Six Key Questions

This document describes six key questions that you can answer to assist populating a FairShares Canvas. It helps you consider all five FairShares values and principles whilst designing your social enterprise. As you answer the six questions below, consider the following issues:

- **Relevance** - the purpose(s) behind the creation of the enterprise;
- **Feasibility** - the viability of your enterprise model to primary stakeholders;
- **Sustainability** - your systems for making an ongoing contribution to sustainable development.

The first two questions examine the relevance of the enterprise to its stakeholders.

1. How can you configure the ownership, governance and management systems to distribute wealth and power to all primary stakeholders?

   This is the big one. It is the primary purpose of FairShares itself before any additional purpose(s) are added by the members of FairShares enterprises to benefit a target group or meet local market needs. Answering this question provides a response to value/principle 1 (Power and Wealth Sharing) and value/principle 5 (Social Democratic Control). To achieve 1, discuss how to manage finances transparently and how markets can be developed without inequitable exploitation of people and resources. Ask yourself how you can build equitable relationships using a circular (rather than linear) economic model so that wealth and power circulates rather than accumulates. Discuss how to build management systems that respond to the views and decisions of stakeholders and allow them to regulate their participation in decision-making.

2. What are the purposes of your enterprise (network)?

   This question addresses value/principle 2 (Social Purpose and Auditing). A FairShares enterprise seeks to do more than make a profit/surplus. It is this ‘something else’ that this question seeks to clarify. What is the purpose of the enterprise (network) beyond sharing power and wealth more equitably? How specifically - will it improve the lives of people, society and/or the environment? Answering this question will enable you write the social object(s) that you put into your FairShares constitution and present the vision/mission of your enterprise to potential supporters.

The next two questions seek clarity on the feasibility of organising the enterprise.

3. What values and principles guide the choice of goods/services offered?

   This question addresses value/principle 3 (Ethical Product/Service Offer). The goods/services that your enterprise offers represent an ethical statement about your priorities. Answering this question helps you to articulate the value (and capital) you will create by producing (or retailing) your products/services. Identify the value created for each stakeholder (not just users) so that the value propositions you write into your FairShares Canvas address the goals/needs of founder, labour, user and investor members. In short, given your enterprise’s overall purpose, what products and services will enable you to achieve it? Are your product/services offers consistent with your purpose?
4. Who are your primary (and secondary) stakeholders?

This question addresses both value and principle 1 (Wealth and Power Sharing) and 5 (Social Democratic Control). Before you can share wealth and power, you need to identify primary stakeholders. Who will provide entrepreneurial energy (by establishing the enterprise)? Who will make the products/services (i.e. provide the labour)? Who will consume or purchase the products/services (i.e. become users)? How will you find or reach your users? How will you enable them to influence your product/service offers? Lastly, who will support and finance the enterprise (investors / supporters)?

Once you have identified these groups, you can configure the ownership and governance systems accordingly so that wealth and power is shared between them (see ‘Four Legal Identities’). You can also work on systems for a multi-stakeholder democracy in which each stakeholder can moderate the influence of other stakeholders and maintain democratic control over capital they have contributed and created. In distinguishing primary stakeholders (e.g. founders, labour, user and investors) from secondary stakeholders (i.e. community, environment, region, nation), you can develop communication systems and social auditing processes that enable your primary and secondary stakeholders to interact and influence each other. Instead of devising systems for ‘divide and rule’ you can create strategies ‘convening and collaborating’.

The final two questions examine how to achieve sustainability.

5. What values and principles guide production and consumption?

This question focuses on value / principle 3 (Ethical Production and Consumption). Aside the intrinsic benefits of offering specific products and services for users, additional value can be created in the way they are produced and consumed. Some production systems add more value (or mitigate more harm) than others. For example, could the production process add value by creating additional opportunities for people to learn how to participate in decision-making? Can the production process respond to user / community concerns about the environment (i.e. by recycling / upcycling goods?) On consumption, can advice be offered to users to improve or reduce the impact of product/services they use? For example, advice on using renewable energy products at the point of sale could further reduce any carbon footprint using them creates. Can life-enhancing / life-saving services be sold at a price (or gifted) so that more people can access them?

6. How are social, environmental and economic impacts reviewed?

The last question addresses the ‘impact’ issues in value / principle 4 (Social Purpose and Impact Auditing) as well as the creation of enhanced value from implementing value / principle 5 effectively (Social Democratic Control). A good social auditing process is inclusive. It is designed to allow primary and secondary stakeholders to comment on the value created during production and consumption activities as well as the way they use products and services. Social auditing enhances democratic accountability, particularly where a report is published and discussed in meetings of primary stakeholders. The dialogue created by the report can be used to update planning documents / systems.

Answers to these questions help you prepare and keep up-to-date a FairShares Canvass - a representation of your social enterprise (business) model. During start-up, it provides a context in which to deliberate on appropriate legal models. Plan your social enterprise first, then discuss whether a FairShares company, cooperative, partnership or association will be the best option to create value by/for primary and secondary stakeholders.

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1 It is possible for one group or person to have more than one stakeholder role. A single person or group of Founders who finance the enterprise and make its goods/services will have three stakeholder interests (as founders, as labourers and as financial supporters). This would be the norm in the early life of a worker co-operative, for example.