

# State of mind

William Peakin

## One of the pioneers of social enterprise describes his journey, from Thatcher's Liverpool to Yunus's Bangladesh

Liam Black describes himself as a "Hitchensesque atheist" but acknowledges the cliché that you can "take the boy out of the Catholic Church but not the Catholic Church out of the boy." The son of Irish working-class immigrants to England, he nearly became a priest and as a young man, was driven by a "strong Catholic siding with the poor ideology" which led him to work with homeless people.

After leaving university, Black would remain in the not-for-profit sector for the next decade and a half. "I have a belief that inequality is just fucking wrong; that's as complicated as it gets, really." He had grown up in a family where the men were labourers and if the weather was bad they didn't get paid. There were few protections for employees. "I think that must have had some influence on wanting to create opportunities for people to have meaningful, paid work."

In the early nineties, he went to work for Crisis, the charity for single homeless people, covering the north of England and Northern Ireland. The organisation was ambitious in tackling homelessness and Black found himself on the board of the Furniture Resource Centre (FRC) in Liverpool. "There were a lot of us of a similar age who were passionate about making a difference. I don't like admitting it, but we were influenced by Thatcherism; the sense of standing on your own feet and being entrepreneurs was very much in the air.

"So I found myself on the board of a very traditional, second-hand furniture charity with a very talented CEO and some other really great people and we were a bit sick and tired of the whole charity model: 'You give me some money and I'll do some good works, then I'll come back for some more money and so on.' We wanted to try something else. We didn't use the phrase social enterprise or social entrepreneur at the time; we just wanted to see if there was a smarter way of doing things."

Black and his colleagues began to look at



Liam Black

the charity's activity not from the demand side, but from the supply side. There were many people who had few resources and who were looking for somewhere to live. And there were many vacant unfurnished properties. What if the charity could be the catalyst that allowed landlords to provide decent furnished accommodation to the homeless? And so they created a business called Furnished Homes, which offered voluntary organisations, housing associations and social landlords a one-stop shop.

"We begged and borrowed money for the vehicles and the manufacturing base and off we went," said Black. "It was difficult for the first couple of years and we only kept going, thanks to the manager of the Co-Op Bank, but eventually it started to work. I took over as CEO and we decided to very deliberately grow that business to provide as much social impact as possible.

"We found we were making money and that money we used to fund the training of unemployed people and to set up other businesses, which we were now calling social businesses. We were able to touch the lives of thousands of people and create hundreds of jobs and lots of opportunities for people who

otherwise wouldn't have got a start."

As this was happening, Labour was elected and Liam and his team began to receive visits from the "big brains" of the London think-tanks and, subsequently, from Labour ministers. The Social Enterprise Coalition was formed, of which Black was a founder member. From FRC sprang The Cat's Pyjamas which supported other social businesses and, said Black, helped shape the national debate on social enterprise: "People running social businesses aren't dependent on fund-raised income and they are in a real competitive market where customers can choose to go somewhere else and they live and die by the quality of their products and services."

Black increasingly found himself being asked to speak at conferences and it was at one of these that he was introduced to Jamie Oliver, the chef. His restaurant, Fifteen, established to help young people into employment, was struggling. Black told Oliver that what he had was a social enterprise and he needed to approach it as such, prompting the chef to ask him if he would work for him.

"I checked him out; I wanted to be sure it wasn't some sort of celebrity bullshit thing," said Black. "I'm convinced that it wasn't, and isn't. I could see that it was a brilliant idea but it needed a leadership and governance that understood itself as a social enterprise and not just a restaurant with a few young people kicking about. We did a lot of work on the culture, the business and the staffing and over four years, we grew it as a global brand, opening in Amsterdam, Melbourne and Cornwall."

While Fifteen became one of the poster boys of social enterprise, Black did not want to be a CEO all his life. He stepped down from Fifteen at the beginning of last year, continued to do some freelance work for the company, wrote a book and planned his next venture, Wavelength.

The company brings together private businesses "that have outstanding cultures, that engage the hearts and mind of their employees and their customers, and thus enable people to live more fulfilling, productive lives," and "social enterprises that measure their success on more than one bottom line: making a profit, improving the lives of disenfranchised people, making a lasting environmental impact."

One of the models for this is the partnership between Grameen in Bangladesh, the collection of around 30 social enterprises

covering financial services, telecommunications, healthcare, education, textiles and consumer goods, inspired by Nobel Peace Prize winner Muhammad Yunus, and Danone, the French multinational food company. This November, Black is organising a "warts and all" look at Grameen for corporate executives, entrepreneurs and policymakers.

"I think there's huge scope for private businesses to do deals with social entrepreneurs to create new and better products and services. The private sector does some things – innovation, getting to market, understanding the consumer – brilliantly well. I think there's a generation, the baby boomers, in the leadership of some really interesting companies who, I think, are open to thinking about how things can be done differently.

"What social entrepreneurs and the not-for-profit world can bring is an understanding of the social issues. That's what Muhammad Yunus has done; not seeing the poor as a

problem but as a resource. It's a very different way of viewing the world but I think we need it; inequality has never been as bad or the threat to the environment as strong."

There is a part of Black that feels distanced from the social-enterprise sector, or movement as some people have taken to calling it. He feels a "tremendous loyalty" to the Social Enterprise Coalition, he said, but: "The big mistake that's been made has been making social enterprise a noun and thinking that it has a particular constitution. That writes-off most of the people in this country; they say that there are 55,000 social enterprises – well, there are four million private businesses.

"I have always said social enterprise is a state of mind; it's about how you bring business-making flair to social and environmental issues. I'm much more interested in how we get the best people, entrepreneurs, whether they are not for profit or private sector, to think about value creation in a new way. That's the most

important thing. It isn't going to happen by a sort of incremental creation of more 'upper case S upper case E' social enterprises.

"It's a state of mind and I see that state of mind in some private businesses, in some charities and some co-ops - and I look at some social enterprises and I don't see it. The phrase I hate the most is 'the social-enterprise sector'. And people have begun to talk about a movement. But again, that's restricting. They mean a movement of organisations of a particular type whereas what I'm seeing in the UK and abroad is lots of people in lots of different businesses, big, small, privately owned, not privately owned who are asking the question 'how can wealth be created in ways that doesn't damage the planet and does not create inequality?' For me those are the questions, not how do we get more social enterprises."

[www.thesamewavelength.com](http://www.thesamewavelength.com)

**STEPDOWN SERVICES**

**FAMILY & CHILDREN**

- LEAVING CARE TO INDEPENDENCE
- CARE AWAY FROM HOME
- LEAVING CARE - GOING HOME
- RESPIRE & SHORT TERM RESIDENTIAL CARE
- FAMILY SUPPORT
- INTENSIVE SUPPORT FOR YOUNG PEOPLE

**Supporting Families**  
Stepdown will support families and children at home to prevent breakdown through planned support programmes to meet the needs of parents and children

**Supporting Young People**  
Stepdown will provide community support for young people where there is significant risk of breakdown

**Leaving Care**  
Stepdown will support young people to return home from care or assist them to move onto independent living.

**Contact Stepdown**  
The Training Suite, St Mary's Kenmore  
St Mary's Road, Bishopbriggs, Glasgow G64 2EH  
Tel: 0141-762-4523  
greg.gallagher@stepdown.org.uk  
[www.stepdown.org.uk](http://www.stepdown.org.uk)

**Stepdown**  
services for children  
young people and families