**Research into the factors that contribute to community business success**

**Topic guide for those involved in founding, managing or running a community business**

Introduction and consent

* Introduce self and NatCen Social Research/WPI Economics
* Explain the **purpose of study and funder, and provide an overview of the methodology** 
  + NatCen and WPI Economics have been commissioned by Power to Change to carry out research on the community [pub/transport/ housing sector]. This research will increase understanding of the success factors for the [pub/transport/housing sector] across the lifecycle.
  + We are conducting this research in tandem with two other sectors [pub/transport/housing sectors]
  + This research, funded by Power to Change, is intended to support the growth of the community business sector.
  + The research involves three main strands: qualitative interviews with stakeholders to explore views on the success factors for community businesses; desk research to inform the development of a set of social and economic measures of success to be tested at main stage data collection; and 12 case studies of community businesses to enable in-depth exploration of enablers and barriers to success.
* Describe **key topics** covered during interview and duration:
  + NatCen are carrying out 12 case studies to capture experiences of running a successful community business and to discuss what has helped to make the business a success. We are also interested to learn about whether and how the business has overcome any challenges.
  + Case studies will involve interviews with those involved in founding, managing or running the business and a focus group with customers. Information on the business will also be gathered through a short questionnaire and a review of documents such as published accounts or business plans.
  + Interviews will last up to 45 minutes. Taking part in the research is completely voluntary. If the participant agrees to take part, they are free to skip questions and can bring the discussion to an end at any time. Participants can withdraw from the study without giving a reason by contacting Malen Davies [NatCen Senior Researcher, contact details are in the information leaflet] by 10th March.
* Explain how data will be recorded, stored, used and shared and **limits to anonymity**
  + With permission interviews with be audio recorded for accuracy. Audio recordings a will be stored securely and only named members of staff at NatCen and WPI Economics will have access to the data.
  + A transcript (written version) of the interview will be produced. With permission the written transcript will be securely stored in the UK Data Archive, and shared with Power to Change, to help with future research. We will try to delete information that could identify you. Explain that the participant does not have to make a decision about this now. It will be discussed in more detail at the end of the interview.
  + Information from all three strands of the research will be used to produce research reports.
    - This includes a short case study report focused on their community business. This report is intended to showcase the business and highlight the factors which have helped to make it successful. **Explain to the participant whether the business has opted to be named in the case study report or to take part anonymously. Explain who in the business will see the report before it is published.**
    - Explain that the research team will also produce published reports that present the findings of the research at aggregate level. These reports will not attribute findings to named businesses.
  + Explain that views will **not** be attributed to named individuals in any research reports. While NatCen will take further steps to maintain anonymity, it is possible that some views will be identifiable due to the size of the sector/some businesses opting to be named in case study reports. Explain that the participant will have the opportunity to review their contribution at the end of the discussion and redact information if required.
* Check whether participant has any questions and **seek written consent**

Section 1: Background

* What the participant’s **roles and responsibilities** in relation to the community business are
  + How long they have been involved in community business
  + What attracted them to community business/role

Section 2: [Brief] Overview of business

* What **terminology** they would use to describe their organisation (e.g. community business, social enterprise etc.)
* Views on **what defines a community business** e.g.
  + *Locally rooted: rooted in a particular geographic area and responding to its needs*
  + *Accountable to local community*
  + *Trade in goods or services with a view to being mainly independent of grants*
  + *Broad community benefit/positive social impact*
  + *Other*
* Clarify understanding of **the key characteristics of the community business**

[*Note: the interviewer will have familiarised themselves with key information about the community business prior to the interview and so will use this section to clarify key details or fill any gaps. This section will provide important contextual information to inform the rest of the discussion*.]

* + How, when and why community business was established
  + Nature of goods/services delivered
    - Relative importance of different trading activities in terms of commercial viability and delivering social benefit
  + Communities served
  + How business is managed/run e.g. paid staff and/or volunteers

Section 3: Defining and measuring community business success

* Explore the **meaning of success** in the context of community businesses
  + [e.g. reduced isolation, community cohesion etc.]
* Explore the **relationship/interaction** between the goals of community businesses
  + What the priority order is
  + Whether there are circumstances in which community businesses face competing priorities and how this is managed
* What the key successes and challenges of the business are perceived to be and whether/how this is measured
  + *Commercial viability*
  + *Social value*
  + *Any unanticipated successes/challenges*

Section 4: Factors influencing the success of community businesses [**PRIORITY**]

* Explore the participant’s views on the **key factors influencing the success** of the community business at the **pre-venture and trading stages**. *Please explore differences across the business lifecycle where appropriate.*

**Business-related factors**

**Business plan (including business model)**

* Explore whether and how the business plan/model has influenced success
* Explore process of **developing a viable business plan**
  + Who involved, when and for what purpose
  + Ease/difficulty of developing a viable business plan and reasons for this
    - *Estimating local support/demand for service*
    - *Estimating level of competition within market*
    - *Making realistic financial calculations/projections e.g. cash-flow, profitability, costs of purchasing and refurbishing assets*
* Explore **strengths and any limitations of** **business model** 
  + Explore key strengths/any limitations of business model
    - Whether the products/services meet needs/expectations of customers
    - Whether there is an adequate customer base for community business
    - Whether and how business balances social value and commercial viability and how this is achieved
  + Explore whether and how the community business has **diversified** 
    - Reasons for this
    - Timing
    - What the benefits/risks have been

**Finance**

* Explore whether and how the **financial position** of the community business has influenced success
* Clarify key information about the financial position of the community business
  + Whether community business is/aspires to be independent of grants/subsidies and how achieved
  + Main sources of finance e.g. grant, loans, trading income
  + Balance of income from trading/non-trading sources and reasons for this
  + Most/least ‘profitable’ trading activities and reasons for this
* Explore key strengths and weaknesses of the financial position of community business e.g.
  + *Ease/difficulty of accessing finance*
  + *Cash flow*
  + *Liquidity*

**Ownership and legal structure**

* Explore whether and how **ownership and legal structure** have influenced success
  + Views on suitability of chosen legal and ownership structure
  + What the key strengths and weaknesses are and reasons for this
  + Any suggestions for improvement

**Organisational culture**

* Explore whether and how organisational culture has influenced success *e.g. being open minded with respect to developing new product/service development, being willing to embrace change* 
  + Key strengths and weaknesses of organisational culture and reasons for this

**Factors related to human capital**

* **What roles are required to set up and run a community business** and reasons for this e.g. leaders, project managers, operational managers, delivery staff, volunteers
* **Clarify division of roles and responsibilities** between those leading, manging and delivering the business
  + Whether particular roles are separated or combined e.g. leader and project manager

**Governance and leadership**

* Explore **leadership** in the community business
  + Who provides leadership and direction for the community business
  + Whether position (s) is paid or on a voluntary basis and reasons for this
  + Whether and how those leading the community businesses were selected for role
  + What skills/experiences/qualities are required to successfully lead a community business Ease/difficulty of finding suitable candidates and reasons for this
  + Ease/difficulty of succession planning [*identifying and developing new leaders*]
* Explore how the community business is **governed**
  + What formal/informal governance arrangements are in place
  + Division of roles and responsibilities between governing body/managers
  + How decisions are made by governing body
  + Who the community business is accountable to and how this is achieved
* Views on **effectiveness of leadership and governance** arrangements
  + What the key strengths and weaknesses are
  + Suggestions for improvement

**Capacity [workforce]**

* Explore **day-to-day managemen**t of community business
  + Who manages the community business and their roles/responsibilities [if not covered above]
  + Whether position(s) is paid or on a voluntary basis and reasons for this
  + Whether and how those managing the business were selected for role
  + What skills/experiences/qualities are required to successfully manage a community business
  + Ease/difficulty of finding suitable candidates and reasons for this
  + Ease/difficulty of succession planning
* Explore role of **staff/volunteers** 
  + Who is involved in the day-to-day delivery of goods/services
  + Whether positions are paid or on a voluntary basis and reasons for this
  + Whether and how operational staff/volunteers were selected for role
  + What skills/experiences/qualities are required for role
  + Ease/difficulty of finding suitable candidates and reasons for this
  + Ease/difficulty of succession planning
* Views on **effectiveness** of workforce arrangements
  + What the key strengths and weaknesses are
  + Suggestions for improvement

**Partnerships**

* Explore importance **of partnership working** to the success of community business
  + Who key partners are and how they contribute to success of business
    - *Supply chain*
  + What the key strengths and weaknesses of partnership working are
  + Suggestions for improvement

**Factors related to the community and external environment**

**Community buy in and support**

* Explore influence of **community buy-in and support** on the success of community business
* Level of support required and who from *e.g. residents, local decision makers etc.*
* Ease/difficulty of obtaining community-buy in and reasons for this
* Strengths/weaknesses of approach taken to securing community buy-in
* Suggestions for improvement

**Approach to community ownership by public bodies etc**

* Explore influence of the **approach to community ownership** by public bodies
* Level of support required and who from e.g. which individuals/department/ bodies
* Ease/difficulty of obtaining support and reasons for this
* Strengths/weaknesses of approach to obtaining support from public bodies, property owners, developers etc.
* Suggestions for improvement

**Availability of support and guidance**

* Explore role of **external support and guidance** to success of community business
* Nature of support required and who this was provided by *e.g. peer-to-peer, sector bodies, public bodies*
* Key strengths/weaknesses of support and guidance provided to community business

**Market conditions/social and economic context**

* Explore role of **market conditions/wider social and economic context** on success
  + Key opportunities/threats presented by market conditions and how they were navigated *[issues related to demand, legislation/regulation may have already been discussed]*
  + What worked well/less well
  + Suggestions for improvement

**Legislation/regulation**

* Explore influence of **legislation/regulation** on the success of community businesses
* Key opportunities/threats presented by legislation and how they were navigated
* What worked well and less well
* Suggestions for improvement

**Characteristics of the asset**

* Explore influence of the availability of affordable assets to the success of community businesses
  + Level of awareness of assets among local community
  + Ease/difficulty of accessing affordable assets and reasons for this
  + Suggestions for improvement

Section 5: Concluding remarks and next steps

* Check whether participant wishes to raise any **additional points** related to success factors
* **Thank the participation for their contribution** and explore the following points:
* Check whether participant is **comfortable with content of discussion** in light of the limits to anonymity.
* Explore whether participants are willing to have the written version of the transcript of the focus group stored in the UK Data Archive and shared with Power to Change. [Please go through the ‘data sharing’ information sheer with participants].
  + With your permission the written version of your interview/group discussion will be shared with Power to Change for them to use in their work to support people who are involved in setting up and running community businesses. We will also ask if the transcript can be given to the UK Data Archive so it can be used for future research.
  + Your personal details (such as your name, address, phone number) will not be shared outside the research team.
  + The researchers will try to delete information from the transcript that could identify you. However, it is possible that your views may be identifiable due to the small size of the study and as some community businesses have chosen to be named as a case study.
  + You do not have to agree to share the transcript, it is up to you.
* Remind the participant that they are free to withdraw from the research by contacting Malen Davies [contact details provided on information leaflet] by 10th March 2017.