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CHARITY AS A BUSINESS

THE BUSINESS CONCEPT OF EUSL

CREATED BY

EUSL AB

Care to Change the World



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Executive Summary

The Charity as a Business (CaaB) model, developed by the European Social Label (EUSL), redefines the relationship between business and society. It offers a transformative framework where small and medium-sized enterprises (SMEs) can thrive economically while actively contributing to social inclusion and community development.

At its core, CaaB is built on a Triple Purpose:

1. **Social Impact** – empowering businesses to support vulnerable groups and drive inclusive change.
2. **Financial Sustainability** – enabling members to access valuable services at reduced costs while enhancing their market competitiveness.
3. **Community Building** – fostering a collaborative network of changemakers who support each other and amplify their collective impact.

The model operates through a membership-based system. SMEs pay a monthly fee to access bundled services—such as branding, accessibility consulting, and digital tools—at a fraction of their market value. The surplus from these fees is donated to a foundation that funds social initiatives chosen by the members themselves. This creates a self-sustaining cycle where business growth fuels social good, and social good enhances business success.

CaaB has already demonstrated its effectiveness. In one initiative, member fees enabled daily food handouts during the winter months, supporting homeless individuals, students, and families. While not all members saw direct customer growth, participating restaurants and hotels experienced increased community loyalty—resulting in the creation of new local jobs. This is the CaaB model in action: doing good drives real economic value.

Supported by institutions such as COMESA, AfDB, UNDP, and FAO, the model has proven its ability to activate the private sector in ways that align with global development agendas. It is scalable, adaptable, and ready to expand—from regional pilots to global implementation through the Social Label Unity Center (SLUC).

We invite businesses, policymakers, and partners to join this movement. Together, we can build a future where success is measured not only in profit, but in the positive change we create.

Background and Rationale

The Problem: Gaps in Traditional Charity and Business Models

Traditional charity models often rely heavily on donations and public funding, which can be unpredictable and unsustainable. These organizations, while mission-driven, frequently struggle with limited resources, bureaucratic inefficiencies, and a lack of long-term financial planning. On the other hand, conventional business models prioritize profit maximization, often at the expense of social responsibility and community well-being.

This dichotomy creates a systemic gap: charities lack the tools and incentives to scale sustainably, while businesses miss opportunities to contribute meaningfully to societal progress. The result is a fragmented landscape where social needs remain unmet, and economic potential is underutilized.



Why a New Model is Needed

The world is facing increasingly complex social challenges—rising inequality, exclusion, unemployment, and environmental degradation—that require innovative, cross-sector solutions. Governments and traditional institutions are often too slow or constrained to respond effectively. Meanwhile, small and medium-sized enterprises (SMEs), which form the backbone of most economies, are uniquely positioned to drive change but lack a framework that aligns social impact with business growth.

The "Charity as a Business" (CaaB) model addresses this gap by integrating the strengths of both sectors. It empowers SMEs to become agents of change—combining profitability with purpose, and competition with compassion. By embedding social responsibility into the core of business operations, CaaB creates a self-sustaining ecosystem where doing good is not a cost, but a catalyst for growth.

Inspiration and Evolution of the Idea

The CaaB model was born out of the European Social Label (EUSL) initiative, which sought to create a more inclusive and effective way for businesses to contribute to society. The idea emerged from practical experience: SMEs that participated in socially responsible initiatives not only enhanced their brand and customer loyalty but also saw tangible business benefits.

Over time, this insight evolved into a structured model. EUSL began offering a membership system where businesses received valuable services—such as accessibility consulting, branding support, and digital tools—at a bundled rate. The surplus from membership fees was funneled into a foundation that funded social efforts chosen by the members themselves. This created a virtuous cycle: businesses gained value, contributed to social good, and attracted more members through enhanced reputation and impact.

The model has already demonstrated its potential. In sectors like environmental certification, membership in value-driven organizations has become a prerequisite for doing business. CaaB builds on this momentum, offering a more holistic and scalable approach that aligns economic incentives with societal transformation.

The CaaB Model Explained

Triple Purpose Framework

At the heart of the Charity as a Business (CaaB) model lies a transformative Triple Purpose framework. This approach redefines the role of small and medium-sized enterprises (SMEs) by integrating three interconnected pillars:

- 1. Social Impact**

SMEs actively contribute to societal well-being through initiatives that promote inclusion, accessibility, and support for marginalized groups. These efforts are not peripheral—they are embedded into the business model, making social responsibility a core function of enterprise.

- 2. Financial Sustainability**

Businesses operating under the CaaB model benefit from increased revenue, cost savings, and market competitiveness. By aligning social value with economic incentives, CaaB ensures that doing good is not only ethical but also profitable.

3. **Community Building**

The model fosters a collaborative ecosystem where members support each other, share resources, and co-create solutions. This sense of shared purpose strengthens the network and amplifies the impact of each individual member.

How It Works

Membership Structure and Pricing

Members of EUSL pay a monthly fee to access a curated package of services. These services—ranging from digital tools and accessibility consulting to branding support—are sourced from trusted partners and bundled to offer significant value. For example, services worth approximately €4,000 per month are made available for an average membership fee of €2,800, creating immediate financial benefit for members.

Service Bundling and Value Creation

The bundled services are designed to enhance operational efficiency, brand visibility, and customer engagement. Members can choose which services to use, tailoring their experience to their specific needs. This flexibility ensures that each member maximizes the value of their membership.

Donation Mechanism and Foundation Role

A portion of the membership fee—specifically the surplus after service costs—is donated to the EUSL Foundation. This foundation funds social efforts selected by the members themselves, ensuring that the initiatives reflect the values and priorities of the community. These efforts range from local inclusion projects to broader societal campaigns.

Branding and Marketing Benefits

The foundation actively promotes the donors and their contributions, creating a powerful third-party endorsement. This external validation enhances the brand reputation of member businesses, driving customer loyalty and attracting new clients. In competitive markets, this social branding becomes a strategic advantage—consumers are more likely to support businesses that visibly contribute to societal good.

Stakeholder Ecosystem

The success of the CaaB model is rooted in a dynamic and interdependent ecosystem. Each stakeholder plays a vital role in sustaining the model's triple purpose and amplifying its impact.

1. SMEs and Members

Small and medium-sized enterprises (SMEs) are the core participants in the CaaB model. By becoming members of EUSL, they gain access to a suite of valuable services that enhance their business operations, visibility, and competitiveness. In return, they contribute to social efforts through their membership fees and active participation in community initiatives.

Key benefits for SMEs:

- Access to bundled services at below-market rates
- Enhanced brand reputation through social contribution
- Increased customer loyalty and market differentiation
- Participation in a values-driven business network

2. Donors and Sponsors

Donors and sponsors—ranging from large corporations to philanthropic individuals—support the foundation financially or in-kind. Their contributions fund the social initiatives carried out by the foundation and its partners. In return, they receive third-party recognition and branding benefits, positioning them as socially responsible leaders.

Key benefits for donors:

- Public recognition and brand enhancement
- Alignment with impactful, community-driven initiatives
- Opportunities for strategic partnerships with SMEs
- Tax incentives and CSR alignment

3. Beneficiaries of Social Efforts

The ultimate recipients of the CaaB model's social impact are individuals and communities facing exclusion, inequality, or other systemic challenges. These beneficiaries are supported through targeted initiatives—such as accessibility improvements, employment programs, or community development projects—funded by the foundation.

Key benefits for beneficiaries:

- Access to inclusive services and opportunities
- Empowerment through community-led initiatives
- Improved quality of life and social integration

4. Public Sector and Community Partners

While the CaaB model is primarily driven by the private sector, it complements and, in some cases, outperforms traditional public services. Local governments, NGOs, and community organizations can act as collaborators, helping scale initiatives, share data, and align efforts with broader policy goals.

Key benefits for public and community partners:

- Cost-effective delivery of social services
- Innovation through private-sector collaboration
- Strengthened community resilience and cohesion
- Reduced pressure on public budgets

Operational Model

The operational structure of the CaaB model is designed to be agile, transparent, and scalable. It ensures that all stakeholders—from SMEs to beneficiaries—are engaged in a system that is both efficient and impactful.

1. Governance and Decision-Making

The CaaB model is governed through a dual-structure system:

- **EUSL Membership Council:** Composed of elected representatives from the member SMEs, this council provides strategic direction, approves new service offerings, and oversees the allocation of surplus funds to the foundation.



- **EUSL Foundation Board:** This independent body manages the foundation's social initiatives. It ensures transparency in fund distribution and aligns projects with the values and priorities of the membership base.

Decision-making is participatory and democratic. Members have voting rights on key issues, including which social efforts to support, ensuring that the model remains community-driven and responsive.

2. Service Delivery and Partner Integration

EUSL collaborates with a network of vetted service providers to deliver high-quality offerings to its members. These services are bundled into the membership package and may include:

- Accessibility and inclusion consulting
- Legal and financial advisory
- Marketing and branding support
- Digital tools and platforms

Service providers are selected based on quality, relevance, and alignment with CaaB values. Integration is seamless, with a centralized platform allowing members to access and manage services efficiently.

3. Monitoring and Evaluation

To ensure accountability and continuous improvement, the CaaB model incorporates a robust monitoring and evaluation (M&E) framework:

- **Impact Metrics:** Social efforts are tracked using indicators such as number of beneficiaries reached, inclusion outcomes, and community engagement levels.
- **Member Feedback:** Regular surveys and feedback loops help assess service quality and member satisfaction.
- **Financial Audits:** Independent audits of both EUSL and the foundation ensure transparency in fund management and operational integrity.

This data-driven approach allows for adaptive management and evidence-based decision-making.

4. Scalability and Adaptability

The CaaB model is inherently scalable. Its modular structure allows for:

- **Geographic Expansion:** The model can be replicated in new regions, adapting to local contexts while maintaining core principles.
- **Sectoral Flexibility:** It is applicable across industries—from retail and hospitality to tech and manufacturing—making it inclusive of diverse SME needs.
- **Service Evolution:** The service bundle can evolve over time, with new offerings added based on member demand and emerging trends.

This adaptability ensures that the model remains relevant, resilient, and capable of growing alongside its members and the communities it serves.

Impact and Value Creation

The Charity as a Business (CaaB) model is not just a theory—it delivers measurable, meaningful results. By aligning business incentives with social outcomes, it creates a ripple effect of value across economic, social, and community dimensions.

Case Study: Winter Food Handouts and Local Job Creation

Between October and April, member fees from EUSL enabled a daily food handout initiative targeting homeless individuals, students, and struggling families. While the initiative did not directly increase customer volume for all participating businesses, it had a significant indirect impact:

- **Restaurants and hotels** that donated excess food experienced a notable increase in community goodwill and loyalty.
- This translated into an average of 1.5 new local job positions per establishment—ranging from waitstaff and kitchen help to cleaning roles.
- Locals consciously chose to support these businesses over competitors, recognizing their contribution to the community.

This example illustrates the CaaB value loop in action: social investment leads to community engagement, which in turn drives economic benefit for participating businesses.

Metrics for Success

To evaluate the effectiveness of the CaaB model, we track impact across three key dimensions:

1. Social Impact

- Number of individuals supported through foundation initiatives
- Types and reach of social programs (e.g., food security, accessibility, inclusion)
- Community engagement and volunteer participation

2. Economic Sustainability

- Average cost savings per member through bundled services
- Revenue growth or customer retention linked to social branding
- Job creation and local economic stimulation

3. Community Building

- Growth in membership and cross-sector collaboration
- Member satisfaction and retention rates
- Partnerships formed with local organizations and public institutions

Testimonials and Endorsements *(To be added)*

In future iterations of this document, we will include testimonials from:

- Business owners who have benefited from the model
- Beneficiaries of social programs

- Public sector or NGO partners who have collaborated with EUSL

These voices will further validate the model's effectiveness and inspire broader adoption.

Competitive Advantage

The Charity as a Business (CaaB) model offers a compelling alternative to traditional business associations by combining economic value with social purpose. Its competitive edge lies not only in what it offers, but in how it grows—organically, inclusively, and with increasing momentum.

Comparison with Traditional Business Associations

Organizations like Företagarna focus primarily on business support services—networking, legal advice, and lobbying. While these are valuable, they often lack a broader societal mission. Their members may save money or gain visibility, but the impact stops at the business's front door.

In contrast, EUSL and the CaaB model offer:

- **Tangible business benefits** through bundled services
- **Social impact** through foundation-funded initiatives
- **Community engagement** that builds brand loyalty and trust

Where Företagarna is about sales, CaaB is about **sales with purpose**—and that distinction is increasingly important to today's conscious consumers and employees.

Unique Selling Points

1. Triple Purpose Alignment

Members don't have to choose between doing good and doing well. CaaB integrates social impact, financial sustainability, and community building into a single, coherent model.

2. Built-In Social Branding

Members benefit from third-party promotion by the foundation, gaining credibility and visibility as socially responsible businesses.

3. Member-Driven Impact

Members help decide where surplus funds go, ensuring alignment with their values and increasing their sense of ownership and pride.

4. The Changemaker Effect

Members become ambassadors of the model. They share their success stories—not just about helping others, but about how their businesses have grown as a result. This peer-to-peer advocacy is more powerful than any marketing campaign.

Barriers to Entry for Competitors

The CaaB model creates a snowball effect that is difficult for competitors to replicate:

- First movers gain early access to conscious consumers who prefer to support businesses that give back.
- As these businesses grow, their success becomes visible, prompting rivals to reconsider their position.

- But by then, the early adopters have already built strong community ties, brand loyalty, and operational advantages.
- New entrants face a credibility gap—they can't simply copy the model; they must earn trust and demonstrate impact.

This creates a virtuous cycle: the more members join, the more valuable the network becomes, and the harder it is for others to compete without aligning with the same values.

Financial Model

The financial structure of the Charity as a Business (CaaB) model is designed to be simple, transparent, and sustainable. It ensures that the organization can operate independently of volatile public funding or unpredictable donations, while still delivering high-impact social outcomes.

Revenue Streams

The primary source of revenue is the monthly membership fees paid by participating SMEs. These fees are structured to provide:

- Access to bundled services at a significantly reduced cost compared to market rates
- Contribution to the EUSL Foundation, which funds social initiatives
- Participation in a values-driven business network that enhances brand reputation and customer loyalty

Additional, though secondary, revenue streams may include:

- Sponsorships from larger corporations or philanthropic partners
- In-kind contributions (e.g., services, food, or materials) that reduce operational costs
- Grants or project-based funding for specific initiatives, where aligned with the model's values

Cost Structure

The cost structure is lean and focused on maximizing value for members and beneficiaries:

- **Service procurement and delivery:** Payments to partner providers for bundled services
- **Foundation operations:** Administration and execution of social initiatives
- **Platform and infrastructure:** Digital tools, member support, and communication systems
- **Governance and compliance:** Ensuring transparency, legal integrity, and member participation

By leveraging economies of scale and negotiating favorable terms with service providers, EUSL ensures that the majority of each membership fee is either returned in value to the member or reinvested into social impact.

Sustainability and Reinvestment Strategy

The CaaB model is built for long-term sustainability:

- **Self-funding:** The model does not rely on external donations to operate. As membership grows, so does the financial base.



- **Reinvestment:** Surplus funds are reinvested into expanding services, improving infrastructure, and scaling social efforts.
- **Scalability:** The financial model is designed to scale efficiently—more members mean more resources, more impact, and more value for everyone involved.

This approach ensures that the organization remains agile, resilient, and capable of growing without compromising its mission.

Strategic Roadmap

The Charity as a Business (CaaB) model is not only a proven concept—it is a scalable, adaptable framework with the potential to transform how societies approach inclusion, sustainability, and economic development. Our roadmap outlines both immediate priorities and long-term ambitions, grounded in real-world success and growing institutional support.

Short-Term Goals (1–2 Years)

- **Strengthen the EUSL Membership Base**
Expand outreach to SMEs across sectors, emphasizing the immediate business value and social impact of joining the network.
- **Enhance Service Offerings**
Continuously refine and expand the bundled services to meet evolving member needs, ensuring high perceived value and retention.
- **Document and Share Impact**
Develop more case studies and testimonials to showcase the model's effectiveness and inspire broader participation.
- **Deepen Local Partnerships**
Collaborate with municipalities, NGOs, and local businesses to co-create initiatives that address specific community challenges.

Long-Term Goals (3–10 Years)

- **Institutionalize the Model**
Position CaaB as a recognized alternative to traditional public service delivery in areas like inclusion, employment, and social welfare.
- **Policy Influence and Advocacy**
Engage with policymakers to integrate CaaB principles into regional and national development strategies.
- **Global Expansion**
Scale the model beyond Europe, building on successful pilots in COMESA countries and expanding into Asia and the Americas through the Social Label Unity Center (SLUC).

Expansion Plans: From COMESA to Global

The success of CaaB within the COMESA region and through initiatives like SDEP has demonstrated its ability to activate the private sector for inclusive development. Institutions such as the African Development Bank (AfDB), UNDP, and FAO have recognized its potential because it delivers what many frameworks only promise: multifaceted, cross-sectoral impact.

While SDEP has been the visible platform, it is the CaaB model that powers its ability to satisfy diverse agendas—from youth employment and gender equality to food security and climate resilience. This versatility makes CaaB a natural fit for alignment with global frameworks like the UN SDGs, Agenda 2063, and national development plans.

Partnerships and Alliances

Strategic partnerships are central to the roadmap:

- **Development Institutions:** Continued collaboration with AfDB, UNDP, FAO, and others to co-finance and scale initiatives.
- **Private Sector Champions:** Engage large corporations as sponsors and service providers, leveraging their reach and resources.
- **Academic and Research Institutions:** Partner on impact measurement, innovation, and policy development.
- **Local Governments and Civil Society:** Co-create localized solutions and ensure community ownership.

Conclusion

The Charity as a Business (CaaB) model represents a bold reimagining of how business, society, and purpose can intersect. It challenges the outdated notion that profit and social good must exist in separate spheres. Instead, it proves—through real-world results—that businesses can thrive while actively contributing to a more inclusive, resilient, and compassionate society.

By embedding social impact into the core of business operations, CaaB empowers small and medium-sized enterprises to become changemakers—not only for the people they help, but for the business community itself. It creates a self-sustaining ecosystem where doing good is not a cost, but a competitive advantage.

The model has already gained traction across regions and sectors, with support from institutions like COMESA, AfDB, UNDP, and FAO. These partners recognize what CaaB delivers: a multifaceted, scalable solution that activates the private sector to meet public goals.

Call to Action

We invite you to be part of this movement.

- **If you are a business owner**, join EUSL and become part of a network that values both your growth and your impact.
- **If you are a policymaker or development partner**, collaborate with us to scale a model that complements public services and delivers measurable results.
- **If you are an investor or sponsor**, support a model that is not only sustainable but transformative—economically, socially, and culturally.

Together, we can build a future where business is not just a driver of profit, but a force for good.