

What I Learned About Social Entrepreneurs

"A good and decent [person], who saw wrong and tried to right it, saw suffering and tried to heal it . . ."

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The words the late Senator Edward Kennedy used to eulogise his brother Robert have become part of my definition of a social entrepreneur. Each of the people featured in my television series, "Alvin's Guide to Good Business," tells the story of how something they saw during a trip to or while growing up made them angry or disgusted, made them say to themselves "this is not right" or "no one should have to live like this." Above all it made them want to do something to improve the lives of the people in those situations today and in the future. Many were so compelled by their feelings that they used their own savings and funds from relatives to start charities to raise money for the cause they believed in. While they may have had little experience in running such an organisation, they knew intuitively it was the right thing to do and each person knew he or she would have a steep learning curve.

Quickly, each person realised that their organisation had a "double bottom line"—a favourite phrase of social entrepreneurs Andrea and Barry Coleman of Riders for Health. This means that the entrepreneurs had to raise the money and use it most efficiently (in order to be able to attract more funding), while at the same time effecting the most social change they

could. This "double bottom line" concern was shared by all of the social entrepreneurs.

While there is no one-size-fits-all business model for social entrepreneurship, I did find other common concerns. Continuous fundraising and succession are two of the biggest. The recent worldwide economic downturn has made fundraising a challenge for most social enterprises, especially those with less data showing the effectiveness of their enterprise. Funders are undoubtedly moved by the emotions underlying the organisation, but they also want proof (or close to it) of its effectiveness. Often, the enterprise is heavily associated with its founder, who is also the primary fundraiser. Finding or designating the person who can continue the organisation's work and raise the needed funding is an issue that is often sidestepped—especially if the person has a forceful personality and is doing a remarkable job. The final issue common to all is creating a sustainable organisation. For some, this involves taking an aspect of the social enterprise and making it a for-profit business with the proceeds used to fund other non-money making parts of



the organisation. For others, particularly those involved in education, it may involve establishing a source of long-term funding, such as an endowment, and using the income generated by it to pay for work of the social enterprise.

What all of the social enterprises are most successful at is listening to the local people they are trying to help and learning directly from them and tapping into their experiences. This includes the regular citizens as well as the regional administrators. This is the most effective way to understand precisely and accurately what their needs are. Most importantly, it gives the people being helped a sense of ownership in the social enterprise—that they were listened to, instead of being talked to.