

# 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:

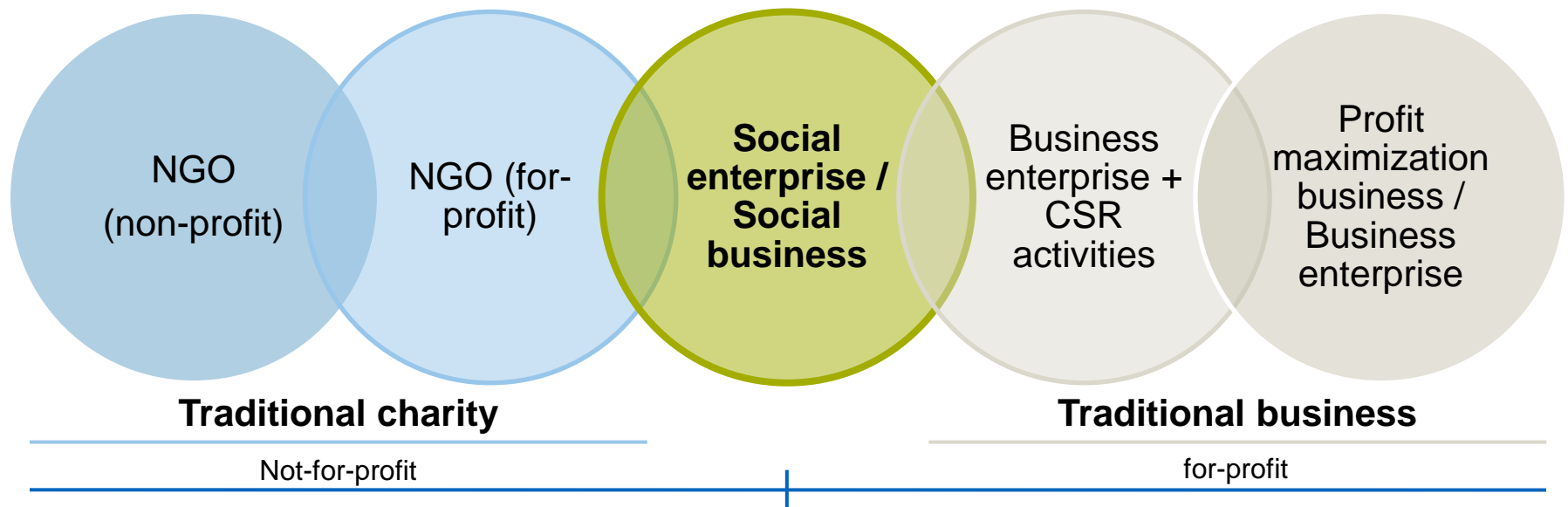
- 1) Adopting a mission to create and sustain social value
- 2) Recognizing and relentlessly pursuing new opportunities to serve that social mission
- 3) Engaging in a process of continuous innovation, adaptation, and learning
- 4) Acting boldly without being limited by resources currently at hand
- 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

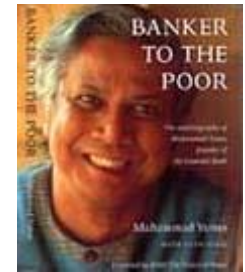
## Social by sharing

- 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

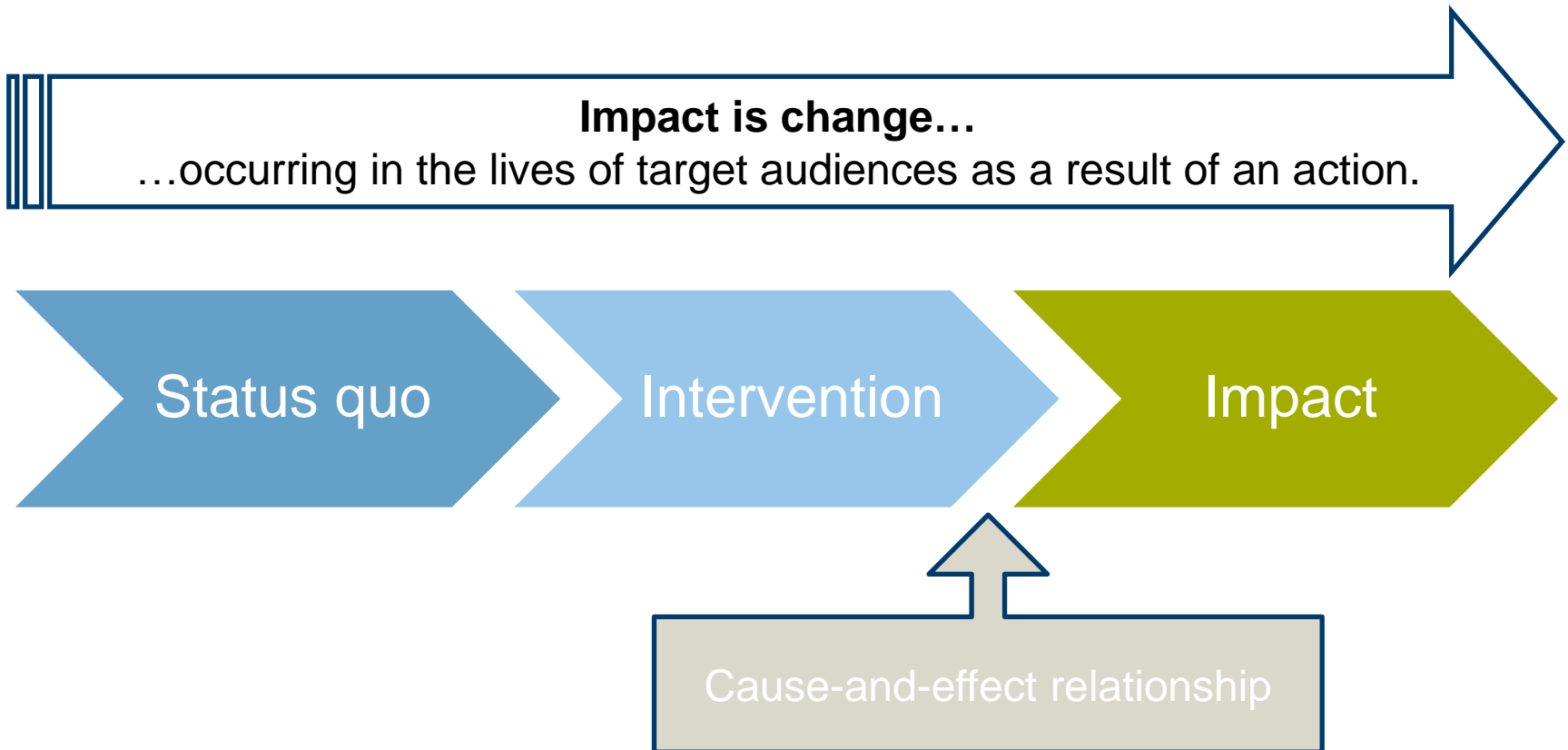
## **Social engineers**

- Create newer and more effective social systems

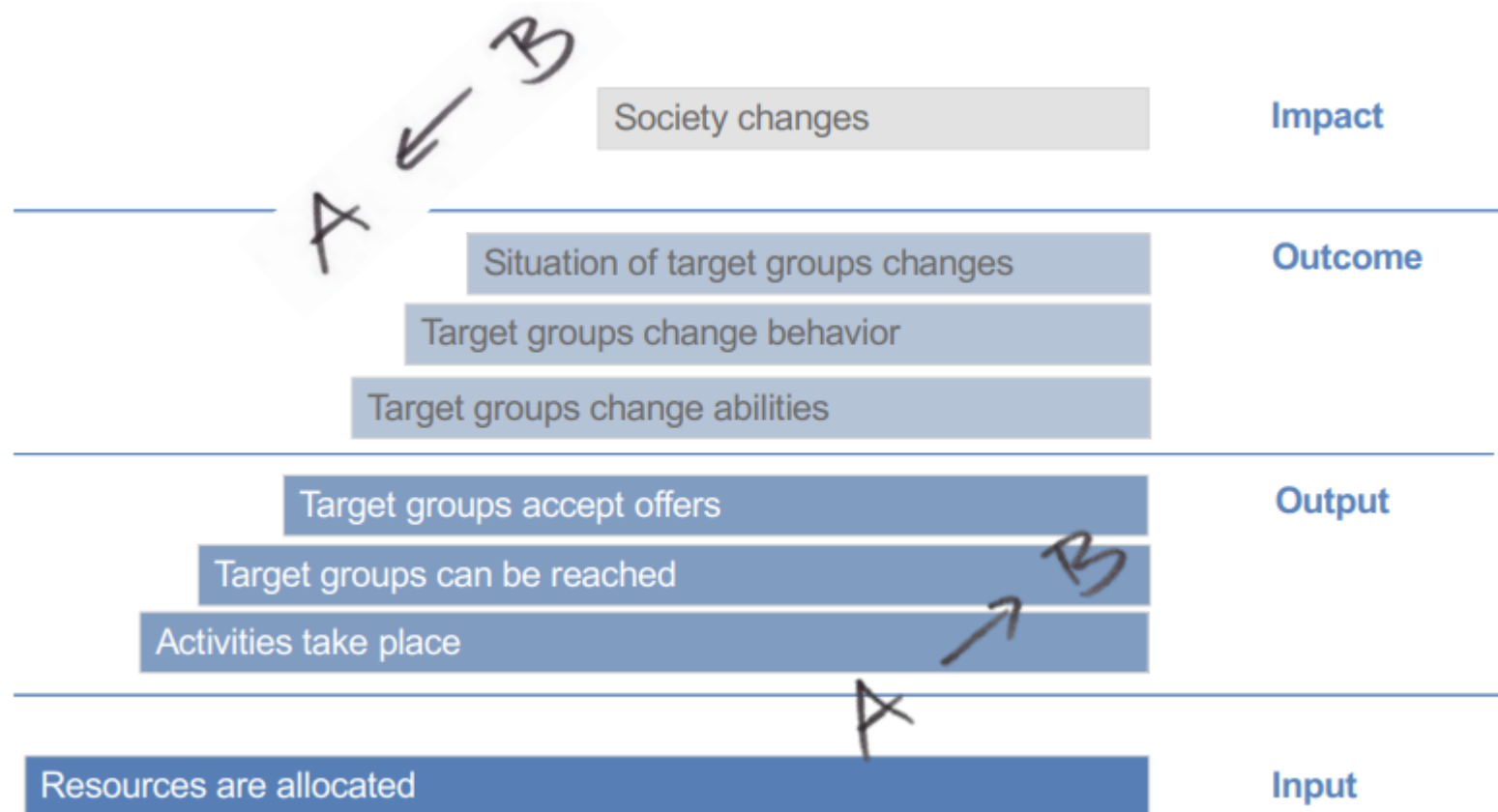
Zahra et al. (2010)



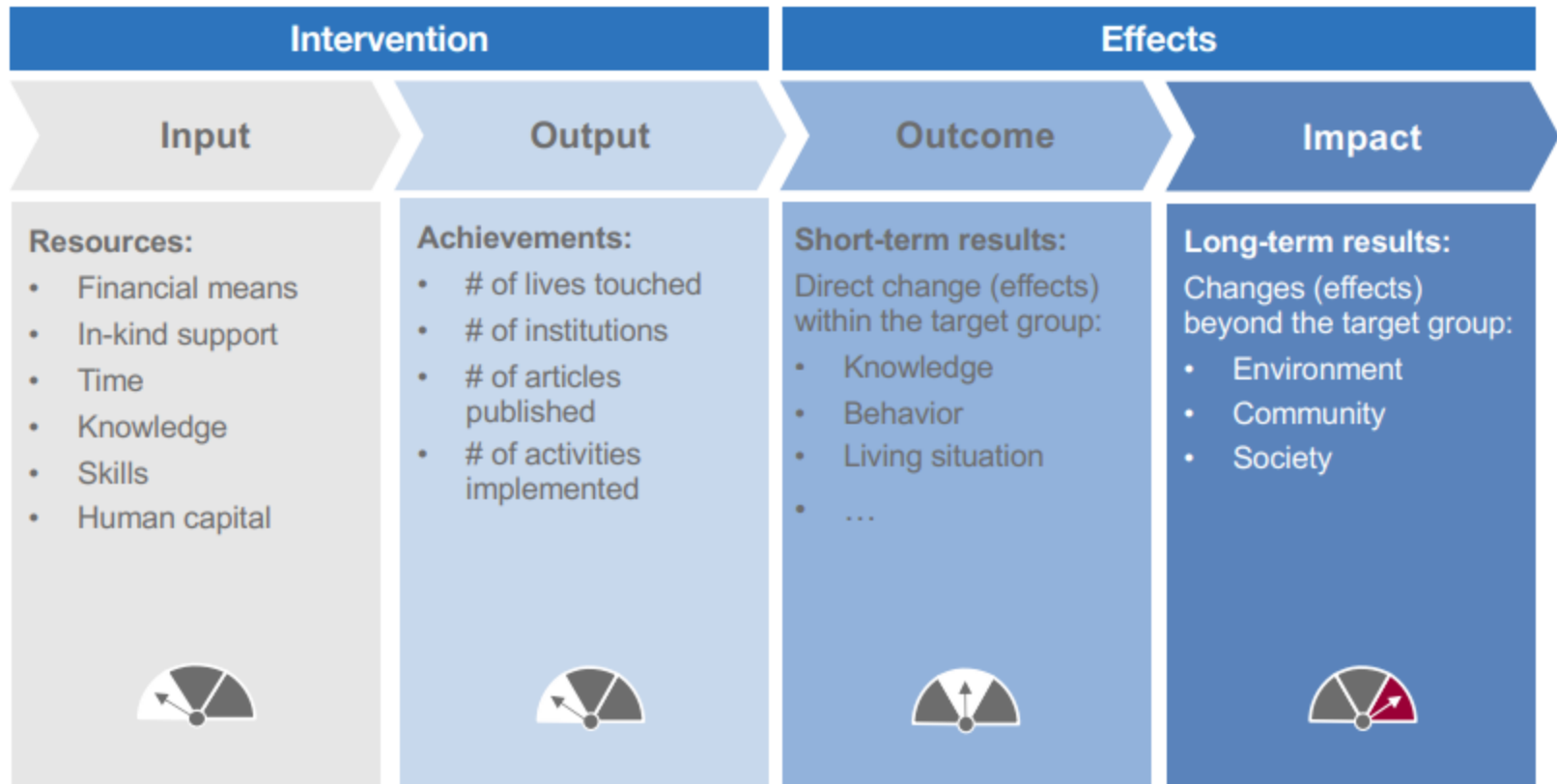
# Measuring social impact



# 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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