

Social Enterprise: Defining the Movement

What is a social enterprise?

A social enterprise is an organization or venture that achieves its primary social or environmental mission using business methods. The social needs addressed by social enterprises and the business models they use are as diverse as human ingenuity. Social enterprises build a more just, sustainable world by applying market-based strategies to today's social problems.

What is the Social Enterprise Alliance?

The Social Enterprise Alliance is the only member organization in North America to bring together the diverse field of social enterprise. It serves as advocate for the field, hub of information and education, and builder of a vibrant and growing community of social enterprises.

Are all social enterprises nonprofits?

The social enterprise movement includes both nonprofits that use business models to pursue their mission and for-profits whose primary purposes are social. Social mission is primary and fundamental; the organizational form depends on what will best advance the social mission.

Where do "social entrepreneurs" fit in?

Social entrepreneurs are individuals who pursue opportunities to create pattern-breaking change in inequitable systems, whether through social enterprises or other means.

What about corporate social responsibility?

Many companies whose primary purpose is to create value for ownership are also committed to adopting a wide range of socially and environmentally responsible practices in their operations. Because their social missions are not primary, they are not considered social enterprises.

What kinds of business models do social enterprises use?

Social enterprises use an endless array of business models for the common good. Samples include: retail, service and manufacturing businesses that help people overcome employment barriers; contracted providers of social and human services; fee-based consulting and research services; community development and financing operations; and even technology enterprises. Chances are you already do business with social enterprises without even knowing it.

Why do people launch social enterprises?

Many nonprofit organizations see social enterprise as a way to reduce their dependence on charitable donations and grants while others view the business itself as the vehicle for social change. Whether structured as nonprofits or for-profits, social enterprises are simply launched by social entrepreneurs who want to improve the common good and solve a social problem in a new, more lasting and effective way than traditional approaches. They are conceived and operated by visionary entrepreneurs who recognize potential where others may not see it and who apply discipline, pragmatism, courage and creativity to pursue their solution in spite of all obstacles, toward a world that is more abundant, secure and inclusive for all.



social enterprise alliance

Where mission meets the marketplace.

Real World Examples of Social Enterprises

Housing Works provides health, housing, legal and case management services to people with HIV in NYC. It also trains clients to run several upscale retail businesses that annually return \$13 million to the organization.

Pine Street Inn, a social enterprise in Boston serves the homeless population there by providing meals, housing and job skills. Pine Street advances its mission while earning revenue through preparing 3000 meals per day, 900 of which are sold to other nonprofits and companies in the community.

Sweet Beginnings operates an enterprise that you would never imagine in an urban environment - a beekeeping enterprise. It operates in a Chicago neighborhood where 26% of residents are unemployed and 46% live in poverty. It provides men coming out of prison various job skills including bookkeeping, beekeeping, production planning, packaging, customer service and sales, shipping and receiving. The men harvest honey from the hives and then process the honey into skin care products sold at the commercial grocer Whole Foods. It has 17 graduates who have gained real-world, work habits and marketable job skills and none of them have gone back to jail.

The Women's Bean Project: In 1989 founder Eyre saw that while women's shelters kept women safe, they were not helping the women make lasting changes in their lives. She established this enterprise to provide women with employment producing gourmet food products. Its has grown from a budget of \$6,100 to over \$1.2 million with product offerings that include salsa mixes, spice rubs, coffee beans, and jelly beans, soups and chili, gift baskets, baking mixes and much more.

Juma Ventures started in 1994 when it was the first nonprofit in the U.S. to be awarded a corporate business franchise - opening a Ben & Jerry's ice cream shop in San Francisco. Its social enterprises provide at-risk youth with jobs and business skills training. It employs about 100 youth each year operating concessions, initially at baseball & football games in San Francisco. They expanded to stadiums in Oakland, Berkeley, and San Diego. And they've recently expanded nationally, to the Nationals Stadium in Washington DC.

As a technology based enterprise, **RealBenefits** has developed online programs that enable low-income clients to navigate and access their public benefits. More than 150 human service organizations have used the product to screen thousands of families for public benefits, and this has delivered an estimated \$371 million in public benefits to needy families.