

Every Business a Social Business: *Social Entrepreneurship's Ultimate Goal*

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‘Begin with the End in Mind’

Expected outcomes of this presentation:

- ⦿ **At least 10 of the audience will become social entrepreneurs in the next five years**
- ⦿ **At least 90% will spread the concept and practice of social entrepreneurship among their colleagues and friends**
- ⦿ **At least 50% will *inspire* their own children to become a social entrepreneur**

The Social Entrepreneur Mindset

- *Optimistic*
- *Positive*
- *Proactive*

Optimistic

If you are not a
highly optimistic
person, you
should forget
about social
entrepreneurship

***How optimistic
are you?***



Optimistic?

Poverty

Inequality

Corruption

Injustice

Optimistic?

Social Unrest

Unemployment

Climate Change

Consumerism

Greed

Corrupt Media

Optimistic

Social entrepreneurs,
like you and me,
are overwhelmed
by social issues
and world crises.

But they do not
turn a blind eye
to it.

They are optimistic that

- **things can change**
- **the world can change for the better**
- **human actions could make a difference**

Positive

While others see

- ⦿ Problems
- ⦿ Difficulties
- ⦿ Limitations
- ⦿ Lack of resources

They see

- ⦿ Opportunities
- ⦿ Solutions
- ⦿ Possibilities
- ⦿ Resourcefulness

Proactive

Social Entrepreneurs
have

- ⦿ a **bias for action**
- ⦿ the courage to step into the unknown
- ⦿ a **strong sense of urgency**

They don't want to wait
for

- ⦿ **perfect conditions**
- ⦿ proper funding
- ⦿ **proof of success**
- ⦿ not even feasibility studies or business plans

So whenever you meet a social entrepreneur, you could readily see that they are:

- **Overtly optimistic**
- **Positively positive**
- **Courageously proactive**

What is a
social entrepreneur
any way?

“Social entrepreneurs are individuals with innovative solutions to society's most pressing social problems.

They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change.

Social entrepreneurs are not content just to give a fish and teach how to fish.

They will not rest until they have revolutionized the fishing industry.”

*Bill Drayton, Founder,
Ashoka: Innovators for the Public*

“Social entrepreneurs are people with new ideas to address major problems, who are relentless in their pursuit of their visions, who simply will not take ‘no’ for an answer, who will not give up until they have spread their ideas as far as they possibly can.”

David Bornstein, author,
How to Change the World

"Social entrepreneurs are real visionaries - people who want to change the world."

What makes a true social entrepreneur is that they have the will to make a difference, the vision to know how to go about it and the determination to make that vision happen."

Unlimited,
a UK organization
promoting social entrepreneurship

Some examples

Ask yourself:

“are they my role models?”

Muhammad Yunus

- ◉ Creator of Grameen Bank
- ◉ **Pioneered micro-finance**
- ◉ Lifted millions out of poverty
- ◉ **Major impact the world over**
- ◉ 2006 Nobel Peace Prize winner



Wendy Kopp

- A Princeton fresh graduate became Founder of **TEACHFORAMERICA**
- Inspired thousands of graduates from leading universities to teach in poor areas of US for two years
- **Each year hired more graduates than Microsoft or GE**



Sam Goldman and Ned Tozun Founders, D. Light Design



- Graduates from Stanford Business School
- **Creating products for the 'bottom of the pyramid'**
 - Based in Hong Kong



Andrew Yu
安豬
Founder of
1 Kg More
多背一公斤

*A young man from
Kwangtung
who worked in the IT field,
created a new industry
'**Voluntourism**', enabling
thousands of urban tourists to
support rural schools*



Dr. V of India

- ① Founded a self-financing eye hospital to 'eliminate unnecessary blindness'
- ② **Performed tens of thousands of operations free of charge**
- ③ Currently the largest eye hospital in the world






ventures *in* **development**

Founded in 2006

*Eliminating poverty
in remote, poor areas
of Southwestern China*



Marie So (HK)
Carol Chayu (Taiwan)

A black and white photograph of a woman with long, dark, wavy hair, smiling warmly at the camera. She is wearing a dark-colored, short-sleeved top and a watch on her left wrist. She is holding a white rectangular sign in front of her chest with both hands. The sign contains handwritten text in a cursive script. The background is dark and out of focus, suggesting an outdoor setting at night or in low light.

everyday is a
different day for
me to make a
DIFFERENCE in
Someone's Life..

Andreas Heineicke and Dialogue in the Dark – a Social Franchise



- Founded in Germany in 1990
- **Present in 25 cities around the world**
- Employing over 6,000 blind people worldwide
- **HK franchise started 2 years ago**
- Privately funded, self-sustaining, with major social impact
- **No. 1 attraction in HK according to TripAdvisor**

Common Misconception 1

Misconception:

Social entrepreneurs
must set up social
enterprises

Reality:

Social entrepreneurs' focus is on tackling a burning social issue;
they would employ whatever organizational forms that best serve their objectives – **social enterprises, NGOs, for-profit organizations, hybrids, etc.**

Common Misconception 2

Misconception:

Governments should fund social entrepreneurs to kick-start their projects

Reality:

All over the world, **very few governments** provide funding for social entrepreneur start-ups. It's more appropriate and cost-effective to support **scaling up** of successful projects.

Common Misconception 3

Misconception:

Social enterprises **should not distribute profits** to shareholders even when they are profitable

Reality:

In order to mobilize capital to support more ventures, it is **acceptable** to distribute part of the profits to shareholders.

For example, the Community Interest Company (CIC) **in the UK allows distribution of no more than 35% of profits to shareholders**

*How many social entrepreneurs
are there in this world?*

Anybody's guess.

*Likely to be tens of thousands
and growing....*

Social Entrepreneurs – *4 phases of development*

Phase I -- from Industrial Revolution to
mid-20th Century

The Invisible Social Entrepreneur

Phase II – 1950's to 1980's

Take-off into Sustained Growth

Phase III – 1980's to 2000's

Global Awareness and Explosive Growth

Phase IV – present and beyond

***Going Mainstream and Impacting on
'Business as Usual'***

Phase I – Up to mid-20th Century

The Invisible Social Entrepreneur

- ⦿ Emergence of social entrepreneurs in different parts of the world
- ⦿ **'Invisible' only in the sense of not being known as social entrepreneurs**
- ⦿ Many of them had major impact on society
- ⦿ **One of the most well known examples is *Florence Nightingale* – often regarded nowadays as a pioneer social entrepreneur**



Florence Nightingale

- Life-long focus on a social issue – *caring for the wounded and the sick*
- Entrepreneurial in coming up with solutions
- Created a new profession – nursing
- Advocate the new approach against all odds
- Ability to scale up impact across the world

Phase II – 1950's to 1980's

Take-off into Sustained Growth

- ⦿ Post-war, post colonial era witnessed uneven development across nations
- ⦿ **Economic development raised productivity and living standards and created new social problems**
- ⦿ Governments unable and unaccustomed to tackle a wide spectrum of social issues
- ⦿ **Private individuals took initiative to tackle pressing social issues in innovative and entrepreneurial ways**

Phase III – 1970's to 2000's

Global Awareness and Explosive Growth

- ⦿ **Growing number of 'platform' organizations celebrating, supporting and facilitating social entrepreneurs to scale up their impact, such as:**
 - ~ Ashoka: Innovators for the Public
 - ~ Skoll Foundation
 - ~ Schwab Foundation
 - ~ Echoing Green
 - ~ Unlimited, and many others
- ⦿ **Growing number of leading universities offering programs on social entrepreneurship**
- ⦿ **Increasing number of Awards and Business Plan Competitions related to social entrepreneurship**

Ashoka: Innovators for the Public

- ① **Founded by an American, Bill Drayton, in 1980**
- ② **First of its kind and currently the largest organization supporting social entrepreneurs worldwide**
- ③ **Coined the term ‘social entrepreneur’**
- ④ **Elected over 3,000 Ashoka Fellows across the globe**
- ⑤ **Providing support to them to scale up operation and impact**

Phase IV – present and beyond

*Going Mainstream and
Impacting on ‘Business as usual’*

- ⦿ **Series of financial crises led to rethinking of role and nature of business organizations**
- ⦿ Climate change and growing social unrest questioned the sustainability of global capitalism
- ⦿ **“Business as usual” not an option**
- ⦿ Growing importance of social enterprises, for-profit social businesses, and hybrid organizations

*What is the
ultimate goal
of social entrepreneurship?*

‘Every Business a Social Business’

‘Social Business’ defined

A normal business with the explicit goal of *generating a profit* **and** *creating social or environmental benefit* **at the same time.**

Every Business a Social Business

Fantasy or Destiny?

- **It is not fantasy as more and more 'business as usual' is transforming themselves into social business**
- **It is not destiny as it is not a foregone trend and requires a lot of will power and advocacy to make it happen**

Wind of change:

some examples

Walmart – *too good to be true*

- ⦿ Largest retailer in the world
- ⦿ **Known for ruthless exploitation of natural resources, squeezing suppliers, and crushing communities**
- ⦿ Public Enemy No. 1 for a generation of activists and reformers

Wind of Change

- ⦿ Announced plans to rebuild the company with 3 major goals:
 - ~ *To use 100% renewable energy*
 - ~ *To achieve zero waste*
 - ~ *To sell only products that benefit the environment*

General Electric – *giant step pays off*

- ⦿ Largest industrial corporation in the U.S.
- ⦿ **Known for its ruthless pursuit of profitability**
- ⦿ Also known for its ability to anticipate and adapt to market changes

Wind of Change

- ⦿ **‘Ecomagination’** initiative started in 2004 to drive innovation by tackling some of the planet’s biggest problems – **energy efficiency** and **harmful environmental impacts**
- ⦿ Within five years, launched more than **90 products and services** with **US\$18 billion revenues**

Interface Carpets – *radical industrialist*

Wind of Change

- Used to be a ‘business as usual’
- **Turned vinyl and other petroleum products into carpets**
- Total dependence on oil industry for inputs
- **Unsustainable from both business and environmental points of view**
- Committed to pioneer the ‘**next industrial revolution**’ and ‘unhooked from the oil well’
- Developed technologies to produce carpets with **recyclable yarns** from bio-based fibers made from corn starch
- Pioneered **carpet reclamation** program – ‘We want your carpets’ – recycling own and rivals’ carpets

Nike – *Shoes of the future*

- Made its fortune through celebrity marketing, supplier exploitation, and total disregard for the environment
- **Obsessed with artificial differentiation**
- A textbook brand orchestration, push-marketing, mass-produced consumer goods

Wind of change

- Since 2000, began using environmentally friendly, low-energy materials and recycled rubber. **Result: a 13% lighter shoe with an 83% recycled sole.**
- Committed to apply same design approach to all shoes in 2011, all apparel by 2015, and all products by 2020.
- **Customer in the future could bring in used shoes at Nike stores which will then be used to manufacture new shoes.**

Danone – partner for health

- A French family business founded in 1919
- Used to manufacture a wide range of food products
- Worth US\$16 billion, with a heavy weight board
- Its shareholders only understood one word: *profit*

Wind of change

- A new chairman in 1994 changed focus of company
- Produce only wholesome, health food and dropped all other lines
- Partner with Muhammad Yunus to form Grameen Danone to develop a yoghurt for children affordable to the poor families in Bangladesh

Automobile– *change on the fast lane*

Wind of change

- Automobile was one of the most important industrial inventions
- **Long dominated by a few players**
- Stubornly resistant to change and innovation
- **‘Business as usual’ doomed to failure**
- The Big Three in the US lost more than US\$50 billion in 2008.
- Tata Group in India is producing a much lighter, energy-efficient car, **Nano**, at a fraction of a conventional car’s cost
- **BYD** in China is revolutionizing battery technology for electric cars
- Better still is **Better Place**, a new company building infrastructure in cities/countries to completely transform private motoring

*How long will it take
to realize*

***‘Every Business a
Social Business’?***

- Probably decades, maybe centuries
- **But our Planet could not wait**
- The 21st Century might well be the crucial, turning-point century

*A thousand-mile
journey begins
with a single
step.*

下
千里之行始於足

*The slide that follows
might be the single
most important one in
this presentation.*

Towards 'Every Business a Social Business'

– *Some Strategic Milestones*

- ⦿ **Every family business a social business**
- ⦿ **Every new business a social business**
- ⦿ **Every business school a social business school**
- ⦿ **Every 'gap year' a social business experience**
- ⦿ **Every intellectual a social business advocate**

A Call for Action

- ④ *Set up in your organization a basic library of books on social entrepreneurship and encourage your colleagues to read, discuss and learn from them*
- ④ ***Invite some leading social entrepreneurs to share their experience with your people***
- ④ *Choose and read a book yourself that you would recommend to your loved ones*
- ④ ***Explore how you or your organization could support a social entrepreneur whose cause you identify with***

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