

Case Study:

Cool2Care

Key themes

- Establishing a Community Interest Company
- Working towards a sustainable income strategy
- Trading with individual customers
- Responding to changing public services



Sustainable Funding Project Case Study: Cool2Care

Overview

Cool2Care is a Community Interest Company that helps provide care services for children with disabilities. They train carers and match them up with families who need their services. The organisation is built around trading for a social benefit, in order to help disabled kids to live an ordinary life and enjoy the things other kids do. This trading activity meets the needs of families, many of whom could not otherwise access the support and care they need. In time of social and policy change, they are carving out a niche as an award-winning service provider.

Date

Based on an interview with Phil Conway, Chief Executive of Cool2Care, in May 2009

cool2care
for families with disabled children

Origins and Start-up

Cool2Care founder and Chief Executive Phil Conway's son Shaun has a rare disorder that has led to physical and learning disabilities. The difficulties that Phil had accessing the right kind of support for Shaun and for the family alerted him to a huge unmet need in care support, which he later decided he could do something about. Phil began this by being a board member for a charity called Contact a Family that provides advice and support to parents of children with disabilities. He was also able to draw on significant experience of working in international business development with IBM.

According to research by Contact a Family and the University of Leeds, twelve in thirteen disabled children were unable to access the services they need and were entitled to, and 80 percent of families with disabled children experienced high levels of stress. It seemed to Phil that there was a gap between the disability agenda and the children's agenda, and some families were falling between the cracks. The idea also began to develop that more young people might want to become carers, and it could be promoted as a positive career choice. The concept of Cool2Care grew from this. The name of the organisation supported the ethos that caring for disabled kids can be enjoyable and fun. This set them apart from other organisations and helped to attract potential carers, who could then be matched with families.



The organisation was founded as a Community Interest Company (CIC). This legal form offered entrepreneurial control of the organisation and the governance structure of a CIC allowed flexibility to act quickly and respond to opportunities. It was also chosen as it is a clear not-for-profit structure, which matches the ethos of the organisation and promotes trust among the public and potential backers such as local government. According to Phil Conway, "In this kind of work, other things being equal 99 percent of Local Authorities would prefer to work with a not-for-profit organisation".

Although registered charities enjoy tax benefits that are not available for CICs, this is less significant for Cool2Care as its profit margins are relatively small. Gathering a large profit for the organisation would be possible but would go against the ethos and mission of the work. In addition, the management feel that the trust shown by customers and supporters would be compromised. As a CIC, the organisation also needs to work towards its community benefit, which for Cool2Care means providing help to disabled children to enable them to participate in life just like everyone else.

In 2007 the organisation faced challenges during the start-up phase as it had to grow on its own. As Phil Conway said "It would have been different if we had broken off from the NHS, but in the beginning the organisation was just 'a dad with an idea'." Initially the fledgling organisation also had difficulty accessing suitable funding because they were squeezed between support aimed at either mainstream companies or charities. The organisation was being set up in a new way which some funders may have found hard to fit with more traditional service models. However, eventually they found funding for social enterprise available from foundations, and the company was able to begin its growth and take its first steps towards achieving the mission.

The Sustainable Income Strategy

Cool2Care's business model is quite simple – to place carers with families, and charge a modest placement fee. They draw in new customers by providing a service that is tailored to the family's needs, providing the carer they want at times to suit them. If numbers are low, as in the start-up phase, there is no surplus and activities require subsidy. However, once volume of placements is up in any given market there is enough income to cover overhead costs and a surplus to invest. In this form of trading the income comes from the family of the disabled child. This may be private income, or it can come from the Local Authority through Direct Payments (a method of government funding linked to the needs of a single person). Cool2Care has also done some work under bigger contracts with the Local Authority in order to quickly establish a service in a new area.

As with any business there is an element of financial risk. Sometimes the social enterprise model means that financial security has to be compromised with the social aims of the organisation. However, being a not-for-profit organisation also has business benefits. Raising funds from grants can help minimise the financial risks in the start-up phase, and the grant option is not available to many mainstream businesses. Cool2Care have put great faith in understanding their income and spending so they can anticipate shortfalls in traded income and cover the difference from other income sources. A good understanding of their service costs is therefore essential for ongoing provision. Through this knowledge they have been able to balance income with customer needs and plan for organisational growth.

Responding to changing public services

Growth has also meant being responsive to changing care policy and the changing service market. Cool2Care is built around an ethos of understanding the needs of families and providing options for them. In this sense it is well equipped to use the new funding route of individual budgets, as these are founded on the idea of choice for the care user and their family. In some areas they have worked with the local government to "develop the market" by promoting this form of care funding and by helping people access their individual budgets. They also help customers understand how to use them along with other forms of government support.





Developing New Products and Markets

However, changing policy has presented challenges as well as opportunities. Cool2Care has registered with the Quality Care Commission, and had to do some work to explain the business model to them. There are also different official systems that the organisation needs to keep track of and keep up to date.

One of the activities that Cool2Care has found essential in both gaining financial backing and accessing markets is to communicate with people face-to-face. Certain ideas cannot be explained through written materials, so meeting the funder, local government representative or customer is a vital part of what they do. In addition they have found the website a useful marketing and communications tool, using customer testimonials to promote the service and videos to demonstrate the organisation's key messages and values. Using these methods they have been able to reach out to communities and government and ensure people are aware of their services, and ensure that services are matched to changing needs.

The main focus of Cool2Care's work is placing carers with families, and this will continue to be the case. But the organisation is also busy making plans for the future. The organisation's carer placement projects were initially set up as pilots in just two areas, Surrey and Birmingham. However, geographical expansion was always on the cards, and the organisation has since expanded into Gloucestershire, Essex and the Isle of Wight, and plans to continue this growth. According to Phil Conway, "The organisation needs to expand, to be UK-wide. It should be like the Costa Coffee chain – it's always there when you need it."

As social care becomes a more important part of the economy, placing carers will be a growth area, and according to Conway there are still many people who are willing and able to get involved. Their recruitment policy for staff in coordinating roles should help Cool2Care with expansion. Employees have aptitudes in the relevant area of work, for example experience of caring for disabled kids, and the organisation also provides training. The brokerage

work can be very flexible, with remote working fitting around other commitments such as parenting. Due to these factors the organisation is able to access skilled workers who might otherwise be excluded from the workforce and give them real responsibility.

Training is an additional product that could aid expansion. Cool2Care's carer training uses a blended learning approach with a mix of group work, discussion forums, practicals, DVD clips, reflection exercises and guest speakers to enhance the sessions. The organisation could expand its training by providing similar courses to other organisations. As well as generating unrestricted income, this could give Cool2Care a new option to make use of its intellectual property and give the trainers new ways to develop their skills. Flexibility will be essential for the organisation to respond to demand and ensure that it is taking opportunities to develop its work in new areas.

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The Future

In order to achieve these ambitious aims, Cool2Care will focus on its core work and on delivering high quality results. Word of mouth should then help them reach more families and gradually access new areas. According to Phil, in building up the business, "It is vital to listen to the customers, the families, and move carefully".

The organisation also plans to set up a charitable trust which would give them worldwide reach. This would raise money for partners in developing countries, and provide another opportunity to assist people who have found themselves caught between help for disabled adults and general children's aid. This additional work would also complement Cool2Care's mission in the UK, and could provide useful learning for developing their core services.

Top Tips for other organisations from Cool2Care

Phil has some top tips for other organisations working towards a sustainable income strategy.

- It is vital to have the right skills for business from the start, to be able to make and execute a business plan and to know the right language for your chosen business area.
- Get professional help if you need it, for example in accountancy or corporate affairs. If you don't have this in house you could work in partnership with other organisations that do have these skills.
- Communicate well with your customers' and partner organisations. Do use innovative methods, but nothing beats meeting in person.
- Above all, listen to your customers needs!

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The Sustainable Funding Project is an NCVO initiative working in partnership with the Big Lottery Fund and Charity Bank.

NCVO's Sustainable Funding Project is the sector's premier provider of tools and resources encouraging and enabling voluntary and community organisations to develop and implement a sustainable income strategy.

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