Anthony Martini

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In Response to:

Brief introduction to Social Entrepreneurship,

Focus on Microfinance by Archana Shah

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A Presentation by Matt Henessy, First Access

“You put the word ‘Smart’ in front of anything, and people will like it”. (Matt Henessy; Presentation. 08 October 2014) This essay is to cover the topics covered in the joint class session with Pace’s Entrepreneurship and Mobile Application Development programs. Two talks by Archana Shah and Matt Henessy spanned topics of what Social/Entrepreneurship is, the effects entrepreneurship can have on economies of different scale, and new programs created in the entrepreneurial spirit.

The first talk by Archana Shah covered the topics of contemporary issues microfinance can address, as well as use cases and controversial methodologies. She exemplified how encouraging underrepresented and impoverished individuals can make help an entire class have improved lifestyles through enhancing ones own business to raise them selves out of poverty. Archana defined Social Entrepreneurship; it is still a business first, so fundamentally the goal is to generate revenue, however the difference in value is the intangible benefit that is not purely financial. The focus is social, environmental and economic impact based on the interest of the community.

Second, the conceptual differences between Social and traditional Entrepreneurship can be addressed as…

“A business entrepreneur may seek to create economic value for private benefit whereas the social entrepreneur seeks above all to create social value for the benefit of society; they measure their productivity in terms of social impact and seek a social return on investment. “ (Joey-Bass Handbook for Nonprofit Leadership and Management [pg. 266])

A gut feeling can make this distinction; as if you were to ask yourself “who is truly benefitting from this transaction?” If your goal is to help people and they are not the ones who are gaining the most out of the transaction, it would be hard to say that it is for social good.

Lastly, I learned more about the distinction between a social enterprise and when a business and consumer find it mutually beneficial to exchange goods or services. Matt Henessy is a pioneer for First Access, which is the vanguard of mobile solutions in developing countries and focuses on lending institutions that are already making microloans. The business model is to remove the need for costly, and inefficient loan officer trips that often provide insufficient data for the practice. The goal is that an institution can save $ (5-15) per loan by removing the loan officer trips if the clients correspond through SMS to the institution, which would make the operations cheaper to run.

Where First Access fits into the scheme of things is to create an accreditation formula based on the mobile data provided to them by the communication service providers. A proprietary algorithm will help lending institutions make better loan decisions with never before data analytic software and should essentially empower them to stay up to date on modern interest rates enhanced by a tablet with a dashboard to track this information (This may be the only existing instance of a mobile solution). First Access then creates profiles on user data and sells it back to the communication service providers.

Mobile solutions may now be spun up to standardize and assemble a marketplace that has previously operated off the grid. This model is an incredible representation of how mobile data, even in the simple form of an SMS is transforming, what we could consider remote locations in the world that has never relied on such technology.

A sophisticated enhancement would be difficult from an android developers perspective; Matt described opportunity areas could be found as a result to the side effect of implementing this startup. He believes this could create brand loyalty for the phone providers by encouraging users to use only one SIM card, where it is common to carry 3 to take advantage of the cheaper rates. If users stay with a provider, the market would begin to support devices with android operating systems, as companies would be willing to form a relationship with the customers and respond in kind. I can see that Android would make sense in perhaps imbedded and point of sale devices in this market in the future. The best mobile solution can ease the strenuous interaction between the client and the loan officer. Matt described the 4 areas where the user would benefit from this program is Identity, Activism, Health and Energy, but did not venture into reasons why.

Though this program is entrepreneurial in nature, I cannot validate First Access as a Social initiative. Indirectly, the consumer may benefit from lower costs incurred by the institution; however, there is no certainty. I feel that the disclosure and customer agreement is also a bit predatory as it is in the form of a short text message and the user will not understand what they are signing off for. What this evening outlines the most is that there is a blurred line between the entrepreneurship opportunities, but no lack of how mobile solutions may be implemented.