



Impact Study

CONCORDIA Bakery Romania

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List of entities and used acronyms

CONCORDIA Humanitarian Organisation (CHO) – The CONCORDIA organisation operating in Romania.

CONCORDIA Development / S.C. CONCORIDA Development S.R.L. - The entity legally registered to run the economic activities developed by CONCORDIA Humanitarian Organisation, having the organisation as unique shareholder.

CONCORDIA Bakery – Section of CONCORDIA Development in charge with the production and sale of bakery and pastry products.

CONCORDIA Vocational School – Programme of CONCORDIA Humanitarian Organisation that trains and supplies the work force for the Bakery.

CONCORDIA Social Projects – The CONCORDIA organisation operating in Austria, the international headquarters.

Foreword

Diana CERTAN

Executive Director of Communication and Fundraising | Humanitarian Organization CONCORDIA

The Humanitarian Organization CONCORDIA is an independent, non-governmental and non-profit organization active at international level, whose mission is to support families in difficulty and the social (re)integration (family, school, and professional) of children, young people and adults, for an autonomous and responsible life. During the 28 years of activity, the organization has constantly adapted its projects and services according to the age, needs and degree of independence of its beneficiaries. If at first the organization provided services of placement and shelter centers for street children, it subsequently developed projects for independent living, vocational education and professional counselling, culminating in the establishment of social enterprises meant to directly support the integration of young beneficiaries into the labour market.

In CONCORDIA, at national and international level, social businesses are seen as a strategic and effective direction in fulfilling the organization's mission of helping young people in need to become autonomous and independent. Thus, through the social business structures, the organization aims both to increase the employment opportunities for vulnerable young people by ensuring their access to other social support services, vocational training and independent living skills, and to ensure a minimum of 50% of the costs of these companies from their operating profit. In addition, through these initiatives, CONCORDIA aims to engage in lobbying and advocacy activities to strengthen the social entrepreneurship sector in Romania.

The idea of setting up CONCORDIA Bakery, in 2011, was a natural step in the evolution of the organization and came in the context where, a year ago, in 2010, we were setting the foundations of CONCORDIA Vocational School. CONCORDIA Bakery aims to support the socio-professional integration of young people from disadvantaged backgrounds, and the young graduates who are unable to integrate on the labour market have the opportunity to work in a competitive bakery where they can accumulate experience and use it as a launch pad on the free market.

The present impact study represents a moment of balance in the activity of the Bakery, after 8 years since its inception, in which we wanted to measure the effects and impact of this social enterprise to better understand its contribution to improving the quality of life of its beneficiaries, customers, donors and the organization in general. In addition, being a unique initiative among other social enterprises in Romania, we set out to investigate and share with all stakeholders who were the most important factors that supported or limited the impact of the social business and how it was influenced by changes in the external environment.

1. Executive Summary

This impact study was conducted on behalf of CONCORDIA Humanitarian Organisation to measure the effects and impact of the social enterprise CONCORDIA Bakery (part of CONCORDIA Development) in Romania and to evaluate its contribution to social change. The study covers the period 2011-2017 and it was carried out from the 1st of August to the 15th of December 2018 by two contracted external evaluators. The purpose of the study was to develop and assess the CONCORDIA Bakery programme and activities, using the developed Theory of Change (ToC), to better understand the impact and its contribution to improving the lives of its beneficiaries, customers, donors and its shareholder.

The evaluation had a strong exploratory component, as it was the first time the enterprise and a Romanian social enterprise went through such a challenging process. A mix of quantitative and qualitative methods was used, to ensure the triangulation of the data obtained and the consistency of our results and conclusions, considering all the relevant perspectives. The methods included: documents analysis, in-depth interviews with relevant stakeholders and participative observation.

Findings confirmed that CONCORDIA's Social Businesses Model focuses on the impact it creates for beneficiaries rather than creating profits. CONCORDIA Bakery's goal is in line with the agreed social business definition as it targets explicitly an increase of the employability rate of vulnerable young people and provides on-the-job professional training. In addition to the impact created by increasing the employability of vulnerable young people it is also considered a therapeutic intervention to build responsibility by helping them to gain self-confidence and improve the abilities for an autonomous life.

Moreover, the employees-beneficiaries of CONCORDIA Bakery, their training and qualification, workplace security and wellbeing are at the core of the enterprise's mission and vision. CONCORDIA Bakery proves to be a suitable place for its young employees-beneficiaries to develop both their professional skills acquired in the Vocational School and their social skills that would allow them to integrate in a work place on the free market. The Bakery highly impacted their lives, by either offering them a qualification (sometimes resulting in a career) or by equipping them with essential abilities for an independent life.

The impact created by CONCORDIA Bakery has been heavily influenced by both internal and external contexts in which it is working. Some factors – such as the synergy between the different CONCORDIA entities, the support given by CONCORDIA Humanitarian Organization (CHO), the quality of products etc. - have positively influenced and helped to trigger the intended changes the Bakery as a social enterprise set out to generate, while others – the characteristics of the employees-beneficiaries, personnel fluctuation, economic, social or cultural factors have constrained or even hindered the achievement of these intended impacts.



2. Introduction and background of the project

In 2017-2018, CONCORDIA Humanitarian Organisation wanted to measure the effects and impact of the social enterprise CONCORDIA Bakery (part of CONCORDIA Development) in Romania and to evaluate its contribution to social change. The study presented here covers the period 2011-2017 and it was carried out from 1st of August to 15th of December 2018 by two external evaluators contracted. As far as our knowledge goes, CONCORDIA Bakery is the first Romanian social business undergoing an impact assessment process.

While existing for many years as a social services provider in a context of fragile funding by social services of NGO's as well as based on the need for additional support for care leavers in the process of transition from institution toward independent life, CONCORDIA Humanitarian Organisation (CHO) has looked for alternative methods to cover these gaps. A trading company called SC CONCORDIA Development SRL was established in 2006 but it was 2010/2011 when CONCORDIA Bakery started in order to fulfil these goals.

CONCORDIA Bakery started in a small workshop in Ariceştii Rahtivani village, Prahova County, where Andreas Resch, an Austrian volunteer launched a bakery workshop for children of all ages from residential centre. What it was initially a pure additional outreach activity soon became clear that for some children and youngsters this could be a future occupation.

Training them in the manufacturing steps - from shaping the dough to the baked bread - has shown that there was an inherent need for a place where young people should have the chance to prepare for the work they wanted to do, discovering their potential and developing professional and social skills. CONCORDIA Bakery was born at the crossroads between realising an idea and meeting a growing need.

The Bakery is active in the field of production of natural products (bread and pastry) based on traditional recipes created by Romanian and Austrian bakers. CONCORDIA Bakery has two objectives:

a) The social objective is the socio - professional integration of young people coming from disadvantaged backgrounds. The development of the Bakery was meant to create a long-term social impact on the young people who, after graduating from the Bakery class and obtaining their qualification diploma, were hired for a temporary period in the enterprise. These represented two important stages that prepared and equipped them with the knowledge and skills necessary to get a job on the free labour market. CONCORDIA Bakery is a place of education and training for work in a real bakery.

b) The business objective is to generate profit that will be used to support the training of other young people from disadvantaged backgrounds who needed support.

The purpose of the study was to develop and assess CONCORDIA Bakery's programme and activities, using the developed Theory of Change (ToC), in order to better understand its contribution to improving the lives of its beneficiaries, customers, donors and its shareholder. For this endeavour, we followed 4 specific objectives:

1. To show insights into the main intended and unintended impacts achieved by CONCORDIA Bakery in relation to its employees-beneficiaries, employees, donors, investors, shareholder and other stakeholders.

2. To identify what makes CONCORDIA Bakery work (or not work) and how it might be replicated, improved, adapted or up-scaled elsewhere.

3. To explore and analyse the changes in the external environment of CONCORDIA Bakery that have influenced its results and impact over time.

4. To help CONCORDIA to set realistic future objectives and support the development of meaningful future performance indicators to track the future performance of CONCORDIA Bakery.





3. Methodological approach

This impact evaluation of CONCORDIA Bakery had a strong exploratory component, since it is the first time the enterprise has gone through such a process. Preliminary data was collected in August 2018 and the major part of the data was collected between October and November 2018. With very few exceptions, in our analysis we referred to the period 2011-2017.

We defined three major groups of research questions concerning the following main areas: (1) exploring the intended impact of CONCORDIA Bakery's activities; (2) the most important factors that led to the achievement of these impacts; and (3) the changes occurred in the external environment during 2011-2017 in order to better understand their potential influence on these impacts:

Q1. To what extent did CONCORDIA Bakery achieve the overall intended impact on its stakeholders during 2011-2017?

Q2. Which were the most important factors that led to or hindered the achievement of these impacts?

Q3. What changes occurred during 2011-2017 in the external and internal environment of CONCORDIA Bakery, which influenced the impact of the enterprise?

A mix of quantitative and qualitative methods were used, in order to ensure the triangulation of the data obtained and the consistency of our results and conclusions, taking into account all the relevant perspectives. The methods included: documents analysis (legal documents concerning the set-up and functioning structures and processes, human resource documentation, detailed information of students of the Vocational School, economic and financial data, planning and organization documents, funding applications and reports, regulations, in-depth interviews with relevant stakeholders (beneficiaries, coordinators, employees, management and top-management representatives and 2 similar bakeries in Bucharest) and participative observation (one-day visit in the bakery).

Access to the different categories of respondents was facilitated by CHO's representatives. Since there were a rather small number of potential respondents in either category, we decided for non-probabilistic sampling procedures - convenience and judgment sampling, chosen according to the respondents' typology. Whenever the case, especially in regard to the former employees-beneficiaries, we resorted to snowball sampling, in order to ensure the most efficient outreach to all individuals that could provide relevant information.

In terms of numbers we interviewed 6 current and 14 former employees-beneficiaries, 6 of the major corporate clients, one of the main donors, one representative of the top management of CONCORDIA Social Projects, 3 national representatives of CONCORDIA Humanitarian Organization, 5 of the current and former managers and supervisors of CONCORDIA Bakery and the managers of the only similar bakeries in Bucharest – MamaPan and Nazarcea.

One of the main challenges of our study was contacting the former employees-beneficiaries of CONCORDIA Bakery, given a limited list of contacts available, which usually included only the Facebook account of the individual. This led, at times, for some beneficiaries to decline our invitation and for several others to provide little or poorly detailed information. Also, conducting interviews with the employees-beneficiaries was at times a difficult endeavour, given their limited capabilities of expression and level of understanding.



Another essential aspect of our research process, detailed also in the Findings and Conclusions sections, is the rather limited capacity of both the evaluators and in general, all the interviewed individuals to fully separate the story of CONCORDIA Bakery from the story, involvement and effects of its mother-organisation – CONCORDIA Humanitarian Organization. Separating the impact of the two entities was a difficult task for both our interviewees during the discussions and observation and for us as evaluators, in analysing the information obtained.



4. Findings

4.1 CONCORDIA Social Business Model

According to a definition established internally by CONCORDIA, *the organisations is using in its professional environment the social business term in order to define those interventions that have a social mission which is explicit and central and that also generates its own revenues, not having the sole purpose of wealth creation.* In these interventions, two criteria are considered: 1. Social mission comes first & minimum 50% earned income (50% sustainability rate) and 2. Involvement of the core stakeholders and beneficiaries in governance and value creation and limited distribution of profit. This definition and the two criteria have been validated by the Competence Centre for Non-profit Organizations and Social Entrepreneurship, Vienna University of Economics and Business and in CONCORDIA it serves as a basis for defining social business projects.

The data obtained illustrates that CONCORDIA Social Businesses Model focuses on the impact it creates for beneficiaries rather than creating profits. CONCORDIA Bakery's goal is in line with the agreed social business definition as it targets explicitly an increase of the employability rate of vulnerable young people and provides on-the-job professional training.

In the graphic representation below (Figure 1), CONCORDIA's Social Businesses Model is divided into three sections: the first represents the non-profit structure (the internal environment of CONCORDIA Humanitarian Organisation) with the social services it offers to its beneficiaries and the relationships it develops with donors, grant makers, sponsors and supporters. At the centre is CONCORDIA Development, the entity legally registered to run economic activities, where the Bakery runs its activities. The third section of the chart represents the entities with which the Bakery collaborates – the for-profit sector - business partners, suppliers, individual clients and other potential employers who could hire the young people after leaving the enterprise.

There is a capital movement between these three sections. The red dotted line - from the social enterprise to the non-profit structure - represents a proposed financial objective of the Bakery: to sustain from its profits the bakery training of several students in the Vocational School. Since the enterprise is not yet sustainable, so it does not register profits, this transfer of resources is not yet happening.

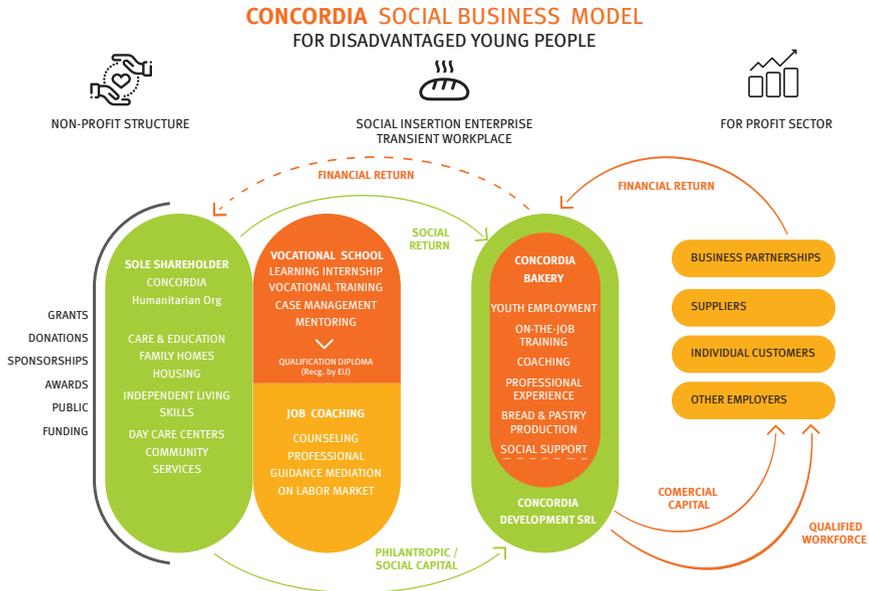


Figure 1. Representation of the three interrelated arms of CONCORDIA social business model

CONCORDIA's social business model illustrates that the Bakery's economic activity interferes with the organization's social and educational activity. Even if, for better organization, the two entities are legally separated, and the production and distribution activity is exclusively the responsibility of the Bakery, certain functions such as fundraising, external communication and promotion, human resource management, accounting etc. are fulfilled by the organization. From a financial point of view, this business model is supported by two types of sources: economic income from the sale of goods and from non-reimbursable funding received either directly or through CONCORDIA Social Projects.

Another important aspect of the business model is that CONCORDIA Bakery is also the bread supplier for the centres and homes where the children assisted by CONCORDIA Humanitarian Organization are hosted. Between 2012 and 2017, the revenue from sales to cover the needs of the organization was on average 25%, with variations in the start-up period when this percentage was lower, in 2012 and 2013 only 2% and reached 37% in 2017. This system of selling products within its own network of a social enterprise is also applied by other similar bakeries in Romania with whom interviews were made: Mama Pan and Nazarcea bakeries.

4.2. To what extent did CONCORDIA Bakery achieve the overall intended impact on its stakeholders during 2011 – 2017?

4.2.1 Impact on employees-beneficiaries

The employees-beneficiaries of CONCORDIA Bakery, their training and qualification, workplace security and wellbeing are at the core of the enterprise's mission and vision. Consequently, one of the most important evaluations made during this project was that of exploring and measuring the impact that the Bakery had on them. This section will assess the two pathways of change identified in the Theory of Change that specifically address the employees-beneficiaries: professional qualification and psychosocial skills related to employment.

While all the employed bakers of the Bakery are students or graduates of the bakery class of CONCORDIA Vocational School, it is important to mention that 11 of them (approx. 35% of the total) were also beneficiaries of the social services offered by CONCORDIA Humanitarian Organisation, several from a very young age. Moreover, once they become employees of CONCORDIA Bakery (and sometimes even after they leave), some are still beneficiaries of certain social services, from which the most common is the offering of accommodation in one of CONCORDIA's houses, free of charge or at a modest price.

During the period set for our evaluation (2011-2017), CONCORDIA Bakery (CB) had 29 employees-beneficiaries (from which one was still employed in 2018). In 2018 the enterprise employed 5 new bakers from the Vocational School. Most of the findings discussed here are based on the information obtained from and regarding the employees qualified as bakers, but the enterprise also employed auxiliary staff (sellers and drivers) during this time.

Most of the employed bakers we talked to (10 out of 16, 63%), became employees of the Bakery before graduating from the bakery classes, and in their view, with one exception, the job offers came as a recognition of their skills and capacities on the job, either from the teachers or the coordinators of the Bakery. On the other hand, one of the management's selection criteria mentioned by the coordinators is that usually the Bakery employed those graduates that had been through traumas, have adaptation problems or certain diagnosed deficiencies and were seen as unable (yet) to perform on the free market, but capable to work and continue their professional training and psychosocial development in a protected environment such as CONCORDIA Bakery.

Professional qualification

Once they join the Bakery, three intermediary outcomes are targeted regarding the professional qualification of the employees-beneficiaries: to be capable to apply the flow of production at all stages, to be able to work independently or with minimal guidance in a free-market bakery and to be able to plan the execution of daily orders and report the daily production of the bakery.

When joining CONCORDIA Bakery as employees, most of the young people are either still attending the bakery classes or are recent graduates from the Vocational School, having acquired limited experience in both baking and a workplace. The workplace experience in the Bakery proves to be a positive experience for most of them. According to the senior baker, after 6 or 7 months, those who are interested and involved can usually follow the process all by themselves, and those with a stronger personality can even become shift managers.

This is consistent with the employees' own responses. When asked how CONCORDIA Bakery contributed to their professional training, 13 of the 16 interviewed bakers (81%) declared that there they learned new recipes and ways of preparation, 9 (56%) stated that they learned new techniques to knead, shape or bake the bread varieties, 4 (25%) mentioned learning how to use the machinery and also 4 (25%) mentioned learning the responsibility of their work reflected in the quality of the final product obtained for the client. Each employee interviewed mentioned at least 2 of the aspects listed above.

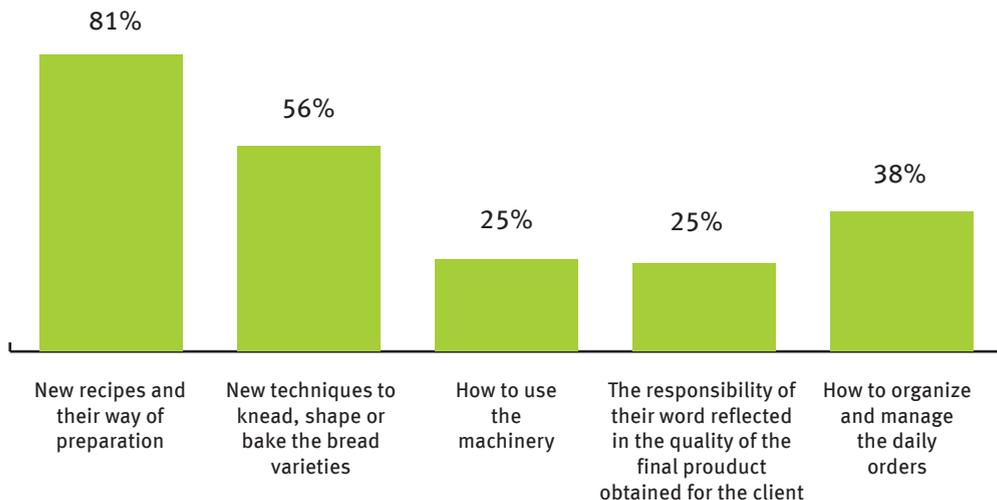


Figure 2. Contribution of CONCORDIA Bakery to the employees' professional training

The senior baker usually works towards independence with the employees that show potential and pairs them with the employees that still need guidance. Some of the employees need monitoring closely by the senior baker, in order to be able to sustain, coordinate and supervise their work. For example, R7 (male) showed outstanding skills and capabilities, thus he became a shift manager, coordinating the entire flow of production of the day and his colleagues. On the other hand, the senior baker kept close R17 (female) and R18 (male) who were both in a vulnerable position, having a hard time adapting to the social context and / or to the professional requirements (e.g. not knowing the units of measurement or having trouble following and completing the tasks).

Planning the execution of daily orders and reporting the daily production of the bakery involves a set of more complex skills. Not many of the Bakery's employees are usually able to perform this requirement, so the shift managers have this responsibility. However, 6 of the 16 employees interviewed (38%) stated that during their employment they learned how to organise and manage the daily orders, even though they weren't performing the task.

By the time they leave CONCORDIA Bakery the employees have increased self-confidence. When asked if at the time they saw themselves capable to work independently or with minimal guidance in a bakery on the free-market, all of them were positive about this, while 6 (38%) also mentioned that they would still need some support or an adaptation period.

Psychosocial skills related to employment

Besides the professional skills of its employees, CONCORDIA Bakery also aimed to support them to acquire the adequate psychosocial skills to cope in a workplace on the free market: interpersonal communication skills, knowledge and understanding of the rights and obligations of an employee, having a proper general conduct and to respect the discipline of work.

One of the main findings of our study is that CONCORDIA Bakery is more than a workplace for most of the employees-beneficiaries and their coordinators. The majority of the employees interviewed (19 out of 20, 95%) evaluated the working climate as a positive or very positive one, with only 7 of them (35%) reporting minor discussions or conflicts arising, which were ultimately seen as inherent to any workplace. However, as external observers, the Bakery's coordinators reported that, if not supervised, the employees-beneficiaries tend to become offensive to each other, giving way to conflicts that need to be managed by them or if more serious, by the executive director.

Given this fact, a great part of the coordinators' work in Bakery is supporting the employees to develop their interpersonal communication skills: teaching them politeness, nice and proper language, punctuality etc. The results of this work are observed by most of the employees. When asked what the contribution of CONCORDIA Bakery was to the development of their workplace socializing skills, 12 employees out of 20 (60%) stated that it had a major impact in this respect and just 6 of them (30%) considered that only minor additions were made during their employment.

"[CONCORDIA Bakery] helped me because it taught me how to get along differently. As I worked in CONCORDIA, I had the opportunity to go to many fairs and to very different groups, of another world, another social class. I was at Petrom fairs, where there were only high-class people, executives... I was at Unica, where were people with whom you needed how to talk to." (R8, seller, employed in 2015)

The aspects regarding the employees' knowledge, understanding and application of the rights and obligations of an employee, either from an administrative point of view (the legal contract) or from a social point of view, are also part of their on-the-job training. At the beginning, new employees have trouble in respecting the work schedule and following the work discipline and by the time they leave (after 6-7

months), they can follow these requirements with no difficulty. All employees are informed by one of the coordinators about the requirements and benefits of the workplace, the points in their work contract and the job description and are encouraged to ask for clarifications whenever they feel the need, even when they have a new job offer. Deviations are not immediately punished with dismissal, but rather met with benevolence and the major aim to work towards their correction.

Going forward – from CONCORDIA Bakery to the free market

The time spent by the employees-beneficiaries at CONCORDIA Bakery ranges from 1 month (or less) to over 3 years, with an average of 10.5 months and a median value of 6.5 months. Most of the employees only stay for one employment period, but a few left and came back to CONCORDIA, either once (4 cases) or even twice (2 cases). No differences of impact were observed between the employees-beneficiaries that were employed for a longer or shorter period. In all the estimates here, we used their total employment time.

Usually the employees find a new job by themselves, either directly on the free market or by using the contacts they had built up during the external internship programme organized by the Vocational School. Some of the former employees of the Bakery turned to the job coaching service of CONCORDIA. Their motivation to leave CONCORDIA Bakery is in most cases related to accepting a better work offer (7 cases out of 15, 47%), usually connected with personal motivations like the need to continue their development in a different environment (2 cases – 13%), the changing of the work climate brought about by the changing of the team members (4 cases – 27%) and the level of payment (2 cases – 13%). In the case of 2 sellers, the motivation was related to the changes in the Bakery's activity and in only one case the reasons for leaving was a major conflict with the management.

View over time – intended and unintended long-term impact

Most of our interviews with the former employees of CONCORDIA Bakery took place 2-3, or even 5 years after their employment period, and thus they were able to evaluate the impact that the Bakery had on their professional and social lives. When asked what was the biggest benefit obtained as a result of their employment in the Bakery, 7 out of the 15 former employees interviewed (47%) mentioned the psychosocial skills related to employment (a tempering in behaviour or the ability to manage their emotions and reactions) and 6 of them (40%) mentioned the professional qualification, transformed in a professional pathway.

For most of our respondents, CONCORDIA Bakery was their first workplace. Having a previous employment experience contributed greatly to the adaptation at a new workplace for 7 of our respondents (47%), from both a professional and a social viewpoint. Only two of the respondents (13%) reported only a moderate contribution or no contribution at all. With only one exception, all the former employees we interviewed independently obtained a job on the free market after they left CONCORDIA Bakery, and are still employed at the time of our discussion, even if they changed jobs 2-3 times in the meantime. 6 of the former employees interviewed (40%) are still practicing in the field (3 cases - 20%) or in a related area (3 cases – 20%), such as confectionery, pastry or public catering in general.

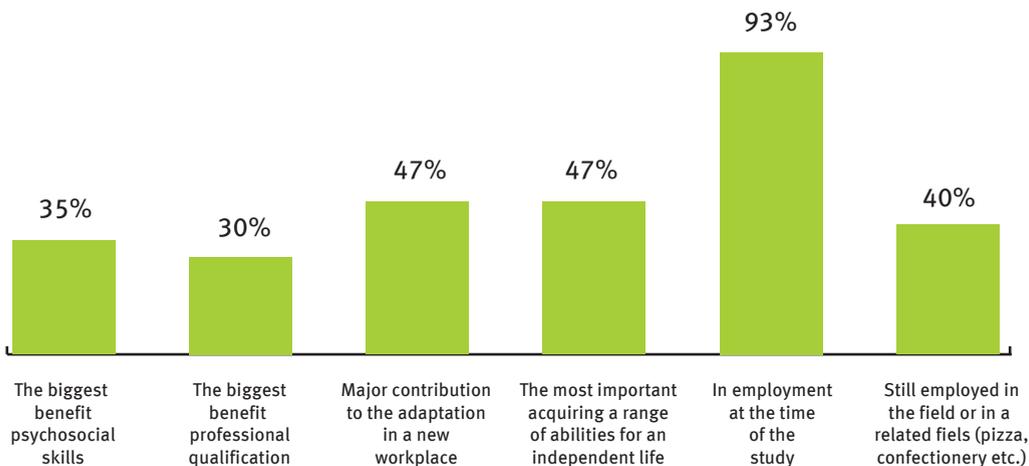


Figure 3. The impact CONCORDIA Bakery had on its employees-beneficiaries – facts and figures

Unintended impacts

Our evaluation process also revealed a series of unintended impacts of CONCORDIA Bakery on its employees-beneficiaries. The first to be mentioned here is that for some of the young people enrolled in the bakery classes of the Vocational School, without even knowing detailed aspects of such a job, and later on employed as bakers at the Bakery, the baking profession became a passion, an area in which they want to develop their skills and make a career.

A second very important aspect is that the employment in CONCORDIA Bakery and the other additional services of CONCORDIA in general, impacted their lives at a higher level. 7 of our 15 respondents, former employees (47%) stated that acquiring a range of abilities for an independent life is the most important benefit they obtained after being employed at CONCORDIA Bakery. They included here all kinds of abilities such as: the ability to manage their own finances, the understanding that they need to assume the responsibility of their own actions, the understanding of the responsibilities of a workplace, perseverance, courage and self-trust.

“They taught me a lot, you know? A lot. It changed my life altogether. [...] They struck me from all points of view. I have seen many, good and bad. They formed me. From class 0 to say so, they took from low level and took me to as high as my brain took me. From money, housing, job, how to take care of the job, look for a job, guidance, all the way to be on my feet” (R1, baker, employed in 2013)

CONCORDIA Bakery proves to be a suitable place for its young employees-beneficiaries to develop both their professional skills acquired in the Vocational School and their social skills that would allow them to integrate in a work place on the free market. The Bakery highly impacted their lives, by either offering them a qualification (sometimes finding it's their dream career) or by equipping them with essential abilities for an independent life.

4.2.2 Impact on CONCORDIA Bakery's customers

This section addresses the third pathway of the Theory of Change - the capacity building and financial sustainability of CONCORDIA Bakery. The 3rd long-term outcome set for CONCORDIA Bakery stated that the social enterprise where the beneficiaries are employed in the short-term is self-sustainable and competitive on the free market.

CONCORDIA Bakery's customers represent the most important stakeholders, so in the impact assessment we explored their profile, the length of time in which they were the Bakery's customers, their motivation to buy the products of a social enterprise, their level of satisfaction regarding the quality of products and how they appreciate the collaboration with the Bakery. We also sought to find out to what extent CONCORDIA Bakery, through its products, has influenced or not a change in consumers' behaviour and what internal and external factors have led to this effect.

The comparative advantage of CONCORDIA Bakery's products

The key message communicated to potential buyers is that CONCORDIA products offer more than those found on the market: they are good quality, contain natural ingredients, are healthy and tasty and support a social project. To the quality and authenticity of the product the social value is added: customers who buy from the Bakery get a special product and, at the same time, support the disadvantaged young people to attend the bakery course of CHO Vocational School, the revenue from sales being reinvested in that project. Also, the buyer is aware that he/she can contribute to job creation: a sales increase means that more jobs can be offered by CONCORDIA to the graduates of vocational school within the social bakery.

The prices of CONCORDIA Bakery's products are within the market segment prices for specific product categories, but they are higher than common bakery products on the market. The increased price is justified by the higher cost of raw materials, the instability of the RON in comparison to the EURO in the reference period, which has led to higher prices for utilities and fuel, but also because of the extra costs of human resources (it must be taken into account that the period of adaptation of young people at work is longer than usual because of the problems they have). The fact that the finished product has a much higher price influences the category of individual buyers with a low to medium income, although the value added tax on food has dropped to 9% starting in September 2013.

CONCORDIA Bakery's customer profile

Most of the Bakery's customers are a niche category, represented by people living in Romania (Romanian and foreign citizens - employed in multinational companies or members of diplomatic bodies), educated for a healthy nutrition, looking for quality natural products, having the financial capacity to pay a higher price for the chosen product and who are interested in social projects. For the period 2012-2017, the customers were both individuals and legal entities, creating a database that brings together 283 clients, of which 221 are legal entities and 62 individual clients.

The main target group (221) is represented by legal entities with regular orders: firms (restaurants, hotels, etc.), multinational companies, embassies, kindergartens and non-governmental organizations (associations, foundations or other social enterprises). Of these, 76 (27%) bought the Bakery's products in at least two years. See the table below.

Duration of collaboration / Multiannual contracts	No. of customers
6 years	6
5 years	5
4 years	3
3 years	17
2 years	45
Total	76



Table 1. Length of business relations with the Bakery's customers

It is worth mentioning that of those 221 customers registered as legal entities, 176 (80%) were for profit / corporate clients and 45 (20%) were non-profit ones such as NGOs, other social enterprises, kindergartens, religious associations etc.

Another important target group was represented by the clients of the selling point opened in the Promenada Mall during the period October 2012 – December 2014. The placement of a stand where fresh bread and pastry were sold daily was possible due to a partnership agreement with the Mall owner who did not charge rent. Later, the owner and conditions changed, and since the revenue from sales at the Mall did not cover the expenses, this sales point was closed. Although the profit was not in line with the expectations, the location of a customized CONCORDIA stand contributed to the increase of the organization's visibility and to a better understanding and knowledge of its field of activity by the large public.

A secondary target group, represented by individuals with small orders, were the clients at the fairs and events where the Bakery promoted its products.

What do customers appreciate?

The policy for corporate clients is to sign contracts with secured terms in order to plan the acquisition of raw materials, and to predict the expenses and revenues generated on these contracts. The delivery terms, billing and payment deadlines are set with each customer depending on the frequency and amount of products ordered. In general, the sales are cyclical, and partially seasonal. Besides regular orders, customers make orders for events organized on different occasions (holidays, catering with cookies for a seminar or conference, gala or anniversaries). Each product is accompanied by a statement of guarantee, and if the product does not meet the standard a return is acceptable. Since 2014, the delivery service has been improved by purchasing a mean of transportation authorized by the Sanitary Veterinary Directorate for the transport of food products under the temperature requirements of food standards.

„Our company collaborates with CONCORIDA BAKERY on two axes: the first is the purchase of bread for our employees, to whom we offer a warm meal at lunch. The second is that at any event we organize we buy cakes and pastries only from BC. It is our decision to support, in this way, a social enterprise and to enjoy healthy and quality products. At events, the products are highly appreciated and praised by our guests and partners”. (Raluca Ouriaghli, Development Manager, Ateliere fără Frontiere - client since 2012)

All interviewed customers (6) were primarily concerned by the quality of bakery and pastry products. The social value brought by CONCORDIA Bakery as a social enterprise for disadvantaged youth is also an important factor for clients, but it is secondary to the quality and safety of the purchased product. All of them consider the communication and collaboration relationship with the Bakery's management as very good and are satisfied with the terms and conditions of delivery (punctuality and delivery in the correct quantities), and two of them highly appreciate the responsiveness and flexibility to adapt the recipes or the weight of certain products to the needs and requirements of the client.

„In all these years I had no complaints. The products had and still have the quality expected and the delivery is in quantity required within the set deadline”. (Andrei Barbu, Acquisitions Manager, Hotel Intercontinental – client since 2014)

Five of the six interviewed customers were pleased with the presentation of the products and the way they are packaged as well. One respondent expressed a preference for packaging from recyclable materials instead of plastic. Beyond the positive characteristics of the products, one customer also mentioned that the final consumers are not yet sufficiently prepared to change their eating habits and introduce in their diet healthier products with a special taste.

„I personally like the Concordia bread, but some of our employees, accustomed to white and fluffy bread, do not understand why we're getting dark bread. We explain that it is a more nutritious quality bread with beneficial properties on the body, that it has natural ingredients. It is an act of militarism, a continuous process of education that we take towards the consumption of natural and healthy products.” (Raluca Ouriaghli, Development Manager, Ateliere fără Frontiere - client since 2012)

Regarding the price of the products purchased, three (3) customers expressed their willingness to pay a higher price for healthy products, first because the price / quality ratio is correct and then there is a social cause behind, while the other three (3) considered that the higher price has raised challenges in internal decision making process, meaning that in most situations involving procurement, the price criterion is a priority in choosing a supplier.

However, a thorough market analysis and transparent communication with potential customers can convince them to pay more if they are presented with the benefits and impact that an effective social enterprise creates in the community, according to the MKOR Strategic Marketing research company (<https://mkor.ro/>) report with the title Social Enterprises in Romania from the view of consumers (Intreprinderile sociale din Romania din perspectiva consumatorilor). The results of this research report on a larger sample of subjects confirm our findings from interviews with CONCORDIA Bakery clients. This reflects that there are premises for an increasing interest in bakery's products at the market level, as the customers become more informed and more willing to buy products at a higher price but including social values.

Over the years, CONCORDIA Bakery has succeeded to have a loyal clientele who appreciates the products and constantly buys them, and at the same time is recognized by the general public as a social business model for the insertion of young people from vulnerable groups. CONCORDIA Bakery has a well-designed image, brand, and marketing tools to promote its products towards a wide range of potential customers.

4.2.3 Reflecting the impact at the community level and NGO sector

One of the prerequisites of any social enterprise is that, on the model of a typical for-profit enterprise, it trades goods or services for the benefit of the community or certain groups. CONCORDIA Bakery is no exception and it has impact on the community as a whole and over the Romanian NGO sector. We mention here two instances that reflect the Bakery's impact: the prizes and recognition received and the Bakery's appearances in the local and regional media, considering that these would be among the most objective evaluations we could find. The Bakery's impact and activities are also reflected as a best practice in several publications and platforms of the NGO or social economy sector in Romania and at international level.

Ever since its first year of activity, CONCORDIA Bakery came into the public's eye and got potential donors and supporters interested in its activity. We will mention here some of the most important such prizes and recognitions:

- 2011: CHO was the winner of the HONORS AWARDS and the FIRST CHOICE PRIZE awarded by ERSTE GROUP to the most interesting project. The total value of the award was 16.000 Euro.
- 2013: CHO was awarded the NESSt Social Entrepreneurship Prize 2013-2014, amounting to 19.000 USD for the development of CONCORDIA Bakery
- 2014: The Bakery received the first prize in the Competition METRO – THE STARS OF THE COMMUNITY (50.000 Euro) and Mrs. Alice Stavride, CONCORDIA Development's administrator was nominated among the entrepreneurs in the Ernst & Young Company's Competition "World Entrepreneur Of The Year™", in the Social Entrepreneur category
- 2015: CHO was awarded a grant of 45,000 Euro in a competition for projects launched by ING Bank Romania

Going further, CONCORDIA Bakery's activity was in no way ignored by the local or national media. According to the information received from the Bakery's management, in the period 2011-2017, there were 50 national mass-media appearances and 13 local mass-media appearances. These include online, video, radio and printed articles or reportages.

In several of the articles or video coverage published by mass-media we observed that the activity of CONCORDIA Bakery was not separately presented by that of CONCORDIA Humanitarian Organisation, emphasising the collaborative relationship of the two entities. The subject most commonly addressed by the media was the transformation brought about by CONCORDIA in the lives of its beneficiaries, giving them a future perspective, raising them out of a life on the streets by offering them a career path and the social support they need.

CONCORDIA Bakery benefited from the attention of the public, community and NGO sector during its years of activity. A variety of donors and supporters recognized the Bakery's results and successes and further sustained its activity, while national and local mass-media chose to present the enterprise in a favourable light on many occasions.

4.2.4 Strengthening CONCORDIA Bakery as a social enterprise – the donors' perspective

In 2014, CONCORDIA Bakery had the opportunity to join the NESsT portfolio (www.nesst.org) that has invested financial capital, as well as tailored business development support to the organization through one-on-one mentoring. It was the time when the Bakery started preparing a structured business plan, with a detailed description of the business and an analysis of the target groups and of the market. The business plan included operational and marketing plans and a 5-year integrated financial plan. NESsT was committed to CONCORDIA Bakery for five years, helping it through the tough transition of moving from start up to fully scaled business.

The grant awarded by NESsT supported CONCORDIA Bakery to develop and implement a sales strategy, to recruit and hire essential sales staff and to purchase equipment and software that have been very useful to grow the production and distribution work of the bakery which allowed them to broaden the customers' base. Secondly, NESsT's facilitated the access to corporate experts who have provided the Bakery team with pro-bono specialised advice and with the opportunity to attend business training helping them to acquire entrepreneurial skills and improve the management processes.

One of the results of this personalized support in the development of the Bakery is that the sales revenue covers the running costs of the business but does not as yet reduce the deficit accumulated in previous years and increase the business. The financial viability of the social bakery has remained a challenge to date and the search for solutions continues. If the impact in terms of economic efficiency is still below expectations, as a social enterprise that creates jobs for young people from disadvantaged backgrounds experiencing higher unemployment rates, the Bakery has met its social goals.

“CONCORDIA is a unique business model in the Romanian portfolio, being the only integrated social support model: educator (through Concordia vocational school), jobs provider through Concordia Development and placement agent (through Job Coaching - professional counselling and mediation on labour market (...)) CONCORDIA Bakery, part of CONCORDIA Development was originally thought to be a transient workplace that gives access to the disadvantaged young people to get work experience and, then they can integrate into the free market. So, from this perspective, the organization achieved its goals as they were set at the beginning of the 4-year project.” (Sonia Oprean, NESsT Senior Portfolio Manager, Romania)

4.2.5 Steps towards financial sustainability - It’s not enough to simply have social value

To create this impact at the level of its beneficiaries, CONCORDIA organization, as the sole shareholder of CONCORDIA Development, supported financially and with expertise the establishment and development of the Bakery. Between 2011 and 2017, CONCORDIA Bakery has gone through various stages of development, from start-up and market testing, to the stage of approaching new markets and increasing customer numbers and production capacity. From the outset, it has been established to be a social enterprise for the integration of young people, whose profit (income generated from the economic activities) will support the training of the bakery class and contribute to the professional reintegration of young people.

The initial investment of 160,000 € (cash and in-kind) was assured by CONCORDIA Humanitarian Organization and partially by CONCORDIA Development (license, show-window, lightening box, suppliers and inventory items). From donations, sponsorships and grants, CHO arranged the space and endowed the bakery with fixed assets, the necessary equipment and purchased two cars for distribution. Also, it covered the administrative and developing expenses during the start-up phase.

The evolution of revenues and expenditures for period 2011-2017 is presented in figure below:

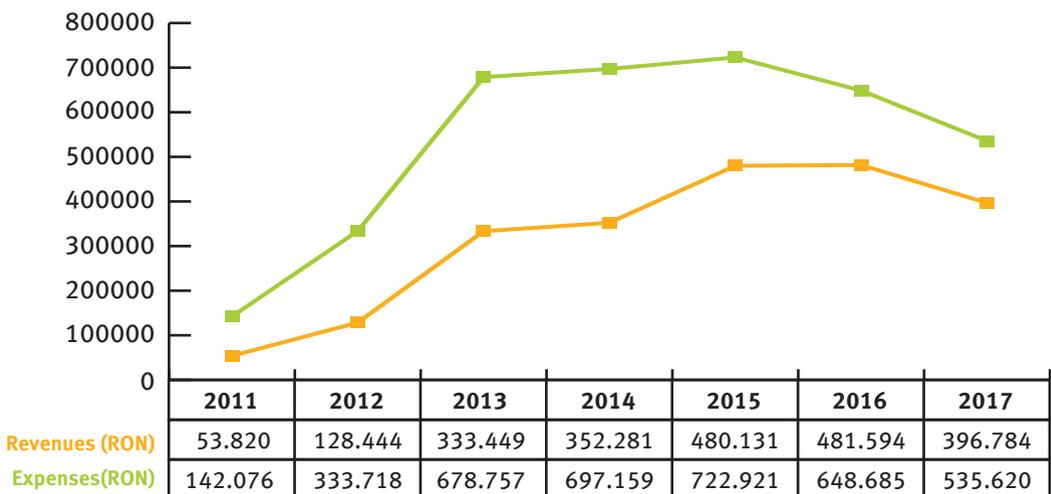


Figure 4. The evolution of revenues and expenses of CONCORDIA Bakery from 2011 to 2017

Both revenues and expenditures have grown steadily from 2011 to 2016, after which they declined slightly in 2017. This decrease in revenues in 2017 compared to 2016 was influenced by both internal factors such as the reorganization of a social service provided by CHO and the closure of a sales point as well as by external factors related to market dynamics. The latter included the loss of six of the recurring clients who stopped collaboration with the bakery because some changed their field of activity and others closed the business, and the considerable reduction of orders from another important client. Also, CHO needed to reduce the bread orders in 2017 because most of the children hosted at the Farm in Aricesti Rahtivani were reintegrated into their families and some were moved to the village at the Ursula house. Thus, less than half of the children remained at the farm, so the orders of the Bakery products were significantly lower. Also, due to the increase of rent price and the change of location of the sale point of CONCORDIA Bakery operating in a mall, it was decided to close the operation adding to the lower revenues in 2017.

These changes have been countered by strategies to attract new customers that have brought cumulated revenue in 2017 from nine new clients bigger than the revenue brought in 2016 by the lost customers. With all these efforts, correlated with the other losses generated by the reduction of orders from the CHO and one of the clients, the revenues recorded from the new clients were not enough to cover the total loss.

In analysing the evolution of revenues, it should be mentioned that in addition to revenues from sales, three important grants were implemented between 2013 and 2016 (see details in section 4.2.3), which contributed to equipping the Bakery and improving the infrastructure. These grants were granted to CHO for the Bakery, so they are not found as income in the CONCORDIA Bakery's budget in those years, as they were recorded in the CHO accounts.

For CONCORDIA Bakery, as for any other social enterprise in Romania, ensuring financial sustainability has been a major challenge over these years. How can you make a profit if the workforce needs a longer time to adapt to the job requirements until they get to work independently (without supervision and guidance) and perform all the operations in the production system correctly to deliver a quality finished product? How can you maintain the balance between the social enterprise's social mission to help young people with adaptation issues to integrate into work, and the economic goals that are just as important to prevent bankruptcy?

The Netherlands' first professor of social entrepreneurship, Harry Hummels considers that the biggest challenge for social entrepreneurs is business management.

He says that: 'It's not enough to simply have social value. At the end of the day, social enterprises can't make a real, long-term impact unless they're profitable. For many social entrepreneurs, there's a lot of tension between the social and business side.'

The financial sustainability rate was calculated as the percentage from the expenses that are covered by the incomes generated by the Bakery (the ratio between the incomes and expenses *100). The graphic below reflects the evolution of financial sustainability rate in 2011-2017 and was calculated exclusively on the revenue (100%) from sales. To show how sales increased from one year to another without taking into account revenues from other sources, the 51% for 2014 does not include the METRO prize revenue of 50,000 euro which, if included, would grow the financial sustainability rate to 79%.

Looking at these figures, we can conclude that although in all seven years the amount of revenue was lower than the amount of expenditure, the financial sustainability rate has registered a steady increase, from 38% in 2011 and 2012 to 74% in 2016 and 2017. Except for 2014 when the financial sustainability rate increased with only 2% compared to the previous year, in 2015 this had a record increase of 15%, and in the following years by 8% due to the efficiency of the spending budget. An increase in the financial sustainability rate of only 2% in 2014 is also explained by the fact that it was a year of prioritizing the improvement of infrastructure and the acquisition of modern machinery due to the METRO grant, which subsequently led to an increase in production capacity, at optimization of technological processes and to superior product quality.

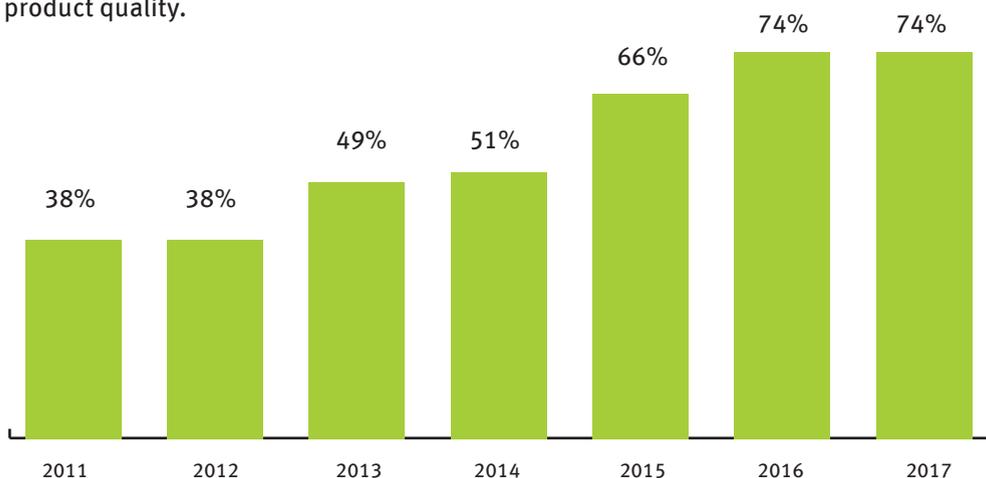


Figure 5. The financial sustainability rate of CONCORDIA Bakery from 2011 to 2017

The impact created during 2011-2017 by CONCORDIA Bakery, as a social enterprise, has been assessed from the perspective of social business development, both in terms of increasing production capacity and training and professional integration of young people from vulnerable groups. It can be summarized as follows:

1. CONCORDIA Bakery ensured employment opportunities in the social enterprise by offering temporary jobs for 29 young people who have graduated the Vocational School training courses (bakery and / or pastry).

2. The Bakery was equipped with a new production line, specific new machinery and equipment, which led to the improvement of the technological flow and the increase of the production capacity.

3. The enterprise implemented the quality standards ISO 9001/2005 and 22000/2008 for maintaining the quality of their products.

4. The business diversified and adapted its portfolio of products.

5. The Bakery expanded its customer base by testing multiple target audiences and selling techniques (e.g. stand in a mall, CONCORDIA Café, business partners, participation at fairs and events).

6. The social enterprise had implemented efficient management and production systems.

7. CONCORDIA Bakery has increased its visibility on the market by promoting its activity and its products (product catalogue, presentation brochures, e-newsletter, website, Facebook, personalization of the distribution vehicles with the Bakery's brand).

4.3. What changes occurred during 2011-2017 in the external environment of CONCORDIA Bakery, which influenced the impact of the enterprise?

The external socio-economic and political environment of CONCORDIA Bakery in the period 2011-2017 can be characterized mainly by high poverty, unemployment among young people and work force migration. Nevertheless, central and local authorities were inefficient in addressing social needs, and much of the social problem solving has been left to NGOs. While the NGO sector on its own hasn't had the capacity of eradicating the social problems, one solution foreseen by the NGOs was to assure their sustainability by creating a social enterprise in order to achieve their goals.

According to the Atlas of Social Economy - Romania, 2015 (FDSC, 2014) the social economy's contribution to the public budget was of 4.18% of the total taxes and contributions paid by employers in 2012, up from about 3% in 2011. The data shows that the social economy sector plays a crucial role in the process of transforming vulnerable groups from beneficiaries to contributors to the public budget. The same source mentions the sector made a 4% contribution to GDP.

After many years of consultation and public debates, the most significant change occurred when the Social Economy Law was passed in 2015 in Romania. According to this law, a social enterprise is a legal entity created to solve a critical social problem through a sustainable approach, which must reinvest 90% of its profit in the fulfilment of a social purpose and ensure equitable payments to its workers. By regulating the framework of the social economy, there has been created the opportunity for NGOs, as well as CONCORDIA Bakery, to obtain the social mark. Despite the regulations under the new legislation, that clearly stipulates the framework in which a social economy activity runs, there are only few incentives in place for the social enterprises such as small subventions for employees recruited from vulnerable groups.

Another significant change brought about by the Social Economy Law, that was supposed to boost the sector, was that the social enterprises could obtain a Social Enterprise Certificate. Certified social enterprises were meant to be able to access certain European funds through the Operational Program for Human Capital (POCU) and additionally were meant to benefit from increased visibility through the united register for social enterprises by presenting their activity through annual reports. However, due to the lack of actual advantages for obtaining such a certificate, only a few social enterprises registered and CONCORDIA Humanitarian Organisation chose not to do it also.

The changes at political level and the struggle for power within the governing party has influenced negatively the external environment from 2014 onwards. In three years, more than five prime ministers with their teams have been in place and created instability and uncertainty. The abuse of power through the tacit passage of certain laws that give privileges to certain categories has provoked extensive street movements led by civil society when they were revealed. This has resulted in an increasingly negative image of the NGO sector.

4.4. Which were the most important factors that led to or hindered the achievement of these impacts?

The impact created by CONCORDIA Bakery has been heavily influenced by both internal and external contexts in which it is working. Some factors have positively influenced and helped to trigger the intended changes the Bakery as a social enterprise set out to generate, while others have constrained or even hindered the achievement of these intended impacts.

Within the Humanitarian Organization, CONCORDIA Bakery worked in direct collaboration with the Vocational School and the Job Coaching service. Based on our assessment, there are many organizational factors that both have influenced the project and have been influenced by the project, either positively or negatively.

The internal factors that were found to have a significant influence in the case of CONCORDIA Bakery are: the synergy between the different CONCORDIA entities, following the Vision and Mission of CONCORDIA Humanitarian Organization, the support given by CONCORDIA Humanitarian Organization (CHO), the international partnerships fostered, the quality of the products and the good technological endowments. On the other side, we have found that the following internal factors had a restrictive influence on the development of the Bakery: the characteristics of the employees-beneficiaries, personnel fluctuation (ref. employees-beneficiaries), changes in the top management of CONCORDIA Humanitarian Organisation, the relatively low wages and a demanding work schedule.



5. Conclusions

During the development of the Bakery's Theory of Change, together with the CONCORDIA team, we decided to develop a series of hypotheses and assumptions regarding the most important stakeholders and interested persons, which were seen as either necessary conditions or mandatory outcomes for the success of the enterprise. In this section we will discuss our findings by referral to the assessment objectives, hypotheses and assumptions and conclude the extent to which we can confirm or dismiss them.

An important part of the evaluation was dedicated to the impact that the employment period in CONCORDIA had on the employees-beneficiaries, either from a professional point of view, a psychosocial point of view or in general. The first two hypotheses that guided our impact evaluation were that the young graduates of the Bakery Class of the CONCORDIA Vocational School are more likely to obtain and retain a job on the open market if they are previously employed on a fixed-term basis in a social enterprise where they receive psychosocial and accompanying support. Looking at the employment rate of the former employees-beneficiaries of CONCORDIA Bakery (which gets to over 90%), we can confirm this hypothesis and state that **the enterprise was very successful and effective in fulfilling its intended purpose.**

Nonetheless, even if the general purpose was fulfilled, and the majority of the young people employed by CONCORDIA Bakery are still in the work market, we need not lose from sight the fact that extensive financial and time resources were invested in their formation as bakers. In this case, we can be tempted to say that the Bakery's impact shrinks, since **less than a half of the former employees are still employed as bakers or on a related job.** However, there is the need to also consider the socio-economic conditions in the environment, before raising the issues of lack of efficiency in using CONCORDIA's resources – **the jobs available in this sector are low paid and have difficult schedules to follow or extended working times.**

Besides the professional aspects discussed above, CONCORDIA Bakery also aimed to offer psychosocial skills related to employment to its workers, it is assumed that the young people from disadvantaged backgrounds need self-confidence, emotional balance and specific psychosocial support to develop positive relationships at work. During our evaluation we were able to observe and confirm the positive results of such an assumption. As we detailed in the previous section, **CONCORDIA Bakery is more than a workplace for most of the employees-beneficiaries** and one of this job's greatest impacts is that it helped them in tempering their behaviour, to learn how to manage their emotions and reactions, contributing greatly to their adaptation to a new workplace.

A general very important conclusion that we were able to make in this respect, is that **the enterprise's daily management and organisation of activities is tailored to the specific needs, problems and issues of the employees-beneficiaries as they are presented**. CONCORDIA Bakery gains from this study the proof that the methodology is relevant to its most important stakeholders. Bringing together their diverse life stories, their need to be challenged with complex tasks (as in the case of the shift managers), their need to be continuously supervised and supported (as in the case of the employee who still has trouble in using the measure units or the one that made a tremendous number of mistakes) or their need to feel the warmth and protection of a family (and thus, calling the supervisors "mami / mommy").



Regarding the links between CONCORDIA Bakery and other interventions/programmes with similar or related objectives, the conclusions point to **more than coherence, but a synergy between these instances, whose different action strategies and activities have led to a notable impact on the lives of their beneficiaries**.

The third pathway of the Theory of Change refers to the capacity building & financial sustainability of the CONCORDIA Bakery and the long-term outcome of this pathway is to make the Bakery a self-sustainable and competitive social enterprise on the free market. The conclusion on this component is that CONCORDIA Bakery has managed to create a portfolio of individual and corporate clients over the past seven years, of which 17% have maintained a business relationship for at least two years. Our interviews have revealed that **CONCORDIA Bakery customers appreciate its products and have a high level of satisfaction towards the terms of collaboration with the management, sales and distribution team**. The customers perceived positively the products' and services' value of CONCORDIA Bakery that has led to commitment and loyalty from some of them. It is expected that the satisfaction of recurrent customers will lead to more loyal customers and more profitable business.

Although the sustainability rate has an increasing trend in the seven years, **revenue from sales fail to cover expenses, which maintains the challenge of ensuring the financial self-sustainability of CONCORDIA Bakery.** However, in our conclusions we consider that there is a ready-made framework for achieving this objective as from the point of view of increasing the production and delivery capacity of CONCORDIA Bakery, considerable progress has been made in properly arranging the work and storage space, equipping it with modern equipment and obtaining the authorizations and certifications required by the relevant legislative authorities.

Regarding the wider environment where CONCORDIA Bakery functions, **the legal and public policy framework at national level on the implementation of social economy activities, we conclude that this is better regulated and favourable to the setting up and functioning of social enterprises in good conditions.** However, CONCORDIA Bakery is not alone in this, and the two relative similar bakeries that are active in Bucharest as social enterprises share more or less the same challenges and outcomes. Neither of the two bakeries which we talked to are yet 100% sustainable (ranging from 60% to 80%) and both of them share the opinion that a better regulation of the social economy sector, together with several fiscal and financial facilities for such enterprises would increase their economic and social performance.





6. Lessons learned

The process of assessing the impact of CONCORDIA Bakery led both the evaluators and CONCORDIA's team to acknowledge and internalise two valuable lessons for the future. We present these lessons below.

#1: There is the need for the allocation of time, money and staff motivation for developing a Theory of Change (ToC) and use it as a tool for reflection and critical thinking:

Developing the ToC is a process that requires planning and resources: time, committed and available people, ideas, and money to pay external facilitation. In our case, a few more hours and few more thoughts would have been useful in further refining this document. The ToC may seem quite theoretical and abstract at the beginning and can take longer than expected because it involves a process of reflection and critical thinking by searching for answers to important questions for the organization

Moreover, retrospectively developing the ToC or the framework of change is an even bigger challenge for an organization. From our experience it is easier for the organization to map the work ahead rather than to return to the past (the difficulty in our case came from the fact that few participants in the process were familiar with what happened between 2011 and 2017). Thus, the participants involved in the process need to have an understanding and the ability to take and lead the process further.

When it comes to its usage, the ToC may seem a redundant tool that repeats other existing tools of the organization (such as the strategic plan, or project log-frame). Our experience proves that many of these documents are well preserved and there is not much ownership of them. The ToC is a visual representation of critical thinking, shows the link to other organizational tools to increase efficacy and impact, easy to read and use, and it is a work in progress (it can be modified as the organization develops in some areas).

#2: Measuring impact without any rigorous baseline data – even if a ToC is constructed retrospectively – is practically unfeasible:

The task of carrying out this impact research for a long period of time (7 years) using the developed ToC was quite challenging. When CONCORDIA Bakery was set up, there was no document developed to show the vision and long term and intermediate outcomes. Also, there was no benchmark indicators for the activities and results expected, to help us to scale and assess the impact. Thus, we learned that there is a need for a rigorous on-going data collection process.





7. Recommendations

Based on the findings and conclusions, the evaluation team proposed a series of recommendations to be considered in future decision-making, action plans and strategies of CONCORDIA Bakery and CONCORDIA Humanitarian Organization in general. We divided this section into three parts: strategic recommendations, operational recommendations regarding CONCORDIA Bakery and CONCORDIA Humanitarian Organization, and recommendations for donors.

Strategic recommendations

- CONCORDIA Bakery to have a more entrepreneurial approach and, bearing in mind the social mission, a more effective use of the business model.
- To increase the strategic practice exchange with other similar social enterprises for joint promotion and development.
- To develop an advocacy strategy and plan along with other NGOs.
- To complement the business plan for the next 2 years with a fundraising strategy and a plan to diversify the donor base and provide alternative income support.

Operational recommendations regarding CONCORDIA Bakery

- To hire a sales and marketing specialist, dedicated exclusively to the promotion and expansion of the client portfolio.
- To create marketing strategies dedicated to the recurrent clients of the Bakery.
- To clarify the promotion of the various products according to their typology
- Plan for a greater involvement of a social worker or a case manager to work with the employees-beneficiaries.

- To set-up of a social and professional evaluation system to track the employees-beneficiaries knowledge, attitudes and practices.
- To set-up of a system that would allow a follow-up tracking of the former employees' professional and social development (e.g. post-intervention KAP studies, tracer studies)
- To clarify the criteria, requirements and processes that lead to the employment of new beneficiaries.

Operational recommendations regarding CONCORDIA Humanitarian Organization

- To clarify the legal status of CONCORDIA Bakery and its formal relationships with the other kindred entities – CONCORDIA Vocational School and CONCORDIA Humanitarian Organization.
- To explore the possibility (both legally and strategic) to transfer CONCORDIA Bakery into the administration of CONCORDIA Humanitarian Organization.
- To set up processes and procedures (formal or informal) that would lead to better communication between CONCORDIA Bakery and other interventions/programs.

Recommendations for donors

The social economy sector is still at the beginning of its development in Romania due to a late legal regulation and still has many gaps. Therefore, donors' contribution to the development of social enterprises in Romania would stimulate the sector, considered to be the economic sector that brings durable active measures of assistance, employment and integration of people belonging to disadvantaged groups. This impact assessment is the first which analyses in detail the way in which a social enterprise founded by an NGO started and evolved into a social business. Despite the progress noted, CONCORDIA Bakery still faces the challenge of sustainable funding. After seven years of development by expansion as a social enterprise, the time has come for consolidation, but for this it still needs help. However, CONCORDIA Bakery's case study allows us to make the following recommendations for a more efficient and effective donors' assistance.

- Donors must take into account the long-term nature of organization building when decisions are made to participate in projects of this kind.
- To integrate into the funding strategies the possibility to support advocacy projects and networking of NGOs in order to help them to have one strong voice and influence the decision making.
- To allocate funding dedicated to hiring external evaluators and advisors that would offer fresh views and advice for the better development of the enterprise.
- To allocate funds for training programmes for human resources development and exchange experience programmes with sustainable social enterprises from other countries in Europe.

CONCORDIA SOCIAL BUSINESS MODEL FOR DISADVANTAGED YOUNG PEOPLE



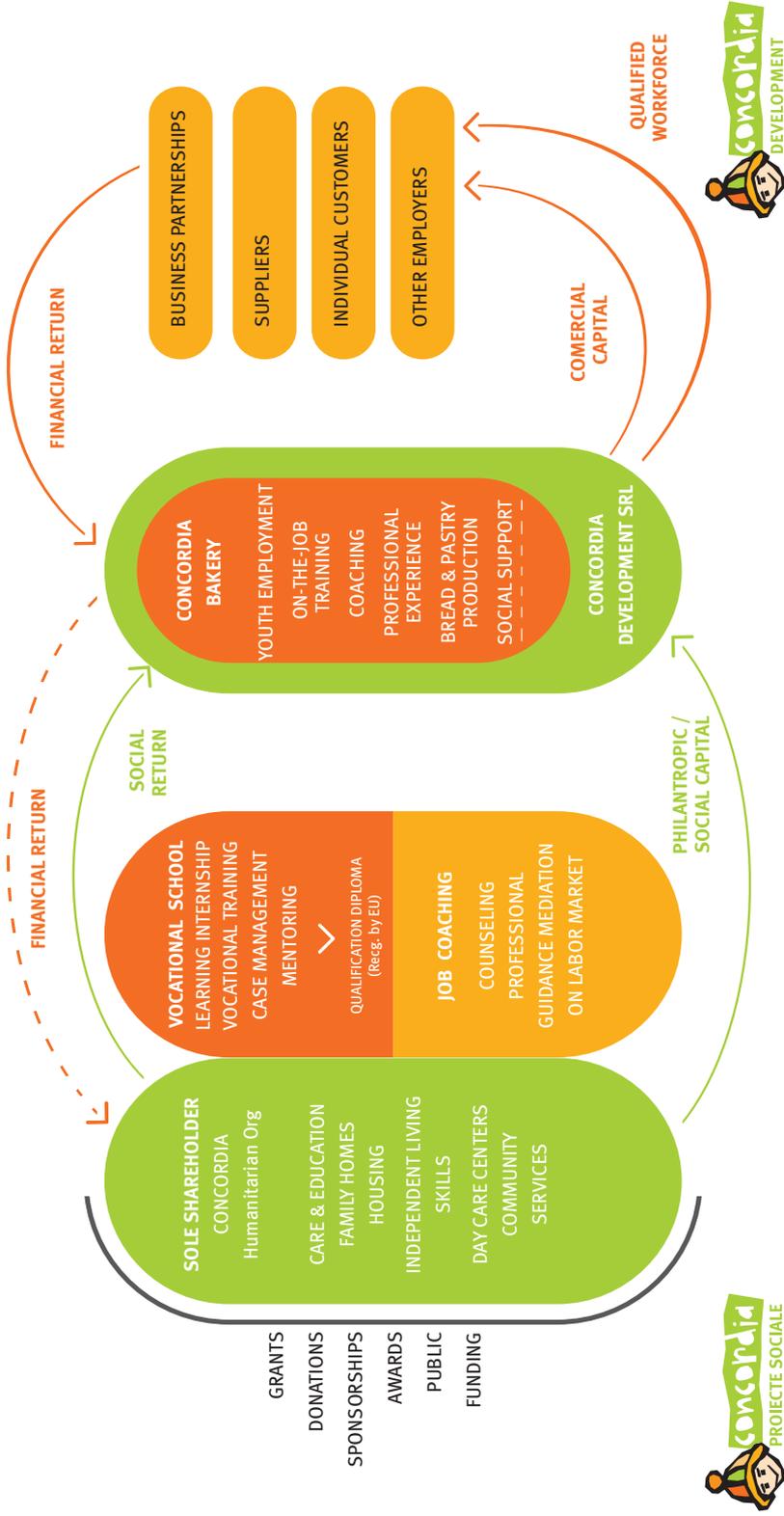
NON-PROFIT STRUCTURE



SOCIAL INSERTION ENTERPRISE
TRANSIENT WORKPLACE



FOR PROFIT SECTOR



CONCORDIA BAKERY

Social Business for disadvantaged youth

>90%

employment rate of the former beneficiaries



CONCORDIA Bakery
2011

<50%

still employed as bakers or on a related job



CONCORDIA Vocational School
2010

34
employees-beneficiaries

74%
sustainability rate

84.000 Euro
revenues in 2017

114.000 Euro
expenses in 2017



Society



CONCORDIA Social Services
1992

283

bakery clients

176

corporate clients

45

non-profit clients