

# Sustainable Funding Project CASE STUDY

## ■ StreetShine



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### Organisation

StreetShine

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### Key themes

- An example of a trading activity that combines product, process and profit
- The importance of market research, cost setting and business planning
- Establishing an appropriate organisational structure
- Being pragmatic about what you can achieve as a young organisation.

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### Summary

Established in 2004, StreetShine's long-term financial aim was to be grant-independent. They used a grant and loan from Glimmer of Hope UK and a grant from the Esmée Fairbairn Foundation to kick start the project. A detailed business plan is helping them to achieve their funding and social missions.

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### Date

This case study is based on an interview with: StreetShine Chief Executive Simon Fenton-Jones on 30 April 2007.

*“StreetShine was a simple proposition – a service offering immediate benefits to the staff of large organisations and a long-term sustainable opportunity for the homeless and ex-homeless people it employs and trains.”*

**David Gold, A Glimmer of Hope (funder)**

StreetShine is a relatively young organisation, well on its way to self-sufficiency. It is a simple idea. Entrepreneur Nick Grant saw the popularity of shoe shining in trips to the United States. He also worked as a volunteer with homeless people in London and saw first hand the difficulties they faced getting back into the workplace. Nick put these two ideas together in 2001 and after years of preparation and research, in 2004, StreetShine was born.

### **The StreetShine mission**

StreetShine provides employment and training opportunities for people who have experienced homelessness or suffered disadvantage in the job market and are in the process of rebuilding their lives. Their product is a luxury shoe care and repair service to selected businesses within London using high quality products. The way that they operate offers social benefits.

Their key social aims are:

- To provide homeless people with an opportunity to break into the labour market and the means to earn a regular income.
- To equip homeless people with new skills to enable them to gain greater independence, self-confidence and future long term employment.
- To contribute to social cohesion generally and enhance public perceptions of homelessness

StreetShine is a subsidiary of Thames Reach, a London based Industrial and Provident Society helping homeless and vulnerable people to find decent homes, build supportive relationships and lead fulfilling lives. Their vision is to end homelessness.

### **Getting off on the right foot**

When Nick Grant approached Jeremy Swain from Thames Reach, he jumped at the idea of StreetShine and together they approached David Gold from Glimmer of Hope UK for funding. Glimmer of Hope funded StreetShine almost £100,000 over two years in a combination of grant and loan. The loan made up 20% of the investment to be paid back when the organisation starts to earn a surplus. Jeremy, Nick and David are Board members and appointed Simon Fenton-Jones as Chief Executive to put their ideas into action.

Simon started in March 2004 and his key role was to lay the foundations of the organisation. A pilot project at KPMG prior to this had confirmed that the project could work, but that it would only develop with a successful business plan and market research to establish how and where the organisation could grow. It was a speedy process.

“I started in March 2004” says Simon, “and by September we had our first employee. We needed to do our market research on two levels. Firstly, the shoe shining itself. How would it work as a business? How much can we charge? Is there a demand? Then we had to research the homeless sector itself. Would homeless people accept employment as a shoe shiner? What do they need in terms of support from an employer?”

Decisions also needed to be made about the structure of the organisation. Was it going to be a charity or a business? As a subsidiary of Thames Reach they decided to establish themselves as a registered company limited by shares (see further support section for more information). “We have a clause in the constitution stating that profits must go back into the social side of what we do and cannot go back to shareholders for private gain. David Gold, (one of the board members) invests in social projects, including this one. He can take his investment out of the project once we become profitable but it has to be recycled into other social ventures in the future.”

Taking time to develop a detailed and impressive business plan has been crucial to the success of the organisation. It examines what the aims of the organisation are, what it hopes to achieve in terms of a social business and what the opportunities and threats facing the organisation over the coming years will be. Even though Simon has a background in both the private and charity sectors, he still enlisted the help of Pilotlight to help him with the business plan. They help small, innovative organisations grow and fulfil their potential by recruiting high fliers from business and industry who want to donate their skills. The time invested in this stage of the development of the organisation has paid off, with a list of impressive clients and a quickly (but manageable) expanding business.

### **Shining stars**

‘Shiners’ are normally referred by homeless charities with all potential employees having experienced homelessness, suffered disadvantage in the job market and are in the process of re-building their lives. They are given a comprehensive training programme, including practical sessions in shoe shining, learnt from the best shiner in London as well as customer service training. Being paid a salary is part of StreetShine’s success. Even if shiners have a bad day, they still receive a wage which gives them vital stability. To incentivise hard work, bonus’s are on offer and the shiner’s get to keep any tips (which can be pretty generous when you see some of the clients below...).

The organisation has an impressive list of clients, including Reuters, KPMG, Coutts Bank, Barclays, BT, Ernst and Young and lots of other top London-based firms. An impressive list considering that this organisation is only three years old and still has just two (non-shoe shining) members of staff. Clients are charged £3.75 per pair of shoes for a shine using the highest quality product.

## **Funding and finance**

As well as the funding from Glimmer of Hope, StreetShine have also secured almost £80,000 funding the Esmée Fairbairn Foundation in 2005 towards business development costs as well as smaller (under £5,000) investments from individuals to help kick-start the project. However, Simon hasn't done any more major fundraising since then because right from the start, the idea of the project has always been to move it away from grant dependency to self sufficiency through earning its income.

"I always knew I had a certain amount of money to last me so I would then try and build the business to meet that. As well as the shoe shining, we also have a little car cleaning business and we do repairs and sell products, so from all that the money comes back to us and we pay the salaries.

At the moment we have 2 paid managers and 12 shiners all on full time salaries plus office costs and equipment, cleaning gear etc. We bring in about 65% of costs from revenue and the rest has come from the bits of grant funding. If you took me and Nick (Rosekilly, Training and Support Manager) out of the equation then the shiners themselves are covering their own costs. We're aiming to be covering 100% of costs by the end of 2007. To do that we need to build up the number of employees to 20, which is quite a jump from 12 but we've made that kind of double in growth before."

## **Trial and error**

StreetShine spent the first two years of their existence building up their infrastructure and trying new things until they got a model which works.

But there are always challenges with new ventures, not least when you work with a disadvantaged client group. So far, they have had only minor issues with the shiners themselves, like illness and reliability. They make sure they build up a level of trust and only select people who are ready to work and have dealt with any major issues that caused them to be homeless in the first place.

"I think I probably started off taking people who were a bit too vulnerable, thinking we could help the whole world. Actually we're a social enterprise and in order to achieve our social aims we have to achieve our business aims first.

We still work with people with some challenging needs but we realise that we have to select quite carefully people that are ready to work. Then once we've established ourselves at a certain level we can help the more vulnerable. You can only help them if you have developed a sustainable business. So that's been a big learning curve."

## Get streets ahead

Chief Executive Simon shares three top tips for success as a social entrepreneur.

### 1. Get the right person for the job.

If you plan to employ someone to set up and run a social enterprise, find someone with a business background but who understands the social issues they'll be involved in as well. Getting the business side is as important as getting the social side right, otherwise you won't be able to meet the needs of your beneficiaries in the long term.

### 2. Get all the help you can

There is a lot of help out there - almost more help than there is time to access it. Pilotlight were a huge help for StreetShine but they have also had a lot of corporate help - KPMG provided accountancy and Reuters provided customer service skills training for all the staff, both pro bono. The trick is to take advantage of the support available for the voluntary and community sector. Both companies were happy to support StreetShine because of their Corporate Social Responsibility requirements.

### 3. The product is key

When marketing your project and approaching potential customers, pulling on heart strings will only get you so far. "We're not afraid of using the social issues to get our foot in the door as many of our clients say they would not have spoken to us to start with if it weren't for this. However, you have to offer a fantastic, professional service which I know we do. A lot of our clients are repeat customers which is great for the shiners as they develop really good relationships and get better tips!"

## Is the future...shiny?

The future certainly looks exciting for this organisation. An impressive business plan, a growing market and future diversification opportunities means that this organisation looks like it will continue to thrive for years to come. But, as with any voluntary and community organisation, it is the beneficiaries themselves that will continue to be the real winners.

*"Since starting on the StreetShine training programme LG (one of the shiners) has seemed like a totally different person. His whole outlook has changed from being extremely negative about his current situation to one of real hope for the future. LG finally has something to focus on which makes him feel like he is worth something to society and that he has skills he can offer. The bitterness and hostility of old has been replaced by a calmer, friendlier approach to life and the people around him."*

**Thames Reach Support Worker**

## Links

**StreetShine** [www.streetshine.com](http://www.streetshine.com)

**Thames Reach** [www.thamesreach.org.uk](http://www.thamesreach.org.uk)

**A Glimmer of Hope** [www.aglimmerofhope.org/projects/uk/index.cfm](http://www.aglimmerofhope.org/projects/uk/index.cfm)

**Esmée Fairbairn Foundation** [www.esmeefairbairn.org.uk](http://www.esmeefairbairn.org.uk)

**Pilotlight** [www.pilotlight.org.uk](http://www.pilotlight.org.uk)

**Corporate Social Responsibility (CSR)** is the business contribution to the government's sustainable development goals. It is about how business takes account of its economic, social and environmental impacts in the way it operates – maximising the benefits and minimising the downsides. More information can be found at [www.csr.gov.uk](http://www.csr.gov.uk)

An **industrial and provident society** is an organisation conducting an industry, business or trade, either as a co-operative or for the benefit of the community, and is registered under the Industrial and Provident Societies Act 1965.

For information on the regulatory framework in which voluntary and community organisations can undertake trading, see the Trustees, Trading and Tax (CC35) document on the Charity Commission website [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)

**Learn more about trading as a means of developing a sustainable funding mix at the Sustainable Funding Project website at [www.ncvo-vol.org.uk/sfp](http://www.ncvo-vol.org.uk/sfp).**



Supported by



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

The Sustainable Funding Project encourages and enables voluntary and community organisations to explore and exploit a full range of funding and financing options to develop a sustainable funding mix.

The Sustainable Funding Project  
*funding in the round*

Website: [www.ncvo-vol.org.uk/sfp](http://www.ncvo-vol.org.uk/sfp)

Tel: 0800 2 798 798

Email: [sfp@ncvo-vol.org.uk](mailto:sfp@ncvo-vol.org.uk)

National Council for Voluntary Organisations  
Regent's Wharf, 8 All Saints Street, London N1 9RL  
Tel: 020 7713 6161 Fax: 020 7713 6300  
Textphone: 0800 01 88 111 HelpDesk: 0800 2 798 798  
Email: [ncvo@ncvo-vol.org.uk](mailto:ncvo@ncvo-vol.org.uk) Website: [www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)  
Charity registration: 225922