

Providence Row

City Bridge Trust Stepping Stones Case Study
First Interview – October 2015

It's not often that staff at a homeless charity find themselves given a lost ferret to care for but for Providence Row this is exactly what happened in the autumn of 2012. A sausage, a drink, and a phone call to RSPCA soon saw the ferret off to proper care but Pam Orchard, CEO of Providence Row, tells this story for the one reason that it shows the message of Providence Row ringing out: 'no matter who you are, we'll support you'.

Pam herself knows that she's about and why she loves working at Providence Row: "What I enjoy most is working with our clients to find out who they really are and how they've become homeless. Once you get past the outer layers of relationship breakdown, substance misuse, mental health or long-term unemployment, you begin to find out that you're working with an artist, a gardener or a writer. But it takes time to do that. You've got to invest in them first, only then do the rewards come."

Working with clients from a whole range of backgrounds, Providence Row deliver services in four key areas: a resource centre providing breakfast and showers; an advice and information service; a recovery and treatment programme; and a training and enterprise team. However with homelessness on the rise in London, increasing complexity in clients' situations, and an ever-tightening fundraising environment, Providence Row set about taking more control of their future and their finances, "we want to become masters of our own destiny".

Three years ago Providence Row began to fully embed one of their key organisational aims to be enterprising, and in particular to explore income generation through social enterprise. They employed a fixed term social enterprise development manager through grant funding, gathered a group of trustees to discuss what it would mean for the organisation, and encouraged a culture of business enterprise within employees through external speakers. The outcome was the initiation of two on-site social enterprise businesses: a room hire service, and a bakery.

Having taken the first step towards increased income generation they needed more support to safely explore scaling up these businesses to make further profit and attract social investment. "This is where City Bridge Trust's Stepping Stones grant came in. The timing was perfect," says Pam.

Applying through the Pilot Finance strand of the grant programme to employ a new Social Enterprise Development Officer, Pam had one simple question in mind, "we need to find out how many cakes we can sell!"

Put more specifically, the Stepping Stones grant gives Providence Row the opportunity to explore and expand the market for their bakery, making the most

of the expanding independent café market within the close vicinity. “In two years the number of artisan cafés within a one mile radius of us has grown from 23 to 70. We currently serve three of them. We need to know if we can increase this to around 25, increasing our profit five-fold.”

This level of specificity is evident throughout Pam’s explanation of their plans: “My advice for other people considering applying for the pilot finance strand is to have a idea ready to go that you think has a chance of success. There’s great opportunity in social enterprise and social investment, but there’s also reputational risks of stepping into the commercial market and failing. Ensure your trustees are bought in and understand that an enterprise way of operating is not business as usual.”

Pam’s own philosophy of social investment goes one step further too: “Our clients are so often living according to the decisions of others to give them help yet social enterprise enables them to help themselves, growing their sense of personal agency and delivering a high quality service. It’s the same with charities. Too often we are forced to move to the beat of grant and other funders, yet social investment requires us to take more control and deliver high quality services that both command an income and deliver a social good.”

Providence Row’s ethos revolves around believing and investing in those who come through their doors in need of support. Time will tell whether others will believe and invest in Providence Row.

Second Interview – February 2016

To say that Providence Row’s bakery social enterprise was a ‘rising’ star may be a poor excuse for a pun but it would also accurately describe its progress under the City Bridge Trust Stepping Stones grant. A second-place winner at the London Homelessness Awards, its trading income has doubled to £1,000 per month and it is on the verge of a re-brand as ‘Rise’, thanks to some pro-bono support from marketing firm Unreal. Pam Orchard, CEO of Providence Row, explains where the growth has come from:

“Being able to employ a full-time Social Enterprise Development Manager through the funding was key. It also was hugely important that we were able to both appoint someone with a clear understanding of our beneficiary group and to create a succession plan for the end of the funding.”

The journey to where they are now has seen some significant positive experiences that will stay with the organisation long beyond the grant period. “It’s been brilliant to begin to see that ‘enterprise’ glint in the eyes of the staff as we’ve gone through the process of exploring the bakery as a viable enterprise. As they went through the marketing exercise for the re-brand, it became clear to them that this wasn’t just a glorified bake sale, it was a genuine business prospect with quality and potential.”

However Pam is clear about the challenges and learning they’ve gained so far too. For one, having more customers requires sufficient capacity to create the products to a high

and consistent standard. “If we’re going to keep expanding then we’ll need a new oven. However paying these costs is part of committing to the bakery as an enterprise”. It’s also been important to ensure the bakery remains on-brand with the rest of the charity. Whilst it has a profit-making purpose, it can’t clash with the organisation’s primary purpose of social care, and must still offer experience opportunities in the employment skills work of the charity.

Underneath all the success of the bakery so far is clarity over a business mindset. This has led them to re-visit their ingredient sourcing, finding out which products could be made for the highest profit margin. They’ve also developed a regular (and not altogether un-enjoyable) process of consumer testing recipes to establish which will be most popular at market.

This lesson is clear when it comes to the future too: “The goal by September 2016 is around £2,500 per month in sales. When it comes to looking for possible social investment in the future we need to know we have a strong proposition. This is vital not only for investors themselves, but also our trustees. I won’t take something to them unless I know we’ve got a sound plan and a viable enterprise.”

When asked about advice for other potential applicants to the Stepping Stones Fund, Pam is clear: “Consider the funding both as a chance to explore your idea for an enterprise but also as a year of organisational learning. Sometimes it’s good to say no to an idea once you’ve tested it out.”