

Social Entrepreneurship (SE)

Topic 2. The Concept of Social Business

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LECTURE OUTLINE

- The meaning of Social enterprises
- Example of social enterprises: Different cases
- SWOT analysis
- Marketing Social enterprises
- Ethical issues
- Principles of social enterprise thinking
- How to start a social enterprise

Learning outcome

- What is social enterprise
- The difference between social enterprise and commercial enterprise
- How to market social enterprise
- Learning from real cases around the world
- How to start a social enterprise

Social enterprises

- Social enterprise defined as

*“an **organization** that applies **commercial strategies** to **maximize** both the **financial and social well being** of the **society**” (IIMCIP, 2018)*

Social **enterprises** are businesses with a **social mission** who use **entrepreneurial spirit** and strategy to reach their objectives for the benefit of society; and **not making profit for themselves of shareholders** (European Commission, 2018).

Social enterprises....

*“innovative **organizations** that **prioritize** the creation of **social value** and which operate through **enterprise-based models**” (Albert, Dean & Baron 2016).*

*“involves taking a **business-like**, innovative approach to the mission of delivering **community services**” Pomerantz (2003).*

*“a business with **primarily social objectives** whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners” (Doherty, Haugh & Lyon 2014)*

The What and Why of Social Enterprises

What Do Social Enterprises Look Like?

Social enterprise

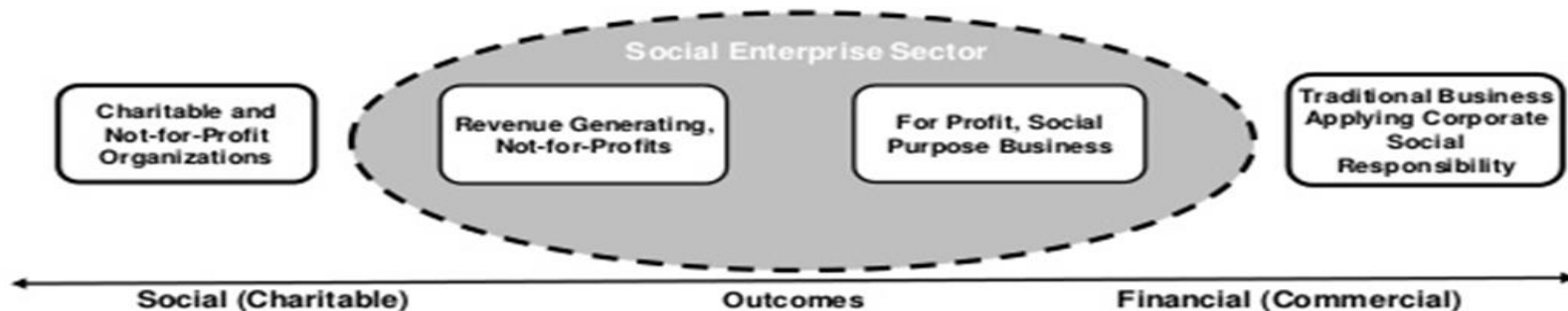
A business with two goals: achieve social, or environmental outcomes, and maximize revenue

Social entrepreneur

Someone who creates innovative solutions to today's most pressing social issues

Social finance/ impact investing

Involves investing funding to deliver community benefits and financial gains



How can you identify
social enterprise?

Identifying Social Enterprises. How different are their Mission Statements?

'promoting a wider knowledge of [the UK] and the English language abroad and developing closer cultural relations between [the UK] and other countries.'

Enable the poor, especially women, to create a world without poverty and hunger.

“Transportation as reliable as running water, everywhere for everyone,”

“to add vitality to life. We meet everyday needs for nutrition, hygiene and personal care with brands that help people feel good, look good and get more out of life.”

The Concept of Social enterprises

The primary objective to solve social problems, such as employment, education, and public health; social enterprises play a critical role in meeting the needs of vulnerable groups in a society.

- Social enterprises and crowdfunding
- <https://www.youtube.com/watch?v=ueiQntEY36A>
- <https://www.youtube.com/watch?v=5PKBL4C4TJQ>

Case 1: Social Enterprises in UK

Dialogue in the Dark (DID)- is a social enterprises in UK established to help blind people earn income. People pay to enter into an exhibition room where they can experience a short time in darkness guided by blind people.

https://www.youtube.com/watch?time_continue=20&v=duN5ceGUvi8

https://www.youtube.com/watch?v=rw_cWQRg0IA



Case 2: Social Enterprises in Africa- Zambia

- **COMACO** tackles poaching by helping farmers improve their livelihoods by accessing higher-value markets for products such as peanut butter, rice and honey. To date, COMACO has registered 140,000 farmers committed to conservation farming practices and wildlife preservation.

https://www.youtube.com/watch?time_continue=119&v=onQYGrC20zA

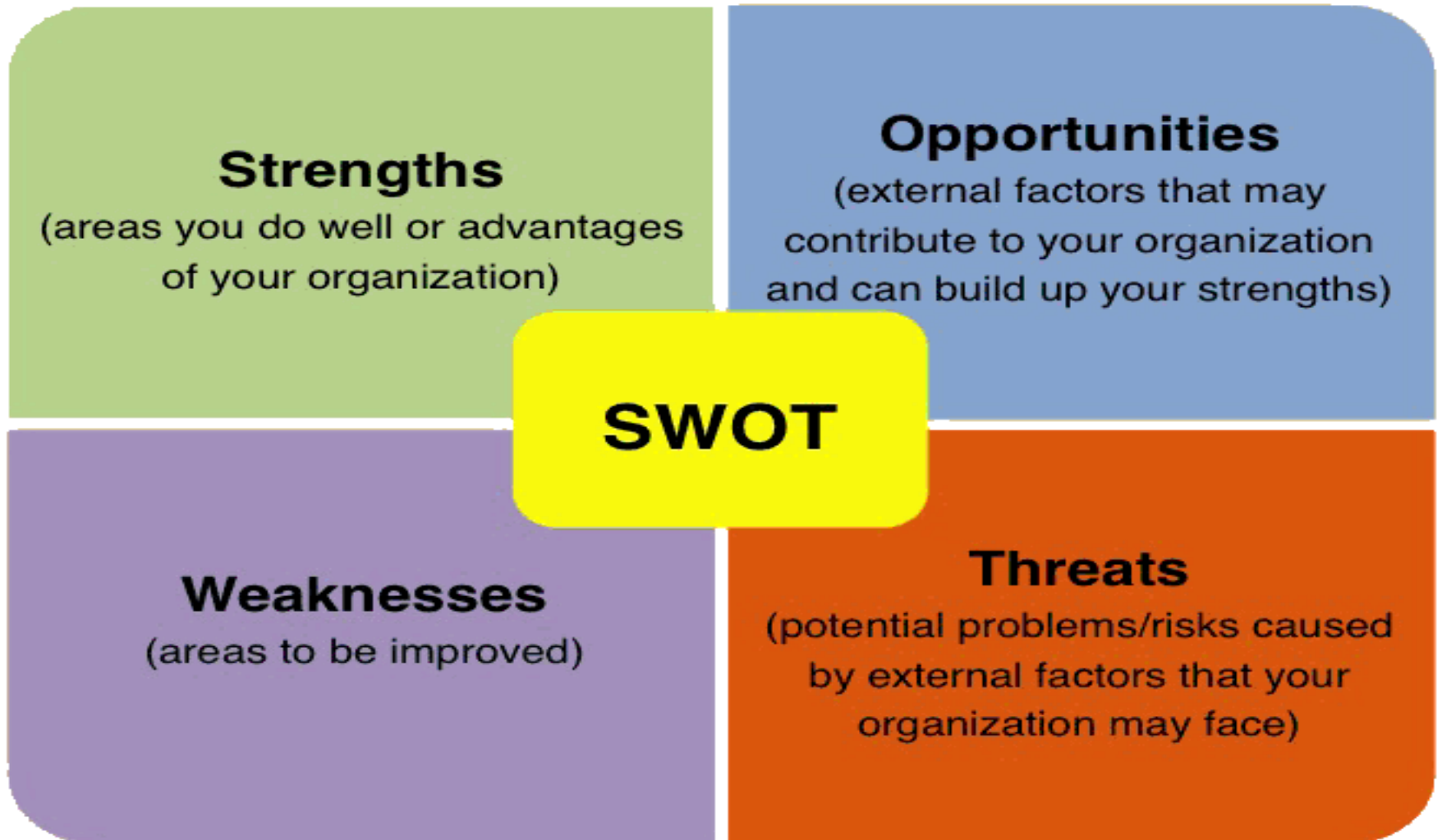
Case 3: Social Enterprises in China

Exponential growing of social enterprises in China

- The Chinese government encourages innovation and entrepreneurship leading to more and more support for enterprises.
- NGOs are finding it increasingly difficult to obtain government funding leading to a move towards commercialization to generate revenue

<http://www.bbc.com/news/business-19652712>

SWOT analysis



Marketing Social enterprises

- Marketing as defined by AMA

“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”

- The 4Ps of marketing

1. *Product and Services*
2. *Promotion*
3. *Place (Distribution)*
4. *Pricing*

Applying the 4Ps of marketing to social enterprise

- Identify and align your cause with your consumer/society.
- Show your impact than a problem you are tackling. Story telling, take pictures and show accomplishments to target audience.
- Get customers involved.
- Deliver a quality product.

<https://www.youtube.com/watch?v=LPM2cdEbTy8>

Ethical Issues

- How will the disadvantaged workforce/customers be affected if the organization uses them in its marketing activities?
- Advertising of health services



How to Start a social Enterprise

Remember: Before anything, make sure you clearly understand what is social enterprise.

Steps:

1. What is the problem?
2. Determine your social business model
 - Do your research and develop a business plan
 - State your social impact and how are you going to measure
 - How are you going to manage your finance

How to Start a social Enterprise...

3. Organize your team member

- Business partners
- Administrative employees
- Board members

4. Be passionate about it, have fun failing and learn as you engage

5. Get help from experts. Remember you are not alone, network with other social enterprises.

6. Reflect on your business model (Transition or scale up)

<https://www.youtube.com/watch?v=s9XASPiNc6s>

Access to Capital

- Investment is a “given” for success
- Different sources fit different needs
- Regional approach may have new opportunities



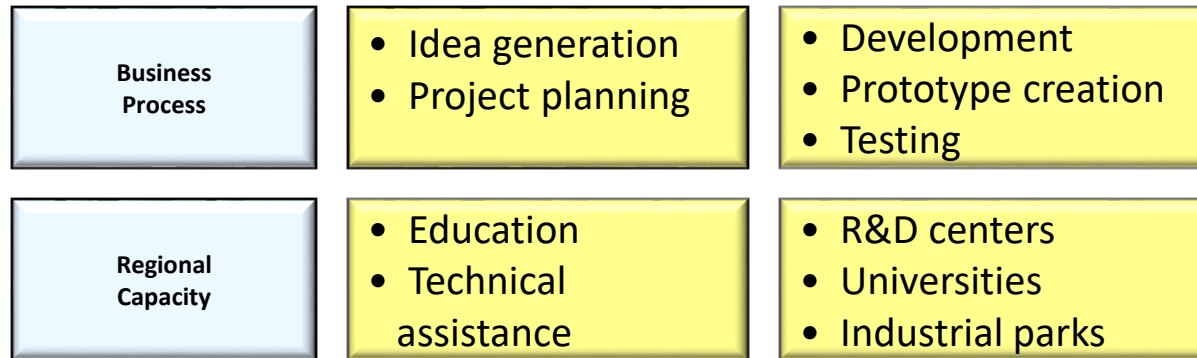
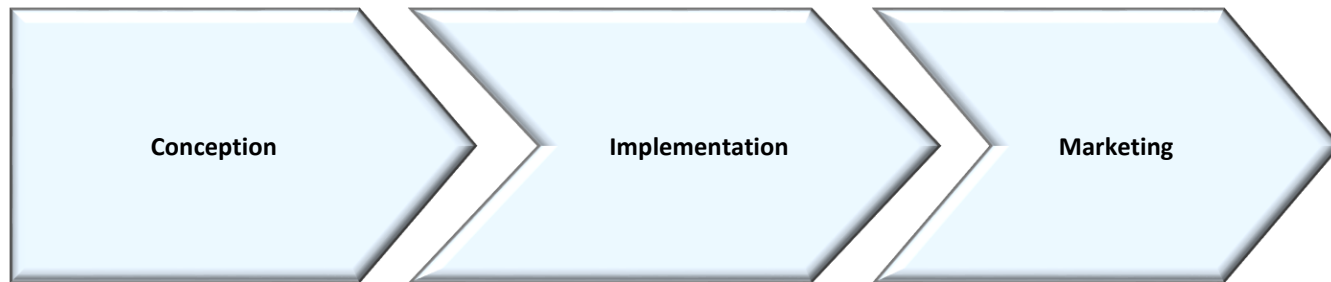
Supportive Environment

- Human, financial, and physical infrastructure
- Supportive climate that engages and celebrates entrepreneurs
- Positive citizen and community attitudes
- Open and creative community leadership that encourages and nurtures emerging leaders



How Nurturing is Your Region?

Three Phases of Innovation

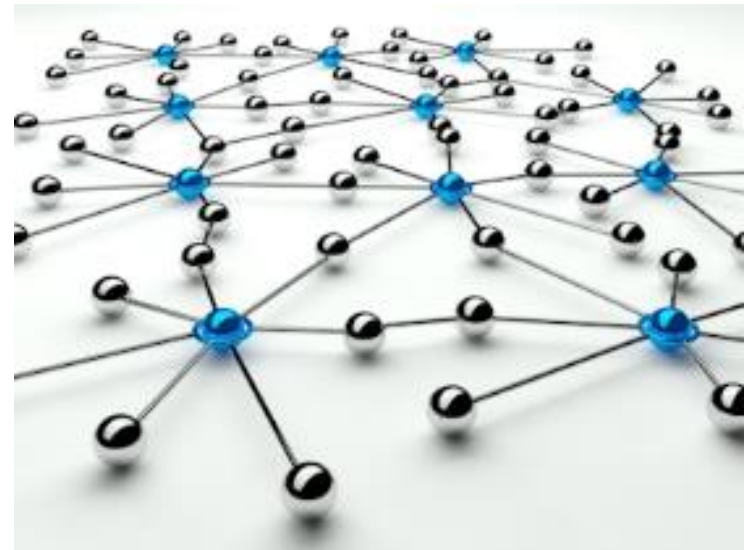


Source: Tawari, Buse and Herstatt, 2007

Entrepreneur Networks

Informal gatherings of entrepreneurs to share experiences and information

- Facilitate, but don't lead
- Networks should be “by and for” entrepreneurs



Mentoring and Coaching

Connecting entrepreneurs
with the right people at
the right time



Training & Technical Assistance

National

- eXtension Community of Practice
- Small Business Administration
- Small Business Development Centers

State/Local

- State/Local Economic Development Agencies
- Business Incubators/Accelerators
- Microbusiness Development Organizations

University

- Small Business Colleges
- 'Cashing in on Business'



Youth Entrepreneurship

- Why it is important?
 - Filling the pipeline with potential businesses
 - Creating a culture that values self-employment
 - Fostering innovation
- What can be done?
 - In-school programs
 - After-school programs
 - 4-H, Girl Scouts/Boy Scouts, etc.



Programs, Models, Resources

- Economic Gardening
- Innovation Centers
- Incubators
- Networks/Clubs
- Entrepreneurial League System



Balancing Available Assets

Asset mapping can help you identify under utilized assets within your region

Equally important is identifying those assets which may be at or over capacity



Your Region's Capacity for Innovation

- What are your region's most competitive assets?
- What assets can help launch new ideas and innovations?
- What resources does your region offer to foster innovation?



Audience Matters!

- Who are your target entrepreneurs?
- What do they need from you?
- Which resources will be most valuable to your region?



Drafting Your Regional Plan of Action

*“Good plans shape
good decisions.*

*That's why good planning helps
to make elusive dreams come
true.”*

Lester Robert Bittel



What are the 3 things to remember from this presentation?

Conclusion

- Social enterprise is driving significant changes and highly scalable.
- Solving societal problems and making society a better place for all is the ultimate.
- With a passion for the welfare of the vulnerable and society at large we can make society a better place for all.

Reference

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