

# Module: Social entrepreneurship and social enterprises (including green entrepreneurship)

Project number: 2020-1-MK01-KA205-077462



# Social entrepreneurship

A brief introduction.



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## Entrepreneurship is the process of:



designing



launching



and running a new business, which is often initially a small business.

Project number: 2020-1-MK01-KA205-077462

## Which people are called entrepreneurs?



People willing to take a risk in order to **make a profit.**



Such businesses aim **mainly at solving issues in the industry and service areas.**

**Social entrepreneurship** is a similar process, run by people called **social entrepreneurs**, who aim at **solving social, cultural, or environmental issues, often without the need to make profit.**

The ultimate goal of an **entrepreneur** is to create economic wealth, while the ultimate goal of the **social entrepreneurs** is to fulfill their social mission.



What is a social enterprise?



Social enterprises are not for personal profit enterprises that derive a minimum of 25% to 50% of their income from trading.

## Stakeholders

A group or individual affected by the activities of the business



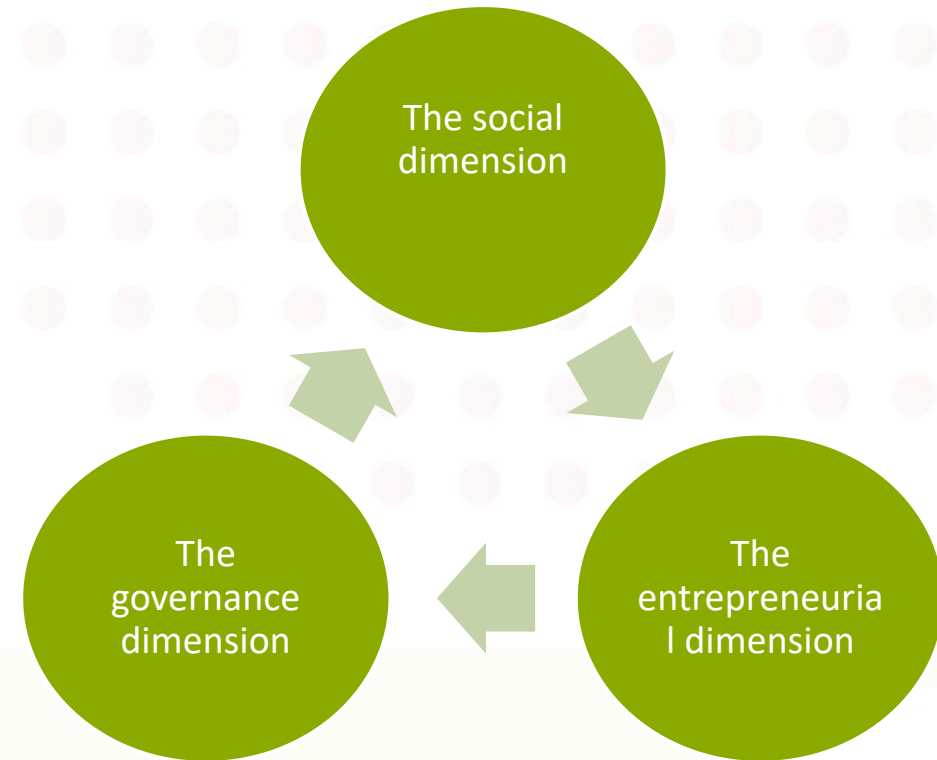
## 2011 European Commission organizational definition included in the **Social Business Initiative (SBI)**:

*“A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involve employees, consumers and stakeholders affected by its commercial activities”.*

Project number: 2020-1-MK01-KA205-077462

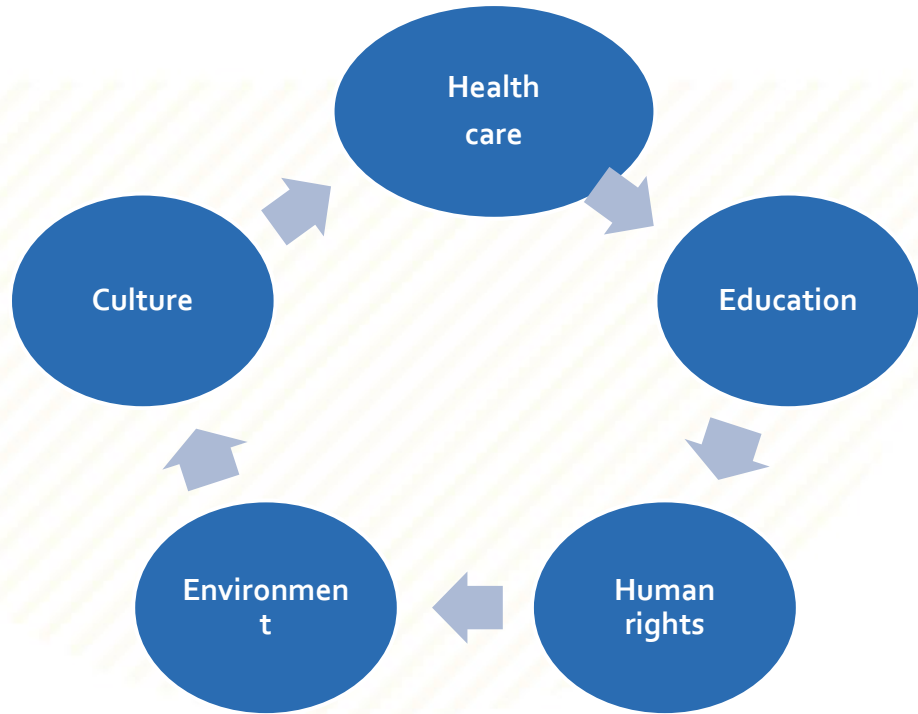
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Accordingly, there are **three dimensions** for an ideal model of **social enterprise**:





## Impact:



- **Healthcare:** building new hospitals, health clinics with cheaper services, educating the patients in order to reduce various illnesses.
- **Education:** decrease drop-out rates, build infrastructure, provide study materials, train teachers, advise students on their career path.
- **Human rights:** improve liberty, pursuit of happiness, fight discrimination, promote freedom of speech and equality.
- **Culture,** to promote social transformation and community integration.
- **Environment:** sustainable products and services, waste disposal management, emissions reduction, preserving land and wildlife.

Project number: 2020-1-MK01-KA205-077462



## Green entrepreneurship!



Addressing an **environmental problem** or need



through a **financially sustainable business plan**,



has a **positive impact** on the **environment, community, and economy**.

Project number: 2020-1-MK01-KA205-077462



A social enterprise operates as a  
business.

Surplus money from the business  
is reinvested in the business or  
community.

A social enterprise is not driven to  
maximize profits for shareholders.

A social enterprise is not a charity.

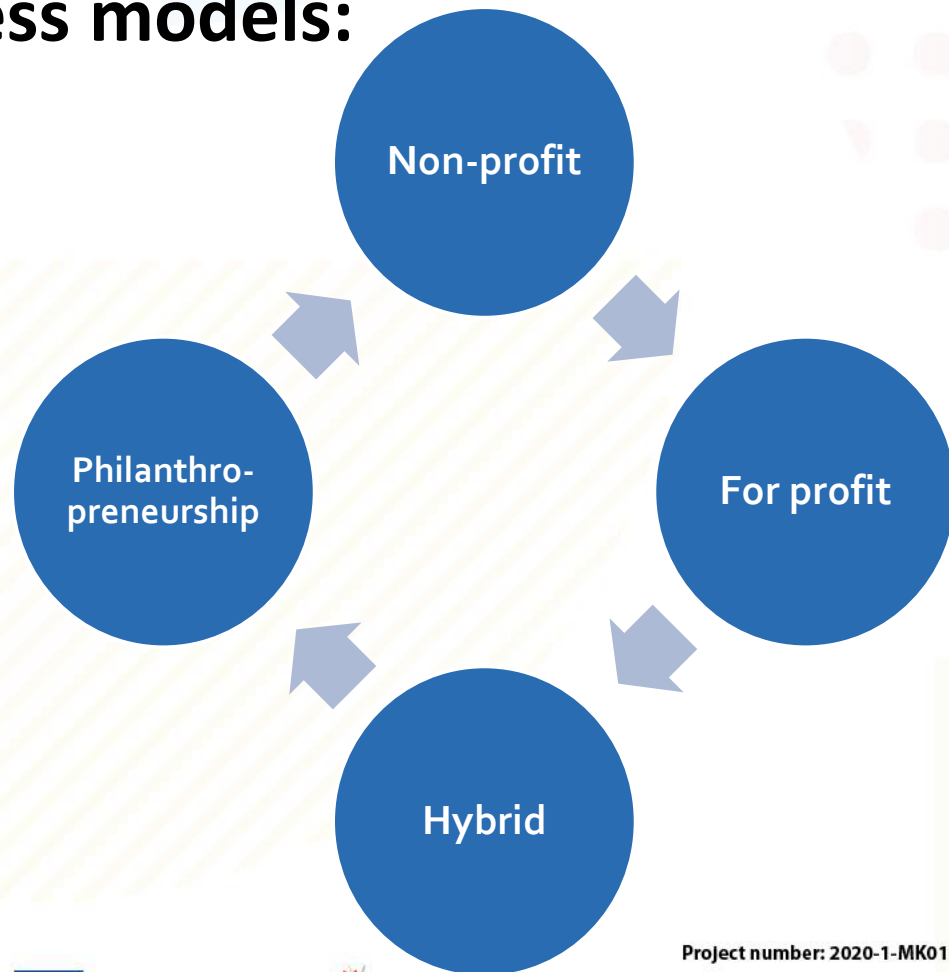
The importance of  
entrepreneurship has not been  
fully acknowledged by academia.

## What do we mean by shareholders?

If you have decided to run your Social Enterprise **for-profit**, using a **private company structure**, this structure has shareholders and investors with shares that are **privately held and traded** as opposed to holding shares in a public company where they can be traded on the stock exchange. These shareholders will **receive a distribution of the profit, and the remaining profit will be reinvested into the Social Enterprise.**

Project number: 2020-1-MK01-KA205-077462

## Business models:



- **Non-profit:** the surplus of its financial and other resources responds to the social needs rather than pay returns to its shareholders. Such companies do not pay taxes.
- **For profit:** businesses, they pay taxes. They operate in areas where it is difficult to find loans and financing for social needs.
- **Hybrid non-profit** is willing to use profit from some activities to sustain its other operations which have a social or community purpose.
- **Philanthropreneurship:** corporations which invest some of their profits for solving social, cultural or environmental issues.

Project number: 2020-1-MK01-KA205-077462

## Attributes that make a good social entrepreneur:



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## Problem solving:



Preparation



Incubation



Insight



Evaluation



Elaboration

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a. Promotes enterprising  
skills



b. Assists with the  
transition from education  
to work

# Why is entrepreneurship education important?

Project number: 2020-1-MK01-KA205-077462



# Statistics

Category	Percentage
Women-led businesses in the world	33%
Ethnic minorities SMES in the UK (2014)	367,000

Project number: 2020-1-MK01-KA205-077462

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## Steps for creating a social enterprise:

1. Identify a problem – offer a solution.
2. Decide on your social mission – identify your product.
3. Gather a team.
4. Figure your initial financing.
5. Work within a legal framework – what is the framework in your country?
6. What is your business plan?
7. Be visible.
8. Measure your impact.

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Thank you for your attention !

Work on the activities and the exercises that follow,  
to test your knowledge.

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