



PLC Internationalisation strategies

Template for case study of good practices

Aims: to provide an opportunity for developing shared understanding between policy makers and SE stakeholders on a good practice, its strengths and weakness; to document the key elements of the good practice for peer review learning and discussion. In this case the good practice is aimed at understanding the strategy to internationalise of a Social and Solidarity Economy organisation or how a SSE network is supporting the internationalisation of its members.

Key issues: given the need to highlight all types of internationalisation and the aim of producing (on a second phase) a series of tools to support internationalisation strategies of SSE organisations, special attention should be given at: diversity of flows (good/services, financial and intangible assets' ones) and direction (inward and outward internationalisation).

Length: <8 pages

The following provides an outline structure for good practice cases.

Title: MCE Conseils and internationalization

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1. Background: Social and Solidarity Economy sector, institutions and policy framework in the region/State/country where the organisation is located

Briefly summarise: landscape of level of development of SE sector, related institutions, and public policy relevant to SE in this region/country. Special focus should be given to policies and private initiatives supporting internationalisation (max 1 page)

The place of the social economy in Quebec is important, even though its boundaries and statistical reality remain unclear. As its enterprises do not yet have a completely distinct legal status, the boundaries of the domain are permeable. However, Québec has published a statistical portrait presenting a minimum of 11 200 social and solidarity economy enterprises, made up of 2 700 cooperatives and 8 400 non-profit organizations with market activity and for autonomous revenues.

These provide employment for about 220,000 people, which represents just under 5% of total employment in Quebec. In 2016, the annual turnover of enterprises in the social economy was \$ 47 billion. Today, only for cooperative or mutuals, this figure reaches 21 billion dollars.

The Québec government's strategy for the social economy is characterized by a proactive approach based on leverage. It adopted a Social economy Law in 2015 and just published its second Government action plan, including a 137 M \$ (93 M €) budget aiming at inducing 520 M \$ of investment. The state is seeking to provide the sector with the money needed to encourage the multisectoral pooling of financial resources at the lowest cost. It is a support strategy aimed at pooling the resources of all, private, public and social economy for development. The Quebec State considers the social economy as an investment and not as an expense. This support is based on strategic objectives:

- Recognition of the real social utility of the activity;
- The ability of the company to survive the reality of the market by its productivity;
- The desire to create complementarity of financial products;
- The obligation of efficiency for the enterprises supported;
- Support for a philosophy of access to services;
- Provide external support of a temporary nature;
- The obligation for enterprises to develop their autonomy in the long term;
- Sharing of risks, costs and returns between various financial partners.

The state invests directly in social economy enterprises, whether in the financing of operations or the financing of assets and fixed assets. However, it prefers to systematically intervene as a lever, complementing funding from users (in order to support the accessibility of services) and from civil society from its own levers of funding. It does not hesitate to induce by limited contributions the various private actors and the social economy to support enterprises in the sector. Citizen savers are at the center of this strategy by channeling their savings into productive credit. It is a timid Keynesian policy that seeks maximization of impact at the least cost to society.

The Quebec State offers many levers for the development of the social economy. It adopted a regulatory framework and a law of the social economy. It has provided tax incentives to encourage the investment of workers in the levers of finance and in their cooperatives. It finances networks and sectoral federations that provide technical support. It offers complementary financial products, intervening at the level required to attract the private actors at the lowest cost. It finances the solvency of the demand for certain social services and the creation of jobs. All of these measures promote the development of social economy, the generation of economic activities and social services, which in turn generate tax revenues for the government.

In several cases, it is possible to demonstrate the profitability of this strategy for the Public Treasury without resorting to the argument of social utility. In others, this demonstration of social impact is required, but is a strong justification for joint action by civil society, workers and the government. It is after all for that that enterprises of the social and solidarity economy exist.

2. Summary of main characteristics of good practice approach

Describe the process, instruments and resources used during the internationalisation of the organisation. Provide a general introduction of main characteristics of the organisation (considered relevant to understand its internationalisation strategy). Provide also aims and rationale for the strategy (why did the organisation engaged in this process? What was it looking for? Etc.) (Max 4 pages)



MCE Conseils has highly competent resources to support organizations by carrying out technical assignments (financial analysis and forecasts, business plans, strategic planning, market study, organizational development, governance, etc.) to support enterprises in different development stages. Our team of professionals includes several seasoned accountants, managers and economists. MCE Conseils has been working since its beginnings to bring social and governance innovation in combination with financing modelization, taking into account issues of sustainable development and access to financing for all types of enterprises such as cooperatives, cultural organizations and other enterprises of social economy.

MCE Conseils has four main special characteristics in its development.

- First, it is a non profit organization, and as such, is a social economy enterprise. Its mission is to foster Jobs creation and preservation in all type of economic structure and supporting achieving the best sustainable social and economic working conditions through management services and consultancy (Maintien et Creation d'Emploi – MCE).
- Second, we were founded through the initiative of a Trade Union Confederation (CSN-300 000 members) in order to contribute to its response in front of enterprises facing difficulties and with economic transparency operations before negotiating collective agreement. As of today, the Union activities represent about 35% of our activities and revenues. We support a value centered convergence between trade union and social economy objectives.
- Third, we build a consultancy that offers technical services but with a strong cultural adaptation to our main positioning. We developed a high diplomatic expertise to negotiate collaboration between employers and workers representatives, a fair pedagogic expertise in order to accompany workers and trade specialist to gain management knowledge and expertise from our coaching and a strong
- Fourth, we are part of a tight network of institutions founded with the Trade Union support. Theses institutions include 1) a Credit Union (La Caisse d'économie solidaire Desjardins – assets of 600 m €) La Caisse is the most important non-public financial provider for social economy enterprises in Québec, 2) a complementary pension fund system, 3) a venture capital named Fondation (assets of 2 G €) financing private and social economy enterprises especially with a sustainable development and global positive impact. This network allows us to supply all organisations with technical, governance and financial services to support its development. This value and operational alliance is one of the main strategy we exported in our international projects.

MCE Conseils specializes in supporting enterprises both in the private sector and the social economy with a permanent goal of maximising social impact with sustainable economic conditions and not the other way around. We have supported the restructuring and transformation of more than 50 struggling private companies into cooperatives, contributing to saving some 3 000 jobs. We have supported businesses and social economy groups for over 30 years. We diversified our action in support of the cultural sector has been deployed for 20 years with various mandates for festivals, theaters, cinema, radio, circus, television funding, etc. We carry out some 250 assignments per year.

Our business model is financially very traditional. 100% of our income come from the sale of our services. 40% of our business comes from calls for tenders, 40% from networking and 20% from long term contracts. One clear challenge is making our expertise financially accessible for social economy structures that often have very limited budgets. We use two strategies. First, we have what we call a <Robbin Hood> pricing policy. We charge Trade unions, private customers and government agencies higher rates with larger



margin in order to finance social economy projects with a lower selling rate. The difference is about 25%, so private and public customers subsidize indirectly social economy customers. Second, we helped develop technical assistance financing schemes from financial institutions that will attract new customers with a better business plan (and a lower risk). Such a proposal from MCE Conseils just became a 5 M \$ technical assistance funding program in the Québec government recent action plan for social economy. So if we do not depend directly on public financing, it is clear that our market depends on it for about 25% of our annual turnover.

As with social economy in general, we mainly act on the Québec market, but we have been pursuing international cooperation and activities for 30 years, with the central aim at sharing our experience and, on a down to earth side, diversify our market and revenue base.

MCE Conseils developed its internationalization with three different waves separated by the status we had in each wave.

First wave: We started our experience as subcontractors for government agencies and international cooperation institutions. We were as mercenaries paid by public money to supply a technical expertise developed in management for the collective good and a distinct pedagogical capacity developed while working for workers organizations. We worked for CIDA (Canadian government), OXFAM, UPADI, SOCODEVI, ILO with clear mandates and short time, limited assignments. About 1 M € of income came from those projects.

Second wave: We upgraded our positioning by developing our own projects and capturing government financing for technical and value exchange projects in West Africa and Brazil. We built a consortium with our Trade Union confederation, our Venture capital Fund and our social economy credit Union to regroup an investment capacity as leverage to obtain government resources. For five years, we obtained some 2 millions € of government funding to finance international knowledge exchange projects without any financial involvement from the <customers>, the foreign social economy partner overseas. In Brazil, this led to five years of cooperation project financed by Brazilian organizations. We did not reach that level of cooperation with our African partners. Political development in Canada or in Brazil impacted our capacity to continue those relationship (election of right leaning government bringing change in priorities and the kind of project supported by public international cooperation policies).

Third wave: We decided to involve ourselves in many non economic activities. We believe the Social economy has a huge potential to contribute to social, environmental and economic development with a better access to basic goods and services, better access to entrepreneurship and better sharing of economic results. It helps economic literacy; it solves social challenges and it offers efficient answers financed by diversified funding. We believe that the barriers we met in our experience show the large potential but also the operational challenges to make many social economy enterprise benefit from sharing of expertise and experience. International structures may reduce such barriers. We finally believe that social economy had for years a rather poor external visibility toward economic and political leaders and decision makers. This situation is recently improving with a renewed look from government and private sector toward what was seen as alternative economic sector. With the rise of social enterprises and the fashion of Impact investing and sustainable development goal, every economic actor is searching and take note of new approaches. This is an opportunity, but also a threat in some form because the collective ownership of social economy enterprises, its democratic governance process and its permanent social objective makes it different from



privately owned enterprises no matter how good its mission is. The contribution to solving social challenges may be similar, but the process, the management and the financing will remain different. Hence, it is most important to show and underscore social economy distinction, added value and specific needs.

MCE Conseils became active member of National federations. We were mandated to produce a strategic development plan turning INAISE (International association of investors in social economy) from a European organization to a truly international body. In spite of not being a financial actor as such, we were invited to join INAISE board of directors and been involved for ten years. We are members of the CIRIEC Canada, contributing to the advancement of academic and practitioners knowledge of collective and public enterprises. We are members of ESS-Forum international. We participated in many of ILO's academies on social economy as well as the GESF conference. We present our experience and offer our point of view on strategy, communications, policies and advocacy.

Examples
<p>Infrastructure and private SME development</p> <p>Canadian government: Cameroun SME development strategy Canadian government: Telecommunication management and financing in Mali, Niger, burkina Faso, Senegal, Bénin Canadian government: Mali – Local infrastructure and public tender management</p>
<p>Social economy, micro-finance and women entrepreneurship</p> <p>OXFAM: Social and economic opportunity for women SME in Tunisia, Jordan, Viet Nam, Palestine (15 missions and mandates on 5 year span) OXFAM: Micro credit management training for social economy: Tunisia, Jordan and Palestine OXFAM: Social economy global support strategy Developpement et Paix: Social economy development strategy for Haiti SOCODEVI : Strategic planing of technical support for cooperatives in Africa and latin america</p>
<p>Trade Union and social economy</p> <p>ILO general – Workers cooperatives as an answer to save enterprises (publication and training in Greece) CUT-CSN – ten year technical exchange between MCE and a network of workers cooperatives (UNISOL Brasil) and of agricultural credit cooperatives (CRESOL – SICOPER) UNSAS-CSN-CTM – three years technical exchange between MCE and two workers trade union in Mali and Senegal on social economy development strategies, mainly supporting women collective entrepreneurship</p>
<p>International associations - organizations</p> <p>ILO academy on social economy – 4 attendances ESS-Forum international – member of the board for ten years – 6 conferences INAISE – members of the board and strategic planning GSEF – two participations CIRIEC International – member since 2005 – 10 conferences and presentations Support to the Chantier's international relations</p>

MCE Conseils international experience is roughly 75% outward internationalization through knowledge exchange but also 25% inward as we learn from our partners form their experience and also how to present our expertise. We are clearly in a logic of intangible asset, knowledge flow between our partners and ourselves. The goal of activity is mainly to contribute to SSE growth and recognition in other countries and using Québec's experience as an example.



3. Evidence/Justification for Good Practice

Hard evidence: *For example data from evaluations or relevant quantitative indicators.*

(Max 1 page)

MCE Conseils remains a smallish organisation. We conducted some 30 paid international assignments mainly based on two segmented group of issues. First, we supplied various non profit organisations on business development support structures and services, offering strategic analysis and planning on best practices and training activities (local development, SME financing, micro-finance, women integration in economic activities, etc.). Second, we exported our lessons learned on union and cooperative development strategy and adaptation of our own network to different operation context, mainly in sub-Saharan west Africa and Brazil. We conducted or participated in about the same amount of non economic international events (conferences, presentations, seminars and such).

The outcome of these activities is various. At ground level, MCE Conseils earned some 3 million € of revenues from this export activity (on a 30 years span) compared to our 2 M € annual revenues. It remains a minority financial aspect. Moreover, the financing of international cooperation is a complex matter. If public financing is involved, the level of administrative cost and procedures remains a burden. In any cases, we always act overseas with a lower hourly billing rate. Considering travel time and expenditures, these activities are mostly breakeven. They do not contribute to the financial performance of our consultancy but clearly to its mission.

We tried to raise three social economy financing funds in Brazil, Mexico and Québec (aimed at African and Latin American partners). Our experience in Brazil and Mexico did not attain the operation level mainly because a lack of local partners with sufficient financial capacity to match our investment (1 M \$ in each case). One lesson learned is the elemental need to conduct a realistic economic AND political market study before tempting to create a financial operator in foreign countries and the also obvious strategy to support local initiative from behind and not trying to pull ahead with a foreign lead initiative.

We succeeded on our Québec fund, FISIQ is the Fonds d'investissement solidaire international du Québec. It is a non profit organisation who's members are 25 international cooperation organizations from Québec. These organisations offer mainly technical assistance to small enterprises and collective enterprises, mainly cooperatives in Africa and Latin America. The members of FISIQ invested some 1 M \$ in loans in order to attract 6 M \$ investment from workers investment funds (Fonds de travailleurs – a Québec speciality with a fiscal advantage) and Government agency. The goal of the FISIQ is to offer loan, guarantee and equity to social economy enterprises in countries where Canada supports international cooperation.

On the other hand, most project evaluation we <survived> were largely positive on the level of knowledge traded and adapted to the particular regional context where we worked. Many projects were financed by the Canadian government, implying a formal external evaluation. The quality of relationships, the quality of the adaptation to the operating context and the level of knowledge transferred and adapted were all positively assessed.



Technical transfer operation is by definition a short time relationship. After a series of operations, it tends to end, contrarily to product export by example. A good indicator of performance is the percentage of repeat business. Most of our projects were repeated with the same organization or close partners, indicating a fair level of satisfaction. In Brazil, we entertained a ten year collaboration project with two cooperatives federations (workers and credit), first financed by the Canadian government (three years) and then by various resources found by our partners (Government, foundations, Coop Confederation grants and programs). We produced a Brazilian referential for enterprises of solidarity economy, published by the DIEESE. We also contributed to a same document for social economy in Korea.

Soft evidence: For example, qualitative or indirect elements which demonstrate its impact, relevance, efficiency, achievement of the goals, etc. Such elements can also be personal assessment regarding benefits for either the organisation itself, its worker or any other stakeholder (beneficiaries, communities where it is placed, etc.)

International cooperation on knowledge is rarely efficient. It is largely useful and brings direct impact on the performance of both partners. We believe and we observed gains in quality of services and better management with most of our assignments. But we work on a social construct. We mix management expertise, value of goals, organizational culture with other organizations. This is a soft asset exchange that is hard to deliver and harder still to adapt in order to have a long term impact. Language, distance, culture, time and money are all barriers working against technical cooperation efficiency. In spite of this clear fact, we have no doubt that the cost benefit analysis for MCE Conseils is largely positive, and we dare to hope and believe it has been as well for our partners.

As mentioned, the financial outcome of these operation is largely marginal for our organization. The main impact is on the strategy and marketing level. Today, for a small twenty people team, MCE Conseils is very well known in social economy networks around the World. This gives us a good exposure to diversify still more our activities. This level of international activity gives us an objective credibility edge in our competitive positioning on the Québec market. We appear better because we worked with so many people in very different places. Above all, every single contact we develop make us learn from other experiences. We <import> lessons learned from other organizations to improve our operations and we adapt our own delivery with every lesson learned from foreign regard toward our strategy, services, approach. Clearly, MCE Conseils is much better in helping Québec social economy because of what we learned overseas, and we look better in selling our services because we convinced far way customers and international agencies.

4. Context and history of how it developed

Describe the origins of the good practice/strategy, and its evolution to current praxis. With reference to the scoping document, discuss the problems/challenges it addresses. For example if it addresses different flows, if both directions, inward and outward, are relevant, etc. Also, describe how it fits within a broader spectrum of activities of the organisation.

(Max 0.5 page)

The general context of our international activity is focused on knowledge and business strategy exchange. We contributed to the Quebec SSE ecosystem dissemination through conferences and knowledge exchange projects. Our diplomatic activities were mostly concentrated on the demonstration of the social economy potential as our contracted management consultancy mandates were mostly based on capacity development and enhanced managerial knowledge for SSE support structures. In most cases, the challenge remains financing such international knowledge exchange project because its positive impact on the SSEE



depends on the quality of the exchange of course but also on the local operation and legal framework affecting the potential for growth and maturity. The other challenge is to insure that most training and knowledge exchange projects have a positive impact on the structure's performance.

5. Outcomes (for different stakeholders)

Describe its main achievements (intended and unintended); and, if feasible and relevant, how it is seen by different stakeholders involved (workers, local communities, clients, partners, etc.).

(Max 0.5 page)

As presented above, we believe the main outcome of our activity is to improve social economy performance toward their market and communities. It is well documented but in a rather diverse and unstructured way. In spite that it is rather difficult to document every project impact, we are confident most of our international knowledge exchange projects increased and broadened the operational level of our partners have enhanced their social and economic impact. Most SSE encountered upgraded their management practices with a clear distancing from traditional operational indicators toward better suited mission-focused information system. We wish to believe our knowledge exchange projects contributed to such outcome.

The other outcome is for us. Today, MCE Conseils is better positioned to present itself as a leader in social economy management consultancy. It is recognised by national structures and in some international forums. We believe our expertise is richer because of our exchanges and we increased our capacity to have a broad view and a strong capacity to adapt to different markets, different cultures, different technical challenges. Many local communities have better social economy enterprises at their services in part because we worked together. We use our international experience to sell our services and to better our practice.

Hopefully, we expect to have a general outcome level with other social economy actors as we exchange our experience and develop our argument in favour of social economy. We are not always in position to monitor our long term impact but we tend to believe that our partners in the South are better equipped and have a larger scope of strategic knowledge to improve their activity in favour of their communities.

6. Drivers and Barriers

Briefly summarise its main drivers (market opportunities, direct requests, competition, social issue or clients being international, etc.) and barriers (regulations, absence of tailored support measures, inadequate management practices, etc.).

(Max 1 page)

Drivers	Barriers
<p>Shared values</p> <p>We will act internationally if we believe we share values with our partners. Our expertise is to support management and governance of collective organizations centred on social positive impact</p>	<p>Financing</p> <p>We meet an infinite demand for our services but a very limited bankable demand. Most small social economy organization can not afford the real direct cost of our involvement (professional fees and</p>



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<p>through economic activities. If we see these values, we think we will be useful and will learn from our partners. This allows us to engage in low margin projects. The lower our common goal, the larger the financial margin we will negotiate. However, MCE Conseils never accepts a profit making project contrary to its main mission, no matter how profitable.</p>	<p>transportation). We systematically have to search for a third-party financing, with cost and time delays.</p>
<p>Sense of responsibility We were lucky enough to be supported by a large Trade union to start our operations and build our expertise with guaranteed volumes. This is a rare opportunity. We feel that what we built should be shared for the better performance of social economy organizations if we can regroup a sustainable economic framework. No profit, but no significant loss.</p>	<p>Distance Of course, internationalization means concentrating on one assignment for a certain time while our main business process is to manage upfront many assignment to lower unproductive time. It is just a question of planning and organization, but does exist.</p>
<p>Market positioning We are convinced that our international activities increase our expertise and raise our institutional image. We are better and we look better because of internationalization.</p>	
<p>Economies of scale MCE Conseils develops its intervention tools through operational mandates. Once they are built, there is clear case to use and adapt those tools to other markets. Every new intervention has a lower marginal cost, supporting the sharing of knowledge.</p>	

7. Overall assessment

Summarise, in your views, its utility, and its value as a learning case study for other actors (if feasible address at least three: SSE networks, public authorities and other SSE organisations). (Max 0.5 page)

Our main experience is to <export> our experience with a high level of openness in respecting our partners and understanding their constraints and operational environment. We try to offer a highly open minded partnership where we present our experience and strategy based on our field and the clear necessity to adapt our conceptual direction with each local or national behaviour toward social economy. There is no simple way to export knowledge and experience. All skills and tool must be adapted to a specific operational context.

Be open minded on one's exchange partner, never believe you have the ultimate strategy, be aware of each partner's challenges and operational field. We hope our experience can enhance our partners impact on



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their community, but we also know our practice is always getting better with every opportunity to compare, adapt and adjust. We think our goal is to share, but in fact we are improving ourselves with every international opportunity. And while we and our partners improve, it is social economy that develops with each knowledge exchange.