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# Impact of Social Procurement



## Benefits of purchasing from a social enterprise

*‘Jigsaw’s approach is preparing young people with disability for mainstream employment, and it’s having a measurable impact. Over 600 people with disability have been through Jigsaw’s training program, and of everyone employed or transitioned in employment by Jigsaw, 91% retain their employment to this day’*  
*(Jigsaw Australia Website)*

### Benefits of social procurement for the social enterprise and its staff

The nature of the outcomes that will result from purchasing from a social enterprise supplier will vary depending on factors such as cohort supported, type of service and area of operations. Broadly speaking, however, the impact of a social enterprise can fall into four main areas:



**Employment:** Many social enterprises create jobs for people. Having a job can lead to income and financial independence; it can improve an individual’s sense of wellbeing; it can reduce recidivism and strengthen an individual’s connection to their community



**Environment:** Purchasing from a social enterprise that operates with an environmental purpose can lead to outcomes such as reducing waste, growth of the circular economy ,a reduction in carbon emissions or create cleaner communities



**Economic empowerment:** many social enterprises are led by, and for, marginalised communities with a specific focus on supporting the growth of entrepreneurs. Such opportunities can lead to intergenerational wealth creation and sense of empowerment, particularly for women



**Community:** social enterprises often fill gaps in community needs (e.g. recycling; food waste), promote sustainable practices and contribute to community cohesiveness

These four areas of impact could be helpful when you think about how you might incorporate considerations around social outcomes into decisions about who is awarded specific contracts.

These four areas of impact can also be broken out into more detailed outcomes if required. For example, outcomes related to employment might include “financial wellbeing”, a “sense of empowerment” or, “financial independence”.



#### Ask the social enterprise what impact they have

- The social enterprise you have chosen to work with will be able to clearly articulate the impact they are setting out to deliver through their work – it’s worthwhile asking them what this is at the beginning of the project or even the tender process.

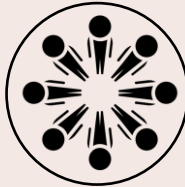
## Benefits of purchasing from an Aboriginal business



**Economic Empowerment:** Supporting Aboriginal business empowers indigenous communities economically, creating jobs, income and sustainable growth. It reduces reliance on government assistance, promoting self-determination



**Cultural preservation:** Aboriginal business integrate traditional knowledge and cultural elements in their products and services. Engaging with these businesses supports the preservation and promotion of indigenous cultures, enriching society's cultural diversity



**Community wellbeing:** Aboriginal business reinvests profits in their communities for programs, education, healthcare and infrastructure. Supporting them directly improves Indigenous communities' wellbeing and quality of life



**Reconciliation and stronger relationships:** Engaging with Aboriginal business promotes reconciliation and strengthens Indigenous and non-Indigenous relationships. Supporting these businesses shows commitment to inclusivity, diversity and respect for Indigenous rights and cultures

These four areas of impact could be helpful when you think about how you might incorporate considerations around social outcomes into decisions about who is awarded specific contracts.



### Talk to the Aboriginal business about their focus

- The Aboriginal business you have chosen to work with will be able to clearly articulate the impact they are setting out to deliver through their work – it's worthwhile asking them what this is at the beginning of the project or the tender process.

# Benefits of social procurement for businesses

*As well as transforming lives, communities and the environment, social procurement is also good for businesses - being able to clearly articulate this value to your business can help build support for your business case to grow your spend in this area*

## What is the benefit to your business of social procurement?

Social procurement is good for business:



Competitive advantage

Demonstrating meaningful outcomes on achieved on previous projects and showcasing innovations in tender responses could potentially set you apart from other organisations



Innovation

Social benefit suppliers can bring different perspectives and approach problems in a different way. Often, they are also smaller and therefore able to adapt quickly to new opportunities. And they more willing to co-design solutions with their customers. This can lead to more innovative solutions



Brand reputation

Social and sustainable impact is becoming increasingly important to clients, employees and stakeholders. Showcasing your work in this space gives you a point of difference



Supply Chain

With supply struggling to meet current industry demand, engaging with social benefit suppliers enables you to expand your supplier base and mitigate the risk of gaps in your supply chain



Legacy

Ultimately, through the work you do you can make a real difference, transforming the lives of people, places and planet