**Social Entrepreneurship: preparing for action**

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**Abstract**

 A great idea is nothing without action. Social entrepreneurs may fantasize about a better world, but they are not idle dreamers- social entrepreneurs are both “visionaries and ultimate realists, concerned with the practical implementation of their vision above all else” (Barreiro & Stone, 2013, p.19). Taking the steps necessary to launch a successful social enterprise is a lengthy, heavily researched, arduous endeavor. The initial idea is methodically dissected and analyzed, reconstructed, and then disassembled into minutia again. Eventually, the idea evolves into a plausible plan.

 This paper includes tools transferable or adapted from traditional business planning tactics, to serve as a guide for social entrepreneurs looking to create a positive social change but needing to refine and reshape their dream into something tangible. Unlike traditional business with its heavy focus on profit creation, social entrepreneurs need to consider the “triple bottom line: people, planet, and profit: (Bandyopadhyay & Ray, 2019, p.178). However, the focus on social benefit rather than profit, while noble, makes social entrepreneurial efforts high risk, and therefore can be more difficult to find the financial support and loans that may be needed to start up (Haugh, 2007, p.745). The processes and organizational structures listed in this report can be used to develop a solution that best enables these three components. This report is not intended to be all encompassing, but to provide a starting point and considerations for those entering social entrepreneurship.

**Idea Generation & Innovation**

 Social entrepreneurship is characterized by its emphasis on supporting a social mission and improving deficits in society. While there is generally no shortage of complaints about inequities in society, viable solutions can be harder to come by. Innovation for social entrepreneurs requires creating a unique and realistic solution to a problem (Barreiro & Stone, 2013, p.15). In order to effectively create a solution to mitigate the highlighted problem, the entrepreneur needs to develop a concrete and in depth understanding of the bigger issues causing the inequity or disadvantage and use this knowledge to create a plan where resolution is possible through a social enterprise. Sometimes entrepreneurs ‘fall in love’ with an idea, without objectively examining it and considering alternative solutions (Barreiro & Stone, 2013, p.21). Rigorous brainstorming and further investigation can help navigate this trap. Unleashing a new approach or product is risky- a strategic and structured idea-generation process can increase the odds of an innovation’s success (Fried, 2022).

 The innovative process can be split into four phases:

1. Ideas: use brainstorming, compile ideas based on current and historical practice, other fields, etc.
2. Concept: analyze data collected in researching idea feasibility and consider how the ideas could be conceptualized and implemented.
3. Solution: experiment with and modify ideas to find the most probable solution; iron out logistics to implement.
4. Market: attract client or outside interest, raise awareness of the final result of the innovative process, and encourage its implementation. After its public release, the innovation may need further adaptation to client needs and wants based on feedback (Fried, 2022).

 Barreiro and Stone recommend applying the ‘Five Whys’ exercise to encourage further questioning and in depth research of the issue beyond its initial presentation (2013, p.18). It is a process that involves:

1. Writing down the specific problem.
2. Ask *why* the problem exists and record all the answers.
3. Ask *why* again and write your answers.
4. Repeat the third step until all possibilities are exhausted, and your consultants or team have identified and agreed upon the root cause. This may take more or less than five tries.

(Barreiro & Stone, 2013, p.18).

 A structured questioning process is useful in helping isolate the target population from the general population, and then dividing this group into more specific demographics (Barreiro & Stone, 2013, p.19). Examining the issue in this way makes it easier to identify areas in need of further research and development (Barreiro & Stone, 2013, p.19). Research may also discover unconscious needs of the client (Fried, 2022).

 Fortunately, the ability to innovate is largely a learned ability, so hopeful entrepreneurs should not be discouraged as they work through the innovation process to invent solutions; some research into innovation strategies has reached the optimistic conclusion that “roughly two-thirds of the skills it takes to innovate can be learned” (Barreiro & Stone, 2013, p.20). Gregson, Christensen, and Dyer conducted a study that assessed thousands of innovators, entrepreneurs, managers, and executive across diverse fields on an international scale, and found five key skills were identifiable in most (Barreiro & Stone, 2013, p.20).

1. Questioning enabled innovators to revise the status quo and generate new ideas and perspectives.
2. Observing improved entrepreneurs detection of overlooked details that pointed to alternative actions than those being taken.
3. Networking exposes innovators to a variety of perspectives and input from diverse specialists.
4. Experimenting encouraged entrepreneurs to test new ideas, as well as dismantle and assess their actions.
5. “Associational thinking” enables entrepreneurs to make connections between seemingly unrelated fields of practice, which is encouraged by the first four skills listed and facilitates creative problem solving.

(Barreiro & Stone, 2013, p.21).

 Peter Drucker, the author of the book ‘Innovation and Entrepreneurship’, found three leading sources of change throughout his research: issues, ideas, and opportunities (Barreiro & Stone, 2013, p.22). Examination of a social issue may discover intersecting problems, and ideas “list actionable possibilities to resolve issues” (Barreiro & Stone, 2013, p.26). Opportunities in the social and public sector can include changes in the environment or political sphere that can be leveraged to make entry into a field or initiation of a solution easier (Barreiro & Stone, 2013, p.26).

**Preliminary considerations: business planning**

 The business plan for a social venture requires the same considerations as a traditional business- just adapted to suit its social orientation. This first section of the plan should include a description of the business, list products and/or services offered, identify main and secondary beneficiaries (Community Futures, 2018). Next, it should address your marketing plan, including what and where is your target market, the demand for your services, your marketing strategy, the price of what you are offering and how it compares to the cost of what already exists, and where your enterprise is located (Community Futures, 2018; Province of BC, 2019). In a social venture, the competition still needs to be considered- whether as alternative services, other agencies that are applying for the same grant, etc. You should identify the competition’s customers, niche, weaknesses, and strengths and consider how to navigate this (Community Futures, 2018).

 Your business plan also needs to include the findings of your market research regarding consumer wants and needs, the target market, what would make your agency accessible to the target market, etc. (Community Futures, 2018). It is important to describe your management team and what technical skills they have that will contribute to the project’s success (Community Futures, 2018). Other components of the business plan include: the company’s structure and status, its current assets, your plan to provide the product/services offer and how they will be delivered, any licensing and permits you have or still need to acquire, insurance, administration, start up costs, business loans, other lending options used or available, and a cash flow spread sheet (Community Futures, 2018; Province of BC, 2019).

 The cash flow spreadsheet will be included in the financial section of your business plan and based on predicted costs and income (Community Futures, 2018). Expenses need to be detailed- cash flowing out of your account for the venture include the categories “cost of goods, labor/staff costs, marketing expenses, and borrowing costs: (Community Futures, 2018).

 When developing a budget, two main categories – revenue and expenses- are broken down into different sources of each. Although it is not guaranteed, estimating revenue streams is necessary for planning, and research is required to create a realistic projection (Barreiro & Stone, 2013, p.85). There are four main revenue streams available for social ventures to utilize: ‘fees from product or service sales, investments from investors expecting a return (in this case, proof of social benefit) on funds given through grants, or donors hoping for tax deductions, and government contracts that expect a detailed impact report’ (Barreiro & Stone, 2013, p.85-86). The start-up costs are required for the project’s feasibility planning (Barreiro & Stone, 2013, p.87). The sources of start-up capital vary, but often ventures are unable to find third party investors or contributors without first investing some of their own resources. The safest and simplest way is to use the entrepreneur’s own funds to get started, however depending on the size of the project and assets required to begin operating, this may not be possible. It is beyond the scope of this paper to delve into the various funding options, but personal finance, lending from friends and family, and debt through other unrelated parties are the most common ways to generate start-up capital. Debt, through credit or bank loans, has long been one of the most popular ways to finance a start-up, although interest rates may be high and there is the risk of being unable to pay off the debt if the venture flops (Corrales-Estrada, 2019, p.205).

 How progress and performance will be measured needs to be determined early on. Considerations include sources of data and how it will be collected, what will be measured, when data will be collected, process and output evaluations, and how it will be known that planned outcomes have been reached (Barreiro & Stone, 2013, p.87-88). The acronym SMART is a general guide for goal setting; goals should be specific, measurable, attainable, results orientated, and timely (general knowledge, widely used acronym across many fields).

A Social Venture Feasibility Plan combines information obtained through innovative brainstorming sessions, business planning, and analysis frameworks, and is meant to “reflect the creative ideas, research, and decisions that have been generated about the intended venture during the analytical processes…the plan is used to determine if the basic framework of the venture is viable and able to thrive” (Barreiro & Stone, 2013, p.69-70). Essentially, this plan synthesis data that has been collected and also uses it to best understand the issue at hand and how to proceed; it refines its focus on what resources and approaches are necessary for success and identifies deficits (Barreiro & Stone, 2013, p.71).

Barreiro & Stone provide a helpful outline for creating a Social Venture Feasibility Plan.

1. “The vision of success…scale and scope in the community and likely courses…
2. A brief description of the proposed product or service.
3. A description of the target population and community to be the focus of the action.
4. A delineation of existing barriers to progress and their extensiveness.
5. The ‘working model’ description includes the chosen approaches to the problem and how these approaches will be implemented, and backed up by a summary of relevant evidence that those actions are the right ones.
6. A description of assumptions that guide the venture’s approach.
7. A list of desired short-and-long term outcomes of the venture’s work.
8. A discussion of the resources needed including the human, physical, and financial resources with a discussion of the likely resource sources.
9. A timeline for start-up and operations for the first 1-2 years.
10. Expected early evidence and measures of progress towards longer term outcomes” (2013, p. 71-72).

**Planning Models**

 While many traditional business models are applicable to the various forms of social enterprise, some models are more relevant in prioritizing the social mission of an organization (Barreiro & Stone, 2013, p.33). Whether the organization is a for-profit, non-profit, or a hybrid will affect the models and structures used, and how the organization is developed due to differing legal criteria. Although social services is not normally associated with business concepts, “every organization has a business model, even if the word ‘business’ is not used in the description (Corrales-Estrade, 2019, p.141). The goal of creating a responsible and ethical business is now becoming a model of its own (Bandyopadhyay & Ray, 2019, p.163). However, to align with their purpose, social enterprises should operate from a client-centered approach to help balance the need to serve the client and create revenue and focus on social change rather than profit. It is possible to utilize models to support both goals; the purpose of a model is to share the rationale behind an organization’s decision making and how it “creates, delivers, and captures value” (Corrales-Estrada, 2019, p.142). In her book on innovation and entrepreneurship, Martha Corrales-Estrada vouches for business’s incorporation into social ventures, stating that “in fact, the more a company earns, the bigger its impact” (2019, p.144). Profit-making doesn’t have to detract from the social mission- it is necessary to enable it.

 It is important to realize that business models can be in a constant state of evolution, as organizations frequently have to adapt to external demands and conditions (Corrales-Estrade, 2019, p.150). A business model needs to be relevant, understandable, and scalable- there is no one size fits all, but the Canvas Framework can be used to select the best business model for the organization (Corrales-Estrade, 2019, p.145). The Business Model Canvas “consists of nine basic building blocks that show the logic of how a company intends to make money” and cover the four main components of a business, “customer, offer, infrastructure, and financial viability” (Corrales-Estrade, 2019, p.145). These building blocks are customer segment, value propositions, customer segment and the value proposition, channels for communication, consumer relationships, revenue streams, key resources, key activities, key partnerships, and cost structuring (Corrales-Estrade, 2019, p.145-146).

 The Community Ecosystems Circles Model was created for use by United Way volunteers to utilize available funds more effectively and allows complex social systems within a community to be visualized and better understood (Barreiro & Stone, 2013, p.33). It highlights the dominant institutions and influences within a community, and how various systems within that community interact, pointing to “where social norms, community practices and laws are set, and it provides a way to focus on the best chances for change” (Barreiro & Stone, 2013, p.33). This model could be used to guide a social enterprise to understand the issue and barriers to change and find solutions that could be acceptable to the community (Barreiro & Stone, 2013, p.33).

 A Logic Model is used after all critical components are established, to assess the viability of the social venture (Barreiro & Stone, 2013, p.93). It also summarizes the social venture’s feasibility plan, as well as its vision and goals, and creates a visual representation of the venture’s plans which helps all involved to clearly understand what has been agreed upon (Barreiro & Stone, 2013, p.93). Originally, this model was created to assess business and service performances, but there are now numerous versions of and applications for the Logic Model although they contain the five same components: assumptions, resources, activities, outputs, and outcomes (short and long term) (Barreiro & Stone, 2013, p.93). The model is based on the premise that having clear expected outcomes and a logical connection between the components will improve success (Barreiro & Stone, 2013, p.93).

 A ‘working model’ is created in the final stages of planning, once strategies, approaches, and related operations have been decided upon and specified (Barreiro & Stone, 2013, p.78). This is a detailed plan that clearly states what will be provided and how, has measurable outcomes, specific actions planned to meet the organizations goals within a set time frame, and a rationale for the decisions made (Barreiro & Stone, 2013, p.78).

**Organizational Structures**

 Currently, social enterprise and social entrepreneurship is “not a legal expression in Canada” and therefore it is not mentioned in Federal Income Tax or legislature (BC Centre for Social Enterprise, 2013). However, legal structures recognized in Canada that should be considered by social entrepreneurs in planning and operations are charities, non-profit societies, co-operatives, and corporations, although a joint venture cannot be used with a charity on an ongoing basis (BC Centre for Social Enterprise, 2013). A survey taken of BC and Albertan social enterprises found that the most common legal structure used was that of a registered charity (51%), followed by non-profit (28%), Co-op (13%), and for-profit (6%) (BC Centre for Social Enterprise, 2013).

 Charities and non-profits are frequently confused, but while “all charities are non-profits, not all non-profits are charities” (BC Centre for Social Enterprise, 2013). A charity is legally different from a non-profit in that it must be approved by the CRA to be recognized and exempt from taxes and fulfil a need under at least one of the “four charitable heads… the relief of poverty, the advancement of education, the advancement of religion, or other purposes that benefit the community in a way that the courts have said are charitable” (BC Centre for Social Enterprise, 2013). Charities are limited to their fundraising activities and cannot conduct ‘business’, however they are able to ‘solicit donations, sell donated goods (narrowly defined, not thrift stores), and charge fees for charitable programs and services’ (BC Centre for Social Enterprise, 2013). Fees can only be charged to cover program costs, but not make a profit, and if there are not “comparable services available in the market” (BC Centre for Social Enterprise, 2013).

 For a social enterprise to operate within a charity, it usually will need to meet the requirement of being 90% volunteer run or directly “linked and subordinate to the charity’s purpose” (BC Centre for Social Enterprise, 2013). If able to be run as a project within the charity, it is eligible for charitable donations and grants, and can be easier to run than if it were a separate entity although there may be issues with liability (BC Centre for Social Enterprise, 2013). If it does not meet the previously mentioned requirements, the enterprise will be considered an ‘unrelated business’, unable to access charity’s funds, and subject to corporate taxes; however, it could donate as much as 75% of its earnings to the charity and then only have to pay tax on the remaining 25% of revenue (BC Centre for Social Enterprise, 2013).

If linked to the charity, it must be relevant to the charity’s purpose, conduct business in a normal location for a charitable program, and may sell items promoting the charity (BC Centre for Social Enterprise, 2013). It is critical to operate within regulations when utilizing a social enterprise for charity, as if requirements are not met the charity can lose its legal status (BC Centre for Social Enterprise, 2013). To be subordinate to the charity, the business must:

“1. Be relative to the charity’s operations as a whole and the business activity receives a minor portion of the charity’s attention and resources.

2. The business is integrated into the charity’s operations.

3. Charity goals are prioritized in decision making.

4. Social enterprise exists for charitable purpose only without a private benefit.

 (BC Centre for Social Enterprise, 2013)”.

 A business could also qualify as a charitable social business if the workforce is made up of disabled employees, except for those responsible for training and supervising (BC Centre for Social Enterprise, 2013). The work has been planned to meet the needs and abilities of those with disabilities and is conducted with an emphasis on helping its beneficiaries rather than for economic profit (BC Centre for Social Enterprise, 2013).

 Non-profit organizations are often thought of alongside social entrepreneurship, and there are approximately 80,000 in Canada (BC Centre for Social Enterprise, 2013). They are simple and inexpensive to start; if your goal is to create a charity, you have to operate a non-profit first (BC Centre for Social Enterprise, 2013). Non-profits are legally required to serve a social purpose but are able to initiate a large range of community and fundraising activities without as rigorous reporting requirements as charities; they are also able to apply for grants as long as they are not provided by a charity or foundation (BC Center for Social Enterprise, 2013). Although tax exempt, they are unable to issue receipts for charitable donations and cannot sell shares (BC Centre for Social Enterprise, 2013). Under section 149.1 of the Federal Income Tax Act, they cannot intentionally make a profit, further private gains, or markup contracts; creating profit is only legal if the profits are being used to grow the agency and benefit the community and must pay corporate income tax on the profit (BC Centre for Social Enterprise, 2013). If a non-profit meets the requirements for a charity, it must apply for charity status (BC Centre for Social Enterprise, 2013).

 Co-operatives are another structure possible for social ventures, although less known and used; there are approximately 9000 co-operatives in Canada including non-financial and agricultural co-ops, that employ around 150,000 people (BC Centre for Social Enterprise, 2013). Co-ops are generally governed by provincial acts, sometimes by federal law- any conflict between provincial and federal acts regarding co-ops is overruled by federal law. Co-ops are not owned by a single individual and their income is taxed at corporate rates, although the focus of the co-op is to benefit its members, which may or may not extend to the surrounding community. It is much like a business in its ability to sell shares to members and investors, as well as the necessity of raising its own capital to continue and grow (BC Centre for Social Enterprise, 2013). As a lesser known organizational structure, there may be some confusion as to what qualifies as a co-op. The BC Centre for Social Enterprise lists the essential features of a co-op:

 “1. Voluntary or open membership.

 2. Democratic membership.

 3. Member economic participation

 4. Autonomy and independence

 5. Education, training, and information (transparency for members and shareholders)

 6. Cooperation among co-ops

 7. Concern for community” (2013).

 Different co-operative models include: “worker, financial services, marketing, housing, consumer, multi-stakeholder, umbrella… etc. (BC Centre for Social Enterprise, 2013). An advantage of co-ops is that they can generate unlimited profit and sell shares to non-members; it is a legal requirement that excess income be put towards social purpose or to enhance the co-op, and not be used for personal gain (BC Centre for Social Enterprise, 2013). As co-ops are democratic in nature, the founders eventually lose most of their control over the co-op as it is run by its members; another complication of co-ops is their dependency on the abilities and participation of their members to operate (BC Centre for Social Enterprise, 2013).

 Community services and co-operatives sometimes hybridize; when this blended structure occurs, the organization is under the same legal restrictions and status as a non-profit and able to apply for charity status if it meets qualifications (BC Centre for Social Enterprise, 2013). However, once an organization has been established as a non-profit, it is unable to sell shares or allow private benefit, which limits its ability to produce revenue (BC Centre for Social Enterprise, 2013).

 Business unrelated to a social venture or charity is categorized as a traditional corporation, and recommended by the CRA for profit-raising businesses unrelated to the charities they serve (BC Centre for Social Enterprise, 2013). Incorporating a business can be as cheap and easy as paying $350 to register online, but it is recommended to utilize a lawyer to manage shares sold and other legal concerns (BC Centre for Social Enterprise, 2013). Corporations can be owned by a charity, a co-operative, and individual or a group of individuals, but if owned by a non-profit it could complicate status as a NPO by signaling the intent to earn profit (BC Centre for Social Enterprise, 2013). Corporations only qualify for limited grants, cannot accept charitable donations, and must pay tax on profits…however, they can donate up to 75% of their earnings to a charity and then only pay tax on the remainder (BC Centre for Social Enterprise, 2013). An advantage of raising revenue as a corporation is unrestricted use of funds, low reporting requirements, the ability to sell shares, and having no restrictions on profit earned (BC Centre for Social Enterprise, 2013). Even if created to serve a social venture, as a corporation it is not legally required to have a social purpose (BC Centre for Social Enterprise, 2013).

 Hybrid structures are commonly seen in social entrepreneurship, especially as more social ventures are required to turn to business strategies to sustain their activities. However, laws regarding this hybridization have not been created, which can lead to complications regarding taxation and other legal limitations.

**Market Research**

 Market research requires an investigation of the target populations needs and wants. Social entrepreneurs need to decide and specify which demographic will be the beneficiary of their mission. Often, marketing is criticized as being “unethical…sales oriented. (and) manipulative” however there is a rise in ‘responsible marketing’ which is aligned with societal interests and based on honesty and transparency (Bandyopadhyay & Ray, 2019, p.165). There seems to be a fear of marketing in social enterprise leading to commercialization, which has unfortunately led to a deficiency of skills and knowledge in marketing tactics among social entrepreneurs and informal and inadequately planned efforts among social enterprise (Bandyopadhyay & Ray, 2019, p.172).

 Supply and demand- a well-known business concept- is sometimes referred to as the ‘social value proposition’ in the context of a social enterprise (Barreiro & Stone, 2013, p.28). It can be defined as the “expected impact of a proposed venture on society that is achieved by fulfilling an unmet social need” (Barreiro & Stone, 2013, p.28). The concept of supply and demand, and numerous other business models, can be easily adapted to social enterprise by switching its focus from profits to people and making social value the goal of business activities (Bandyopadhyay & Ray, 2019, p.165).

 A traditional business would conduct market research using interviews, focus groups, and surveys to better understand the needs of their target market (Barreiro & Stone, 2013, p.28). In the social entrepreneurial realm, data is also collected through these methods, but the social entrepreneur needs to research other factors affecting participation, needs, and accessibility, such as” “economic stature, family status, life experiences, educational level, and culture” (Barreiro, 2013, p.28). The largest difference between market research between social enterprise and a traditional business is that the social entrepreneur needs a deep understanding of their clients’ circumstances to modify their service to best meet client needs (Barreiro & Stone, 2013, p.29). ‘The clients’ of a social enterprise are also defined differently from those in conventional business planning; they are identified as “the people who are expected to have changed behaviors or changed lives as a result of the venture” (Barreiro & Stone, 2013, p. 30).

 Often social endeavors operate on a tight budget; to increase the feasibility of the project, planning should also consider which population is the most accessible and most likely to experience positive change with the service or within the time frame available; or they could choose to prioritize the group that is struggling the most with the issue of focus (Barreiro & Stone, 2013, p.30-31). Sometimes the focus may need to be directed to the community in which the target population lives, as “the problem an individual experiences is always defined with awareness of the person’s environment and their own adaptation to it and the specific circumstance in the ecosystem in which the person functions” (Barreiro & Stone, 2013, p.30-31).

**Analysis**

Analysis of a business plan can be used to ‘identify areas that are barriers to change or areas that are possible to change’ (Barreiro & Stone, 2013, p.31-32). SWOT, also referred to as an “internal-external analysis” (BDC, 2024) is one of the most well-known business analysis tools, that is easily applied to social enterprise. ‘SWOT’ stands for strengths, weaknesses, opportunities, and threats. Often it is represented as a square, divided into quadrants, one for each category. Entrepreneurs are encouraged to explore what exists in their business and their community that pertains to the SWOT model and is an essential part of strategic planning. It is beneficial in creating action plans, and clearly communicating to the team what was found in the business analysis; it can also identify strengths to build on and find a ‘niche’ to fill that will distinguish the organization from the competition (BDC, 2024). SWOT should also be revisited as the enterprise continues to grow, as the economic climate changes and so does the community it exists in. An exhaustive SWOT analysis should be completed every 2-5 years (BDC, 2024).

Public policies can be a source of restrictions, opportunities, funding, and alliances (Barreiro & Stone, 2013, p.45). A policy field analysis is used to identify “aspects of institutional and public policy environments that may present opportunities and constraints for the venture” (Barreiro & Stone, 2013, p. 46). When planning a social venture, it is essential to understand policies relevant to your undertaking, as well as who key stake holders are in your field, what power they have, and the resources they control (Barreiro & Stone, 2013, p.46). The policy fields to evaluate are federal, provincial, and municipal, as well as private and public policies that affect funding (Barreiro & Stone, 2013, p.46).

The five steps for conducting a Policy Field Analysis are:

“1. Identifying a particular substantiative policy issue and its policy domain…
 2. Brainstorm a list of actors, organizations, and institutions involved…

3. Understand laws, regulations, administrative authority, and public funding streams…

4. Within the provincial and local context, determine what organizations and groups have

interest in and influence over this problem…

1. Summarize the results of the policy field analysis (Barreiro & Stone, 2013, p. 49-56)”.

Although social entrepreneurs often don’t see themselves as ‘competitive’ in the sense of a

traditional business, it is important to consider threats to the venture in order to assess the plan’s viability, sustainability, and feasibility (Barreiro & Stone, 2013, p.60). Using the community ecology framework and the policy field analysis can help identify forces that are working against the venture. Questions social entrepreneurs should ask while brainstorming include:

1. What already exists?
2. What is being done?
3. What works versus what doesn’t?
4. Is this needed?

(Barreiro & Stone, 2013, p.60).

 Porter’s Five Forces Framework was originally created to assess competitive forces that existed within an industry and should be used alongside the SWOT analysis (Barreiro & Stone, 2013, p.61). It can be adapted for social enterprise, based on the domain in which it is used. The Five Forces are “new entrants, buyers, industry competitors, substitutes, and suppliers” (Barreiro & Stone, 2013, p.61). In the social venture context, the new entrants category could include barriers such as policies or cultural norms that make it difficult to establish the social venture; alternatively, it could be something like a strong demand for services and a funding incentive that makes a venture easier to establish. The ‘threat of substitute products’ could be reframed as alternatives to the service offered, whether it is the same quality or perceived as ‘good enough’ by clients; or it could be something that distracts them from positive change (e.g. A safe use site that may undo the efforts of an outpatient treatment center). Suppliers in the social venture context could include access to and cost of resources or facilities necessary to develop and sustain the program, or availability of volunteers or properly trained staff. Competition and rivalry could include anything that works against the positive social change and benefit the venture is attempting to make in the community, or other agencies competing for the same funding.

**Summary**

 Books have been written and courses have been taught for entrepreneurs looking to launch their innovations. Social entrepreneurship is rapidly becoming a necessity (Haugh, 2007, p.743), although it can seem like the social service sector is slow to adopt it. Arising from the recent need to diversify funding sources, it is a relatively new concept and career option- as a result, there are few guides existing that are entirely specific to social entrepreneurship. However, fortunately, many organizations use similar models- this report demonstrates how some strategies and concepts that have continued to benefit traditional business can be adapted and applied to social enterprise for the same effect.

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