**SOCIAL ENTREPRENEURSHIP**

The word itself explains the meaning. Social- relating to society or its organization. Entrepreneurship: The process of starting a business or other organization. Thus Social entrepreneurship is the process of pursuing innovative solutions to social problems. Social entrepreneurship is an approach to recognizing a social problem and using business techniques to achieve social change. Social entrepreneurs finds out what is not working and solve the problem by changing the system and coming up with an intelligent non-profit workaround. Social entrepreneurs are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change. They are visionaries, but also realistic. Innovates by finding a new product, a new service, or a new approach to a social problem. S.E is about applying practical, innovative and sustainable approaches to benefit society in general, with an emphasis on those who are marginalized and poor.

Social entrepreneurs present user-friendly, understandable, and ethical ideas that engage widespread support in order to maximize the number of citizens that will stand up, seize their idea, and implement it. Social entrepreneurs drive social innovation and transformation in various fields including education, health, environment and enterprise development. A social entrepreneur, similar to a business entrepreneur, builds strong and sustainable organizations, which are either set up as not-for-profits or companies. Business can be for a social cause in any field like education, health, welfare reform, human rights, workers' rights, environment, economic development, agriculture, etc., or whether the organizations they set up are non-profit or for-profit entities.

**FIRST ACCESS- MATT HENESSEY**

Matt Henessey is the client and Partnership Director for First Access. First access is a risk scoring system that evaluates the credit score based on various factors other than the conventional criterias used by many money lending institutions. First access tool is used by financial service providers to have a reliable information about the customers. This information helps microfinance institutes, retail commercial banks, insurance companies, business payment platforms to lend more capital at lower interest rates. The mission of First Access is to help these lending institutions reduce their lending costs by predicting credit risk for clients in the informal sector, billions of whom are still shut out of the formal financial system due to lack of collateral or quantifiable information about risk.

**How does it work?**

1. The loan officer goes in person to the potential borrower when he gets a loan request.
2. Loan officer then asks for the customers cell phone number and sends this information to the company.
3. The company then send a message confirming the authorization to use the borrowers phone data for loan evaluation.
4. The borrower can send a text message back confirming the request.
5. The First access calculates the credit score based on the call history, messaging patterns, and bill payments if any with their highly customized algorithms.

#### These algorithms are based real time demographic, geographic, financial and social data from mobile phones and other sources. The credit risk models have the highest reported accuracy of any in the developing world.

1. This report is delivered to the loan officer with seconds who then recommends the institutions borrower can be eligible to get the loan from.
2. The customer database is maintained highly confidential and is not shared with any banking institutions or companies.
3. The loan gets disbursed in a relatively less time and low rate of interest

**Who are the users?** People who are not eligible or denied loans from the banking institutes because of several reasons like low or no credit score, reason for loan are offered capital by the other relevant institutes based on the credit report of First Access.

**Mobile solutions proposed/used?** SMS Service

**Why Mobile?** First Access model is targets rural civilizations and suburban localities for loans. Smart phone users may be few but Feature phones are a part of everybody’s life these days. Also the First Access algorithms calculate the customers credit score based on the call history, messaging patterns, etc. This is a way of calculating pseudo credit score for people who do not have the real one (credit cards, utility bills, etc) In this case android apps wont make sense because the model is designed for people who are not eligible to apply for loans by conventional methods. But somewhere down the lane apps can be used to replace sms service as it charges the customer to send replies to special numbers or even normally.

**Q & A’s**

1. **How does First Access make profit?**

**Ans)** They have tie ups with service providers and the banking institutions which shares a percentage of profits with First access. Also there a subscription required to be purchased to authorize First Access collect the data from potential borrowers.

1. **What is the risk involved for First Access?**

**Ans)** Timely payback of loan is a risk, but the disbursement procedure is highly based on trust and understanding so payback is not a great concern. Usually payback starts in installments within 7 days of disbursal. So if the borrower doesn’t pay they can have measure to stop the next partial disbursement.

1. **Does First Access use customers personal data for other analysis?**

**Ans)** No, they only work on the data to come up with loan solutions and does not do any other analysis.

1. **How successful this model has been in developed nations?**

**Ans)** Although they work extensively in Tanzania, every nation has suburban or rural areas where these models are used. First Access currently operates in 5 countries and recently signed a deal with Tanzania’s largest mobile network operator to provide instant risk scores for microfinance and other personalized loans.