



## Case study: Brightkidz



### Key Themes

- Identifying the need for a product, and making sure that it's right for your target audience
- Finding a legal structure that supports the aims and ethos of your organisation
- Avoiding mission drift when developing new products, and expanding your market appeal

### Overview

Brightkidz is a Kettering based social enterprise that works to promote walk to school schemes to keep children safe near roads. It was started in 2004 after Brightkidz Managing Director Alison Holland organised her local school's first walking bus scheme. Core activities include providing free information about walk to school schemes, and selling high visibility products for children.



A self-financing trading model has allowed Brightkidz to remain independent and free to choose how to invest its profits. The organisation has achieved steady growth by working closely with beneficiaries to develop new products, making strategic use of start up funding, and building up strong relationships with core customers. As a cooperative, Brightkidz staff have a strong stake in the organisation's success, and this has allowed Brightkidz to retain its inclusive ethos throughout its growth. Diversifying its product range has allowed Brightkidz to be more financially stable, while ensuring all products support its core activities has protected against mission drift.

The social enterprise was set up after Alison spotted a gap in the market for selling appropriate and affordable bright clothes for children to wear. In seven years, Brightkidz has grown from a website run from Alison's home into a formal cooperative with staff members working from a three room premises, and a turnover of £300,000. Plans for the future include developing more products in the Brightkidz range and development of their new social enterprise, Midshires Clothing Factory.<sup>1</sup>

<sup>1</sup> Now fully set up since case study interview. Brightkidz's founder Alison Holland was interviewed by NCVO's Sustainable Funding Project on 23<sup>rd</sup> November 2009. Copyright for the images used in this case study belongs to Brightkidz 2011, unless stated otherwise.



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### *What's a walking bus?*

It's a walk to school scheme, recognised by local authorities, where children and a group of responsible adults all walk to school together. For the scheme to be insured by the local authority, everyone in it must wear some sort of high visibility clothing.

### **The kids are all-bright**

When she set up her first walking bus, Alison found that it was difficult to source high visibility clothes designed for children. The only real options were standard high visibility safety jackets. Unsurprisingly, many of the children weren't too keen on these, and this problem became one of the main threats to the success of the walking bus.

*"Some enjoyed looking like Bob the Builder – but most weren't keen, and this became a real barrier to getting everyone walking together."*

Rather than admit defeat, Alison did a lot of research to find specialist material suppliers who could enable her to develop more exciting child friendly products. She also started a design club at the local school. These sessions were a great way to find out what was important to children, such as having an image or logo on the jacket, or making sure the clothes had another purpose other than just being bright.

The children came up with several great ideas at the design club sessions, such as a range of designs incorporating traffic sign symbols, and the Brightkidz 'z' logo. Other ideas for getting the children involved in promoting Brightkidz have included setting up mini fashion shows so the children can show off their designs. Bright clothing design events like this are still championed by Brightkidz, and are key to ensuring that children take an active part in promoting their local walking buses, and that the products stay relevant and attractive to their target audience.





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Brightkidz still trial new projects to understand what schools and teachers need, and how best to get messages across, before putting information online for everyone to access. Their current website functions as a one stop shop where people can pick up information, register their school for discounts and their informative e-newsletter, and buy the high visibility clothing they need to make their own walking bus work.

### **First steps to sustainability**

In 2004 Alison realised that the amount of voluntary time she had to put in to the walking bus and the website to keep things running wasn't financially viable. This led her to approach a local Business Venture Trust, where she was introduced to a mentor who advised her to generate income from the project to make it more sustainable.

As she already knew of the difficulties in finding bright clothes that the children were happy to wear, Alison realised that providing this service for other parents could fill a real gap in the market. Using ideas generated through her school design clubs, Alison worked with local manufacturers to develop products she could sell through an e-shop on her new website. This worked out really well, and became the basis of an educational and road safety project that could be self-financed through the sale of goods designed by the end beneficiaries.

### **Priming the pump**

Also key to Brightkidz's early development was a large grant of £31.5k from Social Enterprise East Midlands, which helped to get them established as a new social enterprise. This grant paid for IT equipment, part of Alison's salary for eighteen months, materials for product development and also let them move into formal office space. To win this grant, they put together a great business plan, and drew on the resources of the Business Venture Trust.

Brightkidz also applied for grant aid to help promote the concept of children wearing bright clothes more generally (not just on the school run), and won a grant from Awards for All. This grant allowed them to travel to schools to give advice and free promotional sample packs, but Alison admits that they missed a marketing opportunity at this point, because they didn't follow up on how schools actually used what they had been given.



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### The network effect

In its infancy, Brightkidz mainly ran on Alison's passion for walking bus schemes, plus a lot of informal support from friends, family and professional contacts. Alison found that because she had worked so much on campaigning for walking buses, she had built up a great relationship with her local council. This meant that if the council knew about another school that wanted to set up a similar scheme in the area, they would ask her to go and talk to them to give the parent's point of view.

*"It's important to understand what you're good at and what you like doing when you're starting a new enterprise."*

Building up relationships like this really paid off for Brightkidz – when schools began to spend money earmarked for walk to school schemes, they went straight to Alison's e-shop to buy her specially designed products. Laying the foundations of strong school partnerships in this way also meant that later on, when the Government was looking for partners for the road safety campaign THINK!, Brightkidz was a natural organisation to turn to.

Alison believes that going out and talking at events and networking are all marketing opportunities, and that building up a personal sales relationship isn't just limited to face-to-face contact. When they market their products online, Brightkidz recognises that their buyers are largely individuals, not schools, and can be searching for their products for many reasons. Brightkidz are often told that customers first hear about them through events before searching online to buy products, which means that all the networking Brightkidz does is just as important as having a nice looking website.

#### ***What didn't go so well at first?***

For Alison one of the challenges of expanding a voluntary project into a formal enterprise was having to keep accounts for the first time. At first she struggled to admit that book-keeping was not one of her strengths, before finally handing over responsibility to her husband (and now colleague) when things got on top of her.



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### Small is beautiful

Despite initially wanting the project to work as a charity with some subsidy, Alison soon realised that she could bring in enough income through sales of high vis clothing and reflectors to fund the whole project. So she registered Brightkidz as a company limited by guarantee, using a cooperative structure. This allowed the organisation to get set up and start trading very quickly, but retain the not-for-profit and collaborative ethos that drove the project from the start.

Alison approached Northampton Cooperative Development Agency to get help to form Brightkidz's legal structure, and recommends making the most of professional help available through organisations like this. She says that because it was set up as a cooperative, Brightkidz has developed a very consultative way of working, with everyone in the company involved in developing a common vision. All staff can apply for cooperative membership, and the more hours they work, the more likely it is that they'll want to be members. All members can be elected to be directors so, in theory, every member of staff has the opportunity to be a director if they want to. Alison says that this means that everyone working for Brightkidz is committed to the organisation and its aims, and is willing to pitch in and help each other out.



Image © Robert Rathbone

*"We can still develop an idea, write up a product description, and add it to the website in a matter of days – something a larger organisation would find almost impossible to do."*

Brightkidz is now run with several staff, including many with very low hours (for instance, their accounts person only works one hour per month). They have kept a close eye on staff costs as this is their biggest outgoing. Although they feel that there is potential to employ more people or increase hours because they are so busy, Brightkidz is wary of growing too fast. They say they would rather be stable and grow organically, than grow quickly, only to suddenly lose a big contract and then have to lay people off. An added advantage of staying relatively small is that they can stay in tune with their market, and react quickly to changes in their environment.



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### Diversifying products v staying on mission

While Brightkidz is run as a business, their approach to selling is always underpinned by the aims and objectives of the organisation, rather than driven purely by profit. For instance, Brightkidz clothes are bought and sold at a fair price, and the core range is made to a high standard in the UK, something that the organisation holds as a strong value and has built a brand reputation on. But in order to extend the range to schools and families on tighter budgets, Brightkidz have also introduced a basic range to make safe clothes available and affordable for everyone. Making this decision involved compromising their high quality 'UK Suppliers Preferred' policy, to make sure that everyone can afford to take part in a walk to school scheme.

Brightkidz also provides a service for business customers who want their own logos put on products like reflective bags, stickers and snap bands. The organisation has become well established in this market, and Alison qualified with the British Promotional Merchandise Association's Academy. She says that this range is both highly profitable, and in keeping with Brightkidz's overall ethos of promoting safe, active, sustainable travel.

They have also branched out into new markets through their eco-range of products, which includes things like pencils made from car tyres, and water bottles made from biodegradable plastic. Brightkidz made this decision after finding out that lots of existing customers were involved in sustainability projects like eco-schools or healthy schools initiatives.





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At first they were able to sell the new range to existing customers, but also gained a lot of new customers by being able to provide these different types of products. Alison says that launching this range massively expanded their market, which still fits with the sustainability aspect of Brightkidz's core mission, and has helped make the organisation become more financially diverse and secure overall.

Before developing a new range, Brightkidz are careful to make sure that it has the potential to support the organisation's core purpose. This can be directly through the sale of high visibility clothes for children, or more indirectly through things like their eco and business branding ranges.

### *Planning for change*

Because Brightkidz is 100% self-financing, staff have never needed to measure the social benefits of their activities. They're not currently planning on applying for funding because they'd prefer to stay independent. But they're thinking of doing more projects where outcomes are easier to measure so they stand a greater chance of getting funding if they decide to go for it in the future.

## Future planning

To help them carry on growing in a more sustainable way, Brightkidz has taken advantage of the East Midlands Development Agency's Growth Readiness programme, which helps businesses that are ready for growth to achieve their full potential. They are still also receiving mentoring support to help clarify their vision before they grow any more, and have made sure that all staff are involved in putting together their next five year business plan.

Alison is very proud that the organisation has done everything – and more – they set out to do when it was first set up, but is aware that there will be a lot of challenges ahead. Possible threats include changes to government road safety initiatives, and over-reliance on one or two big purchasers.

And like any organisation, Brightkidz is also vulnerable to being squeezed out by competition, so they know they need to protect sensitive commercial information and preserve their unique selling point to stay afloat.

### **Contact Brightkidz:**

[info@brightkidz.co.uk](mailto:info@brightkidz.co.uk)  
(+44)(0)1536 526461



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### Top Tips

1. **Get as much help as you can if you want to be self-financing.** Ask friends or people you know for formal business support. Think of yourself as both a voluntary organisation and a business, and find support through both of these avenues.
2. **Go down specialist routes, and work with specialist partners.** Look for things that are unique to the area you work in. For instance, Brightkidz's casualty reduction funding was linked to their aim of improving road safety.
3. **Network a lot and find out who your customers are.** This means getting to know and understand them and their needs. Ask yourself – how do they get their information? What are they looking for? What are their constraints and main issues?
4. **Get a good focus by developing your business plan.** It's basic business sense to focus your efforts on particular target groups rather than trying to be everything to everyone. Remember to focus your marketing resources.
5. **Choose the right model for you.** Being a cooperative means that people feel that Brightkidz is theirs. There is a hierarchy of who does what, but everyone feels they are trying to achieve the same thing for the same reasons.
6. **Words like “profit” and “sales” aren't forbidden.** Realise that people buy from you because they like you and have some sort of affinity with you and your project. Don't be shy about selling your services: if they understand your ethos and you understand theirs, then they will want to buy from you, and you will want to sell.
7. **Be confident about building commercial relationships.** Sales is not just cold-calling. Brightkidz has very good marketing relationships with existing customers. You have to be confident enough to go out there and be a sales person.
8. **Share your skills and roles.** Everyone at Brightkidz has their own specific role, but they also try to cross-train so that they can do other jobs when people are off.
9. **Improve your financial management.** Use an accountant and outside support for payroll. Use good accounting software, and an ordering system that integrates with your accounts package.
10. **Make the most of the help that's around.** Brightkidz got mentoring support throughout their development, not just at the start. And remember, it's good to have mentors but ultimately, you will need to judge what's right for yourself.