

# Tools for Social Entrepreneurism

Developing Successful

Entrepreneurial Strategies

# Introduction

- ▶ What is Social Entrepreneurism ?

# Definition

"Social entrepreneurs are people whose creativity and drive open up major new possibilities in education, health, the environment, and other areas of human need. Just as business entrepreneurs lead innovation in commerce, social entrepreneurs drive social change."

That is the definition used by Ashoka, a vanguard organization in this field.

# Paradoxes of Entrepreneurship

Order	↔	Chaos
Letting Go	↔	Holding On
Maximize Ownership	↔	Give Up Ownership
Long-term Vision	↔	Short-term Action
Competition	↔	Collaboration
Commitment	↔	Flexibility
Seek Opportunity	↔	Say No
Sweat Details	↔	Conceptualize
Patience	↔	Urgency

Source: John Eggers and Raymond Smilor *Leadership and Entrepreneurship: Personal and Organizational Development in Entrepreneurial Ventures*(Westport,CT:Quorum Books, 1996)p 19.

How does a Business  
Entrepreneur Differ from a  
Social Entrepreneur ?

# A Social Entrepreneur:

- ▶ focuses on building the long term capacity of the organization as opposed to focusing on short term gain
- ▶ uses profit as a means and not an end

# A Social Entrepreneur:

- ▶ ploughs "profits" back to serve more people in better ways as opposed to distributing them to stakeholders
- ▶ enhances the ability of their organizations to be in charge of their own destinies and not the priorities of the donors

# A Social Entrepreneur:

- ▶ seems to combine the best of two worlds. He or she synthesizes the focused, outcome-oriented discipline necessary to succeed in the business world, with the selflessness, passion and humanity that drives social activists.

“Customers don’t buy quarter inch drills, they buy quarter inch holes”

- ▶ ...a Black and Decker Training Workshop

# Guiding Factors for the Social Entrepreneur

- ◆ Strategic Service Vision
- ◆ Competitive Strategy
- ◆ Cooperative Strategy
- ◆ Leading Entrepreneurially
- ◆ Managing your Board Entrepreneurially
- ◆ Donors as Investors
- ◆ Working with Community
- ◆ Viable Income Strategies
- ◆ Appropriateness of Scale
- ◆ Managing Change

# Strategic Service Vision

- ▶ A set of ideas and actions that maximize the leverage of results over efforts, directed toward well-defined targets considering both demographic and psychographic data and supported by highly focused operating strategies.

# Competitive Strategy

- ▶ Creating the most value relative to others who are engaged in similar activities
- ▶ Healthy competition actually encourages collaboration

# Cooperative Strategy

- ▶ Must be a clarity of purpose
- ▶ Recognition of benefits and risks
- ▶ Requires additional time and energy

# Leading Entrepreneurially

- ▶ Leadership focuses on people, whereas management focuses on things
- ▶ Put people first
- ▶ Celebrate what you want to see more of

# Managing your Board Entrepreneurially

- ▶ Recruit successful entrepreneurs
- ▶ Insure the size and composition of your Board is suitable for the “stage” of your organization
- ▶ Avoid the Myth: Board makes policy; staff carries it out

# Donors as Investors

- ▶ Focus on donor's needs/values/interests
- ▶ Emphasis on how the investment will be manifested in social outcomes
- ▶ Ongoing feedback to the donors

# Working with Community

- ▶ Community is a group of individuals who decide that as a collective association, they can self-identify through shared experiences, values, goals and a sense of purpose
- ▶ Identify the people in the communities whose interests are most related to your purpose
- ▶ Community Mapping
- ▶ Continue to Cultivate. Connect and Communicate

# Viabile Income Strategies

- ▶ Coherent plan of action that generates earned income either directly or to a partner
- ▶ Learn how to get paid for what you already do
- ▶ Launching new ventures – The “MOM” rating

# Appropriateness of Scale

- ▶ The “Grow or Die “ pressure
- ▶ “ Founder’s Dilema“
- ▶ Scaling Deep or Scaling up ?

# Managing Change

+ SKILLS + INCENTIVE + RESOURCES + ACTION PLAN = CONFUSION

VISION + INCENTIVE + RESOURCES + ACTION PLAN = ANXIETY

VISION + SKILLS + RESOURCES + ACTION PLAN = SLOW CHANGE

VISION + SKILLS + INCENTIVE + ACTION PLAN = FRUSTRATION

VISION + SKILLS + INCENTIVE + RESOURCES = FALSE STARTS

VISION + SKILLS + INCENTIVE + RESOURCES + ACTION PLAN = CHANGE

# How do you define Value ?

- ▶ Process Quality yielding desirable Outcomes at an Acceptable Cost with Ease of Access.

# Process Quality

- ▶ Dependability
- ▶ Timeliness
- ▶ Authority
- ▶ Empathy
- ▶ Tangible Evidence

# Outcomes

- ▶ S.M.A.R.T. Objectives
  - Specific
  - Measurable
  - Attainable
  - Realistic
  - Timely
- ▶ Consumer Focused
- ▶ Community Focused

# Acceptable Costs and Ease of Access

- ▶ Are monitored and improved by analyzing Performance Information, which also helps to:
  - Better manage programs and services
  - Demonstrate accountability
  - Improve planning
  - Improve the social return on investment
  - Meet funding requirements
  - Raise public awareness
  - Inform the field