



U-turn Homeless Ministries

“Bringing wholeness to the homeless”

CASE STUDY: U-turn Homeless Ministries
& the Social Franchising Accelerator

May 2015



BERTHA CENTRE FOR
SOCIAL INNOVATION &
ENTREPRENEURSHIP



Authors: Khethiwe Cele and Carolien de Bruin, the Bertha Centre for Social Innovation and Entrepreneurship.

Edited by: Dan Berelowitz and Matt Towner, the International Centre for Social Franchising; Anita du Toit, Franchising Plus and Tine Fisker Henriksen, the Bertha Centre for Social Innovation and Entrepreneurship.

1. INTRODUCTION TO U-TURN HOMELESS MINISTRY

U-turn Homeless Ministries (U-turn) is a Cape Town-based social enterprise, which reintegrates homeless people into society. In 1997, Colleen Lewis began opening her backyard to the local homeless on Friday mornings. Over the past 18 years, this weekly outreach has grown into a registered organisation with a team of 15 dedicated staff that provides rehabilitation services to Cape Town's homeless.

Solution: A comprehensive rehabilitation programme

U-turn has developed a comprehensive six-step rehabilitation model, as illustrated in Figure 1. It is designed around three essential phases and allows multiple service providers to work together:

Phase 1 – Making Contact:

Through their Meal Voucher Initiative, U-turn engages the general public to help put homeless people in contact with the programme. The vouchers can be exchanged for food, clothing and other forms of assistance such as shelters, free computer classes and drug rehabilitation for those who need it.

Phase 2 – Rehabilitation:

U-turn uses charity shops (like the UK Oxfam shops) as a space for work-based rehabilitation; participants receive a unique occupational therapy intervention focused on life skills and work-readiness. These shops are also U-turn's income generating activity

Phase 3 – Reintegration:

U-turn helps participants who reach this phase to advance from the charity shops to 'real' employment, and to move out of shelters into their own accommodation or to reunite with family. Graduates of the programme stay connected to U-turn through the post-care programme.

THE SOCIAL FRANCHISING ACCELERATOR

In January 2014, the Bertha Centre, in partnership with the International Centre for Social Franchising and Franchising Plus, launched the world's first Social Franchising Accelerator. Based at the Bertha Centre, and with funding from the Rockefeller Foundation, the Social Franchising Accelerator helped four social enterprises replicate their interventions through social franchising. The early insights from the accelerator are captured in a knowledge brief as well as four individual case studies of the social enterprises.

THE FOUR SOCIAL ENTERPRISES WERE:

IkamvaYouth provides tutoring and career guidance services to high school learners from disadvantaged communities. *Key focus area: Sector and partnership development*

Philani Child Health and Nutrition Project is a community health programme focused on maternal and child health. *Key focus area: Changing organisational culture*

Silulo Ulutho Technologies fills the digital gap in underserved communities. *Key focus area: Market-based franchising*

U-turn Homeless Ministries rehabilitate homeless people by providing vocational and life skills. *Key focus area: Replicating in pieces and stages*

FIGURE 1: U-turn's six-step rehabilitation programme



For more information about U-turn, please go to: www.homeless.org.za

2. SOCIAL FRANCHISING AS A TOOL FOR REPLICATION SUCCESS

2.1 U-Turn's scaling strategy prior to the Social Franchising Accelerator

U-turn has not previously pursued a replication strategy, but invested their efforts in deepening the quality and effectiveness of the programme. There has however been interest in the model from various organisations asking to replicate aspects of U-turn's

model. To date, U-turn has trained six organisations on aspects of their intervention. These organisations return to U-turn for further training and guidance every 3-6 months. The relationships are currently structured as partnerships with flexible agreements.

U-turn currently operates three charity shops in Cape Town. Going forward, they see potential in replicating the model nation-wide.

3. SOCIAL FRANCHISING: REPLICATING U-TURN THROUGH SOCIAL FRANCHISING

U-turn's interest in the Social Franchising Accelerator was motivated by the opportunity to receive expert advice on a replication strategy. Also, social franchising was an attractive model for them as it enables faster growth over time.

As Sam explains, "we had the choice between growing the organisation through having our own branches that we administer, or replicating through partners. We felt that if we taught others how to run our model, it would be faster and more efficient than if we tried to hire more people and grow ourselves." Sarah Simpson adds, "social franchising also gives us the control and resources we need to ensure our model is replicated at the right standards of quality and impact".

3.1 Replication model and minimum standards

In defining their replication model, U-turn has focused on replicating the charity shops first, and then adding the other elements of the model in stages. The thinking is that if a replication partner

can properly implement the charity shop rehab centre, they will also be able to operate all of the other steps of U-turn's model with relative ease. As the charity shops are the income generators of the model, replicating this part of the model first will lend some sustainability to the replication partners as well.

In rolling out their social franchise strategy, U-turn will begin with three pilot sites in the Western Cape:

- Y1 – building office functions, setting up the laundry facility, and launching Shop 1
- Y2 – secure a suitable partner and roll out Shop 2
- Y3 – secure a suitable partner and roll out Shop 3

Apart from the earned revenue, U-turn has based the financial model on regular donations committed for a three-year period. The surplus generated after Y3 will be reinvested towards implementing the other steps of the U-turn model at the first three sites. U-turn plans to add three more replication sites every three years, which will allow them to run their support services in a self-sustaining way.

The ideal replication partners for U-turn will be existing NGOs that already work with street people.

4. LESSONS LEARNED: REFLECTIONS FROM THE SOCIAL FRANCHISE JOURNEY SO FAR

Although U-Turn's social franchising journey has just begun, the organisation is in the final phases of systematising its processes. While a lot of the learning will come when the organisation pilots its first social franchises, the journey has been marked with a number of lessons and reflections so far. These fed into eight critical success factors for social franchising, which are captured in the Social Franchising Accelerator knowledge brief. U-Turn's key learning outcomes are framed below within this context.

8 CRITICAL SUCCESS FACTORS TO SOCIAL FRANCHISING

BEFORE you decide to pursue social franchising

1. Validate upfront that replication as well as social franchising is right for your solution and organisation.
2. Confirm all members of the organisation are ready to systemise and adopt a "scaling mindset"
3. Ensure that sufficient processes, systems, and resources are in place before deciding on an SF strategy
4. Articulate your SF strategy - i.e., your vision, outcomes, model, values & approach - collectively, upfront

AFTER you decide to pursue social franchising

5. Franchise only those elements of your model that are critical to your target outcomes and replicable
6. Be clear on which individuals and organisations you will work with: Set clear selection criteria
7. Systemise vigorously to ensure reliability, yet dare to customise your model to local needs and demands
8. Don't cease to learn and adapt & pace your scaling efforts: Getting your 1st franchise right is key

CRITICAL SUCCESS FACTOR 5:

Franchise only those elements of your model that are critical to your target outcomes and replicable

U-TURN: Complex models are not that easy to replicate

Given that U-turn's intervention is made up of multiple phases and steps, deciding which part of the model to replicate was not easy. Every step in the model is integral to realising the final goal of a successfully rehabilitated and reintegrated individual. Additionally, different aspects of the model deliver different value – the meal vouchers and soup kitchen are the draw card for the programme, but the charity shops provide the first steps towards independence for individuals, and the income generator for the organisation.

Deciding whether to replicate the entire model at once or to phase out the replication was another critical decision point for U-turn. As U-turn's Director, Sam Vos, reflects: *"the other tension for us is that we have got a very complex operation by virtue of us working with rehabilitating real people and not flipping burger patties. So the tension has been which part of our model do we go in with first? Do we start at the first phase and work ourselves up, or do we start at the reintegration stage and you work yourselves backwards to first phase?"* What U-turn learnt was the importance of distilling the parts of the programme that will achieve their goal – sustained reintegration – and replicating enough of that to see results. Other parts of the model can be added over time.

CRITICAL SUCCESS FACTOR 8:

Don't cease to learn and adapt & pace your scaling efforts: Getting your 1st franchise right is key

U-TURN: Pace yourself – sometimes you have to go slow to go fast

"The thought of us reaching thousands of people is a wonderful dream", says Sam. When U-turn first drafted their scaling goals in 2007, they set a

target of 10 replications by 2017. However, they have found that the reality is much slower, and might continue to be slower, than what they had originally anticipated. A sobering point for U-turn was realising that if they insist on pushing to have 10 replications by 2017, they might meet their target, but it will require a higher level of support than U-turn currently has capacity for. *"So the reality is much slower than expected, but can also be more robust if we allow for slow, sustainable growth"*, adds Sam. By pacing themselves, they will also face less risks along the way.

5. NEXT STEPS

U-Turn is in the process of finalizing their operations manual, which is key to guiding franchising partnerships. They have engaged with potential franchisees that they are currently evaluating. In the near future, U-Turn will be ready to start saying yes to partners, according to Sam.

REFERENCES

Information on this case was collected throughout U-turn's participation on the Social Franchising Accelerator. The content informing this case study was collected through regular field visits with U-turn, field notes, existing material on the organisation, and interviews with the organisation's senior management.

Interviews were conducted with the following people:

Sam Vos – U-turn Homeless Ministries

Sarah Simpson – U-turn Ministries

The Social Franchising Accelerator was part of the Bertha Centre's work to test innovative ways of scaling social entrepreneurship. The work continues under the caption Pathways to Funding and Pathways to Sustainability.