

Social entrepreneurship

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In this session you will learn:

- Why social businesses scale but philanthropy does not
- What makes business models social
- Why different social problems require different social entrepreneurs
- How input differs from output differs from outcome differs from impact

What is social entrepreneurship?

“Innovative, social value creating activity that can occur within or across the nonprofit, business or government sectors“

Austin, Stevenson, & Wei-Skillern (2006, p.2)

Social entrepreneurs play the role of change agents in the social sector by:

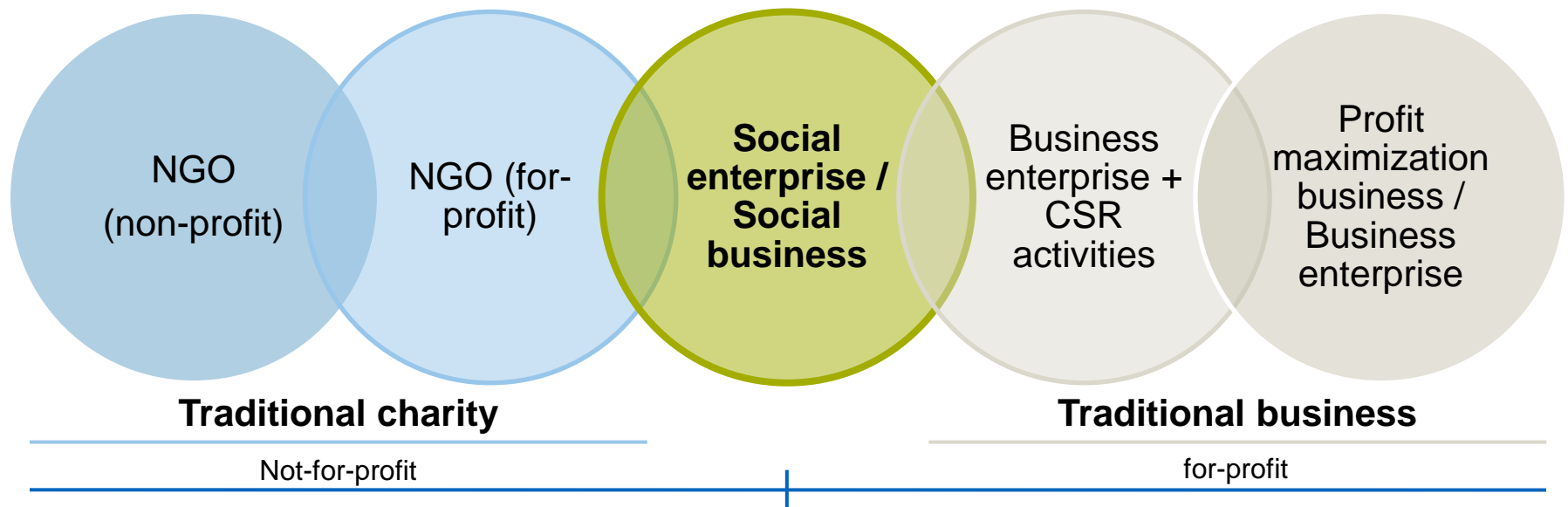
- 1) Adopting a mission to create and sustain social value
- 2) Recognizing and relentlessly pursuing new opportunities to serve that social mission
- 3) Engaging in a process of continuous innovation, adaptation, and learning
- 4) Acting boldly without being limited by resources currently at hand
- 5) Exhibiting a heightened sense of accountability to the constituencies served and for the social outcomes created

Dees (1998)

Why is social entrepreneurship important?



Social business, economic business, NGOs



Social entrepreneurship business models

Social by selling

- Organizations that make their **impact** through **what they sell** or to **whom they sell it**
- *Examples:* Grameen Bank (microfinancing), Aravind Eyecare

Social by sourcing

- Organizations that develop their programs by **how they make their** products or services
- *Examples:* Fair Trade Businesses, Refugee integration

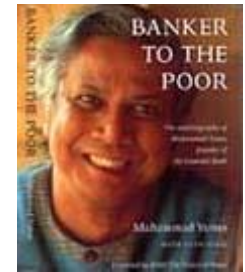
Social by sharing

- Organizations that exist to share some or all of their profits with charitable organizations or causes
- *Examples:* Gates Foundation, Oxfam Shops, social or ethical investment funds

Source: <https://seatwincities.org/about/what-is-a-social-enterprise/>

Your task (15 min):

- Use the internet to research on the following social entrepreneurs and their social ventures
 - Ole Kassow, Cycling Without Age
 - Jacqueline Novogratz, Acumen
 - Muhammad Yunus, Grameen Bank
- Answer the following questions:
 - What social needs do these entrepreneurs address?
 - How do these needs differ?
 - How do they approach addressing these needs?



A typology of social entrepreneurs

Social bricoleur

- Act on local needs with locally discovered resources

Social constructionist

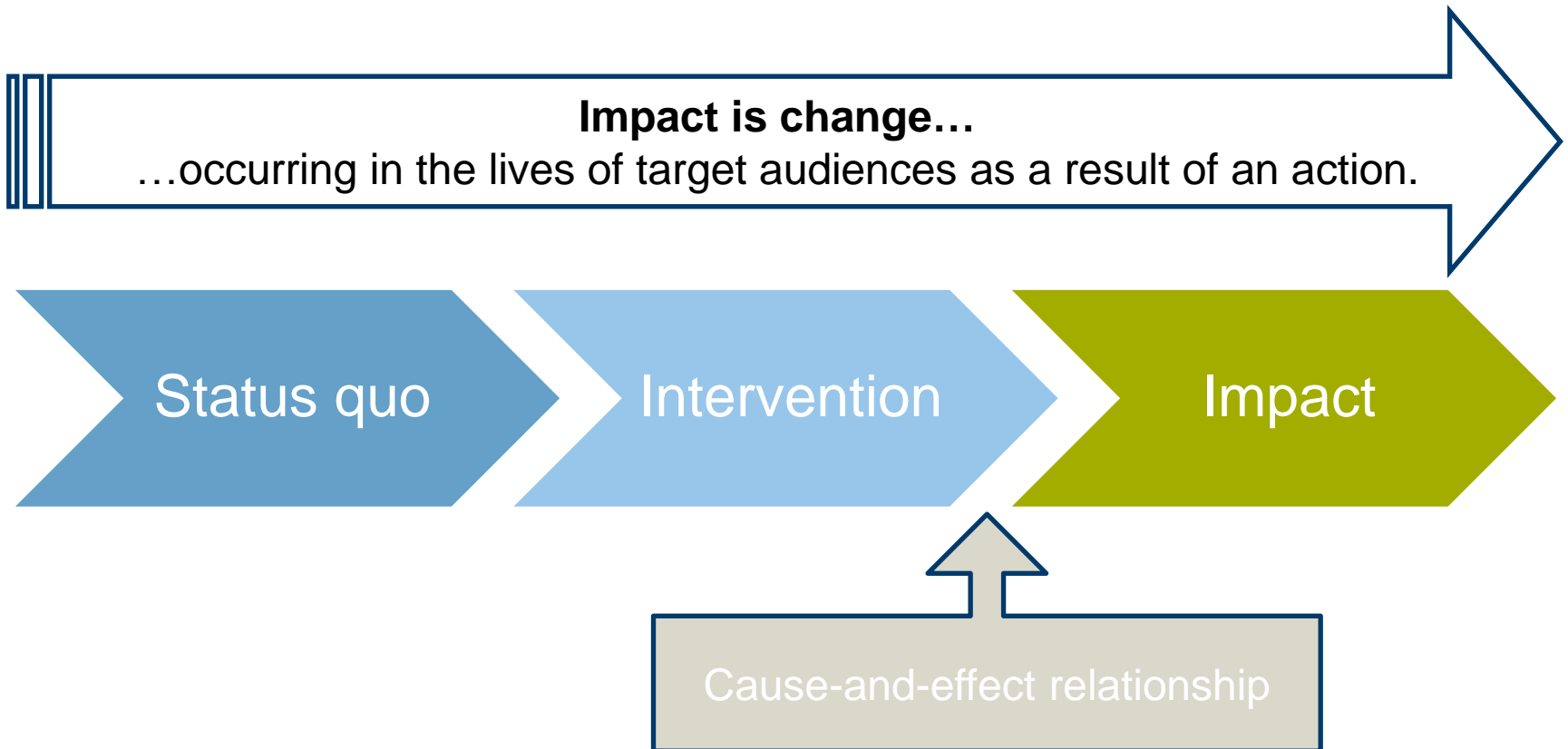
- Provide goods and services that governments, businesses, and agencies cannot

Social engineers

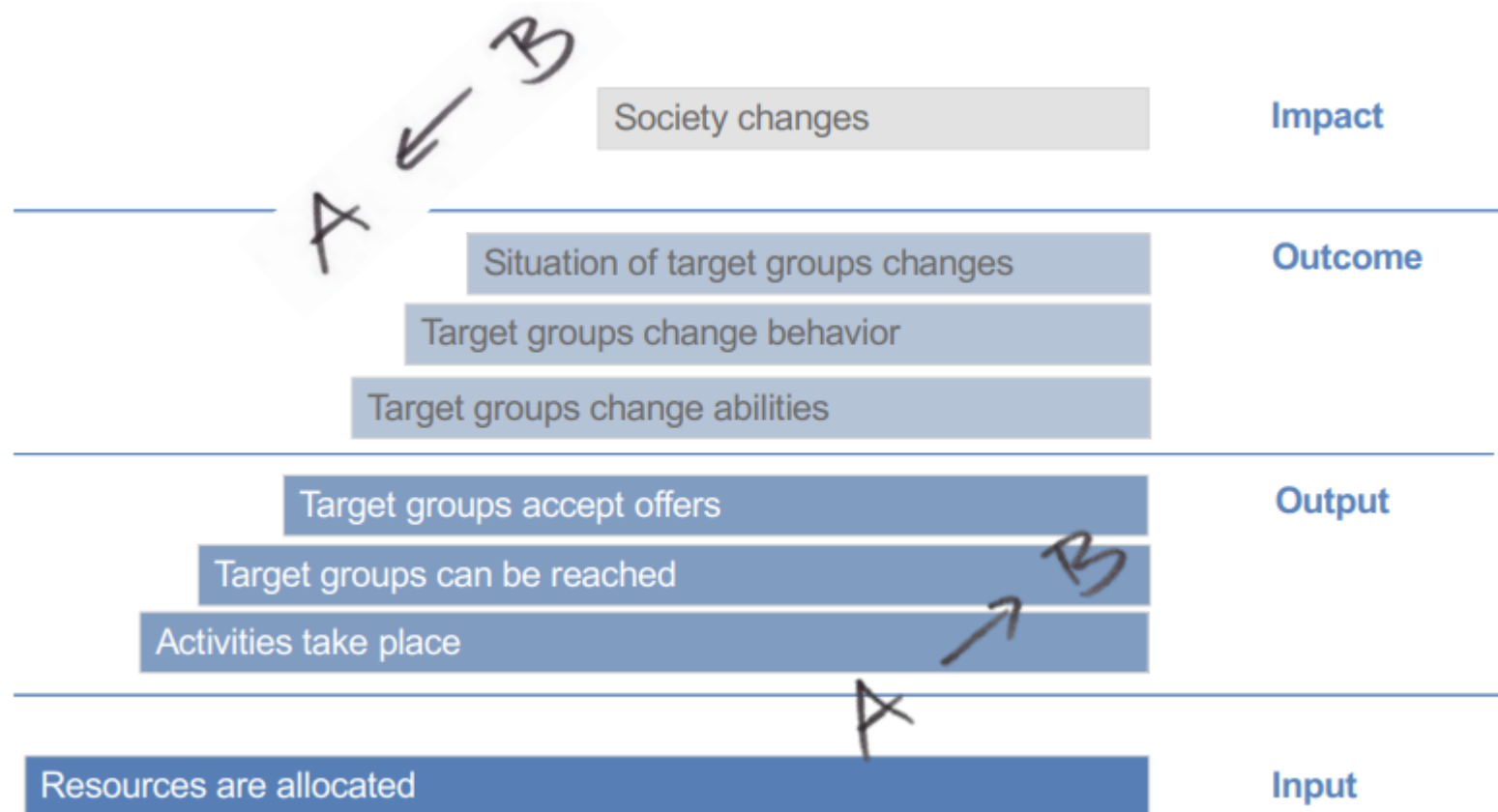
- Create newer and more effective social systems

Zahra et al. (2010)

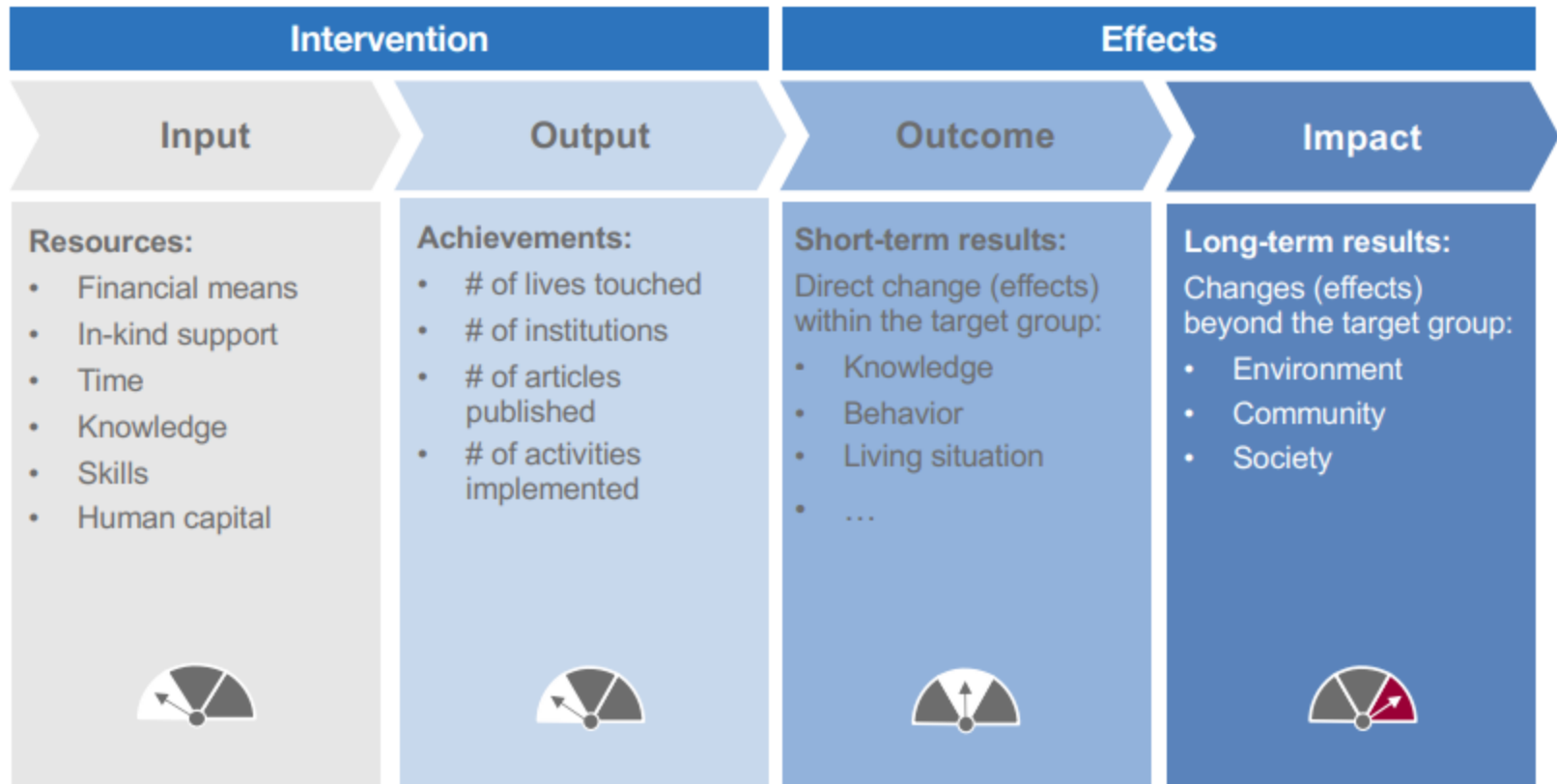
Measuring social impact



From resource investments to social impact



The IOOI framework



Based on Social Reporting Standard

Your task (15 min):

SocialBee 

Zarah Bruhn is TUM School of Management alumna and a very prominent social entrepreneur known for founding Social Bee.

- Use the internet to make yourself familiar with Social Bee.
- Read the three LinkedIn articles written by Zarah following the links provided on Moodle
- Try to answer the following questions:
 - How did Zarah identify and develop the opportunity to found Social Bee?
 - What key lessons did Zarah learn from founding Social Bee and her second venture, Bring and Ring?
 - What is the downside of being a passionate social entrepreneur?



Zarah Bruns and Social Bee

- Every crisis is an opportunity
- Developing social opportunities needs developing new ways of interaction to empower beneficiaries, flexible partners, and an engaged team
- Understanding the social problem is the first step, personal learning and execution second
- Have a common team purpose
- Social entrepreneurship is a marathon

Session summary

- Social business vs. economic business vs. philanthropy
- Social business models
- Types of social entrepreneurs
- Impact measurement

References

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