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# Setting up a work-integration social enterprise: insights from **QUID** **Social Enterprise in Italy**

**The Work Integration Social Enterprise (WISE) model embodies one of the most relevant organizational models to actively promote and pursue a sustainable and inclusive economy.**

In fact, WISE are social enterprises producing and selling goods and services by employing people belonging to disadvantaged social categories. Furthermore, people belonging to disadvantaged social categories not only are provided with a job opportunity, but also can find within the Social Enterprise a personal vocation in becoming, in turn, at the service of others in need. In this regard, potential insights can be drawn from the experience of the social enterprise Quid, which has been operating since 2013 in the Verona Municipality, in Veneto Region (Italy). Quid offers an alternative vision and strategy to the mainstream market and social logic, a model where what the traditional market leaves behind becomes the starting point for a new economic, social and environmental paradigm, in that: (i) discarded materials/commodities and by-products resulting from market values chains become inputs for a new product life-cycle, hence providing low cost or cost-free supply for another production chain; and (ii) people belonging to a socially disadvantaged category or at risk of social exclusion and “left behind” from the labour market are offered a job training program and stable job contracts. This entails restoring their social dignity, providing them a stable salary and, therefore the necessary means to achieve basic functioning and, ultimately, to expand their capability set (Sen, 1999<sup>1</sup>).



<sup>1</sup> Sen, A.K. (1999), Development as freedom, Oxford University Press, Oxford.

## The Experience

The social enterprise Quid was founded in Verona (Northern Italy) in 2013 by Anna Fiscale, a 25-year-old young woman with a background in Economics and International Relations and with experience in international cooperation in India and Haiti. **“Progetto Quid” is an Italian fashion brand which employs people, mainly women, from vulnerable social groups and backgrounds in the production of clothes and accessories.** Quid’s products are made from high-quality surplus textiles donated by some of Italy’s top fashion firms and textile industries. To carry out its **inclusive and sustainable business model**, Quid actively collaborates and partners with different types of actors partnering with both the private and public sectors, as well as third sector organizations.

In fact, the social enterprise partners with actors ranging from for-profit high-end fashion companies and industries, national health institutes, public universities, financial institutions and philanthropic foundations, as well as local social cooperatives. **Quid managed to set up a sustainable, territorial and multi-actor infrastructure of collaboration and partnership.** In fact, this collaborative infrastructure is encompassed by the social enterprise inclusive and circular business model where high-end fashion

industries are its suppliers, waste is turned into high-quality products, people at the margins of society and of the job market are supported, trained and employed, local partner social cooperatives receive more work orders and business training, financial institutions invest for Quid social impact.

Moreover, Quid also aims at “contaminating” with its sustainability practice the industry partners and suppliers with a vision of overturning the fashion and textile industry in an inclusive, ethical and sustainable industry. Hence, **this innovative, inclusive and sustainable practice and business model has the full potential to bring about systemic change** and to positively influence the territorial functionings at a small as well as at a larger scale.

Quid social enterprise, by definition, explicitly pursues its social mission and vocation by promoting job inclusion and a sustainable, environmental-friendly business model. As such, it explicitly and concretely pursues and catalyses the following SDGs through sustainable and socially inclusive solutions:



## ROADMAP

Organizations interested in this model can rely on the following insights and recommendations concerning key phases, actors, resources and actions.

### PHASE 0. TRIGGERING FACTORS

The idea behind Quid originates from its founder's personal and first-hand experience of fragility and distress due to a difficult relationship. The founder understood that by overturning the predominant perspective, human fragility can be a starting point for a new social and economic model with high impact potential. The keystone to this overturned model is the provision of job opportunities to people living a condition of fragility.

### PHASE 1. TESTING THE BUSINESS MODEL

- Engage collaborators and teammates with strong entrepreneurial and sector-specific expertise and competence and which can truly relate to your social/environmental goal and vision.
- Brainstorm different business models and ideas in order to set up a WISE model.
- Test the economic sustainability of your business ideas through well-elaborated Business Plans.
- "Safely" test and explore the local market demand using few beginning economic resources (i.e., producing first prototypes in an existing laboratory, selling through local retailers which ideally purchased the products in advance): make sure there is a market demand for the product/service you intend to offer.

### PHASE 2. FORMALISING THE WORK-INTEGRATION SOCIAL ENTERPRISE MODEL

- Manage to engage important market players who can support your business idea in terms of funding, but also in broader terms, for example, in providing means of production, commodity supply, partnerships and retail shops.
- Once the enterprise starts to take-off, reach out to the people with fragilities you intend to re-integrate into the workforce: begin with job training and, eventually, offering them job contracts. Start with few people at first: your business idea is still at the start-up phase.
- Formalize your business idea in a legal form which recognizes its social/environmental mission: i.e., Work Integration Social Enterprise, social cooperative or other forms of enterprise which can benefit from an ad hoc fiscal and regulatory regime and recognition for its social mission.

### PHASE 3. EXPANDING BUSINESS OPPORTUNITIES

- Once market demand and profits start increasing, substantial investments are needed in order to allow the enterprise to reach a full production capacity able to keep up with the market demand. If initial investments should be contained to start-up and test the market, at this stage, seize the appropriate moment to take the risk and invest for business growth (i.e., purchase of means of production and production plants, increase the number of employees, ...).
- Reach out to investors, funders or other sources of funding (i.e., bank loans) neces-

sary to make substantial investments in order to allow for business growth.

- Seize the strategic opportunities to target new and different client segments (i.e., expanding also to a B2B model).
- If the business is at a growth stage, this is a good time to invest in human resources and employ more people also belonging to fragile and vulnerable social categories, hence starting to increase your social impact. Search and reach out to third sector networks and service providers which can provide their deeper knowledge, expertise and network access regarding the same social issues you are addressing.

### SUSTAINABILITY

- Make sure your business model can secure long-term and stable economic security to its employees, especially those with fragilities and belonging to vulnerable social categories.
- Keep monitoring the external context and seizing further opportunities for business growth and social impact maximization.

### KEY DETERMINANTS FOR EFFECTIVE IMPLEMENTATION AND REPLICABILITY

<i>Actors and institutions</i>	<ul style="list-style-type: none"> <li>• People in a condition of fragility/ economic and social exclusion.</li> <li>• A group of strongly motivated and socially engaged business idea developers.</li> </ul>
<i>Social capital</i>	<ul style="list-style-type: none"> <li>• A solid and collaborative territorial network encompassing a wide range of stakeholders, such as clients, business partners, welfare service providers, suppliers, third sector organizations building on mutual trust, collaboration, credibility and strong engagement with the social/environmental vocation and mission.</li> </ul>
<i>Human capital</i>	<ul style="list-style-type: none"> <li>• Strong entrepreneurial mindset and skills, with a reasonable degree of risk-loving attitude.</li> <li>• Human capacities and competences to deal and work with vulnerable people.</li> <li>• Strong sector-specific competence, expertise and know-how.</li> <li>• Strong social vocation and engagement.</li> <li>• Strong capacity to communicate the business idea and vision.</li> <li>• High-quality working performance to gain and maintain market credibility.</li> </ul>
<i>Economic resources</i>	<ul style="list-style-type: none"> <li>• The existence of a market demand for the produced goods/ offered services is the most fundamental condition for any entrepreneurial organization, especially if having the vocation to provide job opportunities for socially and economically excluded people.</li> </ul>

## Value-added as a driver for sustainable human development and SDG localization

The Work Integration Social Enterprise (WISE) model can be considered an effective driver for sustainable and inclusive human development as it offers an alternative vision and strategy to the mainstream market and social logics. In Quid particular model what the traditional market leaves behind becomes the starting point for a new economic, social and environmental paradigm, in that:

- discarded materials/commodities and by-products resulting from market values chains become inputs for a new product life-cycle, hence providing low cost or cost-free supply for another production chain;
- people belonging to a socially disadvantaged category or at risk of social exclusion and “left behind” from the labour market are offered a job training program and, eventually, stable job contracts. This entails restoring their social dignity, providing them a stable salary and, therefore the necessary means to achieve basic functioning and, ultimately, to expand their capability set (Sen, 1999).

In turn, these “subverting” social and economic mechanisms that can be put in place by just one social enterprise have the potential to trigger multiplying and cascade effects over the local territory where the experience takes place. Hence, **by connecting to its local territory and engaging multiple territorial actors and networks, this model has a full “contamination” potential.** Clients become aware of the social/environmental purpose and provide

their contribution through their consumer choice, local public administrators, service providers and third sector organization can count on a successful re-insertion model, industry partners and suppliers become aware of a sustainable production model. Therefore, starting from a “micro” systemic change, namely the social and economic inclusion of people in a condition of fragility, the impact of this kind of experience can indeed reach a “macro” territorial level.

**This kind of WISE experience has a high replicability potential in that many and different inclusive and sustainable business models can be built starting from “what’s left behind” from the traditional markets.** Moreover, for an enterprise to be successful, there needs to be market demand for its offered services and goods which is the most fundamental condition for the *raison d’être* of a social enterprise, especially if having the vocation to provide job opportunities for socially and economically excluded people. Moreover, work-integration activities require specific competences and capacity building to properly deal with people experiencing fragility and social exclusion. In addition, these kind of experience has more chances of being successful if well rooted and connected to its local territory and value chains. In fact, they originate from the territories’ needs and for the vocational purpose to solve territorial social issues. At the same time, they draw economic, institutional, market and networking resources from the local territory in order to exist, survive and grow.



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