

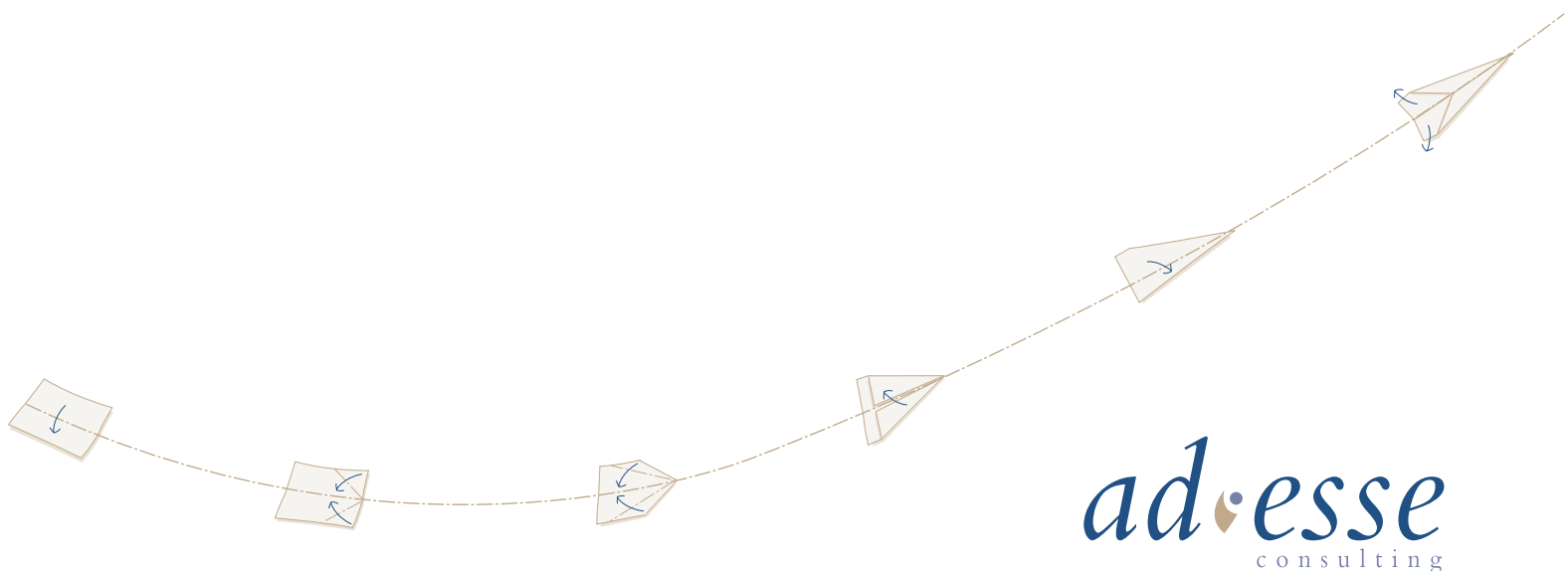
# Our Approach to Supporting NHS Establishments Making the Transition to Social Enterprise Status

As the pressure increases from government for NHS service providers to innovate and improve, the attractiveness of moving the delivery arms of NHS trusts to social enterprise status grows. What are often lacking are the skills and knowledge necessary to make what can be a very complex transition work. Legal, governance, financial, HR and structural issues have to be considered over and above the simpler aspects of designing the new services. Ad Esse are able to support any NHS organisation thinking about making the transition to social enterprise status, either in the evaluation of the options, or in the actual implementation of the change. We are already working with a number of PCTs that are seeking to move the whole of their delivery units into a social enterprise unit and we understand the issues well enough to be able to guide other organisations through the same process.

Although our involvement in the process can start and finish at any stage, we see the overall process as consisting of 6 main stages. The following is a simple bullet-point view of what needs to happen at each stage. We can discuss with you the skills or competencies required for each stage and which of these you may already have in your own team. We can then assess how an Ad Esse consultant can help you achieve your objectives in each phase

## 1. Evaluating the different social enterprise options

- Legitimise why the change is necessary
- Assess the advantages and disadvantages of a social enterprise model
- Analyse the market structure, market trends, competitor analysis and barriers to entry
- Consider the different models of social enterprise and conduct a thorough options appraisal before deciding the most suitable form for your organisation.



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## 2. Develop the business case

- Define the scope of the social enterprise
- Define strategic aims and objectives, organisational vision and mission
- With legal support, draft Articles and Memorandum of agreement
- Define the new organisational structure
- Reconfigure existing services and define the new services
- Leadership and Governance: decide the make up and roles of the Board, assess board competency requirements
- Human Resource Management: outline new terms and conditions of service, job restructuring, CPD, developing enterprise capability, performance management and incentive schemes
- Outline quality assurance and compliance systems
- Finance: produce rough budgets, profit and loss, cash flow, identify additional funding
- Produce ongoing risk assessment and mitigation plans
- Identify outline marketing and communications strategies
- Agree how to disaggregate and manage the estate and facilities, IT and support services
- Gain approval of the existing board and other key stakeholders for the business case

## 3. Write a comprehensive Business plan

- Confirm the make up of the new Board
- Confirm the strategic aims and objectives, organisational vision and mission
- Confirm the Articles and Memorandum of agreement
- Incorporate (without transfer of any assets at this stage)
- Formalise the organisational structure with potential names for key roles and numbers of staff in each unit
- Agree with unions and other representatives new terms and conditions of service.
- Develop plans for job restructuring, CPD, performance management and incentive schemes
- Finalise quality assurance and compliance systems
- Produce detailed budgets and cashflows with optimistic/pessimistic variations on both.
- Formalise need and sources for any additional funding
- Continue risk assessment and mitigation plans
- Formalise marketing and communications strategies
- Start internal and external communications, stressing positives of change
- Develop formal contracts for any third-party services disaggregate and manage the estate and facilities, IT and support services
- Gain approval of the existing board and other key stakeholders for the business plan

## 4. Produce the transition plan

- The transition plan will be a step-by-step change process built around the detailed business case
- Develop formal project plan with clear resource requirements, timings and responsibilities
- Assign project leader and key project roles across all affected units
- Check available resources both internal and external
- Check third-party ability to deliver elements of transition plan with timing required
- Ensure funding streams are established
- Continue communication plan
- Finalise risk management plan

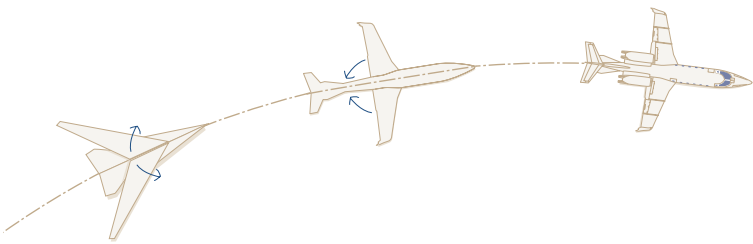
## 5. Implement the transition plan

- Establish all legal entities
- Implement new structures and organisation
- Place people in new roles
- Manage change process and manage all risks
- Implement communication and marketing plan
- Manage finance
- Involve staff wherever possible in change process
- Implement new HR processes
- Implement new performance management processes

## 6. Continuous performance improvement once the transition is complete

- Once the initial transition plan has been implemented it is not the end of the change process. To achieve the benefits of the new status it is essential to instil a culture of continuous improvement from the start.
- Use performance management systems to track performance and improvement from the start
- Implement Lean thinking and process improvement teams
- Commence staff involvement in improvement activities with regular meetings and reviews
- Develop marketing processes
- Conduct regular review sessions at every level of the new organisation

Although this is a very basic idea of the thinking required for each stage, Ad Esse will help an organisation develop a plan that suits their requirements. If you would like any more information about the issues involved in moving to social enterprise status then please contact Philippe Lacey on 07843 3092665 or via [seriousfun@ad-esse.com](mailto:seriousfun@ad-esse.com).



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## FURTHER INFORMATION

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