate in order to achieve their objectives (Van der Heijden, 1996). By engaging in strategic planning and foresight, this study argues that scenario planning, traditionally associated with high capital intensive commercial enterprises, is also applicable to social enterprises. This study argues that social enterprises have not been forward thinking in their planning. The advent of globalisation and competition for resources and markets are now forcing them to be more commercial business –like in the way they operate (Mswaka and Aluko,2014).

Second, this study shows that, irrespective of how social enterprises are structured, achieving financial sustainability is a key strategic objective. There is evidence of the use of causal mapping by social enterprises in an attempt to address uncertainty in the environment and achieve this objective. This is consistent with the work of Eden and Ackerman (1998). Figure 1 below illustrates a representation of a conversation with an informant from the Apex, based

on the technique of causal mapping. It can be seen that the informant identifies the establishment of a sustainable organisation as the key to addressing the socio-economic problems being faced by the community. Economic sustainability is however achieved through an integrated approach requiring consideration of a number of income generation activities, investment opportunities and suitable governance model.

Third, the ability of social enterprises to undertake scenario planning depends to a large extent on the competence of the practitioners (Goodwin and Wright, 2001). Evidence from this study shows that social enterprises that are predominantly volunteer-led tend to struggle with the application of the concept, due to limited commercial experience. Those social enterprises led by managers or boards with substantial commercial experience tend to understand the implications of scenario planning better.

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Insert figure 1 about here

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Policy and theoretical implications

The results of this study have shown that scenario planning in social enterprise is understood and practiced in different ways. For example, while the Hub is aware of implications of environmental changes, there is no systematic approach to scenario planning. The principles of this technique are applied as a general guide, due to limited capability in understanding the modalities of this exercise (Goodwin and Wright, 2001). This dimension to a large extent reflects the operations of the majority of social enterprises, who operate in areas of market failure and therefore undertake very little trading (Chell et al, 2010). The Apex, which is a fully commercial social enterprise, seeks to be financially sustainable with little or no recourse to grant funding. The organisation has been adept in recruiting staff with requisite business skills on its board to improve competitiveness (Callen et al, 2010). This has in turn allowed the organisation to practice scenario planning as a heuristic tool for organisational development and growth. These are elements of boundary spanning and resource dependency theory associated with the work of Davis and Cobb (2009) and Bazerman and Schoorman (1983).

This paper therefore argues that one of the mechanisms of transferring corporate practices to social enterprises is the recruitment policies of social enterprises both at board and managerial level (See Mswaka and Aluko, 2015). This argument can be seen clearly in the analysis of the Hub's strategic planning capability. The organisation relies on its senior manager, who has been recruited from the commercial sector, to lead its planning exercises. The rest of the board members of this organisation acknowledged this weakness, which has been identified as one of the main impediments to growth for social enterprises led by volunteer boards (Ridley-Duff, 2007). On the other hand, the board and managerial staff of the Apex is composed entirely of individuals with substantial commercial experience and this allows the organisation to prepare better for changes in the operating environment. This corporatisation of social enterprises also shows the evolution of the concept of social enterprise as the blurring of boundaries between social and commercial enterprises continue (Zeyen et al, 2013). This development goes against the views of researchers such as Chell (2007) and Pearce (2003) who are adamant that the objectives of social enterprise should be social. The results illustrate that it is difficult for organisations, including social enterprises to compete effectively without incorporating some forms of structured methods of planning for their financial future.

Conclusion

The discussions in this paper show that the challenges facing social enterprise continue to increase. Even though forecasting environmental changes is difficult for organisations it is nonetheless vital to be strategically aware and therefore increase adaptability and flexibility (Chermack and Lynham, 2002). It has become imperative for social organisations to be more proactive and devise innovative ways to maximise extraction of value and adapt to changes in their operating environment (Harradine and Greenhalgh ,2012;Sarpong and Davies,2014) .The results of this study show that contemporary social enterprises are now placing more emphasis on forecasting and scenario planning. This paper therefore argues that scenario planning, despite being an under researched area in the non-profit sector, is clearly applicable to social enterprises. This challenges views by authors such as (Nutt, 1984), who argue that objectives of social enterprises are often too vague to make strategic planning useful in their activities. By undertaking scenario planning, social enterprises are demonstrating that it is possible to incorporate commercial business practices in their operations whilst simultaneously seeking to balance the achievement of social and economic goals (Anderson,

2014; Young and Lacey, 2014). The changes in the environment in which these organisations operate, particularly the reduction in statutory funding streams continue to force them to be more creative and business-like (Anderson, 2014). This dimension resonates with Amer et al (2013) who posit that there is a link between scenario planning and innovation.

The results of this study have also shown that social enterprises that are more commercially oriented appear to have a greater ability to undertake strategic planning and causal mapping techniques to plan for the future (Hodgkinson, 2007; Mswaka and Aluko, 2014). These organisations have got mechanisms that have facilitated the transfer of corporate thinking and practice into their organisations. Those social enterprises underpinned by strong philanthropic ethos tend to struggle in developing scenarios. They struggle to recruit sufficient numbers of staff/volunteers with relevant commercial knowledge to assist them in environmental scanning and strategic planning. This is consistent with the views of Goodwin and Wright (2001) and Boenink (2013) who stress that scenario planning is practitioner led and results are therefore largely judgemental and are influenced by the ability of those engaged in the activity.

The author acknowledges the need for further research to explore scenario planning in social enterprise, particularly how this affects outcomes in practice. It might also be useful to see if the results emanating from South Yorkshire are applicable to other regions in the UK

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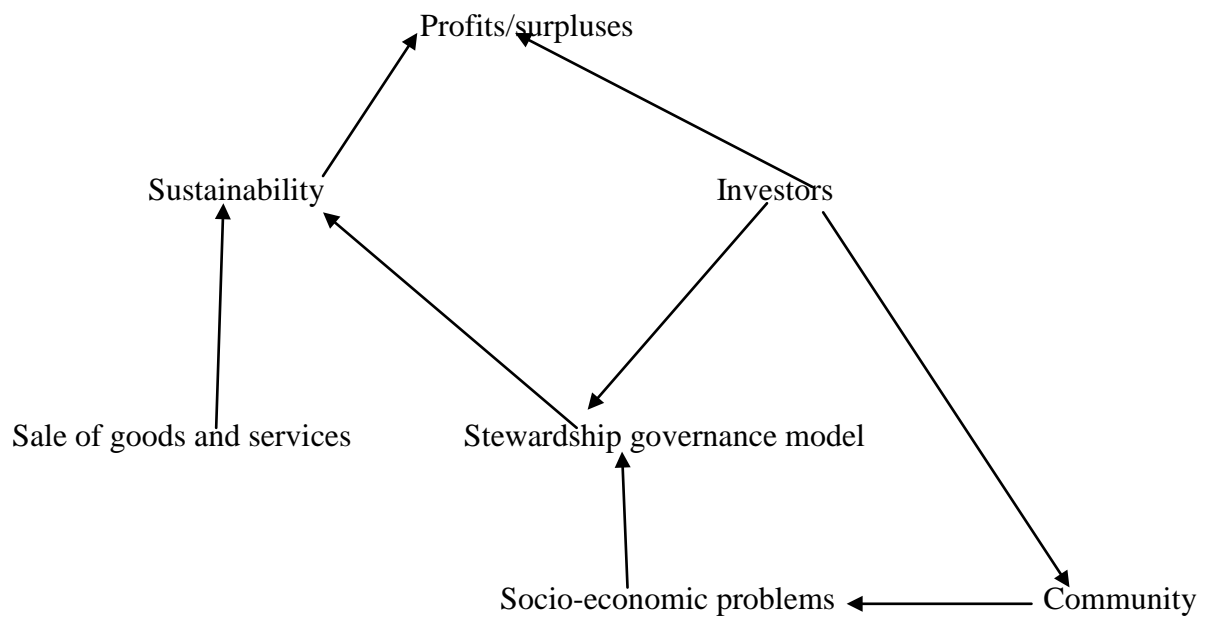
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Figure 1: Causal mapping

Source: Researcher's construct

Table 1: Cases under investigation

Name	Objectives	Type of Legal structure	Key Informants
The Hub	Thematic area of activity The organisation provides; 1. Training in arts and crafts. 2. Employability and 'back to work' training programmes.	Company Limited By Guarantee (CLG)	1. Board Chairman 2. Manager

	<p>Enterprising activities and business model: Current income generated by ;</p> <p>1. Grant funding (75% of total income)</p> <p>2. 'Landscaping in and around South Yorkshire.</p>		
The Apex	<p>Thematic area of activity:</p> <p>1. Delivery of education and training consultancy programmes.</p> <p>2. Delivery and management of work placement for ethnic minority members</p> <p>Enterprising activities and business model</p> <p>The organisation undertakes education and training consultancy activities under contract. An addition income stream is a Community Taxi business</p> <p>2. The organisation also provides employment consultancy services to organisations that can pay for the service.</p>	Company limited by shares	Lead entrepreneur Board member

Source: Survey data