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YOUTH SOCIAL ENTREPRENEURS' HANDBOOK

WASP

YOUTH SOCIAL ENTREPRENEURSHIP HANDBOOK

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WASP

Whisleblower Aid
Support Protection

Youth Social Entrepreneurship Handbook is an educational resource designed for young social entrepreneurs, teachers, trainers, and students majoring in relevant degrees. The book aims to be an inspiration for those who desire to make the world a better place. It provides them with a theoretical foundation and practical solutions for how to design and develop a successful social entrepreneurial start-up.

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SUPPORT PROTECTION

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Chapter 1

History, Definition, and Alternative Forms of Social Entrepreneurship

Keywords: *social economy, social entrepreneurship, social enterprises*

The Chapter provides a brief overview of the social economy and social entrepreneurship including a basic definition and evolution of the concept. Main social challenges and issues around the world are reviewed as a rationale for the emergency and the development of social entrepreneurship. Various legal forms of social enterprises are listed and discussed.

Chapter 2

Social Impact and Social Change

Keywords: *globalization, social challenge, solution, social innovation, social impact, social change, measuring impact, theory of change*

The Chapter addresses and explains social challenges, solutions, impacts, and change in the context of globalization. Topics such as defining and measuring social impact are highlighted.

Chapter 3

Mission, Structure, Management, and Planning in Social Enterprises

Keywords: *entrepreneurship, planning, management, organization*

The Chapter discusses social enterprises from the perspective of business organizations with social goal. Their mission, structure, and types of ownership are reviewed. Special focus is put on management and planning.

Chapter 4

Social Enterprise Management:

Keywords: *internal and external growth, franchising, know-how, diversification, threats from expansion*

The chapter outlines the opportunities for growth of social enterprises. Internal and external growth scale strategies are analyzed. Special cases such as franchising, diversification, and dissemination of best practices and know-how are reviewed.

Chapter 5

Human Resource Management

Keywords: *HRM (human resource management), team building, diversity management, multiculturalism, recruitment, selection, retention, motivation, staff evaluation*

The Chapter highlights the important role of human resources and their management for the SE. The advantages of strategic planning, diversity and multiculturalism, are explained. |Functions of the HR department are explained.

Chapter 6

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Keywords: *marketing mix, price, placement, product, promotion, social media*

The Chapter explains the four elements of the Marketing mix: product, price, place, and promotion, and lists some of the most commonly used social media resources.

Chapter 7

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Keywords: *financial viability, financial sustainability, sources and types of funding, grants, donations, awards, equities, crowdfunding, business risks*

The Chapter addresses financial sustainability and viability of the social enterprise. Sources of additional funding such as government, individual investors, CRS, grants, awards, and crowdfunding are outlined.

Chapter 8

Leadership in Social Entrepreneurship

Keywords: *leader, leadership, charismatic leader, servant leader, motivation and talent development*

The Chapter discusses issues related to leadership in the SE organization. Various forms of leadership are defined. The leader's characteristics, functions, and roles are outlined

SOCIAL ENTREPRENEURHSIP

HISTORY. DEFINITIONS. ALTENATIVE FORMS.

OVERVIEW

- **Social economy and social entrepreneurship: Definitions**

- **Evolution of the concept**

- **Similarities and differences between the commercial and social enterprise**

- **Social challenges around the world:**
  - **Africa**
  - **Asia**
  - **Europe**
  - **Latin America and Caribbean**
  - **North America**

- **Alternative forms of social entrepreneurship**

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- **References**

Similar to traditional companies, social enterprises operate on commercial markets, generating profit from their activity. However, unlike other businesses, they exist to fulfill their specific social purpose.

Social entrepreneurship refers to ventures targeting underserved populations, decreasing the gap between those who have access to social services and those who do not. While commercial entrepreneurship often responds to a market opportunity, social entrepreneurship often tackles a market failure. The bottom line of a commercial enterprise is financial profit, while the bottom line of a social enterprise is the social impact it creates. Though social ventures could be both, for-profit and non-profit, the profit is not the goal but rather the means for sustaining the financial viability of the enterprise (Chahine, 2016). Usually, the profit is not distributed among the shareholders but is re-invested to expand the activities for the benefit of the target groups, enhancing the scope and the quality of the social services.

Definitions:

Social entrepreneurship is the process by which effective, innovative, and sustainable solutions are employed to meet social and environmental challenges.

Social enterprise combines societal goals with an entrepreneurial spirit. It focuses on achieving wider social, environmental, or community objectives

A social entrepreneur is an individual who designs and implements a product, service, or solution to an existing social challenge aimed at improving social welfare.

Social venture: any initiative, including a project, organization, or event aimed towards positive social or environmental change

Social start-up: A new company or organization formed with the primary purpose of tackling social or environmental challenges

Social innovation: Act of pioneering new methods, processes, products, and services that address social and environmental issues.

Source: Chahine, 2018

communities they work in. Some of the common goals include poverty alleviation, social inclusion of marginalized groups of people, enhanced welfare of the society etc., but there are a number of challenges that are especially relevant to specific world regions such as:

Social issues and challenges in Africa:

- The incidence of HIV/AIDS, malaria, and tuberculosis has dramatically worsened in most African countries;

- Poverty, unemployment, and socio-economic inequalities have aggravated throughout the sub-region, and the urban/rural disparity has widened;

- Although secondary and higher education supply and demand have improved, the results in terms of quality do not meet the needs of the labor market;

- Faults in the statistics system and unreliable database hinder the monitoring and assessment of the social policies' impact

- The informal ("grey") sector is the major source of employment in the urban and rural areas lacking appropriate policies for its regulation; and where such policies exist, they are not always implemented.

- Recent economic reforms have not resolved the social problems, and in some cases, they became even worse;

Social issues and challenges in Asia:

- Violation of children's rights (including child prostitution, child labor, and exploitation, trafficking, etc.)

- Social exclusion for marginalized groups of people;

- Gender disparity;

- Geographical remoteness affecting the quality of life;

- Income inequality;

According to the UNICEF report (http://www.unicefrosa-progressreport.org/), South Asia is suffering many problems related to social exclusion. Poverty and deprivation are among the worst levels globally, affecting as many as 330 million people. South Asia averages indicate that 46 percent of children fewer than 5 are underweight, primary school enrolment is at 74 percent rate, adult literacy is at 58 percent total and, only 45 percent for women.

Social issues and challenges in Europe

The social system in most of the EU members is well developed and includes special measurements and regulations aimed at addressing:

- Health care and medical insurance

- Retirement funds

- Unemployment

- Labor regulation and labor organizations

- Education, child care, deviant behavior of youngsters

- Integration and inclusion especially of marginal groups such as ethnic minorities and immigrants

- Regional disparities

It is a common practice throughout European countries that medical insurance and retirement allocations are made mandatory by law and secondary legislation. As a result, the number of people who are out of the social security or health care system is very small. However, those policies have faced a number of challenges in recent years, as the population is aging and the number of contributors is dwindling, while there are more and more beneficiaries. The outgrowing number of immigrants from Africa, Asia, and the Middle East put additional pressure on the EU social systems which is becoming a key issue for the European policymakers.

The division of Northern and Southern, Eastern, and Western Europe is being reshaped through a social policy of integration and cohesion. Most of the EU countries have a

SOCIAL IMPACT AND SOCIAL CHANGE

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- **Globalization, social change and welfare**

- **Social problems and social challenges**

- **Deviance**

- **Social inequality**

- **Social innovations, impact and social change**
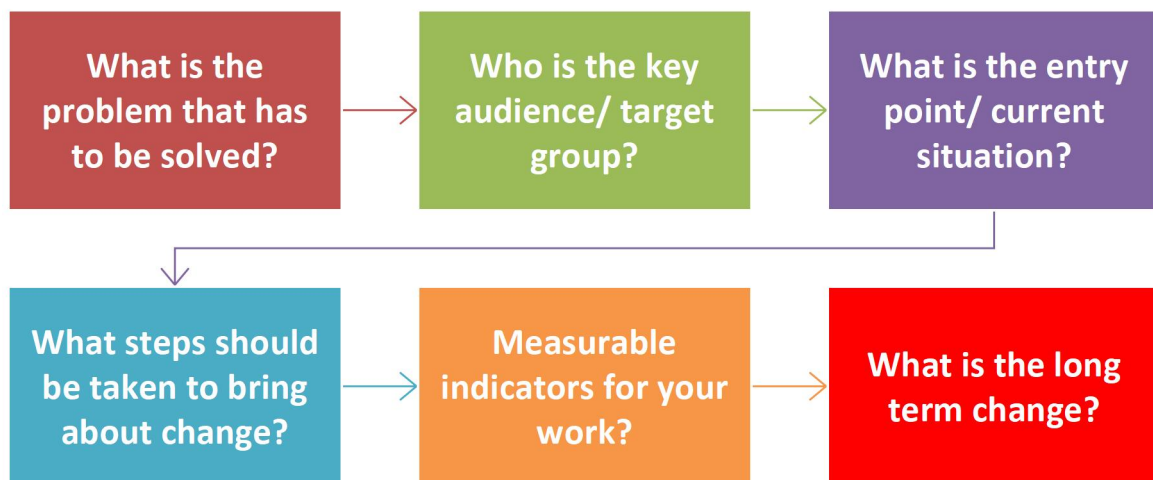
- **Measuring social impact**

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The success of the Theory of change lies within its ability to demonstrate progress/achievement. Therefore, ToC should be coupled with measurable indicators which can show that the initiative is effective. ToC can be used at any stage of the planning, organizing, launching, and evaluation of the work of the social enterprise. It is a valuable tool in the decision-making process of the social organization.

HOW the Theory of change works:

What is the problem that has to be solved?	→	Who is the key audience/ target group?	→	What is the entry point/ current situation?
What steps should be taken to bring about change?	→	Measurable indicators for your work?	→	What is the long term change?

Measuring social impact

Measuring social impact is not an easy task, since the outcome is more than numbers but refers to changed lives, improvement in quality standards, enhancing well-being, empowerment, social inclusion and even making people happier. It is very difficult to measure successfully those subjective experiences, attitudes, and perceptions. One way to measure the impact is by the number of people from the target audience who have been reached by the products and services of the social enterprise, but even then, the number cannot tell us about their level of satisfaction.

The impact is a **comparative** index. It is measured when it is compared with the initial state or situation. If you want to measure the impact you have created or the increased social benefits, you should compare the statistics before and after a certain period of work in your organization (or after completing a certain time-framed project). For example, if you work toward less violence and crime within a certain city district, you should consider the initial data of criminal acts, alcohol abuse, violence record, etc., and compare it with the data after your intervention. If there is a visible decrease in negative practices this could be attributed to

a social impact directly linked to a result of the work of your company. Even in this case, however, there is a chance that the conclusions are wrong and the changes are in fact due to other reasons.

Some **metrics for measuring** the social impact include Social Return on Investment (SROI) and Impact Reporting and Investment Standards Library (IRIS). SROI measures the ratio between the input and output values (for example: how many jobs have been created for each 100 EUR invested in the company). The IRIS is an online database containing more than 400 performance metrics for measuring social, environmental, and financial impact.

The social impact could be observed in the **short and long term**. Creating a lasting social change as a result of the work of the enterprise may take years and even decades and stretches far beyond the usual business planning. The short-term goals can serve as indicators that you are on the right path tp achieving the ultimate goal. Those indicators may not necessarily mean achieving the lasting change we want to see in society someday but are an intermediate outcome that is measurable and could testify that you are heading in the right direction.

We can measure the social impact by:

- The volume/number of produced and sold goods and services
- People who have benefited from our work
- The number of jobs created
- The level of improvement of a certain index
- Percentage of growth (ex. growth of the "green" sector)
- Reduction of the unemployment rate
- Reduction of the poverty level
- Increase access to social services, especially by marginalized groups

Measuring social impact is important because:

- It gives feedback, quantitative and qualitative data about the programs and activities. In this way, you can find the needs for improvement and gaps in performance (between what was expected and what are the results)
- It helps to better understand and target social work, plan better, and implement more efficient resources

MISSION, STRUCTURE, AND PLANNING OF SOCIAL ENTERPRISE

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- **Mission**
- **Structure**
- **Planning and preparation**
- **Launching**
- **Management and organization**
- **The Team**
- **Monitoring**
- **References**

The Social enterprise is going through four stages:

1. **Dreaming:** Defining the social need, generating ideas and solutions, analyzing strengths and weaknesses (what you can and what you can't do), motivating collaborators, supporters, and communities.

2. **Exploring**: Researching markets, testing feasibility, developing business plans, and raising start-up capital

3. **Start-up:** Building enterprise and managing capacity, moving towards sustainability and success

4. **Growth:** Expanding to new markets, reaching more target groups, offering new products/services
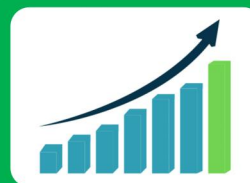
DREAMING
- Generations of ideas
- Motivation

EXPLORING
- Business Planning
- Feasiblity

START-UP
- Launch
- Survival

GROWTH
- Scaling the SE
- Increase social impact

➢ Describe your competencies, expertise, and strengths (as a team and individually of each team member) and how they can help you in solving the social problem.

➢ List the individuals, groups (formal or informal), or communities that can assist or support your SE start-up idea with resources, ideas, and/or work.

➢ Make a list of activities that your organization cannot perform but are vital for completing the SE start-up. Research and involve relevant companies or non-profit organizations.

➢ Analyze your limitations and possible challenges before the start-up

Step Two: Do a stakeholder analysis – who are the participants, target groups, partners, subcontractors, supporters, and end users outside the target group:

➢ List all the stakeholders who might have an interest in the social venture

➢ Identify public interest in resolving this issue.

➢ What actions and attempts have been taken so far by other formal and informal organizations to address the SE start-up problem? If available, make a list.

➢ Reach and engage stakeholders by establishing reliable channels of communication

Step Three: Make an environmental analysis of the particular region/ industry (economic, political, demographic, social, technological, legislative). What are the development opportunities such as support and regions development plans?

Step Four: Decide how to find funding sources. Look for specific programs/ grants and awards that could support finically the venture. Do a fundraising (optional), contact and attract business investors, sponsors, and supporters.

Step Five: Examine the local supply chain. The local supply chain consists of all existing and accessible suppliers who could be used to deliver the desired raw materials, products, or services. In analyzing them, one should pay attention to their affordability, cost, technology, and innovation level.

Step Six: Analyze the competitors – what are their core competitive advantages? Is it possible to collaborate with them for a common socially beneficial cause?

Step Seven: Prepare a list of specific performance evaluation criteria. How you can be sure that the desired outcome has been achieved? Be as specific as possible. Develop a crisis action plan and outline possible measurements to react to unforeseen circumstances and events.

Management of SE

Step-by-Step Approach

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01 Mission

What I want to change?

What impact I should create?

What are my core values?

02 Market Analysis

Who are my customers?
How to reach them?
Who are my competitors?
What will be by price strategy?

03 Operations and HR

How to produce ?

How to manage my staff?

What technology and level of

quality I should apply?

04 Financial Plan

What resources I have?

How to find sources of

financing?

How to manage my costs?

05 Growth

How to increase my impact?
What is my growth strategy?

SOCIAL ENTERPRISE MANAGEMENT
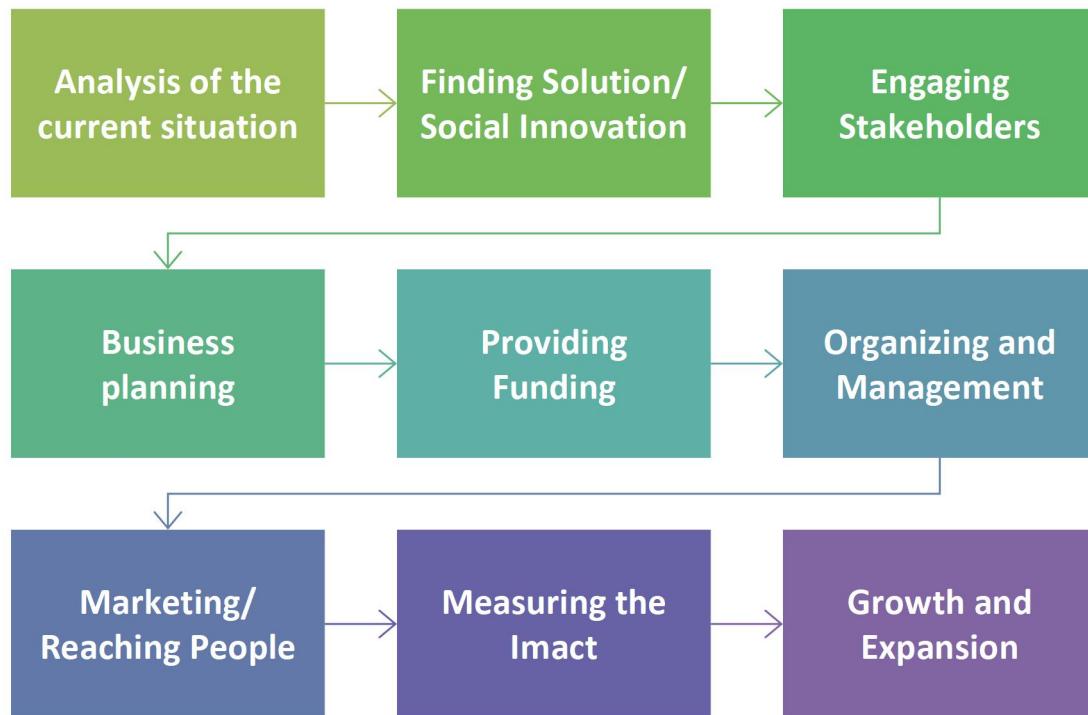
OVERVIEW

- **Growth approaches for a start-up social enterprise**

- **Internal growth of existing activities**

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- **Open access and dissemination of good practices**

- **Threats of expansion**

- **References**

Growth approaches for a start-up social enterprise

The entrepreneurship process for any social venture typically follows the algorithm:

Analysis of the current situation	**Finding Solution/ Social Innovation**	**Engaging Stakeholders**
Business planning	**Providing Funding**	**Organizing and Management**
Marketing/ Reaching People	**Measuring the Imact**	**Growth and Expansion**

Scaling is a process of internal and external growth of the enterprise. Once you have set up and launched a successful organization, you should start thinking about the next step and how to maximize your impact even further. Scaling includes:

✓ Scaling your operations for more production capacity

✓ Scaling your volume output

✓ Scaling your reach (by entering new markets and reaching more people with your activities)

✓ Building strategic partnerships with others into a broader framework of actions.

Growing your impact is not always as simple as increasing the level of operations or volume of production of goods and services. Not always the increase in those activities leads to an increase in impact.

Moreover, there are many directions in which the

HUMAN RESOURCE MANAGEMENT

OVERVIEW

- **Human resources in social entrepreneurship**

- **Building the Team**

- **Developing and implementing strategic HRM plan**

- **Planning, recruitment, selection and organization of the human resources**

- **Retention and motivation**

- **Staff evaluation**

- **Diversity and multiculturalism**

- **Working with volunteers**

- **Stress management**

- **References**

Set a Brown Bag Session

A brown-bag" session is a training or information session during a lunch break. It also helps increase employees' motivation and involvement and is a wonderful team building-tool. Here are some ideas of how to set off a brown bag session on short notice and with a minimum preparation effort:

1) **Find a sponsor**

There is nothing more appealing than a free meal. But free stuff requires finding someone who would pay for them. Adequate sponsors for the Brown Bag Session could be the HR manager or CEO. If no sponsor is available, the trainees could contribute small sums to buy a few pizzas or sandwiches.

2) **Find a suitable day and room**

Check Outlook (or another tool) to see which convenient room is available over lunch in the next months. Block the room.

3) **Find initial speakers**

This may be the hardest part: Inspire some of the Departments' heads about the idea of Brown Bag Sessions, offer yourself for the first sessions, and ask external friends or ex-colleagues. If you're really having problems filling the speaker slots for the first 3-4 sessions, you could even show some TED talks or other conference videos and insightful materials.

4) **Inform everyone about the first session**

Via E-Mail, Intranet, Wiki, Flipchart… Even better a combination of those options. You should provide at least the following information: What is a Brown Bag Session? Why are we doing this? What is the first session about? Where will it happen (room)? What time? What will future sessions be about/Who are your speakers? Use an easy Google form (or other) to get information with a deadline: Who wants to attend? Who wants which pizza (veggie or non-veggie)?

5) **Order Pizza/ Sandwiches or other**

If you decide to do this regularly, you could actually negotiate lower prices and prime service and delivery with a local fast food company. You may also use the resources of the in-house canteen or cafeteria if such is available. With the Google Doc (see 4) you know who will attend and who wants which food. Order on time because there is nothing worse than hungry people in front of a speaker.

6) **Conduct the Brown Bag session**

Think about how to document your "Brown Bag Sessions" – you may use a camera and then provide a video plus a PDF presentation. This way you may review later with your trainees or provide the sessions to those who have missed them for one reason or another.

7) Gather feedback and prepare for the next session

Ask the participants about what they liked and what they didn't during this session. Solicit some ideas for topics of discussion for the next time. Remember that this is supposed to be an informative but fun activity, so make an extra effort to create a relaxing and entertaining atmosphere. After all this all happens during the lunch break, so don't make it feel like a work

Source: https://roessler.blog/2014/09/07/how-to-set-off-a-brown-bag-session-in-your-company-in-60-minutes/

MARKETING FOR SOCIAL ENTREPRISES

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- **The role of Marketing in the social entrepreneurship**

- **Marketing research and analysis**

- **The four Ps of the marketing mix**

- **Product**

- **Price**

- **Place**

- **Promotion**

- **Social media and social networking**

- **References**

The Role of Marketing in Social Entrepreneurship

Marketing strategy is the key element in building a sustainable business venture. It starts with clarifying the vision, mission, and values of the social enterprise, analyzing the potential users and competitors, and elaborating the market determinants such as product, price, placement, and promotion. Managing effective distribution systems, promotion, and communication are important factors in achieving the desired social impact

> **Marketing for social entrepreneurship** is a social and managerial process in which individuals and groups receive what they want and need through the exchange of products and values. The task of marketing is to identify and define specific markets for specific products.

Marketing research and analysis

The first step in successfully positioning the new business venture, is to conduct thorough **marketing research**, analyzing who the existing and potential users of the products and services will be, what is the market size and who are the competitors.

The market should be analyzed in terms of demographics, social-economical and geographical distribution, and size. A useful question that should be asked at this stage are:

- ✓ **Who** are you targeting?
- ✓ **What** are the main characteristics of the target group?
- ✓ **How many** people do you want to reach?
- ✓ **Where** are those people?

Understanding **the competition** helps us determine your competitive advantage and maybe some faults and gaps that need to be addressed. It also leads to a better understanding of the customer, so that you could position our enterprise for success. Finding out what the competitors are offering, how much they are charging, and what are their main competitive advantages and strong selling points are, will give an idea of what should be done to create a better-targeted service or product. Even if your product is really unique and offers something that has never been offered before, you're still competing with something else for the time, money, and attention of the targeted audience. Getting to know people's consumption patterns, style of life, and decision-making processes will give you a strong foundation in creating a product or service that best addresses their needs and wants.

The Four Ps of the marketing mix

The Four P's is a common tool to analyze the marketing mix of the business venture, introduced by McCarthey (1960) and popularized by Philip Kotler in his numerous research. The four P's represent the product, price, placement, and promotion and aims at comprising all aspects of the production and deliverance processes in a simple and convenient manner.

FOUR PS OF THE
MARKETING MIX

PRODUCT

- What does the consumer want?
- What should the product be?
- How and where will consumer use it?
- What should it looks, feel, smell?
- What is the best branding strategy?
- What are the unique selling points?

PRODUCT

PRICE

- What is the value of the product for the consumer?
- How sensitive is the consumer for the price?
- How is the pricing compare to the competitors?
- Does the price reflects the value/quality of the product?

PRICE

PLACE

- What are the possible points of purchase?
- How to design proper distribution channels?
- What should be the supply chain network structure and size?
- How to perform better than the competitors in terms of placement?

PLACE

PROMOTION

- What is your promotional strategy?
- What is your promotion budget?
- How are you going to advertise?
- What is your brand message?
- What are your brand symbols / colors etc?
- How your promotion is better than the competitors?

PROMOTION

A Product or service that is created through a user-driven design is the core of the marketing strategy. When creating the product, you should think of its key attributes that make it unique and valuable for the customers (the core offering). The product has some physical attributes, including packaging, while the service is more intangible and abstract. The service, unlike the material product, is produced, sold, and consumed at the same time. It cannot be stored for future use. The perception of the quality of the service is highly subjective and depends on both: the service provider and the service recipient (the end-user). Example: In the case of the educational service, it is not only the qualification and expertise of the teacher/ trainer that matter, but also the attitude and the efforts that the trainee put into the whole learning process.

Price is a key element that determines not only the competitiveness of the product/service but also its accessibility to the audience, thus reflecting the social outcome of the venture. The goal of the social enterprise is to make the product or service as accessible as possible, and that means offering the value needed to produce the desired social outcome in the most affordable manner. At the same time, the quality should not be compromised in order to secure a lower price.

FINANCIAL SUSTAINABILITY OF SOCIAL ENTREPRISES :

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- **Financial sustainability of the social enterprises**

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- **Functions of the leader in the social enterprise**

- **Leadership, motivation and talent development**

- **Activities for readers**

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Leadership in the context of the SE organization

Leadership is a key factor for the success of the social enterprise. When it comes to promoting social change, leadership helps to establish goals and motivate people to work towards their achievement. The leader is someone who:

- Gives an example
- Awakes peoples' consciousness
- Change peoples' behavior
- Is passionate about the organization's mission
- Convince others
- Achieve high results
- Commit himself/herself to an important cause and share his/her values with others
- Identifies new opportunities for the organization

Leadership is the ability to inspire people to follow your instructions voluntarily

Leadership in social enterprises relies on ethics, integrity, and expertise, but also on empathy and passion. Leaders in SE have to make a positive impact and establish a strong support system among their followers (employees, other stakeholders, and communities), and nurture new future leaders.

The leadership is different from the management. The leader tells what ought to be done, while the manager finds a way how to do it. The leader is the motivator, the inspirer, and the beacon that shows the way in the dark, while the manager is the organizer and the engine that moves the organization forwards its goal.

Leaders understand that the change is an opportunity, not a thread and put a huge emphasis on innovations. Leaders generate new ideas and concentrate team efforts in the right direction.

Leaders influence people to behave in a certain way. They must be able to align people's priorities, values, actions and even emotions with their visions and ideas. There are different perspectives and theories about leadership which combines psychology and management tactics. Some of them defines two types of leaders: 1) charismatic leaders and 2) servants

Charismatic leaders have strong, magnetic personality that attracts others. They possess expressive driving force and could transform other's attitudes, ideas and perceptions.