



PME Unit 5 Krazy Kaksha

Project management and entrepreneurship (Dr. A.P.J. Abdul Kalam Technical University)



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~~UNIT-5~~ Social Entrepreneurship

5.1 Social Sector

- The Social Sector refers to organizations and activities that focus on improving the well-being of people, especially in areas like education, healthcare, poverty reduction, and community development.
- These are often non-profit groups, charities, or government programmes working to solve social issues and help people in need.

5.2 Two Approaches are :-

1. Human Resource Development (HRD) approach :

This focuses on improving people's skills and abilities, mainly for economic growth.

2. Human Development Approach :

This approach is broadly focusing not just on economic

5.4 Social Entrepreneurship

- Social Entrepreneurship is when someone starts a business or project to solve social problems, like poverty, education, or healthcare.
- Instead of just focusing on making money, social - entrepreneurs aim to make a positive difference in society while still being financially sustainable.
- They use Business ideas to help people and improve communities.

5.5 Various Models of Social Entrepreneurship

1. Microfinance Model: Provides small loans to individuals often in low-income communities, to help them start or grow their own Businesses, empowering them to become self-sufficient.
2. Non-Profit Model: Focuses on creating social impact without seeking profit. Funding comes from donations, grants, and other charitable sources.

3. For-Profit Model: Combines social impact with profit generation. The business earns revenue while solving social issues, and profits are reinvested or shared.
4. Hybrid Model: Mixes non-profit and for-profit elements. The organization runs a business to generate income, but uses the profits to fund its social mission.
5. Social Innovation Model: Focuses on developing new solutions or technologies to tackle social problems, aiming for long-term systemic change.



5.6 Social Entrepreneurship opportunities and Successful Models

→ Some Social Entrepreneurship opportunities are -

- 1) Waste management: Innovate ways to recycle or manage - waste, particularly in areas struggling with pollution.
- 2) Water management and sanitation: Develop solutions to - provide clean drinking water and affordable sanitation systems to regions lacking these essential services.
- 3) Affordable Education: Build platforms or programs to provide quality education to underserved communities, especially in rural areas.
- 4) Sustainable Farming: Promote eco-friendly farming methods or urban agriculture to increase food security and protect the environment.

5) Clean Energy Solutions: Provide renewable energy like - solar power to areas without reliable electricity, reducing costs and promoting sustainability.

→ Some Social Entrepreneurship Successful Models are -

- Sesco India: SESCO provides affordable solar energy solutions to underserved communities, improving access to electricity in rural areas.
- Goonj: Goonj focuses on turning urban waste into usable resources for the rural poor, addressing issues like clothing, sanitation, and disaster relief through recycling.
- Childline
- PiPal Tree

57 Social Innovations and Sustainability

Social Innovation

- Social innovation refers to new ideas, approaches, or solutions aimed at solving social challenges and improving the well-being of individuals and communities.
- It can be a product, service, or method that addresses societal needs like education, health, or the environment.

Sustainability

- Sustainability means creating solutions that meet present needs without compromising the ability of future generations to meet their own.
- It focuses on balancing social, economic, and environmental factors for long-term benefit.

Example:

- 1) Solar-Powered Water Purifiers: A social innovation providing clean drinking water using solar energy, addressing both the social issue

of water access and sustainability by using renewable energy.

2) Recycling waste into Products: Turning plastic waste into building materials helps solve pollution while creating sustainable construction solutions.

5.8 Risk management in Social Enterprise

→ Risk management involves identifying, assessing, and mitigating risks that could impact the venture's ability to achieve its social mission and sustain its operations.

5.9 Various Risk

(1) Difficulty in obtaining funding: Limited access to investors who prioritize profit, as many funders may focus on

financial returns.

- (2) Burnout Risk for Employers and funders: It refers to the physical and mental exhaustion that employers, employees, or funders may experience due to high demands, and limited resources.
- (3) Marketing challenges: It refers to difficulties in promoting products or services effectively while balancing a social mission.
- (4) Not focusing on Profit: It refers to the potential challenges that arise when the primary focus is on social goals rather than financial sustainability.
- (5) Not knowing the target audience:
- (6) Lack of knowledge

(7) Operational Risks

5.10 Risk Management Steps in Social Enterprise

1) Risk Identification

- List potential risks (financial, operational, reputational)

2) Risk Impact Assessment

- Rate the severity of each risk (low, medium, high)

3) Develop Approach and Plan

- Create a strategy for handling identified risks.

4) Select Risk Management Tools

- Choose tools or methods (insurance, training)

5) Risk Prioritization Analysis

- Rank risks by likelihood and impact.

6) Risk Mitigation Planning

- Develop specific actions to reduce risks.

7) Implementation And Monitoring

- Execute the plan and regularly review its effectiveness.

5.11 Legal Framework For Social Ventures

The legal framework for social ventures consists of laws, regulations, and structures that guide their formation, operation and accountability.

→ It defines the types of entities (e.g., nonprofit, for-profit with social missions), tax status, governance, funding rules, and compliance requirements, helping ensure these ventures operate legally, ethically, and sustainably.

5.12 Necessity of Legal Framework

- Encourage Innovation and Intellectual Property Protection
- Enables Sustainability and Long-term Growth
- Ensures Compliance and Risk Management
- Defines Operational Structures and Clarity
- Protect rights and liberties

5.13 Legal Structures

1) Nonprofit organizations -

- Focus on social missions, reinvesting any surplus into their causes; may qualify for tax exemptions.

2) For-profit social enterprises -

- Operate as regular businesses but prioritize social or environmental goals alongside profits.

3) Hybrid organizations -

- Combine elements of non-profits and for-profits to allow flexibility in funding and operations.

5.14 Marketing Management for Social Ventures

Marketing management for social ventures involves creating, communicating, and delivering value to customers in a way that benefits both the organization and society.

5.15 Key Points

- 1) Target Audience: Focus on groups impacted by social issues (e.g., low-income communities).

... to achieve positive social change over profit.

Marketing management for social ventures involves creating, communicating, and delivering value for customers in a way that benefits both the organization and society.

5.15 Key Points

- 1) Target Audience: Focus on groups impacted by social issues (e.g., low-income communities).
- 2) Social Impact Focus: Prioritize social change over profit.
Example: Solar lights for rural areas.
- 3) Awareness: Use campaigns to educate and raise awareness.
Example: Clean water campaign.
- 4) Trust: Build credibility through transparency.
Example: Clear use of donations for healthcare.
- 5) Sustainability: Align marketing with eco-friendly practices.
Example: Biodegradable packaging.
- 6) Partnerships: Collaborate with other organizations for

① Effectiveness and Efficiency

- Effectiveness refers to the degree to which objectives or goals are achieved. It's about doing the right things to accomplish a desired result.
 - An action or process is considered effective if it produces the intended outcome or fulfills a specific purpose.
- Efficiency is the ability to achieve goals with the minimum use of resources, such as time, money, materials, and effort.
 - It's about doing things in the best possible way with the least waste.

② Social Ventures

Social Ventures are businesses or projects that aim to solve social problems or meet community needs. They are not solely focused on making profit but on creating positive change in society.

③ Business plan

A Business plan is a written document that outlines how a Business will operate and grow. It includes important details like the Business idea, target market, goals, and how the Business will make money.

→ A Business plan serves as a roadmap for the Business owner and helps attract investors or secure loans.

④ Social - Cost Benefit Analysis

(4) Social - Cost Benefit Analysis

- Social-Cost Benefit Analysis (SCBA) is a method used to evaluate the overall impact of a project or policy on society.
- It compares the total social costs (negative effects) and total social Benefits (positive effects) to determine whether a project is worthwhile.

PYA and IMPORTANT QUESTIONS

Ques(1) What do you mean by the Marketing Management for Social Ventures? Discuss in detail with some examples?

Ans. Topic - 5.14

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