

Jill Kickul and Thomas S. Lyons

Understanding

Social

Entrepreneurship

The Relentless Pursuit of Mission in an Ever Changing World

SECOND EDITION



“Understanding Social Entrepreneurship is one of the most comprehensive examinations of social entrepreneurship ever written. Kickul and Lyons completely capture both the essence and current surges in the field, covering every aspect from definition, opportunity, and scaling to funding, measurement, and ecosystems. For any scholar developing a course in social entrepreneurship, this is THE book!”

Donald F. Kuratko, Indiana University – Bloomington, USA

“The United States Association for Small Business and Entrepreneurship (USASBE) launched a teaching certificate in Social Entrepreneurship in 2012. Participants in the certificate program are faculty who are interested in creating and teaching courses in social entrepreneurship. *Understanding Social Entrepreneurship* is the recommended text for this certificate program and our participants value the up to date content and teaching tools provided. I personally use this text in courses I teach in Social Entrepreneurship and highly recommend it.”

Tony Mendes, Former President USASBE, USA

This page intentionally left blank

Understanding Social Entrepreneurship

Understanding Social Entrepreneurship is the leading textbook that provides students with a comprehensive overview of the field. It brings the mindset, principles, strategies, tools, and techniques of entrepreneurship into the social sector to present innovative solutions to today's vexing social issues.

Kickul and Lyons cover all the key topics relevant to social entrepreneurship, including a detailed examination of each of the steps in the entrepreneurial process. This edition includes several new features:

- new international cases and examples—providing students with a broader understanding of social entrepreneurship globally;
- updated 'voices from the field' boxes—this popular feature shows how social entrepreneurship functions in the real world; and
- four new chapters—covering the emerging topics of lean start-up, support ecosystems, social intrapreneurship, and social entrepreneurship and environmental sustainability.

Bringing together a rigorous theoretical foundation and a strong practical focus, it is the go-to resource for students of social entrepreneurship. The companion website includes an instructor's manual, PowerPoint slides, and other tools to provide additional support for students and instructors.

Jill Kickul is Director of the Stern School of Business Program in Social Entrepreneurship at the Berkley Center for Entrepreneurship and Innovation, NYU, USA. As a Clinical Professor of Business and Society, she teaches courses in entrepreneurship, social entrepreneurship, and social impact strategies. She has published more than one hundred journal articles and books on the subject of entrepreneurship.

Thomas S. Lyons is the Lawrence N. Field Family Chair in Entrepreneurship, Professor of Management, and Field Mentor at Baruch College CUNY, USA. He has expertise in the following subjects: entrepreneurship, economic development, strategic planning, and public-private partnerships. He is co-author or editor of eleven books and has published over sixty articles and papers in scholarly outlets on entrepreneurial and economic strategy.

Understanding Social Entrepreneurship

The Relentless Pursuit of Mission in
an Ever Changing World

Second Edition

Jill Kickul
Thomas S. Lyons

For support material associated with Understanding Social Entrepreneurship,
Second Edition, please go to www.routledge.com/cw/lyons

First edition published 2012
by Routledge
Second edition published 2016
by Routledge
711 Third Avenue, New York, NY 10017

and by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

Routledge is an imprint of the Taylor & Francis Group, an informa business

© 2016 Taylor & Francis

The right of Jill Kickul and Thomas S. Lyons to be identified as authors of this work has been asserted by them in accordance with sections 77 and 78 of the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this book may be reprinted or reproduced or utilized in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Trademark notice: Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

Library of Congress Cataloging in Publication Data
A catalogue record for this book is available from the British Library

ISBN: 978-1-138-90383-8 (hbk)
ISBN: 978-1-138-90384-5 (pbk)
ISBN: 978-1-315-69597-6 (ebk)

Typeset in Berling Roman and Futura
by Keystroke, Station Road, Codsall, Wolverhampton

Brief Table of Contents

<i>Detailed Table of Contents</i>	ix
<i>List of Illustrations</i>	xvii
<i>About the Authors</i>	xix
<i>Foreword</i>	xxiii
<i>Preface</i>	xxv
<i>Acknowledgments</i>	xxxix
1 Introduction	1
2 Defining and Distinguishing Social Entrepreneurship	12
3 Recognizing Social Opportunities	41
4 Lean Start-up for Social Enterprises	72
5 Developing a Strategic Plan for a Social Venture	88
6 Organizational Structure	136
7 Funding Social Ventures	158
8 Measuring Social Impact	192
9 Scaling the Social Venture	217
10 Social Intrapreneurship	247
11 Social Entrepreneurship and Environmental Sustainability	262

12 The Social Entrepreneurship Support Ecosystem	292
13 The Future of Social Entrepreneurship	316
<i>Index</i>	341

Detailed Table of Contents

<i>List of Illustrations</i>	xvii
<i>About the Authors</i>	xix
<i>Foreword</i>	xxiii
<i>Preface</i>	xxv
<i>Acknowledgments</i>	xxxix
1 Introduction	1
The Public and Private Sectors and Our Vexing Social Problems	2
Why the Time Is Ripe for Social Entrepreneurship	4
Social Entrepreneurship’s Unique Qualifications	4
Resources and Tools to Begin the Social Entrepreneurship Journey	9
2 Defining and Distinguishing Social Entrepreneurship	12
Defining “Social”	13
Defining “Entrepreneurship”	14
Defining “Social Entrepreneurship”	16
How Are Social Entrepreneurship and Business Entrepreneurship the Same and Different?	20
What Motivates Social Entrepreneurs?	22
Case Study 2.1: Profile of a Social Entrepreneur: Peter Frampton, Manager, the Learning Enrichment Foundation	24
Modeling the Social Entrepreneurship Process	27
The Timmons Model of the Entrepreneurship Process	27
The PCDO (People, Context, Deal, and Opportunity) Framework	28

The CASE Model	31
The Social Entrepreneurship Framework	32
The Social Entrepreneurship Process Model	34
<i>Voices from the Field</i>	35
3 Recognizing Social Opportunities	41
Social Ideas	42
The Role of Innovation	45
Opportunity Recognition	47
Opportunity Recognition Tools	49
Using the Social Opportunity Assessment Tool	51
Social Value Potential	55
Market Potential	57
Competitive Advantage Potential	59
Sustainability Potential	62
Overall Potential	63
From Opportunity to Mission	64
Case Study 3.1: The Case of the Intel Computer	
Clubhouse Network	65
<i>Voices from the Field</i>	
Allison Lynch, Founder, New York Women's Social	
Entrepreneurship (NYWSE) Incubator	68
4 Lean Start-up for Social Enterprises	72
The Lean Start-up Process vs. Traditional Business Planning	74
Key Elements of the Lean Start-up	74
Key Principles	74
Key Tenets	75
Business Model Canvas	76
The Traditional Canvas	76
The Lean Canvas	77
<i>Voices from the Field</i>	
The Lean Start-up in Action with Kinolved	80
Conclusion	83
Case Study 4.1: Farmerline	84
<i>Voices from the Field</i>	
Introduction to the Business Model Canvas	85
Understanding Your Customer Segments	85

<i>Refining Your Unique Value Proposition</i>	85
<i>Leveraging Partners</i>	86
<i>Using the Business Model Canvas for Projects</i>	86
<i>Recommendations for Social Entrepreneurs</i>	87
5 Developing a Strategic Plan for a Social Venture	88
The Importance of Social Venture Planning	88
Developing a Social Venture Plan for a Social Venture: From Opportunity to Financial Plan	91
1. What Is the Social Problem Your Social Venture Would Like to Solve?	91
<i>Voices from the Field</i>	
<i>From Prevalence to Accessibility: A Social Venture Opportunity: Greening the Desert</i>	92
2. What Is Your Vision and Mission?	94
3. What Is the Theory of Change—the Social Impact Theory?	94
4. What Is the Social Venture’s Business Model?	97
5. Who Is the Social Venture’s Competition?	99
6. Who Is on the Management Team and the Operational Plan?	100
7. What Is the Social Venture’s Growth Strategy? How Will the Venture Scale?	100
8. How Will the Social Venture Assess and Measure Its Social Impact?	102
9. What Is the Social Venture’s Financial Plan?	102
Case Study 5.1: Loyal Label Business Plan	105
6 Organizational Structure	136
General Organizational Design Options	137
Pure Nonprofits	138
Pure For-Profits	143
Hybrids	145
For-Profits with Nonprofit Subsidiaries	145
Nonprofits with For-Profit Subsidiaries	147
Nonprofits with Nonprofit Subsidiaries	148
Nonprofit–Nonprofit Partnerships	149
Nonprofit–For-Profit Partnerships	151
Conclusion	153
Case Study 6.1: Jumpstart	154

7 Funding Social Ventures	158
Navigating the Challenges of Capital Raising	159
Establishing the Capital Needs of the Social Enterprise	161
Understanding the Intentions of Investors	162
Risk, Return, and Impact	162
Values and Mission Alignment with Investors' Intentions	163
Mission-Related Investment Continuum	164
Grant Funding	165
The Impact Investing Market	166
Impact Investor Categories: Commercial and Philanthropic	166
Hybrid Transactions, Public–Private Partnerships	167
Finding the Right Form of Investment	168
Publicly Traded and Private Market Investments	169
Active Ownership Strategies	169
Screening	170
Impact-First Investments	170
Financial-First Investments	170
Guarantees	170
Who's Who in Investing and Funding	172
Financial Institutions	172
Angels and Venture Capitalists	172
Corporate Social Responsibility and Corporate Citizenship	172
Direct versus Funds Strategy	173
Structural Challenges for Impact Investing	173
Patient and Growth Capital	174
The Investment Decision Process	175
The Due Diligence Process	175
Building Partnerships to Create Impact	177
<i>Voices from the Field</i>	
<i>A New Approach to Microfinance</i>	178
<i>Voices from the Field</i>	
<i>Funding Social Ventures: Approaches, Sources, and Latest Perspectives</i>	180
Case Study 7.1: PODER (Project on Organizing, Development, Education, and Research)	184
8 Measuring Social Impact	192
The Benefits of Learning How to Measure Social Impact	194
Steps to Measuring Social Impact	194

1. Define Your Social Value Proposition (SVP)	194
2. Quantify Your Social Value	195
<i>Voices from the Field</i>	
<i>Measure and Move Along</i>	196
<i>A Permanent Solution</i>	197
<i>KickStart's Total Impact to Date</i>	197
3. Monetize Your Social Value	198
Approaches to Estimating Social Impact	198
1. Cost-Effectiveness Analysis	199
2. Cost-Benefit Analysis	199
Case Study 8.1: Cost-Benefit Analysis Example	199
3. REDF's Social Return on Investment (SROI)	201
4. The Robin Hood Foundation's Benefit-Cost Ratio	203
5. The Acumen Fund's Best Available Charitable Option (BACO) Ratio	203
6. The William and Flora Hewlett Foundation's Expected Return (ER)	203
7. The Center for High Impact Philanthropy's (CHIP) Cost per Impact	204
8. The Foundation Investment Bubble Chart	204
Concluding Thoughts on the Above Methods	204
Additional Resources for Measuring Impact	205
Tools and Resources for Assessing Social Impact (TRASI)	205
<i>Voices from the Field</i>	
<i>D.light</i>	206
Case Study 8.2: Indego Africa	208

9 Scaling the Social Venture **217**

Why Growth?	218
Challenges to Growth	218
Growth Strategies	221
Capacity Building	221
Dissemination	224
Branching	226
Affiliation	226
Social Franchising	227
Scaling Enhancers	230
Marketing	230
Networking	233
Conclusion	238
Case Study 9.1: FareStart® and Catalyst Kitchens®	239

<i>Voices from the Field</i>	
<i>Stephen Rynn, Director, Mission of the Immaculate Virgin</i>	243
10 Social Intrapreneurship	247
The Concept of “Shared Value”	248
Corporate Social Entrepreneurship vs. Corporate Social Responsibility	249
What It Takes to Foster Social Intrapreneurship	250
Skills	250
Environment	251
Social Intrapreneurship in Nonprofits	254
Case Study 10.1: CEMEX’s Patrimonio Hoy Initiative	255
11 Social Entrepreneurship and Environmental Sustainability	262
Modern Approaches and Solutions	264
Enter the Social Entrepreneur	265
<i>Voices from the Field</i>	
<i>Social Entrepreneurship Cases in the Clean Technology Sector</i>	265
Developing an Environmental Sustainability Strategy for New and Existing Firms: Introducing the sSWOT	268
<i>Voices from the Field</i>	
<i>The World’s First Solar Road Is Producing More Energy than Expected</i>	270
Case Study 11.1: Verdant Power: A Case of Ethical Leadership	271
12 The Social Entrepreneurship Support Ecosystem	292
Support Ecosystems	294
Applying the Ecosystem Concept to Social Entrepreneurship	295
Potential Assets in a Support Ecosystem	298
Social Entrepreneurship Incubators/Accelerators	299
Case Study 12.1: Centre for Social Innovation, New York City	302
Co-working Spaces	305
Social Entrepreneur Networks	307
Social Venture Philanthropy	308
Being Systemic about Supporting Social Entrepreneurs	309
<i>Voices from the Field</i>	
<i>Erica Dorn, Consultant for Fair Resources in the San Francisco Bay Area and Bernoulli Finance in New York City</i>	310
Conclusion	313

13 The Future of Social Entrepreneurship	316
Key Challenges Going Forward in Social Entrepreneurship	318
The Future Need for Catalytic Innovations for Social Impact	320
Future Trends in Social Entrepreneurship	323
Disruptive Social Venture Models	323
<i>Voices from the Field</i>	
<i>A Quadruple Bottom Line for Social Ventures?</i>	323
Internet Action beyond Donations	324
<i>Voices from the Field</i>	
<i>A Facebook Founder Begins a Social Network Focused on Charities</i>	325
<i>One-to-One Business Models: TOMS Shoes but Also Eyeglasses</i>	327
Public–Private Partnerships	329
Furthering Entrepreneurship Education in the Area	330
Redefining the Meaning of an Exit Strategy for Social Ventures	332
Concluding Thoughts	335
Case Study 13.1: The World Resources Institute’s New Ventures	335
 <i>Index</i>	 341

This page intentionally left blank

Illustrations

FIGURES

2.1	A Model of Social Entrepreneurial Intention Formation	23
2.2	A Model of the Entrepreneurship Process	28
2.3	The PCDO (People, Context, Deal, Opportunity) Framework	29
2.4	The CASE Model	31
2.5	Social Entrepreneurship Framework	33
2.6	Social Entrepreneurship Process Model	34
3.1	The Social Opportunity Assessment Tool	53
4.1	The Business Model Canvas	78
4.2	The Lean Canvas	79
4.3	Why Does Attendance Matter?	82
4.4	Weather Forecast	84
5.1	Writing a Concept Summary for Your Social Venture	90
5.2	Social Venture Opportunity Characteristics	92
5.3	The Logic Model Framework	96
5.4	An Example of NFTE's Logic Model from Activities to Long-Term Outcomes	97
5.5	Hungry Musician's Partnership Model	99
5.6	An Example of a Social Venture's Gantt Chart	101
5.7	Seeding Change's Assessment Plan	102
6.1	The Spectrum of Structural Options in Social Entrepreneurship	138
7.1	Risk, Return, and Impact	163
7.2	Mission-Related Investment Continuum	165
7.3	Impact Investor Categories	167
7.4	Investment Opportunities Available to Impact Investors	171
7.5	Due Diligence Processes	176

8.1	Social Impact Indicators, Immediate and Long-Term Outcomes for GBGB (Give Back Get Back)	201
8.2	Cost–Benefit Analysis for GBGB	202
9.1	Relative Cost and Control Levels by Scaling Strategy	229
9.2	The Value Net for Social Entrepreneurship	234
9.3	Stages of Development of Kitchen With Mission (KWM) Partnerships	241
11.1	Challenges and Obstacles in the Field—The Tragedy of the Commons	263
12.1	Entrepreneurial-needs Diagnostic Matrix	297
12.2	Mapping Social Entrepreneurs and Enterprises in Community X	310
13.1	Attention Curve: The Capital Market for Good	317
13.2	Bricolage within Resource-Poor Environments	322

TABLES

7.1	Traditional Sources of Funding for Social Ventures	159
7.2	Anticipated Sales and Philanthropic Gifts, January 2009 through Q4-13	189
12.1	Selected Social Entrepreneurship Accelerator and Incubator Programs World-wide	300
13.1	Sustainability Equilibrium across Social and Economic Value Creation	319
13.2	Social Entrepreneurship Case and Business Plan Competitions	331

About the Authors

Jill Kickul, Ph.D., is the Director of New York University Stern School of Business Social Entrepreneurship Program in the Berkley Center for Entrepreneurship and Innovation. Prior to joining the faculty at Stern, Dr. Kickul was the Richard A. Forsythe Chair in Entrepreneurship in the Thomas C. Page Center for Entrepreneurship at Miami University (Ohio) and a Professor in the Management Department in the Farmer School of Business. Prior to joining the Miami University faculty, she was the Elizabeth J. McCandless Professor in Entrepreneurship at the Simmons School of Management. She has also taught entrepreneurship internationally for the Helsinki School of Economics and for the International Bank of Asia (Hong Kong MBA Program), and has delivered research seminars at the Stockholm School of Economics, the EM Lyon School of Business, Massey University Institute for Entrepreneurship and Social Innovation, the Aarhus Center for Organizational Renewal and Evolution (CORE), and the Jönköping International Business School.

Dr. Kickul has held a number of leadership positions in various well-respected entrepreneurship and management associations. She has been the Chair of the 2008 Internationalizing Entrepreneurship Education and Training (Eighteenth Annual Global IntEnt Conference). She has also served as Co-Chair of AOM Teaching Theme Committee (Academy-wide), President of the Midwest Academy of Management, Chair of the Individual Entrepreneurship division of USASBE, Chair of the inaugural USASBE Case Competition, and Chair of the Teaching Committee for the AOM Entrepreneurship division. Dr. Kickul also participates on a number of boards and organizations, most notably the European Microfinance Network (EMN), and is a Faculty Affiliate within the Center for Gender and Organizations (CGO).

As a scholar, she has been awarded the Cason Hall & Company Publishers Best Paper Award, Michael J. Driver Best Careers Paper, the Coleman Foundation Best Empirical Paper, the John Jack Award for Entrepreneurship Education, and the IntEnt Best Paper. She has more than one hundred publications in

entrepreneurship and management journals, including *Entrepreneurship Theory and Practice*, *Small Business Economics*, the *Journal of Operations Management*, the *Journal of Management*, the *Journal of Small Business Management*, the *Journal of Organizational Behavior*, *Frontiers of Entrepreneurship Research*, the *International Journal of Entrepreneurship and Innovation*, the *International Journal of Entrepreneurial Behavior and Research*, the *Journal of Business Ethics*, *Decision Sciences*, the *Journal of Innovative Education*, and the *Academy of Management Learning and Education Journal*. She is a co-author (with Lisa Gundry) of the textbook *Entrepreneurship Strategy: Changing Patterns in New Venture Creation, Growth, and Reinvention* (Sage, 2007).

Finally, her work on entrepreneurship education development and curriculum design has been nationally recognized and supported through the Coleman Foundation Entrepreneurship Excellence in Teaching Colleges Grant and has been named by Fortune Small Business as one of the Top 10 Innovative Programs in Entrepreneurship Education.

Thomas S. Lyons, Ph.D., is the Lawrence N. Field Family Chair in Entrepreneurship and Professor of Management in the Zicklin School of Business at Baruch College of the City University of New York. He is also a Field Mentor in Baruch's Field Center for Entrepreneurship, offering counseling to New York City's entrepreneurs and small businesses and conducting seminars on strategic planning, financing social enterprises, marshaling resources for entrepreneurship, and refining and communicating market opportunities. Dr. Lyons has also served as a mentor to student teams in various business plan and case study competitions. He teaches courses in Social Entrepreneurship and Entrepreneurship and Community Development at Baruch College. Lyons also played a major role in developing Baruch's graduate major in Sustainable Business.

Lyons's research specialization is the relationship between entrepreneurship and community development. He is the co-author or editor of eleven books, among them *Investing in Entrepreneurs*, *Incubating New Enterprises*, *Creating an Economic Development Action Plan*, *Economy without Walls*, *Economic Development: Strategies for State and Local Practice*, *Financing Small Business in America*, and *Social Entrepreneurship: How Business Can Transform Society*. In addition, he has published over sixty articles and papers in scholarly and professional outlets, including *International Business Review*, *Economic Development Quarterly*, the *Journal of Developmental Entrepreneurship*, the *International Journal of Entrepreneurship and Innovation*, *Community Development*, *Evaluation and Program Planning*, and the *Journal of the American Planning Association*. He is the Guest Editor of a special issue of the *Entrepreneurship Research Journal* on "Entrepreneurship and the Community," published in early 2012. Dr. Lyons is also a member of Baruch College's research team, which serves as Babson College's US partner for the Global Entrepreneurship Monitor (GEM) Project.

Lyons is the original co-creator of the concept of the Entrepreneurial Development System (EDS), a framework for developing entrepreneurs and their

enterprises as a community or regional economic development strategy. His ideas were the basis for the Kellogg Foundation's national Entrepreneurial Development Systems for Rural America: Promoting Vibrant Economies through Expanded Entrepreneurship competition in 2004, in celebration of the Foundation's seventy-fifth anniversary. He is also the co-creator of the Pipeline of Entrepreneurs and Enterprises framework, which helps communities and regions manage their portfolio of entrepreneurial assets in a more efficient, effective, and equitable way. Dr. Lyons is the recipient of the International Community Development Society's 2011 Ted K. Bradshaw Outstanding Research Award for his research contributions to the field of community development.

Dr. Lyons is a former chairman of the board of directors of the Rural Policy Research Institute's Center for Rural Entrepreneurship (CRE). He is a member of the advisory board of the National Executive Service Corps (NESC) in New York City. He has also served as a director or advisory board member of an empowerment business incubation program, a university-based technology commercialization incubation program, an urban microenterprise program, and several for-profit and nonprofit social ventures.

Lyons holds a doctorate in urban and regional planning from the University of Michigan, Ann Arbor. He has been a practicing entrepreneur and social entrepreneur.

This page intentionally left blank

Foreword

You *Can* Change the World

You *can* change the world—if you just give yourself permission. The biggest barrier by far to having all the satisfactions in life of being an effective social entrepreneur is paying attention to all the many people who will tell you: “You can’t . . .”

Most people have this reaction because they didn’t. If you go ahead and change the world, they will suffer a little regret that they did not give themselves permission, that they therefore spent their life in their law firm or wherever. Therefore, please be gentle and polite—but firmly ignore such advice.

Think of the social entrepreneurs whose stories you know—be it Florence Nightingale (who created the field of professional nursing), Jimmy Wales (Wikipedia), or Wendy Kopp (Teach for America). None of them required astrophysics to see a big problem and imagine a sensible answer.

Certainly you will have no problem spotting a problem!

Then, why couldn’t you do what these and so many others have done: imagine a solution and then persist in refining that idea until it truly works and then until you have made it the new pattern for society?

The barrier is not intelligence. The chief question is: Will you give yourself permission to see a problem and then apply your native intelligence and what you have learned to find a solution and make it fly?

What is required is permission and persistence.

People who do not believe they can cause change do not want to see problems or opportunities. Why would they? Since they believe “I can’t . . .,” seeing a problem will only make them feel bad about themselves.

On the other hand, once you know that you *are* a changemaker, once you have core confidence in yourself and have given yourself the necessary skills, you will always be looking for a problem, preferably a big one. The problem then becomes an opportunity for you to express love and respect in action at the highest possible level. There is nothing that brings humans greater happiness in life—or that is

more important to society. This is why Ashoka's central goal is an "everyone a changemaker™" world.

The central historical fact of our era is that the rate of change is still escalating exponentially—as are the number of changemakers and, even more important, the combinations of changemakers and also the combinations of these combinations.

Given this fact, the way the world has been organized since the agricultural revolution is coming to an end. Institutions have been designed for repetitive functioning. They are characterized by a very few people controlling everyone else, by limited and chiefly vertical nervous systems, and by walls. There is no way that such primitive organisms can survive in a world that is characterized by change on all sides, with each change stimulating more change widely across this new world.

Instead, we need teams of teams that shift fluidly to serve particular change opportunities. That is the ecosystem one increasingly sees in winning organizations and regions such as Bangalore and Silicon Valley. By contrast, fifty years ago Detroit was at the pinnacle of American technology and prosperity. Now it is not even in the game.

That is what will happen to any institution, community, or country that does not make the transition to "everyone a changemaker™"—only this time it will take ten to fifteen years at most. We do not have fifty years.

In this new team of teams world, the skills required are very different. One does not have a team unless everyone on it is an initiatory player. And in a world defined by change, one cannot be a player without being a changemaker.

The key factor for success for any group going forward will be: What percentage of its people are changemakers, at what skill level, and how well and how fluidly are they able to work together internally and externally?

In this world, social entrepreneurs are essential. The basic systems of society will be in constant and interacting change. Leading systems change is what entrepreneurs do. However, entrepreneurs who pursue their own or a particular group's interest can easily pull these changing systems off in dangerous directions. Thus, for example, many of the digital revolution entrepreneurs of today are following a business model of giving consumers something they want, getting information, and selling that information at a profit. This—along with the need for preventive surveillance in a world of terrorism and the fact that the cost of connecting the dots has all but disappeared—is devastating to privacy, which is critical for freedom and innovation.

Social entrepreneurs are the critical antidote. These are men and women who, from the core of their personality, are devoted to the good of all. Therefore, so is their work. The world needs many more.

Please give yourself permission and become one. This book will help.

Bill Drayton

Preface

Congratulations! Congratulations, we say . . . on beginning your journey in the field of social entrepreneurship! The future for social entrepreneurs is replete with opportunities to effectively address, and potentially solve, some of society's most pressing issues. It is our belief that social entrepreneurship involves the application of business practices in the pursuit of a social and/or environmental mission. It brings the mindset, principles, strategies, tools, and techniques of entrepreneurship to the social sector, yielding innovative solutions to society's vexing problems: poverty, hunger, inadequate housing and homelessness, unemployment and underemployment, illiteracy, disease, environmental degradation, and the like.

Because social entrepreneurs often operate in resource-scarce environments, they are compelled to use creative approaches to attract nontraditional resources and to apply those resources in novel ways to the challenges and problems that government and earlier private-sector efforts have failed to effectively remedy. Finally, it is often social entrepreneurs who encourage a heightened sense of accountability in the individuals and communities they serve, as well as instigating the outcomes and impacts that are created.

Our intriguing field of social entrepreneurship has captured the imaginations of thousands of business and public administration students around the world, leading to the creation of hundreds of courses and programs of study to meet this burgeoning demand. These programs are witnessing a surge of social consciousness among the incoming students. For example, the Aspen Institute's Center for Business Education (2008)¹ survey indicates that graduate students are thinking more broadly about the primary responsibilities of a company, considering "creating value for the communities in which they operate" to be a primary business responsibility.

¹ Aspen Institute (2008). *Where will they lead? 2008 MBA student attitudes about business and society*. Washington, DC.

The Aspen Institute's biennial *Beyond Grey Pinstripes* reports a dramatic increase in the proportion (from 34 percent in 2001 to 63 percent in 2007) of Master's programs with required courses in business and society issues.

On the education front, the field has also increased, with over 350 professors teaching and researching social entrepreneurship in more than thirty-five countries and approximately 200 social entrepreneurship cases (Brock & Ashoka Global Academy for Social Entrepreneurship, 2008).² We believe that our textbook has a broad international appeal, given the nature of the social problems around the world and the focus on perspectives and examples for addressing social issues, including the other stakeholders in the field along the social value chain (government, public policy makers, customers, suppliers) to provide an additional lens and perspective into the complexity of making scalable progress in implementing new solutions.

AN INNOVATIVE LEARNING APPROACH TO UNDERSTANDING SOCIAL ENTREPRENEURSHIP

Within our book we explore both the theory and the practice of social entrepreneurship and blend these seamlessly through examples, case studies, the voices of practicing social entrepreneurs, and special features that put students in a position that requires creative thinking and strategic problem solving. Specifically, our approach is innovative in several ways. First, as suggested, our treatment is comprehensive, bridging theory and practice. Second, rather than employing lengthy case studies, we employ short problem-based cases in each chapter that both illustrate the principles conveyed and encourage deeper thinking.

Third, we include “voices from the field” segments that provide direct insights from practicing social entrepreneurs that reinforce the major points made in each chapter. Fourth, we include exercises to help make the direct connection between the theory of social entrepreneurship and its practice, as well as “connecting the dots” questions that test and challenge the student's learning and perspective in each of the chapters. We believe that, taken together, these unique features will provide you and your instructor with an effective tool for generating and sustaining social entrepreneurship interest and understanding. In turn, we hope that you will internalize the material, resulting in a deeper understanding of how and why social entrepreneurship works.

² Brock, D. D., & Ashoka Global Academy for Social Entrepreneurship (2008). *Social entrepreneurship teaching resources handbook*. Arlington, VA: Ashoka.

THE ORGANIZATION AND FLOW OF OUR BOOK

As you begin reading, you will discover that we explore social entrepreneurship as a phenomenon and a field of practice in considerable depth. Our goal is to be comprehensive, fully exposing the theory of social entrepreneurship and linking theory to practice. We are often asked why, in a very practical field such as this one, it is necessary to discuss theory. The answer, of course, is that theory is the foundation upon which the house of practice is built. Theory tells us who social entrepreneurs are and why they are. It gives social entrepreneurs a “soul.” To practice social entrepreneurship without understanding its essence is to be a professional automaton—one who masters the mechanics of the profession but has nothing upon which to reflect or from which to leverage higher levels of performance.³

That said, it should also be emphasized that theory without practice is ultimately an exercise in irrelevance as it pertains to a professional field like social entrepreneurship. One does not help people “in theory.” Ultimately, the theory must translate into action for transformative change to occur. We are interested in imparting actionable knowledge—knowledge that can be acted upon. It is at this junction of theory and action that this textbook operates. We present theoretical underpinnings, to the extent they exist, to the field and we present “how-to” information.

After a brief introduction in Chapter 1, we begin our journey of understanding in Chapter 2 by attempting to define our terms, particularly “entrepreneurship” and “social entrepreneurship.” This is not an easy task, as will be seen. There are many definitions of both terms and only grudging agreement as to their meanings. This is particularly true for social entrepreneurship, the newer of the two terms. Nevertheless, we will generate a working definition for the purposes of our discussion. The chapter then explores the relationship between business entrepreneurship and social entrepreneurship—how the two are similar and how they are different—and the implications for the practice of the latter. This chapter also discusses the ways in which this field stands at the nexus of the private, public, and voluntary sectors and how this fact has shaped its development.

In addition, Chapter 2 explores what underlies the motivations of social entrepreneurs—what some have called “intent.”⁴ It lays out the social entrepreneurship process, tracing its roots to business entrepreneurship and concludes with observations about beginning the social entrepreneurship journey from Tim McCollum, the co-founder of the social venture Madecasse.

Once this basic theoretical foundation for social entrepreneurship has been laid, attention can be paid to developing a social business concept and a vehicle for

3 Schön, D. A. (1963). *The reflective practitioner*. New York: Basic Books.

4 Mair, J., & Noboa, E. (2006). Social entrepreneurship: How intentions to create a social venture are formed. In J. Mair, J. Robinson, & K. Hockerts (Eds.). *Social entrepreneurship* (pp. 121–136). New York: Palgrave Macmillan.

taking that concept to its target “market.” Chapter 3 looks at the important role of innovation in social entrepreneurship. The chapter explores the nature of innovation, its relationship to creativity, and how entrepreneurs perpetuate it. The difference between ideas and genuine opportunities to add social value is highlighted. A tool for assessing social ideas for their opportunity potential is introduced and sources of information for completing the assessment are discussed. The chapter concludes with an overview of the obstacles to innovation in the social sector that the social entrepreneur must acknowledge and overcome, and how this can be done.

When an opportunity to add social or environmental value has been identified and vetted, it is time to plan the vehicle that will take this opportunity to its “market” and the trajectory the vehicle will follow. Chapter 4 looks at this from the perspective of the “lean start-up” model, which involves customer-oriented, incremental innovation. This allows the social entrepreneur’s “product” to be tailored to the needs of the people being served before a more elaborate plan is developed. This chapter details the process of lean start-up as it applies to social ventures and guides the student in the construction of a social business model canvas. It also provides examples of social entrepreneurs who have employed the lean start-up method. In Chapter 5 we focus on the alignment of the social venture’s mission or vision with consideration of the necessary resources and operational strategy. The chapter introduces a strategic planning model that was specifically designed for the social sector, using elements of the best of both private and public planning frameworks. Special emphasis is placed on the development of mission and vision statements. The chapter also discusses the theory of change, with considerable emphasis placed on the action planning and implementation of the social venture’s strategies. A sample plan for a social venture is provided to illustrate the application of the principles discussed in the chapter.

Chapter 6 then examines the options available to social entrepreneurs when designing and structuring the organization that will help them pursue their mission. Organizational structure has legal, managerial, and financial implications. This chapter takes an in-depth look at the various forms of legal structure that social ventures might adopt. These include nonprofit models, such as 501(c)(3) firms, popular in the United States, as well as other for-profit models. In between these two general approaches lie a set of models that blend aspects of the two—hybrids. These might include for-profits with nonprofit subsidiaries, nonprofits with for-profit subsidiaries, nonprofit–for-profit partnerships and private–public partnerships, among others. The chapter includes several examples of each structural model. The relationship between legal structure and models of management is discussed, as are the ways in which legal structure affects a social venture’s ability to generate revenue. The chapter ends with a case study that stimulates thinking about the importance of organizational structure to the ability of a social venture to achieve its mission while ensuring its sustainability.

In Chapter 7 consideration is given to the many social venture funding alternatives available to social entrepreneurs, based on the previous chapter's discussion of structure. This is the fuel that powers the vehicle for achieving the social or environmental mission. Philanthropic, earned income, and hybrid approaches are explored. The emerging practice of "social enterprise," and the many forms it takes, is examined as well. The chapter also includes a section on financial sustainability that balances the social and economic considerations of the social venture. The chapter ends with a case study that poses challenges to financial sustainability and a set of reflections from a social entrepreneur on the vicissitudes of social venture finance.

The work of a social venture is greatly enhanced if it has in place a system for measuring its social impact. This is the subject of Chapter 8. It is best to identify and define measures of outputs, outcomes, and impacts before the launch of the venture. This permits the establishment of a baseline which allows the venture to identify more clearly those outcomes and impacts that are attributable to its efforts, making its claims to stakeholders more compelling. However, it is never too late to create an impact assessment methodology. Existing social ventures that do not have one should strive to develop and implement such an assessment tool. Chapter 8 also examines what an impact assessment process can do for a social venture and discusses how assessment can and should be closely tied to the mission and to the social value proposition. The chapter concludes with a case study designed to stimulate thinking regarding the challenges to social impact assessment and how those challenges might best be addressed.

In Chapter 9, entitled "Scaling the Social Venture," the issue of growth in the social entrepreneurship arena is examined. Much like commercial enterprises, at some point in their development social ventures are faced with a choice regarding growth. Depending upon their mission and goals, they can either choose to remain relatively small, with only a local impact, or they can elect to expand their reach to regional, national, or global markets. While there is nothing inherently wrong with a social entity that pursues its mission on a small scale, most experts in this field would argue that true social entrepreneurship involves a goal on the part of the entrepreneur to expand operations and maximize mission attainment, reaching as many target beneficiaries as possible. To achieve this scale of growth requires a change in the structure of the venture, if not multiple changes in structure over time.

Chapter 9 discusses what social ventures have to gain by pursuing growth and the obstacles that may stand in their way. It also explores the various structural mechanisms for achieving growth and argues that in order to grow the social venture, the entrepreneur must have the requisite skills to do so. The case of one entrepreneur's experiences in scaling his venture is studied.

Social entrepreneurship is not exclusive to the start-up of small enterprises. A social intrapreneur is one who pursues a social mission within a larger for-profit

or nonprofit organization. This is the subject of Chapter 10. This chapter explores the concept of “shared value” and uses it as a frame for understanding social intrapreneurship, or corporate social entrepreneurship. It enumerates the skills required for success in this form of social entrepreneurship and discusses the role of environment, or context, in fostering such activity. In Chapter 11, the role of social entrepreneurship in environmental sustainability is examined. This chapter discusses the environmental aspects of social entrepreneurship, the challenges inherent in the environmental sustainability field, and the varieties of “green” opportunities. It offers guidance to constructing a strategic framework, known as an sSWOT, for developing a sustainability strategy for a social venture. It also includes a case study that documents the challenges faced by a fledgling environmental firm in commercializing its technologies.

Social entrepreneurs never have to work alone. Chapter 12 discusses the support ecosystem that has sprung up to nurture the work of social entrepreneurs. This includes social innovation incubators, co-working spaces, social entrepreneur networks, and other tools. The chapter looks at the needs of social entrepreneurs that such tools are designed to address. It also emphasizes the importance of systemic linkages between the various support tools and how to foster such linkages. This chapter features a detailed case study of an incubator located in New York City that is dedicated to fostering social innovation as well as many other examples.

With the essentials for launching, growing, and sustaining a social venture in hand, the book concludes with a look at the future of social entrepreneurship in Chapter 13. Future issues facing social entrepreneurs, such as increased resource scarcity, the emergence of new financing models, and the further need for systems of support, are discussed. Future opportunities stemming from these issues are identified. Opinions and insights regarding the future of the field from several practicing entrepreneurs are reported.

A FEW CONCLUDING WORDS AS YOU EMBARK ON THE JOURNEY . . .

We know that the field of social entrepreneurship creates a unique opportunity to continually integrate, challenge, and debate many traditional entrepreneurship assumptions in an effort to develop a cogent and unifying paradigm. We look forward to how the social entrepreneurs of tomorrow, like yourself, will not only find creative solutions but encourage others to take notice of these innovations and the impact they can have in driving long-term systemic change for broader social, political, and economic well-being. Let the journey begin . . .

Acknowledgments

Writing a textbook is not something its authors do alone. We have benefited greatly from the input and support of many people, and would like to take this opportunity to express our deep appreciation to all of them. First, we want to thank all the practitioners and scholars who came before us in the new, exciting, and rapidly growing field of social entrepreneurship. We walk in your pioneering footsteps.

We are indebted to the numerous anonymous individuals who reviewed the early drafts of this text and offered their insightful criticisms and very helpful suggestions for improvement. Thank you for your valuable time and effort. Any inaccuracies or misinterpretations that may remain are of our own making and not yours.

Thank you to the individuals who graciously shared their stories of social entrepreneurship with us so that we could include them in our “Voices from the Field” segments scattered throughout the text as well as those profiled in our cases and examples. Specifically, we would like to express our sincere appreciation to Ella Delio of World Resources Institute/New Ventures, Erica Dorn of Fair Resources, Steve Godeke of Godeke Consulting, Mark Griffiths of Miami University, Stephanie Grodin, Bridges Ventures, Aaron Kinnari of Loyal Label, Allison Lynch of the New York Women’s Social Entrepreneurship Incubator, Tim McCollum of Madecasse, Steve Rynn of the Mission of the Immaculate Virgin, Victor Salama, Network for Teaching Entrepreneurship (NFTE), Benjamin Stone and Matthew Mitro of Indego Africa, and Hans Taparia from TastyBite. We would also like to thank Joseph Townsend of the National Executive Service Corps in New York City for introducing us to Steve Rynn.

We want to express our gratitude to our respective institutions, New York University and Baruch College of the City University of New York, for their encouragement and support of this endeavor. A supportive environment is crucial to the success of any creative effort. In particular, we would like to thank our colleagues in the Berkley Center of Entrepreneurship and Innovation in the Stern

School of Business at NYU and the Lawrence N. Field Programs in Entrepreneurship in the Zicklin School of Business at Baruch College.

We are particularly indebted to our editor at Routledge, John Szilagyi, who shared our vision for this textbook, encouraged us throughout the process, and helped us over the rough spots with kindness and professionalism. We also want to thank John's assistant, Sara Werden, for all her efforts on our behalf. We add our thanks to Erin Arata, the editor of this Second Edition.

Introduction

AIM/PURPOSE

This chapter offers an introduction to the field of social entrepreneurship and a discussion of its importance to society. In addition, it lists online resources to help the student begin her or his journey of understanding.

LEARNING OBJECTIVES FOR THIS CHAPTER

1. To understand the economic considerations, particularly market failures, that make social entrepreneurship desirable and necessary.
2. To recognize why governments are sometimes unable to solve social and/or environmental problems.
3. To understand why private businesses are sometimes unwilling to address social and/or environmental problems.
4. To become familiar with the relatively recent developments that make social entrepreneurship possible.
5. To understand the characteristics of social entrepreneurship that position it as a powerful force for solving society's problems.

In Chapter 2 of this book we will explore in some detail what is meant by the term “social entrepreneurship.” However, it is useful to have a working definition of this term as we examine its origins and importance. Put very simply, social entrepreneurship is the application of the mindset, processes, tools, and techniques of business entrepreneurship to the pursuit of a social and/or environmental mission. Thus, social entrepreneurship brings to bear the passion, ingenuity, innovativeness,

perseverance, planning, bootstrapping abilities, and focus on growth characteristic of business entrepreneurs on the work of meeting our society's most pressing challenges. This is not intended as a complete definition but as a relatively easily understood place to start.

While social entrepreneurship as a field of study is relatively new, much has already been written on the subject (see Dees, Emerson, & Economy, 2001; Mair & Noboa, 2006; Wei-Skillern, Austin, Leonard, & Stevenson, 2007; Brooks, 2008; Elkington, Hartigan, & Schwab, 2008; Light, 2008; Nicholls, 2008; Welch, 2008; Bornstein & Davis, 2010, to name but a few). This is a direct reflection of the excitement it generates and the promise it is perceived to hold. Social entrepreneurs have captured our collective imagination with remarkable stories of their social innovations. These stories are uplifting and inspiring. Throughout this book, these social innovators are introduced and their innovations are explored. However, it is tempting to focus on the outcomes of social entrepreneurship and avoid thinking about why these innovations were needed in the first place and why social entrepreneurs are the logical providers of this service to society.

This chapter aims to lay this essential groundwork. In doing so, it ventures into territory that some people might find contentious; however, it is out of this very contentiousness that social entrepreneurship was forged.

We are a society that is frustrated by an overall lack of progress toward solving our most pressing social and environmental problems. Our governments and our private sector have disappointed us with their seeming inability or unwillingness to effectively address poverty, hunger, illiteracy, child abuse, domestic violence, teen pregnancy, global climate change, energy conservation, and many other challenges (Bornstein, 2007). We are eager for someone to step into the breach and meet these challenges head-on. Might that someone be the social entrepreneur?

Social entrepreneurs have been touted as the real-life superheroes of our society. Why? Why can't governments solve these problems? Why won't the private sector address them? Why entrepreneurship? The answers to these initial questions can help us to understand why the study of social entrepreneurship is important and worthwhile.

THE PUBLIC AND PRIVATE SECTORS AND OUR VEXING SOCIAL PROBLEMS

Many of the societal problems that we face have been with us for decades, if not centuries. While there has been an ebb and flow in our success in addressing these problems, the effect is that we have made surprisingly little net progress considering the time over which we have been working on them. Over the course of history, we have wavered between relying on private actors and relying on the government to help us to solve these problems. Neither sector has been consistently successful.

Despite the claims of neoclassical economists, markets are far from perfect. Adam Smith's "invisible hand"—the idea that if free markets are allowed to operate without interference, they will self-correct and benefit all members of society—has proven arthritic when it comes to addressing all segments of the economy. Market failures abound. They can be seen in situations where profits are insufficient to cause private developers to generate housing for low-income households; where banks refuse to invest in certain neighborhoods because of perceived risk, called redlining; where people go hungry in some parts of the world, while in other regions surplus food is destroyed or land is kept out of agricultural production; and where one community's pursuit of economic well-being pollutes the environment, thereby diminishing the ability of another community to provide for its residents. These are but a few examples. They are not isolated incidents. In fact, they are widespread and they are repeated on a regular basis around the world. Private markets help to create these problems and, if left to their own devices, have no incentive to reverse them.

Government, which is created to represent the interests of society as a whole and is in a position to address these issues, has not consistently been able to do so. This is due, in part, to inadequate resources; however, there are other factors at play as well. Politics is one of these.

There is too often a general lack of political will to sustain efforts to address societal problems. In democracies, short election cycles, term limits, and the propensity of newly elected officials to eschew the programs of their predecessors in favor of leaving their own mark tend to foster disjointed policy. Warring ideologies cause pendulum swings in attitudes and approaches as one regime replaces another, causing governments to "do and undo" their efforts rather than make steady forward progress. The well-documented breakdown in civil society (Milich, 2001; Putnam, 2001; Weiss & Gilani, 2001) has exacerbated this problem by radicalizing ideology and polarizing society. Because no ideology has a monopoly on truth, opportunities for the cross-pollination of ideas are being lost.

Authoritarian governments are no more successful at solving their society's problems, but for different reasons. One ideology dominates and eventually, and inevitably, reaches its point of diminishing returns for producing positive change. There are no checks on power, so corruption is common and counterproductive relative to focusing attention and resources on meeting the needs of the populace. Changes in government are often violent and the resulting instability creates still more social problems.

If our institutions are incapable of solving our social and environmental problems, then we must ask who, or what, is. How can we perfect imperfect markets without unintentionally destroying them? How can we circumvent the unproductive aspects of politics? How can we blend the best of the private and public sectors to address societal challenges? One seemingly viable answer to these questions is social entrepreneurship.

WHY THE TIME IS RIPE FOR SOCIAL ENTREPRENEURSHIP

While dissatisfaction with the relative inability of the public and private sectors to deal with society's problems helps to explain why social entrepreneurship represents an attractive option, it does not shed light on why this phenomenon is enjoying such a high level of popularity at this particular time in history. Bornstein (2007) makes a compelling case that major transformational changes worldwide over the past several decades have made it both possible and increasingly likely that citizens will take the lead in addressing social and environmental challenges.

Bornstein identifies several key changes that have made the social entrepreneurship phenomenon possible. One of these is the global increase in prosperity that brought the rise of the middle class and an increase in wealth that can be used to finance social ventures. Another is an increase in the number of democratic and semi-democratic societies, which has given citizens the freedom to pursue the correction of social and environmental wrongs outside of government and the business sector. A third is the proliferation of new communications technology that has increased people's level of awareness of global societal problems and their impacts. Fourth is the increased availability of formal education in general and the growth in the number of college-educated individuals in particular, which enhances wealth and heightens awareness as well. The final factor is the removal of many obstacles to the active participation of women and certain subjugated groups in societal affairs. As Bornstein (2007, p. 7) puts it, "To sum up, more people today have the freedom, time, wealth, health, exposure, social mobility, and confidence to address social problems in bold new ways."

SOCIAL ENTREPRENEURSHIP'S UNIQUE QUALIFICATIONS

Social entrepreneurship represents the best of the private and public sectors, while filtering out the limiting factors already discussed in ways that will be examined in this section. On the one hand, it embodies the enterprising spirit of the private sector and uses the power of economic markets to generate and deliver solutions to problems. On the other hand, it strives to intervene in broken markets in an effort to repair them and places the public interest ahead of private interests (Dees, 1998). As was noted at the beginning of this chapter, it brings the mindset, processes, tools, and techniques of business entrepreneurship to the solution of social and/or environmental problems.

Social entrepreneurship possesses unique qualifications that make it an attractive alternative to purely private or purely public approaches to social and environmental problem solving:

- It is passionate and personal in that the social entrepreneur has chosen the problem to be addressed because it has deep meaning to her or him. Whether that meaning derives from personal experience, second-hand knowledge, or an avocation, it sparks an intense desire to pursue a solution to the identified problem. This is not to suggest that politicians and public officials are not passionate about certain issues, but their passion is often tempered by political realities that preclude a single-minded pursuit of an issue's resolution. Similarly, commercial entrepreneurs are typically quite passionate about their product or service, but that passion centers around the offering's ability to satisfy a customer need and thereby generate a profit for the business owner(s).

Thus, the difference between social entrepreneurs, government officials, and private business people relative to passion is the source of that passion; that is, the values that underlie it. Social entrepreneurship is often referred to as value-based (Cho, 2006; Brooks, 2008). This could be misleading, however. There are values that drive the actions of all three actors; these values merely differ from role to role. For the public official, it may be political expediency. For the commercial business person, it may be profit. For the social entrepreneur, the values are moral in nature, involving empathy for the plight of the beneficiaries of her or his efforts and some kind of judgment regarding the "rightness" of addressing the underlying problem (Mair & Noboa, 2006). Such morally based values have the power to drive the level of passion that is unique to social entrepreneurs.

- It is not bureaucratic; it is nimble. Unlike governments or large companies, social entrepreneurship is not reactive or bound by cumbersome rules and processes. Like small commercial ventures, social ventures are nimble and strategic. They move quickly and decisively to address problems. Entrepreneurs recognize that there is a "window of opportunity" for capturing any market, which does not remain open indefinitely. Similarly, social entrepreneurs understand that social and environmental solutions have limited periods of effectiveness, which are always changing. This makes agility in adapting to changes crucial.
- It enables transformation. Most of what is delivered to customers or clients or citizens by private businesses and by governments is conveyed by transaction. Goods and services are exchanged through short-term transactional relationships. This works as far as it goes, but it does not bring long-term change; it does not yield transformation.

Social and environmental problems are not solved through transactions. Giving a starving individual food does not end hunger in the world. Some people seem to think that piling up transactions can yield a transformation. However, giving 1,000 hungry individuals food will still not end world hunger. Not until the system that spawns hunger is permanently changed for the better will hunger be ended on a global scale. This kind of systemic change, yielding long-term benefits, is the focus of social entrepreneurs.

- It builds, maintains, and utilizes social capital. A crucial factor in all entrepreneurship, and social entrepreneurship in particular, is networking. Bringing people and organizations together to focus attention on a problem, to marshal resources from a variety of places to implement solutions, and to effectively communicate outcomes is what gives social entrepreneurship its power. These networks of trust are built on a shared mission and vision for positive change. The public and private sectors are typically focused on adversarial relationships and competition. Political parties compete to control the policy agenda. Warring ideologies bludgeon each other over who is “right.” Important decisions are reached using win–lose mechanisms that work for some and leave others out. Commercial businesses compete with others for market share, with the tacit, if not implicit, goal of putting the competition out of business.

Social entrepreneurs embrace the concept of “co-opetition” (Brandenburger & Nalebuff, 1997). They understand that, in their market ecosystem, sometimes they must compete with other social entrepreneurs, particularly for scarce resources. However, much of the time it makes sense to collaborate because it makes their ventures more effective, sustainable, and competitive.

- It is mission focused, not profit driven. At the core of social entrepreneurship is the social or environmental mission. This is the compass that guides everything a social venture does. Even social ventures that are for-profit in their structure and those that are nonprofit but engaged in earned income activities put mission above revenue. This helps to ensure that society’s interests will prevail over self-interest.

Its mission is the social venture’s reason for existence. The mission reflects the values that gird the social entrepreneurship endeavor. As was noted earlier in this section, the nature of these values is what distinguishes social entrepreneurship from government and commercial activities.

- It is accountable to society. Like government, social ventures are accountable to society, not to private shareholders. They operate in a “fish bowl.” This brings with it both greater freedom and a higher level of responsibility. The freedom comes from not having to cater to the selfish interests of shareholders, who often tend to err on the side of ensuring their own benefit at the expense of the best interests of the venture and society as a whole. The private sector is rife with examples of companies whose pursuit of higher share value and dividends for shareholders has ultimately destroyed the business, resulted in the loss of jobs, and/or has left communities in economic, social, or environmental disarray.

The disaster caused by an accident involving a BP offshore oil rig located in the Gulf of Mexico in 2010 is a case in point. As the calamity unfolded, there was increasing evidence that BP was poorly prepared for such a scenario, looked the other way when confronted with safety issues concerning the rig prior to the accident, and was slow to react to the damage created by the spill (Langley, Weisman, & McDonald, 2010; Corkery, 2010; Casselman, 2010).

To take the necessary precautions required to ensure safe operation and to be prepared to act quickly in the face of a disaster are costly activities that reduce profit margins. This behavior suggests that the company placed its owners ahead of society in its decision-making process. While this is rational behavior for a commercial business, it clearly illustrates the kind of conflict that can arise between the private good and the common good.

The “shareholders” of social ventures are the people who are invested in the successful solution of the problem they address. This avoids misalignment between the goals of the venture and the goals of the segment of society it serves. Because of this, however, the social venture is held to a higher standard of accountability. It must document its impact on the problem, justify its existence, and freely share what it learns in the process with others.

- It fosters social and environmental innovation. Whereas governments are often hamstrung by the never-ending struggle between those who want to preserve the status quo and those who advocate change, resulting in incrementalism at best, social ventures are exclusively built to foster positive change relative to a given challenge. To overcome that challenge requires a transformation. This automatically facilitates an environment in which creativity and innovation are welcomed and pursued. Social entrepreneurs take social inventions (the fruits of creativity), whether they are the creator or not, and implement them (innovation) as a means to problem solving and transformative change.

While this process is not unlike that followed by commercial entrepreneurs, there is a difference. The primary test of the value of a commercial innovation is its market potential. Despite the fact that a social innovation must have a market, the chief test of its value is its potential to solve a social or environmental problem.

- It circumnavigates politics. While politics are a necessary factor in any endeavor with societal ramifications, by taking a more business-oriented approach social ventures avoid the most debilitating aspects of political wrangling. While governments are debating the problem, the social entrepreneur is working to solve it, or the social entrepreneur is showing leadership by bringing together the conflicted factions to negotiate a solution. In some cases, social entrepreneurs have helped to build public–private partnerships to address challenges mired in politics.

That said, we should point out that this should not be offered as an excuse for the social entrepreneur not communicating with her or his intended beneficiaries relative to what is needed. There have been cases in which, with the best of intentions, the social entrepreneur has made assumptions that led to actions that worsened the problem rather than solving it. Just as good business people first determine what customer need they are fulfilling and who their market is, good social entrepreneurs must first clearly define the problem they are attacking and who has that problem. In both cases, this involves communication with the prospective “customer” or community.

- It facilitates development by lending equity and stability. Hamlin and Lyons (1996) identify six prerequisites to successful development: surplus, savings, investment, efficiency, equity, and stability. The first four are readily understood by business people and economic developers in a capitalist economy. A subsistence economy cannot develop because it generates no profit, or excess revenue; therefore, it can only cover its costs. Profit, or surplus, permits savings, which in turn can be invested in new development. Operating efficiently maximizes profit and return on investment. All of this perpetuates development over time.

What is less well understood is that none of this can take place in an economy that lacks equity and stability. Equity provides the balance that keeps a society together. For example, a so-called two-class society—rich and poor, with no middle class—is not an equitable society. The disparity in socio-economic status among the society’s members is too great to be sustainable. A society that excludes certain of its members from access to opportunity is not equitable. Inequity can lead to protest, work disruption, and even violent revolt. All of these things undermine stability, which in turn precludes the society from developing its economy. There are other sources of instability. Incompetent governance and the resulting frequent turnover of leadership is one source. Natural disasters—earthquakes, floods, violent windstorms, etc.—are another source. Businesses require stability and predictability in order to function efficiently and effectively, allowing for the generation of surplus. In this way, we have come full circle in our explication of the required elements for successful development.

Social entrepreneurs address equity and stability through their efforts. When their work in the areas of education, health, poverty alleviation, community development, and so forth helps to create opportunities for socio-economic advancement, they are creating equity and enhancing stability. When they help to rebuild after natural disasters, they are fostering stability. In this way, social entrepreneurs are ensuring future development for the entire society. Business people sometimes do not understand this, or do not believe it is “their job.” Governments can help with some aspects of ensuring equity and stability, but they are often constrained by the factors noted earlier in this chapter, rendering them unable to facilitate the requisite transformative change.

These characteristics give hope that social entrepreneurship can break the impasse often experienced by our traditional public and private institutions when it comes to solving society’s most pressing problems. They also highlight the fact that social ventures are most valuable when they take on societal problems that neither government nor commercial business can solve. This is social entrepreneurship’s market niche.

RESOURCES AND TOOLS TO BEGIN THE SOCIAL ENTREPRENEURSHIP JOURNEY

Before we begin our journey of understanding into the realm of social entrepreneurship, it is important to properly equip ourselves. The World Wide Web is full of resources for people who are just getting started. We highlight several such resources and tools here and encourage students to explore these before continuing on to Chapter 2 of this book.

The following is a list of websites that are rich with information on social entrepreneurship. Not only do they provide definitions, tools, and examples, but they profile organizations that are leaders in this movement as well. For example, Ashoka and Echoing Green are social venture philanthropies that provide social entrepreneurs with financial resources, technical assistance, and access to networks. Net Impact is a student organization that champions social entrepreneurship, corporate social responsibility, and sustainable business practices, and can be found on college campuses across the United States. We urge you to thoroughly explore these sites:

Ashoka: www.ashoka.org, www.changemakers.com, www.ashokau.org

Aspen Institute: www.aspeninstitute.org

Echoing Green: www.echoinggreen.org

Net Impact: www.netimpact.org

Next Billion: www.nextbillion.net

Skoll Foundation: www.skollfoundation.org/skoll-entrepreneurs

Social Enterprise Alliance: www.se-alliance.org

Another valuable Web-based resource is E-180, a website and blog that seeks to educate about social entrepreneurship and related topics. It abounds with information on what is happening in the field and where one can find training, fellowships, and other resources. In 2009, E-180 offered its ranking of the “Best Social Entrepreneurship News websites” (E-180, 2009). In rank order, they are:

- 1 E-180: www.e-180.com
- 2 CSR Wire: www.csrwire.com
- 3 Change.org: social entrepreneurship: www.change.org
- 4 Stanford Social Innovation Review: www.ssireview.org
- 5 Fast Company: social responsibility: www.fastcompany.com/topics/ethonomics
- 6 Social Edge: www.socialedge.org
- 7 Next Billion: www.nextbillion.net
- 8 Alltop: social entrepreneurship: <http://social-entrepreneurship.alltop.com>
- 9 Alltop: good: <http://good.alltop.com>

A perusal of these sites will provide an understanding of what is currently going on in the field of social entrepreneurship. It can, and should, be used as a source of real-world examples to which the theoretical material in Chapter 2 can be connected.

QUESTIONS FOR “CONNECTING THE DOTS”

- 1 Drawing on economic theory, what kinds of market failure underlie the world’s most pressing problems? Examine three examples: hunger, groundwater contamination, and literacy.
- 2 Why is healthcare reform such a contentious issue in the United States? Why have public and private efforts been unsuccessful in fully addressing the challenge of affordable health care? What role(s) might social entrepreneurs play in solving the problem?
- 3 The chief goal of the private sector is efficiency. Why? The primary focus of the public sector is equity. Why? It is quite possible to be highly efficient yet ineffective. It is also possible to be very equitable but ineffective. How does social entrepreneurship blend efficiency, equity, and effectiveness?
- 4 Some have argued that social entrepreneurship is another form of commercial entrepreneurship with positive social or environmental change as its product. Do you agree with the accuracy of this observation? Why, or why not?

REFERENCES

- Bornstein, D. (2007). *How to change the world: Social entrepreneurs and the power of new ideas*. New York: Oxford University Press.
- Bornstein, D., & Davis, S. (2010). *Social entrepreneurship: What everyone needs to know*. New York: Oxford University Press.
- Brandenburger, A. M., & Nalebuff, B. J. (1997). *Co-opetition*. New York: Broadway Business.
- Brooks, A. C. (2008). *Social entrepreneurship: A modern approach to social value creation*. Upper Saddle River, NJ: Prentice Hall.
- Casselman, B. (2010). Anadarko blames BP for rig disaster. *Wall Street Journal* (online), June 18.
- Cho, A.H. (2006). Politics, values and social entrepreneurship: A critical appraisal. In J. Mair, J. Robinson, & K. Hockerts (Eds.). *Social entrepreneurship* (pp. 34–56). New York: Palgrave Macmillan.
- Corkery, M. (2010, June 11). Deal journal/breaking insight from WSJ.com. *Wall Street Journal*, p. C3.
- Dees, J. G. (1998). The meaning of “social entrepreneurship.” Palo Alto, CA: Graduate School of Business, Stanford University. Retrieved from http://www.caseatduke.org/documents/dees_sedef.pdf (accessed June 22, 2010).
- Dees, J. G., Emerson, J., & Economy, P. (2001). *Enterprising nonprofits*. New York: Wiley.
- E-180 (2009). Best social entrepreneurship news websites. Retrieved from <http://www.e-180.com> (accessed July 10, 2010).
- Elkington, J., Hartigan, P., & Schwab, K. (2008). *The power of unreasonable people: How social entrepreneurs create markets that change the world*. Cambridge, MA: Harvard Business School Press.

- Hamlin, R. E., & Lyons, T. S. (1996). *Economy without walls*. Westport, CT: Praeger.
- Langley, M., Weisman, J., & McDonald, A. (2010, June 11). BP weighs dividend cut: Estimate of spill's size is raised as Britain defends embattled oil giant. *Wall Street Journal* (Eastern edition), p. A1.
- Light, P. C. (2008). *The search for social entrepreneurship*. Washington, DC: Brookings Institution Press.
- Mair, J., & Noboa, E. (2006). Social entrepreneurship: How intentions to create a social venture are formed. In J. Mair, J. Robinson, & K. Hockerts (Eds.). *Social entrepreneurship*. New York: Palgrave Macmillan.
- Milich, L. (2001). Civil society breakdown: Food security in the "new" Indonesia. *Development*, 44(4), 93–96.
- Nicholls, A. (Ed.). (2008). *Social entrepreneurship: New models of sustainable social change*. New York: Oxford University Press.
- Putnam, R. (2001). *Bowling alone: The collapse and revival of American community*. New York: Simon & Schuster.
- Wei-Skillern, J. C., Austin, J. E., Leonard, H. B., & Stevenson, H. H. (2007). *Entrepreneurship in the social sector*. Thousand Oaks, CA: Sage.
- Weiss, A. M. and Gilani, S. Z. (Eds.). (2001). *Power and civil society in Pakistan*. New York: Oxford University Press.
- Welch, W. (2008). *Tactics of hope: How social entrepreneurs are changing our world*. San Rafael, CA: Earth Aware Editions.

References

1 Introduction

Bornstein, D. (2007). *How to change the world: Social entrepreneurs and the power of new ideas*. New York: Oxford University Press.

Bornstein, D., & Davis, S. (2010). *Social entrepreneurship: What everyone needs to know*. New York: Oxford University Press.

Brandenburger, A. M., & Nalebuff, B. J. (1997). *Co-opetition*. New York: Broadway Business.

Brooks, A. C. (2008). *Social entrepreneurship: A modern approach to social value creation*. Upper Saddle River, NJ: Prentice Hall.

Casselman, B. (2010). Anadarko blames BP for rig disaster. *Wall Street Journal* (online), June 18.

Cho, A.H. (2006). Politics, values and social entrepreneurship: A critical appraisal. In J. Mair, J. Robinson, & K. Hockerts (Eds.). *Social entrepreneurship* (pp. 34-56). New York: Palgrave Macmillan.

Corkery, M. (2010, June 11). Deal journal/breaking insight from WSJ.com. *Wall Street Journal*, p. C3.

Dees, J. G. (1998). The meaning of "social entrepreneurship." Palo Alto, CA: Graduate School of Business, Stanford University. Retrieved from http://www.caseatduke.org/documents/dees_sedef.pdf (accessed June 22, 2010).

Dees, J. G., Emerson, J., & Economy, P. (2001). *Enterprising nonprofits*. New York: Wiley.

E-180 (2009). Best social entrepreneurship news websites. Retrieved from <http://www.e-180.com> (accessed July 10, 2010).

Elkington, J., Hartigan, P., & Schwab, K. (2008). *The power of unreasonable people: How social entrepreneurs create markets that change the world*. Cambridge, MA: Harvard Business School Press. t

Hamlin, R. E., & Lyons, T. S. (1996). *Economy without walls*. Westport, CT: Praeger.

Langley, M., Weisman, J., & McDonald, A. (2010, June 11). BP weighs dividend cut: Estimate of spill's size is raised as Britain defends embattled oil giant. Wall Street Journal (Eastern edition), p. A1.

Light, P. C. (2008). The search for social entrepreneurship. Washington, DC: Brookings Institution Press.

Mair, J., & Noboa, E. (2006). Social entrepreneurship: How intentions to create a social venture are formed. In J. Mair, J. Robinson, & K. Hockerts (Eds.). Social entrepreneurship. New York: Palgrave Macmillan.

Milich, L. (2001). Civil society breakdown: Food security in the "new" Indonesia. *Development*, 44(4), 93-96.

Nicholls, A. (Ed.). (2008). Social entrepreneurship: New models of sustainable social change. New York: Oxford University Press.

Putnam, R. (2001). Bowling alone: The collapse and revival of American community. New York: Simon & Schuster.

Wei-Skillern, J. C., Austin, J. E., Leonard, H. B., & Stevenson, H.H. (2007). Entrepreneurship in the social sector. Thousand Oaks, CA: Sage.

Weiss, A. M. and Gilani, S. Z. (Eds.). (2001). Power and civil society in Pakistan. New York: Oxford University Press.

Welch, W. (2008). Tactics of hope: How social entrepreneurs are changing our world. San Rafael, CA: Earth Aware Editions.

2 Defining and Distinguishing Social Entrepreneurship

Alvord, S. H., Brown, L.D., & Letts, C. W. (2004). Social entrepreneurship and societal transformation. *Journal of Applied Behavioral Science*, 40(3), 260-282.

Anderson, A. R. (1998). Cultivating the Garden of Eden: Environmental entrepreneuring. *Journal of Organizational Change Management*, 11(2), 135.

Austin, J. (2006). Three avenues for social entrepreneurship research. In J. Mair, J. Robinson, & K. Hockerts (Eds.). *Social entrepreneurship* (pp. 22-33). New York: Palgrave Macmillan.

Bornstein, D. (2007). *How to change the world: Social entrepreneurs and the power of new ideas*. New York: Oxford University Press.

Boschee, J. (1998). Merging mission and money: A board member's guide to social entrepreneurship. Retrieved from <http://www.socialent.org/pdfs/MergingMission.pdf> (accessed June 24, 2010).

Brock, D. D., Steinder, S. D., & Kim, M. (2008). Social entrepreneurship education: Is it achieving the desired aims? *United States Association of Small Business & Entrepreneurship (USASBE) 2008 Conference Proceedings*.

Center for the Advancement of Social Entrepreneurship (CASE) (2008). *Developing the field of social entrepreneurship*. Durham, NC: Fuqua School of Business, Duke University. Retrieved from

Central Intelligence Agency (CIA). *The world factbook*. Retrieved from www.cia.gov/library/publications/the-world-factbook/geos/ma.html (accessed July 16, 2010).

Dees, J. G. (1994). *Social enterprise: Private initiatives for the common good*. Working Paper Series No. 9-395-116. Cambridge, MA: Harvard Business School.

Dees, J. G. (1998). *The meaning of "social entrepreneurship"*. Palo Alto, CA: Graduate School of Business, Stanford University. Retrieved from http://www.caseatduke.org/documents/dees_sedef.pdf.

Granovetter, M. (1985). *Economic action and social*

- structure: The problem of embeddedness. *American Journal of Sociology*, 91(3), 481-510.
- Güclü, A., Dees, J. G., & Anderson, B. B. (2002). *The process of social entrepreneurship: Creating opportunities worthy of serious pursuit*. Durham, NC: Center for the Advancement of Social Entrepreneurship, Duke University.
- Hamlin, R. E., & Lyons, T. S. (1996). *Economy without walls*. Westport, CT: Praeger.
- Haugh, H., & Tracey, P. (2004). The role of social enterprise in regional development. Paper presented at the Social Enterprise and Regional Development Conference, Cambridge-MIT Institute, University of Cambridge.
- Hockerts, K. (2006). Entrepreneurial opportunity in social purpose business ventures. In J. Mair, J. Robinson, & K. Hockerts (Eds.). *Social entrepreneurship* (pp. 142-154). New York: Palgrave Macmillan.
- Klein, B. (1977). *Dynamic Economics*. Cambridge, MA: Harvard University Press.
- Lichtenstein, G. A., & Lyons, T. S. (2010). *Investing in entrepreneurs: A strategic approach for strengthening your regional and community economy*. Santa Barbara, CA: Praeger/ABC-CLIO.
- Lyons, T. S., Townsend, J., Sullivan, A.M., & Drago, T. (2010). *Social enterprise's expanding position in the nonprofit landscape*. New York: National Executive Service Corps.
- Mair, J., & Martí, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41, 36-44.
- Mair, J., & Noboa, E. (2003). *Social entrepreneurship: How intentions to create a social enterprise get formed*. Working Paper No. 521. Barcelona: IESE Business School, University of Navarra, September.
- Mair, J., & Noboa, E. (2006). Social entrepreneurship: How intentions to create a social venture are formed. In J. Mair, J. Robinson, & K. Hockerts (Eds.). *Social entrepreneurship* (pp. 121-136). New York: Palgrave Macmillan.
- Mair, J., Robinson, J., & Hockerts, K. (2006). *Social*

entrepreneurship. New York: Palgrave Macmillan.

Mort, G. S., Weerawardena, J., & Carnegie, K. (2003). Social entrepreneurship: Towards conceptualization. *International Journal of Nonprofit and Voluntary Sector Marketing*, 8(1), 76-88.

Perrini, F., & Vurro, C. (2004). Social entrepreneurship: Innovation and social change across theory and practice. In J. Mair, J. Robinson, & K. Hockerts (Eds.). *Social entrepreneurship* (pp. 57-86). New York: Palgrave Macmillan.

Prabhu, G. N. (1999). Social entrepreneurial leadership. *Career Development International*, 4(3), 140-145.

Robinson, J. (2006). Navigating social and institutional barriers to markets: How social entrepreneurs identify and evaluate opportunities. In J. Mair, J. Robinson, & K. Hockerts (Eds.). *Social entrepreneurship* (pp. 95-120). New York: Palgrave Macmillan.

Sahlman, W. A., Stevenson, H. H., Roberts, M. J., & Bhidé, A. V. (Eds.). (1999). *The entrepreneurial venture*. Boston, MA: Harvard Business School Press.

Sarasvathy, S. D. (2009). *Effectuation: Elements of entrepreneurial experience*. Cheltenham, UK: Edward Elgar.

Shane, S. (2008). *The illusions of entrepreneurship*. New Haven, CT: Yale University Press.

Skoll Foundation (2010). What is a social entrepreneur? Retrieved from <http://www.skollfoundation.org/aboutsocialentrepreneurship/whatis.asp> (accessed June 29, 2010).

Stevenson, H. H., Roberts, M. J., Bhidé, A., & Sahlman, W. A. (1999). Some thoughts on business plans. In W. A. Sahlman, H. H. Stevenson, M. J. Roberts, & A. Bhidé (Eds.). *The entrepreneurial venture* (pp. 138-176). Boston, MA: Harvard Business School Press.

Terry, J. V. (1995). *Dictionary for business finance* (3rd edn). Fayetteville, AR: University of Arkansas Press.

Timmons, J., & Spinelli, S. (2007). *New venture creation: Entrepreneurship for the 21st century*. New York: McGraw-Hill/Irwin.

Weerawardena, J., & Sullivan Mort, G. (2006). Investigating social entrepreneurship: A multi- dimensional model. *Journal of World Business*, 41, 21-35.

Wei-Skillern, J., Austin, J. E., Leonard, H., & Stevenson, H. (2007). *Entrepreneurship in the social sector*. Thousand Oaks, CA: Sage.

Yujuico, E. (2008). Connecting the dots in social entrepreneurship through the capabilities approach. *Socio-Economic Review*, 6(3), 493-513.

3 Recognizing Social Opportunities

- Austin, J. E. (2006). Three avenues for social entrepreneurship research. In J. Mair, J. Robinson, & K. Hockerts (Eds.). *Social entrepreneurship* (pp. 22-33). New York: Palgrave Macmillan.
- Barringer, B. R., & Ireland, R. D. (2008). *Entrepreneurship: Successfully launching new ventures*. Upper Saddle River, NJ: Pearson Prentice Hall.
- Bryson, J. M. (1995). *Strategic planning for public and nonprofit organizations*. San Francisco, CA: Jossey-Bass.
- Bygrave, W. D., & Zacharakis, A. (2004). *The portable MBA in entrepreneurship* (3rd edn). New York: Wiley.
- Bygrave, W. D., & Zacharakis, A. (2008). *Entrepreneurship*. New York: Wiley.
- Campbell, D. (2003). Outcomes assessment and the paradox of nonprofit accountability. *Nonprofit Management and Leadership*, 12(3), 243-260.
- Christensen, C. M., & Raynor, M. E. (2003). *The innovator's solution: Creating and sustaining successful growth*. Boston, MA: Harvard Business School Press.
- Dees, J. G., Emerson, J., & Economy, P. (2001). *Enterprising nonprofits: A toolkit for social entrepreneurs*. New York: Wiley.
- Emerson, J., & Bonini, S. (2004). Blended value map. Retrieved from <http://www.blendedvalue.org> (accessed July 28, 2010).
- Fiet, J. O. (2002). *The systematic search for entrepreneurial discoveries*. Westport, CT: Quorum Books.
- Garr, R. (1998). Groups that change communities: The computer clubhouse. Retrieved from <http://www.grass-roots.org/usa/cluhous.shtml> (accessed January 9, 2009).
- Johnston, R. (2001). Defining your mission. In J. G. Dees, J. Emerson, & P. Economy (Eds.). *Enterprising nonprofits: A toolkit for social entrepreneurs* (pp. 19-42). New York: Wiley.
- Lichtenstein, G. A., & Lyons, T. S. (1996). *Incubating new*

enterprises: A guide to successful practice. Washington, DC: Aspen Institute.

Lichtenstein, G. A., & Lyons, T. S. (2001). The entrepreneurial development system: Transforming business talent and community economies. *Economic Development Quarterly*, 15(1), 3-20.

Lichtenstein, G. A., & Lyons, T. S. (2010). *Investing in entrepreneurs: A strategic approach for strengthening your regional and community economy*. Santa Barbara, CA: Praeger/ABC-CLIO.

Longenecker, J. J. G., Moore, C. W., Petty, J. W., & Palich, L. E. (2006). *Small business management: An entrepreneurial emphasis* (13th edn). Mason, OH: Thomson South-Western.

Mariotti, S. (2007). *Entrepreneurship: Starting and operating a small business*. Upper Saddle River, NJ: Pearson Prentice Hall.

Porter, M. E. (2008). The five competitive forces that shape strategy. *Harvard Business Review*, January, p. 86.

Resnick, M., Rusk, N., & Cooke, S. (1999). The computer clubhouse: Technological fluency in the inner city. In D. Schön, B. Sanyal, & W. J. Mitchell (Eds.). *High technology and low-income communities: Prospects for the positive use of advanced information technology* (pp. 263-286). Cambridge, MA: MIT Press.

Robinson, J. (2006). Navigating social and institutional barriers to markets: How social entrepreneurs identify and evaluate opportunities. In J. Mair, J. Robinson, & K. Hockerts (Eds.). *Social entrepreneurship* (pp. 95-120). New York: Palgrave Macmillan.

Sawhill, J. C., & Williamson, D. (2001). Mission impossible? Measuring success in nonprofit organizations. *Nonprofit Management and Leadership*, 11(3), 371-387.

Timmons, J. A., & Spinelli, S. (2007). *New venture creation: Entrepreneurship for the 21st century* (7th edn). New York: McGraw-Hill/Irwin.

Wei-Skillern, J., Austin, J. E., Leonard, H., & Stevenson, H. (2007). *Entrepreneurship in the social sector*. Thousand Oaks, CA: Sage.

4 Lean Start-up for Social Enterprises

Blank, S. (2013). Why the lean start-up changes everything. *Harvard Business Review* 91(5), 63-72.

Maurya, A. (2012). *Running lean: Iterate from plan A to a plan that works* (revised/expanded ed.). Sebastopol, CA: O'Reilly.

Ries, E. (2011). *The lean startup: How today's entrepreneurs use continuous innovation to create radically successful businesses*. New York: Crown Publishing.

5 Developing a Strategic Plan for a Social Venture

Amason, A., Shrader, R., & Tompson, G. (2006). Newness and novelty: Relating top management team composition to new venture performance. *Journal of Business Venturing*, 21, 125-148.

Anderson, A. A. (2004). Theory of change as a tool for strategic planning. Paper presented at the Aspen Institute Roundtable on Community Change in New York, New York. Retrieved from http://theoryofchange.org/pdf/tocII_final4.pdf (accessed September 30, 2010).

Austin, J. E. (2000). *The collaboration challenge: How nonprofits and businesses succeed through strategic alliances*. San Francisco, CA: Jossey-Bass.

Bloom, P. N., & Chatterji, A. K. (2009). Scaling social entrepreneurial impact. *California Management Review*, 51, 114-133.

Bradach, J. L. (2003). Going to scale: The challenge of replicating social programs. *Stanford Social Innovation Review*, 1, 19-25.

Brinkerhoff, P. C. (2000). *Social entrepreneurship: The art of mission-based venture development*. New York: John Wiley.

Brock, D. D., & Ashoka Global Academy for Social Entrepreneurship (2008). *Social Entrepreneurship Teaching Resources Handbook*. Retrieved from <http://ssrn.com/abstract=1344412>.

Bryson, J. M. (1995). *Strategic planning for public and nonprofit organizations*. San Francisco, CA: Jossey-Bass.

Bryson, J. M. (2004). *Strategic planning for public and nonprofit organizations: A guide to strengthening and sustaining organizational achievement*. San Francisco, CA: Jossey-Bass.

Clark, H., & Anderson, A. (2004). Theories of change and logic models: Telling them apart. Paper presented at the annual meeting of the American Evaluation Association in Atlanta, GA. Retrieved from

Dees, J. G., Anderson, B. B., & Wei-Skillern, J. (2004).

- Scaling social impact: Strategies for spreading social innovations. *Stanford Social Innovation Review*, 1(4), 24-32.
- Gundry, L. K., & Kickul, J. R. (2007). *Entrepreneurship strategy: Changing patterns in new venture creation, growth, and reinvention*. Thousand Oaks, CA: Sage.
- Honig, B. (2004). Entrepreneurship education: Toward a model of contingency-based business planning. *Academy of Management Learning and Education*, 3(3), 258-273.
- Magretta, J. (2002). Why business models matter. *Harvard Business Review*, May, pp. 3-8.
- Miller, C. C., & Cardinal, L. B. (1994). Strategic planning and firm performance: A synthesis of more than two decades of research. *Academy of Management Journal*, 37(6), 1649-1665.
- Paton, R. (2003). *Managing and measuring social enterprises*. Thousand Oaks, CA: Sage.
- Rogers, P. R., Miller, A., & Judge, W. Q. (1999). Using information processing theory to understand planning/performance relationships in the context of strategy. *Strategic Management Journal*, 20(6), 567-577.
- Seelos, C., & Mair, J. (2005). Social entrepreneurship: Creating new business models to serve the poor. *Business Horizons*, 48(3), 241-246.
- Sharir, M., & Lerner, M. (2005). Gauging the success of social ventures initiated by individual social entrepreneurs. *Journal of World Business*, 41, 6-20.
- Sherman, A. J. (2007). *Start fast and start right*. New York: Kaplan.
- Zahra, S. A., Rawhouser, H., Bhawe, N., Neubaum, D. O., & Hayton, J. C. (2008). Globalization of social entrepreneurship opportunities. *Strategic Entrepreneurship Journal*, 2, 117-131.
- Zietlow, J., Hankin, J. A., & Seidner, A. G. (2007). *Financial management for nonprofit organizations: Policies and practices*. Hoboken, NJ: John Wiley.

6 Organizational Structure

Baxter, C. I. (1997). Program-related investments: A technical manual for foundations. New York: Wiley.

bcorporation.net (2010). Retrieved from <http://www.bcorporation.net> (accessed August 11, 2010).

Benefit Corp Information Center (2015). State by state legislative status. www.benefitcorp.net/stateby-state-legislative-status (accessed January 16, 2015).

Blackbaud (2010). White paper: E-philanthropy strategy for nonprofits. Retrieved from <http://blackbaud.com>.

Brinckerhoff, P. C. (2000). Social entrepreneurship: The art of mission-based venture development. New York: Wiley.

Butzen, J. (2008). Nonprofit partnerships: Human service agencies merge back-office functions to save \$20M annually. February 13. Retrieved from <http://www.missionplusstrategy.com/partnerships/> (accessed August 13, 2010).

Dees, J. G., Emerson, J., & Economy, P. (2001). Enterprising nonprofits: A toolkit for social entrepreneurs. New York: Wiley.

Dialogue in the Dark (2010). Retrieved from <http://www.dialogue-in-the-dark.com>.

Education Editors (2000). Harcourt partners with early childhood site. Business Wire, August 28.

Fast Company.com (2005). Jumpstart: winner's statement. Retrieved from <http://www.fastcompany.com/social/2005/statements/jumpstart.html> (accessed October 18, 2010).

Goldsmith, R. (2009). For-profit or not for-profit? Social enterprises seek a better way. Retrieved from

<http://www.greystonbakery.com> (accessed August 11, 2010).

Hamlin, R. E., & Lyons, T. S. (1996). Economy without walls. Westport, CT: Praeger.

Hopkins, B. (2001). Appendix A: Social entrepreneurs' brief

guide to the law. In J. G. Dees, J. Emerson, & P. Economy (Eds.). *Enterprising nonprofits: A toolkit for social entrepreneurs*. New York: Wiley.

IRS.gov (2010). Program-related investments. Retrieved from <http://www.irs.gov/charities/foundations/article/0,,id=137793,00.html> (accessed August 11, 2010).

Jacobson, L. (2000). College students help jump-start preschoolers' learning. *Education Week*, December 13. Retrieved from <http://www.edweek.org/ew/articles/2000/12/13/15jump.h20.html> (accessed October 18, 2010).

Jumpstart (2010). Jumpstart's fact sheet. Retrieved from <http://www.jstart.org> (accessed October 18, 2010).

Lasprogata, G. A., & Cotten, M. N. (2003). Contemplating "enterprise": The business and legal challenges of social entrepreneurship. *American Business Law Journal*, 41(1), 67-113.

Leung, R. (2004). Greyston Bakery: Let 'em eat cake. Bob Simon visits New York bakery that helps those in need. Retrieved from <http://www.cbsnews.com/stories/2004/01/09/60minutes/main592382.shtml> (accessed August 11, 2010).

Lichtenstein, G.A., & Lyons, T.S. (2010). *Investing in entrepreneurs: A strategic approach for strengthening your regional and community economy*. Santa Barbara, CA: Praeger/ABC-CLIO.

Manning, M. (2010). Achieve Tampa Bay thrown a lifeline in proposed merger. *Tampa Bay Business Journal*, January 25, 2010. Retrieved from <http://www.tampabay.bizjournals.com/tampabay/stories/2010/01/25/story3.html> (accessed August 13, 2010).

Owens, M., & Tyler, J. (2009). The L 3 C: A potentially useful tool for promoting charitable purposes. *CommunityDividend*, November. Retrieved from http://www.minneapolisfed.org/publications_papers/pub_display.cfm?id=4491 (accessed August 11, 2010).

Pickard, V. (2006). Assessing the radical democracy of Indymedia: Discursive, technical and institutional constructions. *Critical Studies in Media Communications*, 23(1), 19-38.

Pura Vida (2010). Retrieved from <http://www.puravidacoffee.com> (accessed August 11, 2010).

Read for the Record (2010a). Our story. Retrieved from http://www.readfortherecord.org/site/PageServer?pagename=WhoWeAre_DurStory (accessed October 18, 2010).

Read for the Record. (2010b). Our impact. Retrieved from http://www.readfortherecord.org/site/PageServer?pagename=WhoWeAre_DurImpact (accessed October 18, 2010).

Read for the Record (2010c). Our locations. Retrieved from http://www.readfortherecord.org/site/PageServer?pagename=WhoWeAre_DurLocations (accessed October 18, 2010).

Read for the Record (2010d). National board of directors. Retrieved from http://www.readfortherecord.org/site/PageServer?pagename=WhoWeAre_Board (accessed October 18, 2010).

Read for the Record (2010e). Who we are. Retrieved from http://www.readfortherecord.org/site/PageServer?pagename=WhoWeAre_Home (accessed October 18, 2010).

Robert Wood Johnson Foundation (2007). "ReServe" program connects retirees to nonprofit agencies for stipend-paying jobs in New York City. November. Retrieved from <http://www.rwjf.org/reports/grr/055774.htm> (accessed August 12, 2010).

Thompson & Thompson (2010). Subsidiaries of tax-exempt organizations. Retrieved from <http://www.t-tlaw.com/bus-04.htm> (accessed August 12, 2010).

Tyler, J. E. III, & Owens, M. (2010). The L3C: A potentially useful tool for promoting charitable purposes. Minneapolis, MN: Federal Reserve Bank of Minneapolis.

UMOM (2009). Model program elevates homeless families to permanent housing. Retrieved from <http://www.umom.org/docs/UMOM-HelpingHands-Release.pdf> (accessed September 6, 2011).

Wei-Skillern, J., Austin, J. E., Leonard, H., & Stevenson, H. (2007). Entrepreneurship in the social sector. Thousand

Oaks, CA: Sage.

7 Funding Social Ventures

Bridges Ventures and the Parthenon Group (2009). Investing for Impact: Case Studies across Asset Classes. Retrieved from

Emerson, J. (2000). The nature of returns: A social capital markets inquiry into elements of investment and the blended value proposition. Working Paper, Division of Research, Harvard Business School, Boston, MA.

Emerson, J., & Bonini, S. (2003). Blended value map. Retrieved from <http://www.blendedvalue.org> (accessed December 20, 2010).

Emerson, J., Freundlich, T., & Berenbach, S. (2007). The investor's toolkit: Generating multiple returns through a unified investment strategy. Retrieved from <http://www.blendedvalue.org/media/pdf/investors-toolkit.pdf> (accessed November 20, 2010).

Emerson, J., Fruchterman, J., & Freundlich, T. (2007). Nothing ventured, nothing gained: Addressing the critical gaps in risk-taking capital for social enterprise. Retrieved from <http://www.benetech.org/about/downloads/NothingVenturedFINAL.pdf> (accessed January 25, 2011).

Emerson, J., & Spitzer, J. (2007). From fragmentation to function. Oxford: Saïd Business School, University of Oxford.

Freireich, J., & Fulton, K. (2009). Investing for social & environmental impact (Monitor Institute). Retrieved from

Fulkerson, G., & Thompson, G. (2008). Fifteen years of social capital: Definitional analysis of journal articles 1988-2003. *Sociological Inquiry*, 78, 536-557.

Godeke, S. (2006). Hybrid transactions in the US social capital market. *Alliance Magazine*, 11(3), 49-51.

Godeke, S., & Bauer, D. (2008). Philanthropy's new passing gear: Mission-related investing. New York: Rockefeller Philanthropy Advisors. Retrieved from <http://www.rockpa.org/document.doc?id=16> (accessed January 9, 2011).

Godeke, S., & Pomares, R., with A. V. Bruno, P. Guerra, C. Kleissner, & H. Shefrin (2009). Solutions for impact

investors: From strategy to implementation. New York: Rockefeller Philanthropy Advisors. Retrieved from <http://www.rockpa.org/document.doc?id=15> (accessed January 9, 2011).

Hope Consulting (2010). The goal and structure of the Money for Good project. Retrieved from http://www.hopeconsulting.us/pdf/Money%20for%20Good_Final.pdf (accessed December 13, 2010).

JP Morgan Global Research (2010). Impact investments: An emerging asset class. Retrieved from <http://>

Overholser, G. (2006). Patient capital: The next step forward? Nonprofit Finance Fund. Retrieved from

Rangan, V. K., Leonard, H. B., & McDonald, S. (2008). The future of social enterprise. Harvard Business School Working Paper 08-103. Retrieved from <http://www.hbs.edu/research/pdf/08-103.pdf> (accessed December 12, 2010).

Westlund, H., & Bolton, R. (2003). Local social capital and entrepreneurship. *Small Business Economics*, 21(2), 77-113.

World Economic Forum (2005). Blended value investing: Capital opportunities for social and environmental impact. Geneva: World Economic Forum.

Yunus, M. (2007). *Creating a world without poverty*. New York: PublicAffairs.

8 Measuring Social Impact

Brest, P., & Harvey, H. (2007). Assessing investment opportunities in international development: The Acumen Fund's BACO analysis (unpublished).

Chambers, R., Karlan, D., Ravallion, M., & Rogers, P. (2009). Designing impact evaluations: Different perspectives. New Delhi: International Initiative for Impact Evaluation.

Clark, C., Rosenzweig, W., Long, D., & Olsen, S. (2004). Double bottom line project report: Assessing social impact in double bottom line ventures. Retrieved from <http://www.community-wealth.org/articles/social.html>.

Kramer, M. (2005). Measuring innovation: Evaluation in the field of social entrepreneurship. Skoll Foundation and FSG Social Impact Advisors.

Kramer, M., Graves, R., Hirschhorn, J., & Fiske, L. (2007). From insight to action: New directions in foundation evaluation. FSG Social Impact Advisors.

London Business School (2009). SROI primer. Retrieved from <http://sroi.london.edu> (accessed January 30, 2011).

Merchant, K., & Van der Stede, W. A. (2007). Management control systems: Performance measurement, evaluation and incentives. Upper Saddle River, NJ: Prentice Hall.

Porter, M. E., & Kramer, M. R. (1999). Philanthropy's new agenda: Creating value. *Harvard Business Review*, November-December, pp. 121-130.

Saul, J. (2004). Benchmarking for nonprofits: How to measure, manage, and improve performance. St. Paul, MN: Fieldstone Alliance.

Scholten, P., Nicholls, J., Olsen, S., & Galimidi, B. (2006). Social return on investment: A guide to SROI analysis. Amstelveen, the Netherlands: Lenthe.

Stannard-Stockton, S. (2007). Social return on investment. [Weblog Tactical Philanthropy: Chronicling the Second Great Wave of Philanthropy.] Retrieved from <http://tacticalphilanthropy.com/2007/07/social-return-on-investment> (accessed January 30, 2011).

Trelstad, B. (2008). Simple measures for social enterprise.

Innovations, 3(3), 105-118.

Tuan, M. (2008). Measuring and/or estimating social value creation: Insights into eight integrated cost approaches. Seattle: Bill & Melinda Gates Foundation. December.

Weinstein, M. M., & Lamy, C. (2009). Measuring success: How Robin Hood estimates the impact of grants. New York: Robin Hood Foundation.

Zerbe, R., & Bellas, A. (2006). A primer for benefit-cost analysis. Cheltenham, UK: Edward Elgar.

Zerbe, R., Bauman, Y., & Finkle, A. (2006). An aggregate measure for benefit-cost analysis. *Ecological Economics*, 58, 449-461.

9 Scaling the Social Venture

- Boschee, J. (2006). Strategic marketing for social entrepreneurs. Retrieved from [http://www. socialent. org/pdfs/StrategicMarketing.pdf](http://www.socialent.org/pdfs/StrategicMarketing.pdf) (accessed September 28, 2010).
- Brandenburger, A. M., & Nalebuff, B. J. (1996). Co-Opetition. New York: Broadway Business.
- Brooks, A. C. (2009). Social entrepreneurship: A modern approach to social value creation. Upper Saddle River, NJ: Prentice Hall.
- Cohen, K. C. (2010). Scaling social impact through social franchising. Social Enterprise Reporter, May 20. Retrieved from <http://www.sereporter.com/?q=node/320> (accessed September 16, 2010).
- Dees, J. G. (1998). The meaning of social entrepreneurship. Unpublished paper. Retrieved from [http:// www.caseat duke.org/documents/deps_sedef.pdf](http://www.caseatduke.org/documents/deps_sedef.pdf) (accessed June 22, 2010).
- Dees, J. G. (2001). Mastering the art of innovation. In J. G. Dees, J. Emerson, & P. Economy (Eds.). Enterprising nonprofits: A toolkit for social entrepreneurs. New York: Wiley.
- Dees, J. G., Anderson, B. B., & Wei-Skillern, J. (2004). Scaling social impact: Strategies for spreading social innovations. Stanford Social Innovation Review, Spring, pp. 24-32.
- Foster, W. L., Kim, P., & Christiansen, B. (2009). Ten nonprofit funding models. Stanford Social Innovation Review, Spring, 32-39.
- Fritz, J. (2011). Cause-related marketing: What you need to know. Retrieved from [http:// nonprofit. about.com/od/fundraising/a/causemarketing.htm](http://nonprofit.about.com/od/fundraising/a/causemarketing.htm) (accessed March 25, 2011).
- Greve, A., & Salaff, J. W. (2003). Social networks and entrepreneurship. Entrepreneurship Theory and Practice, 28 (1), 1-22.
- Hamlin, R. E., & Lyons, T. S. (1996). Economy without walls: Managing local development in a restructuring world. Westport, CT: Praeger.

Kaplan, A. (2010). The social enterprise movement's next big deal. July 1. #Socent Conversations, SocEnt LA. Retrieved from <http://socentex.com> (accessed September 29, 2010).

Kitchens With Mission (2010a). The example. Retrieved from <http://www.kitchenswithmission.org/theexample.html> (accessed October 7, 2010).

Kitchens With Mission. (2010b). Team. Retrieved from <http://www.kitchenswithmission.org/team.html> (accessed October 7, 2010).

Kitchens With Mission (2010c). Who we are. Retrieved from <http://www.kitchenswithmission.org/whoweare.html> (accessed October 7, 2010).

Kitchens With Mission (2010d). Measuring impact. Retrieved from <http://www.kitchenswithmission.org/impact/nationaloutcomes.html> (accessed October 7, 2010).

LaFrance, S., Lee, M., Green, R., Kvaternik, J., Robinson, A., & Alarcon, I. (2006). Scaling capacities: Supports for growing impact. LaFrance Associates, LLC, July.

McBride, J., & Ahmed, R. (2001). Social franchising as a strategy for expanding access to reproductive health services. Bethesda, MD: Commercial Markets Strategies Project.

Orr, A. (2005). Attracting attention: The Taproot Foundation provides organized volunteers who deliver marketing expertise. Stanford Social Innovation Review, Spring. Retrieved from http://ssir.org/articles/entry/attracting_attention. Accessed January 6, 2016.

Pimentel, B. (2007). A brand is a promise to a customer. Stanford GSB News. Stanford Graduate Business School, September. Retrieved from <http://www.gsb.stanford.edu/news/headlines/2007/aakerbrandpromise.html> (accessed September 29, 2010).

Tracey, P., & Jarvis, O. (2007). Toward a theory of social venture franchising. *Entrepreneurship Theory and Practice*, 31 (5), 667-685.

Wei-Skillern, J., Austin, J. E., Leonard, H., & Stevenson, H. (2007). *Entrepreneurship in the social sector*. Thousand Oaks, CA: Sage.

10 Social Intrapreneurship

Allianz, IDEO, Skoll Foundation, & SustainAbility (2008). The social intrapreneur: A field guide for corporate changemakers. London: SustainAbility Ltd.

Austin, J. (2000). The collaboration challenge: How nonprofits and businesses succeed through strategic alliances. London: Peter Drucker Foundation.

Austin, J., Wei-Skillern, J., & Lefort, A. (2004). Starbucks and Conservation International. Teaching Note, 304-100. Boston: Harvard Business School, Division of Research.

Austin, J., Leonard, H., Reficco, E., & Wei-Skillern, J. (2005). Social entrepreneurship: It's for corporations. In Nicholls, A. (Ed.), Social entrepreneurship: New paradigms of sustainable social change. Oxford: Oxford University Press, 169-181.

Badal, S. (2012). Building corporate entrepreneurship is hard work. Gallup Business Journal, September 25, 2012.

Balasundaram, N., & Uddin, M. S. (2009). Determinants of key favorable environment for intrapreneurship development: An empirical study of some selected companies in Chittagong, Bangladesh. Buletinul, LXI (2), 29-35.

Boschee, J. (2001). Eight basic principles for non-profit entrepreneurs. Nonprofit World, 19 (4), 15-18.

Brenneke, M., & Spitzeck, H. (2009). Social intrapreneurship. Paper presented at the 22nd EBEN Annual Conference, Athens. Retrieved from www.eben.gr/site/Papers/Spitzeck%20Heiko%20Social%20Intrapreneurship.pdf (Accessed July 25, 2014).

Brinckerhoff, P. (2001). Why you need to be more entrepreneurial - and how to get started. Nonprofit World, 9 (6), 12-15.

Business in the Community. (2010). CEMEX - Patrimonio Hoy: Coffey award supported by the Department of International Development. www.bitc.org.uk/print/our-resources/case-studies/cemex-patrimonio-hoy. Accessed August 18, 2014.

Business Today. (2011). Cemex grew its profits by helping the poor to help themselves. November 22.

- Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, July-August, 39-48.
- CEMEX (2014). Company profile. www.cemex.com/AboutUs/CompanyProfile.aspx.
- Crisan, C. M., & Borza, A. (2012). Social entrepreneurship and corporate social responsibilities. *International Business Research*, 5(2), 106-113.
- Drucker, P. F. (1985). *Entrepreneurship and innovation*. New York: Harper Business.
- Elkington, J., & Hartigan, P. (2007). *The power of unreasonable people: How social entrepreneurs create markets that change the world*. Boston, MA: Harvard Business School Press.
- Fayolle, A., Gailly, B., Kickul, J., & Lassas-Clerc, N. (2005). Capturing variations in attitudes and intentions: A longitudinal study to assess the pedagogical effectiveness of entrepreneurship teaching programs. *Cahiers de Recherche No. 2002/11*. Lyon, France: EMLYON.
- Feyzbakhsh, S. A., Sadeghi, R., & Shoraka, S. (2008). A case study of intrapreneurship obstacles: The RAJA Passenger Train Company. *Journal of Small Business and Entrepreneurship*, 21 (2), 171-180, 251.
- Gomez-Haro, S., Aragon-Correa, J., & Cordon-Pozo, E. (2011). Differentiating the effects of the institutional environment on corporate entrepreneurship. *Management Decision*, 49 (10), 1677-1693.
- Hamlin, R. E., & Lyons, T. S. (1996). *Economy without walls: Managing local development in a restructuring world*. Westport, CT: Praeger.
- Hass, B. H. (2011). Intrapreneurship and corporate venturing in the media business: A theoretical framework and examples from the German publishing industry. *Journal of Media Business Studies*, 8 (1), 47-68.
- Henry, C., & Treanor, L. (2010). Entrepreneurship education and veterinary medicine: Enhancing employable skills. *Education & Training*, 52 (8/9), 607-623.

Hockerts, K. (2007). Managerial perceptions of the business case of corporate social responsibility, CSR & Business in Society, Copenhagen Business School Working Paper Series No. 03-2007. Copenhagen: Copenhagen Business School Center for Corporate Social Responsibility.

Kenney, M., & Mujtaba, B. G. (2007). Understanding corporate entrepreneurship and development: A practitioner view of organizational intrapreneurship. *Journal of Applied Management and Entrepreneurship*, 12 (3), 73-88.

Kotler, P., & Lee, N. (2005). *Corporate social responsibility: Doing the most good for your company and cause*. New York: Wiley.

Kuratko, D. F. (2009). The entrepreneurial imperative of the 21st century. *Business Horizons*, 52, 421-428.

Lester, D. L. (2004). An American entrepreneur manages across the life cycle. *Journal of Business and Entrepreneurship*, 16 (1), 104-118.

Lichtenstein, G. A., & Lyons, T. S. (2001). The entrepreneurial development system: Transforming business talent and community economies. *Economic Development Quarterly*, 15 (1), 3-20.

Lichtenstein, G. A., & Lyons, T. S. (2010). *Investing in entrepreneurs: A strategic approach for strengthening your regional and community economy*. Santa Barbara, CA: Praeger/ABC-CLIO.

Lock, I. C. (2001). Summary report of proceedings: Strategic alliance: Seeking common ground. Edmonton, Alberta: Canadian Centre for Social Entrepreneurship, University of Alberta. Retrieved from <http://www.bus.ualberta.ca/ccse>. Accessed August 18, 2014.

Lyons, T. S., Townsend, J., Sullivan, A. M., Drago, T. (2010). *Social enterprise's expanding position in the nonprofit landscape*. New York: National Executive Service Corps.

Lyons, T. S., & Lichtenstein, G. A. (2010). A community-wide framework for encouraging social entrepreneurship using the pipeline of entrepreneurs and enterprises model. In Fayolle, A., & Matlay, H. (Eds.). *Handbook of Research on Social Entrepreneurship*. Cheltenham, UK: Edward Elgar.

- Macrae, N. (1982). Intrapreneurial now. *The Economist*, April 17.
- Menzel, H. C., Aaltio, I., & Ulijn, J. M. (2007). On the way to creativity: Engineers as intrapreneurs in organizations. *Technovation*, 27, 732-743.
- Michelini, L., & Fiorentino, D. (2012). New business models for creating shared value. *Social Responsibility Journal*, 8 (4), 561-577.
- Mintzberg, H. (1978). Patterns in strategy formation. *Management Science*, 24 (9), 934-948.
- Molian, D. (2012). Entrepreneurial value creation: Are business schools doing their full part? *Journal of Strategic Management Education*, 8 (4), 233-252.
- Pavlovich, K., & Corner, P. D. (2014). Conscious enterprise emergence: Shared value creation through expanded conscious awareness. *Journal of Business Ethics*, 121, 341-351.
- Porter, M. E., & Kramer, M. R. (2006). Strategy and society: The link between competitive advantage and corporate social entrepreneurship. *Harvard Business Review*, 84 (12), 78-92.
- Porter, M. E., & Kramer, M. R. (2011). Creating shared value. *Harvard Business Review*, 89 (1/2), 62-77.
- Prahalad, C. K. (2006). *The Fortune at the Bottom of the Pyramid*. Upper Saddle River, NJ: Wharton School Publishing.
- Praszkier, R., & Nowak, A. (2011). *Social entrepreneurship: Theory and practice*. Cambridge, UK: Cambridge University Press.
- Putta, S. S. (2014). Improving entrepreneurs' management skills through entrepreneurship training. *Journal of Commerce and Management*, 5 (3), 459-474.
- Schmitz, B., & Scheuerle, T. (2012). Founding or transforming? Social intrapreneurship in three German Christian-based NPOs. *ACRN Journal of Entrepreneurship Perspectives*, 1 (1), 13-36.
- SEKN (Social Enterprise Knowledge Network). (2011). *Inclusive business: Engaging the poor through market*

initiatives in Iberoamerica. Cambridge, MA: David Rockefeller Center for Latin American Studies, Harvard University Press.

Seshadri, D. V. R., & Tripathy, A. (2006). Innovation through intrapreneurship: The road less traveled. *Vikalpa*, 31 (1), 17-29.

Shared Value Initiative. (2013). *Patrimonio Hoy: Access to housing and finance*. Retrieved from <http://>

Sharir, M., & Lerner, M. (2006). Gauging the success of social ventures initiated by individual social entrepreneurs. *Journal of World Business*, 41, 6-20.

Simms, J. (2008). Innovation's new frontier. *Director*, 62 (3), 48-49, 51-53.

Stull, M., & Aram, J. D. (2010). Exploring trust as an influencing mechanism of Intrapreneurship. *International Journal of Management and Marketing Research*, 3 (3), 17-38.

Thompson, J. L. (2002). The world of the social entrepreneur. *The International Journal of Public Sector Management*, 15 (5), 412-431.

Tracey, P., Phillips, N., & Haugh, H. (2007). Beyond philanthropy: Community enterprise as a basis for corporate citizenship. *Journal of Business Ethics*, 58 (4), 327-344.

Urban, B. (2008). Social entrepreneurship in South Africa: Delineating the construct with associated skills. *International Journal of Entrepreneurial Behaviour & Research*, 14 (5), 346-364.

Verreyne, M., & Harris, C. (2009). Social intrapreneurship: The case of small nonprofit firms in Australia and NZ. *Proceedings of the 2009 ICSB World Conference*, Seoul, Korea. London: International Council for Small Business.

Weerawardena, J., & Mort, G.S. (2006). Investigating social entrepreneurship: A multidimensional model. *Journal of World Business*, 41, 21-35.

11 Social Entrepreneurship and Environmental Sustainability

AlaskaDispatch.com (2011).

Green Brands Survey (2011).

State of Green Business Report (2012).

State of Green Business Report (2014).

<https://www.greenbiz.com/research/report/2014/01/19/state-green-business-report-2014> Accessed October 23, 2014.

12 The Social Entrepreneurship Support Ecosystem

American Entrepreneurship Today NY. (2014). CSI - NY marks 1st anniversary. New York: AET LLC.

Bornstein, D. (2007). How to change the world: Social entrepreneurs and the power of new ideas. Oxford, UK: Oxford University Press.

Bromberg, J. (2014). CSI advances social enterprise. Convene, September 19. <http://convene.com/centre-social-innovation-csi-advances-social-enterprise>. Accessed October 15, 2014.

Cunniffe, E. (2013). Social enterprise, squared. Nonprofit Quarterly (June 26). PIC Net.

Dabson, B., Malkin, J., Matthews, A., Pate, K., & Stickle, S. (2003). Mapping rural entrepreneurship. Battle Creek, MI: Corporation for Enterprise Development for the W.K. Kellogg Foundation.

Duran, D. (2014). NYC coworking space more than just tables & chairs. Drive the District, July 4.

Edward Lowe Foundation. (2002). Building entrepreneurial communities. Cassopolis, MI: Edward Lowe Foundation.

Feldman, M. P. (1994). The university and economic development: The case of Johns Hopkins University and Baltimore. *Economic Development Quarterly*, 8 (1): 67-76.

Florida, R. (2002). The rise of the creative class. New York: Basic Books.

Furnish Green. (2014). A trip to the Centre for Social Innovation. April 24. <http://Furnishgreen.com/a-trip-to-the-centre-for-social-innovation>. Accessed October 15, 2014.

Gordon Institute of Business Sciences. (2014). Network for Social Entrepreneurs (NSE). Pretoria, South Africa: University of Pretoria.

Impact Entrepreneurs. (2014). Forge Portland: A new co-working space for nonprofits and social Enterprises. Portland, OR: Portland State University. <http://impactentrepreneurs.wordpress>.

Impact Hub. (2014). Is there a social network for social entrepreneurs? Yes! 7 to investigate. <http://>

Kauffman Foundation. (2014). ID8 Nation. <http://www.kauffman.org/what-we-do/programs/entrepreneurship/id8-nation>. Accessed August 27, 2014.

Korosec, R. L., & Berman, E. M. (2006). Municipal support for social entrepreneurship. *Public Administration Review*, May/June, 448-462.

Koven, S. G., & Lyons, T. S. (2010). *Economic development: Strategies for state and local practice*. Washington, DC: International City/County Management Association.

Lichtenstein, G. A., & Lyons, T. S. (1996). *Incubating new enterprises*. Washington, DC: The Aspen Institute.

Lichtenstein, G. A., & Lyons, T. S. (2010). *Investing in entrepreneurs: A strategic approach for strengthening your regional and community economy*. Santa Barbara, CA: Praeger/ABC-CLIO.

Lichtenstein, G. A., Lyons, T. S., & Kutzhanova, N. (2004). Building entrepreneurial communities: The appropriate role of enterprise development activities. *Journal of the Community Development Society*, 35 (1): 5-24.

Lyons, T. S., & Lichtenstein, G. A. (2010). A community-wide framework for encouraging social entrepreneurship using the pipeline of entrepreneurs and enterprises model. In A. Fayolle & H. Matlay (Eds.). *Handbook of Research on Social Entrepreneurship*. Cheltenham, UK: Edward Elgar.

Mission*social. (2014). About mission*social. <http://www.missionsocial.com>. Accessed September 2, 2014.

nyc.socialinnovation.org. Join Us. nyc.socialinnovation.org/join-us. Accessed November 26, 2014.

Panzanee. (2014). Panzanee is Chicago's social enterprise incubator, co-working space and continuous community. <http://panzanee.com>. Accessed September 2, 2014.

Porter, M.E. (1985). *Competitive advantage*. New York: Free Press.

Propeller. (2014). Incubator.

<http://gopropeller.org/incubator>. Accessed on September 2, 2014.

Rominiecki, J. (2012). Creative spark: Incubators and coworking spaces ignite innovation. *Associations Now*. The Center for Association Leadership.
<http://www.asaecenter.org/Resources/ANowDetail.cfm?ItemNumber=233930>.

Social Enterprise Trust. (2014).
<http://www.socialenterprisetrust.org>. Accessed September 2, 2014.

Social Venture Network. (2014). About SVN.
<http://svn.org/who-we-are/about-svn>. Accessed on September 4, 2014.

Stiles, A. (2013). Social innovation builds its dream home in New York City. *Fast Company*, May.

Timmons, J. A., & Spinelli, S. (2007). *New venture creation: Entrepreneurship for the 21st century*, 7th Edition. Boston: McGraw-Hill Irwin.

Wei-Skillern, J., Austin, J. E., Leonard, H., & Stevenson, H. (2007). *Entrepreneurship in the social sector*. Thousand Oaks, CA: Sage.

Zaleski, A. (2014). SocEnt Baltimore: Old Goucher coworking for social entrepreneurs. <http://>

13 The Future of Social Entrepreneurship

Alter, K. (2007, November 27). Social enterprise typology. Virtue Ventures LLC.

Ansell, C., & Gash, A. (2008). Collaborative governance in theory and practice. *Journal of Public Administration Research and Theory*, 18(4), 543-571.

Aspen Institute (2008). Where will they lead? 2008 MBA student attitudes about business & society. Washington, DC.

Association to Advance Collegiate Schools of Business (AACSB) (2010). Business schools on an innovation mission: Report of the AACSB International Task Force on Business Schools and Innovation. Tampa, FL.

Austin, J., Stevenson, H., & Wei-Skillern, J. (2006). Social and commercial entrepreneurship: Same, different, or both? *Entrepreneurship Theory and Practice*, 30(1), 1-22.

Austin, J., Gutierrez, R., Ogliastri, E., & Reficco, E. (2006). Effective management of social enterprises: Lessons from businesses and civil society organizations in Iberoamerica. Cambridge, MA: Harvard University.

Baker, T., & Nelson, R. E. (2005). Creating something from nothing: Resource construction through entrepreneurial bricolage. *Administrative Science Quarterly*, 50, 329-366.

Baker, T., Miner, A. S., & Eesley, D. T. (2003). Improvising firms: Bricolage, account giving and improvisational competencies in the founding process. *Research Policy*, 32, 255-276.

Bennis, W. G., & O'Toole, J. (2005). How business schools lost their way. *Harvard Business Review*, 83(5), 96-104.

Brock, D. D., & Ashoka Global Academy for Social Entrepreneurship (2008). Social entrepreneurship teaching resources handbook. Retrieved from <http://ssrn.com/abstract=1344412>.

Chell, E. (2007). Social enterprise and entrepreneurship. *International Small Business Journal*, 25(1), 5-26.

Christensen, C. M., & Bower, J. L. (1995). Disruptive technologies: Catching the wave. *Harvard Business Review*, January-February, 43-53.

Christensen, C. M., Baumann, H., Ruggles, R., & Sadtler, T. M. (2006). Disruptive innovation for social change. *Harvard Business Review*, December, 39-55.

Crosby, B. C., & Bryson, J. M. (2005). *Leadership for the common good: Tackling public problems in a shared-power world*. San Francisco, CA: Jossey-Bass.

Dees, G., Emerson, J., & Economy, P. (2001). *Enterprising nonprofits: A toolkit for the social entrepreneur*. Hoboken, NJ: John Wiley.

Desa, G. (2007). *Social entrepreneurship: Snapshots of a research field in emergence*. Paper presented at the 2007 International Social Entrepreneurship Research Conference (ISERC), Copenhagen, June 18-19.

Economist, The (2010, April 17). The world turned upside down. A special report on innovation in emerging markets. *The Economist*, pp. 3-12.

Fast Company (2007). *Profits with Purpose*. Better World Books. 45 social entrepreneurs who are changing the world. Retrieved from

Keegan, M. J. (2010). Leading the Global Partnership initiative: Insights from Ambassador Elizabeth Frawley Bagley. *The Business of Government*, Spring, pp. 33-36.

Marcus, A. A., & Fremeth, A. R. (2009). Green management matters regardless. *Academy of Management Perspectives*, 23, 17-26.

Natsios, A. S. (2009). Public/private alliances transform aid. *Stanford Social Innovation Review*, Fall, pp. 42-47.

Phills, J. A., Deiglmeier, K., & Miller, D. T. (2008). Rediscovering social innovation. *Stanford Social Innovation Review*, Fall, pp. 28-39.

Smith, B., & Barr, T. (2007). Reducing poverty through social entrepreneurship: The case of Edun. In C. Wankel & J. Stoner (Eds.). *Innovative approaches to reducing poverty*. Charlotte, NC: Information Age Publishing.

Tracey, P., & Phillips, N. (2007). The distinctive challenge of educating social entrepreneurs: A post-script and rejoinder to the special issue on entrepreneurship education. *Academy of Management Learning*

