The Committee is hoping to hear from businesses, membership organisations and academics the extent to which social enterprises and employee owned businesses, by their very nature, encourage cultures of innovation.

**Part 1: Understanding the scale and growth of social enterprises and Employee-owned businesses in Scotland**

St Andrew’s First Aid Training and Supplies Ltd was formed in 2012 as a wholly owned subsidiary of the well-known Scottish charity St Andrew’s First Aid. The social enterprise’s goal is to generate profits for reinvestment in the charity’s activities: educating the public in the potentially lifesaving benefits of a knowledge of basic first aid. As a social enterprise, the company operates in a competitive marketplace selling first aid supplies and workplace training to businesses to enable them to meet their health & safety requirements. At the end of the first year of trading the turnover for the enterprise was £1.4 million with a deficit of £130k however since then the turnover has increased by £573,000 to almost £2 million with over £300k net profits at a margin of **16% in financial year 2014/15**. During this period of changed we have increased staffing by 27%, attracting staff of a high calibre with new skills.

The social enterprise has offices in Glasgow, Edinburgh, Aberdeen, Dundee and Glenrothes. It also delivers training in Inverness, Stirling and within customer premises throughout Scotland.

This year we received a Highly Commended Award at the Lloyds National Business Awards in London recognising our work with the judges commenting “We want to make a special mention of St Andrew’s First Aid Training & Supplies Ltd and the important work that they are doing to build safer more resilient communities through increased awareness of life saving first aid techniques. Profits from their business in the last year helped to train children in essential first aid in some of Glasgow’s most deprived neighbourhoods, and to support a volunteer let programme in rural Kenya teaching first aid techniques. All the best on your continued journey.”

**Part 2: Hearing examples of innovation from businesses, for example employee involvement in developing new products, services or processes and innovative partnerships within communities**

As part of the centralisation of the business a bespoke Training Management System was developed and implemented. This was a pre-requisite required as until then there was limited reporting and analytical business data available.

In 2014 the charity and social enterprise staff worked together to produce a new set of values for our organisation.

**Vision** – we have ambitious plans and strategy for our future.

**Excellence** – outstanding practices continual assessment.
Teamwork – sharing, contributing, supporting.

Professionalism – aim to deliver exceptional, ethical standards.

Fairness - a culture of staff and client feedback and constructive support for all.

Integrity - We treat everyone with respect whilst building and maintaining trust.

These values were central to the processes put in place when the team was then brought together to produce our five year strategy and business plan.

While the social enterprise is performing excellently in its home market, and comfortably the Scottish market leader in the field of first aid training, further scope for growth here is limited, not least because we compete on quality and not price. By longstanding arrangement with our sister charity, St. John Ambulance, we do not operate in the rest of the UK (or St John in Scotland). In order to continue to grow the business in the medium to longer term, we require to establish new markets. For example, while we have carried out a feasibility study looking at the potential to franchise our training operation, this concluded that franchises territorially limited to Scotland would not be economically viable. However, this might be an option to enable us to grow the business elsewhere, with sufficient external advice and support. To date, we have identified a number of possible partnership opportunities in Australia, East Africa, and Japan, and now need assistance in order to refine and focus our new business ideas.

We have recently been accepted by JETRO to be registered for their support, they will now fund services such as market information, bespoke research, consultation about setting up a company (incorporation, taxation, labour issue, visa and etc.), including facility space. For example, regarding information and research, JETRO have sector specialists in London and Japan who will conduct bespoke research based on our requests, in order for us to produce a business plan to enter the Japanese market.

Part of the strategy we developed with our staff was the potential for introducing blended learning opportunities as an area for growth. This needs significant investment to enable us to fulfil our ambitions in this field. We are investigating partnership opportunities which should enable us to progress with our ambitious plans if we receive the additional support we need.

We directly employ 34 people and helping to support the employment of another 20 in the parent charity. Increasing the company’s reach and long term profitability through activity overseas will assist in achieving the charity’s wide goals of promoting community resilience here in Scotland. For example, this will help to fund our programme of emergency first aid training for secondary school pupils in areas high on the Scottish Index of Multiple Deprivation (SIMD). Similarly, SAFA is committed to supporting the Scottish Government’s Out of Hospital Cardiac Arrest Strategy by contributing some 15,000 opportunities each year for Scots to learn the basics of CPR, against a national target of 100,000 per year to 2020, and thus improve the
likelihood of bystander intervention and Scotland’s poor survival rates from cardiac incidents.

If our social enterprise is able to achieve significant and sustainable growth, then we will be able to expand these and other charity programmes, with one final example being our plan to support the Scottish Ambulance Service in expanding its Community First Responder programme in rural Scotland.

Part 3: Assessing the sources of funding and support available –

St Andrew’s First Aid Training and Supplies Ltd has built a sustainable business model based on trading rather than grant funded.

Net profit increased by 410% in 3 years

40% increase in turnover in 3 years (2013 £1.4 million, 2014 £1.6 million, 2015 £1.9 million)

We have received support from Just Enterprise, HIE, Scottish Enterprise and Glasgow City Council. This has been in relation to staff development, training and employment support.

However, to continue with our growth strategy it would be useful to have additional provision for innovation support. Social enterprises have to be more conservative than the private sector due to the priority on delivery of ‘the social aspect of our businesses so are more likely to be risk averse. This means that investment in new technologies can be stalled due to operational surplus being required of the charitable aims and objectives.

4. What public bodies are doing and should be doing to encourage these business models

We have found that public bodies are open to discussions however, during what is a challenging economic climate they are apprehensive of recommending any changes which could have potential cost implications for their area. This could stifle innovation in emerging markets which the social enterprise sector could use their skills to lead. It is been difficult to access relevant government agency support As the present system appears to be more focused on smaller social type enterprises which are grant dependent.