

**Category: Non Profit Leadership**

**Title: Leadership in a Christian Social Enterprise – Can Church be a Commercial Enterprise?**

**Introduction**

Within the environment of modifying, re-assessing and remodelling church, this paper discusses the possibilities presented by the *Social Enterprise* model. Using an actual case study of a Christian Social Enterprise, *Mars Hill cafe*, the realities and challenges in operating a self-funded commercial yet non-profit operation are examined in light of the specific leadership approach this model demands. Mars Hill café was a Christian “business” - a commercial non-profit model which rests within the definition of *Social Enterprise*. The practice of leading a commercially operated Christian outreach mission also falls under the newly accepted term *Social Enterprise*.

Rather than discussing theory specific Leadership principles, this paper draws directly upon the author’s pragmatic leadership experience including three years as a Director on the Board of the Christian “Mars Hill Café Inc Parramatta,” one of the first Government recognised Social Enterprises, and indirectly upon many years as a Consultant to both Christian and Non-Christian non-profit enterprises, as well as Commercial Companies and State and Local Government Departments.

By engaging Mars Hill Café Social Enterprise as a case study methodology, this paper explores the specific leadership required for a Christian Social Enterprise, and the various leadership approaches and challenges. This paper adopts a case study approach wherein the various leadership model theory issues will become evident to those trained in such disciplines. Likewise the traditional theological challenges around money, and the tension between suffering theology and economic theology will be evident, naturally manifesting such questions as; can a church be a fully commercial (yet non-profit) enterprise? Are we meant to suffer or is personal prosperity OK? Through the case study, other questions are pragmatically evident; Would Paul have adopted a theology of ‘being prosperous to the prosperous and poor to the poor,’ in order to win some to Christ? Is it acceptable for Christian organisations to use business or commercial activity to finance Missions?

**Definition**

Social Enterprises are defined as “organisational forms that bridge traditional sectoral categories, using ‘economic’ trading activities to promote social and community goals.”<sup>1</sup> Social Enterprise exists “at the meeting points between for-profit business and not-for-profit

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<sup>1</sup> Mary Duniam and Robyn Eversole. *Social Enterprises and Local Government: A Scoping Study - February 2013*, (Institute for Regional Development, University of Tasmania/Australian Centre of Excellence in Local Government, 2013), p.5.

community work.”<sup>2</sup> There are philosophical differences in Social enterprise operation in the USA, UK and Australia. In a Christian Social Enterprises there may, but not necessarily be the added spiritual and evangelical outcome focus. Mars Hill Café was begun and run by a husband and wife missionary team from the USA, and operated as a fully self-funded non-donation commercial café. Discussion engages the tension this necessary commercialisation of mission presents between traditional Christian teachings on Capitalism, commerce and money.

Many non-profit organisations in Australia operate from a public or private funding model, where revenues are received via government or private donations, under the auspices of a registered charity possessing “gift deductible status.” Social Enterprises are further defined as “organisations that conduct economic trading activities to resource their social or community mission.”<sup>3</sup> There is a subtle difference between a non-profit organisation and a Social Enterprise, and while both seek the same social mission outcomes it is this “trading activity,” specifically, which delineates the difference between charitable social mission and the use of “economic trading [which] sits at the heart of what defines ‘social enterprise.’”<sup>4</sup> The US Social Enterprise model contains a strong focus on revenue generation and commercial viability with Social Value creation, maintaining the traditional bottom line. Canada holds to a “Social Economy”... [which is] “at the heart of democratic innovation and social transformation”... “that does not pursue commercial profit in isolation from its social context.”<sup>5</sup> In Europe SE is seen as;

**‘organisations with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interest of capital investors is subject to limits. They place a high value on their independence and on economic risk-taking related to ongoing socio-economic activity.’**

Whereas in the UK and Australia they embrace the Triple Bottom Line concept – seeking community benefits of social, environmental, and financial.<sup>6</sup>

### **MARS HILL CAFÉ Case Study**

#### **Conceptual Foundation – Paul in the marketplace.**

In the background of the *perceived* general church decline in the USA, where Church Boards the Mars Hill founder laments, held a “sense of desperation” as to what mission model or church planting idea would work. The overseas mission program of the home church sent a limited number of missionary couples to Australia. Among these, one Pastor juxtaposed his struggles with traditional corporate church against the enticing allure of the Emerging

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<sup>2</sup> Mary Duniam and Robyn Eversole, 2013, p.13.

<sup>3</sup> Duniam and Eversole, 2013, p.12.

<sup>4</sup> Duniam and Eversole, 2013, p.12.

<sup>5</sup> Duniam and Eversole, 2013, p.13.

<sup>6</sup> Duniam and Eversole, 2013, p.13-14.

Church movement which saw the need for a return to grass roots first century Pauline method of church planting. Inspired by Paul's engaging of merchants in shop fronts along such very real but almost mythological roads like "Via Sebaste" in Galatia,<sup>7</sup> the idea for a modern merchant evangelical model saw the café concept as a most appropriate application, and Mars Hill café was born in 2001. The name Mars Hill has no association with the prominent multi-campus mega church in the USA, except in that the source for the name of both comes from Paul's visit to Athens [ Acts 17:19-22] where he engaged philosophers in discussion of "the unnamed God" at the Areopagus "Hill of Mars" (Ἀρειος πάγος).<sup>8</sup> (It is one of those curiosities of scholarly tradition that we call it Hill of Mars, as the word Areios is the Greek god of war, whose equivalent in Roman gods was Mars. This location was in Athens, was named in ancient Greek, and actually known to Paul as the "Hill of Ares.")

### **Theological foundation – Customer Congregation and Community Creation.**

The Mars Hill project outreach theological method drew upon the twofold Pauline method; commercial engagement as mentioned, and "all things to all people" approach to the Gospel, as inspired by Paul in his trade as a commercial self-employed tent maker, who evangelised to those merchants and customers he ordinarily engaged with in the Graeco-Roman market place – what does becoming all things to all people look like? The Mars Hill mission was to inculcate a Christian evangelical and life-rebuilding outreach 'disguised' as a commercial shopfront amidst Parramatta's CBD. Trained as a Youth Pastor the founder of Mars Hill had an initial focus on creating community spaces for youth, but Mars Hill quickly attracted life-impacted adults, disenfranchised Christians (some Pentecostals), the faith curious, and atheists. Mars Hill sought to present not church, but Christ – that is Pauline Christology (unconditional acceptance) mediated through community to what in challenging the traditional Christian church view, was a "customer congregation." This model it should be noted split the home church Board down the middle. One half fiercely opposed the concept entirely. This was money, business, not church, and perhaps subversive evangelism; the other half of the Board were willing to support the founder personally, but also because of the sense no other mission or planting approach was working – hence the sense of desperation facilitated Board approval with a very short rope - close monitoring and reporting. With loyal USA tithers and supporters, one who (without being asked) personally donated \$18,000 for a state of the art Senesso coffee machine, the coffee started flowing in the neo Pauline Parramatta marketplace, Emerging church Areopagus – the café window emblazing the slogan "where thinkers drink" – the thinking was faith, the drinking was coffee.<sup>9</sup>

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<sup>7</sup> Edwin M. Yamauchi, "On the road with Paul" *Christian History*, Issue 47, Vol XIV, 3, p.17.

<sup>8</sup> Ἀρειος = Ares God of war; πάγος = Region or hill a mountain-peak, a rocky hill, as seen in Od., Hes., Trag - <http://www.perseus.tufts.edu/hopper/morph?l=pagos&la=greek#Perseus:text:1999.04.0058:entry=pa/gos-contents>

<sup>9</sup> "Where thinkers drink" being the slogan of Mars Hill Café.

## Medium of Exchange – Coffee

The trade mark logo of Mars Hill Café was a stylised coffee stain ring that cups leave on a surface. The mission statement emblazoned on the window “where thinkers drink” was subtly embellished with “where mis-fits fit”!

Within Economics money is defined simply as a medium of exchange, that which facilitates the exchange of a diverse array of different goods and services, replacing bartering which is otherwise extremely difficult. In business; money, revenue or profits is the central measurement of success. Despite being every bit a commercial operation, for Mars Hill the medium of exchange was not money, but coffee. This is because for Mars Hill the central aim was not profit but people, although profit (or surplus revenue) was essential and as closely monitored as any other business or café. Coffee not Church, was the primary attractant – yet the *salt* the customers thirsted for was acceptance and community – the secret ingredient that made the coffee taste better.

## Missionary Theological Method – Not Church but Christological Community

The founder summarised that Mars Hill aims at

*“providing an engaging environment where people can belong, learn, create, grow and be heard.”*

And further;

*“People from all walks of life deserve to feel as though they belong, namely being involved in and contributing to society, without being labelled as ‘in need’. Mars Hill café is an accepting community that has become a home-away-from-home for many local people, offering them informal support and a place to hang out.”<sup>10</sup>*

Here it can be seen that Mars Hill fulfilled the academic SE conceptual outcomes: *“they aim to create social benefits which are often underpinned by goals around participation and inclusion.”<sup>11</sup>*

Operating from a three storey Victorian terrace with a modern shopfront, there was an intentional creation of physical spaces to facilitate micro community, within a macro community space. A communal bookcase, a range of board games, lounge and arm chairs, all used furniture both to save cost and for a homely feel – some acquired from the roadside during Council clean-ups. The café spaces were *“an opportunity for artists and musicians to perform and present their material, as well as volunteer and employment opportunities for*

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<sup>10</sup> Parramatta City Council Grants Program: Social Enterprises Stories. Community Capacity Building Team booklet. (Parramatta: Parramatta City Council, 2012), p. 17.

<sup>11</sup> Duniam and Eversole, 2013, p.7.

*youth and young adults.*"<sup>12</sup> The walls displayed novice artwork for sale. Volunteering from a rotational pool of 25, both full time employed and unemployed provided the workforce of 5, yet the policy was the 'fruit of excellence' and through volunteering, the unemployed were given meaningful training as waiters or more formally as Baristas. While community participation was mediated through Christological unconditional acceptance, the self-discipline for life building was also explained, encouraged, and lovingly expected. The upstairs room was a performance space with stage, microphones, Bose speakers, a state of the art digital sound desk, artwork lighting, digital projector and drop screen (all of which came from Council grants). The founder who was also the Pastor was ambiguous. There was no cross to be seen, no bible anywhere except one copy on the communal bookshelf. Church was never openly advertised in the café, awareness of it came via conversation and relationship. It was deliberately structured to *not* feel like church. This not-church Christian community did have church, on Sunday morning 10am to midday, run more like a home group bible study, where any question was OK, any philosophy engaged, any challenging topic given hearing, and everyone had the chance to speak. The Pastor was never up the front. In the ten years the café operated, the Pastor never once took the stage but sat within the group, leading a bible based discussion, well-thumbed bible in hand, spare copies for the others; in what was a multi-media multi-medium presentation. However there were rules: no sexuality in the artwork, no swearing "in church", and no alcohol. Smoking was permitted in the outdoor dining area, a concession to alfresco commerciality. Christian conduct was encouraged without explicitly stating it as such.

The congregation naturally consisted of marginalised Christians, aged from 17 year old teenagers to mid 50s – those who could no longer or have never been able to enter church. Those lead to life rebuilding included a former Jehovah's Witness Circuit overseer, through to a youth hurt by over-zealous old school Pentecostal parents, and faith curious non-churched. In the midst of individual suffering due to various life-impacted situations, some struggled with the tension between concepts that we are meant to suffer, and the desire to improve their status in life. A prosperity message that God does not intend us to suffer but rather encouragement that it is Ok to improve one's life, saw people emerge from depression, poverty, unemployment, divorce and mid-life job loss – a rather Pentecostal message within a non-Pentecostal context, and a message which worked. The message that Christ suffered for us made some men and women cry. While Pastors and Academics may navigate a Theology of Suffering, here it was a hindrance – a message of the necessity of suffering made no sense to this community. In the absence of these tensions, relationship with God was seen to return or become possible for the first time. The method was acceptance – the goal was acceptance of Christ.

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<sup>12</sup> *Parramatta City Council Grants Program: Social Enterprises Stories*. Community Capacity Building Team booklet. (Parramatta: Parramatta City Council, 2012), p. 17.

“... and Mars Hill Cafe where [faith] conversations are intentionally started through the actual cafe venue itself” - Michael Frost.<sup>13</sup>

People could be regulars at Mars Hill for months or years without ever realising they were being ministered to, it was all Christologically mediated amidst the pragmatics of a commercial cafe.

### **Pragmatics – Commercial realities/Social Enterprise**

Ethics was central to the Mars Hill culture. If it had to be commercial, it would be only as commercial as it needed to be. It was at the forefront of the “ethical coffee” movement: sustainably produced, and a fair price to the grower, favouring family independent farms at the (third world) source. While engaging contemporary technology, burning copies of retail DVDs was regarded as unethical. With official status as a non-profit entity (the term Social Enterprise is not a legal entity) it was required by the Department of Fair Trading (DFT) governance to have a Board of six with official roles of Executive officer, Secretary, and Treasurer. Consisting of men and woman, the founding Board members were purely Christian mission focused, but eventually were replaced and recruited<sup>14</sup> for their functional skills: The Ordained Pastor and bible college trained Pastor wife; one member with skills in Marketing and MYOB; a local Entrepreneur who owned a bridal wear business; a Business Consultant (these three all being entrepreneurial). [5 an anomaly of dual positions]. Board meetings included reviewing monthly sales figures and progressive Profit and Loss reports. DFT required submission of quarterly reports to monitor the financial management. Comparison of cost and revenues required detailed review of all products for price increases. Future goals and vision were for ten cafes around Australia.

Any initial theological opposition to money or commercialisation were quickly challenged by the “commercial reality” as the Business Consultant was often required to remind the Board. The original business model of a café selling coffee and cakes soon emerged as unrealistic with the need to pay \$1,000 per week rent, plus insurance, power, coffee and milk supplies. Viability meant that sales of food had to be added to the *trading activity*, requiring employing a cook (formerly long term unemployed) on a modest wage – yet the dynamics of capitalism meant that increased revenue from the sales of food paid for the cook’s salary and much more.

The three year Commercial Lease had a three year optional extension, but included annual rent rises, which saw rent eventually rise to \$100,000 per year. These rises coincided with rises in all other operating costs, including a monthly milk bill of \$1,000, coffee beans of \$600, business insurances of \$2,500 per year, and a Council charge of \$2,000 per year for

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<sup>13</sup> Michael Frost, *Exiles: Living Missionary in a Post-Christian Culture*. (Peabody: Hendrickson, 2006).p.61 - (quoted by Rev. Andrew G. Mills, *The Promise of the Emerging Church: A Critical Engagement*. Thesis - Master of Arts: Christian Studies – (Hamilton/Ontario: McMaster Divinity College, 2010).p.96 note 315.

<sup>14</sup> Cheryl Kernot and Joanne McNeill, *Australian Stories of Social Enterprises* (Sydney: University of New South Wales, 2011), p.22.

the outdoor seating license. As mentioned, once and sometimes twice per year, prices had to be increased to cover costs, causing much difficulty to the founder who struggled with money in many ways. How do Christians rationalise charging \$4 for a cup of coffee which costs .50 cents to make? How do we maintain a policy of having the café affordable for a community who have little finances? The pragmatic answer was that without covering costs there would not be a café for the community to come to. The Commercial Imperative was never far away.

Over a number of years Mars Hill had applied for but failed to gain grants. The Business Consultant, former Government grants manager for a city Council had experience. In 2009 Mars Hill café applied for Council Grants, and received \$10,000.<sup>15</sup> Once the local Council discovered Mars Hill café, via the grant application, the Council staff were astonished but curiously delighted and impressed that people would “do all this with no profit to yourself” – again Duniam & Eversole: “Social enterprises’ way of working is increasingly intriguing to local government.” As Parramatta Council in 2012 observed, “for the past decade Mars Hill Café had operated in Parramatta, *unaware* that its activities and philosophies identified it as a Social Enterprise.”<sup>16</sup> During 2009-2011 Mars Hill received \$30,000 in grants from both Parramatta City and Holroyd City Councils.<sup>17</sup> Apart from the Parramatta Council Social Enterprises program, all levels of Government became (and still are) interested in Social Enterprises generally.<sup>18</sup> In 2012 Mars Hill came to the attention of the State Government Local member who invited Mars Hill to apply for a round of Social Enterprise (unemployment) grants – Mars Hill thus received a \$368,000 two year grant from the State Government.<sup>19</sup> The government recognises that society has lost or is lacking community, and that Christians seem to know how to create it.

## Outcomes Highlights

The following is a sample of the outcomes and highlights. African Film Festival, Australian Songwriters, Fair trade organic coffee, Western Sydney Writers Inc, Open Mike performance nights, Sunday small group bible study, Amateur (emerging) musicians gig spots, Art Gallery hanging and sales - 20% on sale, Open Mike Christian nights (aspiring preachers), Annual

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<sup>15</sup> Cheryl Kernot and Joanne McNeill, (2011), p.18.(the author of this paper was the business consultant).

<sup>16</sup> *Parramatta City Council Grants Program: Social Enterprises Stories*. Community Capacity Building Team booklet. (Parramatta: Parramatta City Council, 2012), p. 18. This validated the point in Eversole’s paper ‘I didn’t know that’s what we were: Social Enterprise as an emerging sector in Tasmania’ (2012) identifies that organisations may operate as social enterprises without knowing it, Duniam & Eversole, 2012, p.18.

<sup>17</sup> Holroyd City Council Annual Report 2011-2012, (Merrylands: Holroyd City Council, 2012), p.48.

<sup>18</sup> For example as Duniam & Eversole state: “In August 2011, the IRD hosted a workshop for local government as a follow up to the Tasmanian Social Enterprise Study (Eversole & Eastley 2011) published earlier that year. The workshop, titled ‘Enquiring, Equitable and Enterprising: An Engaging Conversation about Social Enterprise for Community-Centred Councils’, was attended by over twenty local council representatives in North Western Tasmania, including both councillors and staff. Workshop attendees expressed interest in knowing more about social enterprises and exploring ongoing opportunities in this space.”, 2012, p.8; and via the ‘Social Enterprise Development and Investment Funds’ in 2011 by the Australian Government Department of Education, Employment and Workplace Relations (DEEWR), Duniam & Eversole, 2012, p.15.

<sup>19</sup> Cheryl Kernot and Joanne McNeill, (2011), p.21.



whole community gathering (open mike), Poetry Slam ex NSW State Library - Mars Hill as venue, Artist gains profession gallery show, Long term unemployed gain jobs as Café Managers and Baristas in other cafes, Mars Hill Café is one of first government recognised Social Enterprises; helps launch “Common Grounds” café SE Lalor Park, Community Hub Mt Druitt, and inspires Darcy St Project.

## Conclusion

The founders of Mars Hill Café reflect that rather than purely missionary passionate people *“an earlier focus on building the sustainability of the business, including the representation of [business] skills on the board, would probably have meant less stress along the way.”*<sup>20</sup> In advising others the founders caution on the need for a ‘reality-check’<sup>21</sup> on the difficulties and realities of running a Social Enterprise. This in essence is fundamental to any business or commercial operation, the particularity for Christian Entrepreneurs is the unexpected tension that may emerge between their fiscal faith and critical commercialisation.

The case study has highlighted that within the successful Social Enterprise operation of Mars Hill, there was a natural juxtaposition of Pentecostal Prosperity Theology with Theology of Suffering, and while not discussing these theologies in detail, the paper argues that a Christ centred leadership within a Social Enterprise can successfully navigate contemporary and traditional theological divides – the dynamics of Capitalism with a Social Enterprise can be a valid missionary method, though tensions with commercialisation may be an issue. Through the case study, it was discovered and affirmed that through a community of unconditional acceptance people can be empowered to re-build their lives when they know they have permission to prosper, and that disenfranchisement towards God and church is ameliorated, and faith regained (or embraced) when they believe God does not necessarily want them to suffer.

This case study also found that Paul’s commercial activity validates church and individual economic and commercial engagement and such ‘trading activity’ within a Social Enterprise model is a valid Christian methodology. Christian Social Enterprises are a bold, proven and powerful way forward however the leadership requirements are diverse and complex. A Christian Social Enterprise reveals that Paul’s market place evangelising, though effective, was more challenging than traditional Mission theology may contemplate.

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25 May 2015

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<sup>20</sup> Cheryl Kernot and Joanne McNeill, (2011), p.25.

<sup>21</sup> Cheryl Kernot and Joanne McNeill, (2011), p.23.



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