



Stakeholders & Members

Stakeholders are individuals, groups or organisations who will have an interest in the enterprise.

One of the questions that you need to ask when you are setting up a social enterprise is, “who are the stakeholders and how will they be involved in the running of the social enterprise?”

Answering this question will help you to decide what structure you want to adopt and enable you to develop your governing documents that lay out how the enterprise will run.

WHAT ARE STAKEHOLDERS?

Stakeholders are individuals, groups or organisations who will have an interest in the enterprise.

Stakeholders could have an interest through being potential owners, members, directors, employees, beneficiaries, users, customers, donors or suppliers or a combination of these.

You will need to assess how different people and organisations will relate to the enterprise, how they will be involved in decision making, what they will contribute, what responsibility they will have and the benefits that they will receive.

Once you have thought through these questions you will be better able to choose a structure for your enterprise.

STAKEHOLDER ANALYSIS

These questions should assist you in thinking through who your stakeholders will be and how they will relate to each other.

One way of doing this is to complete a **Stakeholder Map**, see ‘Stakeholder Map’ in the Overview of the Sports Kitbag. Taking each title in turn, answer each question on the Stakeholder Map by filling in the boxes on each leg of the spider.

A – BENEFICIARIES

- 1 Who will benefit from the activities of the enterprise?
- 2 Define the beneficiaries in some detail including types of people, geographical location and so on.
- 3 What benefits will they receive, such as services or social benefits?
- 4 Why are these benefits important to the beneficiaries you have identified?
- 5 Who will have the right to benefit from the sale of assets if the enterprise is wound up?
- 5 If the enterprise makes a profit, to whom may these be distributed?

B – CUSTOMERS

- 1 Who will your customers be?
- 2 What involvement will your customers have in the enterprise?



C – MEMBERSHIP

- 1 Who are the intended members or owners of the enterprise?
- 2 Who will be eligible for membership?
- 3 How will you define eligibility for membership?
- 4 What is the maximum number of members that you want?
- 5 What benefits will members gain?

Think of your members like the 'shareholders' or owners of a company. They will have a vote at an AGM and elect the governing body. Members may be, for example, local people, customers, employees, users, supporters or a combination of these.

The governing document may establish specific membership criteria, for example tenants and residents in an area, or broad criteria such as all people supporting and agreeing with the objects over a certain age (over 16 for IPSs and over 18 for charities or trusts).

Advice should be sought on restrictive membership criteria to ensure that there is not unlawful discrimination. It is usual and simpler to have one category of membership; however, some social enterprises have more.

D – EMPLOYEES & VOLUNTEERS

- 1 What jobs do you intend to employ people to do?
- 2 What jobs do you intend volunteers to do?
- 3 Will they be members as well?

E – FINANCE

- 1 Who will provide funding?
- 2 Who will invest?
- 3 Will members be able to buy shares in the enterprise?
- 4 If so how much will they pay and will there be a maximum number of shares?
- 5 Will there be a restriction on the transfer of shares?

F – LEADERSHIP

- 1 Who will start the enterprise?
- 2 Who will lead it into the future?
- 3 Who will be responsible for the day to day running of the enterprise?
- 4 How will directors be chosen?
- 5 Will directors need to be members?
- 6 Who will be responsible for setting the enterprise's objectives?
- 7 To whom will the enterprise be accountable?

G – SUPPORT

- 1 Who will support the enterprise externally or as partners, such as local councilors or partner organisations?

H – FOR EACH STAKEHOLDER THINK ABOUT:

- 1 What they want from the enterprise?
- 2 Are there any conflicting interests?
- 3 The relationship between the different stakeholders or groups of stakeholders
- 4 What possible risks are there with each stakeholder group?

You can alternatively create the Stakeholder Spider on a flip chart and add as many 'legs' as you like.