Understanding Work Integration Social Enterprises (WISEs):
A Case Study of CookEasy in Hong Kong

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Abstract

In recent years, social enterprises have played an increasingly important role in Hong Kong, with the number of social enterprises increasing by 137%, from 222 to 527 between 2005 and 2015. Social enterprises need to be financially viable and self-sustainable as a business. Unlike for-profit organizations, social enterprises also emphasize providing job opportunities for disadvantaged groups and people with disabilities, providing products and services that fulfill social requirements, and addressing social and environmental issues. As a form of social enterprises, WISEs (Work Integration Social Enterprises) aim to help those disadvantaged people having serious difficulties in the labor market by offering genuine employment and providing skill training to improve their employment prospects. The focus of this paper, CookEasy, sets a good example of how a WISE can become profitable and sustainable while delivering social values. The first-hand data was obtained from interviews carried out in January 2016 with the Tung Wah Group of Hospitals (TWGHs) and The Hong Kong and China Gas Company Ltd (Towngas). This case depicts how a non-government organization (TWGHs) and a commercial organization (Towngas) collaboratively established a social enterprise (CookEasy), showing the importance of business planning and marketing strategies to the growth of social enterprises. This case also demonstrated that the value of WISE can move beyond creating job opportunities and work integration for people with disabilities and can have a wider impact on the society by raising the public awareness of innovation and social entrepreneurship.

Key Words: Social Enterprise, Governance of Social Enterprise, Ethics, Corporate Social Responsibility (CSR), Business Development, Competitive Advantages, Social Value, Business Expansion, Case Study

JEL Classification: L31, M14, M31
1. Introduction

In Hong Kong, social enterprises have gained increasing recognition as a useful way to solve unemployment issues. The emergence of social enterprises dates back to the early 2000s when Hong Kong saw an increasing level of unemployment as a result of a difficult economic situation. In 2001, “Enhancing Employment of People with Disabilities through Small Enterprise” Project, the 3E Project, was launched by the Government to address the employment difficulties of people with disabilities. This project became a milestone in the growth of the work integration social enterprises (WISEs) in Hong Kong, while WISE was a social enterprise model common in East Asia (Defourny and Kim, 2011). At the start of the 3E Project, the Government provided grants to non-governmental organizations (NGOs), including TWGHs, supporting them to employ people with disabilities to open small businesses in cleaning, beauty services and convenience stores in hospitals. Over the years, the 3E Project have supported WISEs in bakery and catering, retailing, professional services, and cleaning. The beneficiaries also expand to include those who have abilities but who are unable to find a job, such as newly arrived immigrant women, early school leavers, the elderly, and ethnic minorities. These WISEs have provided a carefully planned and sympathetic working environment and created the opportunities for socially disadvantaged groups to have genuine employment. WISEs not only helped them improve their employability by upgrading their work abilities and building up their self-confidence, but also enabled them to integrate into society.

WISEs, like other social enterprises, faced many challenges in Hong Kong (Ho and Chan, 2010). As revenue-generating businesses, social enterprises need to be self-sustaining and adopt commercial strategies which can provide good job opportunities and income for those people with disabilities (Katz, 2014). However, compared with private businesses, the difficult questions for social enterprises are how to follow a strategic business approach and how to systematically evaluate the costs and benefits of its investment (Maltz et al., 2011). Appropriate marketing strategies can also make social enterprises more sustainable and improve their delivery of social values (Powell and Osborne, 2015), increasing its chance to receive funding from donors (Smith et al., 2012).

The internal management of social enterprises is also challenging. Social enterprises need to not only address external social issues but also care for their employees, such as career development and quality of life needs (Cornelius et al., 2008). CSR practices should also be consistent with a company’s core business operation to achieve internal and external fit (Yuan et al., 2011).

For a social enterprise to achieve both social and business values, collaboration using complementary resources between a private company and a social company is promising
(Pearce II and Doh, 2005; Moizer and Tracey, 2010). Existing studies have compared the different incentives of private companies and not-for-profit organizations based on modelling (Koljatic and Silva, 2010), but in-depth case studies are scarce. This paper presents an in-depth case study of a WISE developed as a joined effort by a commercial company and a not-for-profit organization. The case has covered the different aspects of managing and developing WISEs, which will enhance our understanding of WISEs.

2. Case Background

We ran the social enterprise CookEasy not just for profit but more importantly for providing employment opportunities for people with disabilities. Thus we hired many such people, provided training to them, and encouraged them to find jobs outside after they acquired skills in CookEasy and gained more confidence. Thus, the scale of social value that CookEasy created was much bigger than our size.

– Ms Fanny Ong, Superintendent Jockey Club Rehabilitation Complex, Tung Wah Group of Hospitals

All social initiatives of Towngas were highly related to our core business. This was a key factor for the success and sustainability of these initiatives. Towngas was an expert in flame cooking, and by establishing and supporting CookEasy, we could leverage our advantage together with the expertise of our employees.

– Ms Catherine Wong, Senior Retail Marketing and Sales Manager The Hong Kong and China Gas Company Limited

In a small kitchen of 500 square feet located at Southern Hong Kong Island, six workers were busy preparing fresh food packs for same-day home delivery [See Exhibit 1 for the small kitchen of CookEasy within Jockey Club Rehabilitation Complex]. Founded in 2008, CookEasy provided convenient food packs for Hong Kong middle-class families, allowing them to prepare home-made meals, mitigating their busy life, and making fresh and healthy food available for those families. However, the value that CookEasy created was far beyond this. As a local social enterprise, CookEasy guaranteed that at least 70% of its job opportunities were designated to disadvantaged groups and people with disabilities, thus applying both commercial and social values.

Unlike other social enterprises that were solely established and operated by non-government organizations (NGOs), CookEasy was collaboratively established by an NGO,

1 Ong, F., Interviewed by Centennial College (19th January 2016).
2 Wong, C., Interviewed by Centennial College (19th January 2016).
the Tung Wah Group of Hospitals (TWGHs), and a commercial organization, the Hong Kong and China Gas Co. Ltd. (Towngas). Towngas continuously provided operational supports and business opportunities after the establishment of CookEasy, accelerating societal development in Hong Kong and undertaking its corporate social responsibility (CSR).

In July 2016, CookEasy launched its new food factory with the size of 5,000 square feet located at Kwai Chung in the New Territories of Hong Kong, making business expansion of this social enterprise possible while introducing a happy challenge for CookEasy to manage its expanding businesses and more complex operations that would be triple in scale than those in early 2016.

Why did TWGHs and Towngas collaborate in establishing CookEasy? How did Towngas actively support CookEasy’s development and operations before and after the establishment of CookEasy? What were the market position and competitive advantages of CookEasy? And what were the ways ahead for this social enterprise?

3. The Idea that Ignited CookEasy

The initial idea of CookEasy derived from Towngas, which was a leading energy supplier in Hong Kong. The core business of Towngas consisted of the production and distribution of gas and sales of gas appliances, aiming to provide a “quality living” environment in Hong Kong. As early as 1997, Towngas officially established the Towngas Cooking Centre, a culinary education centre that allowed customers to learn and experience gourmet flame cookery.

Towngas considered the involvement in communities a necessary step to remain a socially responsible and successful company. Thus it actively organized and participated in a variety of charitable and public welfare activities.

Every year, Towngas proposed various social initiatives, allowing their employees, no matter their skills, positions, or ages, to participate in these social programs. In 2008, Towngas was seeking a social platform that could on the one hand provide volunteer opportunities for their employees and on the other hand allow their employees to perform their skills in communities. They found that in Hong Kong most housewives and office ladies always worked till late, making it difficult for them to get to the markets for fresh ingredients before the market closed. They decided to establish a social enterprise that would provide high-quality, fresh, and healthy food packs for these middle-class working families. Unlike low-price food packs sold in supermarkets that had been made for a few days before consumption, these packs were fresh allowing these families to conveniently prepare home-made meals that were full of nutrition. In the words of Catherine Wong, Senior Retail
Marketing and Sales Manager of Towngas, “(t)his idea was highly related to our core business and the expertise of our employees.”

When Towngas contacted the Social Welfare Department of Hong Kong for recommendations, the Social Welfare Department of Hong Kong referred TWGHs, the largest charitable organisation in Hong Kong. In fact, as early as 2002, TWGHs began to run a similar social enterprise that processed vegetables and fruit and then delivered them to local residents; it also ran a restaurant under a social program in 2005. The Social Welfare Department of Hong Kong approved a funding of HK$2 million from the “Enhancing Employment of People with Disabilities through Small Enterprise” project, uniting an NGO and a commercial organization in establishing and operating CookEasy.

The two million in funding was enough for us to establish a new social enterprise, CookEasy. The funding was mainly used in two places. First the capital investment of HK$1.3 million was used to renovate a food factory, purchase vans, refrigerators, and other equipment. As Fanny Ong, Superintendent, Jockey Club Rehabilitation Complex of TWGHs recalled, they were cautious at the beginning and used a small but ready-made space in the Jockey Club Rehabilitation Complex of TWGHs for the food factory, instead of renting a space in an industrial building. This space was not very big, saving them a lot of money for renovation and initial investment. The second part of HK$0.7 million was reserved for supporting the first three years’ operation of CookEasy, before their newly established social enterprise could fully build its capacity and customer base and became self-sustainable.

Immediately after receiving the funding from Social Welfare Department of Hong Kong, TWGHs and Towngas held meetings and discussed how to set up the new social enterprise efficiently and effectively. TWGHs and Towngas played different roles in establishing CookEasy, but both leveraged their capabilities and specialties.

During the setting-up process, the main task of Towngas was to design recipes for CookEasy. Towngas found experienced staff such as cooking tutors and nutritionists, who could provide professional advice. In addition, Towngas helped CookEasy to seek its initial customers and develop a market. As an associated company of Henderson Land Development Company that managed more than 200 estates in Hong Kong, Towngas collaborated with colleagues of its parent company and tried to promote CookEasy to residents of these estates and to business clients, some of which had business connections with Towngas or its parent company. Marketing and promotion were also the main tasks that Towngas accomplished in this project. Towngas helped CookEasy develop a website, distribute flyers in Towngas customer centres around Hong Kong, and even printed advertisement on the gas bills.
The main task of TWGHs was to manage the operation of CookEasy. Since TWGHs had successfully run two social enterprises related to food services, and had extensive experience in this area. TWGHs thus took responsibility for recruiting and training new employees (mainly people with disabilities), designing work flows, and procuring ingredients. They understood the whole logistical process such as finding suppliers and how to effectively control costs.

We were not so good at trademark registration, branding construction, marketing, recipe design and package design, etc. I need to thank Towngas who helped us to do so. In particular, the recipes were designed by Towngas Cooking Centre were guaranteed to be excellent in appearance, taste, and nutrition as well as being convenient to cook. Towngas also helped CookEasy secured initial clients from estates managed by Henderson Land Development Company. I remember that Towngas even organized a volunteer service team to formulate market strategy and market position for CookEasy, and to help us solve problems.

– Ms Fanny Ong, Superintendent
Jockey Club Rehabilitation Complex, Tung Wah Group of Hospitals

4. CookEasy: Mission and Position

As a social enterprise, CookEasy had a particular mission that distinguished it from other for-profit companies. Its mission included:

- Creating job opportunities for disadvantaged groups and people with disabilities. CookEasy aimed to guarantee that 70% of its employment opportunities were designated to people with disabilities.

- Promoting a healthy diet culture by providing fresh, healthy yet convenient food packs. Recipes that emphasised a healthy diet were designed by Towngas Cooking Centre, and fresh food packs were prepared based on these recipes and delivered to homes on the same day of production [see Exhibit 2 for fresh food packs of CookEasy].

Obviously, there was a potential market in Hong Kong, Ong commented. Compared with the employment rates of women in the USA and Canada, those in Hong Kong was much higher. Both husband and wife were busy at work. CookEasy aimed to fulfil the requirements of these people, who were middle-class families and had high requirements for the quality of food and on health. They had no time to visit wet markets but were willing to pay a higher price for fresh food packs to make sure their family, particularly their children, had healthy home-cooked meals. Therefore, although CookEasy did not charge a premium price for its food packs, the prices of CookEasy food packs were much higher than those in supermarkets. Clearly, the higher price allowed CookEasy to operate with enough profits and...
financial reserves for future expansion. Ong gave an example to illustrate how CookEasy distinguished itself from others:

You may easily find a pack of “soy sauce steamed pork ribs” priced at HK$10-HK$20 in the supermarket, but the price of our “soy sauce steamed pork ribs” pack was more than HK$40. If these two packs were the same, why would people purchase ours? Customers choose our packs because our packs were different. We made our food packs in the afternoon after we received orders from customers and delivered food packs to our customers on the same day. In addition, we used fresh premium pork, and our packages were safe and environmentally friendly. We also hired people with disabilities to prepare and deliver our food packs. Thus, when customers selected our products, they not only purchased fresh and healthy food packs but also indirectly helped disadvantaged groups, showing their commitment to the society.

– Ms Fanny Ong, Superintendent
Jockey Club Rehabilitation Complex, Tung Wah Group of Hospitals

To attract customers, CookEasy emphasized its products were “fresh”, “healthy”, and “convenient” and described their business as “a door-to-door fresh food market”. It differentiated its food packs from those of other suppliers in four aspects: they were easy to cook, there was plenty of choice, they were healthy, and they were environmentally friendly.

5. Operation under the Wings of TWGHs and Towngas

CookEasy had run around eight years, and now its daily operation was on the right track. Customers could order food packs by fax or through internet, and then make payment by cash upon delivery or by credit card online. They could then receive food packs on the same day if they placed orders before 10:00 a.m.

CookEasy’s food factory operated six days per week (Monday to Saturday), and 12 hours per day from 7:00 a.m. to 7:00 p.m. Employees worked shifts, making good use of their small kitchen. Once they received an order, they immediately started to prepare the food pack. All food packs would be ready around 2:30 p.m. and they then began to deliver them at 3:00 p.m. They had one van and would rent another one if there were too many orders on the same day.

TWGHs took responsibility for the daily operation of CookEasy. It hired an experienced manager to manage the whole operational process. In addition, it hired tutors to train the employees with disabilities who had little food process experience before joining CookEasy.

CookEasy had 23 employees including drivers, clerks, and food factory workers, 18 of whom were people with disabilities. The government required that a social enterprise under the “Enhancing Employment of People with Disabilities through Small Enterprise” project must hire at least 50% employees with disabilities, but the proportion in CookEasy reached
70%. These employees were highly involved in the whole workflow. For example, they processed online ordering, printed labels, washed vegetables, cut and salted meat, packed food, and even delivered packs to customers.

Towngas continuously provided operational support and business opportunities after the launch of CookEasy.

We considered CookEasy a child of Towngas and had the responsibility to take care of it. We continuously provided IT, marketing, and branding support to CookEasy, and we carried out a regular review of the recipes and invited tutors from Towngas Cooking Centre to evaluate the nutrition of food packs and to optimize cooking steps. We used Towngas’s business network to liaise celebrity chefs in Hong Kong such as Jacky Yu to promote the food packs of CookEasy. We also encouraged our employees to find any opportunities to support social enterprises in collaboration with Towngas. Sometimes, we even helped CookEasy in product innovation.

– Ms Catherine Wong, Senior Retail Marketing and Sales Manager
The Hong Kong and China Gas Company Limited

Take “pig trotters with vinegar” as an example. Towngas engaged a tutor who was good at making “pig trotters with vinegar”. When this tutor taught at Towngas Cooking Centre, a student asked him whether she could purchase “pig trotters with vinegar” from Towngas. Seeing an opportunity envisioned by this question, Towngas quickly had an idea. Towngas on the one hand invited that tutor to CookEasy to teach the food factory workers how to make “pig trotters with vinegar”, and on the other hand introduced CookEasy to Towngas Cooking Centre students and recommended them to order “pig trotters with vinegar” and other food packs from CookEasy. A few weeks later, CookEasy launched this new product and secured a business opportunity.

I would call the support from Towngas as “volunteers with expertise”. We did not need volunteers to help our workers to pack food as this was easy work and our workers could handle it. However for tasks that required knowledge, we might need some extra help. For example, when we revamped our website, volunteers from Towngas provided many valuable suggestions and referred suppliers to us.

– Ms Fanny Ong, Superintendent
Jockey Club Rehabilitation Complex, Tung Wah Group of Hospitals

Another example was that Towngas helped promote CookEasy through Towngas’s business network and allowed CookEasy’s customers to pick up food packs at Towngas customer service centres, which were located around Hong Kong. CookEasy could deliver food packs to Towngas customer service centres in a single batch at one time, and staff of
Towngas would hand over food packs to customers. This reduced CookEasy’s operational costs and logistic complexity.

Towngas also provided a lot of support while CookEasy was building its new food factory. The building had no gas pipe, putting a limit to the operation of its new factory. To solve this problem, Towngas laid a special gas pipe to the building, making its new business of cooked food packs viable.

Although CookEasy received enough funding from the Social Welfare Department and continuous support from Towngas, like other social enterprises, the development path of CookEasy was not totally smooth sailing.

In 2008 and in the first half year of 2009, the development of CookEasy was extremely slow as it was very difficult to find a manager and tutors and as the turnover rate of them was high. In 2008, its monthly revenue was only HK$30 to HK$40 thousand. Fortunately, its monthly revenue increased to HK$100 thousand in 2011, which also helped stabilize its manager and tutor team. In March 2016, the monthly revenue of CookEasy reached HK$0.5 million.

I remember clearly there was the accidental leakage of customer data in 2009. Part of our customer information became public on our online-ordering website. We quickly contacted our technical support vendor to solve this problem and contacted Yahoo and Google to delete cache. We then examined our web system and contacted customers affected by this accident. But it was lucky that we had no other serious accident apart from this during the development of CookEasy.

– Ms Fanny Ong, Superintendent
Jockey Club Rehabilitation Complex, Tung Wah Group of Hospitals

6. Developing Businesses and Creating Competitive Advantages

The main products of CookEasy were food packs, which had been its core business since its establishment. In recent years, to enhance the efficiency of food factory and diversify its products, CookEasy gradually introduced new elements such as fresh juice and cooked food. Besides providing small food packs to families, CookEasy also prepared and delivered processed vegetables and meat in large packages to local residences, organizations, and kindergartens.

The large amount of business from organizations and residences was a surprise to us. Our initial business model was designed to serve families only and did not include this element. This was an opportunity for future expansion and diversification of CookEasy’s business.

– Ms Catherine Wong, Senior Retail Marketing and Sales Manager
The Hong Kong and China Gas Company Limited
CookEasy already became a self-sustaining business with potential to expand. Since their business began to make profit in 2009, their business had been growing steadily at an annual rate of 20%, with their net profit accounting for more than 10% of revenue. This allowed CookEasy to have extra money to expand its business, to invest new food factory, and to purchase vans and equipment. CookEasy also distributed bonus to employees, which was equal to 1 to 1.5 months’ basic salary.

In July 2016, CookEasy’s new food factory of 5,000 square feet began operations. They applied for an extra HK$2 million funding from the Social Welfare Department for this expansion project.

Obviously, the investment in the new food factory required more than HK$2 million, and we were proud that we could use our own profits and reserves accumulated from past years to complement the deficiency in funding from the government. The new food factory ushered in not only a new era for our business, but also a challenge as we must make sure that we could get enough extra business in proportion to the increase in scale of our food factory, a key consideration for the sustainability of our business.

– Ms Catherine Wong, Senior Retail Marketing and Sales Manager
The Hong Kong and China Gas Company Limited

Since its establishment, CookEasy considered its competitive advantages of being not only a social enterprise but also its unique product and service offerings. Ong emphasized:

Before CookEasy was launched, they carried out market research in 2008 and found that few suppliers made fresh food packs. At that time, the only food packs were only offered by supermarkets, but they were not fresh, both packs and ingredients. So, CookEasy filled in this gap and survived. Interestingly, in 2009 another NGO planned a similar social enterprise. This NGO visited CookEasy, learned from CookEasy, and soon established a social enterprise whose products were similar to those of CookEasy but who provided low-price food packs and next-day delivery service. However, convenience and logistics were critical in this industry, and customers might not be able to decide what food they would prefer in coming days. As a result, this new social enterprise did not survive and terminated its business within one year. Even though some businesses offered high-end Western food packs such as steak or high-price Chinese food packs to customers on Hong Kong Island, they were not CookEasy’s competitors because of different market segments.

For CookEasy, we have a clear market segment, that of middle-class families and we emphasized that our products were “fresh”, “healthy” and “convenient”; these were our competitive advantages.

– Ms Fanny Ong, Superintendent
Jockey Club Rehabilitation Complex, Tung Wah Group of Hospitals
7. Social Value

Although CookEasy had less than 30 employees, the scale of the social value it created was much bigger than the number of its employees.

In past few years, CookEasy hired and trained more than 60 employees. Most employees learned skills and accumulated experience while working at CookEasy. Once they had developed their skills sufficiently and gained more confidence, many found jobs in for-profit companies. Then CookEasy hired new people with disabilities and trained them again, starting a new loop.

Although training staff incurred costs, our final goal was to help people with disabilities to become independent and rely on their own efforts. Thus, we encouraged our employees to find jobs outside, and we considered this an achievement of our work. In addition, we provided four internship positions to students in special schools, and we have trained nearly 200 students. Moreover, more than 300 groups from local or overseas visited CookEasy, on the one hand allowing visitors to understand what a social enterprise was, and on the other providing an opportunity for our employees with disabilities to show their skills.

– Ms Fanny Ong, Superintendent Jockey Club Rehabilitation Complex, Tung Wah Group of Hospitals

Working at CookEasy, employees with disabilities not only received a payroll, but also got high job satisfaction, which had stronger impact than that of money.

I have worked at CookEasy for almost three years. I like my job, and I have learned much from the tutors and colleagues at CookEasy. I was worried at the beginning as I didn’t know much about food processing, but now I am competent in almost everything such as cutting vegetables, packing, and delivery. I also share my work experience at CookEasy with my family, and my family members are so happy to see my progress and support me.

- Ms Man Yu Tin, CookEasy employee with mild mentally handicapped

8. Ways Ahead

Since the establishment, CookEasy guaranteed that 70% of its employees were from disadvantaged groups or were people with disabilities. Ong said that CookEasy hoped to keep this proportion as far as possible in future. Ong introduced CookEasy’s ambitious future development plan:

We are planning to open a new food factory to support our expansion. And we will definitely hire more staff. In terms of product diversity, we will produce more types of cooked food packs in the new food factory, which is designed as a central kitchen. In fact, we planned to introduce cooked food packs years ago, but due to the limitation of our current small kitchen, this plan has not been implemented. With the new factory, we can increase
both the categories and quantity of our products. No matter how our business would change in the future, the core DNA of CookEasy would not change, that was providing job and training opportunities for people with disabilities. In addition, we would open cooking classes in our new factory for people with disabilities. We will also arrange more site visits at our new factory, allowing the public to recognize the capability and spirit of people with disabilities. The new food factory is located at Kwai Chung, at the centre of the New Territories in Hong Kong, a location that is convenient for us to deliver food packs to our customers in Kowloon and the New Territories, further reducing our logistic costs.

– Ms Fanny Ong, Superintendent
Jockey Club Rehabilitation Complex, Tung Wah Group of Hospitals

In the past eight years, CookEasy directly delivered food packs to its customers. Local supermarkets such as ParknShop and Wellcome might be the best choice for CookEasy to expand its distribution channels. But costs such as the slotting fee and commission were too high for CookEasy to get any profit. Instead, CookEasy would expand its pick-up points. For example, CookEasy might cooperate with management offices of estates, as was the case with Henderson Land Development Company, and deliver a batch of food packs to the management offices of these estates. Customers could then pick up the packs at any time, reducing logistics costs so it would been even more convenient for customers.

We have contacted different estate management companies such as Sun Hung Kai Properties, China Overseas Land, and Shun Tak Property. The feedback are positive as this is a win-win cooperation model, which will offer a new choice to residents in these estates while supporting a social enterprise. We also expand this model to service apartment such as Century Link located at Lantau Island. After receiving food packs from CookEasy, the management office of Century Link will then put these packs in refrigerators in residents’ kitchens. The management office of Century Link uses our service as a selling point of its proprieties. The effects will not be limited to Century Link, as other estate management companies may follow this model once they find this creates benefits to their residents. As a result, we would get more businesses.

– Ms Fanny Ong, Superintendent
Jockey Club Rehabilitation Complex, Tung Wah Group of Hospitals

Similarly, Towngas was confident on the future of CookEasy and willing to continue to support the business.

We were happy to see the achievement of CookEasy and will be glad to help CookEasy expand its businesses in the future. We would help CookEasy to find more business clients through our company’s network and to explore more potential customers. After the opening of CookEasy’s new food factory, we will also strengthen marketing and promotion activities.
in Kowloon and the New Territories, where population density was high and so was market potential.

— Ms Catherine Wong, Senior Retail Marketing and Sales Manager
The Hong Kong and China Gas Company Limited

9. Conclusion

CookEasy was a case of how a WISE had moved beyond job creation and work integration to address other social issues. For example, CookEasy provided fresh and healthy foods to busy families which helped improve public health and offered social support to busy families to cope with stress. Furthermore, by setting an example to other people, it helped to raise public awareness of the innovation and entrepreneurial values of social enterprises (Yuen, 2011) which is much needed in Hong Kong (Au, 2014). The success of CookEasy was also a showcase of the importance of strategic planning and marketing strategies to the sustainability of social enterprises. The idea of developing CookEasy originated from market research suggesting that there was a niche market to provide healthy, fresh, and convenient packed foods at an affordable price to busy families, which became the company’s competitive advantage. CookEasy’s market knowledge distinguished itself from other social enterprises who were engaged in a similar business but ultimately failed, which provided an explanation for why social enterprises doing similar businesses may have different financial results (Wirl et al., 2013).

Acknowledgement

This case was fully supported by a grant from the Research Grants Council of the Hong Kong Special Administrative Region, China (UGC/IDS12/14).

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Learning Objective

This case allows students to understand how a non-government organization (Tung Wah Group of Hospitals) and a commercial organization (Towngas) collaboratively established a social enterprise (CookEasy). Students will also learn how Towngas continuously provides operational support for and facilitates the development of that social enterprise, accelerating societal development in Hong Kong while undertaking its corporate social responsibility. Students are required to discuss CookEasy’s business model and social values, evaluate CookEasy’s performances, analyze challenges faced by CookEasy, and give suggestions for its future development.

Questions for Class Discussion

After eight years’ development, CookEasy had become a market leader in the fresh food pack market. Without the continuous support from Towngas, CookEasy would not be able to reach such an achievement. The new food factory on the one hand would support CookEasy’s expansion but on the other hand would bring more challenges to this social enterprise. Will the expansion and diversity of products bring risks to the small social enterprise? How could CookEasy maintain its competitive advantages and sustainability? And how could this social enterprise generate more commercial value while enhancing its social impact?

1. Explain the business model of CookEasy by using a business model framework.
2. What are the factors that contributed to the success and sustainability of CookEasy?
3. What are the competitive advantages of CookEasy? How can CookEasy maintain its competitive advantages?
4. Suppose that you are Fanny Ong from TWGHs (or Catherine Wong from Towngas), and you will attend a meeting with senior management from the Social Welfare Department.
of Hong Kong. Please prepare a presentation on the achievement of CookEasy over the past eight years and develop a business proposal for CookEasy’s future development.

**Exhibit 1: The Small Kitchen of Cookeasy within the Jockey Club Rehabilitation Complex**

![Exhibit 1: The Small Kitchen of Cookeasy within the Jockey Club Rehabilitation Complex](image1)

*Source: Authors (site visit on 19 January 2016)*

**Exhibit 2: Fresh Food Packs of Cookeasy**

![Exhibit 2: Fresh Food Packs of Cookeasy](image2)

*Source: Authors (site visit on 19 January 2016)*