

Business case ID Card

Name of the company: Järvsö Resurs

Country: Sweden

Size of the business: 18 employees, including 3 Board members

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Background

Back in 2004, several farmers from the village of Järvsö in Northern Sweden decided to join forces to support the local market. They benefitted from public funding through the LEADER rural development programme to implement a first project, which led to the creation of Järvsörådet, the local development group of the village.

When the first social enterprises like Järvsörådet started growing in Sweden, they were all very dependent on government subsidised salaries to employ people with disabilities or mental illnesses, migrants, or long-term unemployed. But when public funding ran out ten years later, Järvsörådet almost went bankrupt, so they had to find a new way of operating. To make their business model more sustainable, they decided that instead of just ‘occupying’ people, like a lot of social enterprises do, they were going to offer paid services to improve the everyday life of village inhabitants. The local government decided to support the project during its first six months, and then, after a year of preparatory work, Järvsö Resurs finally came to life in 2017. It has kept growing ever since.

Main activities

Järvsö Resurs is a social enterprise in central Sweden that provides customised jobs and training to the long-term unemployed, people with mental illnesses or limited skills, and to migrants who haven’t yet mastered the language. Currently, the company employs 18 people, who would not otherwise have a job.

The services offered by this social enterprise and its workers are cleaning, caretaking, carpentry, gardening, snow removal and similar. Often the local community offers machines and equipment that workers repair and reuse for their services. Järvsö Resurs also runs a shop, a café, and a hotel. A long-term project is to expand into agriculture and food production.

The business is managed by the workers, acting like a cooperative. All profits are reinvested in the company, either by expanding the equipment or employing more people. Everyone works to the best of their ability and the tasks are adapted to the competencies of the employees, who receive a fair salary.



Market

Järvsö Resurs' emphasis is 100% on people and their local community. Most of their customers are private households from the village or local tourism enterprises. Their objective? To fill the gaps between the services offered by other local businesses. There are of course professional companies equipped with powerful equipment to take care of snow removing, but when it comes to shoveling porches, they are not interested: this is a good example of where Järvsö Resurs comes in. Throughout the years, this led them to gradually diversify their activities. Each time they hire a new worker, they try to offer the person a job that suits best their abilities. For a local business acting for local people, word of mouth is the ideal way to gain new clients. Järvsö Resurs is thus in close contact with regional clusters, networks and tourism offices.

Challenges and solutions

Many of the jobs offered to Järvsö Resurs come from the local tourism business, so the company is very dependent on that. But as mentioned, activities have expanded during the last years, and Järvsö Resurs is now looking to the agriculture sector to consolidate its activities. To achieve that objective however, they first need to find motivated supervisors with knowledge of the farming sector, and this has been a challenge.

Keeping up with government policy and changes in the subsidies systems for workers with special needs has also been a challenge throughout the years. But the company adapted and learnt step by step, and the success of their business activities allowed them to become less reliant on public subsidies.

Funding

Currently, 60% of the company's income comes from the paid services they offer, and 40% from public subsidies. Initial investment to start the company amounted to 20 000 euro, with machines and buildings being donated by the founders.

In addition, the company is now receiving public funding through the LEADER rural development programme to kick-start its activities in the agriculture sector.

What makes this case innovative?

Unlike some other social enterprises, Järvsö Resurs is 100% business minded. They offer adapted jobs to people who would otherwise be unemployed. And all this to the benefit of the local community that enjoys these services!

Key takeaways / Lessons learnt

By offering better pay than the job subsidy alone, good job conditions, and freedom for workers to develop their own ideas and do what they like, Järvsö Resurs grew into a very successful business. Bridging the gap between the services provided by other businesses, allows the company to cover actual needs of the local community. And since their employees come from the village itself, the salaries are fully reinjected into the local economy, further boosting growth and job creation in the region.

