

POTLUCK CAFE SOCIETY

SOCIAL ENTERPRIZE CASE STUDY 2017

Prepared for:
Trico Charitable Foundation

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INTRODUCTION BY TRICO CHARITABLE FOUNDATION

Storytelling is one of the most powerful forces in humanity.

Established in 2008, the Trico Charitable Foundation seeks to close gaps in society by provoking innovation and building capacity in social entrepreneurship¹.

Trico's biennial Social EnterPrize has celebrated and advanced leadership and excellence in social entrepreneurship in Canada since 2011. While the benefits to the recipients of prize money and profile are substantial, they pale in comparison to the power of the recipients' stories, when told well, to enlighten, inspire, and galvanize a world desperately in need of solutions to its social problems. The case study you are reading is but one in a series featuring all of our Social EnterPrize recipients.² The subjects and the authors of the studies are as follows:

Social Enterprise	Post-Secondary Institution	Target Release Date
The Cleaning Solution	Sauder Centre for Social Innovation & Impact Investing, Sauder School of Business, The University of British Columbia	November 01, 2017
Women in Need Society (WINS)	Hunter Centre for Entrepreneurship and Innovation, Haskayne School of Business, University of Calgary; Institute for Community Prosperity, Bissett School of Business, Mount Royal University; and Professional and Continuing Studies, Chiu School of Business, Bow Valley College	September 13, 2017
Groupe Convex	Ontario Institute for Studies in Education, University of Toronto	July 12, 2017
Mission Possible	Okanagan School of Business, Okanagan College	May 10, 2017
Potluck Café Society	RADIUS (Radical Ideas, Useful to Society), Beedie School of Business, Simon Fraser University	March 08, 2017
JUMP Math	QSB Centre for Social Impact, Queen's School of Business	May 20, 2015

¹ Social enterprises are organizations, for-profit or not-for-profit, that blend the social and the entrepreneurial by using business models/markets to solve social problems. Trico sees "social entrepreneur" as the person, "social enterprise" as the organization, and "social entrepreneurship" as the activity.

² The previously released case studies can be found at: <https://tricofoundation.ca/social-enterprize/>

EMBERS Staffing Solutions	Sauder Centre for Social Innovation & Impact Investing, Sauder School of Business, The University of British Columbia	May 06, 2015
TurnAround Couriers	Diversity Institute, Ted Rogers School of Management, Ryerson University	April 22, 2015
YWCA Metro Vancouver Hotel/Residence	Okanagan School of Business, Okanagan College	April 08, 2015

In the introduction to the first round of the studies in 2015 we said:

“Storytelling is no easy task, and these are no average journeys. For us, these stories have challenged our assumptions and have taken us deeper into social enterprises than we had seen before. The studies have exceeded our wildest expectations. For that, credit is due to each recipient, not only for their leadership, but their candour; and to each post-secondary institution, for its hard work and thoughtful analysis.”

As the catalogue of our case studies grows we continue to be amazed by the individual insights, but find ourselves increasingly intrigued by the trends across the studies. So much so that we have codified some of the key patterns in a publication called “Building on Getting Beyond Better: Rethinking Social Entrepreneurship” (BonGBB)³.

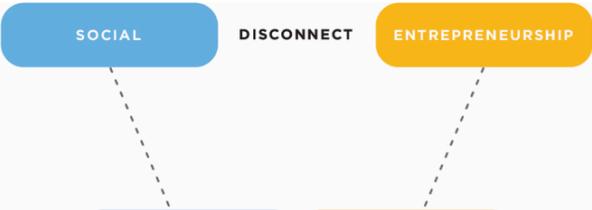
BonGBB suggests there are two basic ways the social and the entrepreneurial can blend in social entrepreneurship: 1) the degree to which the social model addresses the customer’s needs and 2) how the social model impacts market value. In turn, each of these basic blends can take one of three forms: a blend that is disconnected, a blend that is in harmony, and a blend that is synergistic.

These patterns form a blend matrix (what we call The Blender) that is surprisingly effective in diagnosing the challenges and opportunities any social enterprise will face as a result of its social and entrepreneurial blend.

³ “Building on Getting Beyond Better: Rethinking Social Entrepreneurship” (BonGBB) report can be found here: https://tricofoundation.app.box.com/files/O/f/19382726904/1/f_138269370699

THE BLENDER

A KEY PREDICTOR OF THE OPPORTUNITIES AND CHALLENGES A SOCIAL ENTERPRISE WILL FACE IS THE WAY IT BLENDS THE “SOCIAL” AND THE “ENTREPRENEURIAL”. THESE BLENDS CAN OCCUR IN TWO GENERAL WAYS, AND EACH HAS THREE LEVELS.

The degree to which the social model addresses the customer's needs:		How the social model impacts market value:
<p>The social model does not have a role in addressing the customer's needs, but the purchase funds the social model (often there is a customer desire to 'buy social').</p> <p><i>Planning prognosis:</i> definite challenges ahead (the pressure of 'multi-tasking', the pressure of customer persuasion)</p>		<p>The social model adds costs that can't be passed on to the customer.</p> <p><i>Planning prognosis:</i> definite challenges ahead (the pressure of the funding gap)</p>
<p>The social model has a role in addressing the customer's needs but that role could be replaced by a traditional business (the customer's needs being addressed are over and above any desire to 'buy social').</p> <p><i>Planning prognosis:</i> possible challenges ahead (the pressure of competition).</p>		<p>Social model adds costs that can be passed on to the customer.</p> <p><i>Planning prognosis:</i> possible momentum (the security of affordability)</p>
<p>The social model has an irreplaceable role in addressing the customer's needs (the customer's needs being addressed are over and above any desire to 'buy social').</p> <p><i>Planning prognosis:</i> definite momentum (the power of unique value).</p>		<p>Not only may the social model add costs that can be passed on to customer, it produces an enhanced value proposition that leads to competitive advantage (over and above any desire to 'buy social').</p> <p><i>Planning prognosis:</i> definite momentum (the power of unique value)</p>

We know we are just beginning to understand the enormous potential of social enterprise, in its own right, and, more importantly, in how it can work with the philanthropic, for-profit, not-for-profit and government sectors to create social impact. We hope you enjoy these studies, and that they entice you to tell your story. We are eager to hear from you @tricofoundation and will continue to share our insights at www.tricofoundation.ca.

Introduction

Potluck Cafe Society has a two-fold mandate: to increase the food security of nutritionally vulnerable residents of Vancouver's Downtown Eastside (DTES), and to promote and support the adoption of inclusive hiring practices. Potluck envisions a DTES community where people enjoy opportunities for employment and self-determination despite obstacles, and have access to quality, nutritious food with dignity.

Central to Potluck's identity are the community residents who work at Potluck. These are talented individuals who have shown great commitment and growth in their work despite many challenges in their personal lives and often histories of trauma, mental illness or addictions. In its 15 years Potluck has become a national leader in understanding how to build supportive employment models that help individuals develop their potential within a sustainable enterprise model.

This case will follow the journey of the organization from its early beginnings in 2000 through three distinct but overlapping business models adopted in response to changing needs and opportunities. It explores the ways that three successive Executive Directors of Potluck, Liz Lougheed-Green, Heather O'Hara and Colin Stansfield have helped guide the society and business through different stages and junctures.

This case explains the hybrid structure of Potluck in 2016 and the current activities of both Potluck Café Society (the non-profit, parent organization) and its wholly owned company, Potluck Café and Catering (a for-profit subsidiary). Special attention is given to the ways Potluck exemplifies social innovation, including structures and attitudes of Potluck that facilitate innovation.

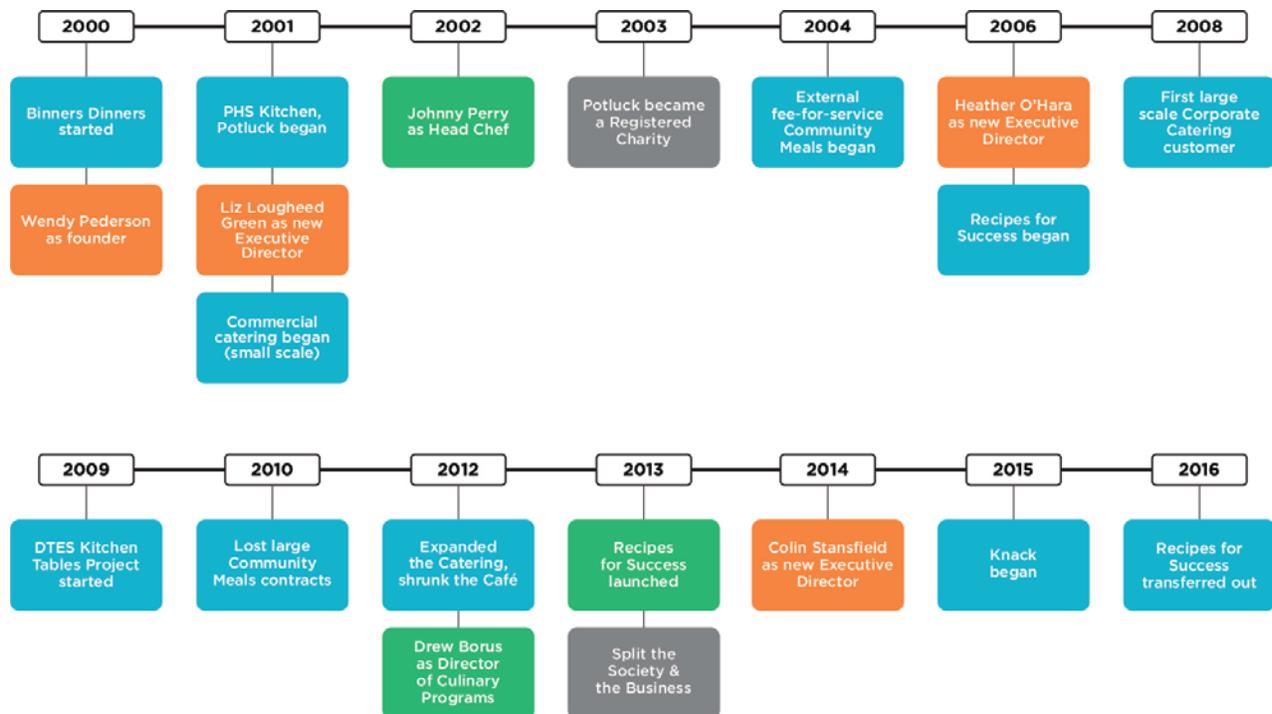
The case closes by looking at changes and dilemmas in the current landscape and where Potluck might be heading in the future.



A note on language – Potluck is a hybrid entity made up of a closely connected non-profit society and wholly owned for profit catering company. In this case when we use “society” we mean the non-profit Potluck Café Society and its non-profit programming, and when we use “business” or “company” we mean the wholly owned for-profit catering company, Potluck Café and Catering. When we use “Potluck”, we mean the overall hybrid entity (business and society).

Section 1 - Potluck’s Journey

TIMELINE:



Business Model Pivots

Leadership Changes: ED

Leadership Changes: Head Chef

Legal Changes

EARLY BEGINNINGS - 2000

Potluck began as a grass roots initiative providing meals for ‘binners’ in Vancouver’s Downtown Eastside neighbourhood, and has moved through three different dominant business models over its 16 years of operations: 1) Community Café, 2) Contracted Community Meals, and 3) Catering. Potluck has successfully transitioned through three Executive Directors, with each bringing unique skills and entrepreneurial attitudes to help Potluck evolve as an organization.

Binner: A person who collects redeemable containers and other objects of value from bins to sustain their livelihood and to divert waste from landfills⁴.

In 1995 Ken Lyotier started United We Can⁵, a bottle depot on Hastings Street. This depot helped to create a more stable income generating system for binners, brought people together, and gave dignity to reclaiming recyclables.

Potluck founder Wendy Pederson tells the story of how it grew from within United We Can:

“I worked with the bottle depot, United We Can in the year 2000 with a woman named Stephanie Smith. I was a single mom on welfare at the time. We were both hired through Human Resources Development Canada. We were able to get a grant to hire young people to work with us on a project called Binners’ Dinners. We built a kitchen at the bottle depot and started making meals for the Binners. We realized the best part of this project was that we had kept these young people off the street, out of trouble and employed for a year. And so we thought, how can we keep this going and keep them employed? We

⁴ This is the definition used by the Binners Project, another collective of binners launched by Ken Lyotier and Anna Godefroy to increase informal and semi-formal work opportunities and raising awareness and decreasing stigma for binners. www.binnersproject.org

⁵ United We Can’s mandate is “to create economic opportunities for people with multiple barriers living in the Downtown Eastside, through environmental initiatives. United We Can strives to improve working conditions for binners by ensuring they have access to a safe working environment and that they receive the full deposit on all their bottles and cans” www.unitedwecan.ca

wanted to keep them together because they were doing so well together as a group, really bonded and excited to be working and off of welfare for the first time in their lives... Ken had his eye on an empty space at the bottom of the new Portland Hotel and he had heard that it was meant to be a kitchen and a restaurant that would serve meals to the tenants upstairs... So he had said, why don't you guys go and run that and open up a restaurant? Ken approached Portland Hotel Society (PHS)⁶ about this and they were interested. A Loving Spoonful was buying meals for tenants of the Portland Hotel already from Capers, a grocery store downtown, and they agreed to pay us to make the meals instead, if we took on the restaurant idea... The Portland Hotel Society didn't charge us rent or utilities as long as we were providing meals for the tenants upstairs."

THREE BUSINESS MODELS

Café 2001 - Present

In 2001 Wendy and her team opened a café where people could drop by for affordable food and a welcoming atmosphere. This marks the first significant pivot in Potluck's journey, from providing community meals as part of United We Can to operating as an independent café. Potluck Café became a registered charity in 2003. However, it quickly became evident that it was challenging for the café to be financially sustainable. Cafés generally have a slim margin and Potluck was pulled at both ends. It wanted to provide low cost meals (advancing nutritional goals) while paying good wages and having additional supports for their workers (advancing employment goals). In this start up stage of Potluck, staff continued to seek new ways to make the equation work.

Contracted Community Meals 2004 - Present

In 2004, Potluck started being contracted to provide meals for community organizations outside of PHS. It began when Vancouver Coastal Health (VCH) were looking for a way to meet the nutritional needs of people transitioning out of hospital care and returning to the DTES. Potluck started catering meals for VCH's community

⁶ Portland Hotel Society was established in 1991 and its goal is "to provide housing, service and advocacy to those poorly served in Vancouver's DTES community and beyond" www.phs.ca

transition care team. In 2007, Insite, a safe injection site, opened a new detox center and contracted Potluck to provide meals. Soon Potluck was catering for other health and community organizations, shelters and SROs (single resident occupancy buildings) as well. At that time Potluck was the only kitchen able to provide meals three times a day, seven days a week, which is what several of these organizations needed. Providing these meals to vulnerable residents in the DTES was a good opportunity for Potluck in a practical sense, being in the neighbourhood and a routine source of revenue. More importantly, it blended Potluck's two mission priorities – providing quality food and quality employment for local residents.

A few years later however, the risk inherent in relying on a few large scale contracts became painfully apparent when Potluck lost several contracts almost overnight. In 2010 many of the organizations Potluck had been contracted to provide meals for now had the capacity to do this themselves. They were able to do this more cheaply than Potluck because they didn't have the same dual commitment to food security and inclusive employment. Some were able to bid lower because staff were provided fewer supports or because wages were subsidized through separate arrangements, others choose to deliver less composed meals in small portions. Either way, cheaper provision appealed to clients and Potluck suddenly lost \$70,000 per month in revenue, which was a big shock to the business.

Potluck responded to this crisis in three main ways. First, Potluck chose to cut spending in order to maintain jobs as long as they could. Second, a few staff agreed to be laid off as they were transitioning to other things. Since Potluck leadership had invested in knowing staff members as individuals (their aspirations, other work opportunities, challenges and other supports), it was easier to help facilitate these transitions. Third, remaining staff members were retrained in catering as the business model shifted.

Commercial Catering 2001 - Present

Potluck began commercial catering at a small scale in the early days, but this has grown to be the core of their business model in more recent years. “The concept of a catering company to support the food services (to PHS residents) started with a lot of cold calls out to the community... catering sales barely reached \$5,000 a month (at the start)...”, shared Johnny Perry, Potluck’s head chef from 2002 to 2012. Business Objects (now part of SAP) was Potluck’s first large corporate customer and by 2008, they named Potluck as one of their three preferred caterers and provided a substantial customer base. SAP was clear that Potluck’s social impact was an important factor in this decision.

Corporate catering was a good fit with Potluck’s expertise in producing nutritious meals in large quantities. However, with finite kitchen space and the growth of contracted community meals, the catering component was not fully developed in the early days. After losing the community meals contracts, it became evident that commercial catering was Potluck’s “bread and butter” according to past Executive Director Heather O’Hara. The new challenge was how to scale up this catering to be self-sustaining as well as support Potluck’s social programs. Johnny observed this growth: “...twelve years later they reach upwards of \$100,000 in a busy month, with nearly the same resources and equipment.”

One challenge of corporate catering that Johnny alludes to here is seasonality. September is a busy month but July and August in particular tend to be slow months for catering. However, in keeping with its employment mission, Potluck seeks to keep consistent hours for staff. During financially tight times, some non-barriered staff members opted for reduced hours in summer months to ensure that more vulnerable staff were still receiving regular pay.

In 2013 Potluck restructured the organization in order to legally and financially separate the corporate catering component by incorporating it as a for-profit business. This move helped to clarify the roles and metrics for the success of each and made it easier for Potluck to communicate their value to each entity’s respective stakeholders. The current structure is expanded upon in the ‘A Hybrid Entity’ section on page 10.

LEADERSHIP THROUGH CHANGE

Potluck's leadership has successfully transitioned from its founder through three different Executive Directors (ED). Many organizations falter when it comes to passing on leadership. However, Potluck's transitions were prepared for intentionally rather than made hastily in moments of crisis and Potluck has hired leaders appropriate to the stage of the organization's development. Outgoing leaders have trusted their successors to evolve the organization in new and good ways.

Wendy Pederson founded Potluck and the three EDs have been Liz Lougheed Green (2001 – 2006), Heather O'Hara (2006 – 2014) and Colin Stansfield (2014 – present).

There are some common traits shared by the three EDs. Liz, Heather and Colin have all been entrepreneurial leaders, and have exhibited a combination of drive, creativity, business acumen, eye for quality, willingness to take risks, and understanding of marketing and customer needs. Furthermore, they all have a passion for social justice alongside their passion for business. As Heather said, the leadership role at Potluck was “not for the faint of heart, all of us worked our butts off in that role.” All three EDs have had strong community networks and the charisma to enthuse others beyond the DTES about Potluck and the need for societal change around food and work.

Their differences have often complimented the different stages of Potluck's development. Liz was in start-up mode, learning by doing. She came from social work to business and was able to understand both people's needs and business needs. In her role at Potluck, Liz was a talented communicator who drew others to Potluck's nascent vision and built a solid organizational base. Potluck was off to a strong start and had come through the frenzy of start-up mode, but needed to grow to become financially sustainable, and to further professionalize their work. Heather came in at this growth phase of Potluck's journey and was “wickedly operational” (according to her successor, Colin Stansfield), and a great manager who was able to balance blended value returns of heart and finance. When Heather felt she had done what she could for the organization, she knew it was time for new energy. In 2014, Colin, another strong ideator, took over the role of Potluck's Executive Director. Colin is a lighter touch manager who thrives in seeing opportunities at a larger ecosystem level. This is appropriate for the more mature entity that Potluck is now. Colin has built on

Potluck's strong reputation in the community and continued to look for new ways to confront food and employment challenges.

Lesson: Different leadership skills are needed as an organization matures.

It is important to note that leadership changes do not correspond with different major pivots; the ED has changed not in crisis moments but in stable times. “You don't jump off the ship when everything's blowing up” (Heather). There was deliberate succession planning. For example, when Heather felt the time coming to move on, she wanted to finish the restructuring, make sure Potluck was in the black, and have the new senior management team in place to ensure a smooth transition for the next ED. So when Colin joined Potluck, he remarked that the organization was a “ship fully afloat.” He was grateful for the opportunity to take the helm and ride around for a bit, to absorb what was going on and to get a sense where to steer the organization next.

Lesson: A balance of stability and change in staff enables organizations and businesses to find the best of both old and new, and to navigate transitions successfully.

There was also continuity in the board and senior kitchen staff at times of ED transition and vice versa. For example, Potluck's head chef transitioned in 2012 from Johnny Perry to Drew Borus. Both individuals have a strong commitment to quality food and a desire to create an inclusive and supportive workplace, but different personalities and strengths. Johnny had deeper relationships in the DTES community while Drew brought fresh eyes. With seven years of previous social enterprise experience in Seattle, Drew was able to apply a solid understanding of business operations, best practices and effective organizational policy. This focus on change management was challenging at first but ultimately resulted in increased organizational efficiency, employee satisfaction and revenue in a relatively short period at a critical time.

Lesson: leadership strengths and weaknesses are often two sides of the same coin. For example, hiring leadership from outside the Vancouver social enterprise community meant it took a longer time to build trust, but also brought fresh insights.

Different generations of Potluck leadership have tackled the complex food and employment challenges in different ways. One example of this is how each ED has explored ways to share learning about supportive employment with others outside of Potluck. Liz laid the ground work with a low threshold employment research project. Heather and the Potluck employment support workers built on this to create practical tools used internally at Potluck. These evolved into Recipes for Success (a Potluck program discussed in more on page 15) and doing consulting for other social enterprises practicing social hiring. Colin started in at another area of the problem domain, connecting employers and community with Knack (discussed in more detail on page 16). Each leader built on the cumulative experience of Potluck and experimented with new ways of sharing this experience with others.

Lesson: leaders can stand on the shoulders of those before, to explore new horizons.

Section 2 - Potluck in 2016

A HYBRID ENTITY

Something distinctive about Potluck is its hybrid structure that includes for-profit and not-for-profit components. Convergence between non-profits and businesses is an increasingly common phenomenon as non-profits seek ways to be financially sustainable and businesses seek ways to be socially and environmentally impactful. It is important to choose appropriate legal structures for new initiatives that serve their function and capital requirements, and are in line with tax regulations. For Potluck this looks like a non-profit society and a wholly owned for-profit business. Potluck Café Society has been a registered charity since 2003 and Potluck Café & Catering became an incorporated business, and 100% subsidiary owned by the society, in 2013. They have separate legal and financial structures but collaborate very closely to meet their shared mission.

The business, Potluck Café & Catering, provides low barrier employment opportunities to the community and contributes profits back to the society's community programs. The society in turn provides the wrap-around employment supports that enable business staff with various employment barriers to be successful in the long term. The business contributes its full profits to the society, which represents about 30% of the

society’s total funding, with the remainder made up largely by grants. The catering company operates independently but furthers the goals of its parent society - good food and good work.

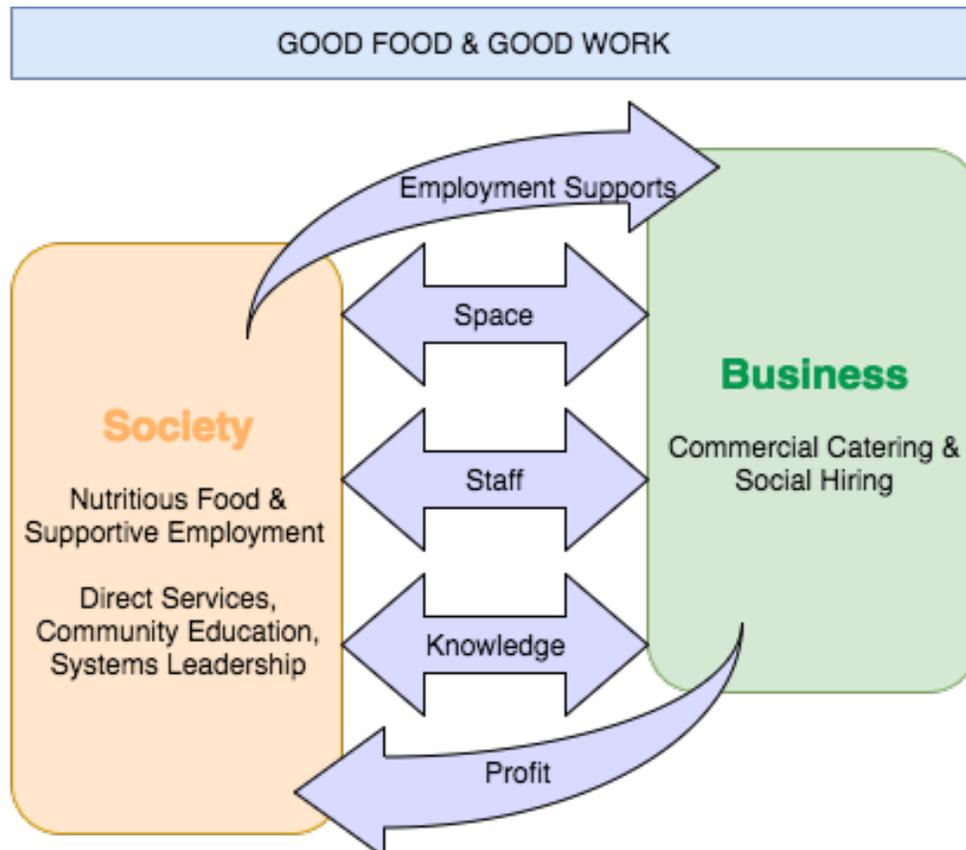


Figure 1: Intersection of Society & Business

Although the accounting for the two entities is separate, Potluck feels like a cohesive entity on the ground. Potluck Café & Catering and Potluck Café Society operate from the same location at 30 W Hastings St. All together Potluck has between 35 to 40 staff, about 70% of whom face barriers to traditional employment, and many of whom work for both the society and the business in different capacities. For example:

- The Director of Culinary Programs, Drew Borus, oversees the commercial kitchen and trains community residents through Knack, one of the society non-profit programs;
- The company, Potluck Café & Catering, is part of the Kitchen Tables procurement group, an initiative of the non-profit society; and
- Kitchen Tables uses the Potluck Café space for its Thursday produce market.

POTLUCK SNAPSHOT

The first time this author ate lunch at Potluck is a snap shot of how different sections of Potluck overlap in time and space: People were dropping by from the street to buy beautifully presented seasonal fruits and vegetables at cost from the Kitchen Tables market while catering staff were preparing wraps in the kitchen for a corporate event that afternoon.

Portland Hotel Society residents were coming in for lunch, or being served their meals upstairs. Another community member stopped by to buy an affordable sandwich and two staff members were eating their free lunch before going on shift.

The many programs and activities of Potluck are visualized in figure 2 and elaborated upon in the following sections.

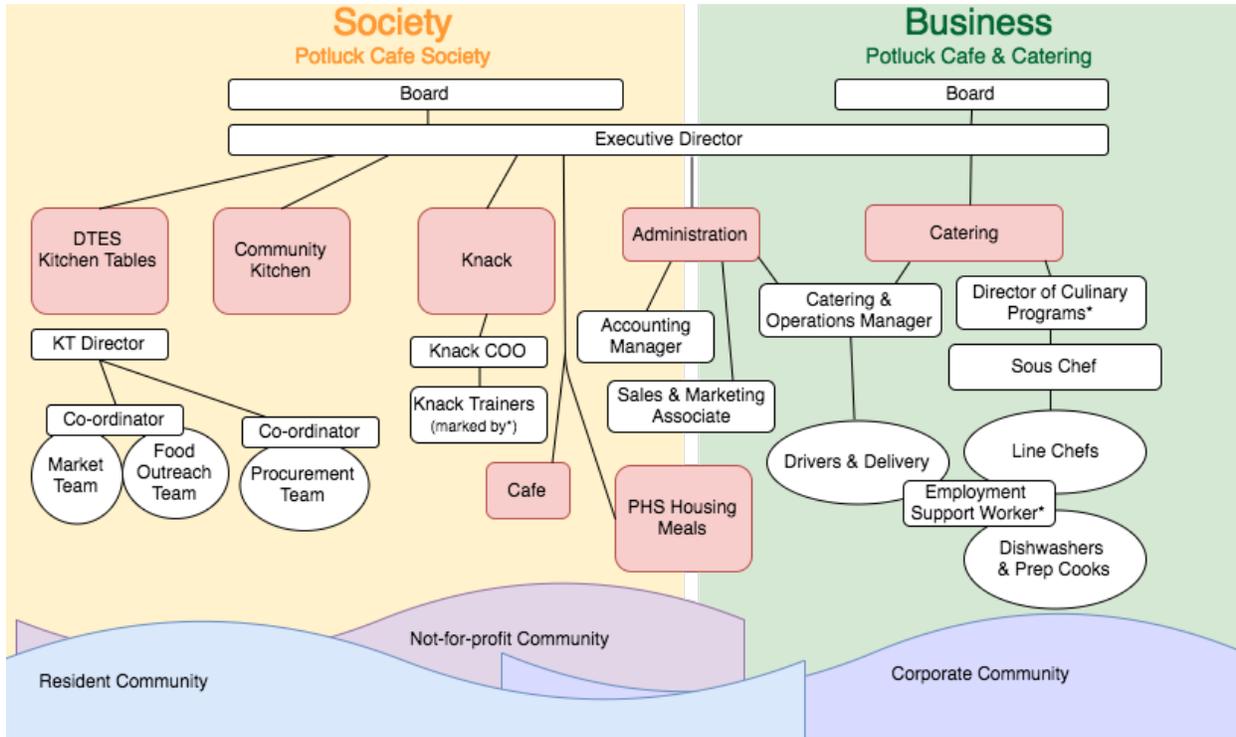


Figure 2. Potluck Organogram

Potluck Café Society’s board oversees the various community programs focused on nutrition and employment. Three members of the Society’s board also sit as the board of Potluck Café & Catering Incorporated. The Executive Director manages Potluck as a whole with Directors and Program Managers responsible for leading the organization’s portfolio of enterprise, venture and community programs. The following sections describe how the business and the society look in 2016.

POTLUCK CAFÉ SOCIETY IN 2016

Potluck Café Society’s mission is “To improve community nutrition in the Downtown Eastside and to provide people facing barriers to employment with sustainable on-the-job training opportunities and life skills support.” (2013 Strategic Plan). This is achieved through employment supports for the Café and Catering business and its various community projects, most notably: Kitchen Tables, Community Meals, Recipes for Success and Knack. These projects are funded by a blend of profits from the

catering business, program specific grants, corporate sponsorship, and private donations.

Potluck Café Society Programs

1) DTES Kitchen Tables

Kitchen Tables (KT) aims to help create a healthier food system in the DTES, “from seed to compost”. KT initiatives respond to the reality that access to food is fractured and the majority of food available lacks nutritional value; “not all food is created equal” (Doris). This is of particular concern for people with weaker immune systems due to Diabetes, Hepatitis or HIV. KT takes a systems approach to understanding the local food system and uses human centered design to create solutions that make sense from the perspective of residents who are food insecure and the people operating food organizations. All of these actors face budget constraints and often have limited information about what other groups are doing. KT was born at a time when food security was at the forefront of community consciousness, there was genuine interest and desire to change. Potluck and DTES Neighbourhood House joined together to rally people together and harness this energy. KT brings people together laterally (e.g. between kitchens) and vertically (e.g. with policy makers) and strives to be a coherent voice for food advocacy.

Kitchen Tables has many manifestations:

- 1) A map of where food is available in the DTES, which is organized by time of day and uses symbols to signal further information about the meal (e.g. hot meal or take away, vegetarian option, safe for sex workers etc.);
- 2) Co-ordinating a procurement group to gain economies of scale to enable local organizations to buy healthier food;
- 3) A weekly market that sells fresh fruit and vegetables at cost; and
- 4) Neighbourhood outreach about healthy eating.

The market and outreach programs use a peer-to-peer model, providing additional jobs for community members.

2) Community Meals

Potluck's Community Meals program has several manifestations: meals for PHS residents, contract meals for other organizations, street level drop in meals, and Community Kitchen. Potluck is located in the ground floor of the Portland Hotel Society which is home to some of the hardest to house residents in the neighbourhood. In 2016 Potluck Café Society provides free meals to 110 PHS residents three times a week. Residents can eat in the café space, pick up a take-out option or have meals delivered to their rooms. Potluck does meal deliveries to two other smaller housing complexes once a week on a contract basis. Potluck does large scale (500+) drop in community meals periodically and donates catering to street-level community events such as the annual Homeless Connect event and Women's Memorial March as well as the more recent raising of the DTES Survivors Totem Pole⁷. Community Kitchens are participatory events where community members join together to prepare a meal and learn new skills that increase their individual and collective food independence.

3) Recipes for Success

Recipes for Success began as a way to help share Potluck's experience in supportive employment with other businesses interested in social hiring. Recipes for Success employment support workers help employees of other businesses as they would Potluck staff. They also help employers navigate the practical and inter-personal considerations of hiring people with multiple barriers. Some examples of supports would be accompanying people to appointments, explaining Income Assistance earning exemption limits, helping with transport tickets, or being an objective third party assisting with conflict resolution. Recipes for Success experimented with a fee-for-service model but found that employers who needed the services were often unable or unwilling to pay. Some were smaller social enterprises still settling into their business models themselves, others liked the idea but weren't ready to invest the necessary cost. Recipes for Success transferred out of Potluck in August 2016 to the Spencer Creo Foundation but remains an important example of Potluck's evolving understanding of how to meet community needs in sustainable ways.

⁷ <http://www.cbc.ca/news/canada/british-columbia/survivors-totem-pole-vancouver-downtown-eastside-1.3838801>

4) Knack

Knack seeks to address the larger local labour market disconnect and likewise builds on Potluck's long history of hiring local residents to help other businesses engage in social hiring. In the DTES there are many capable people who are struggling to find work. At the same time, local businesses often struggle with staff turnover, have staff who are bogged down by simple tasks, or have trouble finding people for one-off jobs. Knack matches employers who have tasks that need doing with people who can do those tasks, and uses electronic badges as micro credentials to recognize the skills people have learned through different workshops, volunteer positions, and on-the-job training. Knack is building a language of skills/badges and tasks that can be more inclusive than confusing job descriptions, or resumes that draw more attention to periods of unemployment. Eventually the platform will facilitate information sharing at a more meta level by enabling employers to see the skills available in the neighbourhood more broadly and for residents to see the types of skills employers need. In this way, earners can find direction for up-skilling themselves and employers can start to reshape tasks to hire locally.

POTLUCK CAFÉ & CATERING COMPANY IN 2016

The company is wholly owned by the non-profit society. The mission of Potluck Café & Catering is “To operate a sustainable social enterprise to support the mission of the Potluck Café Society by providing quality, innovative food services and employment opportunities for people in the Downtown Eastside community facing barriers to employment.” (2013 Strategic Plan). The company is comprised primarily of a large commercial catering business, and still operates the small Café where Potluck began.

Corporate Catering

Potluck Catering is able to compete on price and quality. It serves tasty, healthy food at a decent price, average for office catering companies. What distinguishes Potluck Catering from other catering companies is the way that its social purpose is built into the business in who is hired, how they are supported, and how the profit is used. Potluck also goes beyond just taking care of its own staff but is outward looking, connected to other community programs via the society, and plays a leadership role in the sector.

Since 2011, Potluck Café & Catering has averaged \$825K of top line revenue each year with a gross margin of roughly 35%. Sales have been consistent over the last few years and are capped by the physical capacity of the kitchen space. Over this time, however, profit margin has grown as the cost structure has become more efficient and retained earnings over the period total nearly \$850K. The company maintains a staff complement of 30-35 employees with direct wages and benefits budgeted at 38% of revenue. Labour costs are higher than the industry average but directly reflect Potluck's mission to provide meaningful work opportunities with wrap-around support for people facing barriers to conventional employment. Typically, the company prepares and delivers food for more than 250 orders each month, catering to a client roster comprised of corporate customers (60%), community partners (37%) and private individuals (3%). Like many companies, approximately 80% of Potluck Catering's monthly business comes from returning clients. Business development is hampered by the physical limitations of Potluck Catering's space and the company commits less than 1% of revenue to advertising.

Street Front Café

The Café part of the name speaks more to the history of Potluck than its current model. Potluck Café at 30 W Hastings began as a place to relax and enjoy affordable food in an inclusive environment. It originally had a permanent grill and offered an all-day breakfast which was popular with the community but financially unsustainable. In response, Potluck shifted to pre-portioned salads and sandwiches. As the catering portion grew, some of the seating area was taken over by the expanding sandwich prep area. In 2016 the café element is only a small part of Potluck. A modest selection of meals is still available for purchase for a few dollars each, but the café is not actively promoted and does not see significant traffic, as attention has shifted to the more profitable and predictable catering model.

POTLUCK'S APPROACH TO SUPPORTIVE EMPLOYMENT

The lives of many DTES residents are marked by instability and keeping a job is often a real challenge. "Training at Potluck is more than just teaching people to cook. It's about a lifestyle and Potluck plays an important role in preparing individuals for that."

(Drew). Many of Potluck's kitchen roles are permanent but comprised of casual shifts and staff are able to seek out other income generating opportunities concurrently. Potluck has more staff than an average catering company as a result of people either choosing to take on fewer shifts so that they can focus on more pressing issues outside of work, or working within the legislated constraints of their income assistance benefits. Although this can make scheduling more challenging, it also means it is easier to find someone to cover shifts because of the number of staff for each role. Hiring employees facing multiple barriers requires extra supports in the beginning and tolerance for some instability day-to-day, but often results in strong employee retention in the long term. This consistency benefits the business because it can spend less time and effort on hiring and training new staff. It also benefits the employees because the ongoing work, income and sense of community help them stabilize.

Employment supports offered by Potluck include a free meal with each shift; a whole staff sit down lunch on Fridays; and standard benefits, such as health care, when someone is working 20 hours per week rather than at full time. Most importantly, a dedicated employment support staff worker (a trained social worker hired by the society) is available by phone or drop-in for one-on-one assistance. This worker provides advice, advocacy support, and connections to other resources.

There are three main components to Potluck's approach. It is relational, comprehensive and targeted:

- Potluck is **relational** in the way it humanizes both employer and employee. Johnny Perry, who managed the kitchen from 2002-2012, says, "Yes, I was the manager, but I never pulled the manager card. I figured we were all in this together and we were all people. Yes, I have a lot of responsibility, but with that responsibility I made sure that I created an environment that I would feel comfortable in, in growing, and that it was a respectful environment. You know, not yelling at people or treating people like I was better than them because I was absolutely not better than them. I was just on a different path, at a different time in my life. So I think the success of Potluck in my time there was due to just that, plain and simple, truly giving people respect."

- Potluck’s approach is **comprehensive**, acknowledging that there are several areas of life that contribute to someone’s holistic wellbeing, such as self-esteem, money management, and mental health. Any one of these components may create challenges that hinder an individual’s ability to work well.

Heather O’Hara, Potluck’s ED from 2006-2014 says, “People have lives outside of work that sometimes aren’t going well. We are open to people not being ‘on’ all the time. You can be human, we won’t think less of you, we will adapt.”

Potluck helps people deal with challenges outside of work, as they are able: “You encourage people to bring their personal life to work, because your role is to help stabilize them in addition to giving them a job... through giving them a job you are helping to solve other things in their life.” (Heather).

Sometimes the challenges that arise for staff members are beyond Potluck’s experience or scope. To keep perspective, Joseph Masongsong, the current employment support worker, remembers that he is only a part of the support network for each person. Trying to do everything for everyone is not sustainable. The goal should be to help build the capacity of staff members to progressively be able to meet their own needs. A big part of this is building up their support network and their confidence to access different services. For him, it’s sobering to see how many have so few to turn to.

- Potluck’s assistance to staff is **targeted** to the stage each person is at (listed from earlier to later stages of development and readiness):

3) Outreach and Advocacy - people may not be able to identify needs and access resources without help and may need accompaniment to other service providers

2) Connecting to Resources - people know what they need and just need help finding where to go to meet that need

1) Development - People have almost everything they need in the

comprehensive domains and are able to direct their own development (the ideal, self-fulfillment)

Potluck intentionally hires people facing greater barriers with the intent of walking alongside them as they rebuild their capacity to secure and maintain employment. Potluck keeps specific questions in mind with employees to help assess their goals and experience, without pressuring them to move on:

- 1) Are there challenges outside of work that are making it harder to work well?
- 2) How are you liking the job?
- 3) Would you like to try something new here?
- 4) Do you want to stay here or are you dreaming bigger? How can we support you in that?

The following diagram shows a visual conceptualization of these three overall components:

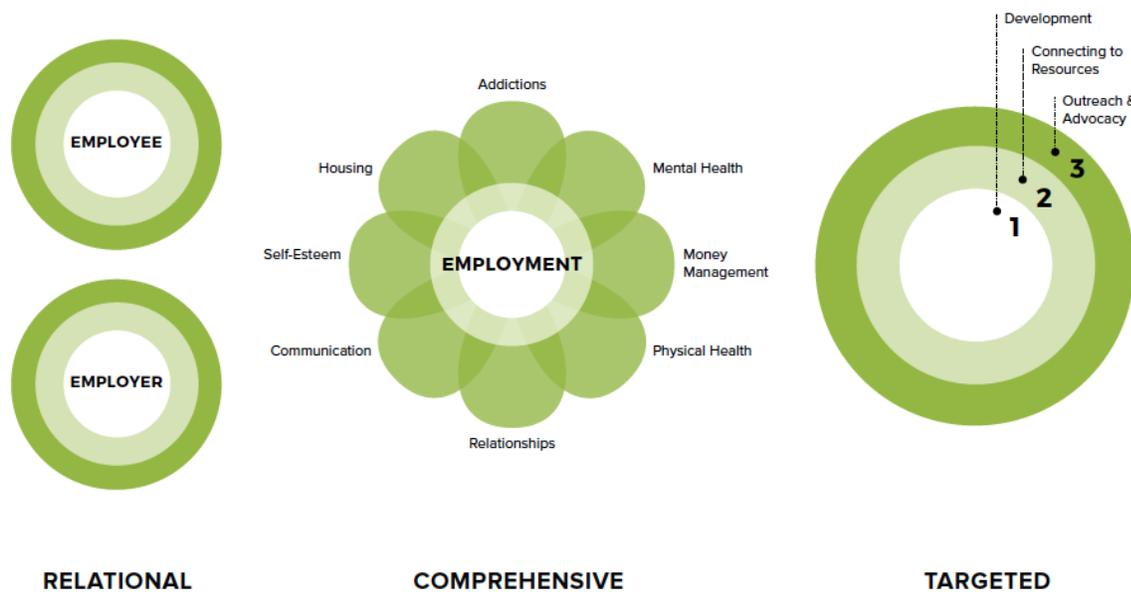


Figure 3: Potluck’s approach to supportive employment (source – Potluck Café Society)

Potluck measures success at both the individual and organizational level. At the individual level, success is often measured relative to each staff person's journey. For example, when someone who struggles to keep a schedule makes it to work consistently this is considered a success. Another example of success may be an employee with a short temper who is working on learning to talk things through before getting angry. Organizational success in supportive employment can be measured by the number of staff hired or the number of hours of work provided. This does not tell the full story however because staff work varying hours depending on their circumstances and the carrying capacity of the business. Success then should also take into account how well the amounts of work match with the capacity and aspirations of the staff.

Overall, people facing other life challenges need stable employment opportunities that meet them where they're at. This takes into consideration the time commitment and specific tasks that each person can manage in the here and now. Potluck believes that people will grow and develop in their work and simultaneously accepts that this is often not a steady journey. Relapses, conflicts and mistakes do occur. If handled poorly these can become shameful episodes that further erode the working relationship and the self-confidence and emotional wellbeing of the employee. If handled well these can be learning experiences that bring the team closer together. Above all, trust and honest communication are needed to shift to a healthy attitude of "how can we solve this together?"

THE BEAUTY OF POTLUCK

When you interact with Potluck staff from both the society and the business, the organization's strengths rise to the surface. Potluck is committed to the whole person, has a strong sense of workplace community, and is entrepreneurial (which will be discussed in the 'Potluck & Innovation' section on page 23). Potluck has a kind of 'alley roots' legitimacy that comes from its humble beginnings and ongoing commitment to be responsive and respectful to the community.

Potluck is a stable work place and a caring community. The organization allows the full person to come to work by acknowledging their struggles and dreams. This involves staff seeing and expecting the best in each other and accepting that it takes

time to change habits. This comes through again and again in the words of Potluck people:

“I hope that the problem is not what defines them. It is not how I see people. I do not see people showing up as the sum total of what struggles they represent. When you come to work at Potluck, we respect you as a whole individual and that is the reason we offer these wrap around supports. We recognize that as an employee, you bring the weight of the world with you to work each day” (Colin, current ED)

“When I looked at someone, I believed in them and maybe I saw something in them that maybe they didn’t recognize in themselves... I looked at them as human beings and truly saw that they really wanted to belong and be part of something, and when you give somebody a chance like that, you are able to really witness something incredible” (Johnny, former head chef)

A related recurring theme is the sense of workplace community. Hard work but lots of fun, humour, a feeling of family, commitment and loyalty come up often in conversations with staff and other stakeholders. Staff often have common values and are there because they choose to be. The ‘whole life’ of less vulnerable staff members is valued too. There is an ethos of being flexible when other elements of life come up like moving house, needing to be with one’s children, or having an injury. Community spirit is nurtured by staff lunch on Fridays, staff newsletter, monthly get-togethers, seasonal events, and the annual fundraising concert.

A strong sense of community seems to have stayed with Potluck throughout its journey even as individual staff have come and gone and the organization has changed direction with its various business models. These qualities contribute to Potluck’s strong track record in social hiring. People show up, keep their jobs, and want to keep working. It sounds simple, but for this population and this industry it is admirable.

Section 3 - Potluck & Innovation

Before giving examples of Potluck’s social innovation, it is important to distinguish social innovation from general innovation. General innovation involves creating something new and useful. It is possible to be innovative without creating social innovation because a solution may be useful for a particular user without doing ‘good’ for others or changing the wider social system around it. It is also possible to do good, even in innovative ways, without creating social innovation. For example, a traditional soup kitchen does good in providing food for people who need it. They may be very innovative in fundraising, or gathering food donations, or trying new recipes, or in other practical ways, but unless the process is changing relationships between people and the food system there is no social innovation at play. If the world is still split into generous donors and grateful recipients and authority and resources keep flowing along the same channels, change is not engendered at a deeper level.

The Waterloo Institute for Social Innovation and Resilience (WISIR) provides this definition: “A social innovation is any initiative (product, process, program, project, or platform) that challenges and, over time, contributes to changing the defining routines, resource and authority flows or beliefs of the broader social system in which it is introduced.”

“Resource flows” relates to what (money, food, credentials, labour...) moves between different actors when, with what frequency and in what quantities. “Relationships” relates to how different actors perceive one another and relate to one another.

“Routines” relates to the behaviours of the actors, common activities or ways of achieving their goals. “Beliefs” relates to actors’ underlying attitudes and values that shape how they perceive the goals of the whole system.

EXPRESSIONS OF SOCIAL INNOVATION – RESOURCE FLOWS, RELATIONSHIPS, ROUTINES AND BELIEFS

Potluck works at ground level while continuing to think about wider food and employment systems in the neighbourhood. Here are a few ways that Potluck is working to change resource flows, relationships, routines and beliefs around food and employment in the DTES:



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Food & Innovation

Domain	Element	Change	Program
Food	Resource Flows	<ul style="list-style-type: none"> • More nutritious food flowing into the DTES • Fewer gaps in timing of food flows • More effective flow of donated food to distribution points (attempted) 	<ul style="list-style-type: none"> • KT Procurement Group • KT Food Map • KT Donated Foods Platform
	Relationships (<i>Food growers / Food buyers or donors / NGO distributors / Food recipients / Waste Removal people</i>)	<ul style="list-style-type: none"> • Help NGOs work together • Serve food with dignity • Reducing waste and linking compost to urban farms 	<ul style="list-style-type: none"> • KT Food Map • PHS meals • KT “Greening kitchens”
	Routines	<ul style="list-style-type: none"> • Enabling residents to buy fresh produce • Advocating against food line ups 	<ul style="list-style-type: none"> • KT Market • KT
	Beliefs	<ul style="list-style-type: none"> • DTES residents are worthy of quality, nutritious food 	

Employment & Innovation

Domain	Element	Change	Program
Employment	Resource Flows	<ul style="list-style-type: none"> • Alternative channels to employment for people who fall between the cracks • Quicker flow of temporary labour into one off jobs • Increasing the number of workplaces that hire vulnerable workers • Smoother flow of referrals between training agencies to help earners gain the skills they would like • Paid employment rather than volunteer work • Slowing the outflow of labour by increasing retention • Providing stable jobs for workers who have often experienced unemployment through the catering company • Creating permanent jobs rather than positions that are more like a program for participants to flow through 	<ul style="list-style-type: none"> • Catering and Knack • Knack • Knack • Knack • Community Meals • Recipes for Success • Catering company • Catering company
	Relationships <i>(Employers / Employees / Training Agencies / Job Recruitment Agencies)</i>	<ul style="list-style-type: none"> • Humanizing the employer / employee relationship • Changing the perception of DTES residents in the eyes of employers • Helping both sides see that a job is most effective if employer and employee work together to craft tasks that match the skills of the worker • Help training and recruitment agencies know which skills are needed by employers and which other training and job matching services are available to further assist clients • Information exchange between employer and employee populations to help them better adapt to one another 	<ul style="list-style-type: none"> • Catering Company • Knack • Recipes for Success and Knack • Recipes for Success and Knack • Knack

	Routines	<ul style="list-style-type: none"> • Intentionally hiring those facing barriers to employment • An alternative to résumés • Encouraging employers to repackage tasks and jobs to match capabilities 	<ul style="list-style-type: none"> • Catering company • Knack • Knack
	Beliefs	<ul style="list-style-type: none"> • Seeing people as valuable individuals rather than disposable labour • Knowing people are capable of doing good work despite life challenges • Honouring informal as well as formal professional development 	

1) Paid Employment in Place of Volunteers where Possible

Potluck employs people rather than relying on volunteers. Many agencies in the DTES depend heavily on volunteer hours. Volunteerism plays an important role in society but there are times when it runs the risk of displacing much needed employment opportunities. An example of this is when a qualified person who has the privilege of being able to afford to work for free is doing tasks that a local resident could be paid to do. Ideally, who does what and for how much should simultaneously take into account the needs and abilities of the local labour force, the available volunteer pool, and the organization's capacity. It might be more appropriate, for example, for an external volunteer to use their skills to do tasks that the organization might not otherwise be able to afford, like building the website. The paid aspect of work has additional benefits beyond helping people move forward financially. Often, being paid creates a greater sense of pride, self-worth and independence.

Lesson: Think critically about volunteer roles. Are they are building capacity and equalizing power dynamics?

2) Intentionally Hiring Staff Facing Barriers

There are many employment based social enterprises that deliberately hire staff who are facing acute barriers to employment. These social enterprises believe in their staff members' capabilities despite their challenges and recognize that work can provide opportunities for professional and personal growth as well as a steady pay cheque. The challenge for many of these social enterprises is building their organizational capacity to be able to support more workers, and to be proactive rather than reactive. This transition is shown by the curved arrow in figure 4 below. Potluck Café & Catering is doing this internally by building its organizational capacity to enable it to support staff with lower professional capacity. Recipes for Success, a project previously under the society, is doing this externally, helping other businesses build their capacity as supportive employers.

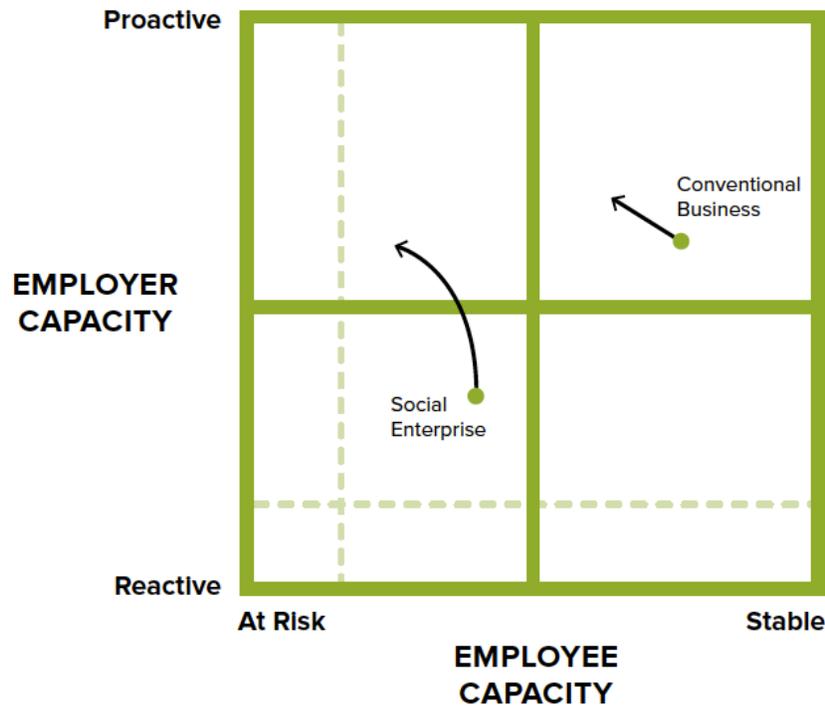


Figure 4. Conceptualizing social hiring as a balance of employer and employee capacity

On the other hand, many traditional businesses have the organizational capacity to be able to hire people facing barriers but may lack the awareness, motivation, or connections with at risk communities. The transition from general hiring to social hiring is shown by the second arrow. Knack, another society project, works in this domain, seeking to expand the number of businesses engaging in social hiring by making it easy for them to access a capable pool of at risk individuals. This gradual process of building connections will ultimately help break down stigma.

The dotted lines on the matrix represent the limitations of inclusive employment as determined by industry constraints and undue hardship. No matter how great the business owners' desire to provide employment for people facing barriers, there are certain industry constraints that will limit the degree to which the company can accommodate lower capacity employees. For example, Potluck Catering operates in an industry where orders are placed for delivery the following day – the company must be able to fulfill those orders and it requires sufficient employee capacity to be able to do so. Other social enterprises operating in industries with longer production schedules will be better positioned to accommodate staff with lower capacities. When management operates outside of these constraints – either because they are unaware of doing so or because they willfully prioritize their desire to create low-threshold employment opportunities – they place the company in a position of undue hardship and imperil the long term viability of their organization.

Growing employee capacity grows organizational capacity and vice versa, which is why a relational approach to supportive employment is so important. Both the employer and employee should be continually learning, developing and contributing to the growth of the other.

Lesson: Both deeper capacity within businesses doing social hiring and a larger number of supportive employers are needed.

3) Re-valuing Employees

There are several subtle ways that Potluck hopes to shift social dynamics around work, highlighted particularly around their work with Knack. It honours informal as well as formal professional development by giving badges for volunteer positions, on-the-job training and workshops. It moves beyond the classic resume-meets-job-description method of finding employees by focusing on specific skills and tasks.

Instead of being discouraged by the past, earners and employers can focus on what is possible in the present.

Lesson: The way society currently values workers can be exclusive and preclude alternative and meaningful employer/employee connections.

4) System Level Collaboration

Kitchen Tables takes a holistic approach to the food system in the DTES and Knack is doing the same in the employment realm. By sharing information and clearly laying out what is happening (as with the food map), everyone involved is able to see more clearly where the gaps and overlaps are. Both Kitchen Tables and Knack focus on collaboration rather than competition which is important in a context where the distribution of grants and donations can become contentious. Knack hopes as many training providers as possible will leverage the badging approach to build up the collective value of DTES workers in the eyes of employers. The goal is not for Potluck to be the only organization giving badges but to create a common language that is useful for all involved.

Lesson: A holistic understanding of what is happening can benefit all players and increase collaboration.

MECHANISMS OF INNOVATION

Innovation cannot be planned or prescribed but an organization can foster the kind of environment where innovation can emerge and take root.

Structures for Innovation

The society receives about 30% of its funding from the catering company. It has freedom in how it spends this money, unlike many organizations that are more constrained by donor requirements. This valuable ‘flex money’ allows the society to quickly respond to changes in the community. As Heather notes, “You have a lot of freedom of choice, a freedom to act and do what is right with money that you earned yourself, as opposed to money that other people earn and can tell you what to do with it. So for me it is a really liberating approach to social good.”

Potluck intentionally incubates projects that might become ventures or enterprises, like Recipes for Success or Knack. Potluck would be happy to see these initiatives grow to be financially self-sufficient and more independent enterprises. This is conceptualized in figure 5 as initiatives move from financially neutral to making profit.

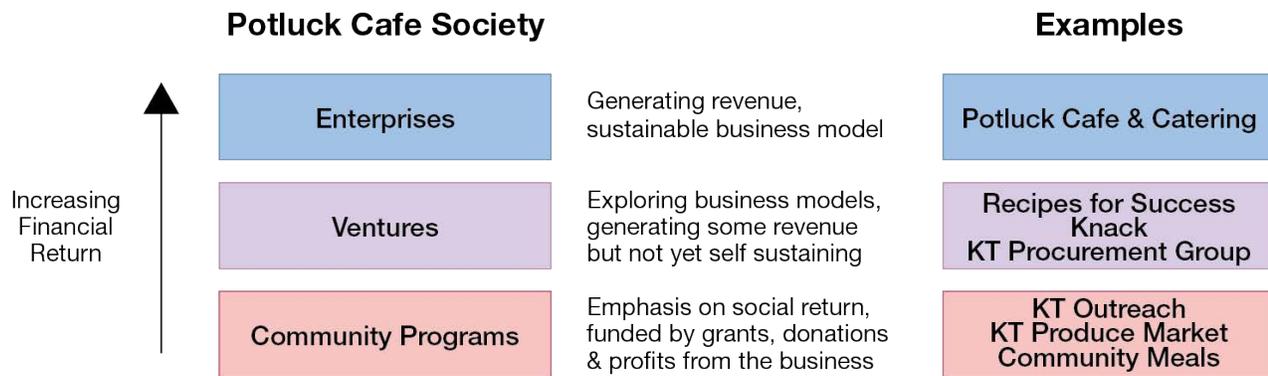


Figure 5. Types of initiatives and examples

It is important to remember that this progression is not necessary for all initiatives. Some projects with a valuable social return may never make a financial return and that's ok. Likewise, social impact does not necessarily decrease as financial return increases. An awareness of these different categories (and giving projects the freedom to move between them) allows Potluck to explore different ways to provide value, both to those who can pay and those who can't. Social enterprises are always seeking innovative business models that enable financial sustainability without jeopardizing their social mandate. The fact that the Potluck has successfully weathered three distinct business models so far – café, community meals, catering – creates a solid foundation for navigating future changes in innovative ways.

Potluck's Entrepreneurial Spirit

From the very beginning with Wendy and Ken, Potluck leadership has taken an entrepreneurial approach. The café began as a way to earn revenue to pay for PHS meals and keep their kitchen team employed. Since then Potluck has continued to be more business minded than the average NGO, wanting to be financially as well as socially sustainable.

Potluck is action-orientated in response to gaps and opportunities that arrive, testing things out, being game to try new things and 'get their hands dirty', as evidenced by the variety of programs and experiments run along the way, and consistent evolution in their model. Joseph says, "I like the direct support of helping but I also like the out-of-the-box ways of thinking social enterprises have of creating change". Potluck displays some attitudes that are particularly conducive to innovation: valuing diverse perspectives, being realistic about strengths and weaknesses, letting projects evolve and looking ahead to what might be next and preparing to shift. Colin speaks about the importance of diverse perspectives:

"Over time I've come to recognize the importance of becoming a 'collector of perspective'. The greater number of perspectives we have, the better the picture we have of the problem. It also gives us a bigger bag of tools so we have a better chance of getting through a first attempt at a solution."

This quote also acknowledges the rarity of getting things 'right' the first time around. Entrepreneurship involves trying new things so it is normal for some initiatives to fail. Potluck has been resilient in the face of failure.

Sometimes initiatives fail because there is not the market demand to support it, despite the social need. For example, when Potluck realized (at different times) that the Café and Recipes for Success were individually not financially sustainable they chose to downsize these projects before they became significant drains on the organization.

Sometimes initiatives fail because emergent dynamics between stakeholders can prevent or entangle an initiative. When the Kitchen Tables project was working

towards coordinating food donations amongst local NGOs they found that building collaboration was much more challenging than expected and the project stalled. An important part of the purpose was to strengthen relationships between the organizations but when it became contentious and the project risked damaging relationships it was better to step back. To use social innovation parlance, there was not the right opening at the regime level. KT was better placed to put their efforts in other areas where there was more of an opening for change and a sense of collective momentum rather than division.

All of these decisions to let projects fail, or at least to fail for the time being, freed Potluck staff and resources and taught Potluck valuable lessons that shaped future projects. By discovering what initiatives didn't work, Potluck was able to move forward with better knowledge of their community, the market, and their social context.

Potluck also has a long history of human centered design in their employment practices and community programs. For example, the café took a user perspective in creating a space where people who are sometimes ostracized could feel human and normal. Kitchen Tables relied on user feedback to display the food map information in ways that were most useful to community residents. This included choosing the different categories and their icons and the way that the “map” is arranged by time of day so that people in need of a meal at a particular moment can quickly find the information they need. More recently, the brand concept and initial prototypes for Knack were designed through a co-creative process that privileged input from people with lived experience. In each case, Potluck demonstrated a commitment to citizen-led innovation fueled by a belief in the wisdom of community.

Leadership in the Wider Community

Potluck is well known in the wider community as an advocate for nutritional food and supportive employment. Potluck also has a culture of wanting to share their experience to help build up the collective capacity of businesses and NGOs to provide good food and good work. Potluck is able to use its catering line of business to drive conversations around social procurement, income assistance reform and community economic development. Food advocacy largely happens through the Kitchen Tables programs where KT has given food security issues the backbone organization it

needed to make things happen. Liz and Heather were involved in Enterprising Non-Profits and their report on supportive employment in social enterprises still serves as a valuable resource for others in the sector⁸. Colin Co-Chairs the DTES Community Economic Development Strategic Action Committee⁹ and Potluck is actively involved in the neighbourhood Business Improvement Association, building bridges between business, non-profit and resident communities¹⁰. Potluck is often asked its opinion on employment or food issues, and the organization continues to affect change through direct participation in multi-sector advisory bodies like the Greater Vancouver Board of Trade, the Vancouver Food Policy Council and the BC Partners for Social Impact.

Potluck strives to be a team player, to partner often and widely because this is necessary given the complexity of the challenges that they seek to address. The business is competitive in the market but the society should always be collaborative in its social aims. Especially as a mature organization that is less reliant on grants, Potluck is able to operate from an attitude of abundance and feels a responsibility to help address collective concerns. Both Heather and Doris spoke about the importance of respecting the autonomy of different organizations; accepting that not everyone will agree on everything and putting these differences aside to focus on where there can be unity around common goals. Heather also emphasized the importance of having someone step up to lead collaborative efforts to make sure the talk transforms into action.

Sharing Employment Experience

As Potluck matured, it became evident that although the organization was having a profound impact on its staff, its reach was limited by the number of staff the kitchen and community programs could use. In order to broaden Potluck's impact, the organization had to choose to either expand its catering business or share their experience with other employers. Knack and Recipes for Success are initiatives of Potluck Café Society that experiment in the latter. Knack makes it easier for more employers to engage in social hiring by matching residents with task based work.

⁸http://www.socialenterprisecanada.ca/webconcepteurcontent63/000024540000/upload/Toolkits/StrengtheingToolkit/SucceesThe mes_FULLReport_06-12-14a.pdf

⁹ <http://council.vancouver.ca/20161130/documents/pspc2.pdf> from pg17

¹⁰ Hastings Crossing BIA was established in 2011 and seeks to "be a BIA unlike any other, driven by strong social and environmental values and with a dedication to the authentic urban culture of Vancouver's Downtown Eastside" www.hxbia.com

Recipes for Success helps employers better support and therefore retain their vulnerable staff.

Sharing Food Experience

Many of Potluck Café Society's community programs focus on providing good food. These programs were a response to wider food insecurity issues in the DTES neighbourhood that Potluck learned about through outreach work and the experiences of local employees. These community programs include an affordable produce market, a neighbourhood food map, a procurement group for local kitchens, peer education about nutrition, and community meals. These initiatives bring people together beyond Potluck's walls to share experiences and to help create change.

Section 4 - Future Directions

Changing Context

Potluck operates within the wider context of the neighbourhood, the Vancouver business community, and social enterprise in British Columbia and Canada. Potluck is both influenced by and an influencer of wider trends and changes.

In Potluck's immediate neighbourhood, upmarket downtown is expanding east and pushing some DTES residents and organizations out as the area gentrifies. Over the last few years, many new cafes have opened, but most are outside the price range of local residents. In the beginning Potluck was the only non-profit kitchen able to provide the volume of meals needed every day. Now, there are many more agencies with that capacity. In the beginning, Potluck's catering competition was traditional catering companies and the challenge was competing on cost because the other companies did not need to invest in extra employment supports or carry the productivity costs of some staff who work at a slower pace or need more training. Now Potluck Café & Catering is also competing on impact as there are many more catering companies that also work for social or environmental impact. In both cases this competition can be seen in two lights. It is a challenge for Potluck as they must continue to evolve and adapt their business model but it is also a sign that others are helping to tackle these complex challenges. There is an active social enterprise cluster in the area as well, with many other strong non-profit organizations and leaders

contributing to shared community objectives. At a neighbourhood level, as in any locality, there needs to be a commitment to working together to close the gaps system wide because if groups are too insular they risk displacing rather than reinforcing one another.

In the Vancouver business community, a discussion around social hiring is beginning but the concept goes by many names and is still largely unknown. For example, only 6 out of 102 businesses surveyed by the Hastings Crossing BIA in summer 2016 were very familiar with the concept of social hiring¹¹. This is an area of specific expertise for Potluck and a place they regularly try to help advance thinking.

In the sphere of social enterprise, consumers are increasingly interested in buying products and services that come from ethical sources. For example, buying local, fair trade, organic or environmentally sustainable products. This cultural shift benefits companies like Potluck Café & Catering that have a social mandate, even if the subset of employment social enterprises is sometimes less well recognized. Since mid-2013 C3 (Community Contribution Company)¹² has been a legal option for business incorporation. Potluck Café and Catering is not a C3¹³, but as a more established entity Potluck is something of a role model in this generation of younger social enterprises. Potluck is sought out very regularly for advice, assistance, advocacy, speaking, mentorship and other opportunities to contribute. How much can and should Potluck devote their energy as a more mature enterprise to helping support these requests and the growth of the broader ecosystem of social enterprises?

Next Steps & Open Questions

Alongside the above and other questions, Potluck is currently working on exploring possibilities for growth in the catering arm of its enterprise, and as a systems innovator for social hiring via Knack. This comes with specific strategic questions and challenges:

¹¹ The full report can be found at http://hxbia.com/wp-content/uploads/2016/10/SOCIAL-CANVASSING-report_FINAL.pdf Hastings Crossing BIA uses the following definition of social hiring: "providing job opportunities for people who face barriers to traditional employment".

¹² C3 is a legal status available for social enterprises in BC that combines equity investment (unlike non-profits) and accountability that the majority of profit is going to community purposes (unlike standard businesses).

¹³ It was deemed redundant in their case as Potluck Café and Catering is wholly owned by the society, locking any profits in to their social mandate that keeps it accountable to its social mandate

- Potluck Café & Catering aims to expand to a second kitchen because its growth is strictly limited by the physical confines of its current space. It feels like the time is right to expand but a good opportunity has not yet presented itself. Potluck is a place-based organization that is loyal to the DTES and wants to ensure stability and ease of access for employees. An interesting challenge arises as to where to go because location is not neutral in a part of town where the atmosphere changes from block to block. Depending on their background, different people can feel welcomed or excluded in different spaces.
- Knack is the newest initiative of Potluck and has much potential for growth. As a two sided market place model (matching the skills of earners to the tasks of employers), it will be important to grow both sides of the equation simultaneously. Knack wants to be compatible with other players as well, such as the training organizations and other job recruitment agencies. As Knack builds a common language around employment, it will only be useful if it is inclusive of all stakeholders.

One of the biggest challenges Potluck faces looking ahead is to decide how to strike the balance between what these two issues represent, expanding the catering company and its direct impact, and doing more systems level change by taking risks on new initiatives like Knack or devoting its energies to broader ecosystem development and learning.

Potluck's story also highlights two common philosophical dilemmas for social enterprises:

- **First**, organizations like Potluck must decide whether to help lower income people in the production or consumption of products and services. It is financially challenging to help from both directions, as Potluck learned with its café. When running the café, Potluck struggled to earn enough to pay employees liveable wages while simultaneously offering food at affordable prices to the local population. In a similar way, Kitchen Tables found that even though local food non-profits would like to support local food producers, they are unable to afford their costs. These local gardens typically have higher

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production costs, including decent wages and sustainable practices, which push their prices outside the reach of often cash-strapped non-profits.

- **Second**, while it is relatively easy to talk about pursuing blended value returns, the mixing of charitable and enterprise activities inside of one organization is much harder to operationalize. What this looks like in practice is a daily struggle to ensure that the growth of the catering company isn't being suffocated by the resource demands of the charity. More specifically, if 100% of the catering company's profits are returned to the parent organization to fund community programs, how can the subsidiary develop sufficient cash reserves to either expand its operations or weather market changes? In effect, the future is being mortgaged for the sake of the present. While this might be justified by the gravity of the neighbourhood challenges that Potluck is attempting to address, there is a clear rationale for investing today for greater returns over the long term. This struggle is not uncommon for enterprising non-profits but it requires a sophisticated treatment of corporate and charitable priorities and a realization that enterprise profits are no more secure than traditional grant funding. The answer lies in a structured relationship between the parent organization and its subsidiary with clear distribution of resources and fixed rates of return.

Conclusion

Potluck has had a fascinating journey through three distinct business models, from social enterprise start-up in 2001 to established sector leader in 2016, and all while immersed in a community experiencing immense change. This has demanded a nimble and adaptable approach to their work, and a consistent focus on their core objectives to increase the food security of nutritionally vulnerable residents of Vancouver's Downtown Eastside, and to promote and support the adoption of inclusive hiring practices. They have travelled a road rife with challenges familiar to many in social enterprise as they navigate between social and financial objectives to maximize their impact. Through all of this they have built a thriving culture based in a spirit of entrepreneurship and deep community that cares for one another as people.

To achieve this, Potluck has relied on a series of leaders who were able and willing to bring the right focus and drive at each stage of development, and to build on the vision of the leadership before them. There are many lessons in how they have managed major business model pivots and leadership transitions over the years, including to not do these two things simultaneously. Most recently, they have grown into the new structure of a deeply integrated non-profit society delivering world class food and employment programming, and wholly owned catering company that competes effectively in the market in support of this objective.

In refining their model they have found consistency in their service delivery and social impact, which has increasingly allowed them to lean into new challenges from developing innovative new programs and ventures in service of their core mission, to playing a leadership role in inclusive employment, the social enterprise sector more broadly, and the local food and livelihood systems they operate within. Potluck's three-pronged approach to supported employment is relational, comprehensive and targeted, and treats the full person with respect, recognizes the diversity of elements that affect work and wellbeing and meets people where they are at. This holistic approach takes commitment but it works and can benefit other businesses and organizations. There are several ways that Potluck's work seeks to improve resource flows, routines and beliefs in local food and employment systems.

DTES residents are worthy of quality, nutritious food and capable of quality, committed work, as are individuals everywhere. The future will not be without great challenges and Potluck will continue to adapt and wrestle with strategic questions about how to best grow their impact. Much work remains to be done but with a wealth of experience, an undiminished drive and willingness to take smart risks in service of the communities they serve, the future looks bright for Potluck and the social enterprise sector they are such an instrumental part of.

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More specific dates:

Stansfield, C. presentation 28th Jan, 2016.

Mbuthia, J. & Jung, D. Oct 2016



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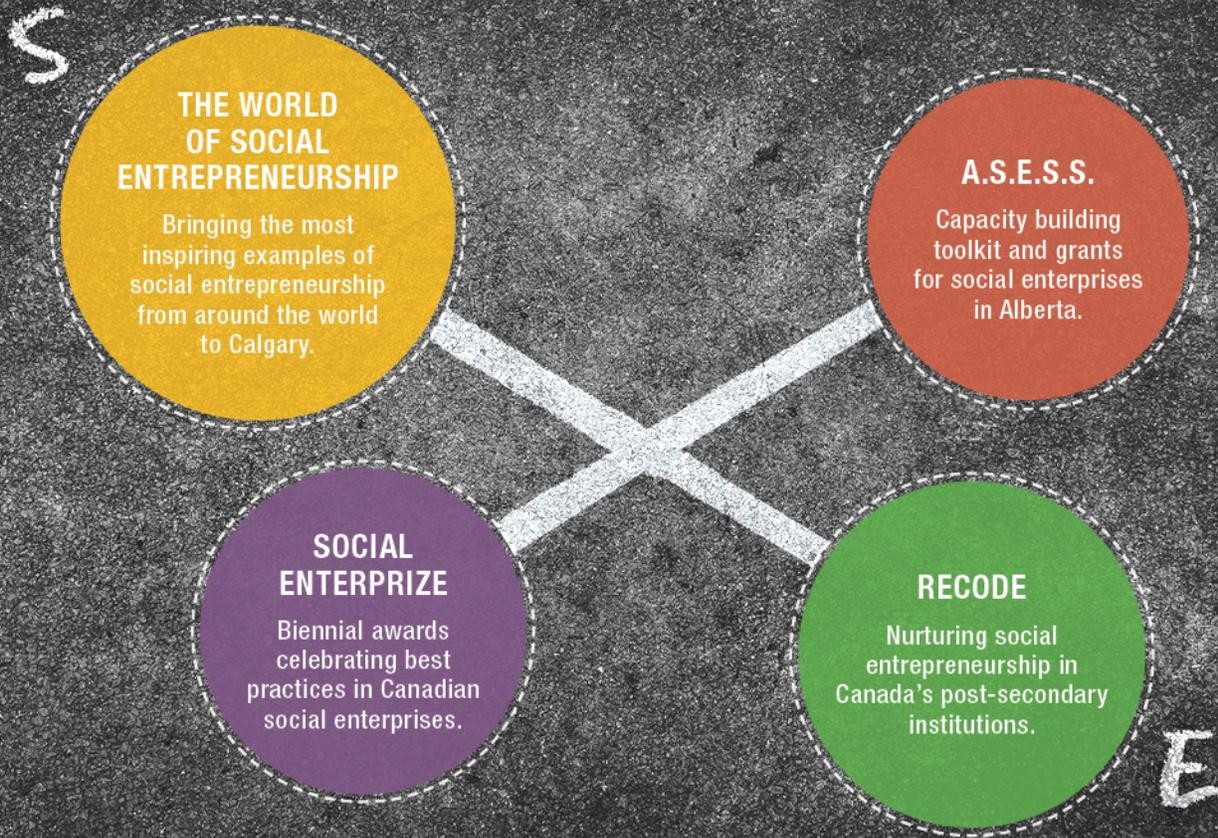
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