



## Venturing for Social Good

### Session 1 – What is Social Entrepreneurship?

“The purpose of life is not to be happy. It is to be useful, to be honorable, to be compassionate, to have it make some difference that you have lived and lived well.”

— [Ralph Waldo Emerson](#)

Tom’s shoes, One Acre Fund, Teach for America, and Grameen Bank are examples of ventures that were founded by social entrepreneurs who wanted to use their lives to make some difference in the world.

In the case of Tom’s shoes, founder Blake Mycoskie wanted to address the problem of shoeless youth in developing nations, so he founded a company committed to giving one pair of shoes away for free for every pair that is sold. To date, his company has given away more than 35 million pairs of shoes.

One Acre Fund, founded by Andrew Youn and John Gachunga, serves small farmers in Africa by providing financing, seed and fertilizer, training and market facilitation to help farmers improve harvests, pull themselves out of poverty and eradicate hunger in their communities.

Wendy Kopp’s Teach for America began with the observation of poor educational outcomes for low-income kids and a recognition of the need for high-performing teachers in urban and rural schools. The program currently places more than 8,000 teachers in schools across the country to benefit some of the 16 million children growing up in poverty in the United States.

And Grameen Bank, which earned a Nobel Peace Prize for its founder, Muhammad Yunus, has expanded opportunities for the impoverished to utilize their skills and earn more money by providing microcredit or small loans without requiring collateral. Approximately 100 million people around the world are currently benefitting from micro-financing offered by Grameen and many similar social ventures.

As these examples illustrate, social entrepreneurship comes in many forms and can be used to address a wide variety of societal problems. To begin the process of learning how to make a positive impact through venturing, this video explores the definition of social entrepreneurship and what it means to be a social entrepreneur.

There are many definitions of social entrepreneurship, including:

- “the attempt to draw upon business techniques to find solutions to social problems”

- “A process by which citizens build or transform institutions to advance solutions to social problems such as poverty, illness, illiteracy, environmental destruction, human rights abuses and corruption, in order to make life better for many.”
- *“use of a set of entrepreneurial behaviors to deliver a social value to the less privileged, all through an entrepreneurially oriented entity that is financially independent, self-sufficient, or sustainable.”*

These are all useful definitions. However, I'd like us to focus on an alternative definition that shows the relationship between entrepreneurship in general and social entrepreneurship. The Horn Program defines entrepreneurship as the process of creating, delivering and capturing value from new ideas.

We define social entrepreneurship as “the process of creating, delivering and capturing value from new ideas *for the **primary** purpose of making a positive social impact.*”

This definition of social entrepreneurship retains the notions of process, value creation, delivery and capture and new ideas. It also adds the distinguishing purpose of social entrepreneurship – making a positive social impact. Whereas entrepreneurs seek to generate profit, social entrepreneurs seek to make a positive difference in people's lives.

One useful way to view social entrepreneurship is as a special case of entrepreneurship wherein the founder's PRIMARY interest is social impact. They may also be interested in making a profit to sustain their venture and make an even bigger impact, but people and the promotion of societal well-being come first.

Now that we have defined social entrepreneurship, we can talk about different types of ventures and what it means to be a social entrepreneur.

According to Gregory Dees, who many consider to be the academic father of social entrepreneurship, social entrepreneurs are change agents who

- Adopt a mission (or purpose) to create and sustain social value (not just private value),
- Recognize and relentlessly pursue new opportunities to serve that mission,
- Engage in a process of continuous innovation, adaptation, and learning,
- Act boldly without being limited by resources currently in hand, and
- Exhibit a heightened sense of accountability to the beneficiaries served and for the outcomes created.

Social entrepreneurs work as change agents through two distinct types of ventures: revenue-generating nonprofits and mission-driven, social benefit for-profit organizations. Social entrepreneurs focus on these types of ventures because they can provide self-sufficiency and sustainability of impact. In contrast, social entrepreneurs generally avoid relying on charitable models like those used by the United Way, Unicef and thousands of other nonprofit

organizations because these models are inherently dependent on donors to provide funding, making them unsustainable.

Subsequent videos will discuss how to begin the process of making a positive impact through venturing and highlight the unique challenges associated with social entrepreneurship. For now, I'd like to close this video with a quote from Bill Drayton, founder of Ashoka, which provides high impact support and programming for social entrepreneurs.

"Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry." – Bill Drayton, Founder, Ashoka

