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# (REDEFINING) SUCCESS IN A CHANGING WORLD

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New views on social entrepreneurship  
A summary of new survey data and  
opinion-leader interviews

# Contents

<b>FOREWORD</b>	<b>2</b>	<b>SOCIAL ENTREPRENEURS: REDEFINING SUCCESS</b>	<b>17</b>
<b>INTRODUCTION</b>	<b>3</b>	Survey Results: Impatient for Change, Open to Help	17
<b>EXECUTIVE SUMMARY</b>	<b>4</b>	Today's Social Entrepreneur (SE)	17
<b>GLOSSARY</b>	<b>5</b>	How Can Business Help?	18
<b>A CHANGING WORLD</b>	<b>6</b>	<b>LOOKING AHEAD</b>	<b>19</b>
The Rise of Social Entrepreneurship Globally	7	Opportunities and Challenges to Scaling Social Entrepreneurship	19
Institutional Frustration for Some, Market-Based Optimism for Many	7	Barriers and Challenges to Achieving Scale	19
Population Growth, Demographic Shifts and the Impact on Natural Resources	8	Opportunities for Corporate-Social Entrepreneur Win-Win Partnerships	20
Rising Global Inequality	9	<b>CONCLUSIONS</b>	<b>21</b>
Proliferation of Technology	9	<b>APPENDIX</b>	<b>22</b>
Changes in Global Philanthropy	10	A Look at Social Entrepreneurship in Six Markets	23
Changes in Global Business	10	<b>METHODOLOGY</b>	<b>36</b>
At a Tipping Point?	11	<b>ACKNOWLEDGMENTS</b>	<b>37</b>
<b>THE RISE OF GENERATION Y</b>	<b>12</b>	<b>REFERENCES</b>	<b>38</b>
Technology is a Driver	13	Resources Consulted	38
Catching Fire	13	<b>ENDNOTES</b>	<b>39</b>
Survey Findings: A Case for Optimism	14		
Success, Aspirations and Personal Values	14		
Expectations for businesses and employers	15		
On Entrepreneurship	15		
On Social Entrepreneurship	15		
Expectations for Businesses	16		
Barriers to Starting and Scaling Social Enterprises	16		
Spreading the Word	16		
Business as Usual, Redefined?	16		

## Foreword

Patience is a virtue, goes the saying. But in a world increasingly challenged by complex and interrelated social problems, often beyond the reach of any single organisation or government entity, it may be impatience that leads to real solutions for our most pressing issues related to poverty, health, education and the environment.

**S**ocial entrepreneurs – those who dedicate their careers to driving positive social impact and transformation with passion, business savvy, and courage – come in many varieties and from many backgrounds, but they all share the uncommon virtue of impatience to make change happen. This report offers a number of interesting new insights into social entrepreneurship and its potential for sustainable impact around the world, but perhaps the most encouraging is the fact that impatience for change is a notion shared by the increasingly important and influential generation of young Millennials. This is a global cohort that seems to see the interconnections of social need and business opportunity, and a willingness to tackle our most intractable challenges with zeal and commitment.

The Schwab Foundation for Social Entrepreneurship, in close collaboration with the World Economic Forum, has been at the forefront of advancing leading models of social innovation for fifteen years. And all of the trend lines we have seen over the past couple of years – particularly the fast growing ranks of social entrepreneurs among the Forum's Global Shapers community of outstanding 20 – 30 year old leaders – underscore the findings outlined in this report.

There is a new generation of entrepreneurs who see social and environmental problems for what they really are – opportunities to meet an unmet need – and who are applying their energy and talent to build a better world. Pushing the boundaries of traditional models and happily blurring the lines between profit and purpose, social entrepreneurs among the Millennial generation are standing on the shoulders of those who came before them and doing their part to usher in a new era of truly inclusive growth. Let's do everything we can to put the wind at their backs, because that future cannot get here fast enough.

**KATHERINE MILLIGAN**

**Director and Head**

Schwab Foundation for Social Entrepreneurship  
in collaboration with the World Economic Forum  
Geneva, Switzerland

There is a new generation of entrepreneurs who see social and environmental problems for what they really are – opportunities to meet an unmet need – and who are applying their energy and talent to build a better world.

## Introduction

There's a new breed of entrepreneur emerging. Thinkers, innovators and, most importantly, doers – these entrepreneurs are challenging assumptions, seeing opportunities and launching new ventures that aim to make a profit while creating positive change.

This is a mind-set we know well. At the heart of Chivas' history is a combination of entrepreneurial thinking and generosity. Our founding brothers, James and John Chivas, were entrepreneurs with a social conscience who helped their local community in Aberdeen as their business grew. They had much in common with the social entrepreneurs of today. As their success grew, so did their acts of generosity. Their contributions enabled the community through education, guidance, social support and connections.

The Chivas Live with Chivalry campaign was launched in 2008, and has since inspired modern gentlemen in more than 60 countries around the world to succeed in the right way. We now see a real opportunity to 'walk the talk'. An entire new generation is encountering a world full of change, and their attitudes towards these possibilities and challenges are having a profound impact on how business is perceived, how products are purchased, and even how success is defined.

We are committed to engaging this generation in thoughtful, meaningful ways, and to encourage and enable the social entrepreneurs within it to succeed. With this report, we hope to inform and inspire a wider global discussion on the potential of social entrepreneurship through robust research and analysis; and we also hope to ground our own plans in new data and real-world wisdom from successful leaders of established businesses and proven social enterprises.

We are grateful to all of our partners who contributed to this report, and hope you find it useful.

**RICHARD BLACK**  
**Global Brand Director**  
Chivas Regal

We are committed to engaging this generation in thoughtful, meaningful ways, and to encourage and enable the social entrepreneurs within it to succeed.

# Executive Summary

A number of global trends are converging to accelerate the pace of change in our communities, our lives and the way in which we define success in business. As a result, the world we are passing on to the coming generations is both promising and fragile.



One response to this complexity is the rise of social entrepreneurship: the idea that economic incentives and positive social change can – and should – go hand in hand. Over the past two decades in particular, the phenomenon has gained significant traction, and in some cases is on the verge of mainstreaming into general business.

This report integrates primary surveys, opinion leader and practitioner interviews, as well as experiences and observations of dozens of business leaders, social entrepreneurs, global Millennials, academics and other experts, all of whom were generous with their time and resources. We combined this with secondary desk research, and together with our analysis, offer a compelling narrative about the future of social entrepreneurship around the world.

The first section of the report highlights which important and competing macro trends have converged to cause the rise of social entrepreneurship.

The second section investigates the relationship between global Millennials and young professionals (YPs) and the concept of social entrepreneurship. There we share original research findings about the future aspirations and values of global Millennials and YPs. Some highlights include:

- YPs from around the globe have a positive outlook on their careers. They believe their career path will afford them the opportunity to pursue personal passions and make an impact in society.
- The vast majority of YPs in emerging markets feel they are more motivated by having a positive impact on society than by purely pursuing profit and personal gain.
- Reflecting on the goals of companies, nearly all YPs in every market unanimously agree that it is possible to combine profit with having a positive social impact. The majority of YPs also express uniform agreement that they would be more motivated to work for a company that creates some kind of positive social impact rather than one simply turning a profit.
- The majority of YPs state that the responsibilities of business extend beyond their financial responsibility to their shareholders, and should touch on opportunities and privileges in the workplace.
- YPs in all markets believe that the internet is playing a major role in increasing awareness about the severity of problems in the world and spreading news about proactive solutions to them.
- Overall, the vast majority of YPs believe business can be a force for good and that the values of social entrepreneurship appeal to this generation like none before.

The third section explores the extent to which mainstreaming of social entrepreneurship is happening around the world, and offers a detailed narrative about the trajectory of the movement, as well as the needs and challenges facing social entrepreneurs.

It also investigates the status of social entrepreneurship in six different markets and acts as a means of validating new trends and approaches to driving forward economic and social development. Our findings here reveal critical demographic information about the typical social entrepreneur (SE) (if such a thing exists), and shed light into their motivations. Some preliminary research highlights include:

- Unsurprisingly, the concept is in different stages of development from market to market, and understanding the background, demographics, and sectors of activity of a selection of these countries is helpful for plotting the trajectory of its growth worldwide.
- SEs tend to be male (59%), fall between the ages of 18-34 (39%) or 35-54 (46%) years old, and the vast majority work at start-ups, having started in the past year (69%).
- They operate on small budgets. 36% of the global sample generate less than \$50,000 USD.
- They may think globally, but they tend to act locally. The majority of SEs surveyed focus on a local cause.
- As a group, they are impatient, taking matters into their own hands. They see a problem and they want to fix it, seeing no time to waste. They live in target communities themselves, and they want to make a change without waiting for government or policy intervention, despite feeling that others may be better placed to address these issues at scale.
- While socially minded, the SEs are business-friendly and understand that businesses need to make a profit to be sustainable. The majority agree that business can be a force for good if operated in the right way and that there are opportunities to make money in a socially responsible way.
- Though their views vary somewhat on global leadership and who is best placed to make a difference, they are optimistic about the growth of social entrepreneurship.

The fourth section shares important barriers faced by social entrepreneurs and pinpoints areas in which businesses can partner with them to help accelerate the development of the movement.

The fifth and final section concludes with an examination of how Chivas Regal and other enlightened businesses can help nurture the development of social entrepreneurship further.

Overall our research efforts have made one thing clear: there is great momentum and inspiring leadership in the dynamic field of social entrepreneurship, and there are promising signs that there is an opportunity for mainstream business and social entrepreneurs to work together and redefine success for a rapidly changing world.

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# Glossary

**GEN X** – Generation X, commonly abbreviated to Gen X, is the generation born after the Western Post-Second World War baby boom. Demographers, historians, and commentators use beginning birth dates ranging from the early 1960s to the early 1980s.

**Millennials** – Millennials are the demographic cohort following Generation X. In terms of dates when the generation starts and end, most researchers and commentators use birth years ranging from the early 1980s to the early 2000s.

**GEN Y** – Same as Millennials, above.

**Social Entrepreneurship** – The process of pursuing innovative business solutions to social and environmental problems.

**Social Entrepreneur** – A social entrepreneur (SE) is someone who recognises a social or environmental problem and uses entrepreneurial skills to organise, create, and manage a venture to create a social change. Social entrepreneurs are individuals tackling major social issues by offering new ideas for wide-scale change, often through the provision of a new product or service. This can sometimes take the form of a new for-profit business venture or not-for-profit organisation. Social entrepreneurs will not leave societal needs to the government or business sectors to solve, and instead find what is not working and solve the problem by innovating and using enterprise to spread the solution to mass populations.

**Social Intrapreneur** – Someone who works inside major corporations or organisations to develop and promote practical solutions to social or environmental challenges where progress is currently stalled by market failures. Someone who applies the principles of social entrepreneurship inside a major organisation.

**Social Business** – A social business is a non-loss, non-dividend company created and designed to address a social or environmental problem. It is financially self-sustainable and reinvests most profits realised back into the business itself (or uses profits to start other social businesses) in order to increase the social impact of the venture. Opinions vary about the extent to which dividends can be taken out from a social business but the aim is not to maximise profits. Also, unlike a non-profit, a social business is not dependent on donations or on private or public grants to survive and operate, because it is self-sustainable.

**Social Enterprise** – A social enterprise is an organisation that applies commercial strategies to maximise improvements in human and environmental well-being, rather than maximising profits for external shareholders. Social enterprises can be structured as a for-profit or non-profit, and may take the form of a co-operative, a mutual organisation, a disregarded entity, a social business, or a charity organisation.

**Impact Investing** – Impact investing is the practice of making financial investments into companies, organisations, and funds with the intention of generating a measurable, beneficial social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below-market to above-market rates, depending upon the circumstances.

**Impact Investor** – A financial investor that actively seeks to place capital in businesses, non-profits, and funds that can create measureable and sustained positive social and environmental impacts as a result of their enterprise activities.

**Philanthropy** – The use of private capital and resources to create and advance public good, mostly focused on improving quality of life and the resilience of our ecosystems.

**Philanthropist** – A person who practices philanthropy.

**NGO** – A non-governmental organisation is an organisation that is neither a part of a government nor a conventional for-profit business.

## A Changing World

A number of global trends are converging to accelerate the pace of change in our communities, our lives and the way in which we define success in business. From technological advancement and improvements in travel and communications, to rapid urbanisation and improvements in health care and agriculture, people today are generally better informed and live longer and fuller lives than previous generations.

**H**owever, significant challenges remain. Disparities in upward mobility and income equality are at record levels, and our social and environmental systems are under enormous strain as we attempt to improve the lives of more people and accommodate more affluent lifestyles. Leaders from government, the public sector, and global business have attempted to find solutions to ensure more equitable and responsible growth, but none have yet had the reach or scale required to address the magnitude of the challenges.

As the result of these drivers and the limitations of our existing institutions, the world we are passing on to the coming generations is both promising and fragile – a work-in-progress requiring new ways of thinking and acting.

One response to this complex, rapidly evolving world is the concept of social entrepreneurship: the idea that economic incentives and positive social change can – and should – go hand in hand. Social ventures around the world are demonstrating how new models of creating value, governing resources and re-defining success in one's own life can work to improve the status quo, and in some places, directly influence general business practice.

Over the past two decades, the phenomenon has gained significant traction, and, in some cases, is on the verge of mainstreaming into general business. This is only logical, according to Paul Rice, CEO of Fair Trade USA:

“...if you look at the way the world is currently, and if you look at the risk to global capitalism posed by our collective indifference to issues of social and environmental degradation, you have to conclude that sooner or later the configuration of market forces and social forces will accelerate the change. In fact, the change is happening now.”<sup>1</sup>

If social entrepreneurship was born in response to a rapidly changing world, it is now contributing to that change as a force in and of itself. There is ample reason for optimism about the contributions social entrepreneurship can make to our future, even as social, economic and environmental challenges persist.

Social ventures around the world are demonstrating how new models of creating value, governing resources and re-defining success in one's own life can work to improve the status quo, and in some places, directly influence general business practice.



## THE RISE OF SOCIAL ENTREPRENEURSHIP GLOBALLY

### INSTITUTIONAL FRUSTRATION FOR SOME, MARKET-BASED OPTIMISM FOR MANY

As people begin to understand and confront the challenges of a rapidly changing and increasingly interconnected world, many are looking to the concept of social entrepreneurship as a promising approach to help meet the dual demands of creating more equitable economic growth and protecting fragile ecosystems.

This is for some a response to frustrations or impatience with more established institutions. Many are concerned that governments are increasingly unable to protect citizens, solve social problems, and ensure equitable distribution of resources and wealth. Others believe corporations and the private sector should assume more responsibility to respond adequately to the scale of social and environmental problems in the world, given the inherent resources, power and capabilities they possess. For some, the global non-profit sector – traditionally responsible for delivering public services as a counterpoint to the private sector – seems less effective as it faces many of its own challenges, including increased scrutiny for improved effectiveness, efficiency and sustainability, as traditional sources of funding have diminished.

For many others, however, the rise of social entrepreneurship stems less from frustration and more from excitement and optimism about the power of the market to drive positive change. Reflecting on the need for new solutions to existing problems and the potential of social entrepreneurship, Paul Rice shares his story of how he first encountered the idea:

“I worked on many projects that were funded by international development agencies. It was very top down, aid driven and ineffective. So, over seven years of doing that, I came to the conclusion that top down, government run or NGO-run aid projects were perhaps not the most sustainable way of alleviating poverty; that maybe business and market linkage could be a more effective approach. I ended up starting Nicaragua’s first fair trade coffee co-op in 1990 and I ran that for four years. That really opened my eyes to not just the power of fair trade but more broadly speaking the power of the market. Through the power of the market, we can help the poor on a journey out of poverty. Not through top-down charity but through more of a bottom-up, entrepreneurial approach. In our case we helped farmers develop business skills, gain access to credit and gain access to markets. In Nicaragua, I witnessed farmers getting as much as 10 times more for their harvest than they would have otherwise. That, in turn, allowed them to do all kinds of things that otherwise they would have waited for government to do for them, like putting clean drinking water into the villages or sending their children to high school. That experience led me to come back to US and start Fair Trade USA.”<sup>2</sup>

Many other social entrepreneurs have experienced an ‘eye-opening’ moment, when an idea to create change through financially sustainable models proved to be not only viable, but potent. Encouragingly, these experiences in successful social entrepreneurship demonstrate its potential across a range of issues. In the fight against poverty, for example, social enterprises and market-based solutions are promising to create sustainable social impact by providing those excluded from government services or mainstream markets with beneficial products and services, while creating improved livelihood opportunities.<sup>3</sup> From healthcare to education, sanitation to housing, these innovative models already span various industries in many parts of the world, with each success story inspiring even more ambitious, innovative approaches.

Unsurprisingly, many social entrepreneurs draw inspiration from the world of technology start-ups, with different regions around the world benefiting from the proliferation of social-impact ‘meet ups,’ social business plan competitions, accelerators and social angle venture capitalists and social ventures.

The excitement around the concept is heightened by the belief that the model can harness the potential of the Millennial generation to fuel economic and social growth, while addressing the systemic roots of poverty and inequality in societies around the world (discussed later in the report). Many also believe social entrepreneurship can achieve scale by tapping into mainstream investment capital.<sup>4</sup>

To best understand the potential for this concept and the optimism many have for it as a force for good, beyond the impact of specific projects and on the wider worlds of business and entrepreneurship, it is helpful to review the key developments that gave rise to the movement in the first place.

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## POPULATION GROWTH, DEMOGRAPHIC SHIFTS AND THE IMPACT ON NATURAL RESOURCES

Among the trends opening a window of opportunity (and challenge) for social entrepreneurship, are some of the more profound socioeconomic drivers, including continued population growth, significant demographic shifts and the resulting demands these place on natural resources and the environment.

On one level, many businesses see population growth and demographic shifts to younger consumers as a 100-million person opportunity over the next decade.<sup>5</sup> Dorje Mundle, Head of Corporate Responsibility at Novartis, said:

“...as more people are escaping poverty and entering the emerging middle class, there are going to be a billion new consumers by 2020. They are going to be consuming more. They are going to have a better income, which represents a significant market opportunity.”<sup>6</sup>

Even so, the strain of providing for a world with a population heading rapidly beyond seven billion will exacerbate some environmental challenges, potentially accelerating social and political conflict where strong governance systems do not currently exist.<sup>7</sup> Take, for example, distributed water usage across a number of neighbouring countries; poor governance systems and ineffective negotiating platforms, combined with resource shortages, could cause conflicts in the near future.

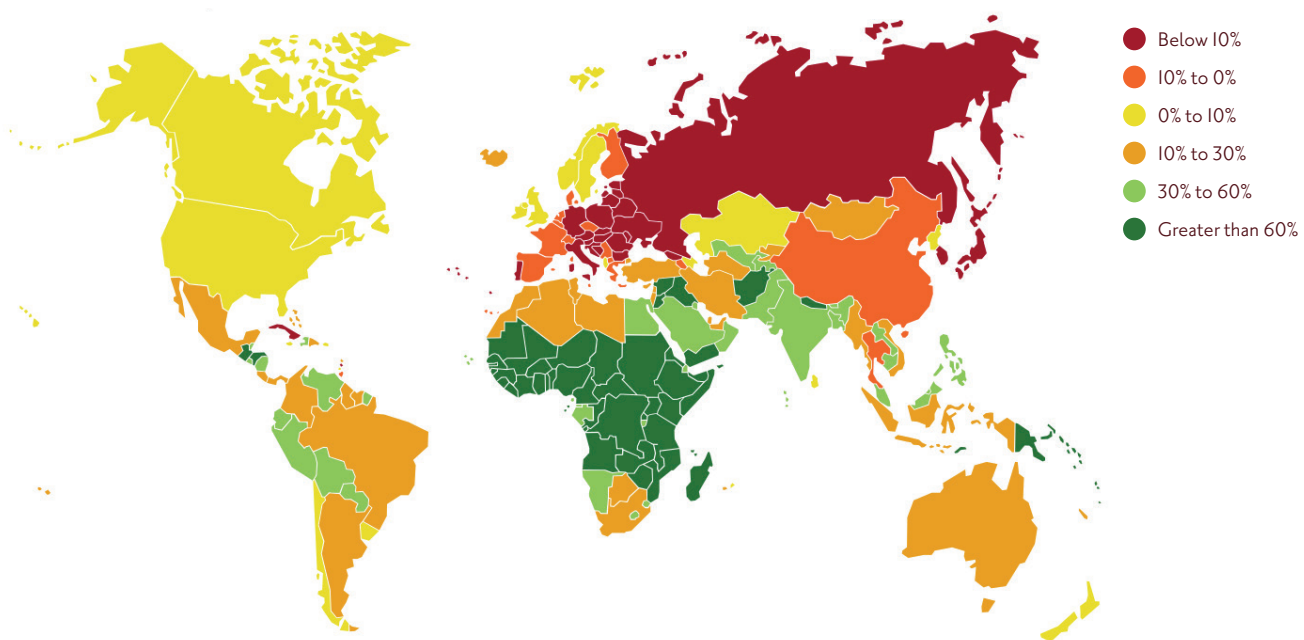
Another trend, in part a result of population growth and climate change, is the rise of ‘conscious consumerism’. Concerns about natural resources have helped illuminate the connection between consumer habits and sustainability, and people around the world are increasingly convinced that conservation is important, and are willing to reward brands that conduct business in a way that reflect these values. A value shift is underway – from ‘more’ to ‘better’ consumption.<sup>8</sup> For example, product labels that carry information about water and carbon footprints, or measuring tools that provide real-time feedback about household energy and water consumption are becoming more and more in demand as a practical way to help consumers make better choices in their day-to-day lives.<sup>9</sup>

Patrick Schofield, founder of Indalo Project, feels a fundamental shift is happening in the consumers mind-set, where “people are no longer just interested in how beautiful a product is or what it is made of, they really want to know the story behind it – who made it, where it comes from, the [material] that went into it.”<sup>10</sup>

Given the challenge of engaging governments to develop solutions that support sustainability, some businesses have stepped up and are exploring market-based solutions to take matters into their own hands. According to MasterCard’s Vice President Global Channels, Zahir Khoja, there are opportunities for collaboration and cross-sector partnerships. Businesses can assume greater responsibilities for solving social and environmental challenges and making profitable returns:

“In emerging markets collaboration between business, government, NGO’s and community is what will drive engagement and adoption for the purpose of enhancing lifestyles. Enforcing a solution may work for a short time, but the benefits may not be understood or accepted by the intended recipients. As an example: a government ministry cannot enforce that people brush their teeth daily; however, in partnership with business and community, they can provide education on oral hygiene along with its benefits, support distribution in pack sizes that make sense for the end user based on income and cash flow which in turn may reduce short term health issues, mortality and support the vision of positive living.”<sup>11</sup>

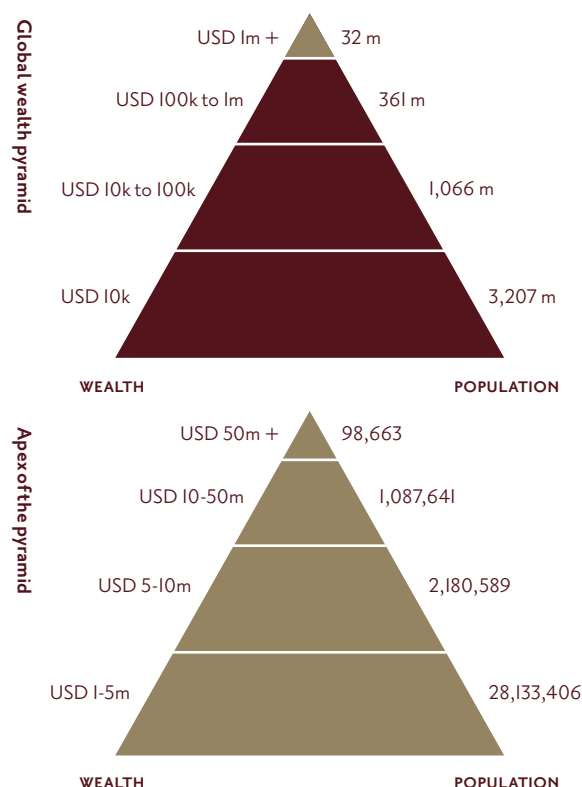
**FIG 01.** Growths and Declines of Working Age Populations. (Based on United Nations Population Division, World Population Prospects, the 2010 Revision, medium variant; Global Demographic Change and its Implications for Military Power, Martin C. Libicki, Howard J. Shatz, Julie E. Taylor)



## RISING GLOBAL INEQUALITY

Whilst global growth has continued, inequality between and within countries has widened.<sup>12</sup> Global wealth inequality sits at record peaks, with the top 1% of the globe's wealthiest owning 41% of the world's assets and wealth. Furthermore, the top 10% of the globe's wealthiest own 86% of the world's assets and wealth, while the bottom 50% of the world's population own just 1% of this pie.<sup>13</sup>

**FIG 02.** Global Wealth Inequality – Source: Credit Suisse Global Wealth Data Book 2013



This level of inequality helps reinforce the notion that old ways of creating value need improvement so that the majority can also reap the benefits of economic growth in a manner proportional to their contributions. Many see social entrepreneurship as an emerging test bed for providing alternative economic models that help distribute resources more equitably, instead of reinforcing older models that distribute resources in a disproportionate manner.

One important way social entrepreneurship helps alleviate inequality is by putting value directly back into local economies and supply chains. Tiago Dalvi, CEO and founder of Solidarium, explains:

“We started Solidarium.net which is a marketplace where every single artisan in Brazil can sign up and in less than five minutes can start selling to the whole world with us. There is no sign-up fee, no monthly fee, no yearly fee, nothing. I mean there is no barrier for them to start working with us. We started in June 2012 and since we started we’ve jumped from 1,100 entrepreneurs to more than 15,000 entrepreneurs in less than two years. We’re pretty sure that we’re going to reach around 100,000 by next year. The mission is work with at least a million artisans in Brazil, it’s even closer right now.”

Junjie Zhang, founder of Sozen, offers another example:

“About two years ago we started a project called Sozen Bamboo Weaving, which is a collaboration with local bamboo weaving crafters. They make very traditional bamboo art. We collaborate with them because they don’t have jobs now because the product they produce, people don’t like it. We are designers and we know what the modern market likes.”

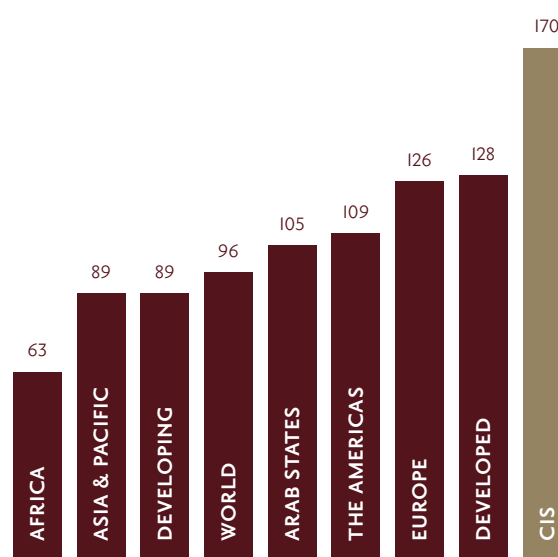
## PROLIFERATION OF TECHNOLOGY

Another important trend and driver of global change is the unprecedented level of access to information and greater connectivity. Fast, cheap travel has led to significant increases in human movement, while mobile and internet penetration rates globally have expanded exponentially.

People are vastly more connected to one another, receiving richer news more frequently, making them more aware of the big challenges faced by the world’s population, not just those in their own communities. Meanwhile, the proliferation of social media and communication channels also means companies will find it harder and harder to make ends meet by doing harmful things to society or the environment. This will only intensify as access to technology continues to grow.<sup>14</sup> According to Paul Rice:

“...Every farmer and worker in the world now, just about, no matter where they are, has a cell phone with a camera on it. Never has it been easier to expose human rights abuses and labour rights abuses and environmental degradation. For example, in Bangladesh last year there was a huge factory fire and hundreds of workers died. In today’s world, such horrific tragedies are impossible to hide from the public. When these incidents occur, it tends to heighten global corporations’ sense of risk, both reputational risk and also supply chain risk.”<sup>15</sup>

**FIG 03.** ICT Global Mobile Penetration Rates per 100 inhabitants



## CHANGES IN GLOBAL PHILANTHROPY

Another important trend is the rise of global philanthropy and shift in approach to how causes are funded over the past two decades. Global and local foundations are increasingly important in this area. In the US alone, community foundations nearly doubled within the last decade (905 in 2000 to 1,680 in 2010), and this growth rate remains consistent today.<sup>16</sup>

At the same time, the financial crisis has led many to scrutinise the way resources are used and social impacts accounted for in the philanthropic and non-governmental sectors. NGOs in particular bear tremendous pressure to demonstrate their direct and measurable impacts on the causes they advocate for and how their solutions are disruptive and effective, and not merely palliative.

“Gen X-ers” (born 1964-1980), and “Gen Y/Millennials” (born 1981-2000) will inherit \$40 trillion of wealth over the next decade and appear eager to see more philanthropic innovation and entrepreneurial risk-taking when it comes to social problem-solving.<sup>17</sup> This much younger, more impatient generation of donors want to change how they give (i.e., revamping strategy to be more effective), more than what causes they support.<sup>18</sup> Traditional grant-making (i.e., writing cheques) appears to them a hollow approach with little assurance of impact.<sup>19</sup>

Fortunately for social entrepreneurs, many new donors are looking to support new models that integrate wealth creation and social progress, particularly market-based approaches that demonstrate impact with each transaction.

According to Kresse Wesling co-founder and director of Elvis & Kresse, this could be advantageous as social enterprises go above and beyond merely creating jobs:

“[Social enterprise] isn’t just a business that employs people and pays its taxes. [Social enterprise] employs people, pays its taxes and also does something really, really miraculous for society or for the environment that the government would otherwise have to fund.”<sup>20</sup>

Daniel Contrucci, founding partner of Aoka, believes this could aid the social entrepreneur movement, stating that the concept of social enterprise grew out of the shortcomings of the public, private and non-profit sectors but picked out the best practices of all three, creating more sustainable market-based solutions:

“...social enterprises were born to fill a gap between regular companies and NGOs. On one side, companies look exclusively for profits, [while] on the other side NGOs look exclusively for social and environmental impact. In general, NGOs are funded by donations and government support, therefore struggling to be economically sustainable. The social enterprise concept was born as a way to integrate the triple bottom line into the business.”<sup>21</sup>

## CHANGES IN GLOBAL BUSINESS

Finally, any overview of the trends driving global change and the rise of social entrepreneurship would be incomplete without a look at changes in business worldwide. Today there are more than 60,000 multinational corporations along with more than 800,000 subsidiaries, and millions of suppliers, making the web of private enterprise wider and more connected than at any other time in history.<sup>22</sup> As a result, the relationship between ‘general’ business and social entrepreneurship is complex, with increasingly blurred lines between them.

As the role of business in society undergoes a significant rethink, there is a growing recognition among a new generation of leaders that capitalism can be a force for good.

In some ways, social entrepreneurship can be seen as a reaction to the recent failures of corporate culture. From the 1990s onwards there has been an increase in corporate liability and litigation, financial mismanagement and fraud, poor labour practices and human rights abuses, widespread social inequality and environmental degradation.

Many Millennials believe that large corporations with global operations, capabilities and research can and should contribute solutions to making the world a more resilient and better place for everyone. As the role of business in society undergoes a significant rethink, there is a growing recognition among a new generation of leaders that capitalism can be a force for good. According to Ian Calvert, Project Leader of Red Bull Amaphiko:

“...the shift around the world is that in order to do well you have to do good. The consumers won’t let you just operate with scant regard for the social impact you’re doing. You need to build in fundamentally good business practices as part of doing well. Consumers can hold you to account simply by not dealing with you, unless they believe that your day to day way of doing business incorporates some sort of social awareness.”<sup>23</sup>

This leads to the intriguing possibility of social entrepreneurship working its way into mainstream business practices in the future. Thanks to the rise of socially responsible investing, impact investing, social entrepreneurship and other models that bring together financial success with strong social or environmental benefits, parts of the global economy are seeing the convergence of social and economic value creation. Paul Rice sees the incorporation of socially entrepreneurial fundamentals into mainstream business practices as all but inevitable:

“I believe sustainability will be a strategic priority, not only for the social sector and for those of us who are working on social change, social justice and environmental sustainability issues, but also for the business community. We have witnessed an evolution of approaches from corporate philanthropy to CSR and now increasingly to sustainable business, defined as the principles of sustainability being incorporated into the business model itself. In the past business leaders saw an unavoidable trade-off between sustainability, on the one hand, and profitability on the other. They thought that to the extent that they pursued sustainability, they were going to have to sacrifice profits or do it through philanthropic endeavour. Now, what companies are realising increasingly is that sustainability can be a driver of profitability on a number of levels – by enabling companies to create more resilient and sustainable supply chains, or by giving companies a way to manage reputational risk and supply chain risk, or by giving companies a way to tap into the Conscious Consumer segment which is increasingly looking for products that reflect positive values. [There are] multiple benefits from baking sustainability into the business model. I believe this is the next era of capitalism. I absolutely think it is enlightened self-interest – not philanthropic or charitable impulse – that is driving it. I think it is the business world realising that the long term survival of capitalism depends on a different approach.”<sup>24</sup>

Tiago Dalvi, of Solidarium, also shares his insights into how enlightened self-interest is driving this shift towards big business adopting more socially entrepreneurial business practices:

“For major retailers their margins are extremely low so their budget for philanthropy is being downgraded. The whole thing of merging the core business of the company with the impact is actually even better for them because they make more money whenever they sell a product. They’re making a social change. That makes sense in terms of business [and] it’s sustainable over time.”<sup>25</sup>

Rajeeb Dey CEO of Enternships.com sees it as table-stakes:

“it is a hygiene factor now for businesses, or big business, to think more strategically and creatively about the social impact that they have, and not just to feel good about themselves. It’s not just a moral imperative; it is a business imperative if they want to engage with the millennial generation, attract the very best talent, and remain competitive in the marketplace.”<sup>26</sup>

Stephen Kehoe, SVP, Head of Global Financial Inclusion at Visa, shares a similar experience trying to embed these principles into their day-to-day business:

“[The new CEO was someone who understood that] we could be doing this on a global basis and we could be doing this on a much more strategic front, if we started to embed what we were doing more systematically within the business. In fact, in many ways stop talking about it in charitable terms and start talking about it as a business opportunity, which comes about to expand all access to the network. To drive a mind-set adjustment within the company, we would say ‘We will not succeed in this unless as an organisation we are willing to take a different approach to how we think about future returns on investments.’”<sup>27</sup>

Amar Kumar, Vice President, Office of the Chief Education Advisor at Pearson Affordable Learning Fund, concurs:

“Historically, incentives have been around financial success. Then moving forward, you will see a lot more companies change their bottom line to be around shared value.”<sup>28</sup>

**FIG 04.** 2012 Global Socially Responsible Investment (SRI) by region, World Economic Forum



## AT A TIPPING POINT?

The rise of social entrepreneurship around the world may not have been inevitable, but it’s not difficult to see how a ‘mash-up’ of business savvy, creative thinking and social-mindedness would evolve in response to a world that’s increasingly connected, populated and economically and environmentally fragile. Some social entrepreneurs are motivated by the need to change; others by the opportunity to change.

While social entrepreneurship is in various stages of development around the world, one thing is clear: this is just the beginning of something that we believe will be far larger and influential than it currently is. The next section of this report covers findings of original research we conducted with members of history’s first truly globally connected generation, Generation Y, a group poised to support and expand the social entrepreneur movement.

## The Rise of Generation Y

We have established that a number of global trends are converging to foster the growth of social entrepreneurship, but one development in particular could have a dramatic impact on its influence on the world: the rise of Generation Y (those born between 1982–2004, also called ‘Millennials’).

**G**enerations evolve and assume their roles in society, new trends naturally emerge and new attitudes, norms and values shift to define that era. In our current global context, there is a growing consensus that global events and rapidly changing technology have combined to create a perspective among Millennials that is unlike that of their parents or grandparents.<sup>29</sup> Their mind set may fuel a rapid transformation of social entrepreneurship from a relatively narrow group of innovators to the way that ‘business is done’ much more broadly.

In their relatively short lives, Millennials have experienced major boom and bust periods, including the prosperity of the dot-com frenzy of the 90s, as well as the 2008 global financial markets crisis and economic recession.<sup>30</sup> They have witnessed 9/11, the Arab Spring, countless wars around the world, rising global inequality and poverty, and the impacts of climate change. The consistent economic, geopolitical and environmental turmoil over the past two decades has left many Millennials sceptical of stability in the markets for housing, jobs or finances.<sup>31</sup> And as a result, some have turned to social (and mainstream) entrepreneurship as a way of securing their own futures.

After the global financial crisis, Millennials and young professionals generally appear to be re-evaluating what is really important to them.<sup>32</sup> They are more civically inclined, more collaborative, and more idealistic than previous generations (see figure 5).<sup>33</sup> At the same time, given shifting demographics between Gen X to Gen Y (See figure 2) they are more able to influence global markets as they assume stronger positions as consumers.<sup>34</sup> According to social entrepreneur Leonardo Letellier, CEO of Sitawi:

“They want to do something, they want to have a job, they want to have an income and they want to have an impact in society.”<sup>35</sup>

### TIMELINE OF GLOBAL EVENTS (1980–2013)

1981	AIDS epidemic identified
1985	Hole in the ozone layer discovered
1989	Exxon Valdez spill
1989	Berlin Wall comes down
1989	World Wide Web invented
1990	Operation Desert Storm
1994	Nelson Mandela elected, ending apartheid
1997	Kyoto protocol proposed
1999	First U.S hybrid car sales, Honda Insight
2000	Dot-com bubble burst
2001	9/11 World Trade Center attack
2001	Enron scandal revealed
2003	Iraq War launched
2004	Facebook launched
2005	Hurricane Katrina hits Gulf Coast, causing costliest natural disaster in U.S. history
2007	First generation iPhone is released
2008	First fully electric sports car, Tesla Roadster, produced with lithium-ion battery
2008	Lehman Brothers files for bankruptcy
2008	Barack Obama, first black president of the United States, elected
2011	Arab spring, organised through social media, brings down regimes across the Arab world
2011	Occupy Wall Street movement protests income inequality and wealth distribution in the United States
2013	G8 convenes Social Impact Investing Forum

**FIG 05.** Impact Assets, Issue Brief I3 – The Millennial Perspective: Understanding Preferences of the New Asset Owners



## TECHNOLOGY IS A DRIVER

The internet has also had profound effects on Millennials – from the way they communicate, to determining purchasing behaviour, how they entertain themselves, how they present themselves to the world, how they meet people and even the way their brains store information. Unlike Gen X, Gen Y professionals have never known a world without digital and recognise that the internet can unite people to become a force for good – outing unscrupulous business practices, mobilising people to help elect the right person and even toppling dictatorships.<sup>36</sup> The evolving interconnectedness across cultures around the world has contributed to increased knowledge, curiosity and a sense of responsibility towards the global community.<sup>37</sup>

Technological advances and the proliferation of mobile and social media have provided them with unprecedented access to information and networks. As a result they are confidently self-directed, but seek out expertise from a variety of sources.<sup>38</sup> Corporate leaders often express some shock by how confident and indifferent this group is to seniority.<sup>39</sup>

Numerous research studies indicate that big businesses will have to adapt themselves soon because Millennials are already demanding more integration of how they make money and their values, seeking more personal fulfilment in their careers, applying a global consciousness to their purchases and investing in sustainable, impactful business models.<sup>40</sup>

## CATCHING FIRE

Millennials are adapting to the world around them and the global challenges and opportunities that they will inherit.<sup>41</sup> As they enter into adulthood, many believe this generation will gravitate towards and support the growth of the social entrepreneurship movement.

Kresse Wesling offers her interpretation of why this may be the case and where these strong values originate from:

“Young people see the world as having been screwed up by the generations that went before them, and see the big university fees and don’t see jobs, and see the environment not doing so well... [they] want something different out of life than to work in a bank for 40 years. That’s where [the] level of anxiety comes from; [to us] it’s not about making money... It’s about whether [socially entrepreneurial] ideas and concepts are successful and whether they provide the necessary solutions.”<sup>42</sup>

Rajeeb Dey offers another take on what drives Millennials to appreciate social enterprise so much:

“In terms of why...it’s driven, I think, by the Gen Y and the millennial outlook on life, and there is a lot of research into the fact that, actually, this generation has a stronger social conscience than...previous generations. Even when you look at studies in intrinsic motivation done by Dan Pink from Harvard Business School, he talks about the fact that Gen Y, when looking for work, look for mastery, autonomy, and purpose.”<sup>43</sup>

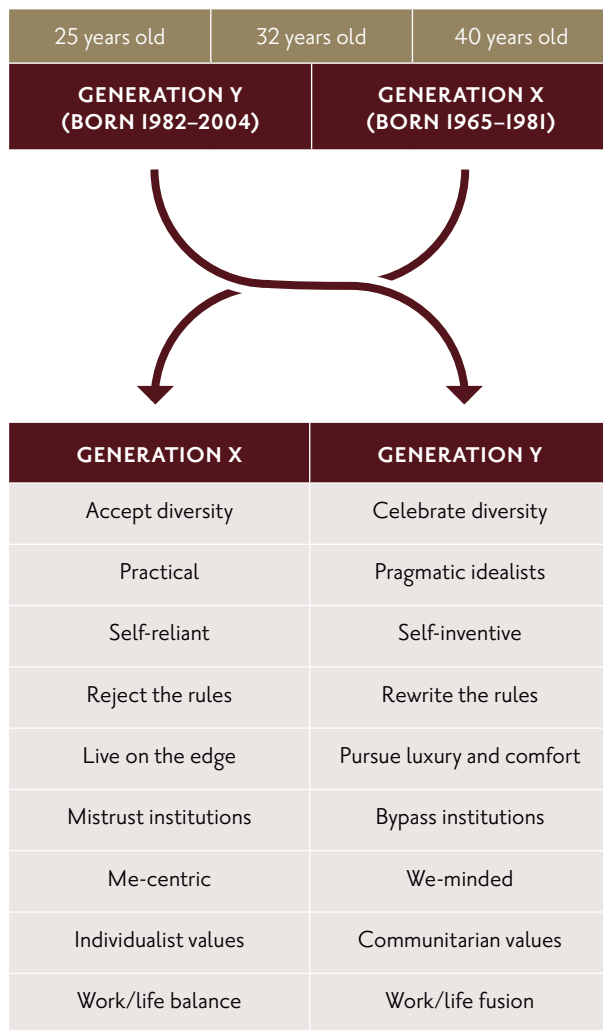
Reflecting on the notion of purpose, Dey believes “people are searching for that higher level of satisfaction than just doing their job, and actually feeling like they’re doing something positive”,<sup>44</sup> which are strong offerings in the social enterprise sector.

The implications of all this for large businesses and brands will vary. Some may see this as a threat, while others will see this as an opportunity to reinvent their business, to redefine purpose, responsibility and expectations in order to build loyalty with a new emerging consumer demographic.

Reflecting on the notion of purpose, Dey believes “people are searching for that higher level of satisfaction than just doing their job, and actually feeling like they’re doing something positive”, which are strong offerings in the social enterprise sector.

## SURVEY FINDINGS: A CASE FOR OPTIMISM

To move beyond generalisations, build on the existing global knowledge base about Millennial behaviour and aspirations, and better understand how global trends are influencing the values of tomorrow's leaders, we carried out our own primary research. Together in partnership with global market research firm Ipsos MORI, we surveyed more than 1800 young professionals (YPs) in Mexico, Brazil, China, UK, US, and South Africa<sup>53</sup> to shed light on how they define success in their professional futures, what they think about the concept of social entrepreneurship and its potential, and how perceptions of success within business have evolved as a result of new business models marrying profit with positive social impact.



We also learned about how Millennials view social entrepreneurship as a possible career path, whether their current careers allow them to pursue personal passions, or make a difference in society, who they believe is most suited to drive social change at the local and global levels, and how engaged they are with social impact causes and movements.

The results of our primary study tell an optimistic story about YPs and their aspirations. YPs from around the globe have a positive outlook on their careers. They believe their career path will afford them the opportunity to pursue personal passions and make an impact in society. However, some disparities do exist between YPs in developed markets compared to emerging markets.

### SUCCESS, ASPIRATIONS AND PERSONAL VALUES

The vast majority of YPs across all markets surveyed want jobs that allow them to follow their passions and believe a person should contribute more back to the world than they take out of it.

YPs in emerging (Brazil, China, Mexico, South Africa) and developed (US and UK) markets have differing opinions around acceptable trade-offs in exchange for pursuing a career that aligns with their values. For example, more YPs in emerging markets than developed markets express that they would be willing to accept a lower salary or financial benefits in order to pursue a profession or career that creates a positive social, environmental or community impact. Only a minority of YPs in the UK and the US state they would accept a similar trade-off. This could be attributed to the level of opportunity and mobility available in developed markets, in addition to cost of living, versus emerging markets.

FIG 06. Millennials Rising, The Next Great Generation (Strauss & Howe)



**EXPECTATIONS FOR BUSINESSES AND EMPLOYERS**

On career motivations, the vast majority of YPs in emerging markets feel more motivated by having a positive impact on society than by purely pursuing profit and personal gain. Although they agree as well, YPs in developed markets are more reserved about these inclinations.

The majority of YPs also express uniform agreement that they would be more motivated to work for a company that creates some kind of positive social impact rather than one simply turning a profit. Fewer than one in 10 disagreed with this sentiment. Reflecting on the goals of companies, the vast majority of YPs in every market agree that it is possible to combine profit with having a positive social impact.

YPs in every market express agreement that large brands have the resources to play a significant role in solving some of the world's larger problems. In particular, they believe large brands must assume greater responsibility in solving today's global economic and environmental challenges. Most respondents also say that a business should be measured by more than just its financial performance, including all positive and negative social and environmental impacts.

The survey results also show that YPs believe that large brands must take greater responsibility in solving today's global environmental, economic and humanitarian problems, and should touch on opportunities and privileges in the work place. Respondents across all markets agree that business has a responsibility to their employees to provide them opportunities to create value in society, beyond simply providing a pay check. A majority of those surveyed report that the company they currently work for earns profits in a socially or environmentally conscious way, allows employees to volunteer with local organisations that are important to them, creates a direct and positive impact on society, and invests a percentage of profits in to its local community.

Overall, the vast majority of YPs believe that business can be a force for good (88% UK, 92% USA, 93% Brazil, 93% China, 89% South Africa, 93% Mexico).

These results echo existing global research studies indicating a strong values shift taking place amongst future leadership talent within global companies and across new consumer demographics globally.

Reflecting on the goals of companies, nearly all YPs in every market unanimously agree that it is possible to combine profit with having a positive social impact.

**ON ENTREPRENEURSHIP**

YPs in emerging and developed countries have slightly different perspectives on entrepreneurial ambitions. In emerging markets the majority of respondents express stronger ambitions for starting their own business in the next five to 10 years when compared to YPs in the UK and US. This may be attributed to the greater prevalence of social and environmental problems in emerging markets, including for example, higher unemployment rates, poorer access to public services, and a general lack of upward mobility.

**ON SOCIAL ENTREPRENEURSHIP**

YPs in emerging and developed markets also express differing opinions on how they understood the concept of social entrepreneurship. The most frequently cited definition of social entrepreneurship at 26% was that it is an innovative business that sells a product or service and uses some profits to do as much good as possible socially/environmentally (e.g. balancing their financial goals with social impact objectives). More Chinese YPs felt certain about this definition than YPs in other markets (37%, vs. 22% in the US, 20% in the UK, and 23% in South Africa). Essentially, there is uncertainty in all markets about what, exactly, social entrepreneurship is and how it is defined. This may be attributed to the fact that social entrepreneurship is at different stages of maturity within different markets, and has produced a variety of different kinds of social ventures to date.

**Do you think** it is possible for a company to combine profit with having a positive social impact?

**93%**  
**AGREED**

### EXPECTATIONS FOR BUSINESSES

Overall, more emerging country respondents express optimism about the prospects of social entrepreneurship making a global impact than respondents from developed markets. About one-third of YPs surveyed state that social entrepreneurship is the future of business and is the way business should be done right now. That said, emerging market respondents feel more strongly than their developed country counterparts that more large corporations should start acting like social entrepreneurs.

Emerging and developed market YPs also have differing opinions around the relationship between large businesses and start-up social entrepreneurs. Emerging market YPs feel more strongly that large businesses need to help social entrepreneur start-ups by sharing expertise and resources (89% Brazil, 92% Mexico, 90% China, 91% South Africa), whereas YPs from developed markets felt slightly less strongly about this (64% US, 71% UK).

**Do you think** companies or brands should contribute to effecting change in your local community?

**90%**  
**AGREED**

**Do you think** companies or brands should contribute to solving major global challenges?

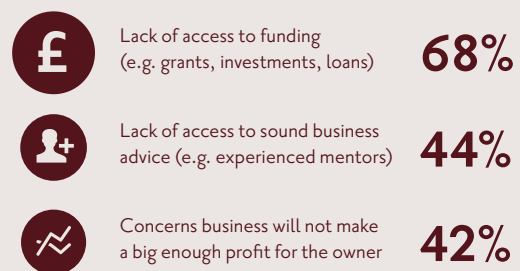
**87%**  
**AGREED**

This might be because YPs in emerging markets see governments more as an obstacle instead of an ally in their development. Given this challenge, they may expect large corporations to assume greater responsibility in helping others since governments appear to be unhelpful in this regard. Developed market YPs face different opportunities and challenges vis-a-vis receiving support from governments. Their experience may be more positive than emerging market YPs. Also, they may have more choice and flexibility within both their careers and how they spend their free time, which allows them the opportunity to pursue professional development and their passions in multiple different ways.

### BARRIERS TO STARTING AND SCALING SOCIAL ENTERPRISES

YPs in both emerging and developed markets agree that those who would like to start a social business are put off due to lack of funding or advice. They believe the biggest barriers preventing YPs from starting their own social businesses is access to funding and access to sound business advice. Many also express concerns that these businesses would not make a large enough amount of money. This may be attributed to the lack of mainstream proofs that the concept will work, or the more stringent economic circumstances and conditions in most markets around the globe.

**What do you believe are the biggest barrier(s) to young professionals who are starting their own social businesses?**



YPs in all markets also believe the general public do not know enough about, or understand social entrepreneurship and the onus is on social entrepreneurs to share their insights and experiences more widely to raise awareness.

### SPREADING THE WORD

Overall, YPs in all markets believe that the internet is playing a major role in increasing awareness about the severity of problems in the world and spreading news about proactive solutions to them. They also feel that that society needs to take social entrepreneurship more seriously by supporting these kinds of businesses, and purchasing more of their goods or using their services.

### BUSINESS AS USUAL, REDEFINED?

Not all Millennials want to be entrepreneurs, social or otherwise. But the values of social entrepreneurship appeal to this generation like none before, and it's safe to say Millennials will continue to have a profound impact on how all businesses engage with the world. This is a truly global generation, with a remarkably consistent set of values, expectations and motives.

'Business as usual' is being redefined, and companies that understand and embrace this mind set have much to gain in the battle for talent, market share and investment as this cohort matures and flexes its collective muscle.

Even as the boundaries between mainstream and social businesses continue to blur, in part in reaction to this generational shift, the number of 'pure' social enterprises is likely to increase dramatically as an entire generation of potential entrepreneurs encounter a world that is increasingly open to, and in need of, a new way of doing business. As we have seen, social entrepreneurship is a global development, but it's in no way a one-size-fits-all proposition. The next section examines the state of social entrepreneurship in six different markets.

# Social Entrepreneurs: Redefining Success

## SURVEY RESULTS: IMPATIENT FOR CHANGE, OPEN TO HELP

Social entrepreneurship is at its heart a highly personal pursuit. Every social enterprise has its own unique story – how it was conceived, the motivations, and the hopes (or frustrations) of those behind it. For those interested in cultivating social entrepreneurship, these perspectives contribute to a growing body of collective wisdom, well worth mining and sharing with future social entrepreneurs.



Working in association with Toluna, a specialised market research firm focused on social entrepreneurship, we surveyed more than 500 leaders of start-up social enterprise organisations across the USA, UK, Mexico, Brazil, China and South Africa. In particular, we wanted to understand what motivates them, the size of the businesses they run, their annual turnover (\$), their biggest pain points,

their views on global business and how big brands can be a more constructive partner to their growth, barriers they face for scaling, and their greatest aspirations.

The survey results begin to paint a portrait of the typical social entrepreneur (if such a thing exists), pinpoint areas in which businesses can partner with them, and add to the existing literature on the status of social entrepreneurship in different markets around the world.

## TODAY'S SOCIAL ENTREPRENEUR (SE)

In our survey, SEs tend to be male (59%), fall between the ages of 18-34 (39%) or 35-54 (46%) years old, and the vast majority are new start-ups having started in the past year (69%).

They operate on small budgets. Most SEs across all six markets surveyed generate less than \$500,000 USD annual turnover (64% total). 36% of the global sample generate less than \$50,000 USD demonstrating how nascent the concept is in some countries but also the potential for growth in the coming years. Approximately 26% of ventures surveyed globally told us they generate between \$500,000 USD to more than \$3 million USD annually in turnover.

As a group, they are impatient, taking matters into their own hands. They see a problem and they want to fix it – seeing no time to waste. They live in target communities themselves, and they want to make a change without waiting for government or policy intervention, despite feeling that others, such as governments or businesses, may be better placed to address these issues at scale.

They may think globally, but they tend to act locally. The majority of SEs surveyed focus on a local cause, though many also state that their ventures balance both local and global causes simultaneously. The vast majority in all markets focus their social impact activities within their home countries while a very small minority of ventures focus their impacts on countries outside of their own (7%). For those ventures focused on creating impact abroad, the primary destinations for impact include North America (30%) and Africa (27%). This could be attributed to North America being the most developed market when it comes to social entrepreneurship, and Africa being the continent with the greatest need.

Unsurprisingly, they are motivated by a higher purpose. When probing the motivations for working for or starting a social business, the vast majority of respondents state they want to make a positive impact on society; to make a difference in their local communities; and to follow their passions. Many respondents in emerging markets also claimed that taking advantage of a market opportunity (30% China), and developing an innovative new product or service (24% Brazil, 24% China) were equally strong motivations behind their decision to start a social venture.

While socially minded, the SEs we surveyed were also generally business-friendly. The majority agree that business can be a force for good if done in the right way and that there are opportunities to make money in a socially responsible way. The majority say that big businesses currently have a considerable role in supporting social businesses, but that this role should be significantly enhanced. To that end, most agree that businesses and brands must take greater responsibility in solving today's global problems (95%); that large brands have the resources to play a significant role in solving some big problems in the world (94%); that businesses should put as much effort and resource into creating a positive social or environmental impact as they do into creating profit for shareholders (92%); and that businesses should be measured by more than just its financial performance, including all positive and negative social and environmental impacts (92%).

To what extent would you agree or disagree with the following statements?

**95%**

**Agreed** businesses and brands must take greater responsibility in solving today's global problems

**94%**

**Agreed** large brands have the resources to play a significant role in solving some big problems in the world

**92%**

**Agreed** businesses should put as much effort and resource into creating a positive social or environmental impact as they do into creating profit for shareholders

Their views vary somewhat on who should take a leadership role on global issues - who is best placed to make a real difference. The majority agree that large corporations must take the lead, followed by entrepreneurial start-ups. Social entrepreneurs in the UK and South Africa have a different view; they state that governments are better placed than entrepreneurial start-ups to make a difference in society at the global level, which likely reflects a preference for welfare state approaches and past positive experiences with a strong government taking the lead on problem solving in those countries.

Most SEs surveyed believe that start-up entrepreneurs and large corporations are best placed to make a difference in society at the local or community level. Only Mexican (29%) and South African (31%) SEs state that governments are better placed than others to make a difference at the local levels. Despite that, results indicate a stronger preference for market-based solutions to local problems, and a more ground up, transparent approach towards social problem-solving.

SEs are optimistic about the growth of social entrepreneurship. Reflecting on the positive attributes of social business, most SEs say that social business allows for a combination of making money and having an impact on the wider world, making it a more viable model for future enterprise (49%). Others state that social businesses positively impact more people than other types of support and are more transparent (33%) than traditional businesses. Many also state that consumers are more conscious and will demand products that reflect their values in the future (28%), making social business an attractive offering when compared to the status quo.

And finally and importantly, SEs define success in terms of impact, rather than income. A large majority of SEs surveyed (81%) state they would be willing to accept a financial trade-off if that meant they could drastically increase the social good their ventures created. 28% were willing to trade-off 11-25% of their revenue. 25% were willing to trade-off 26-50% of their revenue if it meant they could do more social good.

## HOW CAN BUSINESS HELP?

The majority of SEs say they receive financial support (27%), legal advice (21%), and a mix of access to data and intelligence, learning opportunities, and access to other like-minded partners (17% respectively) as support from traditional organisations such as big businesses, banks, and governments to help launch and grow their ventures. More than a quarter, however, state they receive no support whatsoever.

The majority state that a lack of access to funding (32%), lack of government support, and legal barriers and red tape (21%, respectively) are the biggest barriers preventing the growth of social businesses.

SEs can benefit from assistance in less obvious areas, too. Most say help with recognition and awareness of social businesses (47%) and mentorship/business expertise (45%) are the most important ways big businesses can be constructive to their ventures and the movement, in addition to helping with access to funding. In terms of mentorship, SEs are looking for help with marketing, managerial support, finance, IT and strategy.

## How might big businesses help accelerate the progress of social businesses like yours?

Driving recognition and awareness of social businesses **47%**

Providing more finance or funding **46%**

Providing mentorship/business expertise **45%**

Procuring from social businesses **37%**

Introduce their business to new markets **23%**

Acquiring more social businesses **17%**



# Looking Ahead

## OPPORTUNITIES AND CHALLENGES TO SCALING SOCIAL ENTREPRENEURSHIP

The social entrepreneurs and corporate leaders we interviewed shared what they thought constituted the biggest barriers preventing the mainstreaming of the concept, while shedding light on the useful ways big businesses and brands can be constructive to scaling the social entrepreneurship movement globally.

## BARRIERS AND CHALLENGES TO ACHIEVING SCALE

While social entrepreneurship has enjoyed widespread growth and adoption around the world, there remain significant gaps between those active in the community and those leading larger traditional businesses. Dorje Mundle, of Novartis, identifies one of these gaps as corporate inertia, a lack of understanding and know-how among large companies to find partners and find economies of scale with social entrepreneurship innovations:

“there’s a huge awareness gap that needs to be closed [and] there’s a lot of transaction cost in terms of effort and energy [for] navigating and identifying the right partners ... [and] big corporates have difficulties going beyond a very incremental approach to innovation... If it is disruptive, and it’s unfamiliar to the organisation...it has to be dealt with as a one-of-a-kind. There are no economies of scale. There are no efficiencies that come with turnkey solutions for tried and tested interventions. Of course, that will come over time, as [the sector] matures and as each lending or implementing institution gains experience, and they develop the pattern recognition, they will become progressively easier and quicker and more efficient for them to do this kind of stuff. At the moment we’re still not there.”

Kresse Wesling of Elvis & Kresse sees a need for greater business acumen and more capacity-building amongst social entrepreneurs:

“You have to learn how to run a business. This is where a lot of really unbelievably well-meaning and impassioned people go wrong, they don’t get cash flow, sales, HR, they don’t get the things that you absolutely need to get in order to keep the doors open and keep your impact moving and growing.”

While social entrepreneurship has enjoyed widespread growth and adoption around the world, there remain significant gaps between those active in the community and those leading larger traditional businesses.

Daniel Contrucci, of Aoka, believes the root of the issue lies in poor consumer awareness, arguing that social enterprise is a fairly new concept that can attract scepticism because most people don’t understand how one can profit from solving social and environmental problems. Social entrepreneur Karen Lynch, CEO of Belu Water, echoes these sentiments, sharing frustrations that:

“One of the greatest challenges and opportunities is getting over this hurdle where the idea that innovation can make things better environmentally are almost always perceived as, ‘But, that’s going to cost more so we can’t.’ Actually our experience is that’s not true. It may initially but over the life of the business it’s better for the business. So, whilst it might be painful, a change is painful and change has risk.”

## OPPORTUNITIES FOR CORPORATE-SOCIAL ENTREPRENEUR WIN-WIN PARTNERSHIPS

Jed Emerson, Chief Impact Strategist at Impact Assets, believes global developments – greater connectivity, environmental pressures, more transparency and the rise of social consciousness generally – make the sense of purpose all the more appealing. Big businesses and brands can be constructive to scaling the social entrepreneurship movement globally:

“...a new set of opportunities that companies, managers and CEOs can engage themselves with, not only as a way to address some pretty meaningful and profound issues and challenges, but also as a way of repositioning corporate practice to something that can be both profitable and provide purpose to employees and to their shareholders as well.”

Ian Calvert, of Red Bull, believes that “everybody’s philosophy in [the social impact] space is not to be competitive about it but be encouraging. The more people that embrace this approach, the bigger difference and the bigger the impact we can all have.”

Rajeeb Dey, of Enternships.com, sees opportunity in taking a holistic view to cooperation and collaboration between social entrepreneurs and traditional business:

“there are [many] ways in which companies can [be constructive], whether that be looking at their supply chain, their procurement policies, their hiring policies, the way they work with small business; their environmental policy and footprint. And how they partner and support other social entrepreneurs, rather than traditionally, just donating money to charity. That still has a place, but ...[corporates] can be a lot more creative about the way they do things, and also be seen as agents of change themselves, and how they use their brand and messaging.”

Ian Calvert, of Red Bull, believes that “everybody’s philosophy in [the social impact] space is not to be competitive about it but be encouraging. The more people that embrace this approach, the bigger difference and the bigger the impact we can all have.”

In particular, Dey encourages global businesses to see social entrepreneurs as innovation labs:

“[Companies should] adopt a more entrepreneurial mind-set themselves. Rather than expecting the solution to come to them fully baked and ready to purchase, corporates should look for more of a partnership and collaboration model, where they can work with social entrepreneurs to launch new ventures and ideas, pilot them, and work with them. This would benefit both sides; I think the corporate benefits from exposure to the entrepreneur, the entrepreneurial thinking.”

Karen Lynch, of Belu, thinks that the “the right amount of wise or philanthropic or low interest investment enabling businesses to grow, so that funds made can actually go to social cause versus going to making other people rich through funding them”. Tiago Dalvi of Solidarium focuses on mentorship:

“The whole ecosystem for entrepreneurs is not developed. For example, here in Silicon Valley you can find a lot of mentors. A lot of people are open to talk and to share their problems and to share their whole story with you. In Brazil you don’t find that.”

Rajeeb Dey suggests a direct approach. Build scale by buying directly from social entrepreneurs:

“That is a challenge for social entrepreneurs: getting the scale where they can bring price down to be competitive. That is also where big business can help, because by buying from these guys, and working with them, they can help them achieve the scale that they need to bring – make it cost-effective, to compete with the mainstream alternatives.”

Despite challenges and barriers, social entrepreneurs and business leaders alike agree that the opportunities for collaboration and partnership are too lucrative to ignore.



## Conclusions

Around the world, social entrepreneurship is gaining traction both as a sustainable approach to business as well as a tool for alleviating poverty and preserving ecosystems, expanding the reach of markets, and providing career opportunities for aspiring innovators, especially Millennials.

**T**he concept has developed significantly over the past two decades from an emerging and tangential trend to a full-fledged global movement with potential for scalability. In some countries governments have begun recognising the movement as a potential ally in larger efforts of creating lasting change, and that for social entrepreneurship to flourish, supportive legal, political and financial environments are required.

Consumers and more traditional corporations are also eagerly engaging to understand how they can support social ventures to advance the promising global movement and adapt their own businesses along the way.

Our original research and analysis into major global trends highlights that the underlying drivers supporting the rapid development of social entrepreneurship are strong, and will likely continue to support growth in the coming years. The report also sheds light on how rapidly values are shifting as a new consumer demographic of Millennials and global leaders assume greater positions of power and influence in the world. This could result in large businesses and brands experimenting significantly to develop new models of business, marrying profit and social purpose.

Even so, the mainstreaming of social entrepreneurship should not be taken for granted, as a natural and inevitable consequence of wider trends and a desire to see it flourish. Much work remains to be done as our research demonstrates, and the journey to mainstreaming may be many years away, even in more advanced markets. To be effective and ever-lasting, strategic interventions are necessary.

As academics committed to understanding social entrepreneurship and the strategies needed to ensure its continued development, we commend Chivas Regal on their ambitious efforts to make a real difference in the areas identified by the social entrepreneur community itself, some of which have been identified in this report.

We hope our research and analysis will prove helpful to the brand's development of future plans and partnerships, and to others interested in the potential of social entrepreneurship to redefine success in a changing, promising but fragile world.

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 United Kingdom

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## Appendix



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### A LOOK AT SOCIAL ENTREPRENEURSHIP IN SIX MARKETS

Our research also complements the existing literature on the state of social entrepreneurship in different markets around the world. Predictably, the concept is in different stages of development from market to market, and understanding the background, demographics, and sectors of activity of a selection of these countries is helpful for plotting the trajectory of its growth worldwide.



# China



## BACKGROUND

- While social entrepreneurship has been around for several decades in some countries, it has only begun to emerge in China in the last 10 years. There is limited understanding and appreciation about the current organisational structures, origins, sizes, scope of work and impact of social enterprises in China.<sup>45</sup> Before the 1980s, there were very few philanthropic organisations in China, although some have emerged, thanks mainly to the efforts led by the government. In 2004, new regulations came into effect, allowing for the private sector to participate in the development of philanthropy and the charity field.<sup>46</sup>
- In China, capitalism as a concept is still nascent and the idea that a business can pursue altruistic goals and profits simultaneously is still foreign compared to the rest of the world.<sup>47</sup>
- Since around 2004 social entrepreneurship has begun to attract a lot of attention across the country, including new incubators, impact investors, the media and academic researchers.<sup>48</sup> Research indicates that the 2008 Sichuan earthquake was a major driving force spreading awareness about the social entrepreneurship movement in China.<sup>49</sup>

## INTRODUCTORY DEMOGRAPHIC FINDINGS

- Our original research surveyed 110 Social Entrepreneurs in China and revealed that the majority are male (61% male vs 39% female) and are between 18 and 34 (35%) or 35 and 54 (56%) years old.<sup>50</sup> 72% had begun their operations in the past 12 months. 43% are between early development stages up to 2 years old. Another 38% are between three and 10 years old. Only 19% are over 10 years old.
- In terms of financial performance and footprint, only 33% earn between zero and \$250,000. The vast majority (46%) earn between \$250,001 and \$1 million, meanwhile 22% said they earn either between \$1 million and \$3 million (or more).<sup>51</sup>

## SPATIAL DISTRIBUTION AND GEOGRAPHIC FOCUS

- Social enterprises are limited in geographic scope with 63% operating on a village or city level, 13% operating on provincial level, 17% reaching national level and 8% operating on an international level.<sup>52</sup>
- 47% of the survey sample disclosed that their business is primarily focused on local causes, while a further 35% shared that their business equally focuses on global and local causes. Only 5% of those surveyed expressed a sole focus on global causes. 96% focus their social impact activities within their home country. Of the remaining 4% that focus activities on outside countries, 25% focus on Asia and 50% focus on the broader North America.<sup>53</sup>

## MAJOR SECTORS OF ACTIVITY

- According to our research results, the top three sectors that Social Entrepreneurs operate within are technology and innovation for good (32%), the environment (22%), and tied at third place Waste and Water & Sanitation (15% respectively).<sup>54</sup>

## MOTIVATIONS

- 28% of the 110 we surveyed in China disclose that their motivations for starting their social venture were because governments are inefficient at responding to social or environmental issues. Another 35% say that business can be a force for good if done in the right way. A further 38% suggest that policy change takes too long to materialise, that vested interests and reaching consensus hinder policy effectiveness, while 27% say that there were opportunities to make money in a socially responsible way.<sup>55</sup>
- 9% of the survey sample state they would not be willing to accept any revenue and financial tradeoffs in order to increase their ventures' social impact, 91% of those surveyed stated they would be willing to accept between 1-50% less revenues if they could optimise the social good created by their venture.<sup>56</sup>

## CASE STUDY

### SOZEN

Bamboo is an ancient resource in China, and the practice of bamboo weaving goes back more than 2,000 years. While sometimes seen in smaller items like kitchen utensils and cutting boards, the naturally beautiful and durable resource is less often seen in furniture and lamps. Designer Junjie Zhang and his company Sozen is working to reinvigorate the ancient craft form to create modern products.

As a professor of industrial design, Zhang took his students to see one of the oldest bamboo craftsman villages in Shenzhou. These were formerly wealthy rural villages, which had become poorer as demand for bamboo carvings decreased. Still, Zhang saw incredible talent in the craftsmen, and couldn't bear to see the loss of one of the most valued artisan skills of the past. He decided to find a way to integrate the old skills with modern design – and with that, Sozen was born.

Sozen works to support villages and artisans by revitalising this art form with a designer's eye. And the products speak for themselves – the intricately designed products showcase not only the artistic side, but also highlight the high level of craftsmanship required to make such products.

[sozen.cn](http://sozen.cn)

## CASE STUDY

## ONE EARTH DESIGNS

Teacher Scot Frank was in Qinghai training his students in engineering techniques that could help their communities. Climate change student Catlin Powers was measuring air pollution, when she learned that indoor levels were 10 times worse than in Beijing she realised something needed to be done. Catlin discovered that hundreds of thousands of people in China were dying each year from toxic smoke coming from their stoves.

They were put in touch in Qinghai and discovered they could collaborate to help the communities on the Himalayan plateau. One Earth Designs seeks to create innovations that bring users long-term sustainable impacts essential to quality of living, and they largely rely on locals to tell them what they want and need, identifying communities in need, working with local implementation partners, and treating them as customers rather than recipients of donations.

One of One Earth Design's main products is SolSource, a solar-powered oven that vastly decreases the amount of toxic fumes and indoor air pollution. The product has other benefits as well, including reducing CO2 emissions and fuel consumption. Other benefits include women's empowerment (instead of collecting fuel, they have time for other activities) and education (children no longer needed to help with fuel collection). The benefits of SolSource are clear, and new products are being developed, while new communities (including those in developed markets) are consistently showing interest.

[oneearthdesigns.com](http://oneearthdesigns.com)

difficult because there is no specific legislation regarding their status and they cannot benefit from tax exemptions like similar organisations do in other countries.<sup>59</sup>

- According to the 110 SEs we surveyed, the top type of support they received from traditional organisations has been legal advice (29%), financial and equipment and resources (27%), and workspace (25%). Only 6% of respondents state they received no support whatsoever to help launch and grow their ventures.<sup>60</sup>
- If they had the choice, these social entrepreneurs would have liked more access to equipment and resources (35%), greater financial support (32%), and access to data and intelligence (29%) from traditional organisations.<sup>61</sup>
- Despite these challenges, many studies and experts believe that social entrepreneurship could likely evolve from existing NGOs in China, but findings also underscore that many NGOs striving to become social enterprises struggle due to inadequate business and market expertise, institutional challenges, an unclear business model and inefficient income generating strategies.<sup>62</sup>
- The future for social entrepreneurship is promising. Reports cite that social enterprises grew over the past year and entrepreneurs have an optimistic outlook for the future.<sup>63</sup> Close to 75% of those surveyed expect an increase in revenue over the next year. The major player in this space – the Chinese Government – has taken notice of its importance. For example, the Ministry of Civil Affairs (MCA), which publicised its 12th Five Year Plan for Charity in July, has laid out a plan to write better legislation for the charitable sector, create a tax environment in which donations to charities are encouraged, promote more development in the sector, and develop a more effective volunteer policy, among other initiatives. These could have positive spillovers for developing the social entrepreneurship ecosystem further in China.<sup>64</sup>

## FUTURE TRAJECTORY – BARRIERS AND OPPORTUNITIES FOR GROWTH

- According to China's 110 Social Entrepreneur's surveyed, the top barriers faced for launching a social enterprise in China are poor access to finance or funding (49%), general economic pressures (44%), cash flow management (40%), and lack of talent (37%).<sup>57</sup>
- Lack of access to funding (45%), too much competition from big businesses (21%), legal barriers and red tape, and lack of access to information technology support (20% respectively) are the biggest barriers preventing the growth of social businesses, according to the survey participants.<sup>58</sup>
- Finance appears to be the biggest challenge. According to some studies, only 42% of social enterprises surveyed achieved financial sustainability in 2012 and 77% were dependent on family and friends for funding. At least 58% say that access and retention of human capital is a severe or significant challenge to staffing and running their organisations. Furthermore, incorporation is extremely

## STATUS OF SOCIAL ENTREPRENEURSHIP DEVELOPMENT IN CHINA

Early stage	
"Teens"	
Growth/Maturity	
Mainstreaming	

# South Africa



## BACKGROUND

- For the past few decades, South Africa has enjoyed a long period of sustained economic growth, keeping inflation and interest rates at record lows.<sup>65</sup> The masses of people that are outside the formal economy, however, have not enjoyed the benefits of economic development. Big businesses and government have attempted to stimulate change and create jobs over the last ten years but the interventions have been insufficient to address the magnitude of South Africa's challenges.<sup>66</sup> Inequality in society is rampant.
- Numerous studies and inquiries including the National Planning Commission's Diagnostic Report (2011), the Social Cohesion Summit Report (Department of Arts and Culture, 2012), as well as media reports and casual observations indicate that South Africa's developmental problems may be beyond simple economics.<sup>67</sup> A lack of social cohesion is identified as one of the crucial challenges to address.<sup>68</sup>
- The government believes unemployment sits at 28%.<sup>69</sup> Many NGOs contest this figure, putting unemployment rates near the 40 - 45% range (over eight million people).<sup>70</sup> In some townships and rural areas, some believe the figure is closer to two-thirds.<sup>71</sup> There are limited grants for the unemployed, although extended family networks effectively share wages, pensions and disability benefits to ensure people can meet their basic needs.<sup>72</sup> Many do live on less than \$1 a day.<sup>73</sup>
- Given these challenges, there is a strong realisation that fundamental change will not likely result from what government and the formal sector can engineer, but rather, a bottom-up approach that encourages participation of people from all walks of life.<sup>74</sup> Some believe social entrepreneurship can help provide such inclusive growth and other solutions to South Africa's developmental challenges, by simultaneously addressing the issues of lack of social cohesion and long term employment.<sup>75</sup>

## INTRODUCTORY DEMOGRAPHIC FINDINGS

- Our original research surveyed 70 Social Entrepreneurs in South Africa and revealed that the majority are male (59% M vs 41% F) who are between 18 and 34 (51%) and 35 and 54 (46%) years old.<sup>76</sup>
- A strong majority are start-ups (74%) that had begun their operations over the past 12 months.<sup>77</sup> In fact, 80% are between early development stages up to two years old. Another 13% are between three and 10 years old. Only 7% are over 10 years old.<sup>78</sup>
- In terms of financial performance and footprint, 77% earn between zero and \$250,000, 12% earn between \$250,001 and \$1 million, and only 11% said they earn between \$1 million and \$3 million (or more).<sup>79</sup>

## CASE STUDY

### INDALO PROJECT

The isiXhola word 'indalo' translates to 'creation' or 'nature', and the Indalo Project aims to improve communities through creativity and design. Indalo connects professional designers and seasoned marketing professionals with local craft producers to drive innovation and sales of handcrafted items, including furniture, home décor, and various accessories.

This partnership empowers people to contribute to the collective and collaborate as a network, with smaller producers working together toward a positive economic and social impact. Within the first year, Indalo intends to create 90 sales-based jobs and an increased income for 270 craft artists and other employees.

South Africa's unique culture truly comes through in the design and creation of Indalo's products, fusing traditional elements of craftsmanship with modern design, which appeals to a range of customers on both the local and international level.

[indaloproject.com](http://indaloproject.com)

## SPATIAL DISTRIBUTION AND GEOGRAPHIC FOCUS

- 59% of the 70 SEs surveyed in South Africa disclose that their business is primarily focused on local causes, while a further 33% say that their business equally focuses on global and local causes. Only 9% express a sole focus on global causes.<sup>80</sup>
- 87% say they focus their social impact activities within their home country. Of the remaining 13% that focus activities on outside countries, 44% focus on Africa, 11% each on Asia, North America and Australia, respectively.<sup>81</sup>

## MAJOR SECTORS OF ACTIVITY

- According to our research, the top three sectors that SEs operate within are the environment (29%), access to education (19%) and technology and innovation for good (17%).<sup>82</sup>

## MOTIVATIONS

- 43% of the sample disclose that their motivations for starting a social venture were due to government inefficiency at responding to social or environmental issues. Another 29% say that business can be a force for good if done in the right way. A further 23% say that policy change takes too long to materialise, that vested interests and reaching consensus hinder policy effectiveness, while 27% state that there are opportunities to make money in a socially responsible way.<sup>83</sup>
- 3% of the sample state they would not be willing to accept any revenue and financial tradeoffs in turn for increasing their ventures' social impact, but 92% state they would be willing to accept between 1-50% less revenues if they could optimise the social good created by their venture.<sup>84</sup>

### CASE STUDY

#### INTERACTIVE AFRICA

As the political and social scape of South Africa changed during the early 1990s, scientist Ravi Naidoo was inspired to change his career in search of a more creative path. Powered by the pioneering post-Apartheid spirit, he led the formation of Interactive Africa, a group of commercial activists who seek to use social political consciousness to create social and economic impact as a business tool.

Creativity as a solution to South Africa's problems might appear 'too fluffy' to some, yet they have a proven record for projects with scale and impact. Specialising in bespoke solutions for the corporate and institutional sectors, Interactive Africa uses an amalgamation of techniques, such as project management, marketing, logistic expertise and commercial awareness.

As well as using creativity and design as a catalyst for the development of a 'new' South Africa, Interactive Africa has launched South Africa's position as a global creative hub. Today, Interactive Africa is the biggest design platform in the southern hemisphere.

[interactiveafrica.com](http://interactiveafrica.com)

### CASE STUDY

#### TRADE-MARK

The idea was conceived by Joshua Cox in 2007. Simon, a friend from the township of Diepsloot (an expert tiler/paver) was struggling to secure regular work. By providing Simon with business cards and a written reference, he was suddenly able to secure contracts of up to R30 000. It became clear that with added credibility and a few marketing resources, high-quality tradesmen from the townships were able to secure significantly more business.

TRADE-MARK is a non-profit organisation (registered as a Trust) that connects homeowners wanting to do renovations with the very best, handpicked artisans from the townships.

[trade-mark.org](http://trade-mark.org)

## FUTURE TRAJECTORY – BARRIERS AND OPPORTUNITIES FOR GROWTH

- According to South Africa's 70 SEs surveyed, the top barriers faced for launching a social enterprises in South Africa are poor access to finance or funding (46%), general economic pressures (40%), cash flow management (40%), and lack of customer awareness of the business offering (30%).<sup>85</sup>
- Meanwhile, lack of access to funding (31%), lack of consumer awareness and government support (26% respectively) are the biggest barriers preventing the growth of social businesses.
- The top kind of support they have received from traditional organisations has been financial (30%), learning opportunities (26%), and marketing and legal advice (21% respectively). 24% of respondents state they received no support whatsoever from traditional organisations such as big businesses, banks, and governments to help launch and grow their ventures.<sup>86</sup>
- If they had the choice, those that received support would have liked greater financial support (41%), access to other like-minded organisations (29%), and access to mentorship (26%) to help scale their ventures further.<sup>87</sup>

### STATUS OF SOCIAL ENTREPRENEURSHIP DEVELOPMENT IN SOUTH AFRICA

Early stage

"Teens"

Growth/Maturity

Mainstreaming



## USA



## BACKGROUND

- According to B Lab, a non-profit organisation that certifies social purpose-driven companies, social entrepreneurs who are applying business practices to solving societal problems such as pollution, are now 40,000 strong and growing. Together, they represent some \$40 billion in revenue.<sup>88</sup>
- They're slowly catching the attention of venture capitalists and the US government. President Obama has even helped start a new agency – the White House Office for Social Innovation – to help socially conscious start-ups gain more access to venture capital.<sup>89</sup>

## CASE STUDY

## APOLIS: ADVOCACY THROUGH INDUSTRY

When you hear about Apolis, you might be tempted to say, 'Another LA fashion brand?'. But Apolis isn't just any fashion brand. Their model of advocacy through industry employs locals around the world to do what they do best, and sell their products to the global marketplace. After all, Apolis means 'global citizen', which celebrates and recognizes each person that makes their products.

Started in 2004, brothers Raan and Shea Parton founded Apolis with a simple idea that business can create social change. Travel overseas with their family exposed them to different cultures and allowed them to broaden their knowledge of the diverse ways in which people in other countries lived. Seeing such things first-hand inspired them to create a business model that bridges commerce and economic development. With this in mind, they source and manufacture locally, partnering with manufacturers in Uganda, Peru, Bangladesh, and even Los Angeles, empowering people to determine their own future.

Though it involved extra work on their end, Apolis is a certified B Corporation, meaning they have met higher standards of social and environmental performance, transparency, and accountability. This certification is one they are proud to bear. While industry has typically hidden how things are made and who makes them, Apolis sees them as a beautiful part of the story behind where things come from. They are excited to share those stories, connecting people with the global artisans and creating high quality products for the world.

[apolisglobal.com](http://apolisglobal.com)

## CASE STUDY

## REVISIT

While travelling through the National Parks, Jillian and Brent witnessed problematic circumstances related to many issues including funding cuts, park closures, fewer Park Rangers, the axing of children's programmes, and the degradation of priceless natural and cultural treasures. Revisit wants to create products that honour and assist endangered or forgotten communities, cultures, and histories. Revisit partners with local designers and artisans to create the highest quality luxury goods, ones that reconnect us with essential stories and accompany us as we create new ones. They have adopted a 'quarter-back' model to give 25% of profits to help preserve the future of National Parks.

[revisitproducts.com](http://revisitproducts.com)

## INTRODUCTORY DEMOGRAPHIC FINDINGS

- Our original research surveyed 101 US SEs and revealed that the majority are male (53% M vs 47% F).<sup>90</sup> 37% are between 18 and 34 while another 37% fall between 35 and 54 years old.<sup>91</sup>
- The majority are start-ups (51%) that had begun their operations in the past 12 months.<sup>92</sup> 48% are between early development stages up to two years old. Another 22% are between three and 10 years old, while 21% are over 10 years old.<sup>93</sup>
- In terms of financial performance and footprint, 66% earn between zero and \$250,000, 24% earn between \$250,001 and \$1 million. Only 10% surveyed say they earn between \$1million and \$3 million (or more).<sup>94</sup>

## SPATIAL DISTRIBUTION AND GEOGRAPHIC FOCUS

- 47% of the sample say their business is primarily focused on local causes, while a further 41% say their business equally focuses on global and local causes. Only 13% express a sole focus on global causes.<sup>95</sup>
- 93% focus their social impact activities within the US. Of the remaining 7% that focus activities on outside countries, 29% focus on South America and 29% focus on the broader North America.<sup>96</sup>



## MAJOR SECTORS OF ACTIVITY

- The top three sectors that SEs operate within are Technology and innovation for good (17%), Access to education (14%), and human rights (14%).<sup>97</sup>

## MOTIVATIONS

- 33% of the sample size disclose that their motivations for starting a venture was due to government inefficiency at responding to social or environmental issues. Another 19% believe that business can be a force for good if done in the right way. A further 27% express that policy change takes too long to materialise, that vested interests and reaching consensus hinder policy effectiveness, while 24% state that there were opportunities to make money in a socially responsible way.<sup>98</sup>
- Though 25% state they would not be willing to accept any revenue and financial tradeoffs in order to increase their ventures' social impact, 67% state they would be willing to accept between 1-50% less revenues if they could optimise the social good created by their venture.<sup>99</sup>

### CASE STUDY

#### BACK TO THE ROOTS

After college, Alex Velez and Nikhil Arora had six-figure salary offers from respectable consulting firms and investment banks. Instead, they became urban mushroom farmers. A professor's comment about growing mushrooms from agricultural waste, like coffee grounds, sparked the interest, and they decided to give it a try. They soon found themselves collecting grounds and learning everything they could about waste – and how to not let it go to waste.

First the partners grew the mushrooms, but soon they shifted to create mushroom growing kits that anyone could buy and grow mushrooms at home – even if they live in a high rise building in New York City with no backyard. Now sold online and in stores, including Whole Foods, the mushroom kits allow people and kids to grow their own food, bringing local to a whole new level. The newly introduced AquaFarm, a self-cleaning fish tank that grows food, allows people to grow herbs from fish waste.

Their mission is to make food personal again through the passionate development of tools that educate and inspire, one family at a time.

**backtotheroots.com**

### CASE STUDY

#### TERRACYCLE

Founded in 2001 by Tom Szaky, TerraCycle, Inc. began producing organic fertiliser in used soda bottles. Since its inauspicious start, TerraCycle has become one of the fastest-growing green companies in the world. Today, it is widely considered the world's leader in the collection and reuse of non-recyclable, post-consumer waste. TerraCycle works with more than 100 major brands in the U.S. and 22 countries overseas to collect used packaging and products that would otherwise be destined for landfills. TerraCycle 'upcycles' pre-consumer and post-consumer waste to make consumer products. It repurposes waste into new, innovative materials and products that are available online and through major retailers.

**terracycle.co.uk**

## FUTURE TRAJECTORY – BARRIERS AND OPPORTUNITIES FOR GROWTH

- According to the US's 101 SEs surveyed, the top barriers faced for launching a social enterprises in the US are cash flow management (49%), lack of customer awareness of the business offering (24%), and lack of marketing and advertising expertise (23%). Lack of access to funding (28%), lack of consumer awareness (20%), lack of government support, and concerns that the business won't turn a big enough profit (16% respectively) are the biggest barriers preventing the growth of social businesses.<sup>100</sup>
- The top kind of support they receive from traditional organisations is financial (25%) and legal advice (19%). Unfortunately, 31% of respondents state they received no support whatsoever from traditional organisations such as big businesses, banks, and governments to help launch and grow their ventures.<sup>101</sup> If they could choose, those that received support would have liked greater financial support (25%) as well as marketing advice (21%) from traditional organisations to help scale their ventures further.<sup>102</sup>

### STATUS OF SOCIAL ENTREPRENEURSHIP DEVELOPMENT IN THE USA

Early stage

"Teens"

Growth/Maturity

Mainstreaming

UK



## BACKGROUND

- The UK is widely regarded as a global leader in the social enterprise space. It is home to some 68,000 social enterprises that provide over one million jobs and in 2011 contributed £24 billion to the economy.<sup>103</sup> According to the State of Social Enterprise Survey 2013, almost one-third of social enterprise leadership teams have Black, Asian and Minority Ethnic (BAME) directors compared to just 11% of traditional businesses. More than half employ people disadvantaged in the labour market, including the long-term unemployed, ex-offenders and disabled people.<sup>104</sup>
- The UK is also a leader in developing new social investment vehicles for social enterprise. These include the world's first social investment bank, Big Society Capital, and social impact bonds, where investors pay for social interventions that could make substantial savings for the public sector and get paid a dividend if successful.<sup>105</sup> In a keynote speech at the G8 Social Impact Investment Forum, Prime Minister David Cameron even endorsed the growth of the social economy globally, stating, "Social investment can be a great force for social change on the planet."<sup>106</sup>

### CASE STUDY

#### ELVIS AND KRESSE

One might struggle to appreciate the beauty in an old hose pipe, yet this is exactly what Kresse Wesling saw when she came across them in 2005. Kresse Wesling is one half of the accessories brand Elvis and Kresse, a company that has honoured this heroic material by creating everyday pieces from disused hoses.

These materials are cherished rather than banished into the earth. As Kresse once rightfully said, "waste is a mix of inherently valuable materials. It's shameful to shove it in the earth." The entrepreneurs compare their process to the Japanese 'Kintsugi', the art of repairing broken pottery with gold; the items are worth considerably more than their unspoiled parallels.

In order to truly pay their respects to this life-saving material, all products are handmade and unique, oozing quality, artistry and classic, honest design. Ranging from bags to belts and wallets to candle stick holders, Elvis and Kresse cover many bases in their environmental revolution.

[elvisandkresse.com](http://elvisandkresse.com)

## INTRODUCTORY DEMOGRAPHIC FINDINGS

- Our original research surveyed 91 SEs in the UK and revealed that the majority are male (62% M vs 38% F) that fall between 18 and 34 or 35 and 54 (38% respectively) years old.<sup>107</sup>
- The majority surveyed are start-ups (57%) that had begun their operations in the past 12 months.<sup>108</sup> 45% are between early development stages up to two years old. Another 30% are between three and 10 years old. Only 25% are over 10 years old.<sup>109</sup>
- In terms of financial performance and footprint, 56% earn between zero and \$250,000, 22% earn between \$250,001 and \$1 million, while 22% surveyed say they earn between \$1 million and \$3 million (or more).<sup>110</sup>

## SPATIAL DISTRIBUTION AND GEOGRAPHIC FOCUS

- 89% of those surveyed focus their social impact activities within the UK. Of the remaining 11% that focus activities on outside countries, 50% focus their work on Africa, 20% on North America and 20% on Central America.<sup>111</sup>
- 49% disclose that their business is primarily focused on local causes, while a further 33% say their business equally focuses on global and local causes. Only 18% of those surveyed express a sole focus on global causes.<sup>112</sup>

## MAJOR SECTORS OF ACTIVITY

- The top three sectors that social entrepreneurs operate within are the environment (21%), technology and innovation for good (19%), and access to education (14%).<sup>113</sup>

## MOTIVATIONS

- 30% of the sample size disclose that their motivations for starting a venture were due to government inefficiency at responding to social or environmental issues. Another 22% say that business can be a force for good if done in the right way. A further 24% express that policy change takes too long to materialise, that vested interests and reaching consensus hinder policy effectiveness, while 16% state that there are opportunities to make money in a socially responsible way.<sup>114</sup>
- 32% of those surveyed say they would not be willing to accept any revenue and financial tradeoffs in turn for increasing their ventures' social impact, 66% state they would be willing to accept between 1-50% less revenues if they could optimise the social good created by their venture.<sup>115</sup>

### CASE STUDY

#### BELU

Belu started with the idea that there was a better way to do business, reducing environmental impact and using profits to fund clean water projects. Belu uses recycled materials and operates at 100% carbon neutrality, offsetting any emissions they can't remove. Everything is local and Belu is not exported, available only in the UK. All profits go to WaterAid, and Belu guarantees a minimum of £300,000 over the next three years to help transform the lives of over 20,000 people.

Belu is the most ethical bottled mineral brand available, and even their glass is lightweight, made in the UK with over 40% of recycled content. Belu is the only company in the UK to guarantee that at least 50% of their still water bottles are made of recycled plastic. The company is transparent with their business model as well, issuing an impact report annually which is available on their website.

**belu.org**

## FUTURE TRAJECTORY – BARRIERS AND OPPORTUNITIES FOR GROWTH

- According to the UK's 91 SEs surveyed, the top barriers faced for launching a social enterprises in the UK are cash flow management (35%), general economic pressures (31%), lack of marketing and advertising expertise (23%). Lack of access to funding, lack of government support (24% respectively), and too much competition from big businesses (16%) are the biggest barriers preventing the growth of social businesses.<sup>116</sup>
- The top kind of support the sample has received from traditional organisations has been financial (31%), and legal advice and learning opportunities (20% respectively). 25% of respondents received no support whatsoever from traditional organisations such as big businesses, banks, and governments to help launch and grow their ventures.<sup>117</sup>
- If they could choose, those that received support would have liked greater financial support (25%) as well as access to equipment and resources (21%) from traditional organisations to scale their ventures further.<sup>118</sup>

### STATUS OF SOCIAL ENTREPRENEURSHIP DEVELOPMENT IN THE UK

Early stage	
"Teens"	
Growth/Maturity	
Mainstreaming	

# Brazil



## BACKGROUND

- In 1986, Ashoka Brazil became Ashoka's first programme in Latin America and is currently the largest of its kind in the region. This came at a time when the terms "social entrepreneurship" and "social enterprise" were only starting to surface.
- Contrary to many economies, charity has had limited success as a tool to create a stronger society in Latin America. According to Alexander Kliment of the Financial Times, there is the cultural aspect of countries in Latin America that believe social welfare is the responsibility of the church and the state, not private individuals. Furthermore, few tax incentives exist for people to donate to needy causes and the disadvantaged.<sup>119</sup>
- In Brazil, one in five people live in a favela (a poor urban community). Some favelas still lack basic amenities and poverty and crime is rife.<sup>120</sup>
- The overall Brazilian economy, led by the agricultural, manufacturing, and mining sectors, has been soaring. Over the past ten years, Brazil has averaged 3.2% annual GDP growth. Last year, the country enjoyed an impressive 7.5% growth rate. The benefits of economic growth are being felt by many throughout the country. From 2001 to 2009, poverty rates dropped from 35.2% of the total population to 21.4%.<sup>121</sup> Yet, similar to the South African story, many have not enjoyed the fruits of economic advancement and more than 40 million Brazilians live below the poverty line.<sup>122</sup>
- As such, Brazilian social entrepreneurs are emerging to address the needs of this marginalised population. Throughout the country, SEs are exploring market-based solutions to poverty challenges, including access to affordable housing, health care services, and information technology.<sup>123</sup>

## INTRODUCTORY DEMOGRAPHIC FINDINGS

- Our original research surveyed 82 SEs in Brazil and revealed the majority are male (60% M vs 40% F) who are between 18 and 34 (35%) or 35 and 54 (57%) years old.<sup>124</sup>
- The overwhelming majority are start ups (85%) that had begun operating in the past 12 months.<sup>125</sup> 71% are between early development stages up to two years old. Another 23% are between three and 10 years old. Only 6% are over 10 years old.<sup>126</sup>
- In terms of financial performance and footprint, 64% earn between zero and \$250,000, 16% earn between \$250,001 and \$1 million, while 21% surveyed say they earn between \$1 million and \$3 million (or more).<sup>127</sup>

## CASE STUDY

### SOLIDARIUM

Driven by the values of social equality and poverty alleviation, Solidarium was founded by CEO Tiago Dalvi in 2007, at the age of 25. The simplicity of Tiago's message makes it immensely powerful: generate social impact in profitable way.

Solidarium connects local artisan producers with the wider market, giving producers the opportunity to form direct relationships with otherwise inaccessible retailers. As an online market place, Solidarium avoids complicated local fair-trade networks therefore maximising earning potential for the producers. Through this network, local producers become more responsive to consumer desires and market trends. Consequently, Solidarium boasts a range of stylish and unique products that incorporate local skills with a global outlook. Such products range from categories of home décor to fashion and accessories.

Transforming an entire country, especially one as large as Brazil, is an enormous goal. Yet, Tiago does not intend to stop there. With plans to take on Latin America, China and India, Solidarium is undoubtedly an expanding business. Tiago has received worldwide praise for his ideas; in 2011 he notably became the Ashoka Changemakers Winner and Entrepreneur of the Year by a reputable business magazines in Brazil.

**solidarium.net**

## SPATIAL DISTRIBUTION AND GEOGRAPHIC FOCUS

- 39% disclose that their business is primarily focused on local causes, while a further 38% share that their business equally focuses on global and local causes. Only 23% of those surveyed express a sole focus on global causes.<sup>128</sup>
- 95% focus their social impact activities within their home country. Of the remaining 5% that focus activities on outside countries, 50% focus on the broader North America and 25% is focused on South America.<sup>129</sup>

## MAJOR SECTORS OF ACTIVITY

- The top three sectors that SEs operate within are waste (22%), the environment (21%), and access to information (17%).<sup>130</sup>

## MOTIVATIONS

- 38% of the sample size disclose their motivations for starting a social venture were due to government inefficiency at responding to social or environmental issues. Another 30% say that business can be a force for good if done in the right way. Only 13% claim that policy change takes too long to materialise; that vested interests and reaching consensus hinder policy effectiveness, while 27% state that there are opportunities to make money in a socially responsible way.<sup>131</sup>
- Only 13% of the 82 SEs surveyed in Brazil state they would not be willing to accept any revenue and financial trade-offs in order to increase their ventures' social impact. The vast majority (79%) state they would be willing to accept between 1-50% less revenues if they could optimise the social good created by their venture.<sup>132</sup>

### CASE STUDY

#### FAZENDA VALE DAS PALMEIRAS

Marcos Palmeira had a dream to work with cattle and horses. It wasn't until he bought his farm that the thought of growing vegetables crossed his mind. Though the quality of food has always been important to him, it wasn't the reason why he bought his farm. Through partners, Marcos transitioned to organic food production, a radical thought at the time.

The transition was not without hiccups. The level of agrochemical pollution when he bought the farm was astronomical, and it has taken time, patience, and innovation to bring that level down and make the farm a more environmentally friendly area. Much of what he learned was self-taught, learning about organic agriculture as he went along and teaching what he learned to others. The organic farm now sells 100 different types of products, from lettuce, spinach and arugula to milk, cheese and yoghurt.

Next up for Fazenda Vale das Palmeiras? Marcos has plans for the farm to become a model for dairy farming, while continuing to highlight biodiversity, preserving the environment, and growing happy animals and organic foods, elevating Brazil's organic agriculture offering.

[fazendavaledaspalmeiras.com.br](http://fazendavaledaspalmeiras.com.br)

### CASE STUDY

#### AOKA

Aoka developed itineraries for travel in order to awaken people's consciousness to the necessity of conserving biodiversity as well as recognising and appreciating the diversity of cultures and human conditions.

Aoka is a social business specialised in connecting different cultures. Through their 'learning journeys' they aim to bring together social leaders, entrepreneurs, and those who think differently, seeking to expand the comprehension of reality, inspiring people and businesses towards social innovation.

[aoka.com.br](http://aoka.com.br)

## FUTURE TRAJECTORY – BARRIERS AND OPPORTUNITIES FOR GROWTH

- According to Brazil's 82 SEs surveyed, the top barriers faced for launching a social enterprises in Brazil are lack of customer awareness of the business offering (43%), lack of legal support (34%) and lack of talent (28%). Lack of access to funding (33%), legal barriers and red tape (32%), and lack of government support (24%) are the biggest barriers preventing the growth of social businesses.<sup>133</sup>
- The top kind of support these social entrepreneurs have received from traditional organisations has been financial (35%) partnership advice (24%), and mentorship (23%). 26% of respondents received no support whatsoever from traditional organisations such as big businesses, banks, and governments to help launch and grow their ventures. If they had the choice, those that have received support would have liked greater financial support (30%) as well as access to equipment and resources (33%) as well as partnerships (33%) from traditional organisations to help scale their ventures further.<sup>134</sup>

### STATUS OF SOCIAL ENTREPRENEURSHIP DEVELOPMENT IN BRAZIL

Early stage	
"Teens"	
Growth/Maturity	
Mainstreaming	

# Mexico



## BACKGROUND

- According to Mexico's Consejo Nacional de Evaluación de la Política de Desarrollo (CONEVAL), 46% of the Mexican population lives in poverty, and 10.4% live in extreme poverty (defined as on less than \$1.25 USD per day).<sup>135</sup> Mexico faces a shortage of 7 million homes for families at the bottom of the income pyramid. Only 2% of Mexican students have access to college loans.<sup>136</sup>
- Rhett Morris, Endeavor's Director of the Center for High-Impact Entrepreneurship, believes that limitations of government social programmes and philanthropy in Latin America have catalysed social entrepreneur's to play an increasingly important and public role in delivering essential services. Many, including some of Latin America's biggest tycoons believe social entrepreneurship is a legitimate solution to poverty alleviation.<sup>137</sup>
- In November 2013, global consulting firm A.T. Kearney hosted a conference on behalf of the United States-Mexico Chamber of Commerce Northeast Chapter (USMCOC-NE) to better understand the current business and investment opportunities related to social impact projects, companies, and social entrepreneurship in Mexico.<sup>138</sup> The results from the day's discussions reflected significant optimism for the continued development of social entrepreneurship in the country. Some highlights include the following:
  - The commitment to social goals needs to be pursued in a manner consistent with profitability. Social objectives are not sustainable without a profit opportunity to fund them.<sup>139</sup>
  - Private-sector social groups are having a deep impact. Government efforts are slowly being eclipsed by the work of private-sector social groups.
  - The application of private-sector principles for resource allocation is increasing both social and financial returns, though much more work remains to be done to elevate the poor above a subsistence-level standard of living.<sup>140</sup>
  - Returns are not immediate but do come over time.<sup>141</sup>
  - Platforms are crucial to the development of the sector. Single businesses have narrow impacts, while platforms affect entire sectors and provide more leverage.<sup>142</sup>
  - Metrics are essential. Optimising resources requires that they be measured based on the rate of return of profit plus their social impact. Without readily grasped metrics, resources may be channelled to those who can "sell" a project rather than to those who will deliver the greatest impact for dollar over time.<sup>143</sup>

## INTRODUCTORY DEMOGRAPHIC FINDINGS

- Our original research surveyed 91 SEs in Mexico and revealed the majority are male, (62% Male vs 38%Female) aged 18-34 (42%) and 35-54 (43%).<sup>144</sup>
- A significant majority are start-ups (77%) that had begun operating their ventures in the past 12 months. 75% are between early development stages up to two years old. Another 21% are between three to 10 years old.
- In terms of financial performance and footprint, Only 4% are over 10 years old. 82% earn between zero to \$250,000, 10% earn between \$250,001 to \$1 million. Only 7% surveyed said they earn between \$1 million to \$3 million (or over).<sup>145</sup>

## CASE STUDY

### CAFÉ PUNTA DEL CIELO

Say "coffee" and your country's big coffee chain most likely comes to mind. Countries like Ethiopia and Brazil, perhaps Costa Rica and Indonesia as well. Mexico is a bit farther down on the list, but one man is changing that, aiming to become the top coffee authority in Mexico.

In 2004, Pablo Gonzales saw an opportunity to create Mexico's first gourmet coffee brand, and he is now the proud owner of Mexico's homegrown coffee shop franchise and distributor. His innovative approach is changing the way the world is seeing Mexico's coffee business. With 160 stores and selling the product to airlines, hotels and the government, Gonzales is shaping social enterprise in Mexico, not only putting people to work, but also developing patents to keep coffee fresh and investing in research and development.

Café Punta del Cielo has grown exponentially since its inception, and is poised to grow even more, following Gonzales's business model. Perhaps one day, when people say "coffee" they'll think "Café Punta del Cielo".

[puntadelcielo.com.mx](http://puntadelcielo.com.mx)



## SPATIAL DISTRIBUTION AND GEOGRAPHIC FOCUS

- 51% of the sample size disclose that their business is primarily focused on local causes, while a further 44% share that their business equally focuses on global and local causes. Only 5% of those surveyed express a sole focus on global causes. 97% focus their social impact activities within Mexico. Of the remaining 3% that focus activities on outside countries, 67% focus on the broader North America.<sup>146</sup>

## MAJOR SECTORS OF ACTIVITY

- The top three sectors that SEs operate within are the environment (24%), technology and innovation for good (21%), and water & sanitation (12%).<sup>147</sup>

## MOTIVATIONS

- 30% of them disclose that their motivations for starting their social venture were due to government inefficiency at responding to social or environmental issues. Another 35% express that business can be a force for good if done in the right way. A further 19% express that policy change takes too long to materialise and vested interests and reaching consensus hinder policy effectiveness, while 16% state that there were opportunities to make money in a socially responsible way.<sup>148</sup>
- Other studies found that those involved in Mexico's social entrepreneurship and impact space are motivated by the need to improve the socioeconomic standing of the 50 million Mexicans living below the poverty level who have not reaped the benefits of the North American Free Trade Agreement (NAFTA), which has helped make Mexico's economy the 14th largest in the world.<sup>149</sup>
- Only 1% of the 91 SEs surveyed in Mexico state they would not be willing to accept any revenue and financial trade-offs in order to increase their ventures' social impact. A near unanimous majority of those surveyed (94%) state they would be willing to accept between 1-50% less revenues if they could optimise the social good created by their venture.<sup>150</sup>

### CASE STUDY

#### FABRICA SOCIAL

Founded in 2006 by two designers, Emilienne Limon and Dulce Martinez began to sell pieces elaborated by women in 2009 to national and international markets.

Fabrica Social develops the skills of women textile artisans via mobile workshops from design, organisation to administration and Fair Trade for indigenous Mexican women.

[fabricasocial.org](http://fabricasocial.org)

### CASE STUDY

#### SALA UNO

Javier Okhuysen and Carlos Orellana, engineers turned investment bankers and private equity professionals, met in 2005 while working in Madrid, Spain. The two had virtually no background in eye care but were inspired by the story of Aravind Hospital in C.K. Prahalad's book, *The Fortune at the Bottom of the Pyramid*. The social entrepreneurs saw an opportunity to provide innovative eye care at affordable prices in a resource-poor setting. Arriving in Mexico City in early 2011, the duo invested their life savings to initially capitalize a clinic they named Sala Uno (SU; Spanish for "room one").

Sala Uno provides cataract surgeries in Mexico. It seeks to offer the highest quality surgeries at the lowest possible price.

[salauno.com](http://salauno.com)

## FUTURE TRAJECTORY – BARRIERS AND OPPORTUNITIES FOR GROWTH

- According to these SEs, the top barriers faced for launching a social enterprise in Mexico are poor access to finance or funding (49%), lack of legal support (33%), and lack of customer awareness of the business offering (27%). Legal barriers and red tape (36%), lack of access to funding (32%), and lack of government support (25%) are the biggest barriers preventing the growth of social businesses.<sup>151</sup>
- The top type of support they've received from traditional organisations has been financial and marketing (15% respectively), legal advice (13%), and mentorship (23%). An overwhelming number of respondents (45%) state they received no support whatsoever from traditional organisations such as big businesses, banks, and governments to help launch and grow their ventures. If they had the choice, those that received support would have liked greater financial support (40%) as well as access to equipment and resources (32%) and legal advice (27%) from traditional organisations to help scale their ventures further.<sup>152</sup>

### STATUS OF SOCIAL ENTREPRENEURSHIP DEVELOPMENT IN MEXICO

Early stage

"Teens"

Growth/Maturity

Mainstreaming



# Methodology

This report was authored by Soushiant Zanganehpour, Strategy Consultant to the Skoll Centre for Social Entrepreneurship, Saïd Business School, University of Oxford, and edited by David Gallagher, Senior Partner and CEO of Europe, Ketchum International.

Overall, data for this report was derived from a proportional mix of primary surveying (24-36 question survey of more than 2000 participants across Mexico, Brazil, China, UK, USA, and South Africa), secondary desk top research, and 48 qualitative interviews with leading global social entrepreneurs, intrapreneurs, business leaders and other practitioners.

Interviews included outreach to the following individuals:

Henry Gonzalez  
Head Research,  
ResponsAbility France SAS

Paul Rice  
President & CEO,  
Fair Trade USA

Christopher Wasserman  
President, Terolab Surface Group  
and Zermatt Summit Foundation

Amar Kumar  
Vice President, Office of  
the Chief Education Advisor,  
Pearson Affordable  
Learning Fund

Denielle Sachs  
Director of Social Impact,  
McKinsey & Company

Rob Drake-Knight  
Co-Founder, Rapanui Clothing

Keely Stevenson  
Chief Executive Officer,  
US, Bamboo Finance

Suzi Sosa  
Co-Founder & CEO, Verb

Garret Awad  
Partner, REVISIT

Roy Sosa  
Chairman, Chief Executive  
Officer and Co-Founder,  
MPOWER Ventures

Manuel Wiechers Banuet  
Founder and Director of  
Operations, Ilumexico

Josh Cox  
Founding Director,  
TRADE-MARK

Grace Sica  
US Director of Client  
Services, TerraCycle

Shea Parton  
Brand Director/CEO, Apolis

Leticia Henriques-Cintra  
Customer and Operations Support  
Manager, Projeto Cies

Scot Frank  
Co-Founder and CEO,  
One Earth Designs

Elias Cattan  
Architect and Founder, Taller I3

Alejandro Velez  
Co-Founder, Back to the Roots

Tiago Dalvi  
CEO and Founder, Solidarium

Paola de la Rosa  
General Director, Fabrica Social

Leticia Gasca  
Co-Founder, Factual

Geraldo Vallen  
Co-Founder, Join the Pipe

Luvuyo Mandela  
Lead Advisor, Tyathumzi Advisory

Karen Lynch  
CEO, Belu Water Ltd.

Vince Siciliano  
President & CEO,  
New Resource Bank

Kresse Wesling  
Co-Founder, Director,  
Elvis & Kresse

Jed Emerson  
Chief Impact  
Strategist, Impact Assets

Leonardo Letelier  
CEO, SITAWI

Lucas Urbano  
Nature Manager, Danone

Lily Zhang  
Manager, Lijiang Xintuo Ecotourism

Patrick Schofield  
Founder, Thundafund.com; Indalo  
Project; Streetwires

Zahir Khoja  
Vice President, Global  
Channels, MasterCard

Ravi Naidoo  
Founder and Managing Director,  
Design Indaba and its founding  
company, Interactive Africa

Junjie Zhang  
Founder, Sozen

Dorje Mundle  
Head, Corporate Responsibility  
Management, Novartis

Javier Okhuysen  
Founder and Co-CEO, salaUno

Henrique Bussacos  
Board Director, Impact HUB

Pablo Gonzales Cid  
CEO and Founder,  
Café Punta de Cielo

Stephen Kehoe,  
SVP, Head of Global Financial  
Inclusion, Visa

Daniel Contrucci  
Founding Partner, Aoka

Ian Calvert  
Project Leader, Red Bull Amaphiko

Rajeeb Dey  
CEO, Enternships.com

Quantitative data for the Young Professionals and Millennials section of the report was primarily developed through in-field surveying conducted by Ipsos MORI, a global market research firm, surveying six markets (USA, UK, China, South Africa, Brazil, Mexico). Ipsos MORI interviewed 1,809 'white collar' working adults aged 25-40 across a broad spread of industries and professions. Research was conducted using their online panel across USA; China; Brazil; Mexico; South Africa and Great Britain (c. 300 per country – sub-sample bases are quoted in the tables where applicable). Interviews were conducted online July 18-30, 2014. Ipsos MORI was responsible for the conducting of the fieldwork, all design, reporting and analysis was carried out by Ketchum.

Quantitative data for the social entrepreneurship section of the report was developed through in-field surveying conducted by Toluna, a specialised social entrepreneurship market research firm with access to a range of start-up social entrepreneurs in the six target markets. With Toluna's help, we surveyed over 500 start-up social enterprise organisations in the USA, UK, Mexico, Brazil, China and South Africa that claimed to fulfil a social or environmental purpose. 545 answered the survey. After a thorough review, we discarded those responses that were incomplete or did not meet the profile we were looking for obtaining the final sample size.

In addition, primary data was complemented by data drawn from the databases of the 2013 Global Entrepreneurship Monitor report, the Global Entrepreneurship Monitor's 2009 Report on Social Entrepreneurship, BSR and GlobeScan's 2013 State of Sustainable Business Survey, The Sustainability and GlobeScan 2012 Global Societal Trends on Sustainable Development Issues Survey, the Edelman 2012 Good Purpose Survey, UK Cabinet Office and BIS Small Business 2013 Survey on Social Enterprise Market Trends.

In addition, guidance was offered by the report's steering committee, which includes:

Aliz Csaki  
Global Digital Senior Brand  
Manager, Chivas Regal

Jo-ann Robertson  
Partner and Managing Director,  
Ketchum International

Ben Levine  
Vice President, Research and  
Analytics, Ketchum International

Soushiant Zanganehpour  
(report author), Strategy  
Consultant, Skoll Centre for Social  
Entrepreneurship, Saïd Business  
School, University of Oxford

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The author and editorial team wish to express heartfelt gratitude to:

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This report was written by Soushiant Zanganehpour (Skoll Centre for Social Entrepreneurship) and edited by David Gallagher (Ketchum International). Any errors of fact or judgment are their responsibility.

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