



35 Years of using the Social Enterprise Business Model

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Emerging market pressures and increasing need mean nonprofits are trying to do more with less. It's become imperative to utilize every creative channel at our disposal to enable our collective missions and community impact, and one way to do that is via social enterprise. A social enterprise is a unique business model that creates synergy between for-profit and nonprofit organizations, where profits earned by the for-profit company are automatically reinvested into the community through the services of the nonprofits.

One of the nation's most successful examples of this model is the 35-year social enterprise partnership between FEI Behavioral Health, a for-profit workforce resilience, EAP and crisis management company, and its single shareholder, the Alliance for Strong Families and Communities, a nonprofit human services organization. Since beginning this social enterprise structure in 1979, FEI has provided more than \$30 million to support the Alliance, its members, and the communities they serve each and every day. It recently helped form the Wisconsin chapter of the Social Enterprise Alliance.

While the concept of a social enterprise is not new, it is an area that must be continually re-examined and adapted against the backdrop of our ever-changing sector. FEI and the Alliance represent a unique perspective on the latest road-tested approaches and how this model can foster sustainability through access to high-caliber expertise and supplemental revenue.

Five branches of the FEI-Alliance model

The two organizations work together on an array of revenue options that combine the commercial sensibilities of a for-profit business with the social conscience of a nonprofit through:

1. Supplemental revenues based on the Alliance's role as sole shareholder of FEI.
2. Earned income potential for Alliance members via preferred-member status in FEI's national crisis and EAP provider networks. When customers need access to FEI's services, those services are provided in part by Alliance members, who are paid in turn for that service.
3. Collaborative cross-marketing of services with FEI to increase earned revenue for Alliance members.
4. Discounted availability of EAP and/or crisis services for Alliance members, who would otherwise purchase these services at higher rates, leaving less for their mission-focused work.
5. Heightened community impact and awareness among FEI customers, whose payments-for-service are reinvested in human services work through the Alliance and its members.

At FEI and the Alliance, these social enterprise synergies have allowed members to:

- Turn a losing service line into mission-focused cash on hand.
- Foster a sharing of best practices and insights.
- Teach members to replicate the model.
- Build faster, deeper connections to emerging issues like healthcare reform.
- Create ambassadors for their causes.

There is an urgency in the nonprofit sector now more than ever to find and leverage every possible synergy and resource through diversified funding streams and non-traditional relationships. We look forward to connecting on a local level with other social enterprise minded organizations through our membership in the Wisconsin SEA chapter.

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FEI Behavioral Health offers flexible solutions for the full spectrum of workforce resilience goals, from EAP and wellness to crisis preparedness and management. Partnering with a wide range of corporations, government entities and non-profits, FEI is a social enterprise wholly owned by the Alliance for Strong Families and Communities, a national network of nearly 500 human-serving organizations. Visit www.feinet.com for additional information.

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