

Social Entrepreneurship (SE)

Topic 3. Why Social Business?

Lecturer: Kakhramon Kholov



- ▶ What is social entrepreneurship? Why is it necessary?
- ▶ How does SE connect with the young people today?
- ▶ What does the program at NIU look like?
 - ▶ How does it help students interested in this space?
 - ▶ How is it different from traditional business curriculum?
- ▶ Ideas for how to include SE in HS business curriculum.

AGENDA

WHAT IS SOCIAL ENTREPRENEURSHIP?

- ▶ Who are social entrepreneurs?
- ▶ What is a social enterprise?

SOME FACTS

- ▶ Over 3 billion people live on less than \$2.50 per day
- ▶ 1 Billion children (almost 50%) of the world live in poverty
- ▶ Over 1B people do not have access to clean water!
- ▶ 1 in 5 children are without access to safe drinking water
- ▶ Over 440 million school days were missed by children due to water illnesses last year!
- ▶ 1 in 7 children have no access to Health Services
- ▶ 1 in 3 children live without adequate shelter!
- ▶ 22,000 children die every day from largely preventable disease/illness in the developing world



During our class today....over 1,000 children under the age of 5 will die from preventable disease.

SOME MORE FACTS



- ▶ About 1/3 of the food produced in the world for human consumption every year (**1.3 billion tons**) gets lost or wasted
- ▶ Every year, consumers in rich countries waste almost as much food (**222 million tons**) as the entire net food production of sub-Saharan Africa
- ▶ Since 2000, the world has witnessed over **35** major conflicts and some **2,500** natural disasters.
- ▶ Urban outdoor air pollution is estimated to cause **1.3 million** deaths worldwide per year.
- ▶ Indoor air pollution is estimated to cause approximately **2 million** premature deaths mostly in developing countries. **Almost half** of these deaths are due to pneumonia in children under 5 years of age.

SOME GOOD NEWS



- ▶ We are winning the war on poverty – rates are decreasing
- ▶ There is currently enough food available in the world to provide *EVERY PERSON* with a balanced diet

- ▶ BUT - Governments cannot and will not solve all the social issues.
 - ▶ Too many problems
 - ▶ Problems require business techniques/processes
 - ▶ Corruption

It is up to private citizens, you and me, to fill the gap in addressing local or global social issues as Social Entrepreneurs!

WHAT IS SOCIAL ENTREPRENEURSHIP?

- ▶ Who are social entrepreneurs?
 - ▶ They are the private citizens who are addressing the HUGE problems of the world
 - ▶ They are “agents of change” who are unreasonable enough to believe they can make a difference
 - ▶ They are the brains and passion behind social enterprises
- ▶ What are social enterprises?
 - ▶ Mission driven
 - ▶ Focus on the double or triple bottom line: People, Profit, Planet
 - ▶ Looking for both a social and financial return

WHAT IS A SOCIAL ENTERPRISE?

BASIC STRUCTURE

HYBRID NON-PROFIT MODEL

- ▶ Goods & services are delivered to populations under-served by mainstream markets
- ▶ Runs more like a for-profit business
- ▶ Rely on donors AND earned income strategy

FOR-PROFIT MODEL

- ▶ Always focused on social mission
- ▶ Revenue generating strategy
- ▶ Aim is not to maximize profits for investors, but rather reinvest for the benefit of low-income groups or the mission they serve.
- ▶ Seek investors interested in combining financial and social returns.

Both Focus: Double or Triple Bottom Line



WHAT ARE SOCIAL 'TREPS DOING? EXAMPLES



charity: water

**TEACHFOR
AMERICA**



Acumen Fund



ONE ACRE FUND



- ▶ Most volunteering generation to date
- ▶ Interest in combining volunteerism in job
- ▶ Desire to make a significant impact
- ▶ Desire to be actively involved in learning (experiences)

WHY SE FOR YOUNG PEOPLE?

- ▶ Philosophy: Experiential and Applied Learning
- ▶ Timeline: Courses, Certificate in Social Entrepreneurship, Minor in Entrepreneurship, Student Organization, Minor in Social Entrepreneurship
- ▶ Courses (in order of introduction):
 - ▶ Entrepreneurship (2000s)
 - ▶ Microfinancing (2007), Social Entrepreneurship (2008), Creativity & Innovation (2009)
 - ▶ Business Modeling (2010), Business Planning (2011), Social Venture Competition (2011)
 - ▶ Social Venture Consulting (2014)
- ▶ Collegiate Association of Unreasonable Social Entrepreneurs (CAUSE)
 - ▶ Student organization (2012)
 - ▶ Social Impact Summit (SIS) – keynotes, panel discussions, pitch competition

NIU'S SE PROGRAM

- ▶ Incorporate as topic in existing course
 - ▶ Entrepreneurship
 - ▶ General Business
- ▶ Introduce a stand alone SE course
- ▶ Start a Student Organization – Faculty guidance
- ▶ Help students launch a Social Venture – School support
 - ▶ Stand alone
 - ▶ Partner with a non-profit

SOCIAL ENTREPRENEURSHIP IN HS

How can students prepare for careers in Nanotechnology? Nanotechnology is fundamentally a branch of engineering. To work as an engineer, one must learn to think as an engineer, which means studying the principles of system engineering.





Eventually, we will be able to replicate anything including diamonds, water, and food. Famine could be eliminated through fabrication of food.





Great business ideas are all around us. Opening your eyes to trends that will effect the future business environment. How do we recognize these trends?

Look at things around that bug you. What do you not have that you need?

Gillette was fed up with sharpening his straight edge razor, so the disposable razor industry was born.



Surfers in California were frustrated in the 70's with the weather and small waves. Sidewalk surfing was born.



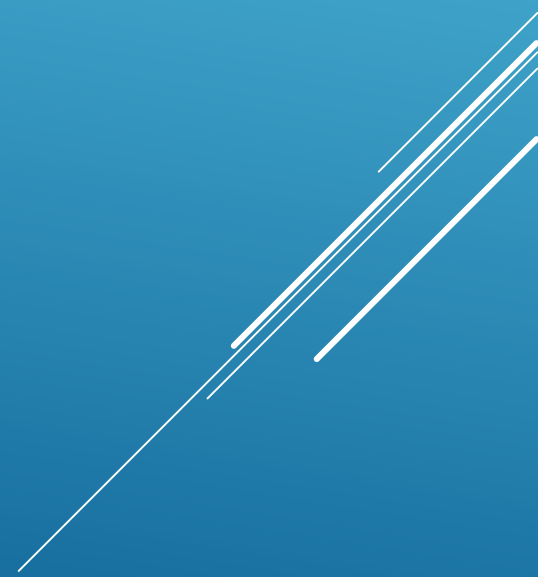
An office secretary who took pride in her work invented “white out” using a kitchen blender. Artists paint over mistakes why couldn’t typists?





A quick trend spotting technique is to stroll to your local magazine rack. Look at the thickness and number of publications and the ones that have thinned from lose of advertisers.

What about the Internet? A recent Internet usage survey shows 72% of Americans have gone online at least once during a 30-day period.



What about e-Bay? The overwhelming success of one segment creates opportunities for related or aftermarket services and products.



Pay Pal, an on-line payment service, was launched in October of 1999. July 2002, eBay purchased Pay Pal for 1.5 billion dollars.





The recent high volume real estate trade offers incredible opportunity. The demand for home inspectors radon mediators, floor finishers, and electrical contactors grows proportionately.



Management consultants continue to be high in demand due to changing technology and a trend toward outsourcing of services.

E-learning and training is growing, since technology has improved the ability to deliver quality content to office workstations instead of the need to go off-site.




In twenty years baby boomers are not going to opt for expensive long-term hospital care. The home care industry will not be able to serve the surge in demand, so house bound senior check-in services and home meal replacement for those with dietary restrictions will flourish.

Do you see the pattern? Trends are nearly impossible to predict, but small businesses do not need to be trendsetters, but you can capitalize on following trends. There is usually a piece of business for everyone.



**Peter Drucker –
“Entrepreneurial Revolution”**



How important are small businesses to the U.S. economy?

Small firms...

- Represent 99.7 percent of all employer firms.
- Employ half of all private sector employees.
- Pay 45 percent of total U.S. private payroll.
- Have generated 60 to 80 percent of net new jobs annually over the last decade.

- **How important are small businesses to the U.S. economy?**

Small firms...

- ▶ **Produce 13 to 14 times more patents per employee than large patenting firms. These patents are twice as likely as large firm patents to be among the one percent most cited**
- ▶ **Are employers of 41 percent of high tech workers (such as scientists, engineers, and computer workers).**

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- ▶ How to Change the World (David Bornstein)
- ▶ Social Entrepreneurship: What everyone needs to know (David Bornstein & Susan Davis)
- ▶ The Power of Unreasonable People (John Elkington & Pamela Hartigan)
- ▶ Half the Sky (Nicholas Kristoff & Sheryl WuDunn)
- ▶ The Blue Sweater (Jaqueline Novogratz)
- ▶ The Last Hunger Season (Roger Thurow)
- ▶ Global Girlfriends (Stacey Edgar)

ADDITIONAL RESOURCES: BOOKS

- ▶ Fast Company
- ▶ Grameen Bank: Bank for the Poor
- ▶ United Nations Millennium Development Goals
- ▶ Ashoka
- ▶ Skoll Foundation

ADDITIONAL RESOURCES:
WEBSITES

REFERENCES

- ▶ Social Entrepreneurship: An Evidence-Based Approach to Creating Social Value (Bryson Series in Public and Nonprofit Management) 1st Edition, Kindle Edition by Chao Guo (Author), Wolfgang Bielefeld (Author)
- ▶ Social Entrepreneurship and Innovation: International Case Studies and Practice by Ken Banks , Peter Gabriel, et al
- ▶ Social Entrepreneurship: What Everyone Needs to Know Part of: What Everyone Needs to Know April 16, 2010 by David Bornstein
- ▶ Understanding Social Entrepreneurship: The Relentless Pursuit of Mission in an Ever Changing World 3rd Edition by Jill Kickul (Author), Thomas S. Lyons (Author)
- ▶ Introduction to Social Entrepreneurship 1st Edition by Teresa Chahine (Author)
- ▶ Social Entrepreneurship: Managing the Creation of Social Value 1st Edition by Constant Beugré (Author)
- ▶ Social Entrepreneurship, Intrapreneurship, and Social Value Creation: Relevance for Contemporary Social Work Practice – April 25, 2019 by Monica Nandan (Author), Tricia B. Bent-Goodley (Author), Gokul Mandayam (Author)
- ▶ Getting Beyond Better: How Social Entrepreneurship Works – October 6, 2015 by Roger L. Martin (Author), Sally Osberg (Author), Arianna Huffington (Foreword)