

Social Innovation

Unit 9: Integration of “SOCIAL” into business models

In this unit we will look at the process of integrating ‘social’ into business model. We will try to understand the process of integrating social into business models and also the necessity of it.

The objectives of this unit is

- To look at the business model and tools from a social perspective
- To be able to integrate these concepts into practice
- To understand the societal concerns
- To acquaint ourselves for further sessions

We will begin by looking at business model for social enterprises. The business model for social enterprises comprise of product model, solution model, matchmaking model and multi - sided model.

Within a product model customers and beneficiaries are the same. This model is also known as beneficiary as customer model. This is the case because social enterprise provide standardized product or services to the beneficiaries and in return generate revenues.

Another model is the solution model. This model talks about tailored product/ service. As a part of this model engagement with customer first is a priority. This is also knows as a cooperative model or a beneficiary as business owner model.

Then there is the match making model. This model is also known as transactional model. It is a summation of market intermediary model and platform intermediary model. The match making model connects two complementary segments.

There is another model which is termed as multi sided model. There are many more ways to understand the multi sided model. It can be called a customer segment cross subsidization model. It can also be known as product line cross subsidization model or cross subsidization model. Further multi sided model is also known as donation model or employment model.

Social Business Model Canvas

Social business model canvas is an adaptation of business model canvas. The major additions to social business model canvas is the mission that needs to be filled. Further within the value column it is also important to mention social innovation. The implementation and market part are the same. As for the finance part, community reinvestment is added. Community reinvestment means giving back to the community the additional revenue.

The components of social business model canvas are mission, implementation (key allies, key resources, key activities), market (customer relationships, customer benefits, channel), value (social innovation, value proposition) and finances (cost of delivery, community reinvestment, revenue streams).

There is another social business model canvas we can look at as well. The components of social business model canvas are (designed by Denise Crossan, Eugene Lang, Visiting Professor for Issues of Social Change)

- It starts with a social mission
- Social value proposition (Beneficiaries, customers, funding stakeholders)
- Social impact measurement strategy (indicators)
- Channels (beneficiaries, customers)
- Relationships
- Key Delivery partners
- Key activities
- Key resources
- Competitors and cooperation
- Micro - environment/ PESTEL
- Revenue
- Cost
- Surplus

This leads us to look at 3Ps also known as people, planet and profit. People are an integral aspect of the social innovation process and therefore require importance when working on a social business model canvas. Planet is a big concern since there are a lot of environmental and natural issues prevalent and profit is a concern to sustain and generate revenues (Wilson, F., Post, J. E., 2013).

Some of the relevant questions that we need to answer when working on a social business model canvas are (Vial, V. 2021).

- How do we create value
- Who do we create value for
- How do we distribute the value created
- What is our source of competence
- How do we competitively, cooperatively position ourselves
- How do we secure resources
- What is our social impact
- What are our time, scope and size ambitions

The takeaways from this session are that the social business model canvas integrates social aspects as components. There are several social business model canvases and the use and formulation of the social business model canvas is still in a nascent phase. One of the reasons to use the social business model canvas is to include social aspects.

REFERENCES

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