

8.Role of Social Entrepreneurship for Developing the Business Model

by Management Paper

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Role of Social Entrepreneurship for Developing the Business Model and Measure the Performance of the Entrepreneurs

Abstract— The approach that use to implement, fund and develop the solutions of environmental, social and cultural problems by starting the entrepreneurs and companies is known as social entrepreneurship [1]. The organization which vary in beliefs, aims and size the concept of social entrepreneurship can use widely [2]. By using metrics like revenues, increases in stock prices and profit it measure the performance in profit entrepreneurs. Some time social entrepreneurship is non profitable it give the positive return to society as the success of enterprise. So nonprofit enterprises used different metrics. Often related with the voluntary sector in areas like community development, poverty alleviation and health care the social entrepreneurship basically used for achieving the environmental, social and cultural goals [3].

Keywords- social entrepreneurship; business; profit; non profit.

I. INTRODUCTION

The social entrepreneurship is a worldwide topic to provide attention. Different countries have different coverage of social entrepreneurship so the theory of this concept is still in the phase of conceptualization [4].

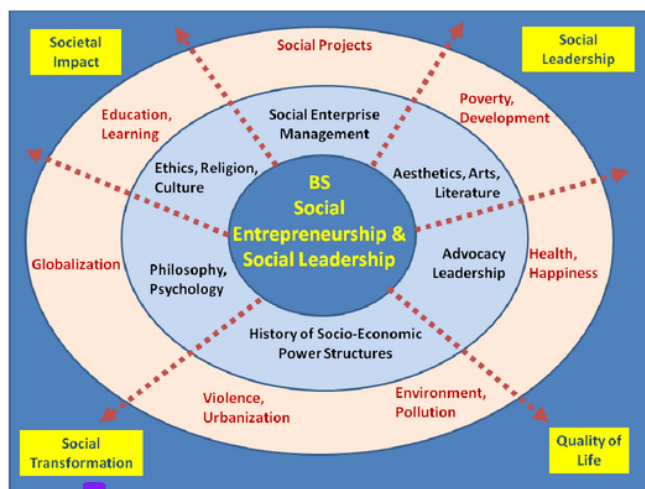


Figure 1: Social entrepreneurship and Social leadership

The concept of Social entrepreneurship comprise with various approaches, most of the social entrepreneurs focus on exploited and marginalized populations like defenseless, vulnerable, sick and poor

people. The social entrepreneurs translate the feelings of despair, grief and sympathy in to action rather than watching large-scale tragedies unfold social injustices or simply sitting back.

With a total different skill sets and mindset the social entrepreneurs truly possess entrepreneurial traits. They involve in benefiting activities that focus on the well being of the society. There are many differences within corporate and social entrepreneurship. Some differences are showing in the table given below:

Basis	Corporate Entrepreneurship	Social Entrepreneurship
Main Objective	Building a business and maximizing profits	Creating social change
Wealth Creation	Wealth is same as Profits	Wealth means creating and maintaining social and environmental capital
Measure of Profitability	Benefiting shareholders and investors	Engage in for-profit activities
Investors	Venture Capitalists	Philanthropists
Emphasis on Team and Individual	Venture Capitalists invest in business on the basis of company's leadership team and the organization supporting it	Individuals raise and donate money for charitable causes on the basis of viability of the project gauged by the individual in charge.
Performance Measurement	Corporate entrepreneurs can rely on relatively tangible and quantifiable measures of performance such as financial indicators, market share, customer satisfaction, and quality.	Measuring social change is difficult due to its non-quantifiable and multi-causal characteristics, and perceptive differences of the social impact created.

Table 1: Corporate Entrepreneurship vs Social Entrepreneurship

II. LITERATURE REVIEW

From strategy producers, scholastics, experts, and the overall population Social business enterprise in the previous decade earned specific consideration. When the market and the open area don't react to them it is significant device to handle social difficulties. To various people, 'networks' and different gatherings to make advantage Social ventures and social business people answers for unsolved social issues and make imaginative activities, putting social worth creation at the core of their main goal. In 2007 Dees defined that Social business people are depicted as "new motors for change". On social business enterprise subject

examination of experimental and hypothetical investigations permits to express that there is assortment of demeanors. it focus ¹ for further research of social undertakings scaling-up by Costanzo and Vurro, Santos and Chowdhury in 2010. for clarification of variables impacting advancement of business activities focused by Vurra and Costanza in 2010. In social activities improvement and social business procedure Others analysts express the significance ⁴ of social worth creation and contend about absence of research. in 2006 Stevenson, Wei-Skillern and Austin introduced that assessment of social enterprise as action..

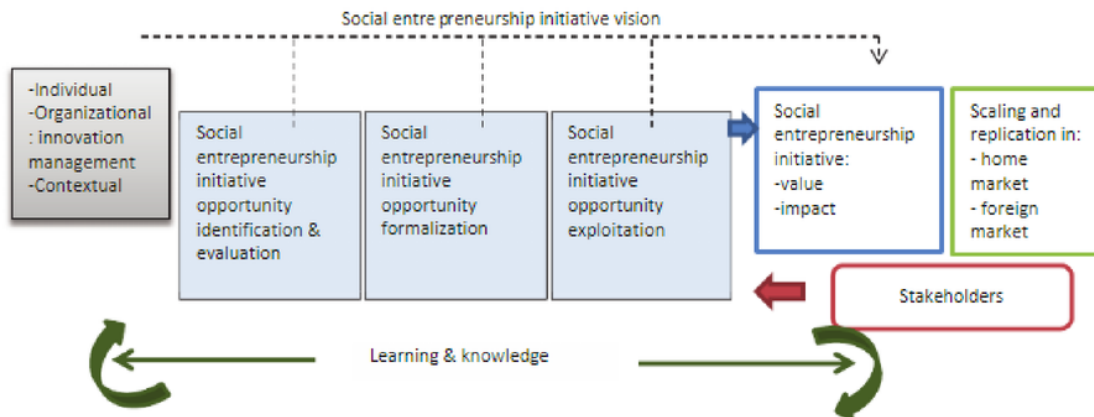


Figure 2: Theoretical framework of social entrepreneurship [6]

III. TYPES OF SOCIAL ENTERPRISE

Different types of social enterprises are described below:

1. Organization based on community

The organization that focus on local services and market and have a strong geographical definition consider as Community-based organizations. This type of organization they earned with set up income activities, their aim is the development of local basis and for local people they create self-supporting jobs.

2. Credit union

Co operative of finance that help people to borrow and save money are considered as credit union. To community finance initiatives they also provide access.

3. Microfinance

For small businesses and entrepreneurs a form of financial services is consider as microfinance that has lack access to banking and related services.

4. Social firm

To business give the work to those people who get disadvantaged in the labor market are consider as social firm.

5. With commercial arms non Governmental Organisations

The nonprofit organization that sells goods and services for earning the income instead of depend on donations and grants are consider in this type of enterprises.

6. Fairtrade

To promote sustainability and for getting better trading conditions that help for developing in countries as a social movement are consider as fair-trade.

7. Cooperative

By jointly owned enterprises this type of enterprise include the group of people gather to achieve common social and economic requirement.



Figure 3: social enterprise development model

IV. ENTREPRENEURIAL PERFORMANCE MEASUREMENTS

For the growth of the process measuring the performance is a important aspect. Without setting the target or formal measurement many small business can run comfortably. They work for growing the business and control the process for getting the better performance. The relation of growth of enterprise and performance is shown in the model given below.

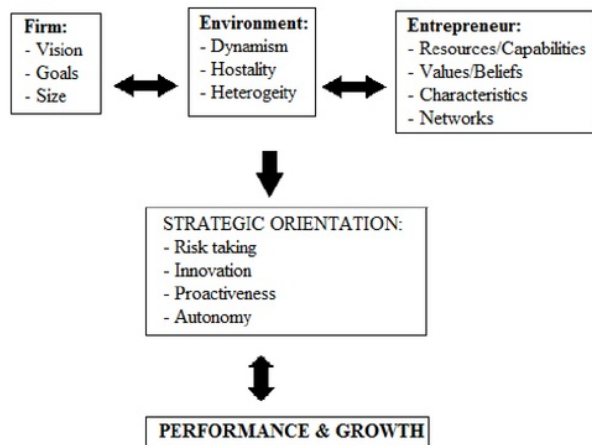


Figure 4: social entrepreneurs

Performance measurement benefits

By measuring the performance the system can know how the different areas work on different perspective. A good performance measure system examines the condition of change in performance. To manage the performance proactively this put the business in better position.

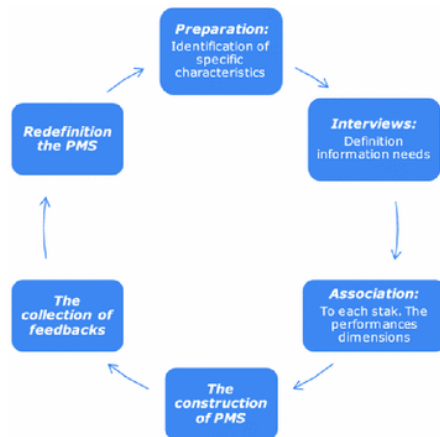


Figure 5: performance measure of social enterprise

What is going to measure is the major challenge in performance measurement in social entrepreneurship. In business and sector the link with the success focuses on quantifiable factors. These factors are known as key performance indicators (KPIs).

V. FACTORS FOR SUCCESSFUL SOCIAL ENTERPRISES

Some common factors of social enterprises are given below:

1. Independent Support of market– an external market that is separate from social impact and beneficiary the social enterprise delivers a service or product. For the beneficiary to support social programs funds are used.
2. Intermediary Market – for an expanded market the social enterprise acts as a distributor or intermediary. The beneficiaries are act as the suppliers of the services and product that are distributed to an international market.
3. Employment and skills training– for the beneficiaries it provide job training, living wages and skills development.

4. Market Connector – between new markets and beneficiaries it facilitates trade relationships by social enterprise.
5. Cooperative – a nonprofit or for profit business entity that can owned by its member and provide virtually any type of services and goods and also use its services.
6. Cross-Compensation – for the services paid by a group of customers. For another, underserved group, Profits from this group are used to subsidize.
7. Fee for Service –by the social enterprise for services and goods it pay directly to beneficiaries.

VI. THE ENTREPRENEURSHIP MEASUREMENT FRAMEWORK

For universally equivalent pointers of business for a sounder reason these developing significance and deficiencies of business enterprise in the strategy space have amplified the requirement and, in reality, for a globally acknowledged proportion of business enterprise that encourages and structures the premise of these measures. They likewise should probably give data on markers that decide these levels, although the measures, thus the structure, should most likely give data not just on what number of business people there are or the degree of enterprise, state, since making a more business visionaries state or a progressively innovative economy in a perfect world, a sign of the effect that these levels have in gathering explicit arrangement focuses.

Three segments named Entrepreneurship, Entrepreneurs and Entrepreneurial Activity are consider in definition.

1. Phenomenon related with entrepreneurial activity is known as Entrepreneurship.
2. Through the creation or extension of monetary action the people who try to create value is known as Entrepreneurs. By processing of market, by exploiting and identifying new products they ceate the market.
3. Through the creation or development of financial action, procedures or markets, by distinguishing and misusing new items that is the venturesome human activity in quest for the age of significant worth, is known as entrepreneurial activity.

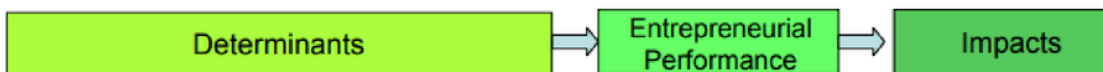


Figure 6: framework [5]

Three isolated yet associated streams recognizes in the system, which are all significant in the assessment, appraisal of policy measures and formulation.

VII. IMPACT OF ENTREPRENEURSHIP

By estimating the exhibition the framework can know how the various regions take a shot at alternate point of view. A decent presentation measure framework looks at the state of progress in execution. To deal with the

presentation proactively this put the business in better position. What is going to quantify is the significant test in execution estimation in social enterprise. In business and segment the connection with the achievement centers on quantifiable variables.

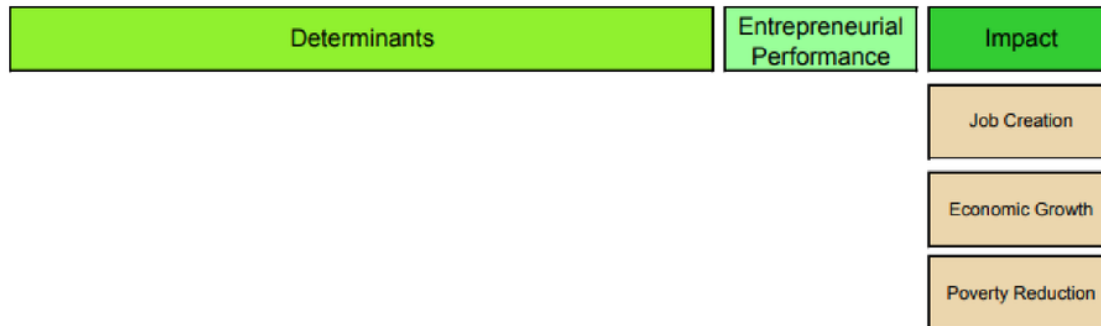


Figure 7: framework for Entrepreneurship indicators

VIII. ENTREPRENEURIAL PERFORMANCE

Given the multi-faceted nature of business enterprise, the distinguishing proof of a solitary pointer that estimates it is non-minor, and, additionally, given the various ways its effect can be estimated, apparently, not the best game-plan. All things considered, we are not proposing a solitary measure to comprehend and think about the sum and sort of business that happens crosswise over nations. In this sense, our methodology is to characterize a scope of markers every one of which paint some portion of the general picture. An image that fundamentally shifts as indicated by the watcher's point of view (sway target) and our methodology perceives the requirement for strategy experts to have the option to comprehend and recognize the various sorts of business enterprise and their various effects.

Entrepreneurial Performance		
Firms	Employment	Wealth
Employer firm birth rate	High Growth Firm Rate by Employment	High Growth Firm Rate by Turnover
Employer firm death rate	Gazelle Rate by Employment	Gazelle Rate by Turnover
Business churn	Ownership rate start-ups	Value-added by young firms
Net business population growth	Ownership rate business population	Productivity contribution, young firms
Survival rate, 3 and 5 years	Employment: 3 and 5 year old firms	Innovation Performance, young or small firms
Proportion 3 and 5 year survival	Average firm size after 3 and 5 years	Export Performance, Small firms

Figure 7: For entrepreneurial performance adding indicators

IX. CONCLUSION

The social entrepreneurship is a worldwide topic to provide attention. Different countries have different coverage of social entrepreneurship so the theory of this concept is still in the phase of conceptualization. It takes parts for developing the business model in different fields. The model can be used as profitable or non-profitable environment. In the above research it shows the model for measuring the performance using indicators.

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