

BUILDING ON GETTING BEYOND BETTER:

*Rethinking Social
Entrepreneurship
2017*



TRICO

CHARITABLE FOUNDATION

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Building on Getting Beyond Better: *Rethinking Social Entrepreneurship*¹

Getting Beyond Better:

Even with massive scale-ups in medical supplies, Africa lagged behind on almost every indicator relevant to health. Undoubtedly there were a myriad of causes and contributing factors that made this unfortunate situation a reality; however, during a number of visits to Africa, Andrea and Barry Coleman saw clues to a single but powerful answer.

They saw a hemorrhaging woman being carried in a wheelbarrow to the nearest clinic; health workers covering at least twenty miles a day of tough terrain by foot; and countless vehicles, abandoned and rusting away.

The Colemans were avid motorcycle enthusiasts and they knew how you maintained your ride was just as important as the quality of your ride. They dared the ever-powerful use of “what if?” In this case, “what if we provided preventative vehicle maintenance and driver training to medical services in Africa?”

A series of pilots and some in-depth research confirmed they were on to something. They created Riders for Health in 1996 to develop their idea further and the results have been impressive. A typical health worker, who had been lucky if she could see a patient once a month, was able to use a motorcycle and see her patients once a week with Riders’ support. Areas served by Riders have shown improved rates in vaccinations, treatments and bed-net deliveries. In Zimbabwe, an area served by Riders for Health saw a twenty-one percent decrease in deaths to malaria while an area that wasn’t served by Riders saw an increase of forty-four percent.

The Colemans are social entrepreneurs, people who use the power of markets to solve social problems, and their story is told in a powerful book by Roger L. Martin and Sally R. Osberg called Getting Beyond Better (GBB).²

¹ By Dan Overall, Trico Charitable Foundation (TCF). I would like to thank my colleagues Brittni Kerluke and Ida Viani, and the founder of the TCF, Wayne Chiu, for their inspiration and feedback on this article. As will be seen, a huge debt of gratitude is owed to Roger L. Martin and Sally R. Osberg for their insightful book Getting Beyond Better. Any and all errors here are mine alone.

² Harvard Business Review Press, 2015, at pp. 107-124. Markets can include selling products or services to governments, something Riders focuses on. There is a slight difference in perspective between the TCF’s definition of “social entrepreneurship” and how it is defined by Martin and Osberg. TCF defines social entrepreneurship as using business models/markets to solve social problems. Martin and Osberg define social entrepreneurship as having three components: (1) identifying a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political clout to achieve any transformative benefit on its own; (2) identifying an opportunity in this unjust equilibrium, developing a social value proposition, and bringing to bear inspiration, creativity, direct action, courage, and fortitude, thereby challenging the stable state’s

GBB points out that the Colemans' situation is typical of social entrepreneurs. It is a commonality forged by the particular types of the problems social entrepreneurs confront and the types of solutions they tend to utilize.

Social entrepreneurs confront social problems. These problems can be particularly challenging as those who typically bear the burden of social ills rarely have the resources to solve them.³ The solutions social entrepreneurs seek can be challenging in their own right as they often combine and adapt two historically different - and often antithetical - approaches: the 'business approach' (utilizing the power of the markets via the profit imperative) and the 'government approach' (dedication to the common good).⁴

There are many ways the approaches of government and business can be adapted and combined. Factor in the incredible variety of humanity's social problems those combinations need to address and it's clear social entrepreneurs face a vast array of opportunities and permutations when it comes to building their ventures. As GBB suggests, the world of social entrepreneurship promises "almost unlimited potential and many ways forward".⁵

Fortunately, through all that 'noise' of exciting possibility there are some clear 'signals' of prudent practice. Based on their experience evaluating and selecting the Skoll Awards for Social Entrepreneurship, Martin and Osberg conclude: "... social entrepreneurs don't build innumerable different modes for change; there are themes and parallels across success stories."⁶

Their goal in writing GBB was to capture those patterns and, in so doing, offer "... a roadmap to guide current and aspiring social entrepreneurs, no matter their sector or job description, toward sustainable change."⁷

To be impactful, change must be sustainable, and to be sustainable it must provide value to society beyond the direct financial costs of the services or products it provides. There are two ways to provide value: Increasing the value of something

hegemony; and (3) forging a new, stable equilibrium that releases trapped potential or alleviates the suffering of the targeted group, and through imitation and the creation of a stable ecosystem around the new equilibrium ensuring a better future for the targeted group and even society at large. TCF focuses exclusively on business models whereas GBB's definition can include models that are fully funded by grants. As well, TCF does not restrict social entrepreneurship to equilibrium change whereas GBB does. That said, as will be shown, there is significant overlap between the two approaches. A special thanks to Roger Martin for granting permission to discuss our theories within the framework of GBB. It should be noted that TCF sees "social entrepreneur" as the person, "social enterprise" as the organization, and "social entrepreneurship" as the activity.

³ GBB p. 133

⁴ GBB pp. 59 and 60.

⁵ GBB p. 74.

⁶ GBB p. 20.

⁷ GBB p. 5.

and/or lowering costs. So far, this language would be common to any entrepreneurial venture. Here GBB perfectly sums up how this dynamic applies to the world of the social entrepreneur:

“Successful social entrepreneurs, therefore, must build their models for change with both cost and value in mind, challenging assumptions and finding mechanisms that turn a losing value equation into a winning one. Rather than accept the equilibrium and its existing cost and value dynamics as a given, successful social entrepreneurs upend it. They consider value and cost more broadly and systemically, and build models to shift one or the other or both in sustainable ways.”⁸

GBB identifies seven common paths to a winning value proposition: Three involve increasing value and four involve decreasing costs.⁹ These paths are not mutually exclusive. In fact, the more paths to a winning value proposition you have, the stronger your social enterprise will be.

Riders for Health is an example of a venture that simultaneously increases value and lowers costs. It increases the value of vehicles that now last longer due to proper maintenance, it increases the value/impact of medical supplies that now reach their destination, and it increases the value of medical staff who now have a wider reach through effective transportation. It decreases costs by preventing health issues in the first place or treating them before they worsen.¹⁰

For all its many powerful insights, GBB explicitly states that it is not putting forward a comprehensive list of change mechanisms for social entrepreneurs.¹¹ Indeed, it openly declares itself as a starting point, and hopes the on-the-ground practice of social entrepreneurship will continue to inform these models.¹²

The Trico Charitable Foundation was created in December 2008. During the Foundation’s brief history, we have had the privilege to speak to and work with a wide array of social entrepreneurs from around the world. We have also been able to engage in ‘deeper dives’ through our Social EnterPrize, a biennial award celebrating the best and brightest examples of social entrepreneurship in the Canadian context.

⁸ GBB p. 133.

⁹ While we are focusing on GBB’s discussion of the value proposition it should be pointed out that GBB also has wonderful insights on understanding a problem, envisioning a new future, and scaling a solution.

¹⁰ Of course, enhancing value and lowering costs can simply be different perspectives on the same issue. For example, enhancing the value of vehicles by extending their longevity could also be seen as lowering the government’s cost of replacing those vehicles.

¹¹ GBB, p. 137.

¹² GBB, p. 198.

These experiences have suggested some insights that echo and may even build on the wisdom contained in GBB. Specifically, we have found that the way social entrepreneurs blend the social and entrepreneurial aspects of their venture can impact the paths to value identified in GBB in surprising and nuanced ways.

While these tendencies do complicate the GBB models, they also seem to follow a basic set of patterns. These few patterns capture the dynamics exhibited in the wide array of social enterprises we have seen. What's more, they can be highly effective in predicting the challenges and opportunities any given social entrepreneur will face – in terms of financial stability and social impact.

While we are excited about the utility of these patterns, we are in no way claiming they are definitive. As with GBB, we are sharing them in the hopes of helping aspiring social entrepreneurs and contributing to the discussions of how organizations such as ourselves and Skoll can support them.

Building on Getting Beyond Better

1) The Beginning of Our Journey: How Social Models Impact Market Value

One of our favourite social entrepreneurs is Brenna Schneider. We will never forget the 'aha moment' that happened while listening to Brenna tell her story.

Brenna grew up in US manufacturing and studied economic development. She worked as VP, Operations, for a social enterprise with a mission to empower single mothers through an innovative employment model. The venture paid living wages, covered the costs of employees' childcare and health insurance, and offered matching retirement savings. Sadly, this noble venture had to shut down.

Soon after the company's closing, and armed with lessons from this venture, Brenna founded a US-based apparel manufacturing company, 99Degrees Custom. Here Brenna's social goal is to build an employment bridge in which her team, typically the under-employed or the unemployed, acquires transferrable advanced manufacturing skills. With her sights on automation, robotics, and lean manufacturing processes, she targets contracts and partners where speed trumps price and where innovation gives her a step above her competitors.

Why is Brenna's second venture thriving when the first one didn't? As GBB suggests, a key part of the story is in the value created versus the costs incurred. However, it

seemed the exact nature of the social and entrepreneurial blend complicated that path to value; a complication social entrepreneurs should be aware of.

The support services Brenna's first social enterprise provided to its single mother employees added production costs its competitors did not have to bear. Furthermore, it competed in a global industry dominated by low cost products, so it could not pass on these added costs to the consumer. In short, the social model added costs and their entrepreneurial model demanded low costs. While admirable, the venture's social and entrepreneurial models were in conflict and, as a result, the company ended up closing. 99Degrees Custom's social model also adds costs, but it is competing in a higher value market that can afford to cover those costs. In other words, its social and entrepreneurial models are in harmony.

TurnAround Couriers (TAC) was a Social EnterPrize recipient in 2013. It offers a bike courier service that focuses on employing troubled youth. It competes by offering a comparable quality of bike courier services, at a comparable price, with the plus of enabling its customers to know that they are helping TAC's social mission.¹³ Like 99Degrees Custom, TAC's social and entrepreneurial models are in harmony, but its approach to getting there is quite different. 99Degrees Custom's social model adds costs but its entrepreneurial model enables higher prices that can cover those costs. By comparison, the insight of TAC's approach is it picked a relatively low-cost social model (training and equipment costs to enable youth to be a bike courier are minimal) that is not disadvantaged by an entrepreneurial endeavour (bike couriers) under pressure to keep costs low.

Embers Staffing Solutions (ESS), another recipient of the 2013 Social EnterPrize, is a day labour service employing people with multiple employment barriers such as addiction issues, a criminal record, and English as a second language. Day labour is tough work but has fewer barriers to entry compared to traditional employment - essentially you just show up on a day you want to work. This attracts labourers who suffer from addictions, even when their addictions are not under control.¹⁴ This, in turn, can render the workers unreliable, and poses a significant problem for the quality of work and the level of safety in the day labour world. Because ESS's social mission is to help individuals recovering from addictions build a better life for themselves, it makes sure its workers have their addictions under control and are ready for

¹³ TurnAround Couriers Social EnterPrize Case Study, prepared for TCF by Dr. Wendy Cukier & Lauren Daniel Diversity Institute, Ted Rogers School of Management, Ryerson University.

https://tricofoundation.app.box.com/files/0/f/3517252063/1/f_29360237975

¹⁴ Embers Staffing Solutions Social EnterPrize Case Study, prepared for TCF by Karen Taylor and Jana Svedova, Sauder Centre for Social Innovation & Impact Investing, Sauder School of Business, The University of British Columbia, at p. 13. https://tricofoundation.app.box.com/files/0/f/3569889205/1/f_29770799205

employment before utilizing them in the workforce. That dedication enhances the reliability of its labour force which, in turn, gives ESS a 'leg up' with employers in search of day labourers.

That leg up is a competitive advantage that is generating incredible success. ESS started off employing approximately 10 people a week in 2008 and has since grown to employ 180 people each week. In 2015 alone, a total of 1,200 individuals received pay cheques and the organization paid out \$4.3 million in wages and benefits. As well, ESS, a non-profit, went from annual revenue of \$650,000 in 2012 to more than \$5.9 million in 2015.

Embers is different from our other examples insofar as its social and entrepreneurial models aren't just consistent or in harmony, there is a synergy whereby the social and the entrepreneurial actually strengthen each other.

Another example of a synergistic blend involves a woman named Filiz.¹⁵ Filiz used to work as an accountant. She has a visual impairment that caused her to take longer to complete her accounting tasks. Her peers and supervisors liked her and were supportive, but Filiz felt she was letting the team down. While there is no evidence on this point, chances are that unless Filiz otherwise provided a unique and irreplaceable skillset to the accounting firm, her taking longer on tasks would have put competitive pressures on the firm.

Enter discovering hands®, a German non-profit that trains visually impaired women in standardized diagnostic breast exam techniques and then places them in jobs in physicians' offices or clinics. It's a job where Filiz's visual impairment has proven to be a competitive advantage to the organization as she is able to detect tissue abnormalities which examiners without visual impairment can miss¹⁶. Of course, knowing that her skills are making a powerful contribution to the organization, to say nothing of saving lives, gives Filiz great satisfaction. In short, it's a win-win-win for the employee, the employer, and the social problems the organization is seeking to address.

Drawing from examples like these, it appears there are three basic ways the social and the entrepreneurial can combine in social entrepreneurship:

¹⁵ "Disabilities: A Competitive Business Advantage?" Phyllis Heydt, Stanford Social Innovation Review Blog, March 2, 2015, http://ssir.org/articles/entry/disabilities_a_competitive_business_advantage.

¹⁶ The data is starting to bear this out. Ibid.

- A blend that is **in conflict**: The social model adds costs that cannot be passed on to the customer.¹⁷
- A blend that is **consistent**: The social model adds costs that can be passed on to the customer.
- A blend that is **synergistic and leads to competitive advantage** in the market: The social model results in a higher quality product or service that the customer is willing, able, and indeed excited, to pay for. This advantage is beyond any customer urge to buy the product or service due to a desire to engage in social purchasing, although that motive may also be present.¹⁸

When a social model blends with an entrepreneurial model to create a competitive advantage, the synergy of the social and the entrepreneurial builds to the point where the effect each has upon the other is virtually instantaneous. In ESS's case, the more workers hired, the bigger the social impact and the greater the financial success. To stop making sure people are ready to succeed in a day labour situation would jeopardize its competitive advantage and its financial success. Naturally, this would also increase the risk of their workers failing to build a better life, jeopardizing ESS's social impact.

Compare the instantaneous mutual reinforcement of a synergistic blend to a situation where the social model and entrepreneurial models are less intertwined – say a 'buy one give one model' where the product sold is unrelated to the social impact other than as a source of revenue to fund the social mission. If the organization fails to deliver social impact it may take quite some time for that to affect the sale of products.

These three blends of conflict, harmony and synergy follow a continuum from the 'conflict' extreme, where the organization has friction that leads to pressure points, to the other extreme of competitive advantage, where momentum abounds. For example, a social enterprise with a competitive advantage enjoys success as the market is more likely to pull demand, rather than a never-ending uphill sales push.

¹⁷ The social mission is the social good the social enterprise wants to achieve. The social model is how the social enterprise directly serves its social mission. A beneficiary is the main focal point of the social enterprise's social mission and the customer is the person that pays for the social enterprise's services or product.

¹⁸ We have not yet found an example of a synergistic blend that did not lead to competitive advantage in the market. It is also important to remember that we are talking about purchaser motivations over and above socially-motivated purchasing.

What's more, when the social/financial blend drives a competitive advantage, a virtuous cycle is created whereby social impact leads to financial success, which leads to opportunities for more social impact, and so on. Thus, momentum builds as sales grow.

This is in contrast to a situation where the social/financial model is in conflict. In a conflicted model, new sales can put more pressure on the organization because, if it wants to continue or grow, in addition to the perpetual pursuit of customers it will eventually have to seek more grant funding to cover the social model costs that cannot be borne by the market. As a result, where the social/financial model is in conflict, success can beget stress, not success.¹⁹

Naturally, this has huge implications for our ability to predict what challenges any social entrepreneur will face and huge ramifications when it comes to scaling social enterprises.

We were excited about these ideas but something was troubling us. TAC and 99Degree Custom's social models did not have an irreplaceable role in serving their customer's needs. In TAC's case their workforce could be replaced by regular couriers and in 99Degree Custom's case they could be copied by people who already had advanced manufacturing skills. As a result, they were vulnerable to being copied by organizations that did not use their social model. This was an additional vulnerability synergistic blends like Embers do not have. To a degree, such pressure exhibits itself in the going price for a product or service, but it was a pressure point our model didn't directly flag.

Then someone told us of their favourite example of a social entrepreneur, and our niggling doubts were brought front and centre.

2) A Fork in the Social Entrepreneur Roadmap: The Degree to Which the Social Model Addresses the Customer's Needs

The favourite example of social entrepreneurship presented to us sold a product that had nothing to do with the venture's social mission other than the proceeds from the sale helped fund the social mission. It²⁰ was similar to the idea of chocolates being produced and sold in North America to help to fund vision care in India.

¹⁹ The exception is when economies of scale are reached, but that stage of growth tends to be a temporary reprieve for an organization with a social/financial blend that is in conflict.

²⁰ As we are ultimately suggesting this type of social enterprise can be a challenge, the specific example has been fictionalized. That said, it does reflect the type of example we were given.

Interestingly, when we relayed this example to other leaders in the field of social entrepreneurship they rejected the idea that this was a social enterprise at all. They typically associated the venture with Corporate Social Responsibility, presumably because the only real connection between product and social impact, other than the provision of funds to the social cause, was in the branding: “Buy these chocolates and you will help eye care in India”.

We struggled with this interpretation. If the key element of social entrepreneurship is the intention to use markets to solve a social problem²¹, and the chocolate venture was specifically created to sell products that raise funds for vision care in India, the venture seems to qualify as a social enterprise. Indeed, efforts such as the chocolate venture are all the more understandable as they are trying to solve market failures – i.e. to address social problems that markets typically did not have a role in solving.

For these reasons we accepted it was a social enterprise, but why did we bristle when it was offered as an example of the best of what social entrepreneurship can be?

While TCF adopts a fairly wide tent when it comes to the definition of “social enterprise”, what attracted us to the concept was the desire to see how far society could go in solving its social problems (the bigger, more problematic, stickier, the better) by using the incredible power of business models. At the heart of this potential is solving social problems by tapping into the ‘pull’ (“customers crave”) rather than the ‘push’ (“please buy”) of markets.

Outside of branding and funding, the social mission of the chocolate venture was disconnected from the product it sold. Likewise, in a very real way, it divided the organization – it has to be good at selling chocolate and it has to be good at funding eye care in India. These are two unconnected and very different skillsets. We hear complaints about this type of divide in the non-profit world all the time. Indeed, many social entrepreneurs in the non-profit world have told us they got into social enterprise because they hated spending so much time fundraising rather than devoting themselves to the social impact their organization was created to address.

The customers of the chocolate company could be similarly divided. Those who made the purchase because of the chocolate may wonder if they could get equally good

²¹ This definition reflects one of the most commonly used definitions of social enterprise in the Canadian context: “Social enterprise is defined as any organization or business that uses market-oriented production and sale of goods and/or services to pursue a public benefit mission.” From “Mobilizing Private Capital for Public Good”, Canadian Task Force on Social Finance, December 2010, at p. 4 <http://www.marsdd.com/wp-content/uploads/2011/02/MaRSReport-socialfinance-taskforce.pdf>

chocolate at a lower price from a chocolatier that did not have a social mission involving eye care in India. Likewise, those who bought the chocolate because of the social mission may wonder if they could give even more money to the social cause by donating to it directly.

This is not to say the model cannot be successful. Indeed, it appeared the example was doing quite well – it had figured out a way to sell chocolate at a price that enabled it to fund its social mission. That said, we see the tensions baked into its model limiting its longevity and, ultimately, its potential. In the long run, it is more likely to have the uphill challenges of pushing into markets than the extraordinary opportunities created by the pull of markets.

It was now clear that our market value matrix was missing something. We realized the missing element was the degree to which a social model addresses the customer's needs.

As mentioned, we saw three basic ways a social model can impact market value. Similarly, we identified three basic ways a social model can address a customer's needs:

- 1) The social model does not have a role in addressing the customer's needs, but the purchase funds the social model (often there is a customer desire to 'buy social'). Here there is a **disconnect** in the social and entrepreneurial blend.
- 2) The social model has a role in addressing the customer's needs but that role could be replaced by a traditional business (the customer's needs being addressed are over and above any desire to 'buy social'). Here the social and entrepreneurial blend is in **harmony**.
- 3) The social model has an irreplaceable role in addressing the customer's needs (the customer's needs being addressed are over and above any desire to 'buy social'). Here the social and entrepreneurial blend has **synergy**.

The chocolate example embodies the first blend, one that is disconnected. 99Degrees Custom and TAC exemplify the second blend, one that is in harmony.

An example of the third way, a blend that is in synergy, is found in Mission Possible, a 2011 Social EnterPrize recipient.

Based in the downtown eastside of Vancouver, Mission Possible provides street-level care for those with immediate and critical needs. Its social enterprises provide jobs to those challenged by poverty and/or homelessness to help them achieve a renewed sense of purpose and dignity through meaningful work.

The Strathcona Business Improvement Association (SBIA) used a security company to patrol the downtown eastside of Vancouver, but the security company's techniques - such as driving by in cars, filming incidents, and not talking to any residents or building relationships - intimidated the neighborhood population. That dissatisfaction led to an opportunity for Mission Possible. It successfully bid on the security contract and, as a result of their social mission, hired individuals from the neighborhood. Not only were these patrols now familiar faces in the community, with all the social capital that entailed, their deep connection to the community led them to be out on the streets talking to people, checking in on people in need, providing referrals to organizations, reporting on graffiti in the area and picking up needles off the street. This was "... a much more comprehensive and respectful approach, and created a differentiation strategy which helped to cement loyal and returning customers."²²

As a result, Mission Possible's social model plays an irreplaceable role in solving its customer's need of effective community security, one that any other business would be hard-pressed to replicate without embracing Mission Possible's social model. Not only did this lead to a satisfied customer, it enabled Mission Possible to employ its target population and, as an added bonus, served Mission Possible's overall goal of building a healthier and more inclusive community in the downtown eastside.²³

A disconnect between the social model and meeting the customer's needs can be a huge pressure-point for the viability and/or social impact of a social enterprise. Fortunately, social entrepreneurs can respond to this pressure in one of two ways - by adjusting their social model or by adjusting the customer need they are addressing.

As stated, Mission Possible seeks to help those challenged by poverty and/or homelessness achieve a renewed sense of purpose and dignity through meaningful work. Recognizing that not everyone in that demographic will have the physical tools to do strenuous manual labour, it has broadened its social enterprises, i.e. the customer needs it addresses, to provide an equally broad range of employment opportunities and complementary programs:

²² Mission Possible Social EnterPrize Case Study, prepared for TCF by Kyleen Myrah and Kerry Rempel, Okanagan School of Business, Okanagan College, (publication forthcoming)

²³ Ibid.

“If the property maintenance services were too physically demanding, a client could consider the micro cleaning team, which consisted of litter and needle pick up; or they could work in MP Neighbours - the Community Watch enterprise - or if they weren’t ready for paid work, they could volunteer.”²⁴

The YWCA Hotel/Residence, a social enterprise of the YWCA Metro Vancouver, is an example of a social enterprise that adjusted its social model to fit the customer needs it was addressing. The mission of the YWCA Metro Vancouver is to touch lives and build better futures for women and their families through advocacy, integrated services and housing that foster economic independence, wellness and equal opportunities. The goal of the YWCA Hotel/Residence is to provide safe, affordable, clean, family-friendly accommodation to singles or groups, students or seniors, and all other types of travelers, while accommodating mission-based clients who need temporary - often subsidized or free - lodging due to a crisis.

The YWCA parent organization offers a full spectrum of social accommodations and services, ranging from those needing emergency shelter to those suffering from addictions and mental health issues. The social model of the YWCA Hotel/Residence directly serves a very specific segment of that population, those needing emergency shelter. They recognized that widening the categories of mission-based clients the hotel directly serves - for example, providing hotel accommodation to those with addictions or mental health issues - could interfere with the enjoyment of the paying guests and both the business model and social models would collapse.

While we are focusing here on the degree to which the social model serves a customer need, it’s important to step back and appreciate the genius of how the YWCA Metro Vancouver blends the social and the entrepreneurial to maximize ultimate impact:

- If the hotel broadened the types of direct mission-based clients it served the business side of the hotel would likely fail, and with it, any direct social impact the hotel hoped to create;
- The YWCA Hotel/Residence is able to directly focus on a very specific segment of community need because it knows the YWCA parent organization, like an all-inclusive safety net, offers a full spectrum of social accommodations

²⁴ Ibid.

and services;

- The success of the hotel's business model, in turn, funds the hotel's direct social impact and helps fund the complete range of social services of the YWCA.²⁵

3) Bringing It All Together

We have seen two fundamental ways the social and the entrepreneurial can blend in social enterprises:

- a) The degree to which the social model addresses the customer's needs; and
- b) How the social model impacts market value.

Given the entrepreneurial aspect of social entrepreneurship, it is not surprising that these two basic blends reflect the two fundamental issues start-ups face:

- a) Making sure the venture solves a customer problem; and
- b) Figuring out how to commercialize that idea.

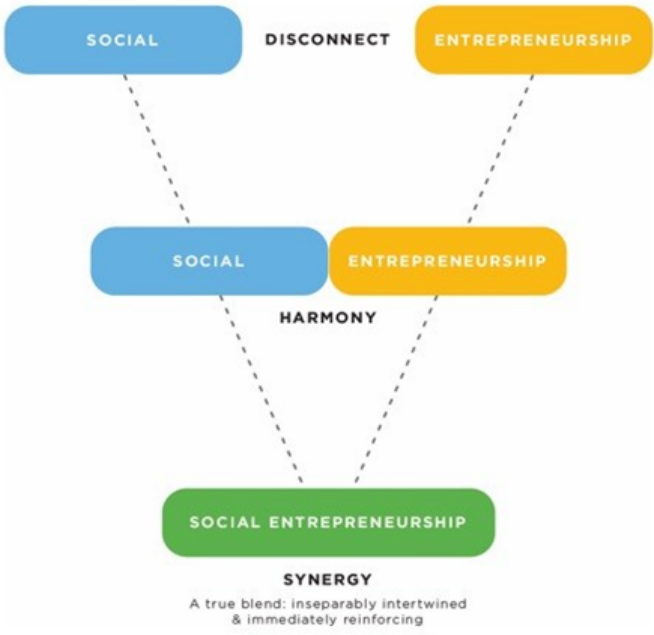
For each of our two fundamental blends of social entrepreneurship there are three sub-categories that reflect either a blend that is disconnected, a blend that is in harmony, or a blend that is synergistic. A given social enterprise can be at different levels for the two basic types of blends, and identifying those levels can predict the nature of the challenges or opportunities the venture will have. The complete blend matrix is reproduced here:²⁶

²⁵ YWCA Metro Vancouver Social EnterPrize Case Study, prepared for TCF by Dr. Kyleen Myrah and Elvia Picco, Okanagan School of Business, Okanagan College, at p. 10.
https://tricofoundation.app.box.com/files/0/f/3478492828/1/f_29069972984.

²⁶ Attached as Appendix 1 is the Blender Canvas, a tool to help you assess the challenges and/or opportunities facing any social enterprise as a result of its social and entrepreneurial blend.

THE BLENDER

A KEY PREDICTOR OF THE OPPORTUNITIES AND CHALLENGES A SOCIAL ENTERPRISE WILL FACE IS THE WAY IT BLENDS THE “SOCIAL” AND THE “ENTREPRENEURIAL”. THESE BLENDS CAN OCCUR IN TWO GENERAL WAYS, AND EACH HAS THREE LEVELS.

The degree to which the social model addresses the customer's needs:	 <p>DISCONNECT</p> <p>HARMONY</p> <p>SYNERGY A true blend: inseparably intertwined & immediately reinforcing</p>	How the social model impacts market value:
<p>The social model does not have a role in addressing the customer's needs, but the purchase funds the social model (often there is a customer desire to 'buy social').</p> <p><i>Planning prognosis:</i> definite challenges ahead (the pressure of 'multi-tasking', the pressure of customer persuasion)</p>		<p>The social model adds costs that can't be passed on to the customer.</p> <p><i>Planning prognosis:</i> definite challenges ahead (the pressure of the funding gap)</p>
<p>The social model has a role in addressing the customer's needs but that role could be replaced by a traditional business (the customer's needs being addressed are over and above any desire to 'buy social').</p> <p><i>Planning prognosis:</i> possible challenges ahead (the pressure of competition).</p>		<p>Social model adds costs that can be passed on to the customer.</p> <p><i>Planning prognosis:</i> possible momentum (the security or affordability)</p>
<p>The social model has an irreplaceable role in addressing the customer's needs (the customer's needs being addressed are over and above any desire to 'buy social').</p> <p><i>Planning prognosis:</i> definite momentum (the power of unique value).</p>		<p>Not only may the social model add costs that can be passed on to the customer, it produces an enhanced value proposition that leads to competitive advantage (over and above any desire to 'buy social').</p> <p><i>Planning prognosis:</i> definite momentum (the power of unique value)</p>

Although our model may sound entrepreneur-centric because it talks about meeting customer needs and providing market value, we are finding it is the best predictor of social impact. What's more, it's enhancing our understanding of the many intricate ways the social can impact the entrepreneurial and the entrepreneurial can impact the social.

Consider in this regard the experiences of Potluck Catering, a 2011 Social EnterPrize recipient. The social mission of Potluck Catering is to increase the food security of nutritionally vulnerable residents of Vancouver's downtown eastside and promote and support the adoption of inclusive hiring practices. The target demographic it hires is marked by instability and challenges in their personal lives. Its employees are limited in the amount of hours they can work because they often have more pressing issues outside of employment and because of legislated constraints on how much they can earn without having their social benefits clawed back. As a result, Potluck has more

staff than a typical catering company of its size. Of course, this can put competitive pressures on it, especially as it may not be able to pass those additional costs on to their customers. On the other hand, while this can make scheduling more challenging, having more staff means it is easier to find someone to cover shifts. As well, these efforts often result in strong employee retention in the long-term, not only giving the social enterprise stability but sparing it the time and effort of hiring and training new staff. In turn, this advances their social mission as the ongoing work, income, flexibility and sense of community helps its employees build stability in their lives.²⁷

A deeper understanding of how the social and the entrepreneurial can blend is also generating intriguing insights on how social enterprises interact with others - for example, how they utilize grants and work with partner organizations.

4) A Deeper Understanding of Grants

An enhanced understanding of how the social and the entrepreneurial can blend in social enterprises raises extraordinary possibilities for the advancement of those organizations and the social enterprise movement in general. That said, if our minds are not as open and fluid as the range of dynamic and evolving possibilities facing social enterprises, this potential will be lost.

For example, because social enterprises utilize business models to drive social impact, many people assume that any use of grants, charitable contributions or volunteer services by a social enterprise is a sign of failure, ineptitude or laziness. Yes, grants and 'freebies' (as volunteers and other charitable aspects of funding are sometimes called), can be signs of inertia, or props to maintain a social enterprise that is ill-conceived in planning or half-hearted in execution, but if we take a deeper look we often see an ingenious interweaving of both market-based and charitable resource streams in a way that enhances the effectiveness of the organization.

Furniture Bank receives donations of gently used furniture and household goods and then gives them to those in need. Its social enterprise charges for the pick-up and delivery of furniture. The furniture it picks up is used to serve its social mission. As well, the social enterprise has steadily provided a larger proportion of Furniture Bank's total revenue, doubling its contribution from 2004 to 2012.²⁸ Even with this financial

²⁷ Potluck Café and Catering, prepared for TCF by LEDlab Manager Kiri Bird, LEDlab team member Teresa Edge, and Shawn Smith, Founder & Director, RADIUS, Beedie School of Business, Simon Fraser University. (publication forthcoming)

²⁸ Social Purpose Enterprises: Case Studies for Social Change, Jack Quarter, Sherida Ryan and Andrea Chan editors, University of Toronto Press, 2015 "Stakeholders' Stories of Impact: The Case of Furniture Bank" Andrea Chan, Laurie Mook, and Susanna Kislenko pp. 236-260, at p. 237.

success, Furniture Bank still accepts volunteers. Some may question why a not-for-profit with an increasingly successful social enterprise may need volunteers as opposed to paying wages for all services. The easy answer is that even an increasingly successful social enterprise may not be able to cover all the operational costs of its parent organization's social mission. The more complex answer, and the deeper truth, is that by accepting volunteers not only is Furniture Bank getting labour at the financially advantageous price of 'free', it is also directly serving its social mission. Specifically, Furniture Bank's volunteers develop skills in customer, financial and administrative services that enhance their employability. Volunteering at Furniture Bank can also be an important part of the settlement process for newcomers (a key portion of the demographic the organization serves), helping to improve their English, enhancing interpersonal skills and building a sense of community and belonging. In turn, all of the above can lead to job references, which also enhances prospects for employment.²⁹

JUMP Math was a Social EnterPrize recipient in 2013. It is a registered charity dedicated to enabling all children to learn to love math with confidence and incorporates elements of a social enterprise model. Specifically, its social enterprise generates revenue by charging for its math training and materials. While JUMP was experiencing impressive growth, it got a real boost when third party research verified the impact of its approach. Its social mission and charitable status enabled it to access the partners and grants that made the research possible. Rather than a crutch to prop up operations in a flawed model, here grants were used to address a focused and strategic opportunity to get this social enterprise to the next level.³⁰

The rising popularity of social enterprise is at least partly due to social organizations seeking additional revenue streams so as to break away both from the ever-diminishing availability of government and philanthropic funding and the ever-increasing competition for those funds. With this mindset it would be easy to view social enterprises accessing grants as a sign of weakness. However, the ultimate promise of social enterprise is to help organizations address social issues. As such, social enterprises should not be seen as replacing or antithetical to grants and donations. Indeed, we are squandering opportunities if we discourage organizations from engaging in a strategic intertwining of social enterprise and grant-based sources of revenue.

²⁹ Ibid pp.245-7.

³⁰ JUMP Math Social EnterPrize Case Study, prepared for TCF by Daniel Samosh and Dr. Tina Dacin, Queen's School of Business, Centre for Social Impact, at p. 9 and 19.
https://tricofoundation.app.box.com/files/0/f/3605934957/1/f_30065714331

5) Realizing Social Enterprise is More than a Tool in the Toolbox

Often the enthusiasm regarding social enterprise prompts people to think that is for everyone, for every situation, and should replace grants. To combat such notions, in the past we encouraged people to see social enterprise as but one tool in the toolbox. While we still believe social enterprise is not for everyone, nor for every situation, and need not replace other sources of funding, we are realizing that describing social enterprise as simply another tool in the toolbox severely undersells its potential.

When tools such as hammers, screwdrivers and wrenches play a role in getting a job done they do so in 'silos of cooperation'. The manner in which they work together is sequential - the hammer is used, then the screwdriver, and so on until a task is complete. A hammer and a screwdriver don't combine into a new wonderful tool that can accomplish things more effectively than they do apart.

Social entrepreneurship is more than a tool in the toolbox because it doesn't have to be in a silo of cooperation with other funding and social impact tools. Recall that our appreciation for the blend of the social and the entrepreneurial helped enhance our understanding of the relationship between grants and a social enterprise. That same principle can help us understand how an organization can blend its social enterprise with its other endeavours to produce greater impact.

Consider the ability of JUMP Math's social enterprise to blend with the other elements of that organization. Both grants and earned revenue defray costs associated with JUMP Math's work in providing services in remote Aboriginal communities across Canada, developing and upgrading classroom resources, providing programs to selected classrooms in economically-disadvantaged communities through its National Book Fund, and supporting over 20 non-profit tutoring programs.³¹ Addressing the needs of teachers and students in more challenging environments goes to the very heart of the JUMP Math mission, and also provides key input on how JUMP Math can improve the universal appeal and effectiveness of its programs in all communities. JUMP Math is so successful in serving its charitable mission because its social enterprise is working together with its other efforts.

This perspective can also help us understand how social enterprises create blending opportunities between organizations. When it comes to blending at the multi-organizational level, the best example we have come across is the YWCA Metro Vancouver and the YWCA Hotel/Residence, as discussed previously.

³¹ Ibid, p. 6.

Of course, these opportunities are not restricted to parent and subsidiary organizations. Eddie Yoon and Steve Hughes have made a persuasive case for big companies collaborating with start-ups.³² Given that social enterprises typically venture into new markets, it stands to reason that big companies will have even greater opportunities with social enterprise start-ups. As well, a report of the Schwab Foundation for Social Entrepreneurship does a wonderful job of outlining a wide range of inspirational collaborations involving traditional for-profits, social enterprises, governments and non-profits.³³

Add it all up and ripples of social/entrepreneurial blending start to become apparent: beginning in a particular social enterprise's social and entrepreneurial blend, extending to how that social enterprise interacts with the other elements of its organization, and on to that organization's interactions with external partners.

It's exciting that fully appreciating the blends of the social and the entrepreneurial enable us to predict the pressure points, momentum, and the nature of the partnership opportunities social enterprises will encounter. That said, it must be used with caution. Just because a social enterprise has a blend that is in conflict does not mean it should be disregarded. The key is whether that conflict is due to a lack of imagination in blending the social and the entrepreneurial, or due to unavoidable market failures. After all, not every social problem can be solved by markets. Even when it comes to a conflicting blend due to a possible lack of imagination, we should be careful not to dismiss a social enterprise too quickly, as the next section will attest.

6) The Evolution of Social Enterprises: Embracing the Adjacent Possible

Once successful, social enterprises typically settle into a certain equilibrium between their social and entrepreneurial blends. The size of the enterprise may grow, but the fundamental dynamics of how the organization generates earned revenue and social impact are the same, just on a larger scale.

However, some social enterprises, just from the act of doing and learning, can evolve new opportunities. These new opportunities are not just more of the same. Often, they were not in the original plans or even foreseeable; they simply emerged and the organization was entrepreneurial enough to seize them.

³² "Big Companies Should Collaborate with Startups" February 25, Harvard Business Review Blog, <https://hbr.org/2016/02/big-companies-should-collaborate-with-startups>.

³³ "Social Innovation: A Guide to Achieving Corporate and Societal Value" February 2016 http://www3.weforum.org/docs/WEF_Social_Innovation_Guide.pdf.

The concept of the “adjacent possible” is useful to explain this phenomena.³⁴ The adjacent possible states there are only so many opportunities directly possible at any given time, but that number changes after an opportunity is seized. For example, inside the standard classroom there is typically only one door. Go through that door into the school hallway and the choice of doors grows considerably. As Steve Johnson beautifully puts it, “boundaries grow as you explore those boundaries”.

Just by operating, social enterprises discover and develop capacities to seize adjacent possibilities relating to their social and entrepreneurial blends - possibilities that were beyond them, and even beyond imagining, when they first started out.

For example, since it started, Embers Staffing Solutions (ESS) has added training, extended medical and dental benefits, a van shuttle, and an employee of the month initiative. These are unheard of in relation to day labour and, as a result, in addition to transforming lives, ESS could well be reimagining an industry. When it started, ESS never thought of offering dental benefits or an employee of the month program. Through its operations it received feedback from its employees suggesting these ideas and, as it grew, its success gave it an opportunity to make those suggestions a reality.³⁵

As TurnAround Couriers (TAC) grew it added a post-secondary education component to its model. Partnering with George Brown College, TAC prepays the course for its staff, staff repay a fraction of that tuition at each pay period and then get the full amount back when they successfully complete the course. Offering troubled youth employment as a bike courier is a wonderful step up in their lives, but creating a pathway to post-secondary education is transformative. Again, this was an idea that emerged during TAC’s operations. By that time, TAC had developed the capacity to add the program and went for it.³⁶

Potluck Catering is another example of the adjacent possible, both in terms of the evolution of the actual social enterprise and its role in transformative/systemic

³⁴ While Stuart Kauffman is credited with coining the phrase “the adjacent possible”, I am indebted to Steven Johnson’s book “Where Good Ideas Come From: The Natural History of Innovation”, 2010, Penguin Books, pp. 30-31 for drawing the idea to my attention (Mr. Johnson’s book acknowledges the role of Mr. Kauffman). While GBB does not use the phrase “adjacent possible” the principle is referenced repeatedly, for example: “... the process leading to eventual success seems more intuitive than intentional.” at p. 82; refining over time is one of the imperatives of scaling impact, at p. 176; “Sometimes the opportunity to enhance the model is triggered unexpectedly.” at p. 179. Riders for Health is another example of the adjacent possible. While they started out servicing vehicles and providing training they are now taking over the entire transport function from Ministries of Health through lease agreements. See pp. 121-3.

³⁵ Embers Staffing Solutions Social EnterPrize Case Study p. 17 and <http://www.embersvancouver.com/tag/employee-of-the-month/>

³⁶ TurnAround Couriers Social EnterPrize Case Study, prepared for TCF by Dr. Wendy Cukier & Lauren Daniel Diversity Institute, Ted Rogers School of Management, Ryerson University, at pp. 11-12. https://tricofoundation.app.box.com/files/0/f/3517252063/1/f_29360237975

change:

a) An adjacent possible journey: the evolution of Potluck's social enterprise³⁷

- 1995: United We Can is formed, a bottle depot to create a more stable income generating system for binners³⁸, bringing people together and giving dignity to reclaiming recyclables.
- 2000: Binnners' Dinners is formed through a grant from Human Resources Development Canada. "We built a kitchen at the [United We Can] bottle depot and started making meals for the Binnners. We realized the best part of this project was that we had kept these young people off the street, out of trouble and employed for a year."³⁹
- 2001: Inspired by the experience of Binnners' Dinners, Potluck Café is born. The Café enables people to drop by for affordable food and a welcoming atmosphere while providing employment opportunities for community members facing economic exclusion.

Key insight: "... it quickly became evident that it was challenging for the café to be financially sustainable. Cafés generally have a slim margin and Potluck was pulled at both ends. It wanted to provide low cost meals (advancing nutritional goals) while paying good wages and having additional supports for their workers (advancing employment goals)."⁴⁰

- 2004: To enhance its sustainability, Potluck enters into contracts for community meals, which are more lucrative.

Key insight: "... the risk inherent in relying on a few large scale contracts became painfully apparent when Potluck lost several contracts almost overnight. In 2010, many of the organizations Potluck had been contracted to provide meals for now had the capacity to do this themselves. They were able to do this more cheaply than Potluck because they didn't have the same dual commitment to food security and inclusive employment. Some were able to bid lower because staff were provided fewer supports or because wages were subsidized

³⁷ Potluck Café, Ibid

³⁸ "Binner: A person who collects redeemable containers and other objects of value from bins to sustain their livelihood and to divert waste from landfills." Ibid., p. 4

³⁹ Ibid.

⁴⁰ Ibid.,

through separate arrangements, others choose to deliver less composed meals in small portions.”

- 2001 and on: Soon after it was created, Potluck began corporate catering on a small scale. It was a good fit given their expertise in producing nutritious meals in large quantities. After losing the community meals contracts, Potluck concluded that corporate catering was its “bread and butter”.⁴¹

b) An adjacent possible journey: The evolution of Potluck’s role in transformative/systems change⁴²

- Potluck begins: Mission and operation focuses on the provision of healthy, affordable food that also supports the adoption of inclusive hiring practices.
- Looking to capture insights from its own experiences, Potluck undertakes a low threshold employment research project.
- Potluck’s employment support workers build on this research to create practical employee engagement and support tools. These tools are used internally.
- Kitchen Tables (KT) is created. KT brings people together laterally (e.g. between kitchens) and vertically (e.g. with policy makers) and strives to be a coherent voice for food advocacy. KT’s many manifestations include:
 - a map of where food is available in the Vancouver’s downtown eastside, which is organized by time of day and uses symbols to signal further information about the meal (e.g. hot meal or take away, vegetarian option, safe for sex workers etc.);
 - co-ordinating a procurement group to gain economies of scale to enable local organizations to buy healthier food;
 - a weekly market that sells fresh fruit and vegetables at cost; and

⁴¹ Ibid.,
⁴² Ibid.,

- neighbourhood outreach about healthy eating.
- Potluck’s internal tools evolve into Recipes for Success, a social enterprise to help other businesses interested in social hiring⁴³ and consulting for other social enterprises practicing social hiring.
- The Knack is created:

“Knack matches employers who have tasks that need doing with people who can do those tasks, and uses electronic badges as micro credentials to recognize the skills people have learned through different workshops, volunteer positions, and on-the-job training. Knack is building a language of skills/badges and tasks that can be more inclusive than confusing job descriptions, or resumes that draw more attention to periods of unemployment. Eventually the platform will facilitate information sharing at a more meta level by enabling employers to see the skills available in the neighbourhood more broadly and for residents to see the types of skills employers need. In this way, earners can find direction for up-skilling themselves and employers can start to reshape tasks to hire locally.”⁴⁴

As we can see from these examples, the adjacent possible and its role in the trajectory of social enterprises can be a powerful tool in helping us understand and support organizations as they evolve their social and entrepreneurial blends. It also holds extraordinary promise in answering some key questions plaguing the social enterprise movement:

- “Should not-for-profits seek to ‘go out of business’ (i.e. cure their social ill rather than operate indefinitely)?” With the adjacent possible, social enterprises don’t need to choose between seeding their demise or being blamed for selfish perpetuation if they don’t. Instead, they can continually evolve, just as for-profits pivot, addressing more sophisticated or different social challenges in the process.
- “How should social enterprises react when they are copied?” For a social enterprise, having its model copied can be seen as a bad thing insofar as it jeopardizes the social enterprise’s market position. This is as it would be with any business that has its model copied. Unique to social enterprise is

⁴³ Potluck has since transferred Recipes for Success to the Spencer Creo Foundation. Ibid.,

⁴⁴ Ibid.

the positive aspect of being copied, namely, the more organizations copying its social model the greater the social impact. The dilemma of how to feel about being copied can now be resolved by social enterprises embracing the next wave of social impact and market viability through the adjacent possible and, in the process, staying ahead of copycats.

- “Should we only support/encourage social enterprises that seek ‘transformative change’?” There seems to be a growing trend of labelling social enterprises that help cope with problems (so-called ‘band aid solutions’) as a waste of time, or at least inferior to efforts that solve a problem once and for all (so-called ‘transformative change’). This tension resolves somewhat as the adjacent possible enables social enterprises to evolve from helping to cope with a problem to actually solving it.

7) A Mindset As Open as the Opportunities Before Us

“We cannot solve our problems with the same thinking we used when we created them.”

Albert Einstein

Social enterprise transcends many instances of ‘old style thinking’, so it is easy to see it as a perfect example of the new thinking Einstein was getting at:

- Old thinking suggests that it is impossible, or unethical, to address social issues while generating income;
- Old thinking suggests the only job of business is to make money and it’s only the job of government and the non-profit sector to directly address our social ills;
- Old thinking suggests that CEOs should focus on generating vast riches by any legal means necessary and then retire to engage in philanthropic endeavours that try to help save the world;
- Social enterprise, a new way of thinking⁴⁵, says you can solve social problems while generating revenue – indeed, that you can be better at solving social

⁴⁵ One could easily argue the basic idea of social enterprise has been around since the creation of capitalism and therefore is not that new. In that case we could say social enterprise is a new idea to mainstream thinking.

problems because you are generating revenue while doing so.

The truth is, our new thinking has only begun; for if we are not careful, the new thinking promise of social enterprise will be subsumed by other dysfunctional old thinking.

For example, we saw how the full potential of social enterprise could be diminished by the automatic assumption that any acceptance of grants is a sign of fiscal dependence, and therefore a sign of a weak social enterprise. But we also see the promise of social enterprise diminished by old biases such as the belief that the social sector is soft or undisciplined; and the belief that business is only about greed. We see old thinking when fiscal pressures cause people to pigeon-hole social enterprise as a revenue generation opportunity, rather than seeing it as a grand opportunity to directly advance social impact in a way that also generates revenue.

Social entrepreneurship works best when the social and the entrepreneurial are blended so that market success and social impact mutually reinforce each other and become virtually indivisible.⁴⁶ The results become so much more than the sum of their parts and new, boundary-pushing realities become possible.

Consider a vivid metaphor for the type of blend we are talking about: When yellow and blue blend together to create green. It is ridiculous to ask “in green, which is more important, the yellow or the blue?” Yet, “in social entrepreneurship, which is more important, the social or the entrepreneurship?” is asked all the time. Indeed, it is a huge discussion in the social entrepreneurship movement. We’ll have turned a corner as a society when “in social entrepreneurship, which is more important, the social or the entrepreneurship?” gets the same looks of incredulity as “in green, which is more important, the yellow or the blue?”

Too often people are hearing the term “social entrepreneurship” and thinking “blue + yellow” rather than green.

Einstein’s quote shouldn’t tell the social enterprise movement that its thinking is done; it should remind us that we are just beginning to scratch the surface when it comes to understanding the enormous and cascading possibilities social enterprise promises – in terms of blending the social and the entrepreneurial; how an organization operates

⁴⁶ These next five paragraphs are derived from our blog “Moving Past Add-ons and Division: Social x Entrepreneurship” <https://tricofoundation.ca/moving-past-add-ons-and-division/>.

using social enterprise and philanthropy; how related organizations interact; and how we can nurture collaboration across the sectors of social enterprise, philanthropy and more traditional for-profit businesses.

We will not be able to nurture these opportunities, and may even miss them entirely, if our minds are not as open as the possibilities before us. To that end, we need a formula that moves us past the mentality of the simply adding social and entrepreneurship together and on to understanding and celebrating the exponential power of blending these elements into a mutual and synergistic whole. The ultimate promise of social entrepreneurship is not in “social + entrepreneurship”, but in “social x entrepreneurship”. Thus, the key issue confronting social entrepreneurship is not “are we thinking differently?”, but “are we thinking differently enough?”

Appendix 1

THE BLENDER CANVAS

“SOCIAL ENTREPRENEURSHIP” USES BUSINESS MODELS/MARKETS TO SOLVE A SOCIAL PROBLEM.
A KEY PREDICTOR OF THE OPPORTUNITIES AND CHALLENGES A SOCIAL ENTERPRISE WILL FACE IS THE WAY
IT BLENDS THE “SOCIAL” AND THE “ENTREPRENEURIAL”

The degree to which the social model* addresses the customer's needs:	ASSESSING YOUR SOCIAL MODEL & CUSTOMER NEEDS	ASSESSING YOUR SOCIAL MODEL'S IMPACT ON MARKET VALUE	How the social model* impacts market value:
<p>The social model does not have a role in addressing the customer's needs, but the purchase funds the social model (often there is a customer desire to 'buy social').</p> <p><i>Planning prognosis:</i> definite challenges ahead (the pressure of 'multi-tasking', the pressure of customer persuasion).</p>	<p>YOUR SOCIAL MISSION:</p> <p>YOUR SOCIAL MODEL:</p> <p>THE CUSTOMER NEEDS YOU ARE ADDRESSING:</p>	<p>WHAT COSTS DOES YOUR SOCIAL MODEL ADD TO YOUR VENTURE?</p> <p>CAN YOU PASS THOSE COSTS ON TO YOUR CUSTOMERS?</p>	<p>The social model adds costs that can't be passed on to the customer.</p> <p><i>Planning prognosis:</i> definite challenges ahead (the pressure of the funding gap)</p>
<p>The social model has a role in addressing the customer's needs but that role could be replaced by a traditional business (the customer's needs being addressed are over and above any desire to 'buy social').</p> <p><i>Planning prognosis:</i> possible challenges ahead (the pressure of competition).</p>	<p>BEYOND A CUSTOMER 'BUYING SOCIAL', COULD YOUR SOCIAL MODEL'S ROLE IN ADDRESSING THE CUSTOMER'S NEEDS BE REPLACED BY A TRADITIONAL BUSINESS?</p>	<p>BEYOND A CUSTOMER 'BUYING SOCIAL', HOW DOES YOUR SOCIAL MODEL ADD A COMPETITIVE ADVANTAGE TO YOUR PRODUCT/SERVICES?</p>	<p>Social model adds costs that can be passed on to the customer.</p> <p><i>Planning prognosis:</i> possible momentum (the security of affordability)</p>
<p>The social model has an irreplaceable role in addressing the customer's needs (the customer's needs being addressed are over and above any desire to 'buy social').</p> <p><i>Planning prognosis:</i> definite momentum (the power or unique value).</p>	<p>BASED ON THE ABOVE, CIRCLE THE LEFT-HAND CELL THAT FITS YOUR VENTURE</p>	<p>BASED ON THE ABOVE, CIRCLE THE RIGHT-HAND CELL THAT FITS YOUR VENTURE</p>	<p>Not only may the social model add costs that can be passed on to customer, it produces an enhanced value proposition that leads to competitive advantage (over and above any desire to 'buy social').</p> <p><i>Planning prognosis:</i> definite momentum (the power or unique value)</p>

*“Social mission”: the social good the social enterprise wants to achieve. “Social model”: how the social enterprise directly serves its social mission.

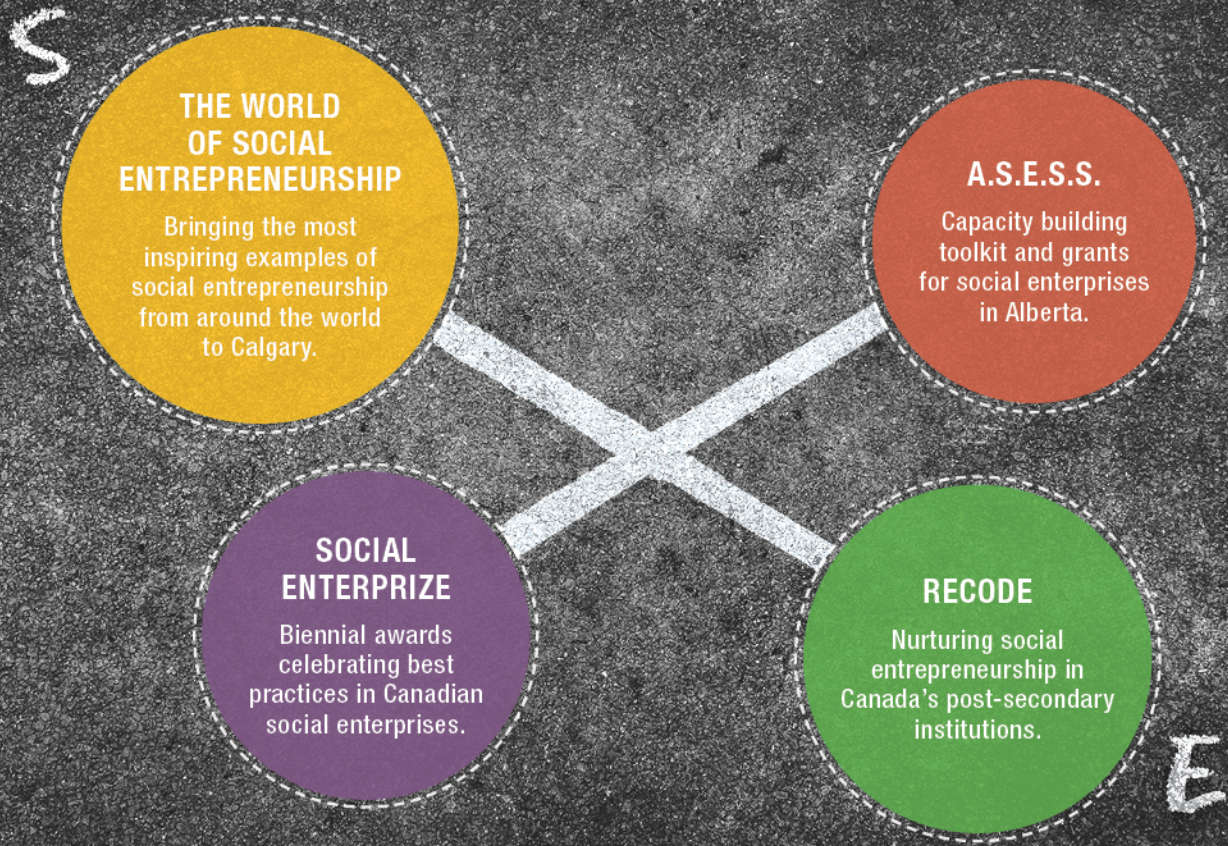
About the Trico Charitable Foundation

Established in 2008, the Trico Charitable Foundation seeks to close gaps in society by provoking innovation and building capacity in social entrepreneurship. Its work focuses on the Canadian context through four key areas of focus: 1) local capacity building tools and grants for non-profit social enterprises in Alberta, Canada; 2) a biennial Social EnterPrize which celebrates mature Canadian social enterprises (for profit and not-for profit) and commissions case studies on the recipients; 3) The World of Social Entrepreneurship, an annual Calgary event in partnership with the local community that brings some of the best and brightest examples of social entrepreneurship from around the world to Calgary; and 4) working with the JW McConnell Foundation on RECODE, an effort to nurture social innovation and social entrepreneurship in Canada's post-secondary institutions.

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LEVERAGING SOCIAL ENTREPRENEURSHIP TO CLOSE GAPS IN SOCIETY



SOCIAL ENTREPRENEURSHIP = SOCIAL x ENTREPRENEURSHIP



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