



Handbook to create a sustainable business

Module 8: Social Entrepreneurship

A handbook to create a sustainable business is developed within the Young GREENTrepreneurs project

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Introduction

Welcome to the eight module of this new training. The primary aim of the module is to add a specific aspect to the knowledge reviewed so far. The first two lessons will introduce us to the social challenges and responses to sustainability, followed by an overview of the main characteristics of social entrepreneurship. Throughout the module, we will seek to demonstrate how sustainability and social entrepreneurship can be linked by practical examples.



Lesson 1: Social Challenges and Social Needs in the Context of Sustainability

Sustainability and environmental issues are among the most pressing societal topics today. Humanity increasingly realizes that current lifestyles and economic systems are unsustainable in the long term and pose significant risks to the future of our planet. In this context, various social challenges and needs arise, which society must address to create a more sustainable future.



Some of these are the following:

- **Climate Change and Greenhouse Gas Emissions:** Climate change is one of the most significant sustainability challenges. Human activities, particularly the emissions of greenhouse gases, are causing global temperatures to rise, leading to severe consequences such as extreme weather events, rising sea levels, and food security issues.
- **Depletion of Natural Resources:** Overexploitation of natural resources, such as deforestation and overfishing, threatens the environment and sustainable resources needed for future generations.
- **Food Security:** Due to the growing global population, food production and supply must be sustainable. Challenges like climate change, water scarcity, and soil degradation pose threats to food security.

- **Water Management and Scarcity:** Depletion of freshwater sources and water pollution lead to serious water scarcity in many regions. Effective water management and resource preservation are essential for sustainability.
- **Biodiversity Loss:** Declining biodiversity endangers natural ecosystems and ecological balance. Human activities like deforestation and habitat loss contribute to species extinction.
- **Poverty and Inequality:** Sustainability encompasses social justice. Poverty and inequality are challenges that must be addressed to build sustainable societies.
- **Plastic Pollution:** The widespread presence of plastics in the environment causes severe pollution and poses a significant threat to oceans and aquatic life. Proper plastic management and recycling are vital for sustainability.
- **Energy Efficiency and Renewable Energy:** Rising energy demands and reliance on fossil fuels are significant challenges in the fight against climate change. Energy efficiency and the development of renewable energy sources are crucial for sustainability.
- **Mindset Shift and Education:** Achieving sustainability requires not only technological changes but also a shift in societal mindset. Education and awareness-building help people understand interconnectedness and foster commitment to sustainable practices.

Addressing these challenges is crucial for creating a sustainable future. Let's look at some good examples in the next lesson.



Lesson 2: Good Practices Addressing the Sustainable Future

Agricool – Urban Vertical Farming

Urban vertical farming is incredibly popular. Guillaume Fourdinier and Gonzague Gru must have known this, as their company is doing extremely well. Founded in 2015, the Paris-based company sells so-called "Cooltainers", which are recycled dock containers that can be used as a kind of urban farm to grow fruits and vegetables. Agricool has started with strawberries that contain 20% more sugar and 30% more vitamin C than store-bought strawberries. From Paris to Dubai, Agricool is paving the way for a future filled with sustainable and urban farming solutions.



Find more information here:

https://www.instagram.com/_agricool/



Koovee - Edible Cutlery

The French startup was created in 2017 to provide an eco-friendly alternative to plastic cutlery in the form of biodegradable, economical and delicious edible cutlery. Their spoons, knives and forks are made from wheat flour, rapeseed oil and salt, without additives or chemicals, and have a cracker taste. By eating your next dessert, you can help reduce plastic waste.

Find more information here: [koovee_a_croquer](https://www.koovee.com/)

Orange Fiber - Fruit Tissue as a Raw Material for Clothing

Sicily's orange juice industry produces 700,000 tonnes of waste every year and two Italian designers decided to make use of this waste, so they designed and patented a fabric made from the by-product of their juice, the first garments of which have already been produced and presented in Salvatore Ferragamo's 2017 summer/spring collection and H&M 2019. In 2015, the company was awarded the H&M Foundation Global Change Award for sustainable and innovative fashion product design.

Find more information here: <https://www.instagram.com/orangefiberbrand/>



If you are interested in more good practices, you may find the following podcasts interesting: <https://www.youtube.com/@scaleupcycling>

Lesson 3: Social Entrepreneurship and Social Entrepreneurs

In reviewing good practices, you will have realised that the answers to sustainability challenges do not primarily come from for-profit businesses in the classical sense. You should know that there are also so-called social enterprises. In this lesson we will summarise the main characteristics of social entrepreneurship and social entrepreneurs.

Social entrepreneurship involves individuals, groups, new businesses, or innovative thinkers who create, finance, and put into action solutions for challenges related to society, culture, or the environment. This approach can be adapted by a diverse array of organizations, differing in terms of their size, objectives, and value.

Source: Thompson, J.L. (2002). "The World of the Social Entrepreneur". *The International Journal of Public Sector Management*. 15 (4/5): 413. 10.1108/09513550210435746

Entrepreneurship vs. social entrepreneurship: what's the difference?

Similar to traditional entrepreneurs, social entrepreneurs aspire to establish enduring businesses. However, unlike entrepreneurs who primarily seek to maximize profits, the primary focus of a social entrepreneur lies in making a meaningful impact. Many other distinctions between these two types of entrepreneurship stem from this central difference.

Social entrepreneurship can take various forms, such as non-profit, for-profit, or hybrid business models (referred to as social enterprises), depending on your preferred business approach and the availability of financial support.



It's essential to recognize that a business can engage in and support social causes without being classified as a social entrepreneurial venture. Corporate social responsibility involves a business adopting policies aimed at benefiting society, often driven by ethical considerations. For instance, a company might make donations to charitable organizations or take steps to offset its carbon emissions to reduce environmental harm. Further details on this topic can be found in the upcoming chapter.

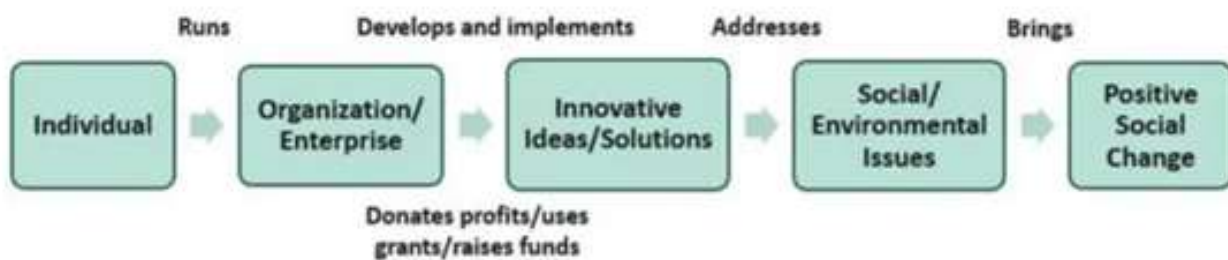
	Entrepreneur	Social entrepreneur
Objective	Build a sustainable business	Build a sustainable and socially impactful business
Motive	Financially driven	Mission driven
Focus	Individual consumers	Social group
Link to social issues	Indirect	Direct
Competition/ collaboration	Competitive with related businesses	Collaborative with related businesses
Success	Based on sustainable profits	Based on sustainable social impact

Source: What Is Social Entrepreneurship? A Guide. Coursera. 2023.
<https://www.coursera.org/articles/social-entrepreneurship>



Who is a social entrepreneur and how do they work?

Social entrepreneurs work towards creating and putting into action creative and sustainable solutions for a range of societal, cultural, financial, and environmental challenges. They have two primary approaches: they either contribute their profits, generated from selling products or services, to assist those requiring help, or they secure government grants or raise funds to back a specific cause. Essentially, these entrepreneurs can operate with both profit and non-profit objectives, often functioning within social enterprises. Nevertheless, their central objective remains to drive social change while also generating profits to advance their social mission.



Source: Social Entrepreneur. Wallstreetmojo Team. 2023.
<https://www.wallstreetmojo.com/social-entrepreneur/>

Types of Social Entrepreneurs

Community Social Entrepreneur

A community social entrepreneur prioritises the needs of a small geographical region, usually the community it lives in. This type of social entrepreneur is less concerned about the specific nature of their endeavour; the primary purpose of their entrepreneurship is to benefit their local area.

Non-Profit Social Entrepreneur

Non-profit social entrepreneurs are the more common type of social entrepreneur where the entity has a broad stated goal that benefits someone but not necessarily their direct community. With the introduction of remote or online social entrepreneurship, it is now easier to create entities with broader mission-driven purposes.



Transformational Social Entrepreneur

As a start-up non-profit social enterprise grows, it often shifts into becoming a transformational social entrepreneur. As local non-profits grow, so can their mission. A transformational social entrepreneur looks to scale an operation from a single program to benefitting various areas. This type of social entrepreneur starts as a small social enterprise transformed into a much richer, broader entity with many more rules and regulations.

Global Social Entrepreneur

Sometimes, social entrepreneur endeavours aren't limited by borders or geography. Sometimes, people may try to solve overarching social concepts such as poverty, depression, or lack of living conditions. Usually, the social entrepreneur may try to solve an issue in a specific region. However, these deep-rooted issues are often not specific to a region. Many of the solutions discovered in one area may be attributable to another.

6 P's of Social Entrepreneurial Enterprises [1]

As social entrepreneurs embark on turning their ideas into successes, they often work through the following six areas. Each of these categories are different resources, roadblocks, or stages a social entrepreneur must often encounter.

People

Many social entrepreneurs initiate their efforts by pinpointing the target beneficiaries they aim to help. These beneficiaries can be either the people within their local community or individuals belonging to a particular demographic. Without a well-defined understanding of the intended beneficiaries, social entrepreneurs may encounter challenges in outlining the scope of their enterprise. This puts the yet-to-be-created entity at risk of not having a clear vision.

[1] Source: Adam, H. (2023): Social Entrepreneur: Definition and Examples.



Problem

Social entrepreneurs try to fix problems. More specifically, social entrepreneurs identify a problem that the people in the previous section face.

Plan

With the people and problem identified, a social entrepreneur must devise a plan to solve the problem. Social entrepreneurs not only strive to create a business plan to operate an entity, they must also determine how this type of entity will receive funding and remain financially sustainable. The social entrepreneur should also assess how external entities can assist in accomplishing its social objectives.

Pursue

With the test case down, social entrepreneurs identify what went well and what didn't go well. This often includes gathering feedback from those who contributed to implementing the solution.

Prioritize

One of the largest challenges for a social entrepreneur is a lack of available resources to tackle the problem they wish to solve. Whether that means not enough money, not enough specialized knowledge, or external forces that cannot be controlled, social entrepreneurs face many constraints. This entails prioritizing what issues they aim to address, their operational strategies, and the envisioned growth or expansion plans.



Prototype

Because resources are limited, social entrepreneurs often test out solutions in small markets before expanding. This involves the development of prototype products, services, or processes. It also tests out how different funding and resources can help it achieve its goals.



Practical Exercise: Searching – Writing - Networking

1. Research a Social Enterprise: Use search engines or social enterprise directories to find a social enterprise addressing a sustainability challenge. Make sure to choose one that interests you and aligns with your research criteria.

2. Review the Social Enterprise:

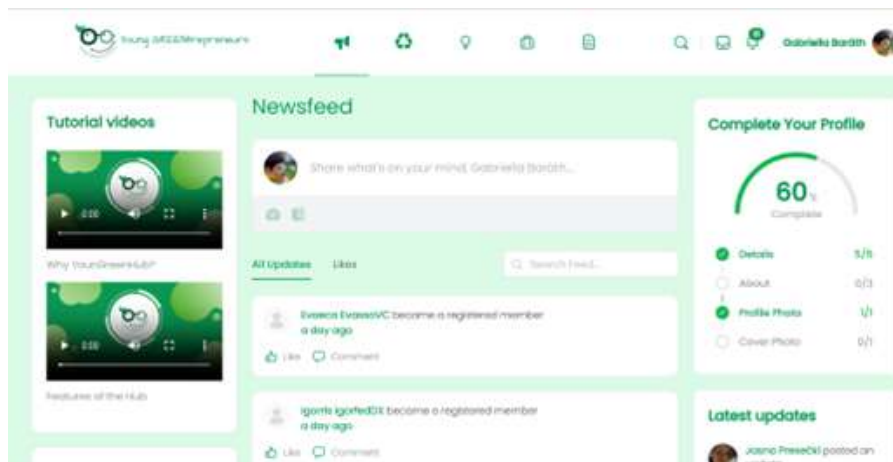
- Explain the mission and goals of the social enterprise.
- Describe the sustainability challenge it aims to tackle.
- Highlight the innovative elements in its approach. What sets it apart from others?
- Discuss its impact and successes in addressing the challenge.

3. Identify Potential Improvements:

- Consider what you would do differently or any areas where the enterprise could enhance its effectiveness.
- Be constructive in your criticism, focusing on areas for improvement rather than just pointing out flaws.

4. Register on YounGreenHub: <https://www.younggreenhub.eu/>.

- Visit the YounGreenHub website and follow their registration process.
- Upload the example you found, including a picture and relevant details.
- Copy and paste your review into the platform and make sure to mention the innovative aspects and potential improvements.
- Add a thought-provoking question that encourages others to reflect on the social enterprise's work.



Reference image of the HUB



Conclusions

In this module, we looked at the social challenges related to sustainability and the responses to them. We tried to show the importance of social initiatives through good practices. We showed which enterprises are not just for profit. What kind of behaviour characterises social entrepreneurs and who can be a successful social entrepreneur. What are the main differences between traditional enterprises and social entrepreneurship. We hope you have gained a lot of valuable knowledge. Contact us after registering for the HUB and let's deepen your entrepreneurial knowledge together.

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