



## Good Nature Groundskeeping

*Laying the groundwork for success*

### The Situation

“*Laying the groundwork for success*” is a very fitting slogan for **Good Nature Groundskeeping (GNG)**, a social enterprise which operates under the umbrella of Causeway Work Centre in Ottawa. Not only does it refer to the benefits that customers experience from purchasing GNG’s landscape maintenance services, but more importantly, it reflects the double bottom line that GNG strives to achieve through its existence – providing meaningful training and employment to people who have often been excluded from the labor market.

In its original incarnation launched in 2003, “Casual Jobs” was established to address Causeway’s mandate of helping people find and maintain jobs. In keeping with Causeway’s belief that if people can’t find a job in the mainstream labour market, then Causeway should create one for them, Casual Jobs began as an employment service offering casual, part-time work for odd jobs such as grass cutting, snow removal, moving, cleaning, etc.

The initiative had a long list of employees who were recruited for occasional work on an as-needed basis. But in spite of a steady flow of work, Causeway found that structure was lacking and the actual job training received by employees was limited. With annual revenues of less than \$15,000, the financial impact

for Casual Jobs employees was minimal; each person was earning less than \$1,500 per year and many were only receiving \$300 at most.

### The Challenge

Causeway took an inward look at Casual Jobs in 2008, realizing its limitations but also recognizing its potential, with the goal of creating greater impact for employees while capitalizing on Causeway’s growing expertise and reputation in social enterprise development. In essence, the challenge became how to take an existing “supported employment” program and transition it to a successful business with dual and competing objectives – social and financial.

The supported employment model typically provides a combination of on-the-job training, workplace flexibility, and wrap-around life supports that enable employees to develop transferrable job skills, confidence and hope, and a work history that will appeal to mainstream employers. A report published by Social Enterprise Canada described this type of enterprise as “a unique model which carries higher costs to the business, offers significant cost savings to society, and can be life transforming for employees”.<sup>1</sup> From a business perspective, the higher operating costs create an ongoing tension as organizations continuously strive to balance social goals with financial sustainability. Providing on-the-job learning and skills development, a higher supervisor-to-employee ratio than competitors, and an accommodating workplace are vital elements for employee success in a supported employment social enterprise. But they also drive up the cost of doing business, making financial sustainability a constant and sometimes unreachable challenge.

Causeway determined that its overarching goal was to create a sustainable business model that would

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<sup>1</sup> Success Themes in Supportive Employment, How Social Enterprise Connects People with Jobs and Jobs with People. Enterprising Non-Profits, 2014.

achieve both social and financial goals – one that could provide employees recovering from mental illness with meaningful employment and, at the same time, offer a competitive service that would allow the business to grow its revenues, become self-sustaining, and increase the number of positions available for employees.

## **The Approach**

In 2008, Casual Jobs began the transformation from a “program” to a “business”, and the entire structure was changed to its current form. In 2015, Good Nature Groundskeeping is a full-service landscape maintenance company with a permanent roster of 10 employees, operating in the competitive commercial groundskeeping market, providing real job training and meaningful income.

But this change took time and didn’t come easily. As Causeway strategized around its challenge, two main hurdles were identified. One, the revamped business required a solid marketing strategy to sell itself to commercial customers. Two, the business would need to ramp up capacity to accommodate the shift to a commercial clientele. In 2008, the list of customers was small, and the customers themselves were small. In addition, the equipment base was extremely limited and in poor condition. In order to move forward, Causeway recognized that Casual Jobs would require both more customers and increased capacity. In response, it was determined that three substantial changes were necessary.

**Step 1: Rebrand the Business** The initial phase of the transformation was a rebranding exercise in 2009. A professional marketing firm was hired and Casual Jobs was given a new name - Good Nature Groundskeeping – along with a complimentary logo and tagline, and overall brand to make marketing activities more effective. This branding work was done in conjunction with Causeway’s two other social enterprises, creating uniformity across the board, and contributing not only to GNG’s brand, but to Causeway’s social enterprise brand as well.



**Step 2: Incorporate Business Principles** Next, the operations of GNG were intentionally transitioned away from a program framework to become very business-oriented. The transition was achieved in a number of ways:

- a change in services to maximize sustainability and create an identity for GNG, moving away from odd jobs to commercial landscape maintenance and streetscape maintenance
- phasing-out of customers paying less than market rates or who were unfeasible due to location, size of property, etc.
- a move to secure seasonal or annual contracts versus pay-per-use fees
- transition from a large list of casual employees to a core team of employees trained in multiple roles
- a new standard pricing model across all work with a margin that covered social costs but also allowed for maximum competitive value
- commitment to invest in greater capacity by upgrading to new commercial-grade equipment including the purchase of a riding lawn mower and a new vehicle
- provision of on-the-job training and wrap-around supports (by Causeway) to offer employees the maximum possibility for job success

Step 3: Launch a Social Procurement Strategy In 2010, GNG identified several target markets and work began to procure contracts with specific companies. The selected markets were fellow non-profit organizations and the local Business Improvement Associations. These potential customers were targeted because of their like-minded philosophy. Clearly, customers who were interested in incorporating social value in their purchasing decisions would be prime candidates to use the services of GNG - as long as prices were competitive and the quality was high.

But increasing the capacity of GNG to serve new and bigger contracts which it didn't yet have, created a "chicken and egg" scenario in many ways. Should the enterprise invest in equipment before securing contracts, or vice versa? Important documents such as contracts, invoices, and quotes needed to be created from scratch. Moving from a small operation to a bigger operation required a substantial amount of training, supervision, and quality control measures. And the related administrative workload increased significantly with added insurance considerations, health and safety requirements, more complicated invoice and payment practices, and a larger payroll. Clearly the learning curve for GNG was a steep one and the anticipated growth was not without some risks for Causeway as the parent agency.

Around this time, the Board of Directors at Ottawa Community Housing (OCH) was exploring how it could create social impact through its procurement practices. As the largest social housing provider in Ottawa, OCH had considerable purchasing power. Directing even a small portion of that purchasing budget towards services and products supplied by social enterprises would create real social value and could result in increased employment opportunities for residents of OCH as the social enterprises grew. With multiple properties in four districts, groundskeeping seemed to be a logical area for OCH to start.

With these goals in mind, OCH and GNG began the intricate process of figuring out their new relationship as purchaser and supplier. How would GNG, a small social enterprise with limited capacity and emerging commercial experience, meet the purchasing standards and navigate the procurement process of a large agency like OCH?

This phase was steeped in learning, negotiation, and good communications given the significant difference in size, culture, experience, and capacity at both organizations. The presence of strong internal champions at OCH in the areas of community development and purchasing was a critical success factor. With key decision-makers committed to the concept of social procurement, OCH carved off a portion of its groundskeeping work in one of its four districts. GNG worked directly with the purchasing officer for that district to navigate through the tendering and contracting process, ultimately securing a one-year contract that provided the security needed to increase its capacity both in terms of employees and equipment.

After the initial contract, GNG was awarded a one-year contract, followed by a three year contract ending in 2015. Over this time, the partnership developed based on a solid foundation of continuous communication and negotiation. The size and scope of work from these contracts became the main factor in allowing GNG to purchase the necessary equipment for further growth.

## **The Results**

The transition of Good Nature Groundskeeping from a program to a social business has been a successful one financially with GNG achieving close to \$170,000 in earned revenues in 2014/15, but more importantly, approaching sustainability. This increase has allowed GNG to continue its growth trend in terms of number of employees, equipment, and vehicles.



As of summer 2015, GNG operates two separate crews 5 days per week in order to meet contract demands. The business is currently at capacity, and any future growth will require significant capital expenditures. Causeway is committed to these investments based on GNG's current financial situation and the potential for even more financial growth.



One of the biggest impacts resulting from GNG's solid growth has been on its employees. GNG now provides financial stability and real-world job skills, training, development and experience. Employees are continuously moving on to competitive employment as a result of the experience and confidence gained at GNG, which is one of the main goals of the social business. On top of this, the positive impact of employment creates immeasurable increases in confidence, self-worth and social experience for GNG employees, regardless of whether they are ready to transition out of the business or not. In 2015, Good Nature Groundskeeping was the winner of the *Celebration of People* Employer Award in recognition of their role working with people with disabilities.

*"We're helping to destroy the stigma surrounding mental illness. GNG is proof positive that people with barriers can be as, and more, productive, meticulous, creative, punctual, professional and reliable than anyone in the Canadian workforce. No one that works for GNG thinks of it as a social business. We just think of it as a business. Period."*

*-Dave Segart, GNG Operations Manager*

GNG's transition over a five year period has also provided valuable insights into the mechanics of competitive markets and social procurement practices. Successes and failures have allowed the enterprise to learn and evolve. The relationship with OCH has been pivotal for GNG in building its expertise and confidence to compete in the commercial marketplace. It has also allowed GNG and OCH to realize their respective goals using the emerging practice of social procurement as the means.

### **The Learnings**

Dave Segart has been Operations Manager at GNG since 2007 and instrumental in the growth and evolution of the social enterprise. Reflecting on the positive outcomes from transitioning Casual Jobs to Good Nature Groundskeeping, and the move to incorporate social procurement, Dave points to four key success factors:

- an intentional shift to a model that incorporated all the fundamental elements of a viable business – quality product/service, competitive pricing, targeted marketing and sales, timely financial reporting, regular planning and analysis, and risk management
- strong support by upper management and the Board of Directors at Causeway including the approval of financial resources from the parent organization to purchase a vehicle and upgrade to commercial-grade equipment

- strong in-house experience/expertise and the ability to manage a double bottom line
- a committed partner in OCH and its internal champions who were ready and willing to pioneer a process for social procurement using Good Nature Groundskeeping as a supplier

The move from a casual jobs program to a social enterprise was the first challenge. Next Causeway had to commit to making a capital investment in the new business in order to move away from the less lucrative “homeowner” market and to be in a position to bid on larger commercial contracts.

The contract with OCH was the perfect win-win scenario for both organizations. With the majority of Causeway clients living in subsidized housing, and with the OCH being the largest subsidized housing provider in Ottawa, both organizations came out ahead. In fact, this partnership has been shared with other municipal housing corporations as a model of strategic social procurement.

*“Working with Good Nature Groundskeeping has been a tremendous positive learning experience for Ottawa Community Housing – it has taught us how a large social housing corporation can engage with a small social enterprise in a manner that works for everyone involved. For us, this relationship has met all of our needs – a great product provided at a competitive price with life changing employment opportunities for our tenants.”*

-Brian Gilligan,  
Executive Director of  
Community Development,  
Ottawa Community Housing

Reflecting on the process and OCH’s role and relationship as a purchaser, Brian offers the following learnings and advice:

- start small and slow, and grow the relationship
- understand and accept the differences in size, cultures and processes – work to understand each other
- the customer needs to be clear on their expectations on quality and price
- OCH would not usually work with a small grounds keeping supplier – it had to negotiate with GNG to give them the time and opportunity to grow at a pace that was good for GNG
- lots of communication – GNG’s openness on its growing pains and OCH’s openness on its internal challenges were critical to the success of its relationship

Dave also shares some insights garnered over the last several years through the evolution and growth at GNG:

- other non-profits may be the best place to start building a customer base, but eventually, every business possible should be in play to keep overhead in line
- focus on a smaller amount of core services at first, then expand the service portfolio over time as finances and expertise allow
- less customers with bigger contracts is more preferable than many customers with small contracts
- image and branding are extremely important
- direct marketing to strategically targeted customers can be the most effective way to get contracts
- new, commercial grade, top-of-the-line equipment is the way to go; half-measures are not worth it in the long run
- landscape maintenance is a nice niche for a social business; the job lends itself to minimal training and supervision, with real and positive results for the employees

The last word comes from a senior employee at Good Nature Groundskeeping and speaks to the change affected on an individual basis from working in this business:

*“In the past year I have obtained my full driver’s license, and I am close to completion of my high school diploma. During my time at GNG, I have also improved my living situation, and the income that it provides has helped my quality of life. When you are on disability it is hard to get ahead in this world, and the skills that I have learned, experience that I have gained, and money that I have made were probably not possible without a social enterprise like Good Nature Groundskeeping. And I know that a lot of my co-workers feel the same way.”*

*-Shawn Bennett, Lead Hand, GNG*

**The Centre for Social Enterprise Development** ([www.csedottawa.ca](http://www.csedottawa.ca)) knows that social enterprises in Ottawa have developed significant knowledge and expertise over the course of their development which can be captured and shared with the sector as a whole. To capitalize on and amplify this hard-earned capacity, CSED has developed this case study as the first in a series that will feature different Ottawa-based social enterprises and a particular aspect of their entrepreneurial journey. Valuable learnings around issues such as transitioning a business to a program, creating a culture for social enterprises to survive, accessing funding and financing, and acquiring a private sector business for conversion to a social enterprise will be documented.

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Groundskeeping; Don Palmer, Causeway Work Centre; Brian Gilligan, Ottawa Community Housing; and the employees at Good Nature Groundskeeping who have contributed to the success of the business and to the learnings presented here.

If you have suggestions for future topics or social enterprise cases, CSED wants to hear from you! To access this case study and other learning resources, visit our website at:

<http://www.csedottawa.ca/resources>

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## **Useful Terms**

<i>Social Enterprise:</i>	An ongoing organization or venture created to achieve a social mission that uses a business model incorporating earned income strategies in its operations. (CSED)
<i>Double Bottom Line:</i>	The dual objective of achieving social returns and financial returns.
<i>Supported Employment:</i>	The provision of supports that assist employees to address barriers both inside and outside of the workplace.
<i>Social Procurement:</i>	The use of purchasing to create social value and economic benefits.
<i>Social Impact:</i>	The change that happens for people or a community as a result of an action.

## **Learn more about**

### **Social Procurement:**

*The Social Procurement Intermediary, The State of the Art and its Development within the GHTA*  
The Learning Enrichment Foundation, 2015.

<http://lefca.org/documents/Social-Procurement-Intermediary-LEF-2015.pdf>

*Exploring Social Procurement*

Accelerating Social Impact CCC, Ltd., David LePage, 2014.

[http://buysocialcanada.ca/files/2014/05/Exploring-Social-Procurement\\_ASI-CCC-Report.pdf](http://buysocialcanada.ca/files/2014/05/Exploring-Social-Procurement_ASI-CCC-Report.pdf)

*Social Procurement, The Olympic, Commonwealth & Pan Am Game, and the growing case for Social Procurement Policy in Canada*

Sandra Hamilton, 2014.

[http://www.sandrahamilton.ca/assets/uploads/sandra\\_hamilton\\_social\\_procurement\\_july\\_2014\\_web\\_59814.pdf](http://www.sandrahamilton.ca/assets/uploads/sandra_hamilton_social_procurement_july_2014_web_59814.pdf)

### **Supported Employment:**

*Success Themes in Supportive Employment, How Social Enterprise Connects People with Jobs and Jobs with People*  
Enterprising Non-Profits, 2014.

[http://www.socialenterprisecanada.ca/en/learn/nav/SET\\_Report.html](http://www.socialenterprisecanada.ca/en/learn/nav/SET_Report.html)

### **Social Enterprise:**

*The Canadian Social Enterprise Guide, 2<sup>nd</sup> Edition*

Enterprising Non-Profits, 2010.

<http://www.socialenterprisecanada.ca/en/learn/nav/canadiansocialenterpriseguide.html>