



# Buffalo-Cowbird Model of Social Entrepreneurship



Jyoti Sharma  
President, FORCE

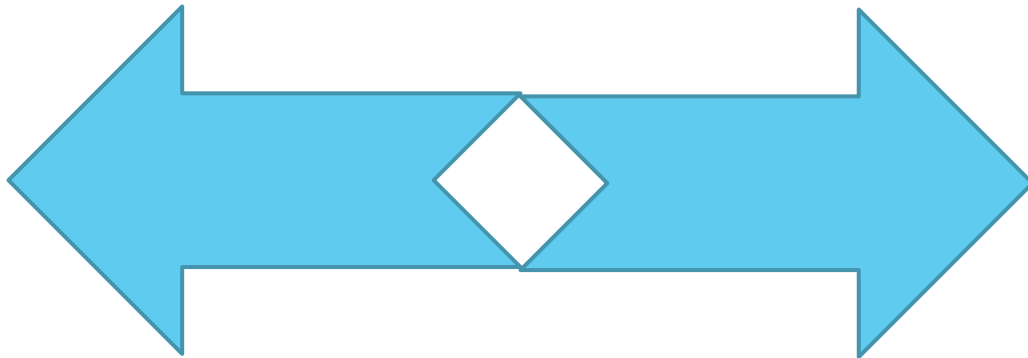


# Social Entrepreneurship

Balancing act between 'Social' & 'Entrepreneurial'

# Walking the Tight-rope....

...between social welfare and business is a challenge



Without strong business orientation, SEs die a quick death.

- Self Help Groups
- Patanjali ?

► <https://www.weforum.org/agenda/2017/06/3-reasons-why-social-enterprises-fail-and-what-we-can-learn-from-them/>

# Why do they fail

## ▶ **1. Lack of resources and infrastructure**

- ▶ This is defined by the lack of support funds for social entrepreneurs, as well as ignorance as to how to get funded and the lack of skills to integrate projects to obtain social funds.
- ▶ A piece of advice for social entrepreneurs: in order to create an impact, you need the hard financial skills that will help you obtain investment and grow your business.

## ▶ **2. Context**

- ▶ The environment in which social enterprises operate is often not ideal because public policies have not kept pace with them. For instance, in Mexico there is no special legal designation for social enterprises.

## ▶ **3. The board of directors**

- ▶ In most social enterprises, the board is constituted of founding partners. It was surprising to learn that this tends to be perceived as a source of conflict; this can be caused by a lack of clarity in the areas of responsibility, a lack of commitment by the founding partners, and the presence of interpersonal conflicts between members.



# Why is the challenge bigger for Social Entrepreneurships?

- ▶ Mostly targeted at bottom of pyramid. Low capacity to pay, difficult markets
- ▶ BOP is not just a market. It is real, marginalised people who need help
- ▶ Or targeted at high intensity problem areas (pollution, water scarcity). Problem may be too big for SE to make a dent in.
- ▶ Commercial funding and other resources barely available.
- ▶ Overlap with perceived govt responsibility - Reluctant/ petulant consumer
- ▶ Reluctant Entrepreneur or a Wolf in Sheep clothing - both are disastrous





# To survive, a Social Entrepreneurship needs

- ▶ Markets
- ▶ Revenues and cash flows
- ▶ Low cost of getting the revenue
- ▶ Capital investments.
- ▶ Support ecosystem





## Buffalo-Cowbird lessons for walking the Social Entrepreneurship tight rope



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Wherever there are herds of buffalo, Cowbirds are right at their feet snatching up the insects that are flushed out. When the buffalo lay down during the day to chew their cuds, the cowbirds perch on their backs to pluck out the insects on their skin or caught in their fur. The Cowbirds get food and the Buffalo benefit from the reduced number of insect pests and forage competitors. Both survive, whilst helping the other

★ win

7 conditions, that if they exist, increase the probability of balanced success for a Social Entrepreneurship



# 1. Herd Advantage

*The Cowbird follows a herd - not a lone buffalo. Hundreds of buffaloes, stirring up a pasture, leave grubs no opportunity to find refuge below the soil. It makes for easy and plentiful feed for the Cowbird*

- ▶ Make up in volumes what you lose in value.
- ▶ Serve Concentrated populations

House to House Garbage Collection in slum - 200 houses in 6000 sq.ft. Can earn Rs 6-10,000 in 3 hours with rickshaw. 5 work hours still left over to earn more





Ecosan toilets failed despite advantages

< 1 litre water per family per day;  
fast conversion to fertilizer; can be  
made anywhere, clean & hygienic

## 2. 'As Is Where Is' design

*The cowbird does **not expect any behavioral change from the buffalo.** Infact it turns **common buffalo** behavior, of grazing and stirring up the pasture, to its advantage*

**Capitalize on usual community behavior than aiming for drastic behavior change**

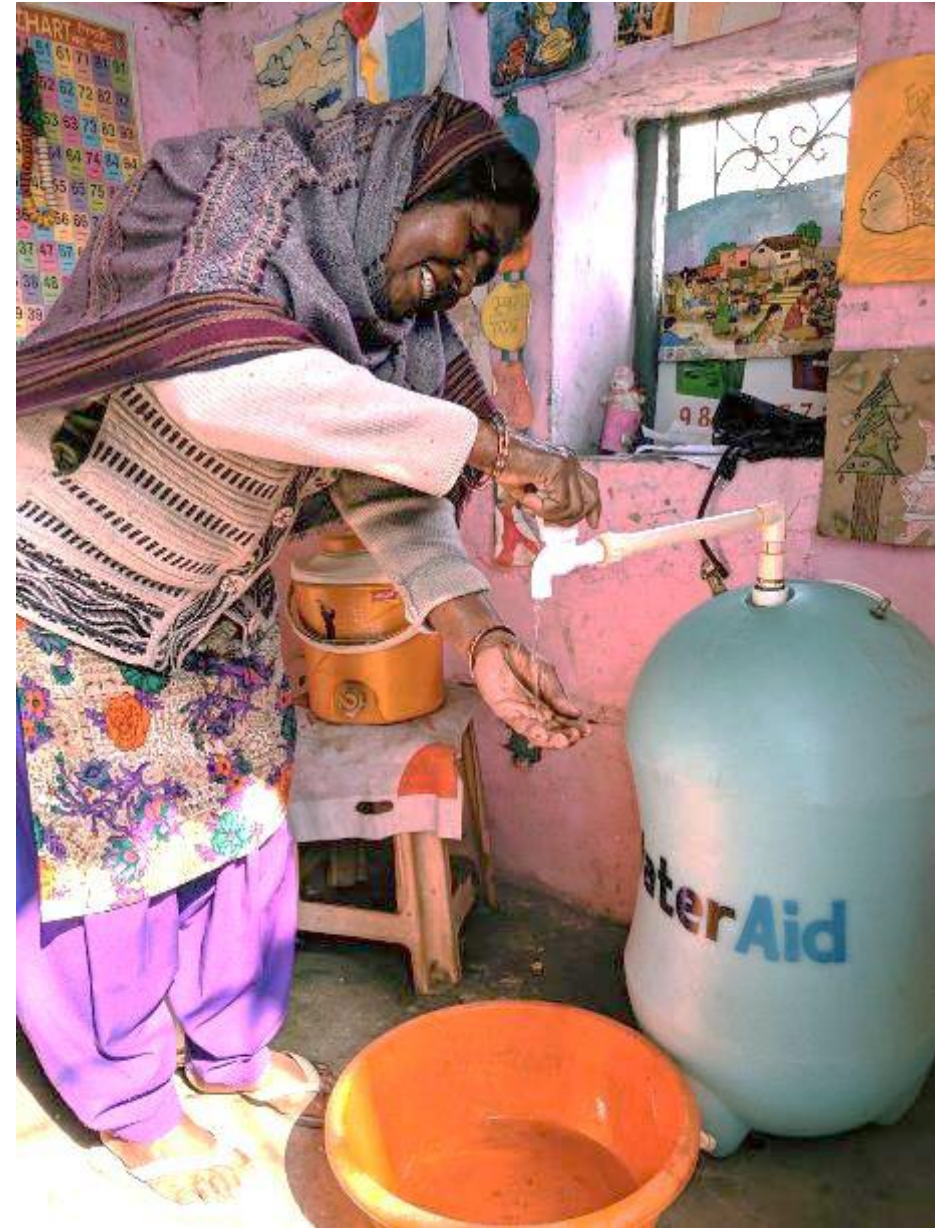


### 3. Immersive Learning

*Have you ever seen a Cowbird crushed by a herd stampede? No. The Cowbird understands buffalo behavior and knows how to minimize risks, maximize benefits.*

**Bottom up innovation necessary because it is easy to misread the motivations of the poor**

Flow Solutions - Started with a product prototype but did a near total overhaul



## 4. Flexible and Responsive

*The small cowbird hops swiftly around the hooves without hurting itself or creating any obstruction for the buffalo. When the buffalo sits down to chew the cud, the cowbird perches on it to peck away at the grubs on the buffalo*

- ▶ Nimble footed - quick to adapt.
- ▶ Light - flat structures, low overheads

[Association for Social Advancement](#) (ASA) was set up as a steep Left leaning Social Action group that used microfinance as a tool for starting a revolution by the poor. Failed.

Quickly learnt, copied others, innovated – focus on low costs, high outreach. No. 1 Microfinance Instn since 2007





## 5. Hybrid Revenue Models

*The Cowbird **eats both seeds and grubs**. The proportion of each in the Cowbird's diet changes depending on the time of the year and the type of pasture. **The Cowbird does not suffer because of these changes**.*

- ▶ charity funds, purchases
- ▶ sales revenues
- ▶ 'in kind' support



**FLOW**  
S O L U T I O N S

Microfinance organizations - success

*Offered financial & non-financial (social services). NFS helped improve loan quality and depth of outreach.*

*Revenue streams - financial service charges, donations, government grants*



## 6. Offer Brood Parasite Support

Since the herds were always on the move, cowbirds could not stay in one place to incubate and feed hatchlings. So, it is believed, cowbirds evolved into 'Brood Parasites': birds that lay their eggs in the nests of other birds, letting the host hatch and raise those chicks. The cowbirds eggs have a short incubation period. So, by the time the host species' eggs hatch, the cowbird chick is stronger, getting the biggest share of the food delivered by its foster parents.

- ▶ Funding support in initial years
- ▶ Especially for capital costs

ITC Mission Sunehra Kal - success  
Solid Waste Management & Toilet  
making - Saharanpur





## 7. 'Cluster' organisational structure

*Cowbirds are small but they move in clusters. Their smallness makes them weave their way easily through the herd. The numbers do justice to the opportunities presented by the herd.*

- ▶ avoid the obsession with 'scale'
- ▶ aim for Scaling up of impact -not organisation

**Midday Meal Scheme** - 120,000,000 children in over 1,265,000 educational institutions

Meals are cooked on-site by local cooks or self-help groups.

-serves local cuisine, provides jobs in the area, minimizes waste, better monitoring





# RESULTS OF NEO LIBERAL THOUGHT





250 houses @ Rs 30/mth  
= 7500/-

250 houses @ 200  
gms/day for 1 month

= 1500 kg

20% is compost

= 300 kg

@ Rs 40/kg

12000 / mth

TOTAL - 19,500/mth

Time - 1 min/hse

hrs

= 4-5



# End term submission

For B.Tech students -

- ▶ Own idea - Explain your idea and how it will solve the social problem and SDG that you are working for. Please prepare a 3 year business and financial plan for your social business idea in upto 3000 words. It should clearly demonstrate your use of the concepts discussed in the Social Entrepreneurship class.
- ▶ Existing Organization - Evaluate the organization that you are studying. What is their idea and how do you think it is solving the social problem and SDG that you think it is aimed at. What is their business plan. Assuming you are the CEO, please prepare a business and financial plan for the organization for the next 2 years.

▶ For M.Tech students

- ▶ Literature Review and analysis of different modes of Social Entrepreneurship as a whole or of a Social Entrepreneurial idea that you have selected. Of the examples you have quoted, which social entrepreneurs do you think, were most effective and why. Based on your research, what recommendations would you give to these organizations, for scaling up impact in the next 2 years. Upto 3000 words clearly demonstrating the use of concepts discussed in class.

Total Marks and weightage - 35 . Out of this, 8 will be for presentations, 2 for your ratings and comments on others presentations and 25 for the written submission.

Presentations will be on 18th and 20th of November 2024. Final submission on 21st of November 2024.