

From Self-Help to Successful Social Enterprise: REACHING OUT in Vietnam

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When we at GoPhil first learned of the Vietnamese crafts shop, Reaching Out, a social enterprise supporting people with disabilities in Hoi An, we were intrigued. We poked into the workshop one day with our travelers and were impressed with the efficiency and care in which the shop was run. Employees were busily engaged in handcrafting their wares... chatting, smiling and laughing as they worked. We met the Founders, Binh and Quyen, who were clearly devoted to a model that does well by employing local residents who produce high quality products at a reasonable price. Over the span of a few years, we saw the expansion of the craft shop to include a very special sister teashop as well.

We assumed the program was a locally run NGO. Much to our surprise, as we got to know RO better, we learned that it was one of the only social enterprise programs located in the area. With GoPhil's sincere interest in the development of innovative and enterprising approaches that demonstrate sustainability, we had to learn more. Why social enterprise vs. an NGO? What lessons could we all learn from this model? What are their next steps? What follows is an article written by one of our good friends, Elaine Head, on the evolution of this program and what we can all learn by the shining example of Reaching Out.

From Self-Help to Social Enterprise: REACHING OUT in Vietnam

by Elaine Head



Located in the beautiful, historic old town of Hoi An on Vietnam's central coast, Reaching Out was conceived out of a deep passion, on the part of its founders, to help persons with disability (PWD) become integrated into society and live productive lives. Reaching Out is different from other arts and crafts shops in this UNESCO World Heritage city because it is a social enterprise.

Social enterprises are revenue-generating businesses with a twist. Whether operated by a non-profit organization or by a for-profit company, a social enterprise has two goals: to achieve social, cultural, community economic and/or environmental outcomes; and, to earn revenue.

On the surface, many social enterprises look, feel, and even operate like traditional businesses. But looking more deeply, one discovers the defining characteristics of the social enterprise: mission is at the center of business, with income generation playing an important supporting role (from The Centre for Community Enterprise).

An equally noble goal of social enterprise (aside from generating revenues to pursue a mission) is the training and/or employment of people who are typically excluded from the mainstream economy. This element alone can denote a social enterprise.

How it began...

Reaching Out began as a Self-Help group. Le Nguyen Binh and his wife Mai Thi Kim Quyen were looking for ways to provide opportunities for the disabled community in Hoi An. Mr. Binh, himself a paraplegic since the age of 15 following a medical accident, had to struggle to complete his education and find a way to gain independence. The computer school he established

was successful, however only the graduates with a higher education could hold down jobs. The school did not serve the many marginalized, poorly educated people of disability (PWD's) in Hoi An. Mr. Binh and Ms. Quyen sought a solution that would enable more PWD's to be involved. Their self-help group began to make crafts to sell to the increasing number of tourists visiting Hoi An. In 2001 their small group was beginning to get a footing amidst the burgeoning tourist market. They struggled to learn basic business skills, marketing, sales and quality control. With the help of on-line studies, local training and numerous international volunteers they acquired the knowledge and tools to run a profitable business.

During these first challenging years of development and realizing the magnitude of achieving their dreams, the idea of creating an NGO was considered and dismissed. Mr. Binh elaborates:

"We have never thought of Reaching Out as a "charity". From the beginning, we knew that the path to independence for our disabled staff should be based on their abilities, not on gifts or donations from others. The direct correlation between their production, creativity, and involvement in decision-making and the success of the business has empowered them."

Recognized at last by the local authorities, they were given a lease on their current Arts and Crafts Shop in what is known as Old Town. This ancient building was the perfect setting and inspiration for the creation and display of their authentic crafts. As their product line expanded and their staffing numbers increased, Mr. Binh, an indefatigable on-line scholar, sought a suitable business model to apply to the growing concern. They were no longer a self-help group, but a vital, profitable retail outlet and workshop/training center.

With the help of international volunteers, *Reaching Out* established progressive human resources policies, marketing strategies and eventually an overall business strategy. For years, along with these developments, the organization sought status as a Fair Trade organization because of the fit with their developing values. Red tape in the process of becoming certified, stymied the small management team, but the principles of operation remained. They did not know quite what to call what they were doing, until the term "social enterprise" began floating up on their screens. Eureka...there was a name for what they were already doing! They were a growing, successful social enterprise. By 2016 the enterprise had grown to 70 employees. A second location, a silent teahouse run by speech and hearing impaired employees, was opened in 2013. A third location is under consideration.



The real strength of the teahouse operation (in addition to providing employment for the speech and hearing impaired and creating a place where the hearing can join the silent world of the employees) is the synergy with the craft shop. All of the tea ware is made in the shop and, after experiencing the traditional tea service, customers flock to the shop to buy teapots and coffee filters so that they can take this authentic Vietnamese experience home. A third location would also need to fit the model, building the brand and staying true to the roots and values of *Reaching Out*.

An additional expansion is in the wings. An on-line store is under development. This ambitious project will extend the market for the fine arts and crafts products now for sale only in their Hoi An retail store. The expanded market and the profits therefrom will create even more opportunities for the disabled.

The building blocks necessary for this expansion are in place; a Mission statement, a Vision, a Long Term strategy and a set of Core Values. It is the core values that are driving the organization and which embody its social goals.

Integration: We believe that inspiring and inclusive work leads to meaningful lives for all, able bodied and those with disabilities.

Teamwork: We believe that “Together Everyone Achieves More”.

Continuous Improvement: We challenge the status quo and effect change by fostering innovation and continuous renewal.

Integrity: We treat each other, our stakeholders and the environment fairly and with honesty and respect.

In addition to the cohesive force of these firmly held values, the Reaching Out success can be attributed to:

- Unrelenting attention to quality in products, services and supplier relationships
- Responsive listening to customer feedback
- Progressive people practices and involvement in planning, product design and community involvement
- Controlled growth

A most important ingredient in the rock hard foundation of *Reaching Out* is the dedication of Mr. Binh and Ms. Quyen who never lose sight of their social purpose: to enable PWD’s to learn a trade and become self supporting, independent and fully integrated into their communities. This video, although filmed a few years ago, still tells the story behind their motto “Yes You Can!”



Of course there are challenges daily for this stalwart group. As Ms. Quyen says:

"Now that we have become more diversified, with two locations and are employing people of many different disabilities as well as able-bodied personnel, staff communication is difficult. Everything that is said in general meetings needs to be translated into sign language and when we are dealing with outside consultants or volunteers there must be another layer of translation into English. We need to learn and exercise tolerance and patience.

"Another real challenge is in balancing the inventory in a highly fluctuating market that relies almost exclusively on the tourist trade. Our commitment to our employees is to keep them fully employed year around, so we are constantly balancing our need to keep the best sellers on the shelf, to manage inventory levels during slow times and to take innovative approaches to continue our "creative" incentive program. This program provides the opportunity for our staff to develop new designs and have them made and tested on the sales floor. Many of our unique designs have been created this way, so the investment is paying off, but, of course, it is a long-term proposition."



The choice to rely entirely on the success of the business to embrace as many PWD's as possible, providing training and jobs, has evolved over the years. In fact *Reaching Out* still accepts monetary gifts to train new staff, buy specialized equipment and offer advanced training skills such as leadership. This practice is actually in response to a continuing need of customers and friends of the organization to be involved in a some way. Volunteers with a wide range of skills have also dedicated many hours in a variety of tasks with the business.

It is interesting that while gifts are still flowing into the organization, the staff of *Reaching Out* are now themselves offering help to the disabled community in Hoi An. Check the website at www.reachingoutvietnam.com for profiles of specific employees who are volunteering in their community, encouraging PWD's to pursue their education, becoming involved in special Olympics and sporting events and even contributing funds to help with PWD's education.

Advocacy for the rights of PWD's has long been a focus for Mr. Binh and is now seen as a critical function of the organization. By example and involvement at local and national levels, Mr. Binh and his organization have influenced recent legislation focusing on accessibility for PWD's in public venues and the workplace. Education is a strong element of their advocacy and visitors come from all over Vietnam and the world to learn about how they might replicate this successful social enterprise model.

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