

NEW TRENDS IN THE CREATION AND MANAGEMENT OF SOCIAL ENTERPRISES: STUDY CASES (II)

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Tandem social: the strategic vision at the service of economic, social, environmental, educational and cultural transformation

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OBJECTIVE OF THE CASE

In 2011, the associated working cooperative Tandem Social S.C.C.L was born in Barcelona, a strategic consultancy specialized in the social economy, social enterprise and the third sector. The aim of the case is to familiarize students with the process of learning and strategic decision-making, as well as to highlight the main challenges faced by start-up organizations throughout their implementation, development and growth. Also, to publicize the cooperative movement as a benchmark of the social economy.

The case is aimed at students from undergraduate and postgraduate programmes in the social sciences, such as Business Administration and Management and Economics, for subjects related to entrepreneurship, strategic management and management of non-profit entities.

1. INTRODUCTION

1.1. TANDEM SOCIAL AND SDG 8: DECENT WORK AND ECONOMIC GROWTH

The Sustainable Development Goals (SDGs) were adopted in 2015 by all United Nations member states as a universal call to end poverty, protect the planet and ensure that all people can live in peace and prosperity by 2030. It is a list of 17 integrated objectives, which pursue global sustainability (environmental, economic and social) by 2030. **The United Nations** Development Programme (UNDP) is the main United Nations development body and has a leading position in helping to implement the 17 SDGs in about 170 countries and territories.

SDG 8 on Decent Work and Economic Growth. As the global economy continues to recover from the effects of the last economic crisis, we see sluggish growth, rising inequalities and a labour deficit

unable to cover the workforce of a growing world population. According to the International Labour Organization (ILO), in 2015 there were more than 204 million unemployed people. Unfortunately, this trend will again be exacerbated from 2020 by the global health and economic crisis generated by the Covid-19. The sustainable development goals aim to counter this trend and *“stimulate sustainable economic growth, increasing levels of productivity and technological innovation, encouraging policies that accompany and stimulate entrepreneurship and job creation for this purpose.”*

Tandem Social is a strategic consulting cooperative that puts its knowledge and experience at the service of economic, social, environmental, educational and cultural transformation. It is a cooperative of work of social initiative and non-profit that works under the principles of the third sector, the social economy and the values of cooperativism.

It was formally born in 2011, at the height of the economic crisis, to accompany entrepreneurial initiatives, implement support and training programmes for people, in collaboration with public and private institutions at the local, national and international level. This impulse makes sense especially in the partner-economic context of his birth, helping the fabric of social entrepreneurship and cooperativism to develop and grow, while fighting against the vulnerability of the moment.

Tandem Social’s expertise lies precisely in the accompaniment and stimulation of these sectors, using tools traditionally linked to the capital economy and putting them at the service of social transformation, thus promoting an economy focused on people where quality of life and balance between the environment and people are the elements on which decision-making pivots, **principles clearly aligned with decent work and economic growth pursued by the SDG 8.**

On the other hand, the integrated nature of the SDGs means that interventions in one area affect others, and therefore their balance promotes global sustainability: economic, social and environmental. At Tandem Social they know this well. Although his work has a direct impact on the SDG 8 on Decent Work and

Economic Growth, his vocation for social transformation through support and cooperation with other people, institutions and organizations (each of them focused on different SDGs), indirectly benefits the other SDGs, highlighting its integrated character, as well as the transformative and global capacity of the cooperative.

1.2. TANDEM SOCIAL - MISSION, VISION AND VALUES

Tandem Social is not an ordinary company. Since its inception, it has given special importance to values, **betting on the legal form of an associated work cooperative**, adding value to its idea of undertaking a strategic consulting project.

The mission of Tandem Social is to accompany people, institutions and organizations to make their challenges of social transformation a reality, through the contribution of work, knowledge, experience and enthusiasm.

His vision is to contribute to the promotion and strengthening of an economy focused on people and the environment, with a model of democratic and participatory governance, with the ultimate goal of generating well-being in all areas and for all people.

On the other hand, **cooperativism**, with a strong tradition in Catalonia, defends a model of work with very specific values, aimed at offering and promoting decent work, which is fully shared by Tandem Social, who identify with their mission and vision and are: self-help, responsibility, democracy, equality, fairness and solidarity.

In this strong identification with cooperativism, it is the alignment of its values and objectives, with its internal operability and company policy.

1.3. TANDEM SOCIAL – OBJECTIVES, SERVICES AND IMPACT

The **objectives** of Tandem Social are:

- Accompany initiatives of the social and solidarity economy, social enterprises and third sector organizations in the design and implementation of long-term sustainable projects with a high potential for social transformation.
- Contribute to the construction of a fair and equitable society, with people and the environment, cooperating and participating in public and private spaces.

Under these objectives, Tandem Social offers a **series of services as a strategic social consultancy**, mainly to social enterprises, to the sector of cooperativism, to third sector entities and to organizations of the social and solidarity economy:

- Accompaniment: directing social initiative projects in Catalonia (Social Business City Barcelona, Openly, Catalan Social Action Entities - ECAS), accompanying social and solidarity economy companies and social entrepreneurs.
- Strategy: participatively building the strategy of organizations to maximize their social impact and economic sustainability.
- Training: sharing and transmitting their knowledge in the third sector, the social and solidarity economy and social entrepreneurship.
- Co-design: co-designing and implementing high impact programmes.
- Talent search: carrying out selection processes for positions of responsibility in organizations in the third social, cultural and environmental sector and companies of the social economy.

Social impact. Since its inception in 2011, until today in 2020, Tandem Social has accompanied more than 2,115 entrepreneurial initiatives, implemented 55 support programs, established 15 strategic alliances and trained more than 11,000 people, in

collaboration with public and private institutions at the local, state and international level, **thus contributing to the generation of positive social impact.**

2. STRATEGY AND SPECIALIZATION. THE ADVENTURE OF LAUNCH

2.1. TRAJECTORY

Over these 9 years, Tandem Social has gone through different phases of growth. Much of its success is due to the strategy that has followed and has guided decision-making. It is not surprising since as a strategic consultant it is fully aware of the importance of developing a clear strategy that is consistent with the context of the moment, establishing a plan that fits in, both internally and externally. However, as a cooperative, Tandem Social is aware of the importance of giving value to the human team and the talent that makes it up. It is at this intersection where lies the key element that explains the favourable evolution of the cooperative, a strategy built in a participatory and consensual way among all the people who have been part of the project. A strategy with which all people feel identified is, in essence, shared, tends to involvement and facilitates its implementation.

The strategy of Tandem Social is aimed at differentiating itself in an emerging sector such as social consulting, especially in the city of Barcelona and which in many cases competes with its traditional equivalent, **through specialization.**

Below is a detailed description of the different phases through which Tandem Social has gone, which highlight the strategy of specialization that has followed, adapting to the context of the sector and competition, as well as the decision-making and growth challenges they have come across during the process.

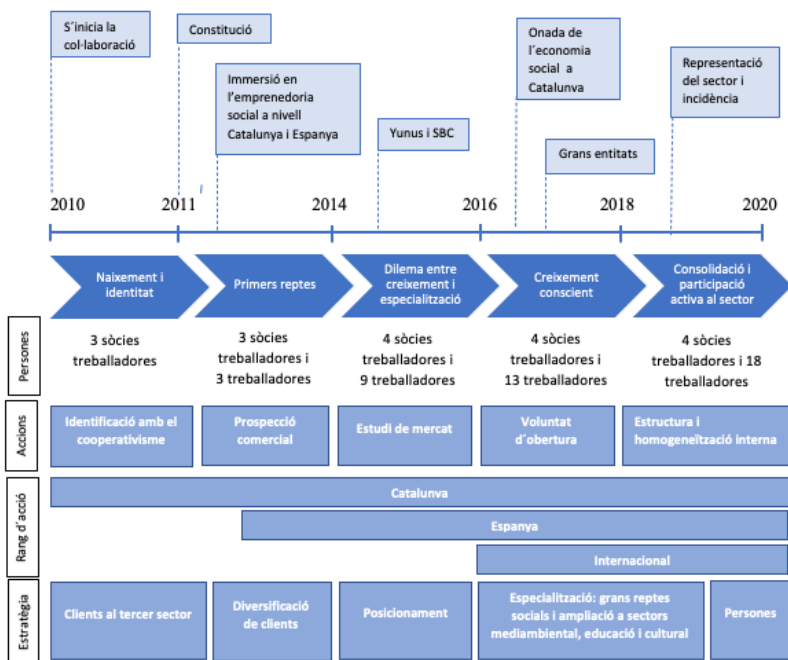


Figure 1: Evolution of growth, number of workers and levers of change. Source: Tandem Social.

2.1.1. FIRST PHASE (2010-2011): BIRTH AND IDENTITY OF TANDEM SOCIAL

In 2010, the confluence of three individual wills eager to learn, each understood from their side of social transformation, and at a key moment of social need such as the economic crisis that began in 2008, they decided to start creating projects together. They are Jaume Oller, Jordi Gusi and Sergi Rufat.

At first, they give a time of margin of one year, collaborating for small projects but without associating, in order to see how they complement and understand each other working. After a while they decide that they have to have an identity and they have to create a company. Finally, in 2011 they took the step and became founding partners of Tandem Social SCCL, first Jaume, Jordi and Sergi and, over time, Andrea Balletbò also joined as a working partner.

At that time they have a very clear vision: they want to create a brand, “Tandem Social”; they want to create a product of excellence, from the point of view of the social consulting process;

they want to do it from the proximity, since they know very well the social reality of the social challenges that surround them and want to create a team, one that notices the accompaniment and stability of an organization.

Among the legal forms compatible with their idea, they choose the cooperative, for the values it represents and for its way of understood governance and business culture, which basically consists of being responsible and co-operative of the entrepreneurial project. They are aware that, to give value to their professional relationship, it is essential to prioritize Tandem Social over individualities. They bet on “all or nothing”, making available to Tandem Social clients, projects and anything that may arise. This way of operating greatly fosters trust and transparency (qualities indispensable to have in the relationships between partners, for the success of a company), as well as the consensus on decision-making, **raising to its maximum expression the concept of team. A concept that not only apply to their internal relationships, but extend to their clients, with whom they form a perfect tandem to achieve the social transformation they pursue.**

Thus, Tandem Social is presented as “a cooperative of work promoted by a group of experienced professionals who believe in social enterprise, entities and social projects as the axis of transformation. Therefore, we offer consulting, strategy and implementation services to those organizations that want to contribute to make projects with a high impact come true, thus becoming our tandems”.

2.1.2. SECOND PHASE (2011-2014): FIRST CHALLENGES

During the first years of their career they take advantage of the experience and positioning accumulated individually. Shared customers, such as Catalunya la Pedrera Foundation or ECAS, account for 80% of their turnover. They are clear that, after the first phase of establishment, they must start strategically planning the next phase and **diversify their client portfolio**, since relying on few customers (even if they are strong), taking into account that the normal rotation in collaborations is every 2-3 years, poses a clear risk to the continuity and future economic stability of Tandem Social. This is the first challenge they face.

The economic context of 2011 has a lot to do with the **economic crisis**, where the third sector, the main client of Tandem Social, takes on an increasingly relevant dimension (as a sector dedicated to the most vulnerable groups, which are the first to suffer the consequences of a crisis) but which, at the same time, has very little economic muscle...similar to the current situation. There is no public agenda in social economy and social entrepreneurship is a concept still unknown enough. Awareness of the moment and its customers, together with the visionary nature of entrepreneurial partners, gives them the certainty that it is time to move on to trends and start exploring alternatives.

It is a period where they move a lot, making a great effort of **commercial prospecting**, in order to identify new customers. In 2012, they made a great immersion in social entrepreneurship with the Social Entrepreneurship Programme of La Caixa, which help to design and implement and as a supplier of the @Emprensial Programme of the Generalitat de Catalunya. These programmes represent the definitive positioning of Tandem Social in Catalonia and the gateway to Spain, which gives them a very valuable view of the territory and its needs, where, later, they will reach new customers, for whom they will develop new services and value propositions.

This **desire for openness** is not only limited to the Spanish state but is part of the strategic decision to expand its range of performance, also internationally, by networking with actors from the world of social entrepreneurship everywhere with whom to develop projects with impact and learn from good practices. As a result of this strategy, they are looking for opportunities internationally and come into contact with the figure of Muhammad Yunus, whom they have as a reference of the social enterprise.

Muhammad Yunus was awarded a Nobel Peace Prize in 2006, a figure of international prestige for being the father of the concept of social enterprise and ideologue of microcredits as an alternative financing tool for people at risk of social exclusion, especially on the grounds of poverty and gender, and who do not have access to traditional sources of funding.

They contact the Social Business City of Florence (Italy), an entity of the Yunus universe, formed by a large alliance of social entities

and universities, and which is dedicated to the promotion and strengthening of social enterprise in society and academia. The definition of social enterprise that Yunus defends is that of an organization that develops an economic activity of sale of a product or service in order to respond to a previously identified social need, with the aim of transforming it generating a high positive social impact. According to Prof. Yunus, social enterprises must necessarily be non-profit organizations and must work under principles closely aligned with those of the social economy and cooperativism, such as gender equality, sustainability and environmental awareness, the promotion of decent work and economic and financial sustainability.

Over the course of the days, the opportunity arises to meet Muhammad Yunus and they do not hesitate to travel to Florence. From the meeting, strongly inspiring, they come out with the firm decision to become ambassadors of the Yunus movement in Catalonia and found the Social Business City in Barcelona. For this reason, they present the project to social entities of great recognition, partnering with the Internèdia Foundation, Training and Work Foundation, Gentis i Apunts Foundation, and finding great allies of the Barcelona scene, such as the Barcelona City Council, The Social Work La Caixa, Football Club Barcelona Foundation and Diplocat, and the academic scene, such as Pompeu Fabra University, the University of Barcelona, the Autonomous University of Barcelona, the Polytechnic University of Catalonia, the Open

University of Catalonia, the International University of Catalonia, the Abat Oliba University, La Salle-Universitat Ramón Llull and EADA.

Thus, as they grow in projects, they become stronger and are increasingly known in Catalonia and Spain, made for example visible in their qualification as the main evaluators of an initiative as large as the 2012 TV3 Marathon, dedicated that year to poverty.

2.1.3. THIRD PHASE (2015-2016): THE DILEMMA OF GROWING AND SPECIALISING STRATEGICALLY

As Tandem Social becomes name and recognition, the first big dilemma is presented in terms of identity and strategy: staying small,

with specific clients and for more selected projects, or growing, **expanding the range of services throughout Spain** and, consequently, expanding resources.

All options have advantages and disadvantages. On the one hand, being small gives some flexibility, but it also entails dependence on a little diversified portfolio of customers and, therefore, some future instability. On the other hand, growing involves internally structuring all aspects of the company, from operations to staffing, transforming the professional roles of partners (becoming more directors and coordinators than executive consultants), making a greater effort in marketing and leaving the comfort zone that represents the network established at the level of Catalonia.

In order to make the decision safely and objectively, a market study is conducted on the consulting sector, which shows the existence of **a niche of under exploited clients**. On the one hand, there are a large number of companies that are engaged in traditional consulting, but who have a lack of knowledge of social fact. On the other hand, there are freelancers who know the social sector but work without a business structure.

The social sector is characterized by being a very participative sector. Participation processes have advantages and disadvantages, and one of them is that it makes decision-making slower, where dedication to projects presents work spikes, with moments of connection and disconnection. This means that they are generally less economically profitable projects that require more time at an organizational level and over time, which makes traditional consultants less interested in them. On the other hand, in the social sector there are large projects where self-employed professionals do not get there and this means that they are usually the traditional consultants who take care of them, despite not having a connection and knowledge, even sensitivity, to the social fact.

Therefore, **in view of this knowledge, Tandem Social decides to grow strategically specializing more in social challenges, expanding its services to the environmental, cultural and educational sectors and thus offering greater coverage to existing needs**. A direct consequence of this is that they have to grow as a team. The differential fact of Tandem Social is that its

strategy always includes **a clear commitment to offer quality jobs and teamwork**, thus generating more added value to customers and collaborators and society in general and escaping the classic model of some consultants who rely on a wide team of self-employed professionals.

So, they start travelling monthly to Madrid, first a little blind, but immediately the return they get from customers is very good and their impact grows. Social Tandem begins through the Valencian Community (as a tandem of Novaterra), Galicia (as a tandem of Lonxanet) and Andalusia (developing social entrepreneurship programs with ACH). Tandem Social begins to be widely recognized outside of Catalonia, even for its corporate identity, thanks to the effort of creating a strong “Tandem” brand.

At the same time, in Catalonia there is a change of scenery; the social economy enters the public agenda strongly and there is a great growth in the market. At that time, the social consulting sector has very little responsiveness, due to its lack of structure, but Tandem Social, which has already made the effort to transform itself previously, is ready to take over. Thus it becomes one of the main references of social consulting in Catalonia.

2.1.4. FOURTH PHASE (2016 - 2018): CONSCIOUS GROWTH

As the change in the Catalan ecosystem is given and projects increase in Spain, **they are specialised in different customer segments**. In Catalonia, they take on the social economy and begin to play an important role. These are local and smaller projects, which appear in the territory due to political willingness and that reach Tandem Social mostly through support programmes offered by the public administration, with which the cooperative collaborates as the adjudicator of different public tenders (e.g. the Barcelona City Council, Sant Boi, Sant

Cugat City Council and Mataró). Here, Tandem Social's transformative capacity is generated from the start of the projects, helping them to their own gestation.

In Spain, they take advantage of their position to present themselves to companies located in the sector via CSR (Janssen) and

organizations that address great challenges (Carasso Foundation, food, and Biodiversidad Foundation, environmental sustainability), where they are quickly seen as a consultancy with a high added value, since in the rest of Spain the sector is a much bluer sea than in Catalonia at the time. Here its commercial strategy is to be more persevered, offering a permanent disposition and being alert to when the opportunity arises. Its transformative strength in this type of project is precisely given in the reconversion of more traditional ways towards strategies focused on social change.

2.1.5. FIFTH PHASE (2018 - PRESENT 2020): CONSOLIDATION AND ACTIVE PARTICIPATION IN THE SECTOR.

In 2018, its presence and broad recognition in the social economy sector lead Tandem Social to join the main federations and confederations of the social economy in Catalonia (Federation of Labour Cooperatives of Catalonia, Confederation of Labour Cooperatives of Catalonia) and Spain (CEPES , COCETA), forming part of its governing councils and developing itself in the role of **institutional representation**. Its impact transcends the administration, with whom it begins to have a closer relationship and developing in its aspect more linked to public and political incidence.

In recent years it can be considered that Tandem Social has reached its **phase of balancing and stabilizing its growth**. At this point, it is necessary to take time to reflect to better **structure and homogenize** Tandem Social, paying particular attention to the two fundamental areas of the organization: **the area of projects and that of people**. The exponential growth of recent years has meant that the team has grown considerably, having very different needs to the initials, going from a small team of 4 people, where the relationships are more informal, to one of 22 people, which calls for structuring in business policies and team culture.

Therefore, it is aimed at organizational structure, creating participation processes and work committees, establishing the organization chart and positions, favouring meeting spaces and providing the necessary channels for the transfer of information and internal knowledge, as well as ensuring its participation as a pillar of the cooperative. Something necessary not only for internal reasons;

externally, the growing demand for services, linked to a greater number of people who become part of the team, requires a homogenization effort and proper monitoring, making the organizational structure of these spaces essential. In figures 2 and 3 you can consult the organizational structure and participation spaces, respectively.

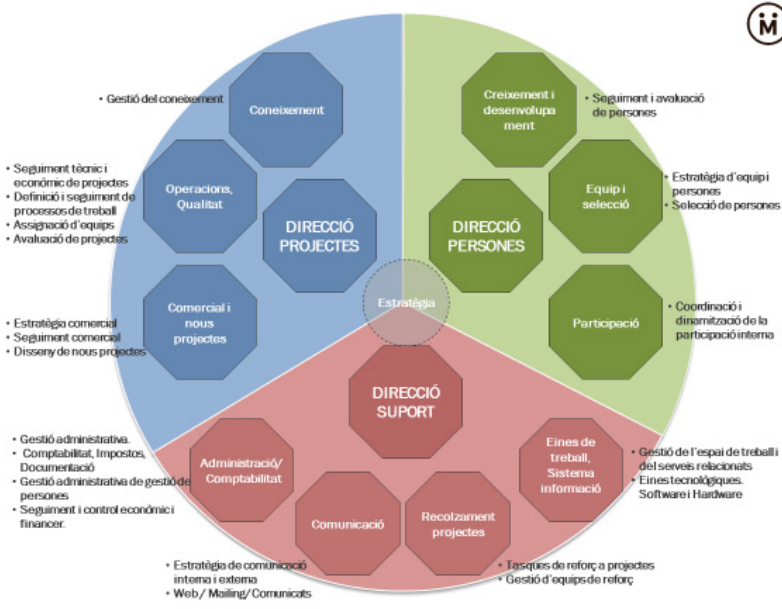


Figure 2: Organizational structure of Tandem Social. Source: Tandem Social.

Espai	Persones	Àmbits i temes de treball en l'espai
1	Reunió d'equip mensual	Tot l'equip
2	Coordinació	Equip de coordinació + altres persones puntualment
3	Direcció	Equip de direcció
4	Estratègia anual	Tot l'equip
5	Procés d'avaluació anual	Tot l'equip (en reunions individuals amb l'equip de direcció)
6	Assemblea anual	Persones sòcies
7	Participació comunitària	Tot l'equip

Figure 3: Participation spaces linked to strategy and operations. Source: Tandem Social.

2.2. TANDEM SOCIAL TODAY

Tandem Social has reached where it had been proposed. Figure 4 shows the results obtained to date, which show that the decisions taken have been successful.

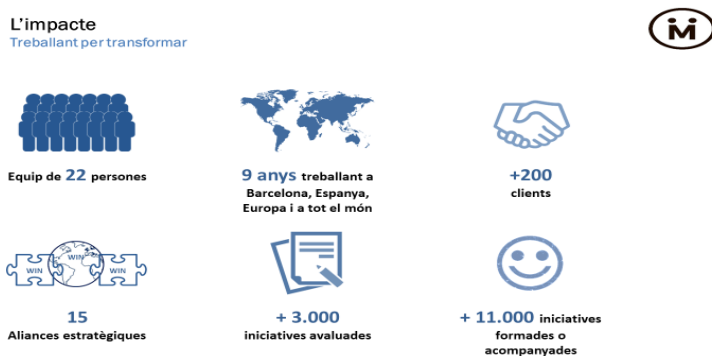


Figure 4: Results obtained until July 2020. Source: Tandem Social.

Recognitions. Since its inception in 2011, Tandem Social has experienced very rapid growth that has been accompanied by great recognition by clients, sector and public administration. In 2018, Tandem Social is recognized with the CoopCat Award of the Confederation of Cooperatives of Catalonia for its transformative work in the dissemination of cooperative principles in different strategic areas, and the promotion of social and cooperative entrepreneurship.

3. TANDEM SOCIAL LOOKING TO THE FUTURE

After the great growth of recent years, the social economy market in Catalonia remains stable, but it is still early to know what the trend will be for the years to come, whether it is a bubble or it is a reality that has come to stay.

The current Covid-19 crisis will probably have a lot to say about it, considering that it has highlighted serious social (especially health and educational) and environmental shortcomings that will be exacerbated by the predictable public budget cuts to come.

For Tandem Social, it's an ambiguous scenario. On the one hand, at the state level there is a clear commitment to the social economy, visible even in the new designation taken by the Ministry of Labour and Social Economy. It is therefore an economy that is spreading and finding prestige and recognition. However, on the other hand, Tandem Social customers, as companies and social, will see their incomes reduced by the economic crisis, having an impact on a decrease in available projects. The fear that is currently in the sector is that the increment of pressure makes decrease the qualitative perspective that has been so difficult to build.

Faced with this still uncertain scenario, Tandem Social proposes internally 3 possible ways to react to the economic context and build its future strategy:

- a. Grow: internationalizing, looking for new markets, for example in Latin America (taking advantage of the linguistic and personal bond and the opportunities of the telematics era), as well as opening up to new topics of global interest, for example in health and the environment.
- b. Stay as it is: to survive the crisis.
- c. Decreasing: going to the core and adjusting to the new situation, especially in the available resources.

Each of the three options will involve different challenges in order to adjust to the economic context, as well as, indirectly, consequences for identity and brand, making it necessary to establish new limits, which will represent the new framework of Tandem Social for the coming years.

4. QUESTIONS THAT MUST BE RESOLVED

- How is it explained in the case, Tandem Social considers 3 future scenarios. Develops the three strategy options that are proposed, analysing the context and the impacts that could be generated in the cooperative, referring to economic and financial sustainability and the possible challenges that can be foreseen.
- What strategic objectives should Tandem Social pursue from now on? How will it implement them? In other words, what strategic lines should follow?
- What are the key elements that have promoted the success of the cooperative?
- What aspects differentiate a cooperative company model (centrality of life) from a capitalist company model (capital centrality)? From your point of view, does it have any impact on the development and implementation of the strategy? And in the results?

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Collaborating entities

