



DELIVERABLE 5.1.5

Guide for franchising of social enterprises

of project “**Supporting Social Enterprises in combating poverty and social exclusion**” with the acronym “**SOCIAL PLATE**” in the framework of the European Territorial Cooperation Program INTERREG V-A Greece - Bulgaria 2014-2020

<https://www.socialplate.eu/en/>

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The Central Market of Thessaloniki SA participates in the project "Supporting Social Enterprises in combating poverty and social exclusion" with the acronym "Social Plate", which is implemented within the framework of the INTERREG V-A Greece-Bulgaria Territorial Cooperation Program 2014-2020 and co-funded by the European Union and National Funds of the participating countries

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SOCIAL PLATE

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1. Executive summary in English

This manual is part of the requirements of the project named “**Supporting Social Enterprises in combating poverty and social exclusion**” abbreviated as “**SOCIAL PLATE**” which was submitted on 22.04.2016 at priority shaft 4 “A cross-border area free of social exclusions”.

One of the main aims of the project is to assist the establishment of a social enterprise in the greek side of the cross-border area (Central Macedonia) for the distribution of edible products of longterm expiration date, which otherwise would end up wasted, thus promoting an ecological point of view. At the same time, it will contribute to the employment of people from social groups having trouble to find a job because of their economical and professional characteristics, i.e. people who suffer social exclusion, as the everyday activities of the social enterprise will be run by them. The social enterprise will be franchised across the boarder to Bulgaria.

This manual was created in order to assist the procedures of the social franchising, as in Greece there is no such precedent example nor any relevant material in the form of a manual in the Greek language. It covers all relevant aspects concerning definition, characteristics and operational procedures of a social franchise, along with the benefits from employing this practice for social enterprises and issues related to the Social Economy specificities. An adequate number of successful paradigms from the international arena is included, as a source of new ideas and comparisons to be drawn.

More extensively, after this 1st chapter in English, Chapter 2, is an introduction to the characteristics and requirements of the project, including a short description of the initiative and the anticipated results.

Chapter 3, serves as an introduction to the social franchising concept and its relation to its ancestor, commercial franchising. Issues such as the importance of the practice for Social Economy as a reproductive strategy, the definition and its forms, as well as the main steps and critical factors towards a successful reproduction are being discussed.

Chapter 4, goes on to address the two main roles of the franchisor and franchisees. Their specific characteristics, obligations and rights along with the procedure for the selection of franchisees and important criteria that should be taken into consideration during their selection, are discussed.

Chapter 5, is drawing attention to the main similarities and differences as concerns social and commercial franchising, so that any doubts about its suitability and effectivity as a practice applied to the Social Economy, are erased.

Chapter 6, then goes on to specifically account for the benefits derived from the application of the practice for Social Enterprises.

Chapter 7, illustrates the whole operational procedure of the venture. Generating stages of the social franchising are described, namely the existence of factors in favour of undertaking the procedure, creation of the social franchise canvas plan, ways and requirements for the adjustment and regularization of the system. Necessary operational material such as franchise contract, operations manual, franchises training and support, marketing and sustainability are analytically presented. Concerning the written contract and the operational manual specific clauses and items that should be included in most cases are presented in detail. The importance of the establishment of franchisee assessment and control policies for the reassurance of quality standards is also highlighted here.

After having drawn a picture of the social franchising main themes, Chapter 8, presents successful cases of social franchises abroad at national or international level. A mosaic of cases pertaining to many social and economical areas, like health, family planning, mothers' after natal empowerment, care for homelessness and other people with disabilities, childrens' education and support, healthy eating, and many more are illustrated. It is followed by a short discussion on the main observations drawn from the paradigms.

Chapter 9, refers to the relation between social franchising and project "SOCIAL PLATE". The importance and suitability of social franchising into combating social exclusion in isolated,

underdeveloped areas like the cross-boarder area between Greece and Bulgaria, while at the same time spreading ecological notions among the inhabitants, is emphasized.

Chapter 10, consists of the final discussion on social franchising. It draws attention to the main issues presented in the previous chapters and pinpoints the reasons why the practice of social franchising offers a unique opportunity to Social Economy, one that suites so well to its characteristics. A number of suggestions is included, followed, of course, by the bibliography and electronic resources on Chapter 11. Lastly, an Appendix is incorporated in this manual that involves a questionnaire based on 10 questions in order to help organisations assess their degree of readiness to scale into social franchising.

2. Introduction

The project "**Supporting Social Enterprises in combating poverty and social exclusion**" with the acronym "SOCIAL PLATE", was submitted on 22.04.2016 to priority axis 4 - 'A Cross-border Area without Social Exclusion' and in particular:

- In Thematic Goal: 09 - 'Promoting social cohesion, combating poverty and discrimination'
- In investment priority: 9c – 'Providing support to social enterprises'
- In Specific Objective: 9 - 'Expanding social entrepreneurship in the cross-border area'

The duration of the project in the stage following its formal approval was from 01/08/2017 to 31/07/2019 and after an extension request is from 28/09/2017 to 27/09/2019 and is of a duration 24 months in total.

The financing contract was signed on September 28, 2017 and has the number B2.9c.03, while the partnership agreement was signed respectively by the representatives of the partners participating in the partnership on August 29, 2017.

The Central Market of Thessaloniki SA is the Lead Beneficiary in the project entitled "Supporting Social Enterprises in Combating Poverty and Social Exclusion" and under the acronym "SOCIAL PLATE", which is 85% co-financed by Community funds and 15% national

funding, in framework of the European Cross-Border Cooperation Program Greece - Bulgaria 2014 - 2020 (INTERREG V-A).

In the corporate form of this project, as submitted and approved, TECHNOPOLIS - INTERNATIONAL EDUCATIONAL INSTITUTE (126.040,00 €), Municipality of Borino (106,009,40 €) and Active Youths (100,980,00 €) also participate. The total approved budget of the project "SOCIAL PLATE" is € 551.779.40, while the budget of the Central Market of Thessaloniki SA for the implementation of the actions to be undertaken as the Project's Lead Beneficiary amounts to 218.750,00€.

2.1 Description of the initiative

The cross-border area comprises some of the most remote and isolated areas of both countries as they are characterized by increasing levels of poverty and high unemployment rates especially for women and young people. Social entrepreneurship has been able to alleviate such problems in various parts of Europe but in the cross-border area it has not developed sufficiently. Social entrepreneurship can address issues of reduced service provision to specific populations subject to or threatened by social exclusion and at the same time provide them with access to the labor market. This deteriorating socio-economic context has aroused the interest of partners in the creation and operation of social enterprises in Greece and Bulgaria that offer (a) an additional opportunity to enter the labor market the professionally and financially troubled and vulnerable groups and (b) to seek new and sustainable resources to meet social goals for the benefit of the public.

The idea of the project was developed as a solution to the issues of unemployment, poverty and social exclusion. Specifically, the project aims to promote regional cohesion through the creation and promotion of social enterprises in Greece and Bulgaria with the role of not only providing long-term unemployed and marginalized people but also feeding people from vulnerable social groups. In addition, through training seminars, the project seeks to increase the skills of the unemployed, as well as people already working in other social enterprises lacking in marketing, business planning, etc.

The purpose of the project is to support the establishment of a social enterprise in Greece (Central Macedonia) and to promote it in Bulgaria through social franchising, that is, the cross-border transfer of the social enterprise from one country to another. The purpose of the social enterprise will be the distribution of long-term products that would otherwise be wasted, promoting an ecological approach while employing individuals from economically and professionally disputed groups to ensure the daily operations of the entity.

Expected results

The project is a solution to the perennial problems of poverty and marginalization of socially vulnerable groups such as women and young unemployed. The “Social Plate” project will create jobs for the aforementioned individuals, helping them to contribute to the local economy as well as help themselves: two NGO staff will be employed as volunteers. Volunteering is promoted after it has been shown that through socialization and community participation, people can go beyond marginalization. Using a food surplus that would otherwise end up in the trash bin suggests an innovative and environmentally friendly approach.

The fact that public, regional and local stakeholders are involved in the partnership ensures the project's broader contribution to the development and support of social entrepreneurship. Educational institutions and other public bodies will also be involved in information effort and raising awareness about the opportunities and conditions for the development of social entrepreneurship by organizing joint forums / discussions. There will also be joint seminars / events of good practice aimed at a wider audience of people with financial and social problems, providing them guidance in business planning, marketing strategies etc. By providing guidance and support in creation of new NGOs, the project “Social Plate” becomes one of the few organized efforts to promote social entrepreneurship locally and nationally in the cross-border area, thereby enhancing the development of local businesses economies.



3. Conceptual approach and key features of 'Social franchising'

3.1 Social Economy and Reproduction

In the area of Social Solidarity Economy (SSE) there is a plethora of forms of establishment and operation of social enterprises internationally. Since the creation of space takes precedence over the social purpose over the economic one (without neglecting the latter), the form and operation of enterprises is mainly shaped to achieve the social purpose. For this reason, the tendency is for economic conditions to adapt to existing social conditions and requirements and, therefore, to present a plurality of cases of economic morphology.

At a time when, internationally, the challenge of addressing large-scale social needs such as poverty, long-term unemployment, environmental degradation, refugee, homelessness, the spread of diseases in large populations is intensifying, bringing government and public organizations, but also where the gap between powerful private companies and popular interests is constantly widening, initiatives in the field of social solidarity are becoming the next generations' main hope for addressing these challenges.

However, one of the key problems that arise as the idea and practice of social enterprise is spreading is that, while new enterprises around the world are emerging and respond

successfully to social problems, however, their action and example are limited to the local level of their operation. That is to say, their example, their know-how and their robust operating model are not being used to solve similar problems elsewhere in the same country or countries. Consequently they fail to increase their social impact (Ahlert, D et al, 2008: 9). On the contrary, there is a tendency for the social partners to prefer to implement new programs, which often fail in their initial phase, rather than replicating programs already operating in different geographical areas. There is also often a reluctance on the part of social entrepreneurs to use successful strategies, such as the deployment and growth of business with classical methods, derived from the commercial sector, on the one hand because of fears that such practices are not friendly to differentiations and promote homogenization, on the other hand, because social entrepreneurs are reluctant to trust third parties to implement their programs. People in many parts of the world are thus forced to reinvent the wheel, experimenting with starting new social enterprises from scratch.

The practice that allows for a faster response with a lower risk of social failure is the spread of successful examples from other areas. From the lessons of the world of classical entrepreneurship, the development and deployment of a well-established business is an essential condition of its further success and sustainability. It can work in the same way in the field of social entrepreneurship. Reproducing already successful models saves money, time, and energy from those needed to create new models, while reducing the uncertainty of the project's success and increasing the positive impact of an existing one that has proven to work effectively. For the purposes of this guide we will define as a social enterprise reproduction the "dissemination of social achievements in different geographical areas in order to increase the social output" (Ahlert et al., 2008: 10).

3.2 Development strategies

Some of the growth strategies used in classical entrepreneurship are the creation of branches, affiliates, franchisees, the exploitation of know-how and others. The decision about which one will be used depends on the specifics of each business.

The more the practice of reproduction is gaining ground in the social economy, the more questions are raised about the common brand and the observance of specific quality standards. This is where the interest in social franchising begins.

3.3 Commercial and social franchising

3.3.1 Commercial franchising

In the market economy, franchising has been used as an effective practice for over 80 years. Since the 1950s when McDonalds introduced the practice, it has become the most successful way to open a new business. Every three hours a new franchise opens. Especially in the service sector, about 50% of businesses are franchise type. In essence, it is a way of working with each partner to remain independent as a business entity but at the same time there is a division of responsibilities between them to allow the franchisor to gain from the licensing of its brand over the years and the quality of its operation, that made it known to a franchisee from a new business, who by opening a business with a brand name reduces the initial risk while taking advantage of the franchisor's expertise in maintaining the business he is therefore paying an agreed rent (Alhert et al., 2008: 17).

Throughout the various stages that the commercial franchise went through, throughout its history, the business world had the opportunity to transform it from a simple licensing for brand use and product distribution, to a collaborative form where co-decision is further promoted for a number of common issues between the franchisor and the franchisee, as the latter's ability to operate more autonomously through the provision of know-how and support from the former. In this context, it is important for the franchisee to adhere strictly to the basic operating principles and model of the franchisor's business by paying him a fee, for which he is bound by the contract. However, it retains all of its business, the rights to operate it in a particular area, and the rights to benefit from a common strategy of communication, marketing, procurement and full training to achieve quality by the franchisor, which ensures continuing the good reputation of the brand (Alhert et al., 2008: 19).

The success of a commercial franchise lies in the fact that it is a win-win for both or more of the companies involved, as they all increase their profits while taking the lowest possible risk. It is also a strategy that ensures stability over the long term and a high degree of trust between partners as the system works the better the more they work together. In addition, the strategy ensures an ever-increasing market share for the system and increased brand recognition in a much shorter period of time than a completely new brand would need. Customers have every reason to prefer a well-known brand with specific expected quality levels and to make it even stronger by showing their preference. It is about a system that greatly increases the value added of the business.

In short, the most important feature of the franchise is that it combines the advantages of large businesses, such as dynamic presence in the market, with those of small businesses, such as flexibility. Moreover, as its function relies on the rapid transfer and creation of know-how, it also contributes to the rapid exploitation of new knowledge on both sides and thus to the rapid improvement of the system by utilizing this knowledge (Alhert et al., 2008: 20-1).

For all of the above reasons franchising in the commercial sector has become the safest and most successful way of doing business.

Of course, in order to do this, some important conditions need to be met. These are:

- First, the ability of this market to withstand the creation of a business system in a given sector so that they can grow to the right size and become viable.
- Secondly, the business model is suitable for reproduction. This primarily means that the original business has proven to be recognizable, profitable and mature enough to reproduce. The product or service it provides should, as a point, be recognizable in the market in which it operates.
- Thirdly, there has to be a sufficiently detailed effort on the part of the franchisor to record and systematize the operating model and any important processes to enable them to be

transferred elsewhere by other businessmen enabling them to copy the model successfully. That is to say, success should not be based solely on the personality or the particular efforts of the original entrepreneur.

- Fourthly, there is a need for a pool of young and capable entrepreneurs with the prospect of succeeding if they are properly trained.
- Fifth, the existence of a certain financial base as the franchisor will initially be required to cover the costs of systematizing and transferring know-how and marketing.
- Finally, the franchisor should act as a role model for the franchisee by providing guidance and support and a minimum of competitiveness at every step of their collaboration (Alhert et al., 2008: 22).

3.3.2 Forms of social franchising

Social franchising is a variant of the basic strategy of spreading a social business, similar to commercial franchising. However, they differ in two very basic respects: the purpose and type of services that being offered, as well as the consumer profile of the products and services. This section will analyze and clarify the relevant terms and characteristics of the social franchise, as well as its differences from the commercial, in order to delineate the scope of the first.

According to the International Center for Social Franchise Investment Handbook (2012) of the International Center for Social Franchise, there are five internationally common forms of:

1) The traditional model

The most widespread definition of social franchise in Europe and the United Kingdom describes the reproduction of a social enterprise through some form of contractual franchise agreement, as it occurs in the purely commercial sector.

2) The model of the source of income

In America it is widespread to define social franchisees as the use of commercial franchisees by non-profit organizations as financiers often through a partnership agreement.

3) Creation of social profiles in commercial franchise businesses

If commercial franchisees gain a social profile by offering some social advantage to population groups, such as employing young people from socially excluded social groups, then we have the category of franchisees with a social profile.

4) Micro-franchising

This is particularly the case in developing countries and involves the education, support and cooperation of economically disadvantaged or poor people under a franchise agreement to pursue an activity that will provide them with an income to escape extreme poverty.

5) Community franchising

This is generally the traditional model, with the particular that when franchising programs are not financially viable on their own, there is financial support from the franchisor. This definition is common in church communities.

3.3.3 The definition of social franchise

For the purposes of this guide and to make it clear in the following analysis, we define as a social franchise the contractual relationship that exists when a proven successful social enterprise or other non-profit franchisor allows through a licensing agreement to an independent franchisee to reproduce and operate the social business model that it has created and developed.

Each term of the above definition is important because it describes the necessary conditions of the social franchise (Richardson, M. Berelowitz, D., 2012). In particular, it is necessary to have the following:

1. A franchisee, that is, an original social enterprise that, within the space of its operation, has proven that its business model, processes and systems are successful.

2. At least one franchisee, ie another independent social enterprise operating on the business model of the first (franchisor).
3. A legal type written agreement describing the relationship between them.
4. A common brand (trademark).
5. A knowledge-sharing treaty between the two social enterprises. In particular, this may include:
 - 5.1 A written manual which describes the goals, operating procedures, and behavioral guidelines expected in specific circumstances.
 - 5.2 A typical way of training franchisees.
 - 5.3. Systematic and standardized assessment and quality control procedures and measures.

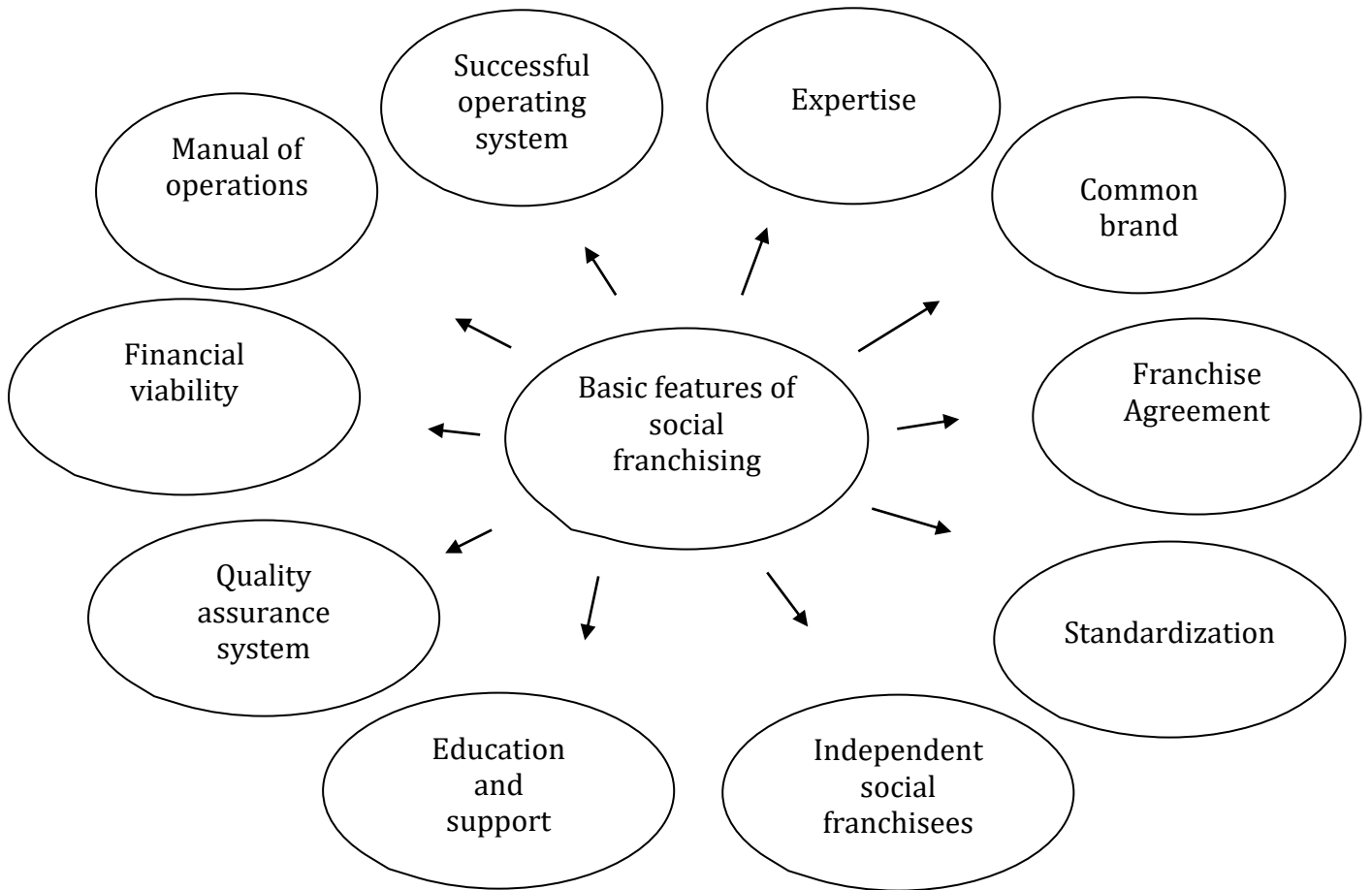
3.4. Basic features of social franchising

The creation of a social franchising system requires a successful operating model that has been crystallized for some time. The time depends on the type of social enterprise, the size, the invested capital, the beneficiaries, etc. At this time it is necessary to have some know-how, a degree of standardization of the operational processes accompanied by a quality assurance system. From an economic point of view, the financial model and viability of the operating model need to be achieved either by its own profitability or by a part of secured and stable financing. All of the above assumes that the name of the entity or social enterprise is more widely recognized both locally and at a wider level among the network of actors that are in any way involved in achieving that specific social purpose. When these conditions are fulfilled, then a manual needs to be published (if it still has not) outlining the key processes, situations and sub-cases that may arise and how to respond to them, the daily actions and, finally, the sources in which one can resort to further information. The



other features relate to the selection and proper training of franchisees, with whom the cooperation will be based on a legal agreement.

The following figure outlines the key features of social franchising (Zióikowska, M., 2017), which are presented in detail in Chapter 7, which will describe how it works.



3.5 The 10 steps

Once it is decided that franchising is the desired and most appropriate way of reproducing social enterprise, the steps that need to be taken are the following (Temple, 2011: 2):

1. Think of all forms of social enterprise reproduction and choose the most appropriate one for your organization.
2. Perform a readiness test.
3. Find ways to finance the venture or secure a monetary amount to invest in the creation of appropriate infrastructure and pay for the staff involved in the venture.
4. Explore and understand the strengths and weaknesses of your organization
5. Prepare the necessary documents (agreement, operating manual, trademarks, and rental allocations).
6. Select 1-2 pilot franchisees based on predefined criteria.
7. Provide initial training and introduction to franchising.
8. Provide ongoing support to franchisors for both their operational and contractual obligations, while maintaining ongoing communication.
9. Ensure that franchisees work with the quality standards set and evaluate their success.
10. Learn through the whole process and repeat steps 6-9 with more franchisees.

The chapter that describes how the social franchise operates describes in detail the steps needed to create the franchise system.

3.6 Critical factors of success

A critical factor of success of social franchising is the existence of a set of basic conditions that need to be met before a social enterprise decides to embark on this development strategy (Temple, 2011). These requirements have been grouped together for a better presentation on the CLONED FIRM (English clone), which means:

Commitment: Its services or products to be used by the members of the social entity

Learnable: The entity is able to transfer its knowledge and methods of operation.

Operations: The organization has and uses standardized systems and operating procedures

Demand: There is a growing demand for its products or services.

Evaluated: It has proven its social impact.

Duplicable: It has the ability to reproduce locally.

Finances: Its financial profile is stable and sustainable

Identity: It has a recognizable brand name.

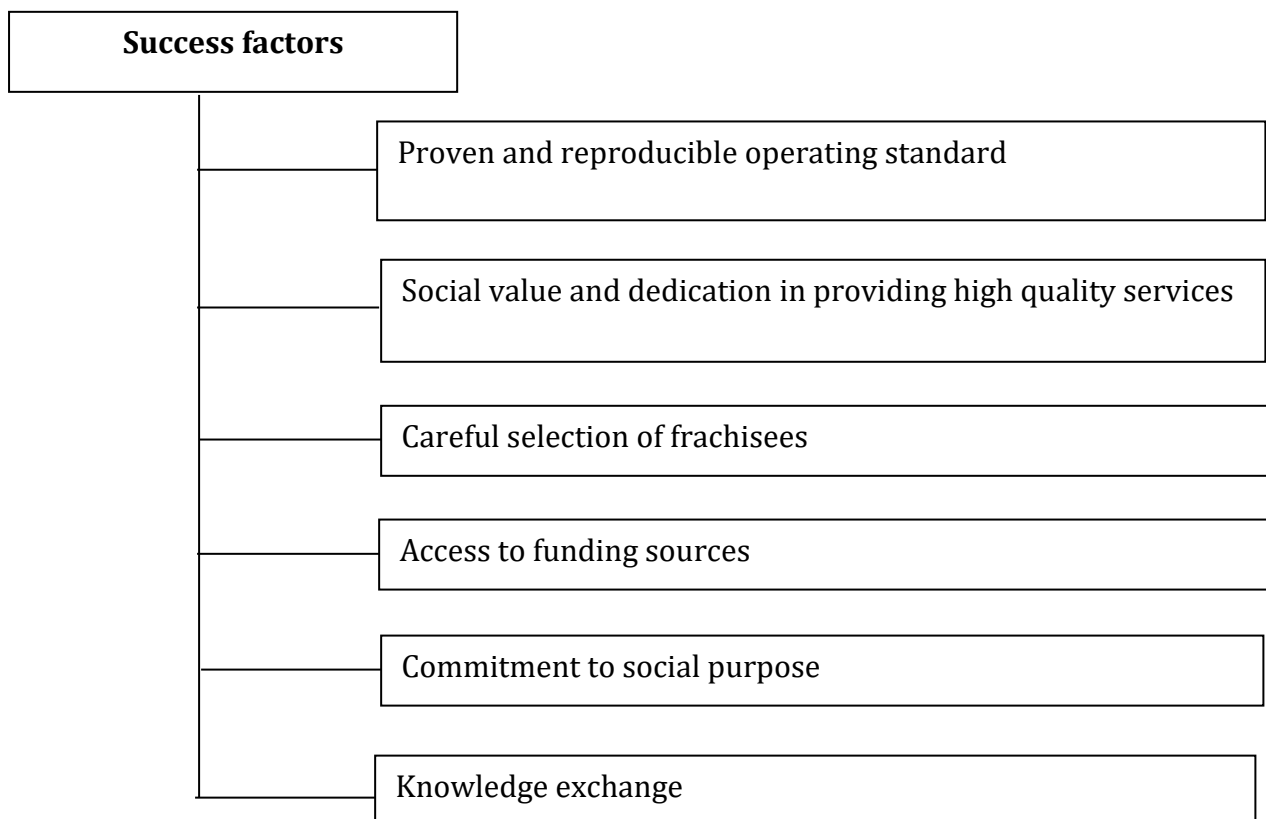
Value: It has developed social and financial value.

Model: Its operating model is defined and coded.

In addition, the maturity of the social operator is evaluated as follows (Richardson, M. Berelowitz, D., 2012: 59-8): The social actor who wishes to be reproduced through franchising needs to have gone through a period in which the operating business model has been tested and proven effective. It is just as important for prospective franchisees to have previous business experience and not just the social purpose pursued. In the same vein it is essential that reproduction has a primary purpose and that the partners do not strive to achieve many social goals at the same time. Prospective employees in the new organization are ready to work immediately without the need for social support. It is also important to

develop effective communication between the franchisor and the franchisee, which will be based on a very clear terms franchising agreement, where each part will be fully aware of its rights and obligations. Finally, from the economic point of view, the right proportion of the funding sources and these conditions, coupled with a realistic expectation of the time the new social enterprise will start to make a profit, is a very important factor in project's success. It is also helped by the convergence of the two actors in the degree of importance they attach to social purpose in relation to economic efficiency.

In a succinct way of performing the criteria of success Marta Zióikowska (2017) is shown in the following diagram:



4. Analysis of categories: potential franchisors - potential franchisees

Now let's try to take a look at characteristics and roles of the two protagonists of the social franchise system.

4.1 Franchisors (licensors or donors)

The rapporteur and head of the social franchise is the franchisor. He is the main guarantor of the effectiveness of its operating model in the pursuit of its social purpose. He has developed enough technology to enable other businesses to succeed. He also has a lot of experience in developing and managing collaboration networks because this is exactly what the whole franchising system is all about. So the whole project is based on him.

In case that the social enterprise that has the above characteristics cannot assume the role of franchisor, it may consult a specialist consultant on the whole project of franchising creation. It is also possible to mediate another business that already acts as a successful franchisor, either in the social or commercial sectors of the economy. Although in the case of a commercial enterprise it is good for the social enterprise entrusted with it to be able to monitor its progress to ensure that the social purpose is not marginalized during its implementation.

4.1.1 Franchisor's role

The role of the franchisor is to centralize and carry out activities to support the entire franchising system. These activities include administrative guidance and central control aimed at continuous development, which is, finding new franchisees, as well as quality assurance and continuous training of staff, actions that allow the whole system to continue

to exist and develop. Finally, he makes sure to support the franchisees in whenever they need his help.

As part of these activities, the franchisor undertakes the marketing and public relations of the system on behalf of all franchisees. He creates and publishes promotional material and campaigns. One difference from social franchising to commercial can be that franchisees are given the freedom to run their own advertising campaigns in their particular area of operation. The franchisor usually undertakes central system-wide campaigns. It also usually does not charge franchisees for the costs of these activities, as is the case with commercial franchising (Volery, T. Hackl, V, 2010: 165).

4.1.2 Franchisees Selection Process

The process of selecting franchisees includes both information to candidates and information about the candidates. This means that in the first part of the process the franchisor gives the best possible and most complete information about his social enterprise, mainly in order to confirm the social purpose. At the same time, it makes it clear to the candidate that the purpose of social enterprise is "definitely not to become rich". This makes it possible to exclude candidates who wish to co-operate purely for financial reasons.

In the second part it is important for the franchisor to get a detailed view of the candidates' qualifications, skills and abilities whether they are individuals, organizations or legal entities. Here it can be based on two sources. One is the detailed examination of factual data, such as through a detailed resume and interview if it is a natural person, or financial and other information whether it is an organization or a legal entity. The second source is emotional in nature and relates to the instinctive feeling that the candidate has the credibility and the cooperative attributes needed in each case to make the franchisor consider him / her the right fit. This decision may be the product of many and detailed discussions and meetings between the two parties.

In the study of Volery, T. Hackl, V, 2010, 170-1, the following criteria are referred as important for selection:

1. The moral consensus between the two parties. This means that the prospective franchisee is checked for his or her commitment to the social purpose of the franchisor's social enterprise. In addition, it is necessary to consider whether there is consensus on the ways in which the social purpose is pursued, ie the franchisee agrees with the methods proposed by the franchisor.
2. The excitement. The basic initial motivation for running a social franchise is the excitement that the franchisee shares about the ideological basis of social enterprise. That is, for the reasons of its founding and the philosophy behind its idea.
3. The entrepreneurial spirit. A degree of business acumen is essential for successful business cooperation. Thus, the demonstration in terms of the candidate franchisee organizational and administrative skills, and the ability to take business initiatives is a critical factor of choice, as according to Anke Burfeint-Herrmann of Dialogue in the Dark: "... entrepreneurship is necessary, as idealism alone is not enough".

4.1.3. Franchisor's obligations and rights

The franchisor's obligations consist of three sets of tasks (Ahlert, et al., 2008: 36):

Monitor the functioning of the system and fulfill its social purpose. This means that it has clearly defined in advance the social purpose of the social enterprise and therefore the franchising which it has taken care to record in the manual. In addition, he undertakes to be the co-ordinator of the franchisees but also the mediator with the wider society, the financiers and everybody else involved. Lastly, it means that it maintains control over the quality of the services or products provided, while at the same time controlling the financial efficiency of the system.

The franchisor is responsible for creating and exchanging know-how between franchisees. He develops a communication network between all franchising parties to facilitate this exchange. He sets the standards of operation of the system and appropriately trains

franchisees both at the initial stage and during the collaboration. In this context, it undertakes the necessary research to further development of the system.

The franchisor's third set of tasks is to assume the role of central coordinator in marketing and advertising matters, locally, nationally or internationally. But also in terms of logistics, distribution, and finance.

The above obligations of the franchisor also include the respective rights to control the franchisees and to take action to maintain the standards and quality. In practice this may mean requiring the franchisees to gather the necessary information and reports. In case of non-compliance with its requirements, it may request the termination of the cooperation. It also has the right (though this is often not the case in social enterprise) to receive a fee as rent from franchisees.

4.2. Franchisees (franchisees or receivers)

Franchisees are largely decentralized and autonomous social enterprises, which undertake to operate the original model in another geographical area. One of the biggest challenges of franchising is finding the right franchisees. This is because it is necessary to share the franchisor's commitment to achieve social purpose. An event that presupposes identical values, ideologies and ethics between the two parties. On the other hand, however, it is also essential to have the entrepreneurial spirit and skills that will make it effective in the financial viability of the project. Proper choice also helps the system to spread and succeed. Otherwise, the franchisor may jeopardize his good reputation in the market and shake the served public's trust in his brand.

4.2.1 Social franchisee selection criteria

Social franchisee selection criteria compared to commercial franchise selection criteria are as follows (Sivakumar, A., Schoormans, J., 2011):

A. In the commercial sector a large role is attributed to the amount of initial net investment that the franchisee is prepared to make. On the contrary, in the context of the social

economy the criterion is the financial viability of the member concerned, or if it is a body partly based on donations and external funding, the key criterion is the possibility of obtaining funding. Also, its ability to justify and persuade beneficiaries to pay a specific cost for using its services.

B. An important criterion in both commercial and social franchisees is the prior experience the prospective franchisee needs to have. In the first case of the commercial sector, the experience of interest relates mainly to the administrative part and the day-to-day operations of a business. In the area of social economy, administrative experience remains important, but even more important is the prior engagement with the social purpose pursued by the franchisor's social enterprise, whether at an earlier employment or voluntary level. In any event, the prior sufficient experience of the franchisee is considered necessary. This will help him to obtain the training that the franchisor will provide to him more easily and effectively, as well as being ready from the first day of business operation.

C. The high level of formal education is another important selection criterion. It is necessary for the franchisee to have executives who are able to read and abide the agreements and operating manuals. They need to be able to represent the network to local actors and to present in a comprehensible and convincing way the social enterprise, its goals and functions. Also, as the success of the franchise system is based on the continuous evaluation and integration of new knowledge and information, it is necessary for the franchisee as a business to prioritize continuous learning and improvement.

D. The knowledge of local society and market is an important parameter in choosing both the commercial and social economy. The franchisee is the entity that will introduce the franchisor to the local community. He needs to be reassured that he is aware of the public's preferences and consumption habits in the region or, in this case, a social enterprise, the particular social needs of the local population but also his culture in order to be able to approach it appropriately and win his confidence as a carrier of social empowerment and change. Likewise, networking with the local community will contribute to better

communication and access to local public bodies and organizations. Also, his local knowledge will help in choosing the right place to start a new social enterprise.

E. In the commercial sector, the analysis of the personality of the prospective franchisee plays an important role in his selection. Elements such as entrepreneurship, risk-taking, innovation-seeking, team-building and the ability to collaborate are highly valued. The criteria in the field of social economy are not much different. It is essential that the executives of the new social enterprise be able to work in harmony with each other and with the franchisor executives. Being entrepreneurial and focusing on innovation are also helpful because let's not forget that we are talking about businesses that should be able to be financially viable. In addition, the commitment and enthusiasm for achieving the social purpose, the personal composition of each executive, the credibility and responsibility for taking over and performing their work are among the only non-selection criteria.

Possible ways in which the franchisor can identify valuable and appropriate franchisees candidates are non-profit organizations and voluntary organizations operating locally. These can be sources of people or even ready-made people who already have the experience of social effectiveness. Another area where he can draw in appropriate executives is that of commercial businesses, looking for people or even ready-made businesses that have business tenure but can simultaneously socialize.

Research in the field of social franchise shows that two major reasons for wanting individual professionals and / or agents to act as franchisees is the possibility of being part of a system that receives and provides discounted services in conjunction with the commercial market at the same time as social responsibility for achieving socially harmonized business initiatives (Huntington et al, 2012).

4.2.2 Franchisee's obligations

The franchisee is obliged, first of all, to adhere to the operating principles of the system and to follow the franchisor's instructions. This means working closely with him. It is essential to attend and receive any training provided by the franchisor in order to be able to meet and

comply with operating and process standards. It undertakes to keep it informed of the progress of the social enterprise and its activities, but also of any problems or local peculiarities that may arise (Alhert et al, 2008: 38).

For the use of the franchisor's name and for all the other benefits he enjoys, he pays an amount as rent, which has been agreed upon and signed in the text of the agreement. Usually, this rent is payable unless it is agreed that a portion of it will be provided otherwise, e.g. services, products, etc. This rent is calculated either as a percentage of the social enterprise's revenue or as a fixed amount depending on the franchisee's capabilities. In addition, it is common for the franchisor to pay a sum of money at the beginning of the agreement.

5. Thematic units related to the social purpose of Social Enterprise

As we have seen, the idea of social franchise comes from the practice of commercial franchise. For this reason it is important to consider to what extent its copying as a model ceases and the values and attributes of the social economy are introduced.

5.1 Similarities and Differences in Commercial and Social Franchises

The key similarities between the franchise's commercial and social systems are identified (Ahlert et al., 2008: 27).

- The existence of an original business and its reproduction in another geographical area.
- A manual describing all operating procedures.
- A common brand name for all businesses.
- A contract - a contract outlining and agreeing on the obligations between the franchisor and the franchisee.
- Providing standardized training by the franchisor.
- Systematic and consistent methods of quality control and assurance.

However, there are also significant differences which are specific to the social purpose of Social and Solidarity Economics. And these are:

The **different goal**, which in the case of the franchise, is far from maximizing profit. Instead, it focuses on increasing and multiplying social impact and outcome. And, perhaps, this is one of the reasons that it becomes more difficult to control all the parameters of social franchising.

The **diverse population** targeted by social enterprises. The basis of the people to whom the services or products are offered is different. Often, these people are not regarded as customers, but as beneficiaries. This is coupled with different ways of approaching the social enterprise public, and some of them operate on a pro-poor basis in certain categories of population.

Financial supporters. Where social enterprises rely on their financial viability and external credits or donations, the wishes and motivations of these financial backers need to be taken into account.

Transfer of business risk. The commercial franchise form is, among other things, a method of transferring part of the business risk from the franchisor to the franchisee. This also increases the franchisee's motivation for success. In the case of social enterprises, however, this condition and therefore the incentive do not exist. It is replaced, as a point, by the franchisee's interest and commitment to social success.

Rent. In the area of social business, it is often the case that the franchisee may not be able to pay a rent from the beginning. This means that the franchisor should be ready to accept either a lower rent initially, or to accept some form of compensation in addition to the cash, perhaps for example, in the form of a collection of specific information that can be used later.

In this context, the key divisor of the social from the commercial franchise consists in operating on the basis of a more general mutual trust between the partners. Confidence stems first from the common social purpose that pursues the franchisor and franchisees beyond financial considerations and creates a climate of convergence and value sharing. Also, the more the franchisor has demonstrated his professional and business value in achieving his social purpose, the more the franchisees' confidence in him is increased (Volery, T. Hackl, V, 2010: 174).

5.2. Social Solidarity Economy and social franchise

The cornerstone of Social Solidarity Economy lies in the dominant motive for the creation of social enterprises, which is nothing more than a response to specific social problems. This implies that the organizational structure and operating model of each social enterprise is shaped in a way that is specific to the problem it seeks to address. The action of social entrepreneurs is to find the most effective ways to respond to social problems. Thus, since, by definition, social enterprises, profit and maximization are not their primary objective, social entrepreneurs are often neglected as a key factor in the survival of businesses in general. And this is no other than their development (Volery, T. Hackl, V, 2010: 155). The

implications of this neglect are, on the one hand, limiting their action to a purely local level, on the other, potentially jeopardizing their viability as they lose the advantage of spreading a successful initiative.

As the social sector of the economy becomes more and more popular with people interested in contributing to the solution of social problems that are constantly accumulated by senseless profit hunting and only within the classical market economy, the establishment and operation of social enterprises becomes increasingly popular and more attractive to these people. Thus, the challenge now facing the Social and Solidarity sector is to exploit successful examples of already functioning social enterprises and to spread them to other geographical areas. In this way, new entrants to the space can be assumed a smaller risk (Ahlert et al., 2008: 13).

Social franchising is a way of spreading and reproducing that, because of its characteristics, fits into the philosophy of creating social enterprises. As a functional model it focuses on developing long-lasting bonds of trust and solidarity between the franchisor and franchisees and minimizes opportunistic behavior.

By studying specific cases of social enterprises that have made social franchises, researchers have shown that this practice contributes greatly to the creation of further social value. Although the idea of social franchise comes from and is largely based on the corresponding practice of the commercial business franchise, however, the experience of transposing and adapting the idea to the social solidarity economy has shown that it can work perfectly to serve social goals of social enterprises. This is possible because, as a legal agreement, it guarantees the autonomy of franchisees but has secured the advantage afforded them by the use of an established brand in the social space and through its standard operating procedures (Volery, T. Hackl, V, 2010: 164).

The experience of many successful social franchises shows that linking the pursuit of a social purpose with the business reward of franchisees is the best combination for the development and expansion of these social businesses (Volery, T. Hackl, V, 2010: 172).

6. Advantages of “Social franchising”

The most important advantage of the social franchise lies in the combination of achieving social and economic goals, thus preserving and reproducing the core values of the Social and Solidarity Economy.

In summary social franchise provides (Temple, 2011: 6):

1. Ability to multiply the social output of the social enterprise without having to increase itself in size so as to increase the top of the hierarchy by moving too far from the front line of services it offers.
2. Opportunities for faster and easier startups for new aspiring social entrepreneurs or organizations.
3. Encourages adaptation to local specificities and gives flexibility in responding to individual conditions.
4. Ensures national benefits (economies of scale).
5. It enables the promotion of models that combine social effectiveness with economic stability.
6. Creates genuine community-based partnerships under one brand.
7. Encourages sharing of power and encourages entrepreneurship.

In the area of Social and Solidarity Economics, a social enterprise that has been operating successfully for some time to the point where it can grow, has the potential to do so by creating branches. However, this increases the distance of the hierarchy between its different parts. As a result, it is becoming slower and bureaucratic. It also has the option of going into some form of licensing, but it will not have control of the product or service offered. Alternatively, it may choose the franchise method that has a whole lot more advantages to it.

The first and most important advantage in the area of social economics, where there is no opportunity for large financial investments, **is the fastest and highest cost-effect-cost investment** on the part of the franchisor (Ahlert et al.:2008:30). Research has shown that in the social economy, franchising-based programs are more successful and developed in half the time than other methods of reproducing and developing a social enterprise.

The costs of setting up the franchisee's business are clearly less than the start-up of a new social enterprise, as it has already been tested by the franchisor on what costs are cost-effective and unnecessary. Also, since there is no need for the franchisee to experiment with the best way of managing, operating procedures and standards to achieve the social purpose, the time and cost of running the franchisee business is reduced. In addition, knowledge of the franchisee's local specialties saves the franchisor from potential failures - the costs of the annexes he would establish without having the knowledge needed to meet those franchises.

Finally, having autonomy and being responsible for his business, the franchisee assumes full responsibility for the operation, perhaps in relation to some other form, e.g. an annex where hierarchical distances are increased in direct inverse proportion to the responsibilities of the executives and employees of the annex.

The systematic way of improving know-how and learning from all parts of the franchise system is an equally powerful asset. Under no circumstances other than franchising can a start-up company benefit from a systematic body of knowledge and techniques on the subject and on the way it operates.

Starting a franchisee comes from the beginning with the significant advantage of know-how that saves him time and money. In addition, each franchisee has the opportunity to try new ideas if he or she wishes to, by proposing them to the franchisor. If they succeed locally, then the franchisor can integrate them into the system and become part of their overall know-how. This makes franchising a system that integrates new knowledge and improves itself.

7. How “Social Franchising” Works

The social sector of the economy is not particularly homogeneous, so the details of how the social franchise operates in each case largely depend on the type of service and the beneficiary population. In general, however, a rough description of the mode of operation is possible and we will see it immediately below in the steps described in Social Franchising (Ahlert et al, 2008: 42-67).

7.1 The stages of franchise creation

7.1.1 Verifying the existence of factors that make franchising possible and desirable

The first set of requirements that a social enterprise needs to meet in order to have a general benefit from franchise creation is to study the reproducibility of its operating model.

Here, the questions to ask are:

- Has the social purpose originally pursued by the social enterprise been achieved?
- If so, is its operating model possible to replicate in another geographical area?
- And will this help strengthen the achievement of the social cause even more?

In order to answer these questions it is useful to analyze the elements that have contributed to the success of the social purpose.

- In addition, are these elements applicable to different socio-economic conditions in different geographical areas?
- Will it be equally effective in other cities or countries?

- Even more, is it possible for these elements that have contributed to success to be described in detail in a handbook to enable them to be copied?

Accurate replication of the elements that contributed to the success is what will guarantee the franchisees' long-term commitment to the system.

A second set of questions concerns the exploration of the socio-economic environment.

In particular, the following questions need to be asked:

- Is there really a need to another geographical area for the services or product of the social enterprise?

- Is there a gap that the social enterprise can meet?

- Are there conditions in the selected geographical areas for the development of franchisees?

- In other words, are there potential and capable candidates for franchisees and beneficiaries?

It is important to pay attention to a franchisor that it may be necessary to verify the existence of several suitable prospective franchisees in order to cover the required costs of setting up the franchising process.

A third set of questions concerns the capabilities of the social enterprise itself that wishes to function as a franchisor. So, if it has the organizational and financial size to be competitive and meet the requirements of the franchising program.

These questions are important to ask, as reality and requirements often exceed the original projections of costs and reproductive requirements of the business. Let's not forget that it is the franchisor who will run the selection, training, control of the franchisees and, in addition, will bear the costs of marketing, finance, logistics etc. So it is essential to have some money to start the process and a relevant financial action plan for at least the first period. This

financial reserve can come either from external public or private financing, or from the social enterprise's own funds.

7.1.2 Creation of an action business plan

As in creation of a social enterprise, the creation of a franchising business plan needs to be devised, which will systematically record ideas and plan all aspects of the venture. The individual parts of the business plan include (Ahlert et al.45-6):

A. An analytical summary clearly outlining the critical elements of the idea (approximately two pages). Here is a description of the business idea, services, business strategy, demand and market, strategic advantage, necessary processes during the first months of the venture. If this summary is used to find funding, it should be detailed and understandable.

B. A record of the business idea and how it is expected to be socially effective, as well as the strategies that will help in this regard. A timetable for achieving the goals could also be included here.

C. A detailed presentation of the services in order to make clear the benefits to the receivers of the services. It also needs to state the reasons why we believe that these services will make a difference in the market, that is to say, the gap between the private and public sectors.

D. The next important element concerns the market analysis into which the social franchise will enter. The description of the target group, the factors that influence it in the use of the services in question, their specific social needs, who the 'competitors' are and what they offer, and finally the legal status and related regulations that define the operating framework. , are key elements of this analysis.

E. As a follow-up to market analysis, a marketing strategy plan needs to be included. It will outline the market objectives and a timetable for achieving them, such as the market share targeted and what profits are expected from it. At the same time, the plan will include steps

to reach them, such as what actions need to be taken to attract franchisees, how to set prices, how to market the service.

F. The staffing potential of the franchise implementation team should be well documented in terms of each person's skills and strengths, at the same time with a division of responsibilities and from which position.

G. A SWOT analysis with a realistic record of the strengths and weaknesses as well as the opportunities and risks of the environment will help to address the existing conditions and their changes.

H. A description of franchising financing with a time horizon of 3 to 5 years is of course essential in any business plan. This will include earnings forecasts, liquidity reports, financing and investment plans, assets and valuation. Also, an analysis of the placement of funds by category of expenses. Numerical estimates should only be made after research and documentation.

7.1.3. Configuration and adjustment of the franchise system

A clear and well-defined franchise system is essential to the success of the venture. This can be done by the following actions:

7.1.3.1 Pilot project implementation

Once the plan is ready, it is important to have a trial run at a selected geographic location. This will make it possible to test the viability and feasibility of the franchising plan. It can also be used to identify unrealistic or practical points and to redefine them. No matter how well the original plan is documented, its pilot implementation is important because, in addition to the trial and error process, it can provide other important observations for incorporating changes or new elements into the business plan. Ideally, a pilot franchise would be a good idea for the franchisor to have immediate information.

7.1.3.2 Selection of franchisees

One of the most critical challenges of the franchising process is precisely selecting the right franchisees. To achieve this, the franchisor must first have an accurate description of the profile of the appropriate franchisee with specific criteria and qualifications (skills, experience, education, etc.) required to fulfill the social purpose of his ethical standards. Of course, the availability of suitable franchisees may vary depending on the geographic area, so some franchisor flexibility may be needed. Usually, in the case of a newly established franchising system, the franchisor needs to be actively involved in finding, updating and attracting prospective franchisees, as they are not yet well known in the wider market. As time goes on the more recognizable the social enterprise, the prospective franchisees may ask themselves to work with it, so their selection criteria can be tightened.

7.1.3.3 Standardization

There are two key elements of social franchising that can be standardized.

The first one is the services offered and which are directly related to the achievement of the social purpose, thereby limiting the quality of services desired by the franchisor but also ensuring that they are easy to replicate by the franchisee.

The second element is the administrative and operating processes, thus ensuring that the franchisee has a specification of the administrative procedures to follow from the outset, without wasting time and money on their development. Although standardization is a necessary process for the social franchise, the extent to which it is done remains the decision of the particular social enterprise. This is because choosing the right degree of standardization of administrative processes and services offered is one of the components of social franchise success, as the degree in which each business varies and the degree to which it is useful and productive to standardize.

On the one hand, a small degree of standardization allows franchisees to operate more autonomously and adapt to the particularities of their area. However, the degree of consistency and good reputation of the system can be compromised.

On the other hand, a high degree of standardization helps in faster development, ensures a degree of quality and consistency and facilitates franchisor control. However, this may be at the expense of the franchisee's innovation and flexibility and perhaps even an incentive to improve.

Indicatively, some of the elements to be standardized are:

- The key elements that have contributed to the success of the social enterprise as part of its strategies and activities.
- Also, types of services that are difficult to measure and record are good to standardize in an attempt to control their offerings by the franchisee.
- Plus, various services subject to specific specifications and regulations, such as health procedures, should be standardized to ensure their quality.
- And finally, care needs to be taken of the software programs that will be used to make them compatible.

Regarding processes that are best not to standardize, these are, in particular, some that respond to occasional or local peculiarities.

7.1.3.4 Control and administration of franchisees

As the franchisee achieves the social outcome, it is essential for the franchisor to ensure that this condition is achieved. Although social and solidarity partners usually exhibit altruistic behavior, it can be equally expected that franchisees will have some different ideas and goals. Therefore, controlling and offering incentives can ensure that they are aligned with the objectives of the franchise system. It is up to each franchisor to decide to what extent the franchisees want to ensure that the basic principles of the system are complied with, as

well as to what extent they want to provide them with incentives to do so. Social franchisees do not require high investment from the franchisee and this may be a reason for the absence of strong incentives and a tendency to deviate from the basics of the system. It is important for the franchisor to provide some incentives either in the form of investment moves depending on the performance of each franchisee or in the form of a rent they will pay.

The systematic practice of controlling franchisees by the franchisor acts to enhance the quality of service provided. The second needs to be kept up-to-date on the status and performance of each franchisee as well as to have a picture of each other's comparisons, that is, the strengths and weaknesses of each. Practically this can be done through beneficiary evaluation questionnaires, questionnaires completed by franchisees, regular and systematic reports requested, and quality checks either by site visits or by requiring certain professional standards to be complied with. in every branch of business. However, since the purpose of social enterprises is to achieve their social goal, control alone is not capable of producing the desired results.

The main and most important means for the proper functioning of the system is to create incentives that will motivate franchisees and give them a sense of community.

7.1.3.5 Social franchise agreements

The social franchise agreement is a legal document that includes all possible outcomes of various actions. However, not all possible scenarios and expected behaviors are thoroughly analyzed, as this may seem threatening to prospective franchisees. Its existence and use is limited to safeguarding the most important aspects of cooperation, regulating the essential obligations and rights of both parties, as well as the quality levels expected in the provision of services. Before signing the agreement, it is good for the parties to read carefully and understand what is expected of them. Also, as the franchisor becomes more and more experienced in working with new franchisees, it is expected to update existing agreements

to make the system work better. The main articles that need to be included in a contract are detailed below in a separate subsection.

7.1.3.6 The rent of the social franchise

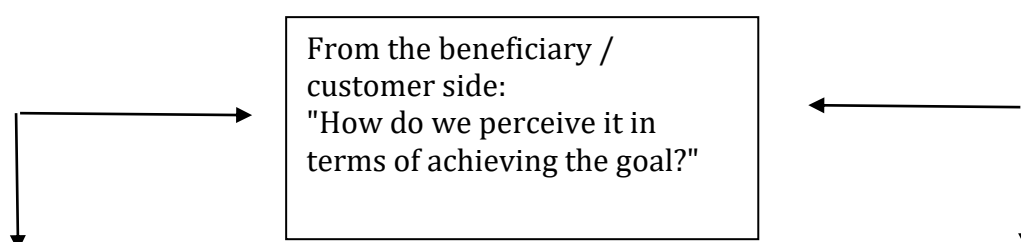
In commercial sector there is no franchising without the payment of some kind of rent by the franchisee to the franchisor, which is the compensation of the latter for the use of all benefits to the first. It usually takes two forms, an initial payment at the start of the partnership, and then a regular monthly or other rent usually as a percentage of the franchisee's profits.

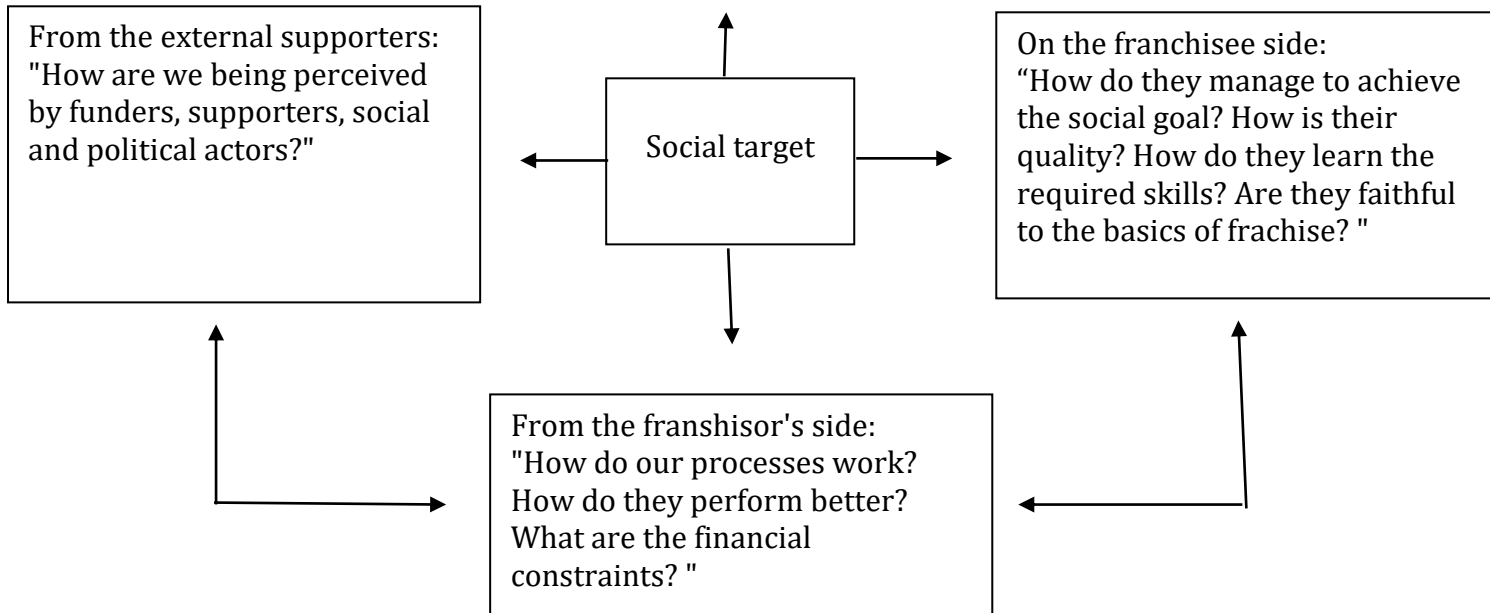
- However, in the area of social and solidarity economics it is often the case that the franchisee cannot afford to pay the franchisor rent. Thus, there are usually three cases:
- In the first case the franchisee pays a regular rent but only an initial amount upon commencement of cooperation and entry into the system. From then on, the two parties are financially independent of each other. However, in terms of quality levels of service provision, the franchisee signs an agreement providing for compliance with specific quality standards and levels and is involved in the transfer of know-how and information between them.
- In the second case, when it comes to services that are unable to pay and therefore the franchisee is unable to generate revenue, then the terms may be reversed and the franchisor may pay some kind of fee to the franchisee, depending on its performance and compliance with system specifications.
- In the third case, franchisees may bear the costs of franchising instead of paying the franchisor instead of paying rent.

7.1.3.7 Franchisee Performance Measurement System

The measurement of social franchise's performance services is very important as it ensures both the financiers and the community as a whole that the social purpose is served. The difficulties that arise in measuring performance in the field of social enterprise are: First, the nature of social enterprise, which aims not only at profit that is measurable, but at the social end, which is more difficult to be measured by quantitative methods. Also, the multifactoriality on which performance depends on, makes it even more difficult to measure. Thus, in order to measure the performance of social franchising, in addition to quantitative measures, it would be advisable to assess the qualitative characteristics of the services provided, such as changing the attitudes of service recipients that may become more socially favorable purpose of the business. However, as quality characteristics take time to evolve, it is advisable to make these estimates over time from its initial operation.

The Balanced Scorecard technique has been developed to address these issues (Ahlert et al., 2008: 61). It consists of a comprehensive way of measuring the performance of social enterprises using quantitative and qualitative methods, internal and external sources of information, distributing them all from different angles. The starting point of the Balanced Scorecard is the long-term social purpose, which translates into a system of more strategic goals, and these into even smaller short-term measurable goals. In the end all these are linked together, usually in the form of a cause and effect. As shown in the figure below, top is the view of the beneficiary / customer of the social enterprise, as this is the focus of the business activity. All different aspects of the social purpose are then taken into account in order to bridge the gap between a sometimes general purpose with specific values, which are linked to specific expected results.





7.2 Functional Issues - The obligations of the franchisor

7.2.1 The franchise's manual

The manual is a text that contains step-by-step instructions for setting up and running a social enterprise, all that is needed to reproduce it elsewhere. It contains all the know-how. All operating procedures are described in detail and the standards are set. It therefore contains three types of data: Descriptions of production and service processes, tips on how to handle specific situations, binding instructions to perform important and critical business functions. In the section below, the details that the manual needs to be detailed are listed.

7.2.3 Learning and training franchisees

The franchisees among themselves and the entire social franchise system is a system of sharing know-how and information. This means that each member of them can benefit from the experience and knowledge of the other members as they are transferred from one to another. Ways to transmit these are: Meetings of members on a regular basis and scheduling of annual conferences, internal briefings, online platforms and site visits. Training

franchisees staff is also important. Opportunities for networking with other players and the opportunity for professional development are greatly appreciated. Both of them reinforce staff loyalty to the organization.

7.2.4 Marketing Strategy

Building trust in the brand of social enterprise requires a good reputation and a strong presence, recognizable by the beneficiaries / clients and prospective sponsors. This is why marketing is also needed for social businesses. The franchisor defines the marketing strategy, both internal and external, and is responsible for executing it. Internal marketing is aimed at employees, members and franchisees by reminding them of the benefits of working in that particular social enterprise. This boosts their faith in the values and purposes they serve and makes their work meaningful.

External marketing is aimed at the environment, closer and wider to the business. The aim is to make not only the brand of social enterprise more widely known but to raise awareness of the wider social environment of the social purpose it serves. This means that it is necessary to communicate to the general public not only the brand, but also the identity and social message it represents. A second aim is to build a good reputation and trust both among the beneficiaries and between the financiers and the overall environment, in order to increase service users. Finally, another goal is the sustainability and prosperity of the social franchise system by attracting beneficiaries, funders and programs.

7.2.5 Sustainability of the social franchise

Social marketing plays a very important role in the overall viability of the project. Since business finance is a key factor in delivering the social purpose, having a good reputation and trust will in the long run attract both financiers and beneficiaries / clients as more and more new businesses enter the business. Buy. Also, the greater control and transparency of financial management, the greater the confidence of investors / financiers. Equally important to sustainability is the observance of the standards of service quality, which is ensured by continuous training and control. Another important factor contributing to

sustainability is the ability to establish and maintain a wider network of contacts and partnerships with local, national and international stakeholders. Finally, evaluating and re-evaluating the system and redefining it according to changes in environmental conditions and needs is another factor in its sustainability.

7.3 In detail about the social franchise agreement

The peculiarity of social franchising is the contribution and co-operation of two or more legally and financially independent partners, operating in different areas under a common name. For a partnership to be successful and effective, a close exchange of information, experience and services between them is needed, much more than in any other form of business cooperation. For this reason, the creation of a contract that clearly defines the obligations and rights of each partner and minimizes the chance of franchisee's opportunity being exploited on a timely basis is crucial to the success of the venture (Ahlert, D et al, 2008: 53).

However, the respective agreements vary depending on the social organization, its particularities, the particularities of the economic sector in which it operates in relation to the social purpose pursued, as well as the local characteristics of the region. Thus, there is no standard form of agreement text. However, there are very specific elements that need to be included in the contract, which after drafting is good to be evaluated by a qualified consultant or legal. These figures are (Ahlert, D et al, 2008: 69-71):

- 1. Definitions:** All important terms of the Agreement should be clearly described. For example the terms Franchisor, Franchisee and any other essential terms of the program to be reproduced.
- 2. Brand name and trademark use:** All information on the exclusive use of the trademark and restrictions on its transferability.
- 3. Geographical area:** If the franchisor wishes to designate a specific geographical area of activity for his franchisees, then the contract should include a description of the geographic

area of exclusive activity, if the activity in the area is determined by specific criteria and if and how the boundaries or the area itself may change in the future.

4. Cash: If the franchisor receives a certain amount of cash or other consideration from the franchisee for the assignment of franchisee, this should be stated accurately. The fee may take the form of the franchisor's business model and branding, include the costs of training the franchisee by the franchisor, or cover the costs of other services and privileges the franchisor offers, such as scientific research, financing activities etc.

5. Franchisor Obligations: Different franchising systems already have different benefits to the franchisee. Some of the franchisor's obligations may be:

- The availability of a manual for the franchisee
- Provision of training (should include duration, rapporteur's experience, whether the training is compulsory, whether it will be repeated during the collaboration and what the content is
- Publicity / advertising actions
- Support and financing search services
- Development of an administrative system
- Providing a quality standard
- Collection and use of data

6. Franchisee obligations: Accordingly, franchisee obligations may vary on a case-by-case basis depending on the particularities of the franchise system. Some of the most common are:

- Compliance with the principles and guidelines of the franchising system
- Non-concealment of information

- Monitoring the franchisor's educational benefits
- Payment of cash (if any)

7. Insurance: The type of insurance that the franchisee will provide, which is mainly defined by the laws of the country of operation.

8. Ways to resolve disputes: Provision should be made for how they will be resolved if disputes arise between the two parties.

9. Termination: There are cases where the contract is terminated either by the franchisor or the franchisee.

10. Partner Relations: It refers to the independence of the partners, the failure to represent one another and the denial of responsibility of one partner in the event that the other party fails to fulfill its obligations.

The following points are included in all contracts and must be included:

11. Obligations in case of termination of the contract

12. Non-Disclaimer Statement

13. Termination notice of contract

14. Exclusion of third parties

15. Amendments

16. National contract law / jurisdiction

17. Languages

18. Binding clause

7.4 More about the social franchise manual

In any case of social franchising, the franchisor's key provision is the operating manual of the social business model. This is a detailed description of the program through which the franchisor's know-how is transferred to the franchisee. The manual should be comprehensive, explanatory and up-to-date with the latest developments in model operation. In practical terms, it should include task lists and instructions that will allow the franchisee to operate the program in the manner expected of it (Ahlert, D et al, 2008: 72-3).

The franchising manuals vary depending on the characteristics of the organization and the program. However, special attention should be paid by the franchisor when drafting the original manual, although this may be revised over time and in line with emerging changes.

A comprehensive presentation of the manual will give the franchisee a clear view of the program's operation from the beginning, helping to avoid problems later on. Thus, the time it will take for the manual to be compiled will prevent time-consuming error correction processes as the collaboration progresses.

Points that should be included in this manual are:

1. Historical background - Identity: Here is a reference to the original idea of creating a social enterprise and its course during its operation. There is a detailed description of her identity, her philosophy and the social goals she pursues. The rights and obligations of the franchisor and the franchisee (which are set out in more detail in the agreement) are listed, along with the expectations and goals of their cooperation.

2. Descriptions of Procedures: Here is a detailed and comprehensive description of how the model works and the sequences of actions involved. This is where all the franchisor's know-how can be found and may include information on:

- The marketing strategy that is followed
- Success Instructions and Secrets for the Initial Session
- Detailed descriptions of the day-to-day activities and functions of the business. It may also include instructions for selecting staff

- Instructions for troubleshooting that may occur
- Guidelines for financial planning and accounting
- Other legal issues

3. Other Important Information: This section may include anything that the franchisor considers important to have at any time for the franchisee, such as:

- Names and contact details where applicable with franchisor employees
- Important addresses and details of other franchisees
- Information and dates for scheduled events, staff training etc.

7.5 Conformity check

The social franchising agreement and manual set the framework for the cooperation between franchisors and franchisees. The agreement sets out the legal framework, while the manual sets out the administrative and operational framework. However, these are only the cornerstones of cooperation between the two actors.

Effective cooperation is mainly achieved through the social relations between the workers and the representatives of the two institutions. Studies show that social franchising agencies are primarily interested in resolving any issues that may arise through the dialogue and personal cooperation of their members (Volery, T. Hackl, V, 2010: 172).

Franchisee's control over franchisees can take many forms. The most typical form is to submit written reports and questionnaires at specific regular intervals on progress and organizational issues. These reports are subject to review and evaluation by the parent agency, which decides on the basis of the franchisees' further training needs.

It may also be possible to import the relevant report data into databases maintained by the franchisor.

A more relaxed form of control mechanism is the close professional relations between the members and especially the executives of the two bodies. Thus, franchisor supervision can

take a more relaxed form through the personal contact of its members with franchisee executives in conjunction with on-site autopsy on social enterprise sites (Volery, T. Hackl, V, 2010: 173).

8. Examples of "Social franchising" from international reality & Good practices

Examples of social franchising from different countries around the world are following, with significant differences in their composition and operation.

8.1 Emmaus

Emmaus is an international community that exists in many countries around the world. Emmaus International was founded in 1971. Although the first Emmaus was founded in 1949 in Paris by a pope, Abbe Pierre, who had contributed to the French resistance during the war, in an attempt to house people who had lost their homes. It currently has 350 teams in 37 countries spread across Africa, Asia, Europe and the Americas. In essence it is a movement whose communities have been holding together some of the basic principles outlined in their international manifesto since 1969. The name Emmaus comes from a village in Palestine, where despair has given way to hope. The goals it supports internationally are: Immigrant rights, access to water, ethical funding, access to health care and education.

The Emmaus we refer to in more detail here is the organization of Great Britain. Its purpose is to provide meaningful housing and work to people who have experienced homelessness and social exclusion. Today, there are 29 communities in the UK that support 780 former homeless people. It operates as a federation of independent communities spread across different regions. It is run by a ten-member board of volunteer members based in Cambridge where the first British community was created. To achieve its goal, each community develops its own character adapted to local specificities, while maintaining the benefits of a national federation such as collaboration and mutual support and exchange of knowledge and information and promotion at national level.

Part of each and one's operation and of achieving its social purpose is to set up a social enterprise in the form of shops, where the homeless are hosted by the community. Furniture and other household items donated by the public to Emmaus are collected there, some of which are renovated and subsequently sold in the community's Emmaus stores, while others are recycled. There are also social catering businesses, gardening programs, and clothing stores.

These social businesses also contribute to the financial viability of each community by funding its other activities such as providing housing, food, clothing and a small weekly income to the homeless who are in need of housing. They also function as places where the homeless learn and develop new skills and talents, increasing their confidence and ability to move on with their lives.

The costs of starting a community are covered by donations from the local community, but in any case the goal is to be financially viable within 3-5 years of its establishment.

In order a homeless to be accepted in the Emmaus community, he needs to stop receiving social welfare benefits and agree with the basic principles of hosting community, that is, participate in life and work and not use alcohol and addictive substances. To eligible people are offered a specific support program that includes a community integration system, a personalized support plan throughout their stay, a training and skills development plan,

support for their exit from Emmaus, as well as whenever they need it on their next course. People who take refuge in Emmaus services say that working and having something to do every day, and being part of a community of people makes sense in their lives and is the most important benefit of their community experience.

The benefits to the wider community of operating communities have been calculated as follows: For every £ 1 invested in a community, £ 11 is awarded as a benefit at social, environmental and economic levels. In addition, several millions of pounds each year are estimated to be saved by the Ministries of Health and Justice as well as by the Local Government.

8.2 Wellcome

Welcome was founded in 2002 in Hamburg by Rose Volt-Schmidt. Since then, it has spread through social franchising throughout Germany to 230 locations, but also to Austria and Switzerland. Its purpose is to provide support to young mothers who cannot get help from their family or friends. Helping them to adjust to the new reality of life with their baby smoothly, prevents the crises that may arise during this new period, facilitating positive emotional attachment to the baby. This is done with the help of a trained volunteer who visits the mother for a few weeks or months in the first year after birth and helps her to cope with her daily routine. The volunteer undertakes one or two times a week for two to three hours to go to the new mother's home, whether she has other children or not and to assist her in the following ways. She can take care of the baby while she is sleeping, resting or doing other work. He can take care of the other brothers, if any. She accompanies her to the pediatrician or just listens to her problems and advises. Essentially, it gives the mother time to regain her strength after birth.

Welcome charges a one-off fee of € 10 and € 5 for each volunteer visit. This money also covers insurance and travel expenses for volunteers. But even in the case of mothers who do not have the money, welcome still provides its services.

The headquarters of the franchisees is located in Hamburg. It is a non-profit organization founded and operated as a franchisor. Its funding comes mainly from national funds. It also receives a small lease financing from franchisees. Its concern is quality assurance, raising funds nationally, and public relations for the program. It employs sixteen full-time or part-time employees. Every new social enterprise set up as a franchisee in other areas is partly funded by public donations, public funds and beneficiary families who pay the low rates mentioned above for using the services.

Hamburg's central welcome, acting as national coordinator, is committed to supporting the start-up of the new social enterprise in five stages. The training of volunteers in each group is done through local agencies and social services with which the franchisor works so that their executives, who provide training to the volunteers on a regular basis, are paid for their extra work. There are good quality standards and specifications that franchisees need to adhere to, and they are provided with detailed information manuals and ongoing support for fundraising processes. Generally the standards that need to be met are few. Similarly, control mechanisms are also few and mainly limited to questionnaires that are completed twice a year in order to identify particular problems of each franchisee and to provide appropriate support or training.

8.3 Youth-to-Youth

It is a program aimed at improving the sexual and reproductive health of young people. Through a network of youth clubs it supports, empowers and trains young people, who educate other young people on issues related to their sexual education, such as contraception and protection against sexually transmitted diseases.

It has operated in African countries, Ethiopia, Kenya, Tanzania and Uganda. The program was suggested by the German World Population Foundation (DSW), which also acts as a central franchisor. It trains intermediate franchisors who train and co-ordinate local youth groups

operating under the brand name youth-to-youth. These intermediary franchisors are usually non-profit organizations with which the German World Population Foundation works.

Youth centers operate autonomously and have the ability to transfer knowledge and information to a large number of young people based on networks. The program is funded through donations from individuals, organizations and other institutions. A small income can be made for young people as they can sell condoms and contraceptive pills through social marketing. They are encouraged to use this income to buy their own condoms.

DSW's obligations as a franchisor are to provide financial support to youth clubs and to provide information, education and communication. Intermediate franchisors support and coordinate youth groups locally as well as checking and ensuring that the quality of service is maintained. Franchisees, youth clubs, run the program locally and organize outreach activities, coordinate youth experiences discussion groups to learn from each other, and organize activities reported to save a small income. There is a handbook for educating young people among them to ensure the quality of the program. Checks are carried out at regular intervals and reports and studies are sent to measure their performance.

8.4 Aflatoun

Aflatoun was born in 1991 in Mumbai, India by Jeroo Billimoria as a research fellow at the Tata School of Social Studies with the aim of bringing poor and wealthy children together to share their experiences. Her name derives from the homely, but heartfelt, character of Bollywood films. Also in Arabic Aflatoun is the name of the Greek philosopher Plato.

Since 1993, the need for a continuation of the program has become urgent because of the inter-ethnic controversy that erupted in Mumbai. This gave special emphasis to the education of children in the elimination of prejudice and discrimination and in the learning of human rights. Many children had, meanwhile, come to Mumbai from neighboring villages, so they were given priority in saving their money by working on the streets of the city. In 2005, Aflatoun (Child Savings International) was internationalized as its headquarters were

moved to Amsterdam and Jeroo Billimoria became known for its efforts to educate children socially and economically.

The test of whether the program could succeed outside India was done by replicating it in 10 countries, with the ambition of reaching 75 countries and one million children. These goals were achieved by 2011. Aflatoun's goals have since expanded, including Aflateen, a program for teens, and Aflatot, a program for toddlers. Its goals by 2020 include the social and economic education and empowerment of 20 million children and young people to act as agents of change for themselves and for the world towards a more equitable and fair living.

Amsterdam-based Aflatoun operates as a non-profit organization. Its purpose is to provide social and economic education to children and young people so that they can break the cycle of poverty and inequality and become financially independent, exploiting their talents and claiming their rights, in countries and societies where education systems are inadequate and where incomplete social welfare services are provided.

Today, with a network of 200 non-governmental organizations and 30 governments, its benefits have reached 5.4 million children in 116 countries. It has a network of its central partners in various countries around the world. Each national partner is supported by national and international stakeholders in order to become a national education and know-how center. All partners are branded Aflatoun and have the same program that incorporates five core values and eight successive levels of children's education with the corresponding educational material.

Each partner is financially independent as he or she decides on his or her own expenses, and is supported by Amsterdam's central organization through in-person or online meetings and education and technology. It is also the role of the central organization to disseminate good practice locally and to carry out audits to ensure the quality of services and to improve educational programs and materials. It also provides support for the creation of new local partners, while taking action internationally to promote the organization's recognition as well as education and children's rights.

Franchisees are selected on the basis of their experience in providing education to children and their ability to network with other relevant organizations. They are branded by Aflatoun, follow their curriculum, use educational material that adapts to the local language and local specialties and, ultimately, make sure they self-evaluate their service offerings, in addition to being evaluated by the central body. To this end, the central agency has set up an online tool for assessing the quality of partners. Central to the audit are examining the impact of the program locally and assessing the social return on investment measured by quantitative criteria.

8.5 Fruit to Suit

Fruit to Suit was launched in 2006 as a social enterprise by teacher Terrie Johnson, when she noticed the need for healthy snacks in school canteens. She began to test the demand for healthy snacks in the canteens, which quickly became very popular with children. So he started to establish healthy snack bars in schools and at the same time educate their students on how to make these healthy snack bars.

Her social goal is to make students successful social entrepreneurs who promote healthy eating. The structure is as follows: The school owns the cafeteria, while franchisees supply and distribute healthy snacks and train their classmates, under the supervision of an adult, usually a teacher, as people who are involved in this process to be members of the local community and school are required, so that they are aware of the local and school specifics and at the same time enjoy the purpose of healthy eating for children.

Fruit to Suit is aimed to mothers who are interested in earning a living and also in helping their children stay healthy by contacting the Working Mums network. Mothers are informed by phone before they decide to meet in person and work together. The franchise partnership begins with the payment of an initial £ 2,500 by the mothers who set up the franchisee social enterprise and a 4% sales contribution. This money covers the business supply of healthy snacks and leaves a small percentage of profit that increases over time. Support for franchisees is provided by telephone, email and in-person meetings every six

months. Today, franchisees number 100 across the UK. However, mainly due to the lack of up to date measures of social impact, Fruit to Suit makes it difficult to find funding through investment banks.

8.6 School for social entrepreneurs

The School for social entrepreneurs was founded in 1997 in London. It runs long-term training and support programs for social entrepreneurs and those who want to enter the social economy. It provides the necessary tools and know-how to people who want to improve the lives of their local communities, as well as their personal lives.

It is estimated that each year it helps 1,000 people, with different educational and social backgrounds, develop the skills, abilities, and networks to respond to social problems through the establishment of social enterprises.

The programs aim to establishing, empowering and developing these businesses. The way how this education differs from the traditional one is based on learning through action. They also support mentoring.

It was founded in 1997 by Michael Young, who already had extensive experience as a founder of various organizations such as the Open University, the Consumers' Union and others. Today a network of social entrepreneurship schools has been developed in the UK, Canada and India.

In 2000, two years after the first school was established, it became apparent that the business model could be replicated and operated in other areas. With the award of a prize and the associated funding, nine local social enterprises were established within the UK and later 1 in Canada and 1 in India.

Each local school is run by a local team and operates as an independent social enterprise, the franchisee of the original London-based school for social entrepreneurs. Every year the franchisor checks the franchisees to make sure they are operating in accordance with the franchisor's schedule and that they meet their quality standards. The achievement of their

social purpose is measured by specific tools, the same for everyone. In addition, an independent body audit is carried out every three years to ascertain the achievement of the social objective. The franchisor shares the know-how and innovations with all franchisees and provides them with the tools of marketing and online presence. The elements that the franchisor is considering to work with prospective franchisees are faith in entrepreneurship and initiative, a desire to create positive change in the local community through entrepreneurship, a good networking in both their local communities and organizations, public services, sponsors and potential students.

8.7 Le Mat

Le Mat is a network of social businesses that through the social franchise have reproduced the first Le Mat founded 20 years ago in Trieste, Italy by a community of young, former psychiatric patients, artists, addicts, doctors and other supporters.

They offer high quality accommodation while at the same time, offer work to people who have found it difficult to find a job. The franchisor has created a Quality Handbook for each partner, combining his know-how with the views of executives and employees of each local social enterprise, listing their daily operating rules.

Le Mat is owned by associations of various social cooperatives in Italy and Europe, which collectively own the brand and elect the central board of directors every three years.

8.8 VisionSpring

VisionSpring was founded in 2001 by Jordan Kassalow and Scott Berrie in New York. Its social mission is to reduce poverty in developing countries through increased productivity. This is aided by the use of eyeglasses by the populations working in the fields and elsewhere.

As has been observed in various studies, due to visual problems even as simple as presbyopia, the populations of developing countries find it difficult to focus their eyes close and therefore to be productive in simple tasks. As their income is reduced they cannot buy expensive boats. That's why VisionSpring produces and supplies them at a very low cost,

which varies depending on the income and particularities of the employees in each area. In addition, it offers jobs to those who want to sell these boats, especially women who have the opportunity to earn an extra income.

Its franchisees can be medical centers, hospitals, kiosks, mobile medical practitioners, agricultural cooperatives and others. Essentially, they order from the central business in New York, which operates as a regular commercial business, the number and type of glasses they want and are charged with the costs of producing, shipping and clearing the glasses.

The central VisionSpring, which acts as a franchisor, ensures that franchisees are trained in the use and choice of glasses for each client in any case when it comes to presbyopia or helium. For this reason it has an online tutorial on its website and a related educational manual. It also provides the good name and confidence it has created in developing country markets through its partnerships with various agencies and institutions.

8.9 Dialogue in the Dark

Dialogue in the Dark was founded in Germany in 1988 by Andreas Heinecke in an effort to break down the stereotypes of people who have vision for people who are blind. By coming to terms with their living conditions, they are becoming more aware of the exclusion of blind people from education and work. He did this by putting visionary and blind people together in the dark.

In the Dialogue in Dark exhibitions, the blind drive visionary people, equipped with only a walking stick to cope with day-to-day living conditions, such as a walk in the park, a coffee, a boat ride, playing in the dark in specially designed spaces. . This experience is both instructive for people with vision and useful for people without vision because it offers them a place to work. It offers transformative learning and dedication to the here and now. It contributes to the mutual understanding of role reversal. It creates emotional bonds and trust between the people involved.

The exhibitions and workshops of the program are run by people with disabilities, who find meaningful work for themselves and for the community. Today the Dialogue in the Dark project is a network with presence in 41 countries around the world, in Europe, America, Africa, Asia and Australia, in the form of exhibitions, workshops and dark meals.

Its operating model is based on paying a ticket to attend events which costs between 9 and 16 euros per visitor. There are additional charges if you use the coffee or Dinner in the Dark services. Thus every social enterprise on the network is self-funded and covers its operating costs so that it does not need third part donations.

The functional model of the Dialogue in the Dark social franchise is very well designed. An external consulting firm has designed and manages the standardized guided tour process and acts as a franchisor. There are two forms of franchising.

A short term that lasts between 6 and 12 months, usually selected by museums or other cultural organizations to host in the form of an exhibition for this limited time.

The other form is permanent, followed by social business franchisees who undertake to operate the entire program. There is an initial rent that franchisees are required to pay as well as an operating rent which ranges between 130 - 180 euros for each day of operation.

The franchisor provides them with the format and outline of the report, the technical plans, the training of blind guides, detailed design and operations manuals, advisory support throughout the program, tutorials for teachers and pupils and, finally, integration into the network of Dialogue in the Dark by providing his name.

Franchisees need to find the space themselves with the right specifications, secure funding, follow the procedures provided, hire all the staff they will need and operate the reports. Responsibility for marketing and PR also lies with the franchisees.

8.10 Marie Stopes International

Marie Stopes International was founded in London in 1976 by Tim Black, his wife Jean Black and Phil Harvey, when they decided to reopen the family planning clinic for poor and excluded women renowned for its contribution to Marie Stopes. , after it closed in 1975.

Today Marie Stopes International has 12,000 members and operates in 37 countries around the world. The social purpose of its function is to empower and inform women that childbirth is a matter of their own choice, not an accidental fact. It trains women on contraceptive methods and safe abortion so that they can make their own decisions about their future. MSI operates as one of the largest worldwide providers of voluntary family planning services through five channels: clinical, mobile, social franchising, community awareness and social marketing. As for the social franchising model it uses, the selection of franchisees is made very carefully. Although the practice of international franchising began in 2004, the operating model on which it was based enabled the program to be rapidly reproduced and disseminated. The reason is that MSI chose already existing private healthcare providers as franchisees. Taking advantage of the existing structure and facilities of the partners she chose, it was very easy to promote her program services in the field of family planning.

Thus, in 2015 the network of franchisees numbered 3,600 in 18 countries, providing services to 3.75 million women, who are largely experiencing conditions of poverty and social exclusion. In any case of social franchisee, franchise creation has taken into account the particularities and needs of the local community, with the benefits varying from the introduction of new services, in particular family planning, to improve the quality of services already provided, or expanding existing options. It has also been able to expand the age categories of the beneficiaries, attracting younger populations under 20, as well as poorer populations (Munroe, E., Hayes, B., Taft, J.:2015).

To become a franchisee health service provider, and to provide family planning services under the name of Marie Stopes International, she pays a small initial rent. In return, it receives both initial and continuing training on a broad range of reproductive and sexual health services, preventable communicable diseases, counseling, and most importantly how

to care for their clients' needs and give them primary importance. When the initial training is completed and the necessary quality checks are carried out, the brand name as well as high quality pharmaceuticals and other material at low prices are sold to customers under a pre-agreed price policy.

Services offered under the MSI brand include emergency, short- and long-term contraceptive techniques as well as safe abortion and post-invasive care and family planning.

8.11 The Trussell Trust Foodbank

The Trussell Trust under the slogan 'Stop hunger in the UK' supports a network of Foodbanks spread across the country with the aim of stopping hunger and poverty. It also has a network of volunteers, professionals, local and national agencies, and social businesses and funding programs for its various social actions.

Through social franchising it supports a network of 1,200 Food Banks that collect food left over from various local agencies (churches, supermarkets, schools, etc.) but also individuals, distributing it in the form of a three day food voucher to people who have been reported by social workers and other associates as being in crisis and experiencing hunger.

Within a year between April 2017 and March 2018 they offered more than 1.3 million three-day food packages. In addition, many Food Banks have been developed and offer other programs aimed at tackling poverty in addition to food supply.

The system of social franchising on which it is based is well organized. As a franchisor he offers: Training, Operational Manual, Support from an Area Manager and central staff, template for the franchisee's website that can be adapted to his needs, branding and information, online forum, data gathering system, annual audits and a quality assurance system, conferences and links to businesses with surplus food.

The initial rent that the franchisee is required to pay is £ 1,500, and for the following years he is entitled to £ 360 a year to cover the cost of the services he receives from the franchisor. The latter also has franchisees shares of the funding it receives from various national and local agencies.

The success of the system is based on the fact that it relies on the involvement of local and community actors for its operation. It activates members of local communities either as food donors, as volunteers at Food Banks, or as experts identifying the criticality of hunger cases.

On the other hand, franchisees are selected through an informal, but systematic process where both motivation and involvement in community life are identified.

The handbook given to them is very informative and covers all the questions they may have after participating in the interviews and selection process.

Thus, in combination with the simplicity and low cost of the operating model, it is easier to start the franchise immediately, provided that the financial viability of the venture is previously ascertained by providing the franchisee with the necessary funds.

However, it took 5 years to complete the first franchise as it was particularly important to properly prepare all processes and success factors.

In this context, training franchisees is based on an assessment of each person's needs and priorities in the skills he or she is interested in developing. They also accept tips, ideas and innovations that franchisees propose to suit local needs, which is why each Food Bank is relatively different.

9. Linking 'Social franchising' with 'SOCIAL PLATE' project

The project "SOCIAL PLATE" has a program purpose to support the establishment of a social enterprise in Greece (Central Macedonia) and to promote it in Bulgaria through social franchising. In other words, it aims at the cross-border transfer of social enterprise from one country to another. The purpose of the social enterprise would be to distribute long-term products that would otherwise be wasted, promoting an ecological approach while employing individuals from economically and professionally disputed groups to ensure the day-to-day operations of the entity.

This choice of target was made after examining the social problems that exist in the cross-border region of Greece - Bulgaria, where mainly inhabited rural populations have to deal with several factors of social exclusion, such as high levels of unemployment in the region on both sides borders, low levels of education and gradual population decline, as young people,

especially university educators, prefer the larger urban centers that offer higher job opportunities and better living standards.

Social entrepreneurship has helped to tackle similar problems in different regions of Europe with similar characteristics. Young people with low education and relatively few job opportunities in the cross-border area, older people who have lost their jobs due to the crisis in Greece and therefore their incomes, but have enough work experience that can be utilized through the establishment of social enterprises, all of these populations can find a way out through social entrepreneurship.

The idea of the project was developed as a solution to the issues of unemployment, poverty and social exclusion. It aims to promote regional cohesion through the creation and promotion of social enterprises in Greece and Bulgaria with a dual objective. On the one hand to provide long-term unemployed and marginalized people, on the other hand to feed people from vulnerable social groups. In addition, through training seminars, the project seeks to increase the skills of the unemployed as well as people already working in other social enterprises lacking in marketing, business planning, etc.

Given the lack of financial resources of these populations, social franchising is suggested as the most appropriate solution for transferring the know-how and the advantages that will result from the operation of the social enterprise in the Greek cross-border area, as, as we have seen, requires no special financial resources. , on the other hand, can rapidly reproduce positive social outcomes from one region to another, while incorporating any local specificities of the new region into Bulgarian culture. In addition, social franchising enables the social integration of the franchisee's business as long as it functions as an autonomous social enterprise, very important for the characteristics of the populations of the cross-border region.

Without access to sources of income and higher education, factors associated with easier acceptance of innovations, these populations will more readily accept and participate in a social enterprise that can integrate into local communities and local cultures and habits,

unless it was an organization run by and referred to the central administration, from which they feel neglected, or some other foreign organization that would treat it with suspiciousness.

10. Conclusions – Suggestions

The practice of social franchising is, at international level, a new and ongoing process. For the last 20-30 years various non-profit organizations and social enterprises have been working with other partners in the form of a social franchise, aiming to disseminate and reproduce their successful model. The ultimate goal, of course, is to contribute to achieve their social purpose in more and more places on the planet and to provide their services to as many beneficiaries as possible. As far as a practice is concerned, it is next to do a lot of experimentation and there are not always exactly defined procedures and limits. This is

partly positive, of course. Since the driving force behind the operation of social enterprises is to achieve social impact, there is scope for adjusting the modalities of cooperation according to the local specificities of achieving that goal.

In Greece, there is no such a record of social enterprise reproduction through the practice of social franchising. Also, there is no other text written in Greek that can serve as a guide to the operation of social franchising in the event that some social enterprise would like to rely on it to begin the process. There are several relevant texts in English language, as can be seen from the literature accompanying this guide. Some of them are entitled 'guides', 'manuals' etc., and have been written by financial and consulting specialists, but specialized in Social Economy and social business with years of experience in topics such as trade and social affair franchising. Also, there are several scientific articles in English that attempt to investigate and analyze the phenomenon of social franchising by studying it from various angles.

The term franchising in the legal texts in the Greek language is given as franchise. However, in this guide we have chosen to maintain the English term franchising, as it is a well-known and used term even in the Greek territory, mainly through the existence and operation of large commercial chains widely reproduced through commercial franchising. The term franchise would add another difficulty in familiarizing the Greek public with the transfer of practice in the area of Social Economy. If we want to give a comprehensive definition, as has been the result of relevant scientific research, this is:

"Granting a right, usually in the form of a license, to exploit a business model, including the marketing system and branding, and perhaps even paying a rent. There is control and support of the franchisee (franchisee or receiver) by the franchisor (franchisee or donor), and for both of them the goal of achieving a social outcome in terms of distributing profits to shareholders is paramount. Organizational structure and culture, processes, management and resources are more decentralized than commercial franchising. Correspondingly, there is a tendency for cooperation with other actors rather than competition. Finally, there is greater complexity in involving other players and customers "(Crawford-Spenser, E.:2015).

Although the practice of social franchising abroad is relatively new, the messages we receive from its implementation are not only positive but also very encouraging in their results. This is because, as conception and implementation, social franchising has many advantages that are specific to the particularities of the Social and Solidarity Economy.

It combines the logic of the microcosm with the logic of the macrocosm. Applying locally, responding to the particularities of the populations it serves, an internationally recognized and successful model. It operates at the micro-level of the local community, while at the same time contributing to the global economy and marketing through its network of partners.

In other words, it is a model that responds to today's network society. It maintains its autonomy and the effectiveness of its operation in local communities by serving the needs of people in their daily lives. At the same time, it is interconnected and supported by its position as a network of partners within the global economic and political landscape (Beckmann, M., Zeyen, A.: 2014).

In particular, it ensures the spread of a successful idea and implementation of a program to tackle a social problem, without having to increase the bureaucracy of the original organization, which would mean more complicated and cumbersome processes and, consequently, delays in achieving the result.

Through the use of the know-how of the original organization and the trust already developed in its name, it is possible to instantly reproduce itself effectively delivering services to achieve the social purpose in other areas of the same or different state.

As we have seen from the examples presented in the relevant chapter, social franchising allows access to excluded populations, both geographically and socio-economically, of people with proven quality and efficient services at low cost, where state-owned It is enough or not enough, and a purely private initiative would have no incentive to develop because of the low profit margin it would have on such populations and areas.

Thus, for example, through social franchising, millions of people in developing and poor countries are being helped to learn about implement family planning and the prevention of sexually transmitted diseases.

Children living in poverty and working in the streets of India and elsewhere are supported, empowered and educated by learning to support themselves.

Homeless people in many countries around the world find a meaningful way of life and work.

New mothers in Europe are supported and practically helped to adapt during the difficult postpartum period.

People who face difficulties with food have access to good quality food.

In all the previous cases, if the practice of social franchising had not been recruited, these people would have been left without help and support, as either public welfare services are inadequate or inaccessible to the places where they live, or private initiative has no benefit to earn as these populations do not meet the model of the well-to-do customer that will give them the profits they seek.

The fact that a successful service model has been used and reproduced elsewhere has been saved from unnecessary hassle and waste of resources, which in any case could not be devoted to experimentation in the field of Social Economy.

At the same time, it gives the franchisee the advantage to start from a level that will quickly bring good profits both socially and financially.

Social franchising thus achieves accessibility for populations that would not have access to such services due to poverty or remoteness from residential complexes, eg. medical, welfare etc.

Availability is also being achieved as officials and people who would like to provide these services could not easily reach remote, poor and excluded populations.

Finally, in addition to the accessibility and availability of services, it is very important that social franchisees gain acceptance in both the populations they target and the local and national agencies, as they replicate patterns that have been known and achieved in other areas, and therefore, their name is associated with a certain level of quality and trust (Alur, S., Schroomans, J.:2016).

At this point it would be useful to underline the criticality of finding and collaborating with appropriate franchisees to achieve these goals.

As social franchising combines two parameters, efficiency in serving social purpose and economic viability, it is necessary for prospective franchisees to be committed to the social purpose pursued, but at the same time possessing a degree of business and financial spirit. A combination that is generally difficult to find because either agent or the other usually prevails (Alur, S., Schroomans, J.:2011). However, as we have already seen, the right choice of franchisees is one of the success factors of the whole venture.

Although painful to find, the franchisee's benefits are numerous, and certainly more than if he were in the process of starting a social enterprise from scratch.

Undertaking social franchising is a much safer option, at a much lower cost, than creating a new one, as it replicates an operating model that is already well known and successful. Therefore, it guarantees a higher start-up and recognition among the beneficiaries and the operators.

At the same time, the training the franchisor receives is a benefit that offsets years of experience and operation on a trial and error basis. The support and guidance that accompany this training further reduces the uncivilized factors that would otherwise exist.

In addition, welcoming the franchisee to its existing and well-known franchisor network provides access to a much wider range of funding sources at national or international level, which is impossible for a newly established social enterprise.

As well as other benefits arising from exploiting the franchisor's network such as trust, availability and recognition.

Overall, the practice of franchising greatly reduces the risk, insecurity, and resources needed to start a new social enterprise (Hurley, K., 2016). The cost of taking over the franchising and leasing to the franchisor is far less than the cost of capital that he would need to invest if he started from scratch.

Similarly, there are significant benefits to the franchisor. First, with the choice of franchising, it has the potential to spread its social reach to places that it could never achieve on its own. Had it chosen to open branches to achieve the costs it would have been far greater and the bureaucracy it would have had to develop for the administration and control of the branches would have been too high and would have delayed its operational performance.

Also, by expanding the network and its presence in various locations, it increases the chances of finding larger funding.

It also has the opportunity to incorporate new knowledge of local communities and markets and to enrich its existing knowledge of how to achieve the social goal.

Finally, it is an opportunity to transmit the know-how that has accumulated since its inception and to be compensated for it.

But discussing advantages, the greatest benefit of social franchising practice for both the franchisor and franchisees is that of social inclusion. Probably, this is the most important aspect of it, as social enterprises exist for society and operate to solve social problems. An organization that would not achieve social inclusion would be unable to reach wider social strata and achieve its social purpose.

The way social franchising operates underpins and harnesses important social values such as trust, commitment, solidarity, reciprocity, sharing of responsibility, limiting the power of central government, constitution, constructive conflict management and flexibility. In this

way, a holistic approach to addressing social issues is achieved (Zafeiropoulou, F., Koufopoulos, D.:2013).

Educating the social partners and system partners on the above values is also the criterion for the success of a social franchising.

The examples we saw in Chapter 8 build on their success, to varying degrees, on the social integration of the system into local communities and the awakening of the above values to both their executives and the actors and individuals involved with one or the other way in their operating network.

It is, therefore, a proposal of this guide, in addition to the existence and compliance with the specifications and conditions referred to in the chapters on the reproduction and operation of a franchising system, the examination of the degree of social integration of the existing social enterprise or body and the cultivation of values. , mentioned to franchisees in order to achieve this degree of social integration that will enable them to accomplish their goals.

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Electronic sources

Useful websites for material and articles on many topics on social franchising

<http://www.socialsectorfranchising.org/>

<https://www.springimpact.org/>

<http://www.socialsectorfranchising.org/faqs.html>

<http://www.cecop.coop/>

Websites of organizations that have taken forms of social franchising

<https://www.emmaus.org.uk/>

<https://www.welcome-online.de/>

<https://www.dsw.org/en/>

<https://www.aflatoun.org/>

<https://www.fruittosuit.co.uk/>

<https://www.the-sse.org/>

<https://global.the-sse.org/start-a-school/>

<http://www.lemat.se/en/>

<https://visionspring.org/>

<http://www.dialogue-in-the-dark.com/><https://www.maristopes.org/>

<https://www.trusselltrust.org/>

Annex:

Social franchising readiness questionnaire

The following 10 questions are written to help any organization interested in reproducing determine their level of preparedness. (Cited by Dan Berelowitz, 2012, based on a tool developed by Social enterprise UK):

For each of the following questions, rate your organization on a scale of 1 to 10, with 1 translating to "not ready" and 10 to "ready":

1. Does the model in which your organization operates cover social needs without relying on a single human being or on any other non-reproducible element?
2. Can the model be easily transferred to other locations / regions / countries / continents with or without adaptation to local culture and conditions?
3. Have your operating processes and systems been developed in a way that can be transferred and assured of quality?
4. Has the financial viability of the model been demonstrated and developed?
5. Is there a commitment of the team of employees, executives and management to the organization?

6. Have the legal documents and financial procedures for social franchising been formulated?
7. Is the brand and the values that the organization embodies recognized?
8. Is there a significant demand / need in the market?
9. Are there prospective franchisees who are eligible and want to commit to the goal?
10. Are there any organizations and other stakeholders who would welcome the model reproduction?

Total: _____

Results:

75-100: Ready or almost ready to move on.

50-75: You need another percentage of empowerment before you proceed.

25-50: There is a prospect of reproduction, but more work is needed to this end.

0-25: It's too early to reproduce the model. A lot of work needs to be done in this direction.