

FROM IDEAS TO SOCIAL ENTERPRISE

A guide to utilising
university intellectual property
for the benefit of society



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The overview, considerations for discussion and templates provided in this guide are not intended to be comprehensive and do not constitute legal advice. Readers should consult their HEI's policies and legal advisers on any specific legal issues. To the fullest extent permitted by law, neither the authors of this guide nor any partner organisations shall have any liability, whether arising in contract, tort, negligence, breach of statutory duty or otherwise, for any loss or damage, whether direct, indirect or consequential, occasioned to any person acting or omitting to act or refraining from acting upon any recommendations or suggestions contained in the guide or from using any templates provided in this guide.

Foreword

UCL is a globally leading university and as a research powerhouse generates large volumes of cutting edge knowledge as a consequence of world class curiosity-driven research. We know that such knowledge can have its most profound impact outside of the walls of academia and, as such, has the potential to change society and improve people's lives. UCL is committed to supporting the academic community in maximising the social benefit of its research, using the widest possible range of mechanisms available. Within

that range of activities, social enterprise plays an important role and resonates particularly with UCL, which it might be argued, was originally set up as a social enterprise.

I was therefore delighted when colleagues at UCL, UCLB, UnLtd and the University of Manchester secured the support of the Intellectual Property Office to develop a toolkit that will assist social entrepreneurs, knowledge transfer offices and other stakeholders in the higher education sector to create and develop effective social

enterprises. Such a venture is a powerful illustration of our continued commitment to our core mission: to create a greater understanding of the world through research and scholarship, and then apply our knowledge and insight for the good of society.

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Key to Acronyms:

HEI: Higher Education Institution
KTO: Knowledge Transfer Office
IP: University Intellectual Property
RCUK: Research Councils UK
HEFCE: Higher Education Funding Council for England

Note on terminology:

This guide uses the term Social Enterprise throughout, which is defined in section 2.1 below. The authors acknowledge that this can be a contested term especially in instances when the legal structure of a venture allows for private profit and distribution

of profits to private shareholders. Social Enterprise is used throughout to refer to Enterprises which use the majority of their surpluses for social good.

PART ONE:

UK Higher Education and the Second Invisible Hand

Audience

This guide is aimed at HEI faculty and staff interested in starting up a social enterprise. It informs HEIs how to best assist researchers to commercialise their research and develop spinout businesses with a primarily social aim.

Aim

This guide provides a starting point for collaboration between academic staff and research commercialisation staff to create, launch, and scale social enterprises. In particular, this guide presents relevant information, practical methods, and case examples to assist in the development of formal university spin-outs based on intellectual property. Readers are advised to follow links found in the appendix and in endnotes to find specialist information, and refer to their institutional policies for further guidance as well as seek professional legal advice when required.

1.1 Introduction

This introductory section offers Higher Education Institution (HEI) leaders and other interested parties a conceptual understanding of how university knowledge and resources, including intellectual property, can be capitalised on through creation of social enterprises. It outlines how social enterprises can effectively utilise academic and research staff knowledge in ways that compliment existing knowledge transfer activities; positively impact HEI communities; fully enrich the teaching, learning, and research experience; and align with HEI strategies for public engagement.

Professor and later lord rector of Glasgow University, Adam Smith, provided his readers with more than one 'Invisible Hand' in his world-changing economic and moral philosophy. In 1759 in his *Theory of Moral Sentiments*, Smith identified a balancing feature of 'regard for others' as essential to societal progress, what one modern theorist calls 'The Second Invisible Hand'ⁱ. Social enterprises fulfil Smith's grand challenge by placing solutions to long term societal and environmental concerns - rather than short term profit - at the heart of their enterprise. It can even be said that universities are a type of social enterprise.

By commercialising HEI knowledge through social enterprise, everybody wins. To illustrate this, the Chair of

Universities UK Employability, Business and Industry Policy Network recently wrote: 'university engagement with social enterprise can only be beneficial for all concerned'ⁱⁱ. Transferring knowledge into social enterprise is good for higher education because it aligns traditional values with innovation through creating and advancing sustainable financial, social, and environmental solutions, often by invigorating otherwise latent university IP.

Furthermore, research funders have insisted on assessing the social impact of research activities that culminate in IP. For example, the RCUK Excellence to Impact Framework expects university researchers to demonstrate the wider impact of their research on society.

Attuning to the RCUK framework through the commercialisation and wider impact of research and academic activities by building social enterprise capacity is a natural extension of the educational and charitable missions of the HEI community. This guide provides methods and resources for HEIs to achieve many of the goals for the RCUK Sustainable Worldⁱⁱⁱ, including 'improving health and well-being', 'enhancing the research capacity, knowledge and skills of public, private and third-sector organisations' 'environmental sustainability, protection and impact' and 'enhancing cultural enrichment and quality of life' as well as others. A similar list from the European Commission includes employability, social inclusion, and ethical trade. Accordingly, this guide complements the 2011 HEFCE^{iv} report which suggests that HEIs have vast but largely untapped capacity to build the next generation of financially profitable and environmentally sustainable social enterprises whilst fulfilling their individual public benefit and charitable strategies simultaneously with their research agendas.

In addition to measurable economic, social, and environmental impact for each institution, social enterprise engagement offers multiple political and financial benefits. Fifty-six HEIs in the UK have pledged to HEFCE and UnLtd to redirect £1 billion of expenditure towards social enterprises, and billions of pounds of government and private investment are being redirected towards social enterprise around the



Figure 1:
Types of social enterprise support offered within universities^v

world through implementing large-scale investment policies such as the UK government's 'mutualisation agenda' and the coming into force of the UK Public Services (Social Value) Act, commenced in England on January 31st, 2013. This Act requires social value to be considered as part of all public sector commissioning processes, including the commissioning from HEIs.

Social enterprise offers innovative methods of measuring the social value of enterprise activity; and HEIs are particularly suited towards building broader capacity, creating and capturing value, and increasing the rigour of the public welfare

agenda through matching intellectual property and networked expertise with social enterprise.

Figure 1 shows that in addition to national and institutional advancement, HEIs are especially suited for creating knowledge-based social enterprises which have the potential to fully exploit the commercial use of organisational resources whilst addressing genuine social concerns.

For example, many HEIs can offer improved services to the community through social enterprise spin-outs from the local university. These opportunities offer much more than short term profit maximisation: social enterprises

“How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it.”

**Adam Smith, 1759,
The Theory of Moral Sentiment**

are centred on operating sustainably and generating reasonable surplus for further development, scaling, and social finance – like universities, social enterprises aim for long term goals. Even further, when taking into account the broader strategic vision of aligning social and environmental imperatives with HEI resources to create future value and social capital, the development of social enterprises becomes a natural avenue for enhancing knowledge transfer and research outcomes as well as a virtuous circle of value creation. This guide focuses on the utilisation of intellectual property and other faculty and staff social enterprise activities

which produce financial value in addition to the following benefits:

- Utilise the high level of skills, knowledge and abilities of academic and research staff
- Impact positively on HEI communities, particularly in inner city areas by addressing relevant social and environmental problems
- Enrich the learning and research experience by testing ideas for solutions of social and environmental problems in everyday economic environments
- Align with HEI charitable goals and public relations initiatives



Similarity	Difference
Management is key to the success of the business.	For SE's, opportunities for external investment may be specific to social aims.
Positive cash flow is very important for the success of the business, though oftentimes it is difficult to maintain.	Emphasis is on social impact and profits reinvested into the company. The paramount duty to shareholders is replaced, wholly (if the social enterprise is a charity), or partly, by a duty to the social enterprise's public, social, or community purposes.
IP developed at a higher education institution is key to the product/ service delivered by the company.	Although protecting value is still important and IP a valuable asset, SE's are relatively less likely to see proprietary IP protection as essential and relatively more inclined to see it as a collaborative resource.
Company and academic/institution interactions can be complex.	SE/HEI interactions may be supportive, collaborative and subsidising to the extent the SE is promoting the HEI's public benefit objects.

Table 1
A snapshot of similarities and differences between HEI-based for profit and social enterprises

1.2 The role of knowledge transfer offices (KTOs) and research commercialisation offices

This section provides guidance in relation to similarities and differences between traditional ‘for-profit’ business models and social enterprise; myths and realities of embarking on a new social enterprise; and specific areas where KTOs can offer assistance.

The role of KTOs and research commercialisation offices at higher education institutions is to support staff and students in the commercial exploitation of innovations that have come about from their academic activities. This typically involves an initial screening process to identify whether there is novelty and commercial value relating to the innovation. If it is decided that a tangible commercial opportunity exists for the

innovation, then the KTO will work with the academic/student entrepreneur to explore potential ways of commercially exploiting the innovation. This involves examining a variety of business models that could be used. The input of the academic/student is important in this regard, as their attitudes and opinions relating to how their innovation can be exploited and how much they wish to be involved in - and benefit from - this process will

influence the commercialisation route.

A complementary route to commercialisation of university IP is through social enterprise: the commercial exploitation of ideas/innovations via a company that takes into consideration the social/ environmental impact of its business in addition to the profitability of that business. The table opposite outlines some of the similarities and differences between a social enterprise and the more common ‘for profit’ company that is usually considered for a university spinout/startup company.

From the perspective of the social entrepreneur there are many similarities between starting up a social enterprise and starting up a conventional for-profit company. Both are businesses requiring viable

Myth	Reality
Being your own boss does not require a significant time commitment	Starting and managing a company is incredibly hard work and can be very time-consuming.
Social enterprises do not need to make money	The social entrepreneur needs to generate surpluses to ensure sustainability, and simultaneously promote social/environmental benefits in a meaningful, tangible, and measurable way.
Financial incentives are the only motivation to start a business	Successful social entrepreneurs are more likely to be motivated by innovation, creating change, doing good and improving existing services than by money alone. However, the social enterprise must be profitable in order to continue to exist as a company and to use those profits to generate positive social/ environmental impact.
Some universities have more resources and better support structures to assist in the development of social enterprise than others	Most HEIs will have support structures that can assist the social entrepreneur with the development of a business. Request assistance from internal champions and others at the HEI who have well-established activities in the area of social entrepreneurship or charity development. Additionally, the social entrepreneur should seek to be directed to external networks and organisations that can offer to support on this journey.

.....
Table 2
Myths and realities of university social enterprise development
.....

business plans, start-up and working capital, sufficient resources, and an appropriate organisational infrastructure to implement the business plan. Table 2 exposes some of the myths that are common when thinking about social enterprises. These must be seriously considered before thinking about before embarking on the social enterprise journey.

From the point of view of the social entrepreneur, the involvement of the KTO in establishing a social enterprise is beneficial for several reasons: ensuring that the proposal is viable and that legal and financial structures are sound; delineating the use of intellectual property; providing access to non-financial institutional resources; and finally through marketing and brand identity. Each of these is elaborated on in more detail below the following figure. Each quadrant in Figure 2 serves as a checklist for the KTO and social entrepreneurs to establish resource capabilities at particular HEIs.

First, while the KTO might be new to the specificities of social enterprises, most of the experience in commercialisation of research can be effortlessly transferred to social enterprise, especially since social enterprises must produce a viable business plan. The KTO will have expertise in analysing business plans and providing feedback on their feasibility; they will be able to assess different ways of utilising the knowledge that is being invested in the social enterprise and consider how to protect it; and they will also have links to



.....
Figure 2
 Working with the KTO

legal and accounting experts that can help to organise the early stages of establishing the legal and financial structures.

Second, the basic law is that intellectual property rights created by an employee in the course of employment first belong to the employer. In any other case (consultants, students, staff acting not in the course of employment) the individual creator is the first owner. Rights can be transferred by written contractual agreement or by formal written deed. Hence every consultancy or sub-contract

should include, as standard, an intellectual property assignment clause or an appropriate license covering intellectual property rights created under the commission. Therefore, before setting up a social enterprise it is necessary to assess what IP of the HEI and/or of any other parties will be used in its operations and it is important to ensure sufficient rights are transferred, or licensed to the social enterprise and particularly in relation to licenses to consider attaching appropriate limitations to and conditions of their use.

Third, the KTO can provide access to the valuable resource such as the HEI name, logo, and access to networks and funding opportunities that ensure that the reputation of the HEI is linked to the social enterprise. This can be very valuable in attracting further investment, working with external organizations or securing business.

Fourth, including the KTO can also open up official access to HEI resources as part of the support package, such as premises, staff, equipment, and administrative support. It may also be a route to support funding or investment. These can be crucial for the early stages of the social enterprise. Also by being officially linked to the HEI, the social entrepreneur can

hope for a better understanding from management for devoting time and resources to the social enterprise. Most universities will have different structures to support the development of social enterprise activities. For instance, UCL Enterprise has established Social Enterprise Knowledge Transfer Champions, UCL Business (UCL's Technology Transfer Office) has a business manager solely dedicated to identify and support social enterprise opportunities, and UCL Advances offers social enterprise training, networking and business support for students and staff.

However, the KTO might be unfamiliar with social enterprises, so it is important that the relevant academics and staff

communicate the rationale and benefits of such activities within their HEI. In practice, social enterprises are typically not complex or markedly different from for-profit enterprises and the KTO can seek external advice as needed. In practice, social enterprises are typically Working with the KTO to address a specific social aim with IP might even turn into a shared vision for the institution.

For a case where an academic and KTO worked together to change a limited company structure to a social enterprise see *Contraception Education in Part Four*

PART TWO:

The Basics

This section defines social enterprise and clarifies how social enterprises differ from for-profit enterprises in relation to economic philosophy, governance, and legal organisational forms. It provides guidance related to business modelling, handling governance issues, measuring value, and addressing related challenges.

2.1 Definitions of Social Enterprise

There are many ways to describe what a social enterprise is, and while official definitions are broad there are a few common principles regarding these types of organisations and activities. Most formal definitions will carry the basic idea that a social

enterprise is a business that uses its surpluses to achieve social objectives. In terms of the **Second Invisible Hand** mentioned in the introduction, Social entrepreneurs implement a business approach built on others-regarding^{vi}:



For example, the UK government use the definition ‘A business with primarily social objectives whose surpluses are principally reinvested for that purpose’ while the European Union offers a more elaborate definition: ‘Social enterprise’ means an enterprise whose primary objective is to achieve social impact rather than generate profit for owners and stakeholders. It operates in the market through the production of goods and services in an entrepreneurial and innovative way, and uses surpluses mainly to achieve social goals. It is managed in an accountable and transparent way, in particular by involving workers, customers and stakeholders affected by its business activity’. A more recent definition, as seen in the dissected ‘others-regarding’ approach opposite, adds the component of [addressing neglected societal problems^{viii}](#) which offers a more specific frame for the idea of the ‘social’.

2.2 Difference between social enterprise & regular enterprise

Many social enterprises are charities delivering goods and services, for the public benefit, on a non-profit distributing basis as a direct means of promoting their charitable objects. Others have by definition charity-like social purposes through operating as community interest companies, or as community benefit societies (the community benefit form of industrial and provident society). Others may have a social purpose linked to the participation of community members (a co-operative industrial and provident society), or employees (a company structured as a mutual). Some ordinary businesses self-declare as social businesses. There can be skepticism about those, but there may be good reasons why a social business will take a legal form which allows for private profit, usually because

this enables them to attract private investment which they need to grow. In these cases a genuine commitment to social purposes may be present and demonstrable in practice.

The common factors are that the social enterprise primarily exists to serve a social mission and delivers it as an operating business, because it primarily sustains itself through trading successfully and making sufficient profit/surplus for its continued viability. Table 3 on page 13 outlines the core differences between a for-profit enterprise and a social enterprise.

At even a more fundamental level social enterprises can be seen as built on a different economic ‘edifice’ than regular enterprises, leading to long-term sustainable solutions (see Table 4).



For-Profit Enterprises	Social Enterprises
Driven by commercial mission although may have strong ethical practices, primarily suited to the company's needs. Primary accountability is typically exclusive to private business owners/shareholders.	Driven by social mission, and underpinned by a sustainable business model.
All income comes from trading.	Income comes substantially from trading in products or services, although grants and subsidy may also contribute (especially for charitable social enterprises).
Core aim is to make profits for owners/ shareholders; businesses are structured to distribute 100% of the profit to shareholders.	Core aim is to sustainably address a neglected social or environmental issue. Profits are principally reinvested in the business or community for a clearly-defined social purpose.
Cannot take on charitable or social enterprise organisational structures.	A range of legal forms are appropriate some of which cannot be applied to regular enterprises (A range of organizational forms can be found here: www.4lenses.org/settypology/models) ^{viii}
Offers pay and benefits based on a negotiated agreement, (fairness coming from business decision rather than mission principle).	Socially focused approach may be associated with a particular agreement in principle to beneficiary workers and/or a principle of fair pay and conditions to employees.
Competitive by purpose and nature.	More likely to engage with other organisations collaboratively in pursuit of the common social purpose (within relevant otherwise competitive markets).

Table 3
A comparison between social and for-profit enterprises

Self-Interest Edifice	Others-Regarding Edifice
Sustainable Competitive Advantage	Sustainable solutions
Logic of Control (5 Forces)	Logic of Empowerment
IP Protection and Trade Secrets	Share knowledge, Open Source
Maximize Profits	Maximize Societal Impact
Firms	Community / Solution
Capture Value	Create Value
Incentives	Intrinsic Motivation
Self-Interest	Others-Regarding

Table 4
Santos' comparison of self-interested and others-regarding edifices^{ix}

2.3 University Intellectual Property

Intellectual property (IP) is the name given to the means of protecting the fruits of intellectual labour, whether it is laboratory research, a novel, the logo of a business or the knowledge associated with a product or process. It is a method of commercially protecting assets that, without protection, would rapidly lose their value. When granted, an intellectual property right (IPR) will give you the right to prevent others from using your property. This can give you a monopoly in the market, lasting from 15 years, in design rights, to potentially indefinite rights in the case of trademarks, (provided the trade mark is maintained and continually renewed). This protection gives value to your invention, and will increase the knowledge transfer opportunities available to you. The state grants such protection in order to provide incentives to investors to develop technologies, products and ideas in order to bring them to market.

There are four main types of IP rights which are used to protect inventions or creations: patents, copyright, design and trademark.

Patents

A patent is a means of gaining protection for your idea against other people using it without consent. A patent is a legally enforceable document granted by the government of a country (or in the case of Europe, group of countries) which enables the holder to control who uses or benefits from an invention. A

patent is means of protecting an application of a scientific or industrial idea – it is not a means of protecting an idea per se.

Copyright

Copyright is an intellectual property right to an original created work such as a book; a research report; song, or other audio material; a film or any other visual material; and computer programs. It arises automatically on creation, and gives the creator (or his/her employer when the creation is in the course of employment), the exclusive right to use and benefit from the work. Many social entrepreneurs also register a [Creative Commons License*](#) which allows creators to define specific permissions for the use of their work.

Designs

There are a range of different levels and types of protection for designs in the UK and abroad. In general though, Design right is an intellectual property right which applies to original, non-commonplace designs of the shape or configuration of products. According to the IPO, a design is legally defined as being ‘the appearance of the whole or part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture or materials of the product or ornamentation.’ This means that protection is given to the way a product looks. In the UK, design protection takes two forms: registered design and unregistered design rights. Charities and social enterprises can register their designs in the same way as commercial

businesses.

Trademarks

A trade mark is a registered, distinctive design or logo that gives the registered owner exclusive rights to use it – and, through its distinctiveness, is invested with goodwill value to assist in the promotion of goods and services. A trade mark can be useful as it enables a consumer to make an informed decision about the goods – for example, if a customer is pleased by a purchase, they would be more likely to then purchase another item that is advertised by that trade mark. This can be seen from the use of HEIs trademarks – it has now come to represent a certain level of quality, and the use of it on goods such as merchandising indirectly gives the customer more information about the good. Charities and social enterprises can register their trademarks in the same way as commercial businesses.

For a case where trademark was used for a social enterprise spin-out, see *DECIPHER Impact in Part Four*

Typically, KTOs deal with types of intellectual property rights which can be protected. Due to the high costs involved in securing patent protection for an innovation, a KTO might only use this method to protect the intellectual property relating to an innovation if it is seen as a commercially high value innovation and will most likely fulfill the legal requirements to achieve patent protection. In addition to patents there are other types of intellectual property that can be commercially exploited,

	Patents	Trade marks	Copyright	Registered Design Right
Term	Up to 20 years (subject to annual renewal)	Rights can last forever (renewals every 10 years)	Life plus 70 years (Broad-cast and sound recording copyright lasts for 50 years, typo-graphical arrangement for 25 years)	Up to 25 Years
Area of Protection	Throughout the UK – International registration is usual	Throughout the UK – International registration is usual	Throughout the UK – protected by international copyright agreements	Throughout the UK
Protects against	The protected idea being used, sold or manufactured	The use of protected trade-mark by others without owner's permission	The protected work being copied or reproduced in communication or performance	The protected product being manufactured, sold or imported
What is protected	Inventions	Brand identity, including words, logos and other signs	Exclusive rights in original work, e.g. music, art, film, literary works and broadcasts	What the product looks like

Table 5

Summary of four main types of IP protection in the UK^{xi}

such as copyright, registered designs, trademarks and trade secrets (visit UK IPO website for definitions). These other types of intellectual property, in addition to the expert knowledge held by the academic/student, could prove commercially lucrative within a social enterprise.

2.4 Governance

Governance concerns how an enterprise is accountable for its actions and how it decides its strategic direction. Different legal structures require different governance mechanisms, each having its own challenges. Maintaining the balance between the social and commercial interests of the social enterprise can be difficult and governing boards play a crucial role in this. If the social enterprise loses sight of the commercial side then it risks losing cash flow, financial forecasting, attracting investment

and ensuring profitability; on the other hand if it focuses too much on commercial success it risks mission drift, allowing the real purpose of the social enterprise to be compromised. This section will highlight some general advice about getting governance right for all social ventures and highlight a few of the issues which are specific to the most common approaches to social enterprise. The following considerations relate to good governance:

Board members with a spread of skills

In order to avoid either mission drift or poor business performance the board needs to have directors who challenge and support staff in both areas.

It is not only skills that are needed

Time to offer support and members who share the same values is also important.

Especially as time and resources for board member training are often lacking, getting it right from the start will help. For legal purposes, the board members in a charitable company are called 'charity trustees'. It is considered good practice for the management team to assess their strengths and weaknesses and consider how the board or the executive team might be augmented to maximise likelihood of success for instance by adding business development expertise.

Strong founders

Many ventures are established by charismatic and strong founders eager to get on and do the social enterprise rather than organise the governance side. Failure to get governance right early on, however, runs the risk of problems down the line when in effect governance is needed to resolve a problem or demonstrate accountability and

Insider's Note

Sometimes academics might become directors of a social enterprise spin out. It is important to understand directors' responsibilities and formal duties^{xii}. As a director of a company, you must:

- Try to make the company a success, using your skills, experience and judgment
- Follow the company's rules, shown in its articles of association
- Make decisions for the benefit of the company, not yourself
- Tell other shareholders if you might personally benefit from a transaction the company makes
- Keep company records and report changes to regulatory bodies
- Make sure the company's accounts are a 'true and fair view' of the business' finances

competence. Strong founders can also dominate a board, especially if they have influenced or picked board members themselves, but a board needs to hold executives and staff to account, as well as bring new perspectives into work plans and business development.

Multi-stakeholder boards

In some instances boards are particularly constructed to provide for the perspectives of different stakeholders. The danger in this is that each such director sees her/himself as a representative and sees her/his role as asserting and defending the interests of the appointing body rather than a central vision of the best interests of the collective enterprise.

Ensuring that the vision is properly understood and shared from the start and ensuring each stakeholder's interests and concerns are expressed will help. Regularly revisiting this vision and testing decisions against it will encourage stakeholders to put the interests of the organisation first rather than those of their particular group.

Staff/board role clarifications

Establishing the different remits of executives, staff, and the board from the start will help both to function in a mutually supportive manner. Role and job descriptions can help and terms of delegation need to be clear. A social enterprise might want to get someone with expertise or experience in this area to help facilitate initial meetings where these differences are established.

Good flow of information

Board members need the right amount of information in sufficient time to make good decisions and contribute to strategic thinking. Managers of a social enterprise need to provide this but also prompt board members to comment on and scrutinise their proposals.

Very small ventures

In small social enterprise contexts the division between management and governance can be very unclear because one or two people are doing almost everything. To maximise governance best outcomes, trying to clarify expectations and divisions from the start and having regular reflections about how it is working will help.

Company membership

In a commercial company the shareholders are owners with financial interests and voting rights which give them ultimate control of appointments to the board. In a charity, or another type of corporate social enterprise without a share structure (e.g. a community interest company limited by guarantee), the company members have the equivalent constitutional rights, but not the personal financial interests of shareholders. The HEI could be sole member; there may be a group of stakeholders (HEI; academic staff; students; enterprise employees; beneficiaries; community organisations, etc.); the directors may also be company members with decision making power at both levels in the company. A social enterprise with a share structure may still have

investors or equity holding shareholders. The HEI may wish to participate as a social investor. In the Community Interest Company limited by shares, a maximum of 30% of realised profit is distributable to shareholders. In an industrial and provident society shares work more like loans paying annual variable interest as distribution entitlement is pre-tax.

For a case where the HEI is a shareholder, see *Mapping for Change* in Part Four



Social enterprise type	Common challenges	Addressing challenges
Mutual's/membership based organisations	Boards are elected by membership from the membership – danger that people with right spread of skills may not be available or elected. Also a danger that certain groups within membership become particularly active and dominate.	Keep members engaged and informed as to what the board needs, encourage members to elect people with skills as well as passion and to stay engaged.
Those based on a charity sector approach	The most obvious board members may have strong charity/voluntary expertise but lack business expertise. If the social enterprise is coming out of a charitable way of thinking it might need to have a multi-organisational structure to ensure accountability for trading practices as well as charitable ones. The organisation may lack expertise to ensure business planning and operation using sound business principles.	Ensure that board has business expertise representation or understands that it needs specific advice in this area. May need to seek expert advice about a multi-organisational structure (a charity arm and a trading arm, if there are both charitable and non-charitable elements to the business). Be especially vigilant when offering a service in which there is a risk that full costs might not be recovered.
Those coming from a business sector perspective	Sometimes fail to understand the need for public accountability and transparency.	Ensure governance is robust and meets standards of intended clients and competitors.
Spin-out models (from a university or other organisation)	Lack of business expertise, lack of time to devote to the social enterprise, right spread of skills might not be available.	Utilise the strengths of the organisation such as the KTO and other faculty to formulate a sound Business Plan and Theory of Change .

Table 6
Addressing common challenges for specific social enterprise types

2.5 Articulating and measuring social impact

Successful social enterprises usually begin with a robust [Theory of Change](#)^{xiv}. This is a way of articulating the social problem that the venture is addressing, and stating how the social enterprise's activities will make a difference to this problem. Although most social entrepreneurs have some understanding of how their intervention is intended to create a social impact, they do not always clearly articulate and communicate their theory of change. Doing so can be really helpful in getting the buy-in of others by explaining the social model of the enterprise. Preparing a theory of change also tends to be a helpful exercise for social entrepreneurs themselves in shaping social enterprise activities – the theory of change ensures social enterprise activities are

deliberately designed to create their intended social impact.

Once the Theory of Change is clarified, the next step is to develop a plan to measure impact. Below are some important considerations for measuring impact:

Deciding what to measure

This will usually include [outputs](#) – such as numbers of people reached, numbers of units sold, environmental assets protected – and changes, or [outcomes](#) that come about as a result, such as improved wellbeing or educational attainment. It is often a good idea to work with other stakeholders, such as customers, beneficiaries, partners and potential funders, to 'map' types of outputs and outcomes and decide which are most important to capture.

Identifying robust indicators of outputs and outcomes

Indicators are signs that outputs and outcomes have been achieved and they can be quantitative or qualitative. For example, an indicator of improved well-being might be 'improved satisfaction with life overall'.

Deciding what types of evidence are needed and how much time and resources to invest in capturing evidence of outcomes

This will depend on resources available, who needs the information and how it will be used. For example, direct customers and board members may be happy with case studies and basic monitoring information, while other audiences such as funders or public commissioning bodies might need in-depth evaluation or other types of evidence such as cost-benefit analysis.

Key questions for measuring social impact

Beneficiaries	What information about the beneficiaries is relevant to organisational aims? (e.g. age, sex, disability, employment status, etc.).
Results	What measurable outcomes does this social venture actually achieve? (e.g. number of patients saved by a university-developed heart-monitoring device in a specified time period).
Costs	How much does it cost to provide each service? (e.g. some organisations calculate the cost of volunteers as if they were paid minimum wage).
Alternatives	What would have happened if the social venture had never intervened? (e.g. 1 million patients in developing countries would be unable to afford a life-saving treatment).
Benefits	How can the value of this social venture be shown? (e.g. short/long term quantitative results OR a financial cost determined concerning the implications for society - i.e. alternatives - without this venture).
Positive Externalities	Are there any unplanned benefits coming out of this social venture that can be quantified? (e.g. beneficiaries or staff supplement the existing technology with a profit-making enhancement)

More sophisticated analysis can include moving from measuring outcomes to calculating impact, such as trying to show what would have happened in the absence of the intervention. There are many ways to express [impact](#)^{xv}. Some organisations use approaches like Social Return on Investment, where return is calculated in monetary terms and expressed as a ratio of [inputs](#) (costs of delivering the intervention) to returns (monetary value of social impacts achieved).

For a case of how impact is measured in relation to a university spin out see *STORM* in Part Four.

2.6 Common legal forms

Choices about adopting a legal structure will depend on a number of factors like stakeholders, governance, reputation, motivation in terms of profit distribution, scale, start up and working capital needs. It's advisable that the legal structure accurately reflects the needs of the social enterprise. Table 7 on the following page offers a comparison of legal structures for social enterprises.

The most common legal structures for social enterprise in the UK are:

- Company Limited by Guarantee (which may also be a Registered Charity)
- Company Limited by Shares
- Community Interest Company-CIC (limited by shares or guarantee)

Insider's Note

A table showing the 'pros and cons' of each of these structures can be found in Appendix B. All the structures listed are companies, regulated by company law, with limited liability for company members/shareholders and directors/trustees, so it is a legal person holding its own property, employing its own employees, entering into its own contracts and responsible for its own liabilities, without creditors having recourse to the personal assets of members or directors. All social enterprises might be able to benefit from a discretionary 20% relief from rates on business premises, depending on the policy of the relevant local authority. Part Three gives step by step guidance to help make the process easier.



	Company limited by shares (including CIC version)	Company limited by guarantee (including charitable and CIC versions)	Society for the benefit of the community	Bona-fide co-operative	Unincorporated Association
Incorporated with separate legal identity?	Yes	Yes	Yes	Yes	No
Limited liability for members?	Yes	Yes	Yes	Yes	Unlikely to incur liability unless there is an indemnity in the constitution
Limited liability for directors/ committee?	Yes	Yes	Yes	Yes	No
Constitutional document?	Memorandum and Articles of Association		Rules	Rules	Various names can be used, e.g. constitution, rules
Objects	Any	Any	Must be for the benefit of the community	Must follow co-operative principles	Any
Charitable?	Usually not	Can be	Can be	Usually not	Can be
Regulator?	Companies House	Companies House	FSA	FSA	None
Registration with Regulator?	Yes	Yes	Yes	Yes	No
Fees for registration?	£20	£20	£100 – £950	£100 – £950	N/A
Debt financing available?	Yes	Yes	Yes	Yes	Yes
Equity financing?	Yes	No	Not conventional equity-but shares with distribution entitlement		No
Protection of social purpose?	None unless charitable or CIC, but some safeguards can be built into the constitution		FSA has to approve rule changes, and will protect purpose – public/ community benefit for Society; member benefit for co-op		Only constitutional and revocable
Membership voting	Usually one share one vote, so voting is weighted in accordance with the size of shareholding	Usually one member one vote		One member one vote	As per the constitutional document – usually one member one vote
Stakeholder involvement?	Possible if built into the structure explicitly			Normal	Normal

Table 7
Table comparing legal forms: choosing a social enterprise structure^{xvi}

PART THREE:

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Business Plans and Agreements

Business plans that seek to exploit university-owned intellectual property need to include specific details that have been thought through in order to gain permissions from the department, School/Faculty, and the HEI before starting-up. This section guides the social entrepreneur and KTO on how to work collaboratively with common business planning and formulation processes, particularly in relation to commercialising HEI intellectual property.

The 'value' of the proposed product - i.e. [Value Proposition](#) - needs to be determined. In the case of a social enterprise, this will include the financial as well as the 'positive social impact' covered in Part Two. When composing the plan, keep in mind the need to present the

social enterprise as addressing the HEIs explicit [public benefit objects](#) and its strategic goals, such as: social impact, public engagement, reputational value, key performance indicators, and commercial investment opportunities.

3.1 The business sketch checklist

One-Page University Intellectual Property Social Business Sketch Checklist

- ☐ The idea – what objective this business idea may achieve and how it differs from existing methods
- ☐ How this business idea is connected with the social entrepreneur's research
- ☐ The business idea and theory of change^{xvii}
- ☐ Information about any external organisations involved in the development of the IP
- ☐ Ideas about how the company will raise income (potential customers)
- ☐ Ideas about how the company will sell the product/service (route to market)
- ☐ Who will be in the company (company members, investors, trustees ((if charitable)), directors, and staff)
- ☐ What the social aims are and how they will be achieved
- ☐ What the role of the social entrepreneur is in the company
- ☐ What experience the social entrepreneur has running a business
- ☐ What resources (e.g. start-up and working capital, staff, equipment, premises) are essential and how they will be obtained

Often called the 'cocktail napkin business plan' this single side A4 page should include enough key information to start the conversation. It can also be used as a business planning template.

The Social Enterprise Business Plan

Creating a business plan or alternative such as the Business Model Canvas^{xviii} is essential to help the social entrepreneur think about how feasible the business idea is and identify areas that

require additional research and input. A business plan will also be essential when seeking funding, whether is commercial finance or grants. Developing a business plan is not an isolated exercise, it will happen concurrently with gaining permissions: agreement

of terms will most likely result in changes or refinements in the business plan. Below are common aspects of for-profit and social enterprise planning that should be considered when transforming university IP into a sustainable social enterprise:

Ten Questions About the Business Every Business Plan Should Answer^{xix}

1. Who is the new social enterprise's customer?
2. How does the customer make decisions about buying this product or service?
3. To what degree is the product or service a compelling purchase for the customer?
4. How will the product or service be priced?
5. How will the social enterprise reach all the identified customer segments?
6. How much does it cost (in time and resources) to acquire a customer?
7. How much does it cost to produce and deliver the product or service?
8. How much does it cost to support a customer?
9. How easy is it to retain a customer?
10. What are the market development prospects and opportunities?

University social enterprise spin-out business plans should include:

- ☐ Social issue or concern that the business will be addressing
- ☐ Products or services offered
- ☐ An established demand
- ☐ Measures of social impact including Theory of Change^{xx}
- ☐ Production costs
- ☐ How production costs will be financed^{xxi}
- ☐ A marketing plan^{xxii} describing how the social entrepreneur will promote and sell its

product or service. This includes an analysis of the market and potential competitors and collaborators

- ☐ An analysis (e.g. **PEST**) of the external factors and trends that will affect the business idea
- ☐ An analysis of the strengths, weaknesses, opportunities and threats (**SWOT**) to the project and how the social entrepreneur will exploit or manage them
- ☐ An analysis of the main risks facing the project

✓ **Check yourself:** Determining real demand is a science of marketing and should never be taken lightly. For some social enterprises the beneficiaries will also be the customers, but for others the customers will be independent of the social purpose of the enterprise. Do not be one of the businesses and social enterprises that fail because demand was assumed without any thorough analysis and do not be afraid to undertake some market research.

3.2 Formulating 'in principle' agreements with the HEI and external partners

Initial Engagement with KTO or Research Commercialisation Office

Once the Business Sketch is developed, permission needs to be sought to exploit the IP (For particulars concerning permissions, see appendix). Initial meetings with the KTO will assess the value of the IP and the viability of the proposed business concept. The following steps and tools are designed to assist all of the stakeholders in preparing for the meetings about using the IP for a sustainable social enterprise.

Insider's Note

The processes that need to be followed are likely to be different across the UK HEI sector but the following questions (Figure 3) are indicative of what might be discussed.



Questions related to IP due diligence process

- Background of research area and the significance of the work being discussed?
- Is there any intellectual property protection available for this work? If yes, what kind?
- How was this work funded?
- Who was involved in creating the IP? Who owns it? What is its commercial value?
- Are there any background and/or third party rights required to give value to the IP?
- Are there any existing contracts that the organisation has in relation to this IP (such as collaboration agreements, consultancy agreements, confidentiality agreements, research contracts, IP licences, material transfer agreements)? If so, do these agreements contain any restrictive provisions that could affect commercialisation?
- Is there any competing IP/product/service?
- Does the IP created by the HEI risk infringing on the IP that belongs to anyone else?
- Has the work been discussed (verbally and/or in writing) with anyone who is not an employee of the HEI? If so, were confidentiality agreements in place?



Questions related to commercialisation and institutional issues

- Has the academic done any market research? Does the academic have any relevant industry contacts?
- Is the work reliable and does it do 'what it says on the can'? Have any proof of concept studies been undertaken?
- What would the inventor like to do with this innovation? How do they envisage commercialising this and what are the reasons for their preference?
- What sort of value could commercialisation bring to the University (purpose delivery, social objectives, economic, reputation)?
- What role does the inventor see for himself or herself in the commercialisation process? How much of an active role does the inventor wish to take? Are they entrepreneurial?
- The inventor's motivation for doing this and view of the social enterprise vs. for-profit alternatives: how does she or he plan to use any profits?
- Has the inventor had any informal conversations with relevant Head of Department? Is there support for this initiative?
- What are the risks for the HEI and the social entrepreneur in relation to this venture?

Figure 3

Potential questions raised during initial meetings between an academic and a technology/knowledge transfer representative

1 – Bring a Business Plan to the Table

Ensure that a clear business plan is written to demonstrate the viability of and commitment to the proposed social enterprise. A detailed 3-year plan should show how the social enterprise will operate, the social entrepreneur's role within that business and their continued involvement with the HEI.

Key Questions:

- Has the social entrepreneur informed their Head of Department and obtained permission?
- Does the social entrepreneur have a marketing plan that includes a pricing strategy and market assessment?
- Does the business plan have a break-even-analysis?
- Does the social entrepreneur have a start-up and operating plan which specifies roles, responsibilities, and core processes?
- Has the social entrepreneur considered competing work responsibilities with the HEI, such as research and travel?
- What is the proposed relationship between the HEI and the social enterprise? More specifically, will the HEI license the IP for a fee, offer financial and material support, offer secondments for a charge, provide investment capital or a service provision?

2 – Separate Research, Teaching, and Other HEI Responsibilities

It is important to clarify early on the motivation for creating the SE and also any existing commitments that the academic might have. Be clear on how the social entrepreneur's time, expertise and any innovations/IP the social entrepreneur has developed whilst working at the HEI will be used within the social enterprise and how this will be balanced with core responsibilities. Depending on the policies inherent at each individual HEI, the social entrepreneur may need to discuss with the HEI employer regarding the use of professional time for non-HEI work. The employer may also view the use of existing expertise and any knowledge or innovations developed while an employee at the HEI as the use of assets developed and owned by the HEI. The social entrepreneur and partners (if any) may therefore need to agree with the HEI about the use of social entrepreneur time and HEI-owned assets. The social entrepreneur may wish for a temporary secondment of relevant staff members or colleagues from the HEI to work part-time for the social enterprise. If this is the case, then this will need to be discussed with the HEI through a separate agreement (covering relevant charges). Institutional policies vary, but some of the ways the arrangement might be codified include: part-time consultancies with key academics who remain HEI employees, secondment agreements, under which university employees remain employed by the university but

are seconded to work full- or part-time for the company, and service agreements under which individuals are employed full- or part-time by the company.

Key Questions:

- Does the social entrepreneur plan to work part-time for the social enterprise?
- Will the social enterprise depend on the social entrepreneur's specialist knowledge and/or IP that the social entrepreneur has developed while an employee at the HEI?
- What is the HEI policy on time spent on work unrelated to the social entrepreneur's faculty/staff contract? Have the HEI's sign off procedures been followed?
- Where will staff for the social enterprise come from? If from the HEI, staff contracts must be considered and all procedures carefully followed according to HEI policy.

3 – Show how the HEI will Benefit from the Social Enterprise

The HEI may be obliged to secure proper value for, or wish to be financially reimbursed for the transfer to or use of its assets in the social enterprise, including expert knowledge or IP the social entrepreneur has developed. In any event, an explicit agreement is required. This could involve a license agreement (the HEI gives the social enterprise permission to use the IP), an agreement to assign the University IP to the social enterprise (the IP becomes the property of the social enterprise) The agreement may also involve the HEI providing financial and other resources on appropriate terms. The HEI may wish to have an equity

stake in the business (if there are shares), or constitutional company membership without a financial interest and/or a seat on the board of directors. Think about the benefits that the social enterprise can bring to the HEI and its community – these can be included in the discussions to demonstrate valuable reputational, social and financial benefits that the proposed social enterprise can provide. Importantly, the social entrepreneur has the ability to position the ‘best-case scenario’ for the IP in relation to the societal and ethical imperatives and potential qualitative impact of research production and dissemination.

Key Question:

- Has the social entrepreneur evaluated the opportunity costs to these different scenarios? For example, if the HEI insists on 50% of the net revenue, will the remainder suffice to operate the social enterprise?

Here's a practical equity formula to express social enterprise IP value:

Monetary value of IP
+
Monetary value of subject matter expertise^{xxiii}
+
Added income from social enterprise tax benefits, volunteer work hours and grants and/or award funding
–
Liabilities
=
Social enterprise equity

4 – Make a Mutually Beneficial Revenue Share or Allocation of Shares

In order to encourage participation in knowledge transfer activities and to promote the recognition of valuable intellectual property produced by staff, most universities will have a policy for revenue sharing from licensing similar the one illustrated in figure 4 below.

For strictly commercial spin out companies (as the most common legal form for a new company is a company limited by shares) there is usually a discussion about the equity split and constitutional balance between the researchers, the HEI and external investors. The differences between regular and social enterprises require HEIs to rethink their normal revenue distribution practices:

- a higher percentage of profits may need to be reinvested in

Total Net Revenue (after legal and other costs)	Academic(s) Total	University General Fund	Department	Research Commercialisation Office	Total
To £xk	x%	x%	x%	x%	100%
Over £xk	x%	x%	x%	x%	100%

.....
Figure 4
 Illustration of revenue sharing from licensing for commercial enterprises

the community or the business

- the social entrepreneur may not want to participate in revenue sharing
- the HEI might be willing to minimise their share given other benefits that the social enterprise can attract (reputation, social impact, etc)
- value will not grow in the company for the ultimate benefit of shareholders on a business sale, but may be retained within the social enterprise for application towards its social purpose.

Insider's Note

Some HEI's intellectual property policy will specify that if researchers receive shares in the spin out company, then they will forgo their right to benefit under revenue share to receive further income.

If the company takes a Community Interest Company (CIC) form, the profit distribution will be regulated and provisions will be included in its constitution or articles of association. Some HEIs might want become members of the new company but will not be expecting profit distribution while others might avoid becoming a member/ shareholder of a social enterprise as it is difficult to envision an exit.

5 – Involve External Partners

The social entrepreneur will need to bring any business partners and/or community on board at the very start of the process, including community partners, and they need to be included in the business plan. How much partners get involved in the process depends on their relationship to the start-up and/or the IP.

Key Questions:

- Do partners own any of the IP? If yes, it is worth exploring social enterprise joint venture vehicles.
- Do partners wish to have operational involvement in the company, perhaps a directorship or shareholder status?
- Are partners stakeholders with no interest in the company, perhaps a defined 'community' or the recipients of a service the social entrepreneur wishes to provide?
- Does the social entrepreneur have supply partners? These are key business resources for the social entrepreneur. If so, how will they do business with the social entrepreneur? What are the risks?

6 – Obtain Professional Legal and Financial Assistance

Once the discussions with the HEI have advanced to a level where the social entrepreneur has a good idea of the IP commercialisation plan, a draft business plan, and the social entrepreneur is ready to enter into contract with the HEI, the social entrepreneur needs to look at obtaining independent legal and financial advice and representation. The social entrepreneur will need advice and representation as well as

for the social enterprise when finalising agreements with the HEI. Your KTO may be able to suggest organisations who can provide advice to early stage ventures.

Key Questions:

- Does the solicitor/financial advisor have experience in social benefit contracts?
- Does the solicitor/financial advisor have experience balancing social and financial considerations?

7 – Discuss Company Constitution Issues

A shareholders'/members' agreement, articles of association of the new company, and an agreement covering the full relationship between the HEI and the social enterprise are required. The KTO will have templates for more commercial ventures (particularly for companies limited by shares) which can also be used, keeping in mind that social enterprises will require special considerations.

KTO templates will usually cover these areas:

- Legal organisational forms (pros and cons) and how they fit the social enterprise business model.
- Shareholders'/members of the new company
- Company directorate and responsibility for strategic management
- IP licenses
- Director service agreements
- Employment contracts
- Investment agreements

Key Questions:

- Who will the company members/shareholders be: the researchers, the HEI, investors and/or external organizations, employees, community organizations, or others?
- Who will be members of the Board of Directors/Trustees?
- Will the university (whether shareholder/member or not of the new company) have rights to appoint a director or observer to the board?
- Who will be Managing Director of the new company? (The managing director will run the company on a day to day basis and will be appointed by the board of directors)
- Who will have voting rights and will there be provisions to veto over direction of the company (e.g. to protect investor interests)?

Insider's Note

Model articles from Community Interest Companies (CIC) can be obtained from the CIC Regulator^{xxiv}

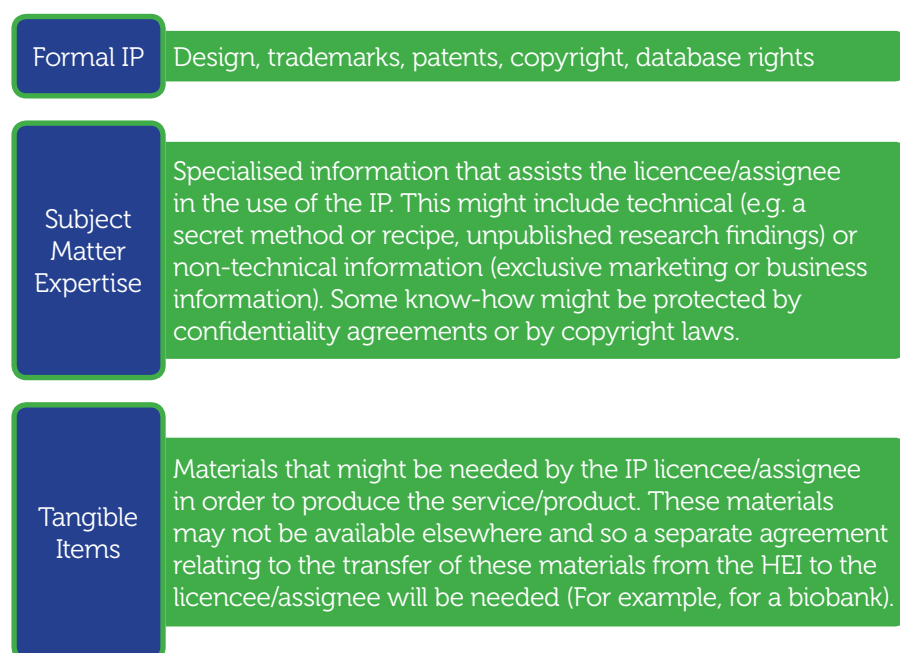
8 – Identify Sources of Funding

Check first what is directly available from the HEI to help the social enterprise in its early stages: for example 'proof of concept' funds, university challenges, and business competitions. Current funding resources can be found in the appendix. For support on contract particulars related to use of public funds, Social Enterprise UK provides more comprehensive assistance in their 2012 [Social Value Guide](#).

3.3 Agreeing on the use of university intellectual property

There are a few potential scenarios that the social entrepreneur may encounter when bargaining for the commercialisation of IP relevant to the social enterprise. These are briefly explained below and will need to be discussed in more detail with the KTO as well as

with a legal advisor advising the company which is seeking the license or assignment from the KTO. First it is important to understand what type of IP is involved. Universities normally grant rights to three different types of IP which may be sold or licensed:



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Figure 5
University intellectual property asset typology
.....

Next, it is important to know what particular information is necessary to close a deal where both parties are clear of their roles, their gains, and their risks, and agree in principle. Choose from the scenario that best fits the IP assets and business plan of the proposed social enterprise and then use the following scenarios to work through

the deal-making process. It is suggested that once the social entrepreneur determines the most likely scenario and prepares for it using the various tools in this guide, that the social entrepreneur practices answering the most salient questions found before Step One (i.e. Figure 3) above so that the answers are clear and concise.

Insider's Note

Investors have argued in the past that spin outs need to own their IP in order to attract further investment but this is much less the case now. Some UK HEIs will prefer to license the IP because spin outs are high risk ventures and it makes it easier to recover the IP if the spin out company is not successful. Therefore, Scenario 1 below is more typical in IP agreements than Scenario 2. The cases in the final section highlight several possibilities of working with the KTO 'from ideas to social enterprise'.



.....
Figure 6
 Scenario-based strategies for agreeing on the IP for social enterprise

Key considerations for discussions are:

- Whether the IP is to be licensed or assigned to the social enterprise spin-out
- Whether the IP is to be licensed or assigned 'free of charge' or an upfront and/or royalty payments need to be agreed.

Scenario 1: social entrepreneur is licensed to use the IP

Prepare:

1. identify the IP with the asset typology above, and articulate its intended use and any alternative uses
2. identify the 'customer base' in the marketing plan
3. identify the pricing strategy in the marketing plan and set a 'bottom line' both for the revenue sharing and the licensing timeframe
4. think of any hidden costs that might emerge as well as hidden benefits
5. ensure there is a fully-developed Benefits and Risks plan

Agree on terms:

- What safeguards will be in place so that the HEI can reclaim their property in case of a breach of contract?
- What amount of revenue is reasonable for both parties? If this IP could be commercialised for-profit, then what additional benefits does the HEI receive from entering into a social enterprise venture?
- What mutually beneficial license fee is most appropriate?

Close the deal:

- both parties are content with all of the terms
- the contract is as specific as possible and understood by both parties

Scenario 2: social entrepreneur is granted ownership of the IP

Prepare:

1. identify the IP with the asset typology above, and articulate its intended use and any alternative uses
2. List the advantages of intellectual property owned by the social enterprise: Commercial? Financial? Reputational?

Agree on terms:

- In what specific cases would the IP need to be returned to the university (e.g. business failure)?
- The university should have a stake in proportion to their investment and risk. Who is taking what risks? Answering this question will help the social entrepreneur formulate specifics. The university

must be assured that the IP, and their reputation, will be protected

- What mutually beneficial transfer price is most appropriate?
- Make sure it is in writing that the university is not interested in commercialising this IP

Close the deal:

- In what specific cases would the IP need to be returned to the university (e.g. business failure)?
- The university should have a stake in proportion to their investment and risk. Who is taking what risks? Answering this question will help the social entrepreneur formulate specifics. The university must be assured that the IP, and their reputation, will be protected
- What mutually beneficial transfer price is most appropriate?
- Make sure it is in writing that the university is not interested in commercialising this IP



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PART FOUR:

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Case Studies

Impact

The programme has already proved a success in preventing young people from starting smoking. It has been reviewed and recommended in guidance by the National Institute of Health and Clinical Excellence (NICE). The whole of Wales is currently rolling out ASSIST as well as 22 English PCTs and 2 of the Channel Islands. Since licensing began, over 38,000 students have been involved in the programme. During the last academic year alone, over 20,000 Year 8 students have taken part. This is likely to mean that in the region of 360-720 fewer 15-year old adolescents are regular smokers as a result of the Company and the associated knowledge translation and intervention implementation that it has enabled.

DECIPHER IMPACT



4.1 DECIPHER Impact: company limited by guarantee

www.decipher.uk.net

Using knowledge to tackle significant issues

DECIPHER Impact Ltd. is a joint spinout between the University of Bristol and Cardiff University. The company is based on intellectual property generated by Professor Laurence Moore from the School of Social Sciences, Cardiff University and Professor Rona Campbell from the University of Bristol during the successful £1.5 million Medical Research Council (MRC) funded ASSIST (A Stop Smoking in Schools Trial) Study which took place in 59 schools across Western England and Wales. This successful programme works by identifying and training the most influential students in schools to meet the challenge of preventing the take-up of smoking among their friends and class mates.

Social value and business planning

The development of this social enterprise opportunity was undertaken throughout as a joint effort between the University of Bristol, Cardiff University and the academics following the same rigorous process in place for more commercial spin-outs. The objective of the project has always been to facilitate rollout of the programme as widely as possible. The team understood

how valuable the application of this research could be for society. If implemented nationally, the venture could cut the numbers of 14-15 year olds taking up smoking by over 40,000 each year. In order to deliver this benefit over the long term, the social enterprise also needed to achieve financial sustainability. As a result, significant work was undertaken by the academics and both research commercialisation offices alongside external consultants, experienced in working with the NHS and in training provision, to assess if a viable business plan could be drafted. This process identified the current financial model, a 3-year licence granted to Primary Care Trusts (PCTs) to deliver the ASSIST training, which would allow company formation without capital injection. The academics were fully involved at all stages of the process while the commercialisation offices provided expertise and advisory input. As expected, it took significant time for all team members, research support and academics from both universities to develop a shared understanding of the needs of running a social enterprise and how the financial imperatives sit alongside the social drivers.

Company formation, revenue distribution and IP

The programme's requirement for effective quality control, marketing and close customer and financial management led to the decision to set up a company rather than try to run the programme directly from either university. The primary objective of the company was to maximise the translation and impact of evidence-based public health improvement research, specifically in the first instance to market, support and quality assure the ASSIST programme. A number of business models were discussed pre-formation but the difficulty in finding start-up capital in addition to the academics' preference for a not-for-profit model, strongly influenced the decision in relation to the adopted legal structure. With no expectation of dividends or of the need for external capital, a company limited by guarantee was the obvious choice. The main objective of the company is a social one, supporting the implementation of evidence based health programmes, (the first of which is aimed at reducing the uptake of smoking amongst teenagers) rather than revenue generation. Therefore, it was discussed and agreed that any surplus would be used to further develop the ASSIST product or new evidence based health/education products. The company was finally created in early 2010 when input from key customers that they were in a position to purchase a licence provided the financial means for the company to start trading. The universities assigned the trademark and licensed the know-how to the

company and consultancy agreements were put in place to account for the academics' time. It was recognised from the beginning that this effort could only succeed with the right, experienced senior manager to both run the company and communicate the programme's value to clients. This person joined the company at creation and has driven the uptake of ASSIST over the past 3 years. It was also recognised that, as the company grew, an independent non-executive director would add significant value; an experienced third sector professional, now the chairman, ensures that the company keeps the full social and financial balanced scoreboard through all its decisions. The creation of a company reinforced the advisory role of the academics, allowing them to continue their research full time while their innovative programme is rolled out widely.



Professor Rona Campbell
from the University of Bristol



Professor Laurence Moore
from Cardiff University



Impact

An estimated 200,000 frontline staff have been trained by 533 STORM® Facilitators since 2003. Charitable work has also been undertaken in Pakistan and Bangladesh. The following quote from the Republic of Ireland encapsulates Storm's impact: 'STORM® has fundamentally changed the way we approach suicide in Dublin 10...the fear of working with someone who may be suicidal has been replaced with a sense of security...The structure that STORM® provides has opened frontline workers up to recognising and addressing potential suicide'. And NHS Lanarkshire highlights the broad scope of activities offered by STORM®: 'Staff reported the skills developed have had application not only in relation to clients at risk of suicide, but also to a much wider client group. [Storm] has also played a key role in other service developments such as treatment pathways, and a recently updated risk assessment tool.'



4.2 STORM: community interest company limited by guarantee

www.stormskillstraining.co.uk

Scaling up expertise to benefit large numbers

With experience working in Mental Health and Primary Care services, STORM® Directors Doctor Gill Green and Professor Linda Gask understand the need for staff to be equipped with the skills to ask the difficult questions related to suicide and self-harm. The STORM® training packages for health and social care staff were developed in the mid-1990's. It became increasingly clear that all frontline staff could benefit from similar training, so in 2003 the STORM® Project was created at the University of Manchester to disseminate the training more widely.

Business Model

STORM® provides evidence based suicide prevention and self-harm mitigation training packages for frontline staff across healthcare, social care, education, criminal justice and military services across all sectors, and to Occupational Health and staff with responsibility for mental health and wellbeing in companies. STORM® offers variations of 'Self-Harm Mitigation' training to appeal to different customers. A complete package includes comprehensive preventions of self-harm, self-injury, and suicide whereas a condensed package might concentrate solely on preventing suicide. There are also two delivery methods to reach as many customers as possible, and a consultancy

service. Surplus income is invested back into the company to fund social impact work and further research undertaken by the STORM® Project at the University of Manchester. As a result of the financial success of this venture a CIC (Limited by Guarantee) legal form was incorporated. Customers include a number of statutory and non-statutory health and social care organisations, private healthcare providers, charities, universities, and professional associations across the UK, Channel Islands, Republic of Ireland, Malta and Australia.

IP and incorporation

The social enterprise is a direct result of the research undertaken to develop the training package. The IP is protected by licence agreement and is copyrighted through a registered trademark. STORM® customers enter an agreement with the University of Manchester which continues to be managed by UMIP. The Direct-to-Participant training organized for independent individuals and smaller organizations is protected by agreed Terms & Conditions between UMIP and STORM®. The University does not have a stake in the company but a royalty fee is paid to UMIP for any packages/training sold. University of Manchester Intellectual Property Ltd (UMIP) has supported STORM® since 2003 by providing venture management, public relations and IP legal support. UMIP has also been a key support in the start-up of the CIC. STORM® has also benefited

from several grants and awards including a Unltd Level 2 Award (£15,000 plus mentorship and pro bono legal and HR support), Unltd/HEFCE Outstanding Social Entrepreneur in Higher Education award, and selected to participate in the 10,000 small business programme, North West funded by the Goldman Sachs Foundation and delivered by Manchester Metropolitan Business School.



Impact

Since its creation, MfC has worked with 25 communities across the world and assisted more than 1,100 beneficiaries through projects such as reducing the negative environmental impact of a local scrap yard in Deptford, developing Green routes in London and changing buses in Putney. The social enterprise has also created 10 volunteering and intern opportunities for students. Professor Muki Haklay and Louise Francis, founders of Mapping for Change, received a Higher Education Social Entrepreneurship Award from UnLtd, the Foundation for Social Entrepreneurs and HEFCE. Under the umbrella of UCL Enterprise and the leadership of the VP Enterprise who included the creation of social enterprises in the 2011-15 strategy, UCL Business became the first Technology Transfer office in the UK to employ a business manager solely dedicated to identify and support social enterprise opportunities across UCL departments.



4.3 Mapping For Change: community interest company limited by shares

www.mappingforchange.org.uk

Creating new knowledge with the community

Professor Muki Haklay from the UCL department of Civil, Environmental & Geomatic Engineering and co-founder of Mapping for Change (MfC) and his colleagues offer expertise and innovative participatory mapping tools that empower communities to take ownership of the changes they want to make in their localities. Communities are invited to take an active role by collecting data, for instance for the benefit of town planning or reduction of pollution, and mapping this information to show key areas where change is needed.

IP and incorporation

The idea for Mapping for Change was based on participatory mapping and citizen science research from 1998 to 2008 at UCL. The IP is in the form of trademark and know-how of the processes involved. UCL initially supported the venture by providing space for the company, some funding and time for Prof Haklay to develop the venture. Later on, UCL Business Plc, UCL's technology transfer office, provided MfC with corporate structuring, contractual and Intellectual Property advice. Mapping for Change was initially set up as a limited company. However, the founders observed that this legal form made it difficult for the venture to be recognised as a social enterprise. Therefore, in 2012 Mapping for

Change was converted into a Community Interest Company Limited by Shares to protect the social mission but also allow potential investment in the future. UCL became a shareholder of the new company and appointed a director to the MfC board. Profits are currently being reinvested in the company.

The social entrepreneur's journey

According to Prof Haklay "There is nothing like setting a social enterprise to enrich your research knowledge and see how it can impact the world at large. I would advise academics to talk with their Knowledge Transfer Office as soon as possible about their social enterprise idea and try to make the venture part of the university. It is important to learn the best way to introduce the idea of a social enterprise and it will take time to get all the agreements in place. UCL has been supportive of establishing Mapping for Change CIC and it is one of the examples where research can lead to real impact on communities and places."



Prof. Muki Haklay (UCL) and co-founder of Mapping for Change

4.4 Contraception Education: limited company converted into a community interest company

www.contraceptioneducation.co.uk

Transforming passion and expertise into educational opportunity

Barbara Hastings-Asatourian founded Contraception Education in 2001 while she was a senior lecturer in Public Health at Salford University's School of Nursing, Midwifery and Health. The company was initially established as a company limited by shares for the purpose of disseminating the 'Contraception the Board Game' and to pursue the social mission of improving young people's knowledge of sexual health, safe sex and relationships and reducing unwanted pregnancies. The company is now a social enterprise that develops and produces sex education materials and resources that are used to educate young people in the UK and internationally. Barbara is now a full-time social entrepreneur who, in addition to her passion for healthcare and education, has a great interest in entrepreneurship and mentors budding entrepreneurs. She is a volunteer for the Princes Trust and is associated with their Enterprise Programme and the 'Explore Enterprise' course which supports young prospective entrepreneurs.

IP and incorporation

The company was set up with assistance from Salford University's then equivalent to a KTO. The business enterprise unit at the University encouraged her

to set up a limited company, to prepare business plan and helped her to manage the IP protection that was available to her. The university provided Barbara with legal, IP and mentoring support for approximately two years. Initially there were a number of challenges involved in the transition from academic to social entrepreneur. For example, Barbara had previously discussed her ideas with others without having confidentiality agreements in place. She eventually was able to protect some of her ideas via copyright and registered design. She also mentions the importance of academics to pay attention to personal tax liability because this can be a bitter surprise later in the process.

Finding an ethical business model

Although the University offered support, Barbara did not feel comfortable with the ethics of running a limited company, mainly because this business model is purely profit-driven and did not acknowledge the social impact side of the company, which was what Barbara was most interested in. Much later, she decided on her own that there needed to be a change to her business model. Barbara investigated a number of options, including becoming a charity, by discussing the matter with various people in her network

Through her membership of the Manchester Chamber of

Commerce, Barbara attended a course about social enterprise and how to set one up. She had already ruled out forming charity as it seemed too restrictive. The course prompted the decision in 2009 to convert her company to a CIC as this seemed to fit better with her mission. The transition from a company limited by shares to a CIC was done with support from Business Support Solutions and a small grant to fund this changeover. Salford University were also involved in this process as the University previously owned a stake in the company – Barbara needed their permission to convert the company to CIC – and they were supportive and provided publicity.



Barbara Hastings-Asatourian
Managing Director of
Contraception Education

APPENDIX A:

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Model Agreements

A.1 Model Document 1 – Licence of Copyright

Note

This model document is provided, for cross-referencing with the guide and to highlight the principal issues which will need consideration in relation to a Licence of Copyright granted by a University to a Social Enterprise. It is not to be regarded, or relied upon, as comprehensive, or any substitute for appropriate legal advice. In particular, the Conditions of Use and Payment Schedules will require detailed drafting, incorporating, as appropriate to the circumstances, a range of normal commercial and practical matters which are not detailed in the main text below, including standard, more specific, intellectual property protection provisions with which a Knowledge Transfer Office will be familiar. This model document was prepared by Bates, Wells and Braithwaite, Ref: JB/211647 (2-6 Cannon Street, London, EC4M 6YH; 0207 551 7777; mail@bwblp.com).

Date:

Between:

(1) [Name]

Principal Address: []
('University');

(2) [Name]

Registered Office: [];

Company Registration Number:
[];

[Charity Registration Number]:
[] ('Social Enterprise');

Background:

(A) The University, through the engagement of one or more SE Participants, has created the Work.

(B) The SE Participants have promoted the establishment of the Social Enterprise and presented the SE Business Plan to the University and the University agrees to grant this licence to use Copyright in the Work in promoting the SE Purposes.

Agreed terms and conditions:

1. Interpretation

The following definitions apply in this Agreement.

'Copyright': all copyright and rights in the nature of copyright subsisting in the Work worldwide to which the University is/ becomes entitled;

'Conditions of Use': i) the University's written general conditions for the use by social enterprises of its intellectual property rights, specifically those relating to copyright; ii) subject to/supplemented by specific

conditions of use in Schedule 2; any further reasonable written instructions of the University;

'SE Business Plan': the business plan of the Social Enterprise, including the proposed use of the Work for the SE Purposes;

'SE Participants': personnel and/ or students of the University who are involved in the Social Enterprise;

'SE Purposes': specified purposes for which the Work is proposed to be used by the Social Enterprise, within its public benefit objects;

'Work': the work specified in Schedule 1;

'Work Material': any material including/derived from, the Work, to be used for the SE Purposes;

'Work Material Net Price': the net invoiced price of any Work Material, exclusive of VAT or any similar tax.

2. Grant of Licence

2.1 The University hereby grants to the Social Enterprise a licence of the Copyright to use for the SE Purposes in accordance with the Conditions of Use, including in producing, promoting and selling/ transferring Work Materials;

2.2 For the duration of the Licence, the University

undertakes not to [itself exercise nor] grant any licence permitting any third party to exercise the rights granted to the Social Enterprise under Clause 2.1.

2.3 Use of the Work and Work Material may be in connection with any trademarks of the Social Enterprise.

3. Social Enterprise and Commercial Use

The Social Enterprise shall use its best endeavours to use the Copyright to promote the SE Purposes directly and subject to Schedule 2 or use the Copyright for further commercial benefit.

4. Copyright notice and acknowledgement

4.1 The Social Enterprise shall procure that all published and sold/transferred Work Material shall be marked with a notice in reasonably prominent form as follows

© Copyright [University Name]
[Year of creation] licensed to
[Social Enterprise Name]

4.2 The Social Enterprise shall procure that all published and sold/transferred Work Material shall contain any further acknowledgement specified in Schedule 2.

5. Information and co-operation

5.1 Each party shall promptly keep the other informed in relation to all communications, relating to the Copyright or Work Material, with any authority, or any complainant and in relation to any actual, or potential, breach

of the Copyright.

5.2 The parties shall reasonably co-operate in response to all such communications, complaints and actual, or potential, breaches.

6. Confidentiality

Each party shall keep secret and confidential any information of a confidential nature communicated to it by the other, either preparatory to, or as a result of, this Agreement, for as long as such information is confidential.

7. Royalties

7.1 The Social Enterprise shall pay to the University royalties for use of the Copyright as specified in Schedule 3 (if applicable):

7.1.1 in promoting its SE Purposes;

7.1.2 in obtaining further commercial benefit.

7.2 Subject to Schedule 3, such royalties may (as applicable) be based on percentages of Work Material Net Price on actual sales by the Social Enterprise (or any sub-licensee).

7.3 Payment shall be made in accordance with payment provisions set out in Schedule 3. Subject to Schedule 3, royalties shall be payable, for each preceding quarter, within 30 days of the issue of an applicable royalty statement and the required invoice, to the end of each 1st January, April, July and October.

7.4 The Social Enterprise shall

keep proper records and books of account showing the proper basis of royalty calculation and the activity giving rise to royalty payment obligations. Protection of the Copyright

8. Sub-licensing

8.1 The Social Enterprise shall have the right to grant to any person a sub-licence of any of its rights under this Agreement in relation to its SE Purposes.

8.2 The Social Enterprise shall obtain the prior written consent of the University (not to be unreasonably withheld, or delayed), in relation to any further commercial use.

8.3 The Social Enterprise shall be liable for all acts and omissions of any sub-contractor and shall indemnify the University against all loss or damage incurred the University, as a result of such sub-contractor action or omission.

9. Assignment/disposal

The Social Enterprise shall not, without the prior written consent of the University (not to be unreasonably withheld or delayed), assign, charge or otherwise dispose of any of its rights or obligations under this Agreement.

10. Duration and termination

10.1 This Agreement shall come into force on the Date in its heading.

10.2 Each party may terminate this Agreement on at least six months' written notice to the other.

10.3 The University may terminate this agreement with immediate effect by giving written notice to the Social Enterprise if:

10.3.1 the Social Enterprise fails to pay any amount due under this Agreement on the due date for payment and remains in default not less than fourteen days after being formally notified in writing to make such payment;

10.3.2 the Social Enterprise commits a material breach of this Agreement (other than failure to pay any amounts due under this Agreement) and (if such breach is remediable) fails to remedy that breach within fourteen days of being formally notified in writing to do so;

10.3.3 the Social Enterprise suspends, or threatens to suspend, its business, or any substantial part of it; proposes any compromise, or arrangement, with its creditors; or is subject to any proper enforcement action by any creditor, or any corporate action by its members, in respect of unpaid debt.

10.3.4 there is a change of control of the Social Enterprise.

10.4 Entire agreement

This Agreement constitutes the entire agreement between the parties and supersedes all previous agreements between the parties relating to its subject matter.

11. Variation

No variation of this Agreement shall be effective unless it is in writing and signed on behalf of both parties.

12. Notice

Any written notice required under this Agreement shall be shall be delivered personally, or sent by pre-paid first-class recorded delivery, or by commercial courier, or by email to an email address established for formal communication between the parties.

13. Third Party Rights

No third party has any rights under this Agreement.

14. Dispute Resolution

14.1 Either party may raise an issue between the parties as a formal dispute.

14.2 The parties will then use reasonable endeavours to resolve the dispute through nominated representatives within thirty days.

14.3 If a dispute is not resolved under Clause 14.2, it may be referred by either party to be resolved by two more senior nominated representatives within thirty days.

14.4 If the dispute is not resolved under Clause 14.3, it may be referred by either party to be resolved through reference to the mediation service of the Centre for Effective Dispute Resolution (www.cedr.com).

Schedule 1 - the Work

[]

Schedule 2 - Conditions of Use

[]

Schedule 3 - Royalties

[]

Signed by the Parties on the Date in the heading to this Agreement:

Signature:

On behalf of the University

Name:

Position:

Signature:

On behalf of the Social Enterprise

Name:

Position:

A.2 Model Document 2 – Licence of Patents/Know-how Rights

Note

This model document is provided for cross-referencing with the guide and to highlight the principal issues which will need consideration in relation to a Licence of Patent Know-how Rights granted by a University to a Social Enterprise. It is not to be regarded, or relied upon, as comprehensive, or any substitute for appropriate legal advice. In particular, the Conditions of Use and Payment Schedules will require detailed drafting, incorporating, as appropriate to the circumstances, a range of normal commercial and practical matters which are not detailed in the main text below, including standard, more specific, intellectual property protection provisions with which a Knowledge Transfer Office will be familiar. This model document was prepared by Bates, Wells and Braithwaite, Ref: JB/211647 (2-6 Cannon Street, London, EC4M 6YH; 0207 551 7777; mail@bwblp.com).

Date:

Between:

(1) [Name]

Principal Address: []
('University');

(2) [Name]

Registered Office: [];

Company Registration Number:
[];

[Charity Registration Number]:
[]; ('Social Enterprise');

Background:

(A) The University, through the engagement of one or more SE Participants, has secured the Patents/Know-how rights.

(B) The SE Participants have promoted the establishment of the Social Enterprise and presented the SE Business Plan to the University and the University agrees to grant this licence of Patents/know-how Rights to the Social Enterprise to use in promoting the SE Purposes.

Agreed terms and conditions:

1. Interpretation

The following definitions apply in this Agreement.

'Conditions of Use': i) the University's written general conditions for the use by social enterprises of its intellectual property rights, specifically those relating to patents and know-how; ii) subject to/supplemented by specific conditions of use in Schedule 2; any further reasonable written instructions of the University;

'Patents/Know-how and Patents/Know-how Rights': the specified rights under the specified patents (including patent applications) and/or in respect of know-how specified in Schedule 1;

'SE Business Plan': the business plan of the Social Enterprise, including the proposed use of the Patents/Know-how Rights for the SE Purposes;

'SE Participants': personnel and/or students of the University who are involved in the Social Enterprise;

'SE Purposes': specified purposes for which the Patents/Know-how Rights are proposed to be used by the Social Enterprise, within its public benefit objects;

'Patents/Know-how Material': any material including/derived from, the Patents/Know-how, to be used for the SE Purposes;

'Patents/Know-how Material Net Price': the net invoiced price of any Patents/Know-how Material, exclusive of VAT or any similar tax.

2. Grant of Licence

2.1 The University hereby grants to the Social Enterprise a licence of the Patent/Know-how Rights to use for the SE Purposes in accordance with the Conditions of Use, including in producing, promoting and selling/transferring Patents/Know-how Materials;

2.2 For the duration of the Licence, the University undertakes not to [itself exercise nor] grant any licence permitting any third party to exercise the rights granted to the Social Enterprise under Clause 2.1.

2.3 Use of the Patents/Know-how Rights and Patents/Know-how Material may be in connection with any trademarks of the Social Enterprise.

3. Social Enterprise and Commercial Use

The Social Enterprise shall use its best endeavours to use the Patent/Know-how Rights to promote the SE Purposes directly and subject to Schedule 2 to use the Patent/Know-how Rights for further commercial benefit.

4. Patent/Know-how Rights notice, registration and acknowledgement

4.1 The Social Enterprise shall procure that all required patent user registrations in respect of the Patent/Know-how Rights are secured and that all distributed and sold/transferred Patent/Know-how Material shall be marked with the relevant patent numbers in reasonably prominent form.

4.2 The Social Enterprise shall procure that all distributed, published and sold/transferred Patents/Know-how Material shall contain any further acknowledgement specified in Schedule 2.

5. Information and co-operation

5.1 Each party shall promptly keep the other informed in relation to all communications, relating to the Patents/Know-how Rights, with any authority, or any complainant and in relation to any actual, or potential, breach of the Patents/Know-how Rights.

5.2 The parties shall reasonably co-operate in response to all such communications, complaints and actual, or potential, breaches.

6. Confidentiality

Each party shall keep secret and confidential any information of a confidential nature communicated to it by the other, either preparatory to, or as a result of, this Agreement, for as long as such information is confidential.

7. Royalties

7.1 The Social Enterprise shall pay to the University royalties for use of the Patent/Know how Rights as specified in Schedule 3 (if applicable):

7.1.1 in promoting its SE Purposes;

7.1.2 in obtaining further commercial benefit.

7.2 Subject to Schedule 3, such royalties may (as applicable) be based on percentages of Patents/Know-how Material Net Price on actual sales by the Social Enterprise (or any sub-licensee).

7.3 Payment shall be made in accordance with payment provisions set out in Schedule 3. Subject to Schedule 3, royalties shall be payable, for each preceding quarter, within 30 days of the issue of an applicable royalty statement and the required invoice, to the end of each 1st January, April, July and October.

7.4 The Social Enterprise shall keep proper records and books of account showing the proper basis of royalty calculation and the activity giving rise to royalty payment obligations.

8. Sub-licensing

8.1 The Social Enterprise shall have the right to grant to any person a sub-licence of any of its rights under this Agreement in relation to its SE Purposes.

8.2 The Social Enterprise shall obtain the prior written consent of the University (not to be unreasonably withheld, or delayed), in relation to any further commercial use.

8.3 The Social Enterprise shall be liable for all acts and omissions of any sub-contractor and shall indemnify the University against all loss or damage incurred by the University, as a result of such sub-contractor action or omission.

9. Assignment/disposal

The Social Enterprise shall not, without the prior written consent of the University, (not to be unreasonably withheld or delayed), assign, charge or otherwise dispose of any of its rights or obligations under this Agreement.

10. Duration and termination

10.1 This Agreement shall come into force on the Date in its heading.

10.2 Each party may terminate this Agreement on at least six months' written notice to the other.

10.3 The University may terminate this Agreement with immediate effect by giving written notice to the Social Enterprise if:

10.3.1 the Social Enterprise fails to

pay any amount due under this Agreement on the due date for payment and remains in default not less than fourteen days after being formally notified in writing to make such payment;

10.3.2 the Social Enterprise commits any other material breach of this Agreement and (if such breach is remediable) fails to remedy that breach within fourteen days of being formally notified in writing to do so;

10.3.3 the Social Enterprise suspends, or threatens to suspend, its business, or any substantial part of it; proposes any compromise, or arrangement, to its creditors; or is subject to any proper enforcement action by any creditor, or any corporate action by its members, in respect of unpaid debt.

10.3.4 there is a change of control of the Social Enterprise.

10.4 Entire agreement

This Agreement constitutes the entire agreement between the parties and supersedes all previous agreements between the parties relating to its subject matter.

11. Variation

No variation of this Agreement shall be effective unless it is in writing and signed on behalf of both parties.

12. Notice

Any written notice required under this Agreement shall be shall be delivered personally, or sent by pre-paid first-

class recorded delivery, or by commercial courier, or by email to an email address established for formal communication between the parties.

13. Third Party Rights

No third party has any rights under this Agreement.

14. Dispute Resolution

14.1 Either party may raise an issue between the parties as a formal dispute.

14.2 The parties will then use reasonable endeavours to resolve the dispute through nominated representatives within thirty days.

14.3 If a dispute is not resolved under Clause 14.2, it may be referred by either party to be resolved by two more senior nominated representatives within 30 days.

14.4 If the dispute is not resolved under Clause 14.3, it may be referred by either party to be resolved through reference to the mediation service of the Centre for Effective Dispute Resolution (www.cedr.com).

Schedule 1 - Patents/Know-how and Patent Know-how Rights []
Schedule 2 - Conditions of Use []
Schedule 3 - Royalties []

Signed by the Parties on the Date in the heading to this Agreement:

Signature:

On behalf of the University

Name:

Position:

Signature:

On behalf of the Social Enterprise

Name:

Position:

A.3 Model Document 3 – Checklist of considerations for University participation in Social Enterprise utilising University generated intellectual property

Note

This document is provided, for cross-referencing with the guide and to highlight the principal issues which will need consideration in relation to University participation in a Social Enterprise. It is not to be regarded, or relied upon, as comprehensive, or any substitute for appropriate legal advice. This checklist of considerations was prepared by Julian Blake at Bates, Wells and Braithwaite, Ref: JB/211647 (2-6 Cannon Street, London, EC4M 6YH; 0207 551 7777; mail@bwblp.com)

1. University policy on such investment

1.1 Is the working assumption that an approved Project is one the University wishes to continue to support, including potentially through investment, or is Project approval distinct from further identification of a Project in which the University has a potential investment interest?

1.2 What are the investment criteria for a social investment by the University and the balance between social and financial considerations?

1.3 What are the distinctions in approach between an investment the University could undertake as:

1.3.1 promoting its educational

charitable objects;

1.3.2 promoting wider public authority public benefit purposes;

1.3.3 a financial investment;

1.3.4 a combination of these

1.4 Would the University or an associated company invest?

2. Project investment need and proposition

2.1 Is investment from the University necessary, desirable, or one among other options from the Project's perspective?

2.2 What is the investment proposition made to, or by, the University – type of investment (equity/debt); size of investment; ranking of investment; return entitlement/expectations/prospects?

2.3 Who are the co-investors and other participants in the Project?

3. Due diligence

3.1 What level of due diligence is required to consider potential benefits/risks as investor (beyond level of scrutiny required to approve a Project without investment risk).

3.2 Independent evidence of product/service potential.

3.3 Business Plan: including Project purpose; market and risk assessment; budget; start-up and working capital; delivery infrastructure; implementation plan, human and material resources, development opportunity, plan and prospects.

4. Investment/Project participants Agreement

4.1 Between University and Project company and co-investors.

4.2 Incorporation of Business Plan.

4.3 Conditions of investment (derived from business assumptions; due diligence conclusions; representations about the Project).

4.4 Other support/contributions from the University – premises, staff, equipment, intellectual property, administrative services, components of product/service etc and terms and conditions of supply.

4.5 Support/contributions of other participants.

4.6 Duration of agreement: participant commitment; process for one member exit/removal; process for new participants; end of project and consequences.

4.7 Investor protection safeguards:

4.7.1 role in appointment of Project board (nomination, election with other participants) and Project sub-committees;

4.7.2 reserved business matters

requiring investor consent, or consultation - major changes to Business Plan, or Project strategy;

4.7.3 procedures for: liaison; variation; review; new investment; disagreement, /dispute resolution, donation of profit; distribution of profit; winding-up.

5. Project constitutional structure/Articles of Association of Project Company

5.1 Structure: i) commercial - Company Limited by Shares; ii) social enterprise - Community Interest Company; iii) charitable/non-profit distributing Company Limited by Guarantee; iv) public benefit with co-operative structure - Community Benefit Society; v) member benefit Co-operative; partnership - Limited Liability Partnership.

5.2 Shareholder/membership provisions reflecting Investment Agreement provisions.

5.3 Composition of Board reflecting Investment Agreement provisions and further provisions to ensure appropriate balance of skills and experience.

5.4 Corporate policies and procedures reflecting Investment Agreement provisions.

5.5 Operational policies and procedures reflecting provisions of Business Plan.

Pros and cons of common legal forms in the social enterprise sector^{xxv}

Non-Charitable Company Limited by Guarantee

- Company Limited by Guarantee is the most popular form of incorporation for organisations in the sector. The governing body in this mode is called a 'Board of Directors'.
- 'Limited by guarantee' means that each member's liability for the company's debts is limited to an amount written in the governing instrument: often as little as £1 each (a technical mechanism replacing the equity share, still establishing a corporate limited liability structure).
- The organisation has a separate legal identity and can be liable separately from its members and directors, reducing the risk for members and directors. However, directors can still be liable for negligence and/or fraud.
- In return for limited liability the company must register its incorporation with Companies House and regularly provide them with certain information:
 - Annual accounts, annual return
 - Notice of change of directors or secretaries and their particulars
 - Notice of change of registered office
- Companies can be

incorporated with a single member

Pros

- Directors can be paid.

Cons

- May be difficult to raise philanthropic donations/ grant aid.
- Unlike a CIC, assets are not protected by an inviolable asset lock.

Community Interest Company (CIC)

- CICs can be companies limited by guarantee or by shares. They can adopt the co-operative, not-for-profit or general commercial company model.
- There are obligations that a CIC has to meet and continue to meet in addition to those imposed on an ordinary company:
 - Must satisfy a community interest test (looks at the underlying motivation of the company in terms of what it will do, who it will help and how, if it makes a profit, or surplus, what the company will do with it).
 - Must adapt certain statutory clauses in its constitution (asset lock and preventing the CIC from falling under control of non-members).
 - Must deliver an annual community interest company

report with its accounts.

- A CIC limited by shares may pay dividends, if agreed by a resolution of its members but dividends payable to private shareholders (non-asset locked bodies) will be subject to a dividend cap. At least 70% of profits are retained for the CIC's social purposes.

Pros

- Distinct brand for social enterprises with the share version a vehicle for social equity investment.
- Flexibility of constitutional structure Combines freedom of entrepreneurial activity with protection of inviolable 'asset lock'.
- Directors can be paid.
- Light touch CIC regulator (in addition to company regulation).

Cons

- Less opportunity for philanthropic donations/ grant aid than a charity.
- Cap on dividends ('asset lock') could depress interest from Investors.

Corporate Registered Charity (charitable company limited with guarantee)

- A public benefit, non-profit distributing organisation with exclusively charitable purposes is a charity and entitled to

and obliged to register as with the Charity Commission. Most charities in corporate form are companies limited by guarantee.

- The activities of a registered charity must fall into one or more of 12 pre-defined charitable objects which are for the public benefit. A charity may trade in direct pursuit of its charitable objects (with a De minimis allowance for non-charitable trading).
- A charity is governed by a board of trustees, who are accountable for the charity operating reasonably and prudently in pursuit of its charitable objects. The general rule is that trustees do not benefit from their charity and so are not paid (however there can be exceptions in the best interests of the charity). Charities have tax benefits because they are for the public benefit. They are exempt from corporation tax, capital gains tax, stamp duty on property transfers and income from letting excess space. They are entitled to 80% mandatory business rates relief on property they occupy for their charitable purposes. They can receive donations from individual tax-payers through gift aid, grossing-up net of tax donations in the hands of the charity; and corporate gift aid donations are tax deductible.

Pros

- Much greater potential eligibility for funding from public authorities, charitable grant-makers; the public; and companies.
- Tax exemptions and reliefs.

- A non-charitable trading subsidiary may donate its profits to the charity by corporate gift-aid, reducing its tax to zero the donation being received tax free by the charity.

Cons

- More active (but generally benign) regulation by Charity Commission in addition to regulation as a company.
- More responsibility for people involved as they become charity trustees. Charitable law prohibits payment to trustees for trusteeship (subject to exceptions) requiring a non-executive board.
- Trading not in pursuit of its charitable objects would have to be undertaken by a non-charitable trading subsidiary with a commercial relationship to the charity. The subsidiary may donate its profits to the charity by gift-aid.

Company Limited by Shares

- Most frequently adopted corporate legal structure.
- The governing body is called a 'Board of Directors'.
- There is no limit on dividends that can be paid to shareholders.
- Shareholders' liability for the company's debts is limited to the amount of their equity investment.

Pros

- Not subject to regulatory requirements of a charity or CIC.
- Good investment model – ability to pay dividends may make it easier to attract

private investors.

- Shares option can make recruiting experiences management easier to achieve.

Cons

- Potential conflicts of interest between the social purpose and broader shareholder constituency.
- Potential conflicts between the social enterprise mission and interest of shareholders.

Industrial and Provident Society

- Essentially these are co-operatives, run and owned by their members, but which may operate for the benefit of the community in addition to benefiting the members. An IPS can own property, enter into contracts, issue shares and take out loans. It has to be registered with and regulated by the Financial Services Authority (FSA). The aims of the society and the way it is run must comply with certain conditions in order for the FSA to accept and maintain the registration.
- An IPS must have at least three members.

Pros

- Good for promoting democratic ownership and control through co-operative structures
- Has a separate legal identity from its members.
- Can own property or enter into contracts in its own right.

Cons

- Less fit for purpose for organisations with hierarchical structures.

Considerations for discussion

Permissions	<p>Outcome 1, scenario 1</p> <p>Commercial value Social Enterprise to exploit the IP.</p> <p>HEI maintains ownership</p> <p>Royalty paid to the HEI or value transfers</p>	<p>Outcome 2, scenario 1</p> <p>low commercial value</p> <p>Social Enterprise to exploit the IP.</p> <p>HEI maintains ownership and licenses the IP to the social enterprise</p> <p>No Royalty, but may need to buy a license/ pay one off payment</p>	<p>Outcome 3, scenario 2 and 3</p> <p>No commercial value</p> <p>Social Enterprise to exploit the IP.</p> <p>HEI relinquishes ownership</p> <p>HEI assigns the IP without requesting payment</p>
Partners – other universities, charities, community groups, funding councils, etc ^{xxvi}	<p>Joint IP ownership</p> <p>Negotiate exploiting the IP in partnership with the HEI.</p> <p>No IP ownership</p> <p>Negotiate contractual relationship with HEI, and Social Enterprise.</p>	<p>Joint IP ownership:</p> <p>Negotiate exploiting the IP in partnership with the HEI.</p> <p>No IP ownership:</p> <p>Negotiate contractual relationship with HEI, and Social Enterprise.</p>	<p>Partner IP ownership:</p> <p>Negotiate exploiting the IP.</p> <p>No IP ownership:</p> <p>Negotiate contractual relationship</p>
Dept./School/Faculty	<ul style="list-style-type: none"> • Permission to Start-up as per business proposal • Use of Resources • Transfer/use of Assets 		
HR	<ul style="list-style-type: none"> • Staff secondments • Staff time split between employment with HEI, and SE 		
Finance	<ul style="list-style-type: none"> • Funding arrangements. Insider's Note: Transfer as operating service generally raises commercial transfer of business issues. 		
Estate	<ul style="list-style-type: none"> • If remaining within the HEI (Scenario 1): • Space rental • IT support • Postage • Telephone • Equipment/furniture 		

Table 8
Permissions and outcomes regarding commercial value of IP

APPENDIX D:

Links to further UK and worldwide resources

Grants

UnLtd www.unltd.org.uk

Big Lottery Fund
www.biglotteryfund.org.uk

Esmée Fairbairn Foundation
www.esmeefairbairn.org.uk

Comic Relief
www.comicrelief.com

www.governmentfunding.org.uk

www.trustfunding.org.uk

www.governmentfunding.org.uk

www.grantsonline.org.uk

Advice about funding for business
www.J4b.co.uk

Funding Central - access to thousands of funding and finance opportunities, plus a wealth of tools and resources

www.fundingcentral.org.uk

www.grantfinder.co.uk

www.grantsnet.org.uk

Social Investment

Unity Trust Bank www.unity.co.uk

Triodos Bank www.triodos.co.uk

The Co-Operative Bank
www.co-operativebank.co.uk

The Social Enterprise Loan Fund
www.tself.org.uk

Big Issue Invest
www.bigissueinvest.co.uk

The Social Investment Business
www.sibgroup.org.uk

Various local and regional community lenders CDFI's can be accessed via Community Development Finance Association www.cdfa.org.uk

Social Investment Business
www.sibgroup.org.uk

Venturesome www.cafonline.org

The Big Issue Invest
www.bigissueinvest.co.uk

Triodos Bank www.triodos.co.uk

Nesta
www.nesta.org.uk/investments

Bridges Community Ventures
www.bridgesventures.com

Other Guides on Social Enterprise

Evill, S., Howells G. and Zalamea F. 2012. The ClearlySo Guide for the Ambitious Social Entrepreneur
www.clearlyso.com/social-enterprises/how-to/ambitious-social-entrepreneur.html

Frost, C. 2009. Creating social

enterprises: a guide to social enterprise for university Staff. Cambridge & Chelmsford: Anglia Ruskin University
www.praxisunico.org.uk/news/detail.asp?ItemID=343

HEFCE, UnLtd, Simpacta, Red Ochre. 2010 Social Entrepreneurship Toolkit A comprehensive guide to developing a social enterprise, developed as part of the UnLtd-HEFCE Higher Education Social Entrepreneurship Awards programme.
www.unltd.org.uk/socialentrepreneurshiptoolkit

Nesta and UnLtd. 2012 Rooted: Growing your own social venture. A practical guide to getting started with your own social venture.
www.unltd.org.uk/rooted-guide

Universities UK. 2012 Universities enabling social enterprise
www.universitiesuk.ac.uk/Publications/Documents/universitiesEnablingSocialEnterprise.pdf

Legal Resources

Bates, Wells and Braithwaite and Social Enterprise UK. 2005. Keeping it Legal
www.sel.org.uk/uploads/Keeping-it-Legal.pdf

CIC Regulator. Guidance materials and model articles for

Community Interest Companies.
www.bis.gov.uk/cicregulator

Praxis Unico Practical Guides –
A selection of useful guides to
promote best practice available
to those working within research
commercialization.
[www.praxisunico.org.uk/
resources/practical-guides.asp](http://www.praxisunico.org.uk/resources/practical-guides.asp)

Governance advice

The National Council for
Voluntary Organisations
published a very practical
document called: For Love and
Money: Governance and Social
Enterprise back in 2007, but it is
still a very useful guide and can
be found here:
[www.ncvovol.org.uk/
uploadedFiles/NCVO/
Publications/Publications_
Catalogue/Trustee_and_
Governance/For_Love_and_
Money_%20Exec_Sum_PDF.pdf](http://www.ncvovol.org.uk/uploadedFiles/NCVO/Publications/Publications_Catalogue/Trustee_and_Governance/For_Love_and_Money_%20Exec_Sum_PDF.pdf)

The Social Enterprise – University
Enterprise Network SE-UEN has
produced a useful document on
legal models and governance.
[www.plymouthsocial
enterpriseuen.co.uk/resources/
files/4%20-%20UEN%20
Social%20Enterprise%20
Legal%20Models%20and%20
Governance.pdf](http://www.plymouthsocialenterpriseuen.co.uk/resources/files/4%20-%20UEN%20Social%20Enterprise%20Legal%20Models%20and%20Governance.pdf)

Business Planning

Business Model Canvas
[www.businessmodelgeneration.
com](http://www.businessmodelgeneration.com)

Virtue Ventures – Kim Alter
provides a typology that breaks
down the traditional boundaries
between the nonprofit and
private sectors and explores how
institutions have combined a mix
of social values and goals with
commercial business practices.

[www.4lenses.org/setypology/
prolog](http://www.4lenses.org/setypology/prolog)

Organisations that support social entrepreneurs

Ashoka UK www.ashoka.org
Ashoka is the global association
of the world's leading social
entrepreneurs.

Association of Chief Executives
of Voluntary Organisations
www.acevo.org.uk ACEVO
connects, develop and represent
the third sector's leaders.

Cabinet Office
[www.cabinetoffice.gov.uk/
resource-library/growing-
social-investment-market-
vision-and-strategy](http://www.cabinetoffice.gov.uk/resource-library/growing-social-investment-market-vision-and-strategy) Growing
the Social Investment Market:
A vision and strategy sets out
the Government's vision of a
thriving social investment market
where social ventures can access
the capital they need to grow,
allowing them to do more to help
build a bigger, stronger society.

CAN www.can-online.org.uk
CAN supports social enterprises
and charities to scale up their
businesses and maximise their
social impact by providing
business support and capital as
well as running CAN Mezzanine,
high-quality and affordable office
space exclusively for the social
sector.

Cooperatives UK [www.
cooperatives-uk.coop](http://www.cooperatives-uk.coop) Co-
operatives UK is the national
trade body that campaigns
for co-operation and works to
promote, develop and unite co-
operative enterprises.

Economic and Social Research
Council ESRC www.esrc.ac.uk

ESRC funds research and training
in social and economic issues.

National Council for Voluntary
Organisations NCVO [www.
ncvo-vol.org.uk/advice-support/
funding-finance/sustainable-
funding/publications](http://www.ncvo-vol.org.uk/advice-support/funding-finance/sustainable-funding/publications) Provide
useful introductory guides
for groups interested in social
enterprises.

Philanthropy UK
www.philanthropyuk.org Leading
resource for free and impartial
advice to aspiring philanthropists
who want to give effectively.

Proving and Improving
www.proveandimprove.org from
New Economics Foundation
www.neweconomics.org
Toolkit to help provide social
enterprise and other mission-
driven organisations with the
knowledge, tools and resources
to prove and improve their
quality and impact.

School for Social Entrepreneurs
www.sse.org.uk SSE supports
individuals to realise their
potential and to establish, scale
and sustain, social enterprises
and social businesses across the
UK, Australia and Canada.

Skoll Centre for Social
Entrepreneurship at the Saïd
Business School, Oxford
University [www.sbs.ox.ac.
uk/centres/skoll/Pages/
default.aspx](http://www.sbs.ox.ac.uk/centres/skoll/Pages/default.aspx) The Skoll Centre
is a leading global entity for
the advancement of social
entrepreneurship. It fosters
innovative social transformation
through education, research, and
collaboration.

Social Enterprise Training and

Support SETAS www.setas.co.uk A one-stop marketplace for social enterprise training and support.

Social Enterprise UK www.socialenterprise.org.uk Social Enterprise UK is the national body for social enterprise. It represents members to support and help grow the social enterprise movement.

Social Firms UK www.socialfirms.co.uk Social Firms UK is the national membership and support organisation for the development of the Social Firm and Work Integration Social Enterprise WISE sector in the UK.

Social Return on Investment Network SROI www.sroi-uk.org.uk Membership organisation with members who are practitioners,

academics, funders and investors with an interest in the use and development of social return on investment methodology.

UnLtd www.unltd.org.uk UK Charity which supports social entrepreneurs by providing a complete package of funding and support, to help individuals make their ideas a reality.

Endnotes

- i. Santos, F.M. (2012). A positive theory of social entrepreneurship. Journal of business ethics. 18 August, p.1-17. DOI 10.1007/s10551-012-1413-4
- ii. Universities UK (2012). Universities enabling social enterprise. www.universitiesuk.ac.uk/Publications/Documents/UniversitiesEnablingSocialEnterprise.pdf
- iii. Research Councils United Kingdom. Accessed 2013. www.rcuk.ac.uk/Publications/policy/framework/Pages/SustainableWorld.aspx
- iv. Higher Education Funding Council for England. Accessed 2013. www.hefce.ac.uk/whatwedo/kes/society/entrepreneur
- v. Universities UK (2012). Universities enabling social enterprise. www.universitiesuk.ac.uk/Publications/Documents/UniversitiesEnablingSocialEnterprise.pdf
- vi. Santos, F.M. (2012). 'Let's get serious about social entrepreneurship: Re-thinking strategy and organization theory.' Paper presented at NYU Stern Conference on Social Entrepreneurship, Nov. 7-9.
- vii. Santos, F.M. (2012). A positive theory of social entrepreneurship. Journal of business ethics. 18 August, p.1-17. DOI 10.1007/s10551-012-1413-4
- viii. www.4lenses.org/settypology/models
- ix. Santos, F.M. 2012. 'Let's get serious about social entrepreneurship: Re-thinking strategy and organization theory.' Paper presented at NYU Stern Conference on Social Entrepreneurship, Nov. 7-9.
- x. www.creativecommons.org
- xi. Intellectual Property Office. My IP, Intellectual Property Explained. 2012. www.ipo.gov.uk/myip.pdf
- xii. <https://www.gov.uk/running-a-limited-company/directors-responsibilities>
- xiii. Theory of Change. 'A theory of change (TOC) is a tool for developing solutions to complex social problems. A basic TOC explains how a group of early and intermediate accomplishments sets the stage for producing long-range results.' Source: Harvard Family Research Project. Accessed 2013. www.hfrp.org/evaluation/the-evaluation-exchange/issue-archive/evaluation-methodology/an-introduction-to-theory-of-change
- xiv. See note xiii above
- xv. Sources for measuring impact: www.proveandimprove.org www.bigsocietycapital.com/guidance-social-sector-organisations

www.inspiringimpact.org

www.theoryofchange.org

www.socialauditnetwork.org.uk

www.thesroinetwork.org

www.ces-vol.org.uk/Publications-Research/publications-free-downloads/publications-free-assessing-change

xvi. Reproduced with permission from Bates, Wells and Braithwaite. Bates, Wells and Braithwaite and Social Enterprise UK. 2005. Keeping it Legal, http://cms.bwbllp.com/Files/Publications/sec_keeping_legal_complete2b.pdf

xvii. See note xiii above

xviii. To help the social entrepreneur build a business plan, try out the Business Model Canvas developed by www.businessmodelgeneration.com This is an interactive tool that makes business planning easy.

Other helpful templates:

Business Link Business Plan: www.businesslink.gov.uk/Starting_a_Business_files/Business_Plan_Template_v8.4.doc

Social Enterprise Toolbelt (section on business planning): www.setoolbelt.org

Business Traders (Australia) Social Enterprise Plan: www.socialtraders.com.au/social-enterprise-business-planning

xix. Adapted from: Harvard

Business School. Accessed 2012. <http://hbswk.hbs.edu/item/0565.html#related>

xx. See note xiii above

xxi. Social and Environmental Metrics: www.socialenterprise.net/assets/files/Revisioning%20Value%20measure%20impact%20final.pdf
www.setoolbelt.org (search under financial accounting).

xxii. Enterprising Non-Profits (Canada) Marketing Module: www.enterprisingnonprofits.ca/learning-toolkits/products-and-markets

xxiii. 'Subject matter expertise' is optional and here refers to the market value of a seconded member of staff, or if the IP requires specific technical abilities, the market value of an HEI staff member with this specific competence. If this is included as an asset, then the actual charges of the secondment or technical staff member should be included as a liability. Since many staff at university arguably receive lower salaries than they would in the private sector, rather than simply transferring this unique value into labour costs, calculating expertise in the Social Enterprise IP Equity approach shows a more detailed picture of the benefit of HEIs using their human capital for social enterprise spin-outs.

xxiv. www.bis.gov.uk/cicregulator

xxv. Reproduced with permission

from: UnLtd. and HEFCE, UnLtd, Simpacta, Red Ochre. 2010 Social Entrepreneurship Toolkit A comprehensive guide to developing a social enterprise, developed as part of the UnLtd-HEFCE Higher Education Social Entrepreneurship Awards programme. www.unltd.org.uk/socialentrepreneurshiptoolkit

xxvi. HEI involvement will need to be covered by an appropriate collaboration, or company member's/ investment agreement – Joint IP could be part of collaboration. Otherwise SE could receive it under a licence.

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