ASSESSING BUSINESS IDEAS FOR STARTING-UP SUCCESSFUL SOCIAL ENTERPRISES IN ROMANIA: AN IT-SUPPORTED, MICRO-REGIONAL DEVELOPMENT PROJECT

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Abstract

Purpose—*This paper aims to develop a unique instrument to be used for both assessing business ideas and monitoring the respective social enterprises while taking off, eventually IT-supported.*

Design/methodology/approach—*A sample of 25 cases was selected—in the framework of a regional development project in the Horezu micro-region, Romania (the IDEALIS Project implementation is scheduled for 2011-2012). Each case corresponds to a business idea for starting-up a social enterprise (either agricultural co-operative or co-operative enterprise) in the region. The first phase of this project is to assess the viability of each business idea, and the second phase is to monitor the social start-ups as they are taking off. In both phases an original decision method is used, implanted on a methodology to assess the business idea's probability to succeed. This paper was prepared after the completion of the first phase while an IT application was considered as a vehicle to use the proposed method for monitoring the newly created social enterprises.*

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Findings/results—*The proposed instrument (ABIDIS: Assessing Business Ideas by the DISTEH method) was successfully used to associate a score to each business idea and, consequently, to rank the respective social enterprises accordingly: the higher the rank, the higher the chances to succeed. It is expected that social enterprises are considered for financial aid according to this ranking.*

Research limitations/implications—*ABIDIS instrument is more useful when analyzed against a database of similar social enterprises and/or compared to its own historic data (which is monitoring actually). Amid successful method development and its use for assessing the chances of the social enterprises' ideas to succeed, the practical use of the proposed methodology for monitoring the recently established social enterprises is still in progress. Furthermore, the rightness of the assessment is a matter of time—as it is going to be validated after the project completion.*

Practical implications—*The practical implications are twofold: the proposed method can be used for both assessing the viability of social enterprise ideas (by social entrepreneurs and consultants mostly) and monitoring the respective social enterprise while taking off (by entrepreneurs, consultants and funding institutions). In addition to these, the proposed methodology opens a larger research window for interested scholars.*

Originality/Value—*The assessment instrument and decision method are the author's original development and their use for assessing the chances of the social enterprises to succeed is a premiere. Moreover, the use of this method for enterprise monitoring—ultimately IT supported—is going to be a pilot research.*

Keywords: *social enterprise, social entrepreneurship, business idea assessment, Romania, micro-regional development.*

Research type: *conceptual paper, case study.*

1. Introduction

In October 2010, the European Union "set out plans to strengthen the Single Market with measures to boost growth and enhance citizens' rights… The Single Market Act will further strengthen Europe's highly competitive social market economy and will put people at the heart of the Single Market" (EUROPA, 2010). The same document has announced four key-priorities in this respect, *social business and social entrepreneurship* among them: "Europe has enormous potential for developing social entrepreneurship. In recent years, many initiatives have been taken by individuals, foundations and companies to improve access to food, housing, health care, jobs and banking services for those in need. To foster more cross-border action, the Commission will propose European statutes for such organisations to serve and promote the social economy."

As recently as April 2011, the President of the European Commission, Jose Manuel Barroso, has launched "twelve projects for the 2012 Single Market"—actually twelve

instruments for growth—*social entrepreneurship* at no.8: "As well as legitimately seeking financial profit, certain businesses also choose to pursue the general-interest objectives of social, ethical or environmental development. This sector generates growth and employment… We will propose a European framework for mutual investment funds, so as to amplify the effect of the existing national initiatives by offering these funds the opportunities provided by the Single Market" (EUROPA, 2011).

Back in July 22nd,2003, the EU Council of Ministers has already approved the Constitution of the European Co-operative Societies / Société Coopérative Européenne (ECS/SCE) based on two acts: EU Regulation No.1435/2003 and EU Directive No.2003/72/CE regarding the employees' involvement. Registered as a legal entity either by natural or legal persons (minimum capital required: 30,000 euro) and having the headquarters in one member state, the ECSs constituted under this act may operate in all member states, taking full advantage of the EU single market; the issue of the European single market was actually discussed two decades ago (Swann, 1991). They also can develop transnational cooperation activities. Under the provisions of these EU regulations, the first ECSs were allowed to start up as early as 2006, depending on the transposition of the EU documents in the national legislation of the member states.

In the larger context of the social economy development in Romania from a compared European perspective (MLFSP, 2011), a micro-regional development association (namely ADH Association, from Horezu, Romania) has successfully applied for EU funding – in order to achieve local economic and social development by promoting social entrepreneurship and starting-up social enterprises. The Project "IDEALIS – Developing social enterprises in the Horezu micro-region" is co-financed by the European Social Fund – Sectoral Operational Programme – Human Resources Development (SOP-HRD) 2007-2013 (POSDRU/84/6.1/S/56527). The Project IDEALIS is aiming at: training potential social entrepreneurs in business management; selecting 25 business ideas for social enterprises and offering professional consulting services to the corresponding social entrepreneurs in order to develop business plans; selecting and co-funding the best business plans; assisting them during the first year of operation (ADH, 2011). This Project (2011-2012) is currently in progress.

The author, involved in training and consulting activities, has faced several challenges. among them: assessing the chances to succeed in the social entrepreneurs' business ideas. The purpose of this paper is to share the author's Project experience aiming to (Figure 1):

– develop a suitable instrument to assess the business ideas for future social enterprises;
– test this instrument in the specific case of the IDEALIS Project's social enterprises and, on the longer run, validate it;
– use the assessment instrument as a monitoring tool, too, and—ultimately – integrate it in a management information system (IT-supported management system, e-platform).
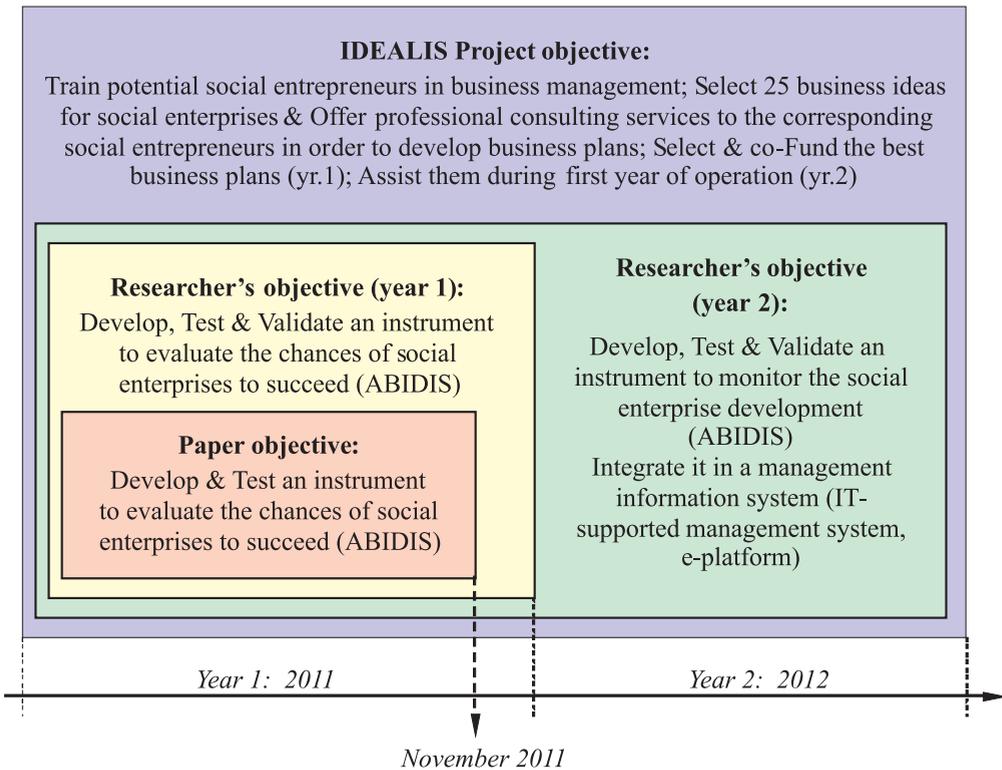
Figure 1. Paper and researcher's objectives in the framework of the larger IDEALIS
Project objectives

Because this Project implementation is still in progress (selection of the social enterprises to be funded is scheduled in November-December 2011), the specific objective of this paper is just to develop and test the assessment instrument.

Consequently, the remaining part of this paper is structured as follows: theory survey of the essence and principles of the social enterprise—in order to identify assessment criteria; development of the research methodology—leading to the assessment instrument; results and findings of testing this instrument; further development of the research work; conclusions.

2. Theoretical Background: Roots and Principles of the Social Enterprise Development

The roots of the modern social enterprise date probably back in 1844, when the *Rochdale Society of Equitable Pioneers* developed the first successful co-operative

enterprise as well as the *Rochdale Principles of cooperation*, in the English town of Rochdale, Greater Manchester. The story of the Rochdale is known as described by Jean-Baptiste Godin in 1902 (Godin, 2009). Anecdotally, the social entrepreneur J.B. Godin and his collaborator Marie Moret are the founders of the "Familistère" (Familistère, 2011)—another successful social enterprise, a French experiment this time.

To note that not political movement themselves, the social enterprises (and social economy as a whole) were linked to the emerging socialism: in France, the first social entrepreneurs in 1848 were actually the first socialists (Draperi, 2005).

Other modern Rochdale experiments are known: Rochdale Village and Rochdale College. The Rochdale Village was a community of blocks that would provide the residents with a park-like setting and facilities of suburbia, in Queens, New York, built in 1960s; between the late 1960s and mid-1970s "most white people moved from the community" (Rochdale Queens, 2011). The Rochdale College (opened in 1968 in Toronto, Canada)—an experiment in student-run alternative education and co-operative living; the experiment failed as the college was closed in 1975 when "it could not cover its financing and neighbours complained that it had become a haven for drugs and crime" (Rochdale College, 2011).

The Rochdale principles—a set of ideals for the operation of cooperatives – were officially adopted by the International Co-operative Alliance (ICA) in 1937 as the "Rochdale Principles of Co-operation"; updated versions of the principles were adopted by the ICA in 1966 and 1995. According to ICA (2011): a co-operative is defined as "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise"; its values are "based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity … co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others"; and there is a set of seven basic principles (ICA, 2011):

    i. Voluntary and open membership, without gender, social, racial, political or religious discrimination;

    ii. Democratic member control (the co-operatives are controlled by their members, who "actively participate in setting their policies and making decisions");

    iii. Member economic participation (members contribute equitably to, and democratically control, the capital of their co-operative; at least part of the capital is common property of the co-operative; members receive limited compensation; surpluses are allocated for reserves and development);

    iv. Autonomy and independence (co-operatives are autonomous; their members democratically control agreements with other organisations, including government or funding bodies, in order to maintain their co-operative autonomy);

    v. Education, training and information (co-operatives provide education and training for their members, elected representatives, managers, and employees; they inform the general pic— argeting young people and opinion leaders - about the nature and benefits of co-operation);

    vi. Co-operation among co-operatives (co-operatives work together by local, national and international structures);

vii.Concern for community.

Naett (2006) highlights that co-operative values are strongly declared in the EU documents regarding the constitution of the European Co-operative Societies[1] (ECS). The ECS acts do not replace the national legislation in force; they just enlarge the window of business opportunities and promote the co-operative values across united Europe.

It should be made a clear distinction between co-operatives as *social enterprises*— and part of the *social economy*— versus *society* in general, as a whole (on one side) and *civil society* (on the other side) which is voluntary organized, asking for public administration and government accountability but having no political power aim (Diamond, 1999).

Amid some negative experiences, the social enterprises and social economy have spread over the last decades in many countries, inside and outside Europe. The current trends in social enterprise development in Europe are increasingly presented in the literature (Defourny and Nyssens, 2008). The different forms of social enterprises are spreading across the entire world, in many countries from five continents (Social enterprise,11). As For example, in Japan only, the National Federation of the Cooperatives (Zenrosai) counts for about 14 million members (Zenrosai, 2011); based on the mutual aid principle, the Federation offers a variety of insurance instruments to its bers— under the patronage of the Ministry of Health and Labour, and closely working with the trade unions. Saxunova and Nizka (2011) report interesting worldwide findings as far as social services for seniors; five levels of social services are identified: (i) housing, catering, care providing services; (ii) educational and consulting services; (iii) personal needs supplying; (iv) services to increase employment; (v) security services.

In Portugal, *misericórdias* have a long tradition of social services and solidarity— organized by the churches. The Portuguese co-operatives are responsible for about 5% of the GDP (Campos, 2006).

In Spain, the workers' associations (*sociedades laborales*) have appeared in the 1970s following to the government's decision to support the employees' associations to buy the companies in economic difulty— instead to pay for unemployment. At least three partners are required to start such a social enterprise but none is allowed to own more than one third of the shares. The associations are highly participative as 85% of the employees must be associated. However, the number of votes is proportional to the number of shares owned. According to Dorival (2006), there were more than 20,000 members in 2004.

Back in 1960s, in Italy, some experience in organizing *social co-operatives* in order to carry out services in that spirit of solidarity are reporte; the '70s have marked some development but the '80s were associated with a real explosion of the Italian social co-operatives leading to the consolidation that has followed to the 1991 Act (Pezzini, 2006).

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1   EU Regulation No.1435/2003 and EU Directive No.2003/72/CE

In fact, in the 1990s, according to Defourny (2006), the social enterprise concept has developed following two paths. In Europe the *co-operative movement* has developed following to a legal step taken by the Italian government in 1991: *social co-operatives* were set up as a means of insertion of less favoured people in the labour market; while in the United States of America the business schools have promoted the *social entrepreneurship* (business oriented to a social goal). In the United States, a social enterprise is currently described as an *affirmative business* (Boschee, 2009).

The credit for coining the concept of *social enterprise* goes to Freer Spreckley in 1978, and published later (Spreckley, 1981) as "an enterprise that is owned by those who work in it and/or reside in a given locality, is governed by registered social as well as commercial aims and objectives and run co-operatively". The distinction between traditional enterprise and social enterprise is as between the "capital hires labour" philosophy in order to make profit (financial benefit), and "labour hires capital" philosophy aiming to social benefits.

In 1996 researchers from EU 15 founded a European network to study the social enterprises; the European Social Enterprise Research work— - EMES came up with a largely accepted definition of the social enterprise (EMES, 2011; CECO,011) ——— as the social enterprises have to comply with four *economic criteria*:
  – a continuous production of goods and/or services
  – a high level of autonomy
  – a consistent level of economic risk
  – a minimum level of paid work
  – and five *social criteria*:
  – an explicit aim to services for the community
  – a citizens-based initiative
  – a decisional procedure not based on capital share
  – a participative dynamic involving all stakeholders
  – a reduced distribution of benefits.

The EMES research has identified about forty models of social enterprises in twelve European countries (Defourny, 2006).

It is worthy to mention that the British government has promoted the social enterprise and sustained its definition largely used by the social enterprise sector bodies as Social Enterprise UK: "A business with primarily social objectives whose surpluses are principally reinvested for that purpose" (DTI, 2002).

Social economy is characterized by a set of general principles (voluntary enrolment, equal rights of the members, solidarity, and economic autonomy) that make a distinction between the *social economy* actors vs. *individual enterprises, public enterprises* or *commercial companies* (Draperi, 2006).

LePage, Eggli and Perry (2010) offer a comprehensive guide for the social entrepeurs— starting with idea identification and feasibility analysis (idea generation and screening, feasibility study and business planning) as well as performance measurement. An important distinction is made between business planning (in general) and the *social enterprise* business plan.

The dual objective (economic side: economic efficiency of the business and operations management; and social side: community services) is extensively discussed by Jeantet (2006) in his book *"Economie sociale: entre efficacité et solidarité"* (Social Economy between Efficiency and Solidarity). The solidarity has various aspects; an important one is the solidarity between geneions— so called *inter-generational solidarity* (Sevaistre, 2006). These two dimensions (financial and social benefits) of the *modern social enterprise* are recently completed with a third one which consists of environmental benefits (as known as the *Triple Bottom Line*).

The United States is also the place where a great deal of research efforts is focused on finding the key-elements that make a new busineidea to succeed. One of the highly applicable methodologies to evaluate the chances to succeed was developed by the Innovation Assessment Center at Washington State University. Corresponding to the *Triple Bottom Line* concept, a set of thirty-three business, social and environmental criteria was deoped— grouped in five categories (WSU, 1990): general environment, business risk, product's market acceptability, product demand, and competition.

The WSU methodology was adapted and used in a number of practical cases by the author; such a case is assessing the chances to succeed of the social enterprises within the IDEALIS Project in Horezu, Romania (Table 1). It is author's opinion that economic criteria are more important than social ones: in order to have what to share, the wealth must be created firsthand.

Table 1. Assessing the chances of the social enterprises to succeed (adapted after WSU, 1990)

No.	Criteria
1	Legal environment
2	Ecological environment
3	Social impact
4	Product's compatibility with other existing products
5	Product's dependence to other products
6	Product market acceptability
7	Product safety
8	Product functionability
9	Production feasibility
10	Investment
11	Profitability
12	Potential market
13	Trend of demand
14	Stability of demand
15	Product lifecycle
16	Product price
17	Competition
18	Potential competition
19	Intellectual property rights

3. Research Methodology: ABIDIS – Assessing Business Ideas by the DISTEH Model

A set of 25 cases was selected—in the framework of a micro-regional development project in Horezu, Romania (IDEALIS Project; implementation is scheduled for 2011-2012). Each case corresponds to a business idea promoted by a group of social entrepreneurs, for starting-up a social enterprise (either agricultural co-operative or co-operative enterprise).

The first phase of the IDEALIS Project (2011) is to assess the viability of each business idea—in order to rank and selectively offer them financial support (competition-based), accordingly; the second phase (2012) is to monitor the social start-ups as they are taking off.

This paper is produced after the completion of the first phase while an IT application is considered as a vehicle to use the proposed method for monitoring the newly created social enterprises in the phase two.

As the paper main goal is to develop an instrument to assess the chances to succeed in a social enterprise, the efforts were focused as follows:

– secondary literature research to develop the set of assessment criteria;
– primary research (face-to-face interviews mainly) to assess each social enter-prise.

The DISTEH model for decision making (Scarlat, 1980, 1987, 2000) was combined with an improved version of the *Washington State University—Innovation Assessment Center* for evaluating the business potential of innovative ideas (WSU, 1990). The result was a more complex instrument to evaluate and rank the social enterprises according to their chances to succeed – before their start-up, in the business planning stage: the *ABIDIS score.*

Each group of social entrepreneurs was interviewed, criterion by criterion (Table 1), and a score was assessed, on a 1-to-5 scale (1= minimum chances to succeed; … 3= 50% chances; … 5 = maximum chances to succeed). It is crucially important that assessing this score is a job for professional business consultants having relevant experience in this field, working closely with the group of social entrepreneurs. It is behind the purpose of this paper to enter the details of the consulting process. However, an example is offered: considering the "trend of the demand" the assessment criterion, its score corresponding score for a certain social enterprise would be: 1 in case of strong decrease of demand; 2 for slight decrease; 3 for steady demand; 4 in case of slight demand increase; 5 in situation of solid increase of demand.

A noteworthy challenge was to keep the right balance within the *Triple Bottom Line* framework; however, the economic-financial issue of the efficient use of resources was considered more important.

Currently, only 18 social enterprises are still in competition for funding, developing their business plans, as five groups of entrepreneurs gave up and three groups have merged. For each of the remaining social enterprises, the DISTEH value ($`T_i$) and ABIDIS score were calculated – as described below.

4. DISTEH Absolute Ranking

DISTEH is actually a multi-purpose multi-criteria decision-making model (Scarlat, 2005a) which was tested in a number of practical training, consulting and research circumstances (Scarlat *et al.*, 2010, Scarlat *et al.*, 2011) and continuously improved. It was also used for technology analysis (Scarlat, 2005b), technology prediction (Scarlat, 2006), marketing decision making (Scarlat, 2004, 2005c).

Assuming that any given social enterprise A_i (i = 1 to m; m = number of social enterprises) is assessed by a set of criteria C_j (j = 1 to n; n = number of assessment criteria), one can define the performance matrix:

$$C = [c_{ij}] \tag{1}$$

where: c_{ij} is that value associated to the criterion C_j for the social enterprise A_i.

The purpose is to determine a unique value associated to each social enterprise A_i, value that allows their ranking; this value is called the *ABIDIS score* (ABIDIS—Assessing Business Ideas by DISTEH method).

One can define an ideal social enterprise (I)—real or virtual—having the best values $c_{Ij,}$ as follows:

$$c_{Ij} = max_i \ (c_{ij}) \text{ when criterion } C_j \text{ is to have a value as high as possible} \tag{2}$$

$$c_{Ij} = min_i \ (c_{ij}) \text{ when criterion } C_j \text{ is to have a value as low as possible} \tag{2'}$$

Note that (I) describes, generally, a virtual social enterprise. In this specific case of assessing the social enterprises, all criteria are of type (2) and $c_{Ij} = 5$ for j = 1, …, 19.

In general, the coordinates of (I) may vary in time but – if the analysis horizon is relatively short – the position of (I) is considered as time-stable (Scarlat 2000: 372). This assumption does apply because the assessment of all social enterprises is conducted and completed in a few days. However, when the method is applied to monitor the ABIDIS score dynamics, the time dimension does matter.

The key idea is that each social enterprise (either real or virtual) can be represented as a point in n-dimensional space. The closer the point is to (I), the higher the performance of this social enterprise (chances to succeed are higher).

Consequently, it makes sense to define, for each social enterprise, *the technical distance between it and the ideal one,* as:

$$\overline{T_i} = \sqrt{\sum_{j=1}^{n} \left(b_j \frac{c_{ij} - c_{Ij}}{c_{Ij}} \right)^2} \tag{3}$$

where b_j is associated with the importance of the criterion C_j; b_j weights the criterion C_j $(0 < b_j < 1)$.

Usually, the ranking depends on the weights. However, there are cases – both in theory and practice – when the ranking of two options remains unchanged, for all the possible values of their respective weights ($0 \leq b_j \leq 1$) or, at least, for large variation intervals. In this specific case of assessing the chances of social enterprises to succeed, all criteria are considered as equally important ($b_j = 1/n$).

The social enterprises are ranked starting from the best one (minimum $\overline{T}_i$). The upper bar stands for "non-" or "complement of." Note that the technical distance is zero in the case of the ideal product. Bigger the $\overline{T}_i$ value, lower the chances to succeed for the social enterprise A_i. In other words, for any given social enterprise A_i ($i = 1$ to m), one might calculate a unique value associated to that social enterprise $\overline{T}_i$, value that allows the ranking of all the products considered.

In order to have a more intuitive ranking (highest score on the top, then decreasing to the bottom of the ranking), the *ABIDIS Score* is introduced:

$$\text{ABIDIS Score}_i = 1 - \overline{T}_i \qquad (0 \leq T_i \leq 1) \tag{4}$$

Where 1 is the score assessed for the maximum chances to succeed.

5. Identifying the *Critical Characteristic*

The *Critical Characteristic (CC)* defines the value of that criterion, which worsens the global performance of the social enterprise (makes the value $\overline{T}_i$ too high). CC could be easily identified – as corresponding to:

$$\max_j \left\{ \left(b_j \frac{c_{ij} - c_{Ij}}{c_{Ij}} \right)^2 \right\} \tag{5}$$

Once identified, CC must be improved: "Improving the CC" would be the major task for the manager of the social enterprise and its consultant.

A case study is presented in (Scarlat 1987, 285-286). The improving process is continuous: when CC completes its "improving potential", the next-in-line-criterion follows.

To conclude, the DISTEH method is a useful tool to assess the social enterprises' chances to succeed and rank them accordingly, objectively. Based on the same model, the probability to succeed can be improved by setting research priorities—corresponding to the most sensitive criteria. The main research results and findings are further depicted.

6. Results and Findings

Initially (early 2011) there were 25 groups of social entrepreneurs and same number of ideas for social enterprises (Table 2). For confidentiality reasons, the names

of the enterprises are not disclosed.[2] The social entrepreneurs were selected to attend a training programme in business management—in order to further develop their business plans, assisted by professional business consultants. Besides two foundations and three co-operative associations, other two legal registration forms of social enterprises were welcome by the IDEALIS Project": *co-operative enterprise* (SC i.e. "Societate Cooperativă," in Romanian) and *agricultural co-operative* (CA i.e. "Cooperativă Agricolă", in Romanian) both complying with the EU legal framework in force.

Table 2 depicts the current status (as November 2011) of the social enterprises initially selected for training within IDEALIS Project.

Table 2. Social enterprises selected for training—current status (IDEALIS Project)

No.	Social enterprise	Area of business	Current status
1	CarmenAlfa SC	Printing house	Business planning
2	AncaAlfa SC	Fruit processing	Withdrawn
3	AncaBeta SC	Handicraft trade	Business planning
4	CarmenBeta SC	Milk processing	Business planning
5	AncaGamma SC	Wood processing	Business planning
6	CezarAlfa SC	Civil constructions	Business planning
7	CezarBeta SC	Recycling – plastic materials	Business planning
8	AncaDelta SC	Natural fertilizers	Business planning
9	CarmenGamma CA	Services for agriculture	Business planning
10	CarmenDelta SC	Animal farming	Business planning
11	CezarGamma CA	Fruit&vegetable processing	Business planning
12	CarmenEpsilon SC	Animal farming	Merged (B)
13	AncaEpsilon CA	Orchard – plant growing	Business planning
14	AncaZeta Association	Pottery	Merged (A)
15	CezarDelta CA	Honey processing	Business planning
16	AncaEta SC	Traditional carpets	Business planning
17	CarmenZeta	Waste recycling	Withdrawn
18	CezarEpsilon SC	Pastry shop	Business planning
19	CezarZeta SC	Milk processing	Business planning
20	AncaTheta	Handicraft trade	Withdrawn
21	CezarEta Association	Organizing events	Merged (A)
22	CezarTheta Association	Handicraft trade	Merged (A)
23	AncaIota Foundation	Social services for aged people	Withdrawn
24	CarmenEta SC	Animal farming	Merged (B)
25	CarmenTheta Foundation	Fruit processing	Business planning

A recent study conducted by the Romanian Ministry of Labour, Family and Social Protection (MLFSP, 2011) shows that more than half of the social enterprises legally

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2   The companies were assisted by three business consultants (be they: Carmen, Anca, Cezar).

registered in the European Union member states are associations (28.5%) or limited liability companies (27.8%). The social integration enterprises (11.4%) and social co-operatives (5.4%) are in the mid-range while agricultural co-operatives (0.6%) are significantly less spread (MLFSP, 2011: 104).

The social enterprises within IDEALIS Project were officially registered during months of August and September, and their business plans continuously improved. Unfortunately, four groups of social entrepreneurs have withdrawn. Other five social enterprises have merged (by three and by two). Consequently, the total number of the social enterprises still in competition for funding is as high as eighteen.

The ABIDIS instrument was applied before and after the training sessions provided for the social entrepreneurs. The ABIDIS scores were calculated for all social enterprises based on the formulas (1, …, 4; m = 25 social enterprises; n = 19 assessment criteria).

As an example, the ranking of the social enterprises from Cezar's set, based on the DISTEH values and ABIDIS scores, is displayed in Table 3.

Table 3. The ranking of a set of eight social enterprises

Ranking	Social enterprise	DISTEH value	ABIDIS score
I	CezarDelta CA	0.0634	0.9366
II	CezarAlfa SC	0.0784	0.9216
III	CezarZeta SC	0.0818	0.9182
IV	CezarTheta Association	0.0971	0.9029
V	CezarEpsilon SC	0.1050	0.8950
VI	CezarGamma CA	0.1435	0.8565
VII	CezarBeta SC	0.1539	0.8461
VIII	CezarEta Association	0.1617	0.8383

The relatively high scores (close to 1) are explained by:
– careful and sound selection of the social enterprises accepted in the IDEALIS Project
– limited number of criteria (less than 19) used during the first round of assessments – because of scarce information.

The training impact might be quantified by the increase in the ABIDIS scores—measured before (June 2011) and after the training sessions (August 2011) as the Table 4 demonstrates.

Major finding is that training had a significant impact on the social enterprises' ranking: the ABIDIS score improved for all of them (positive gain). This means that their chances to succeed have increased significantly. The ranking did change but not significantly: top two enterprises kept the place; the last two swapped their positions; places third to six slightly changed the places between them. Obviously, the social enterprises that reported highest gain did improve their ranking after the training sessions. Overall, the social enterprises that reported low ABIDIS scores have withdrawn. This

suggests that ABIDIS score is a good indicator to measure the chances to succeed. The mergers were decided because the profiles of the social enterprises and not because of reasons related to the ranking (their chances to succeed).

To conclude, the proposed instrument (ABIDIS—Assessing Business Ideas by DISTEH method) was successfully used and tested to associate a score to each business idea and, consequently, to rank the respective social enterprises accordingly: higher the rank, higher the chances to succeed in business. Thus the research objectives were matched.

ABIDIS is a complex instrument for assessing the chances of the social enterprises to succeed—based on the Triple Bottom Line concept, WSU methodology to evaluate new business ideas, and DISTEH model for decision making. Based on the DISTEH model, the probability to succeed can be further improved by setting research priorities—corresponding to the most sensitive criteria.

Table 4. The influence of training on the ranking of social enterprises
(current ranking is after the training; ranking before training is presented between parentheses)

Ranking	Social enterprise	ABIDIS scores		
		Before training	**After training**	**Gain**
I	CezarDelta CA (I) *Honey processing*	0.9366	0.9518	+ 0.0152
II	CezarAlfa SC (II) *Civil constructions*	0.9216	0.9351	+ 0.0135
III-IV	CezarTheta Association (IV) *Handicraft trade*	0.9029	0.9256	+ 0.0227
III-IV	CezarGamma CA (VI) *Fruit&vegetable processing*	0.8565	0.9256	+ 0.0691
V	CezarZeta SC (III) *Milk processing*	0.9182	0.9241	+ 0.0059
VI	CezarEpsilon SC (V) *Pastry shop*	0.8950	0.9238	+ 0.0288
VII	CezarEta Association (VIII) *Organizing events*	0.8383	0.9091	+ 0.0708
VIII	CezarBeta SC (VII) *Recycling-plastic materials*	0.8461	0.8937	+ 0.0476

7. Further Development

There are three more areas to be explored.

(1) The Project IDEALIS is currently in progress: the selection of the best ideas for social enterprises is taking place in Horezu in November 2011. The next ABIDIS

assessment is scheduled right after the moment when the funding decision is made (2011 yearend). Its role is to validate the quality of the ABIDIS instrument: the ranking according to the ABIDIS score will be compared to the ranking decided by the evaluation panel of the independent experts who will assess the quality of the business plans and make decisions—which social enterprises will be funded.

It is expected that social enterprises to be considered for financial aid will be the same that reported high ABIDIS scores (validation of the ABIDIS instrument).

(2) The ABIDIS score is more useful when analyzed against a database of similar social enterprises and/or compared to its own historic data (which is monitoring actually). Testing the monitoring instrument based on the DISTEH model and ABIDIS score is going to be run during 2012. As the implementation of the social enterprises' business plans advances, the assessment of the chances to succeed is more and more accurate. The DISTEH values and ABIDIS scores will be assessed periodically (at 1 month / January 2012; at 3 months / March 2012; at 6 months / June 2012; and 1 year / December 2012 when the IDEALIS Project actually closes).

It is expected that top ranked social enterprises to be the best performers by the yearend (the valid ABIDIS instrument used for monitoring).

(3) Depending on the ADH Association's strategy, it is suggested to integrate the ABIDIS assessing and monitoring instrument as an application in the ADH management information system (which is well beyond the IDEALIS Project's objectives).

8. Conclusions

This paper is developed on the background of social economy advancement in Europe and Romania as well as social enterprises development in the Horezu micro-region—following to the Project IDEALIS run by ADH Association, Horezu, Romania.

ABIDIS is a complex instrument for assessing the chances of the social enterprises to succeed—based on the Triple Bottom Line concept, WSU methodology to evaluate new business ideas, and DISTEH model for decision making. Based on the DISTEH model, the probability to succeed can be improved by setting research priorities—corresponding to the most sensitive criteria.

The practical implications are twofold: the proposed instrument can be used for both assessing the viability of social enterprise ideas (by social entrepreneurs and consultants mostly) and monitoring the respective social enterprise while taking off (by entrepreneurs, consultants and funding institutions). In addition to these, the proposed methodology opens a larger research window for interested scholars.

The ABIDIS score is more useful when analyzed against a database of similar social enterprises and/or compared to its own historic data (which is monitoring actually). Amid successful method development and its use for assessing the chances of the social enterprises' ideas to succeed, the practical use of the proposed methodology for monitoring the recently established social enterprises is still in progress. Furthermore,

the rightness of the assessment is a matter of time—as it is going to be validated after the project completion.

The use of this method for enterprise monitoring—ultimately IT supported—is going to be a pilot research. Depending on the ADH Association's IT strategy, an e-platform may be used for the monitoring process. The assessment instrument and decision method are author's original development and their use for assessing the chances of the social enterprises to succeed is a premiere. A study conducted in nine European countries (MLFSP, 2011) shows that "except for the Flemish region in Belgium, the researched countries do not have SE [social enterprise] monitoring and assessment systems. France, the Walloon region and the United Kingdom have started developing them… We can identify two trends: favouring of the result-oriented indicators (Austria, France and Germany) and favouring of the indicators regarding the resources used (Belgium and Italy)." Our approach is different.

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VERSLO IDĖJŲ VERTINIMAS STEIGIANT SĖKMINGĄ SOCIALINĘ ĮMONĘ RUMUNIJOJE: IT PAREMTI MIKROREGIONO PLĖTROS PROJEKTAI

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Santrauka. Šiame straipsnyje atkreipiamas dėmesys į unikalų IT paremtą metodą, kuris gali būti taikomas ir verslo idėjos vertinimui, ir atitinkamos socialinės įmonės veiklos stebėjimui.

Buvo parinkti 25 atvejai iš regioninės plėtros projekto Horezu regiono Rumunijoje (projekto įgyvendinimas suplanuotas 2011–2012 m.). Kiekvienas atvejis susijęs su socialinės įmonės kūrimo verslo idėja regione. Pirmajame projekto etape bandoma įvertinti kiekvienos pateiktos idėjo gyvybingumą, o antrajame etape stebėti šių idėjų virtimą socialine įmone (angl. social start-up). Abiejuose etapuose taikomas originalus sprendimo metodas (DI-STEH), įdiegtas į idėjos sėkmingumo vertinimo metodologiją. Šis straipsnis parengas pasibaigus pirmajam etapui, kai IT taikymas vertinamas kaip siūloma priemonė naujai įkurtų socialinių įmonių stebėjimui.

Pasiūlytas metodas (ABIDIS) buvo sėkmingai pritaikytas vertinant kiekvieną verslo idėją ir jas ranguojant pagal numatomą sėkmingumą. Sėkmingas metodo plėtojimas ir jo panaudojimas vertinant socialinių įmonių sėkmės galimybes ir praktinis stebėjimo metodologijos pritaikymas neseniai įkurtų socialinių įmonių veiklai vis dar vystomi.

Praktinis pritaikymas dvejopas: pasiūlytas metodas gali būti taikomas vertinant socialinių įmonių verslo idėjas ir stebint atitinkamos socialinės įmonės veiklos eigą. Be to, siūloma metodologija atveria platesnes mokslinių tyrimų galimybes srityje. Aprašytas sprendimo metodas yra originaliai parengtas autoriaus darbas ir taikomas vertinant socialinių įmonių sėkmės galimybę jų veiklos įsibėgėjimo etape. Šio metodo taikymas įmonių stebėjimui – galiausiai paremtam IT – yra pilotinis tyrimas.

Raktažodžiai: socialinė įmonė, verslo idėjos vertinimas, verslo stebėjimas, Rumunija, regioninė plėtra.