

# Social enterprise lights the way

*A new type of business doing good in Portland*

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The building is striking. Several stories tall and stretching roughly two city blocks, the metal-framed factory's roof is covered with 4,830 navy blue solar panels. This 850-kilowatt array is the largest of its kind in the Pacific Northwest. But that's not what makes this place unique.

The nonprofit Portland Habilitation Center Northwest (PHC Northwest) runs the facility on NE Airport Way through a job program with a special purpose.

"The goal is to provide a career path for those with disabilities," says Massoud Mollaghaffari, General Manager for PHC Northwest's industrial division.

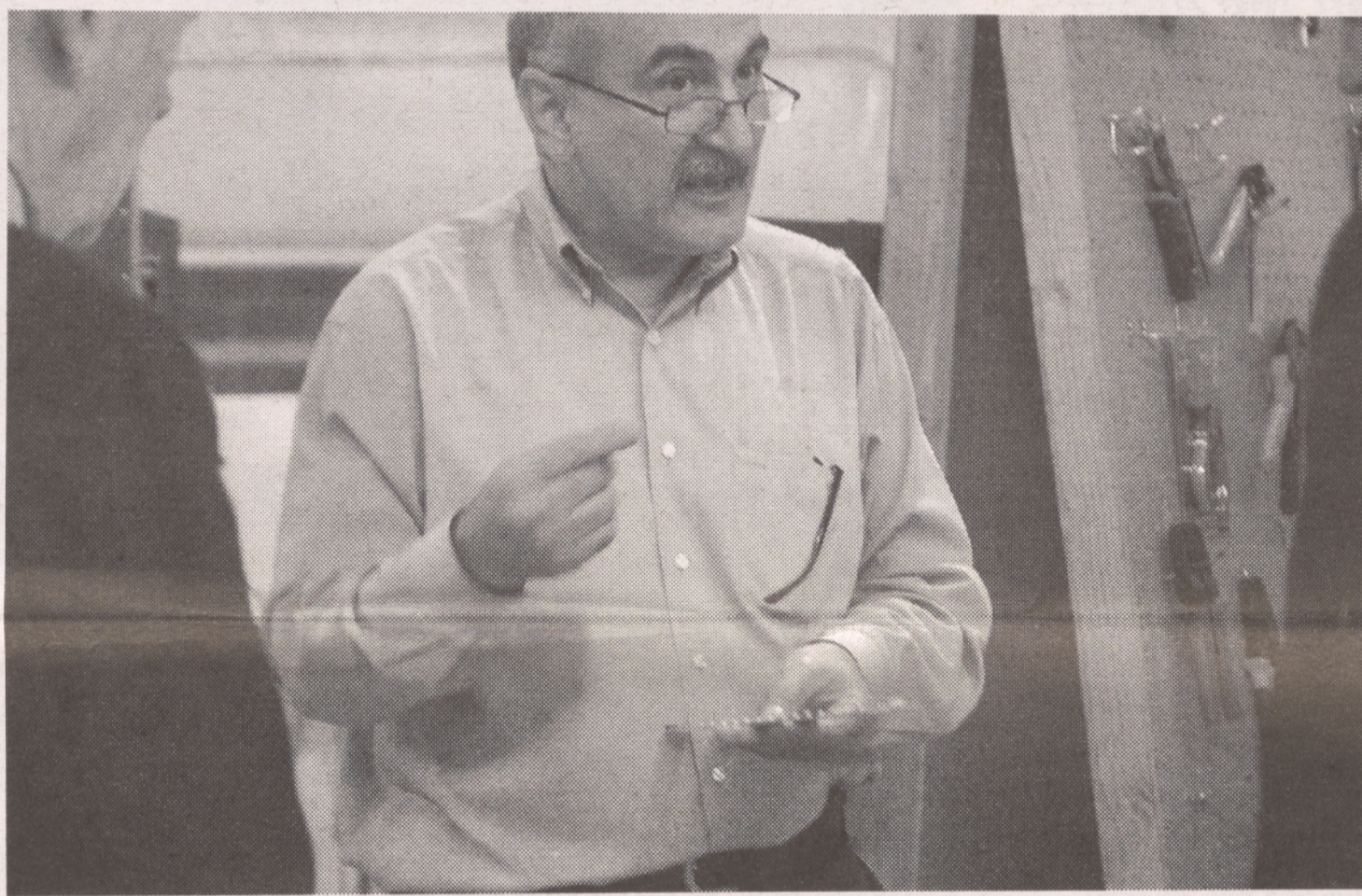
Mollaghaffari is part of an organization that currently employs about 500 people with disabilities — Portland-area residents, many at union wages, with benefits and pension programs — in businesses ranging from the manufacturing of high-tech lighting to janitorial and landscaping. PHC Northwest is a part of a new breed of business ventures.

Called social enterprises, these are for profit and nonprofit endeavors that harness the market to do good. And PHC Northwest isn't the only Portland area group leveraging capitalism for the better.

The city already has a handful of social enterprises from a nonprofit community grocery store ("Making Portland's Complex Food Deserts Grow Green," Street Roots, Dec 2011) to programs like those run by the nonprofit Central City Concern (CCC). Along with offering housing to homeless and low-income Portlanders, CCC also runs a number of social enterprises that allow its clients to earn decent wages and receive job training. The organization is now expanding its social enterprise arm by launching a coffee roasting business. Happy Cup Coffee Company is trying something similar to benefit disabled Portlanders.

"A lot of times the idea of addressing a social problem through a market-based solution or a venture is surprising," says Cindy Cooper, Portland State University instructor in social enterprise. Surprising or no, she says, it's effective.

Cooper is the co-founder and director of Impact Entrepreneurs and the related Social Innovation Incubator. Associated with PSU's business school, Cooper's programs include study-abroad trips to India and courses where students can examine social enterprise in action. Several of Cooper's



PHOTOS COURTESY OF PHC NORTHWEST

Top, the sun rises over solar rooftop panels at PHC Northwest. Above, PHC General Manager Massoud Mollaghaffari.

former students have launched their own ventures including My Street Grocery, a for-profit, mobile grocery cart that feeds low-income Portlanders. ("On the Streets: A New Kind of Food Cart," Street Roots, Oct 2012).

Cooper says social enterprises come in many forms, from nonprofits to for-profits, including for-profit businesses — like Ben & Jerry's Ice Cream — that partner with nonprofits. She says what form a social enterprise ultimately takes depends on its goal and its strategy for leveraging the market.

For CCC's new venture, that means remaining a nonprofit while roasting high-class coffee.

"We went into this social enterprise with the mindset that we wanted to sell a high quality coffee," says Clay Cooper, Director of Social Enterprises and Employment Services at CCC.

Cooper is helping launch the coffee-roasting program, which is currently being sold in all 12 New Seasons Market stores under the brand Central City Coffee. So far it only has one employee, but Cooper anticipates that as sales grow so will the number of employees.

Clay Cooper is the husband of Cindy Cooper. After becoming disillusioned with their former jobs — Clay, a bond trader;

Cindy, working for Nike — they both independently discovered social enterprise. They met in graduate school and later started a business that they still run that helps instructors in Guatemala earn a living wage through teaching Spanish to Americans over video chat.

Clay Cooper says selling quality products is just as important for a social enterprise's success as its mission.

"Sometimes social enterprise doesn't always deliver," says Cooper. "Sometimes they don't put quality first; they put the mission first."

Quality is something PHC Northwest has realized it also needs to push.

"A lot of it is about giving people the opportunity to try things," says PHC Northwest President John Murphy. "But we're not dealing in cheap currency. If they [employees] are not making it, we need to be very objective."

In order to be successful, Murphy says, PHC Northwest occasionally has had to let people go. It's also had to strategically plan what it makes.

In the mid-2000s, Murphy and Mollaghaffari — who's an engineer and runs the R&D team — were asked by PHC Northwest's board to create a new manufacturing program. At the time, solar panels looked promising. However, Murphy

says, it was quickly obvious China had cornered the market.

Panels were out. But investigating them led to PHC Northwest's innovative, rooftop solar array. It also guided Murphy and Mollaghaffari to another eco-friendly technology: a lighting source called light emitting diodes, or LEDs.

LEDs aren't light bulbs. They're semiconductors like solar panels, transistors, and other solid-state technologies. LEDs can be tiny — about 3 mm thick and about as tall — but they're far superior to conventional lights: lasting longer, using less energy, and shining clearer and brighter than incandescent, fluorescent, or halogen bulbs. LEDs also outshine other industrial lighting, including high-pressure sodium streetlights. Mollaghaffari says LEDs offered PHC Northwest a unique business opportunity, one based on quality design.

LEDs aren't just screwed in like conventional bulbs. Instead they're fully integrated into their lamps via circuit boards. Many previous designs weren't great at syncing LEDs with their boards. Failures resulted. Like other semiconductors, LEDs also get hot — really hot. Many previous designs didn't compensate and lamps burnt out. PHC Northwest found its niche by overcoming others' failures.

Under the solar roof, just past the factory doors, there's a wall covered in LED lamps, all sold under the brand Beyond Limitations Lighting. They're sleek, modern, and formed from gleaming aluminum. They range from indoor and outdoor to ceiling and wall-mounted lights and desk lamps. Many utilize the same characteristic rigged fan-shaped designs: a solution to overheating. Each lamp is fully integrated with a circuit board that's been tested and designed by Mollaghaffari and his team. The lamps are also tested to maximize their luminosity.

"Some companies just sell lights," says Mollaghaffari, "we sell illumination."

PHC Northwest's lamps can be found at the Olympic Village in Vancouver, British Columbia, the Oregon Governor's Mansion, the Qatar airport, and several Ontario gymnasiums (where their crisp light is used for filming sporting events in HD), to name a few.

This year, Beyond Limitations Lighting also won the Most Innovative Product award at the Portland Lights Trade Show for a desk lamp called Slices, a cylindrical-bodied lamp that unfolds in connected sections, or slices, spreading light as needed. The accolade is well deserved; it looks like the brainchild of Apple's chief designer, Jony Ive.

LED lamps aren't the only product made in the facility. PHC Northwest employees also manufacture protective equipment for radioactive submarines. They make shoe soles, and package shoelaces and food containers. They do specialty embroidery. They fold laundry for Portland Public Schools. And they warehouse items and products for other companies: huge reams of paper for a local printer, toiletries for a local organic soap company, and documents for the Forest Service. And the company also runs a very successful janitorial and landscaping business that together employ about 400 people. Mollaghaffari says all this activity illustrates PHC Northwest's philosophy.

"The concentration is not what disabilities [employees] have but what we can do to put their abilities to work," says Mollaghaffari.

As to why people pursue social enterprise, Clay Cooper has some thoughts.

"Making more money isn't necessarily going to make you happy," he says. "It's about helping people, or wildlife, or fighting global warming. I think people are starting to think in more creative ways to incorporate business into that."

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