

Chapter 1

Social Entrepreneurship: A Calling for You

In This Chapter

- ▶ Discovering what social entrepreneurship is all about
 - ▶ Seeing where you fit in and how to get started
 - ▶ Being inspired by examples of social entrepreneurs
 - ▶ Preparing to move forward with your passion and ideas
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At the most basic level, social entrepreneurs want to fix problems. What kinds of problems? Well, what kinds of problems might you be concerned with? Some problems are nuisances or pet peeves, like overcrowded roads, outrageous dress, rude drivers, barking dogs, and telephone solicitors. Other problems threaten or degrade our way of life: environmental pollution, crime, corruption in business and government, economic crises, and so on. And then there are the problems that threaten life itself: climate change, war, famine, genocide, disease, and natural disasters — a grisly list for sure.

It's probably true that the world today is plagued with more problems of all three types than at any other time in history. We face challenges like never before. The world's "to do" list is enormous and growing. For social entrepreneurs, that means take your pick — please! You can start small, focusing on a narrow, local issue, and work your way up to bigger and broader goals, building on your successes. The good news — and the bad news, of course — is that there is no shortage of problems around, waiting to be tackled.

What Is Social Entrepreneurship?

Social entrepreneurship and its methods, borrowed from the world of business, are becoming more and more popular among morally conscious people itching to solve a particular social problem and possibly make money in the process. Social entrepreneurs execute innovative solutions to what they define as social problems — be they local, regional, national, or international.

In social entrepreneurship, people use the principles of *enterprise* — business principles and even capitalism itself — to create social change by establishing and managing a venture. Some are altruists. They set up small, medium, or large nonprofit groups designed to ameliorate a difficult situation threatening certain people, flora, fauna, or the environment — or sometimes a combination of these. Others are profit seekers with a heart, who manage to establish a money-making enterprise that improves a situation in one of these four areas.

Whether starting and running a nonprofit or for-profit social enterprise, these entrepreneurs are usually practical. Each entrepreneur has a mission, typically one that is powerfully felt with urgency and compassion, and each takes concrete action leading to solution of the problem targeted in that mission.

We've just described the *scope* of social entrepreneurship, or what social entrepreneurs do. But what is the nature, or essence, of social entrepreneurship? One way to answer that question is to look at its three essential elements: motivation, organization, and society.

Social entrepreneurship is motivation

Any discussion of social entrepreneurship and its entrepreneurs must include why people get involved in it in the first place. Sure, they're trying to solve a pressing problem, one that bothers them and probably other people. But look at the desire to be a social entrepreneur in still broader terms.

Some entrepreneurs hope to develop a for-profit social enterprise — they're seeking a livelihood of some sort. It may not be much at first, but they hope it brings reasonable success in the long run.

For other entrepreneurs, eventually becoming a for-profit social enterprise may be a side effect, even an unexpected one, of their first efforts. And some are only interested in working toward building a successful nonprofit enterprise.

These possibilities of for-profit and nonprofit organizations raise the question of what the entrepreneur gets out of all this, besides solving a problem and changing the world as a result of the solution. What is that person's motivation? Motivation has long-term effects. Why you do something often determines how and how well you end up doing it.

We discuss this matter of motivation in several ways throughout this book. It comes up when we consider the feelings of urgency and compassion that inspire social entrepreneurs. It comes up when we explain social entrepreneurship as either a special form of *leisure* (the nonprofit form) or a special form of *work* (the for-profit form). And it comes up when we look at commitment and obligation.

Social entrepreneurship is organization

A social enterprise is an *organization*, often one that is legally incorporated (see Chapter 14 for more on that). As in all successful organizations, leaders of social enterprises must engage in careful planning, organizing, and building their group's identity. They have to decide on the structure of the enterprise, the nature of its constitution, and the elements of its bureaucracy. Sooner or later, they have to decide whether to be a for-profit or nonprofit entity — a decision that has implications for the organization's status as a tax-deductible charity. The organization needs a mission statement, which sets out its vision, and a clear set of goals toward which to work. Those are the minimal things that must be done in order to have much of a chance at success.

The nature of organizations requires that there be leaders and followers. The principles of good leadership apply as much to social enterprises as to any other kind of organization. The same may be said for managing the people who participate in them. In for-profits, these people, or *staff*, are paid; whereas in nonprofits, they're either paid or serve as volunteers. Some nonprofits rely on both paid staff and volunteers.

Social entrepreneurship is society

Social entrepreneurship doesn't take place in a vacuum — far from it. Working with others is the whole idea, and not just internally within the organization itself. As with other organizations, social-enterprise leaders must adapt to and take advantage of the organization's external environment. In practice, this means publicizing the enterprise and establishing networks of communication and influence with like-minded groups and with private and governmental sources of power, all of which can help or hinder the enterprise's goals.

A multitude of large-scale trends currently bear on social entrepreneurship. They include the international movement of national populations, decline in amount and sources of money, and patterns of communicable disease, among others. Trends can subtly or not so subtly influence how your own enterprise evolves, and even whether it eventually fails or succeeds.

Note that for-profit social enterprises are, at bottom, capitalistic entities. Their leaders must necessarily be familiar with the fundamentals of capitalism, the need for innovation, and the need to remain abreast of relevant information about and knowledge of the world of business. The biggest difference is that whereas normal businesses exist to serve one bottom line — profit — social businesses add two more: social and environmental impact. (We discuss the three bottom lines at length in Chapter 8.)

Social Entrepreneurship: How Do You Get Started?

Don't get us wrong. We're not asking you to do the Clark Kent thing and transform yourself into a superhero — or become a saint. Not at all. We *are* asking you to free yourself enough, to be deviant enough, to find the suffering of others, and the state of our world, objectionable. After you do that, what you plan to do about it is up to you. People all over the world are claiming this responsibility and inalienable right to address social and other problems — a right that comes simply from being a person on this precious planet. If you feel like it's time for you to step up to the plate, then you've come to the right place. Stepping up starts here. Object to the crummy, miserable things going on. You have that right and responsibility. No one else is going to do it for you — or at least, not the way you'd do it. Refusing to rely on governments and other organizations to take care of your objection is a big part of the decision to become a social entrepreneur.

As a social entrepreneur, you'll challenge the status quo, to be sure. Some people may even object to you, and that's probably a good sign. The important thing is that your journey as a social entrepreneur will have begun. You're not simply bothered about something and leaving it at that. You *object*. That objection is a precondition for your commitment to positive change.

But how do you change things? Wow. That's where the rubber hits the road. That's where, for you, the plot thickens. If your “deviance” takes you to the threshold of a strange land, you'll cross over into that land when you try to change things for the better. You won't be alone, though. We'll be here with you, in this book, at your shoulder.

You may already have an idea of which problem you want to address, change, or fix. Coming to grips with how to tackle that problem is basically a three-phase process: recognizing and stating your objections to the problem, taking action to try to solve the problem, and starting a social enterprise.

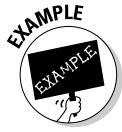
Recognizing and stating objections

First, you have to see the problem clearly enough to determine what action to try to take. That means finding out everything you can about it. In complex problems, such as those motivating the International Red Cross or Ryan's Well Foundation (both profiled later in this chapter), getting a clear view of the problem may take considerable research.

You aren't going to be able to effectively fight against something until you have a decent idea of what you're fighting against. Doing your homework also

focuses your sense of urgency and compassion. And it helps you define what you object to about the problem. Write down as clearly and completely as possible what the problem is and why you feel so passionately about it.

Here's an example of what we're talking about.



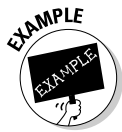
Project Laundry List (www.laundrylist.org) is a nonprofit social enterprise incorporated in the United States, with official charitable status. Its mission is to make hanging out laundry to dry in the open air a respectable and environmentally friendly practice in America. Project Laundry List further recommends using cold water to wash clothes, which it sees as an easy but effective way to save energy.

One of the conditions inciting the founders of Project Laundry List was the enactment of local rules that prohibited drying laundry in the open air. The arguments for such regulations included the belief that laundry openly exposed results in a decline in property values, is unsightly, and is unnecessary given the widespread availability of mechanical, indoor clothes dryers.

The local rules opposed by Project Laundry List are mainly community covenants, landlord prohibitions, and zoning laws. Though it operates only in the United States, the leaders of this social enterprise also point to the existence of similar restrictions in Canada and elsewhere in the world. It's time, they say, to enact "right to dry" legislation. Project Laundry List also operates as an advocacy group for this cause. The best dryer of clothes, claims the organization, is the solar dryer — hanging out clothing in the sun. By the end of 2009, clothesline legislation had been debated in at least nine states. Project Laundry has also established a National Hanging Out Day in both the United States and Canada.

How did such an unusual and interesting venture get started? Project Laundry List was born when students at Middlebury College in New Hampshire reacted to plans by Hydro-Quebec to build some major dams in Canada and U.S. plans for expanding use of nuclear power. The students protested by hanging political messages on clotheslines.

The following is another fairly typical, hypothetical example of how a social enterprise might get its start.



Say you've noticed that homeless people tend to congregate around the entrance to your local library. For everyone, trips to the library involve negotiating some half-dozen panhandling requests and perhaps some closer-than-comfortable, close-range scrutiny from strangers. You find that you object to the fact that these folks have nowhere else to go and nothing else to do. And maybe you object to having to interact with strangers who place continual demands on passersby, or even see the situation as a safety hazard. Maybe you start limiting your trips to the library, and maybe other people do too. What can you do about this? Read on for one potential way to address it.

Taking action

Once your objection is clarified and galvanized by urgency and compassion, you then enter phase 2 — making some initial attempts to solve the problem. You ask yourself, and probably other people, two questions: What *should* be done, and what *can* be done?

In practice, answering these questions means first trying to solve the problem through existing arrangements. It may mean that you, as an objector, learn that appropriate governmental, private-sector, or nonprofit organizations for solving the problem either don't exist or are inadequate for the job. In our hypothetical example, maybe the library says its property is open to the public, and perhaps you find that there's no effective law against panhandling in your town. Moreover, the only homeless shelter nearby has closed, and no community center is currently open. Maybe you even ask the homeless people why they gather there, and they tell you that they were kicked out of the park a few blocks away, and there's nowhere else for them to go.

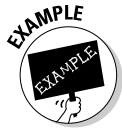
Trying to solve the problem by taking action through ordinary, existing channels is an important step. But it's because of this step that most people bothered by a particular problem fail to get beyond objecting to it. One reason for doing little other than objecting to the problem is that, often, the objector is unable to answer the questions about what should and can be done about it. Put another way, objectors may see no action in which they're both willing and able to engage.

In our homeless-at-the-library example, if the library is no help, and neither is city hall or the police, and nothing else exists that could easily replace the activity, what should be done? Maybe you think there *should* be a safe place for homeless people to get together, but maybe you go further and think there *should* be a way to prevent your fellow community members from being homeless in the first place. What can be done about that? If there's no shelter, community center, or job-training program, as a social entrepreneur that should set some bells ringing.

Why *aren't* there those resources? And you finally realize: *You* can be the one to get them started. At that point, it occurs to you that if you really want to fix the problem, you'll have to organize a more coherent and effective approach to solving it. You will, in fact, need to establish a social enterprise. The time has come to engage in some social entrepreneurship and move on to phase 3. If you succeed, you will have helped the homeless people and achieved your goal of taking action to address a perceived problem in your community.

Starting a social enterprise

Social entrepreneurship is, says Muhammad Yunus, winner of the Nobel Peace Prize and pioneer of the idea of microcredit, “any innovative initiative to help people.” Let’s look at another very simple example to see this definition in action. As you’ll see, what qualifies as a “social enterprise” can be quite informal.



A neighbor’s dog spends most days outside, often with no apparent food or water. The poor creature barks out of sheer despair and boredom. It’s driving you nuts — both the animal’s sad, pleading noise and its lonesome lot in life. With your objection clarified, you enter the second phase: action. First, you speak about the problem with the dog’s owner, but he tells you to get lost, that he works all day, that the dog would chew his furniture if he left him inside, and that he can’t afford to hire someone to watch the dog. You call animal control, but they say they can’t do anything. You even consider moving away from the neighborhood, but that’s not a realistic option. Kidnapping the dog and letting him loose in the country flicks briefly through your mind, and now you’re horrified at yourself. Perhaps there is a municipal bylaw about cruelty to animals in your town? But your search reveals that there is nothing that applies to this situation. You’re at the end of your rope, right? Wrong. You aren’t a hapless, wilting objector — you refuse to let the dog’s problem go unsolved. What you need is help. Problems often begin to be solved when you reach out to others.

You talk to other neighbors and learn that they’re as irritated with the neighbor as you are. You get organized and hold a meeting to map out some strategies. It turns out that several of you have some free time at least one day a week. What if you got together and provided some free doggie day care for your community? You have a garage you could convert into a place where dogs could congregate. And one of the concerned neighbors knows someone on the city council who may be able to provide some funding. She’ll talk to this person to see what can be done. Another woman is a lawyer who suggests a bylaw on dog neglect be written and submitted to the city council in order to add some leverage to the idea that’s forming. You volunteer to write a letter to the editor of the local newspaper, explaining the need for this municipal bylaw pertaining to neglected animals — and announcing your plan for you and other neighbors to help take care of animals during the day. Someone else says he’s starting a local blog on the matter, as a way of swaying public opinion toward enacting the suggested bylaw.

Let’s give this a happy ending: These measures are sufficient to pressure the city council member for your district to propose an amendment to the municipal noise bylaw pertaining to dogs left alone outside during the day. This measure passes. The city council agrees to help offset your costs in

converting your garage, and you and the other neighbors work out a schedule whereby one of you is there every weekday to take care of animals whose owners work and would otherwise leave their dogs alone.

You may not realize it, but what you've done is use social entrepreneurship to solve a problem. You didn't make any money doing it, but maybe that's the next step. Maybe you could begin charging a small fee after you run through the city's stipend. (We talk about earning money from social entrepreneurship throughout this book.)

The Beginnings of Social Enterprises

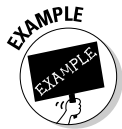
Why do some people devote huge amounts of time and sometimes personal funds to solving a social problem? You could argue that, in the case of for-profit entrepreneurs, the answer is obvious: They want to make money. But, if profit is the motive, keep in mind that nearly all social enterprises are substantially risky ventures. If you want to be sure to make even a modest amount of money, there are far more secure businesses than ones that try to solve social problems, too.



Social entrepreneurship becomes necessary when objectors find that appropriate governmental, private-sector, or nonprofit organizations for solving the problem don't exist or are inadequate for the job. Objectors discover these weaknesses during phase 2, the action phase.

In the illustration about the neglected dog, government help was inadequate. The objectors, forced by these circumstances, decided to try the entrepreneurial route, or phase 3. It's this basic impulse that spurs social entrepreneurial action. Making money may be a nice bonus, but it's not what motivates social entrepreneurs in the first place.

The homeless and animal-neglect examples were local issues used to illustrate typical small-time social entrepreneurial action. Of course, many of the opportunities for social entrepreneurship are broader than that and of much greater import for humanity.



The founding of the Light Up the World Foundation (www.lutw.org) is an example. It's a nonprofit humanitarian organization dedicated to providing lighting to poor people in remote areas who currently rely on kerosene lamps or even wood fires. In addition to improved nighttime lighting, this utility brings physical, educational, and financial benefits.

As you're probably beginning to see, social entrepreneurship is, in some ways, limited only by your imagination and determination. We round out this chapter with four more examples of how some of today's social enterprises first sprang into being. These examples show how broad and consequential — and inspiring — social entrepreneurship can be.

The International Red Cross

It wasn't until the mid-19th century that an attempt was made to develop a system for nursing casualties among combatants in war. What existed prior to this time were sporadic nursing stations, which were unprotected from enemy action. Swiss businessman Jean-Henri Dunant set out to ameliorate this situation for men wounded on the battlefield. He was inspired, or more accurately, horrified, by the carnage he observed in June 1859 during the Battle of Solferino, a particularly ugly part of the Austro-Sardinian War.

Dunant had been on his way to Algeria to tend to his business interests. But now he saw that approximately 40,000 soldiers on both sides died in this engagement or were left wounded on the field. Yet there was next to no medical service or even basic care for these men. Dunant abandoned his plans to go to Algeria. Instead, he spent several days helping to treat and care for the wounded.

Subsequently, Dunant managed to organize a massive system of relief assistance. This he accomplished by persuading local people to aid the wounded and to do this for soldiers on both sides. Upon returning to his home in Geneva, he wrote *A Memory of Solferino*, a book he published in 1862 with his own money. He sent copies of it to main political and military figures everywhere in Europe. In his book, he argued for the establishment of national voluntary relief organizations whose mission would be to help nurse wounded soldiers. He also pointed to the need for international treaties that would protect neutral medics and establish field hospitals for soldiers wounded in battle.

Then, in 1863 in Geneva, Dunant set up the Committee of the Five, which also consisted of him and four other leading members of well-known Genevese families. The committee's goal was to study the feasibility of Dunant's ideas and then to hold an international conference to consider the possibility of implementing them. To better communicate its mission, the committee renamed itself the International Committee for Relief to the Wounded.

The committee submitted resolutions to a diplomatic conference sponsored by the Swiss government, to which national governments throughout Europe and those of the United States, Mexico, and Brazil were invited. The conference resulted in the signing of the first Geneva Convention by 12 governments and kingdoms. Now, for the first time, legally binding rules would be enforced during armed conflict involving neutrality and protection of wounded soldiers, field medical personnel, and certain humanitarian institutions.

Soon, the signing countries established their own national societies devoted to implementing the Geneva Convention and to using what had become their common symbol — a red cross. In 1876, the international body became the International Committee of the Red Cross (ICRC), which is the name still used

to this day. Today the ICRC (www.icrc.org) also provides relief assistance in response to emergency situations not caused by war, including disasters caused by human and natural forces.

Ryan's Well Foundation

Ryan Hreljac claims he's just a "regular, average kid." And he is. And he isn't. When Ryan was a mere 6 years old, he learned from his elementary school teacher that people were dying because they didn't have clean water to drink. All it would cost, Ryan figured, was \$70 to drill one well that could make a huge difference. So Ryan did tons of chores, and soon enough he had his money. Unfortunately, he learned that \$70 wasn't nearly enough. He actually needed about \$2,500 to make his dream come true. No problem, Ryan declared. He'd just do more chores.

Well, it wasn't quite that easy, but where there's an indomitable child's will to do good, it seems people are quick to follow. Soon, with the steadfast support of his family, friends, neighbors, and folks from afar, Ryan's Well began. Ryan garnered attention for his cause early on, beginning with a friend of the family who started e-mailing her friends about it.

The rest, as they say, is history. Today, at age 18, Ryan is recognized by UNICEF as a Global Youth Leader. He has twice been a guest on *Oprah* and has appeared frequently in many other forms of media. More important, of course, is the good that Ryan's vision continues to do. Believing that every person on this planet deserves clean water, Ryan's Well Foundation (www.ryanswell.ca), founded in 2001, has now contributed to building 461 wells in 16 countries, bringing clean water and sanitation services to more than 600,000 people so far.

My Life My Soul

Ivette Attaud-Jones, a former Army wife, is a survivor of 20 years of domestic violence. Sadly, Ivette lost a daughter during this unpleasant period of her life. Now Ivette speaks out against this social epidemic to raise awareness. She is also the founder and program director for My Life My Soul, The Unspoken Journey of Life after Domestic Abuse, an empowering nonprofit support group for women, established as a program of the Church of the Resurrection and incorporated in 1970.

After abused women leave their abusers, what happens? Attaud-Jones believes that before turning to the police, they look to faith-based communities. So she established a training program to help those communities address domestic violence in their services. She also wrote a book about this situation entitled *Silent No More*.

Ivette is, not surprisingly, deeply committed to women's justice issues, involving herself in many ways. My Life My Soul (www.mylifemysoul.com), whose headquarters are in New York, is also committed to raising sensitivity to domestic violence through public education and community awareness projects.

The Lost Boys and Girls of Sudan

The previous examples — and many more that you'll encounter in this book — document the cases of individual social entrepreneurs. However, one of the most fascinating and historically important examples of social entrepreneurship involves a large and impressive cohort of young men and women, some 15,000 strong. These are the Lost Boys and Girls of Sudan.

They're refugees and, too often, orphans of the Second Sudanese Civil War — in many ways, the precursor to the current round of mass killings in Darfur — which claimed more than 2 million lives and displaced an estimated 4 to 5 million civilians. As victims of this civil war, almost 26,000 little boys and girls between the ages of 4 and 12 years of age fled for their lives, heading east toward a hoped-for safe haven. But along the way, almost 10,000 of these children died. Only little friends were there to bury those lost.

Few Westerners growing up today can imagine the atrocious — let's say hellish — conditions faced by these children. And yet virtually all the Lost Boys and Girls of Sudan share one mission, one purpose, one dream: to keep the promise they made as children to the refugee-camp elders and return home to take part in the redevelopment of their beloved homeland. That, in itself, is a magnificent phase 1 rebuttal of the powers that would eradicate them and their people.

From there, the Lost Boys and Girls of Sudan moved into phase 2: collaborating with each other and Westerners and mobilizing their resources in an effort to prosper in their new homes, primarily the United States, Australia, and Canada. The Chicago Association for the Lost Boys of Sudan (www.lostboyschicago.com) is a striking case in point.

With a firmer foundation in place, these heroes are now entering phase 3: the social entrepreneurial phase. From fundraising to building schools, churches, roads, wells, and much more, the Lost Boys and Girls of Sudan are taking every opportunity to rebuild Southern Sudan under the tenuously protective umbrella of the Comprehensive Peace Agreement signed in 2005. The Valentino Achak Deng Foundation (www.valentinoachakdeng.org) is today one of the better-known examples of these efforts.

Moving Forward with Your Ideas and Passion

If you already have one or more social problems in mind to solve through social entrepreneurship, the process of expanding and moving forward is simple: Read those parts of this book that best fit your needs. But, assuming that you've read this chapter because you were curious about social entrepreneurship without having a particular social problem in mind, what's your next step?



Well, you should read the rest of this book, or as much as interests you. But overall, here's what you're going to be doing, in five broad steps, all of which are covered in detail in this book:

1. Identify a social problem for which you have substantial passion and a sense of urgency.

The chapters in Part I address this issue. If you need to further stimulate your imagination, turn to Chapter 19 for a list of ten great areas for social entrepreneurial action.

2. Develop a plan for solving the problem you've identified.

Your plan will be rough and preliminary, sure, but you have to start somewhere. You may want to consult with someone else as you prepare this plan. The idea in general is to put something on paper sufficient to show others in an initial meeting.

Chapters 7 through 9 in this book are designed to help you plan. Additionally, Chapters 1 through 6 give you different kinds of useful background information that can help you sell your ideas to others whose assistance you may need, to family and friends whose opinion of your project you value, and last, but not least, to yourself.

3. Decide whether to try to solve this problem alone or with the help of some other people.

If you're going to need help, then who might want to help? Whom do you know who shares your passion and sense of urgency about the problem? Do they have some time to commit to helping you solve it? Will they bring some critical expertise to the table? Will they be team players? Are they able to work well with others?

Several chapters in this book can help you reach out and lead others, including Chapters 4 and 11 and the chapters in Part IV.

4. Call a meeting to discuss your preliminary plan.

The idea here is to find sufficient agreement on a more final plan among those who want to be involved in your evolving social enterprise. In other words, your draft plan, initially conceived alone or mostly alone, is your starting point in this step. Bear in mind that it may change. It's possible that not everyone will like it. Some may drop out right there because the project isn't what they thought it was going to be. But others will stay on longer. It's among this latter group that you must find agreement on a draft of the plan. All this may take a series of meetings.

5. Execute your plan.

With your plan and team in hand, you've developed a significant consensus among a group of people ready to work with you on setting up a social enterprise. Now it's time to take action. At this point, it would be good to reread Chapters 7 through 9 in light of the new plan.

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