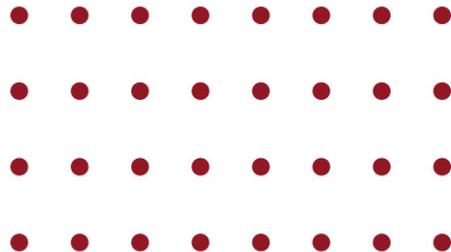


*DOING BUSINESSES WITH A  
SOCIAL DIMENSION*

# *Impact Entrepreneurship*

*Prof. Richard Hazenberg*



# Overview

---

- Who am I and what does the University of Northampton do?
- Sustainable Development
- What is social enterprise?
- Models & examples of social enterprise
- Transformational Leadership
- Cultural differences across impact businesses
- Q & A



## OVERVIEW

# About Me

- Professor in Social Innovation, Director of Institute for Social Innovation & Impact.
- [University of Northampton](#) is committed to social innovation.
- Undertaken research into social innovation and enterprise in Europe, Asia and Latin America.
- Undertake research into social impact (*the economic, social and environmental benefits delivered by an organisation to society*) – across a range of areas.
- Lead our social investment strategy.
- Support the University's Changemaker Incubator.



**UoN**

**University of  
Northampton**



**Hello  
Waterside**

*Changemaker Campus*

*Committed to Social  
Innovation*

*Community Anchor  
Institution*

*21<sup>st</sup> Century University*

*Community work informs  
teaching*



# UoN Partnership with GBSB Global



- UON & GBSB Global have been partners since 2017.
- UON is supporting GBSB Global with their G-Accelerator programme.
- G-Accelerator is an incubator & accelerator programme for GBSB Global's staff & students seeking to become impact entrepreneurs.
- We are also partners on GBSB Global's Entrepreneurship Centre.



# Sustainable Development

- We as a society are facing existential problems globally. We need to find new solutions to these problems.
- The Sustainable Development Goals provide 17 impact areas of focus to run to 2030:
  - They provide a “...a shared blueprint for peace and prosperity for people and the planet, now and into the future” (UN 2021).
  - Build upon the Millennium Development Goals that preceded them and Agenda 21 before that.
  - 17 SDGs, 169 targets, one holistic pathway to sustainability.



# Social Entrepreneurship

- Need to ***distinguish*** between social entrepreneurship & social enterprise.
  - The latter is a specific ***type of enterprise***, the former is an ***activity/process*** that can occur in any sector/organisation.
- Social entrepreneurship:
  - “...encompasses the activities and processes undertaken to discover, define and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organisations in an innovative manner” (Zahra et al., 2009:519).
- Social enterprise:
  - ***Self-reliant, independent*** organisations that deliver ***social value*** (Dart et al., 2010) using market-based solutions.
- ***Social intrapreneurship*** is also an interesting potential area of study:
  - Individuals within organisations who restructure previously separate institutional boundaries whilst maintaining legitimacy (Kistruck & Beamish, 2010).

# Social Enterprise Models

- Four main types of social enterprise ([EMES Network, 2017](#)):
  - **Entrepreneurial Non-Profit:** All NPOs that earn income through market mechanisms (saleable products/services) with profits used to underpin the social mission.
    - Example: Oxfam ([www.oxfam.org.uk](http://www.oxfam.org.uk))
  - **Social Cooperative:** Member-led organisation with voting rights; will also seek to ensure that wider society's interests are represented, as well as members & beneficiaries.
    - Example: Daily Bread ([www.dailybread.co.uk](http://www.dailybread.co.uk))
  - **Social Business:** Businesses that operate with a social mission as their primary (but not sole) purpose. The social mission maybe central to the operations or subsidised separately to it.
    - Example: Goodwill Solutions (<https://www.goodwillsolutions.co.uk/>)
  - **Public Sector Spin-out:** Social enterprises that operate on the fringes of or have emerged from public services.
    - Example: Care Plus Group (<https://www.careplusgroup.org/>)

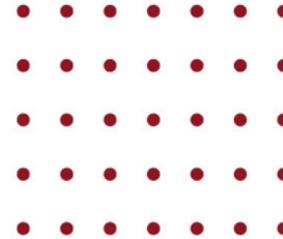


***SOCIAL ENTERPRISE EXAMPLES...***



# Example: Goodwill Solutions

- Goodwill Solutions are a socially and environmentally focused organisation that makes a profit.
- Employs many of those in society that would otherwise be on government benefits, e.g. homeless people, former soldiers and ex-offenders, long-term unemployed.
- Logistics business c £4M turnover, profitable.
- Aim to do 'good stuff'!



## Example: Toms Shoes

- Toms Shoes is a US based SE that provides footwear to disadvantaged individuals.
- For every pair bought by a consumer, another pair is donated to individuals in need of footwear.
- Founded by Blake Mycoskie in 2006.
- Current turnover of ~ \$400m
- > 100 million shoes donated to date.
- 2020/2021 Impact Report [here](#)



***IMPACT BUSINESSES &  
TRANSFORMATIONAL LEADERSHIP***



# Transformational Leadership

- 4 key dimensions of transformational leadership:
  - **idealised influence:** strategic vision of the leader and ability to gain trust.
  - **inspirational motivation:** effective communication with staff, beneficiaries and external stakeholders.
  - **intellectual stimulation:** cognitive/strategic decision-making in developing ideas and driving change.
  - **individualised consideration:** empathy with staff, beneficiaries and external stakeholders (Bass and Riggio, 2006).
- Motivating individuals to:
  - Gain their **commitment** to the organisation (Lowe et al., 1996).
  - View their work as having a **higher meaning** (Bono and Judge, 2003).
  - To gain their **emotional buy-in** to the mission (Ilies et al., 2006).
- Empower others to create bottom-up social impact.



# Cultural Relativism

- Definition is clearly an issue, therefore:
  - How can we agree what SE is globally?
  - How can we drive global SE growth?
  - What are the implications for international development?
  - Can a global SE community exist?
- Is SE compatible with globalisation or is it a reaction against it?
- Berkes & Hunt (2007) argue that SE provides a tool for local communities to shape globalisation by providing control over common resources.

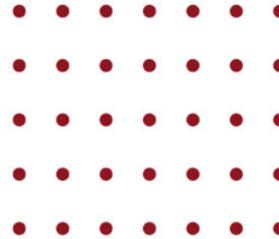


***SOME EXAMPLES FROM AROUND  
THE WORLD***



# Vietnam: Vina Samex

- Vietnam is a middle-income country in transition.
- One-party Communist state with market-based economy.
- Civil society exists in partnership with the state (i.e. Unions).
- Has a recognised legal form for social enterprise.
- Large impact business sector.
- Significant urban/rural divides.
- Vina Samex is a social enterprise that grows and exports star anise and cinnamon, working with rural cooperatives in poor areas.



# Bangladesh: Grameen Bank

- Bangladesh is one of the poorest countries in the world.
- SE is often viewed as a response to market failure. However, in developing countries like Bangladesh there are multiple market failures (Sawada, 2006).
  - 70% of population has no access to grid electricity (Asaduzzaman, 2009).
- SEs are therefore much smaller & localised.
  - The poor in Bangladesh running local SEs are as much social entrepreneurs as Western CEOs (Yunus, 2007).
- Grameen Bank:
  - Banking model where loans are provided to the poor without collateral.
    - Small loans allow people to escape debt poverty.
    - Grameen Bank has 9.44 million members
    - 97 percent of whom are women
    - Covers more than 93 percent of the total villages in Bangladesh.



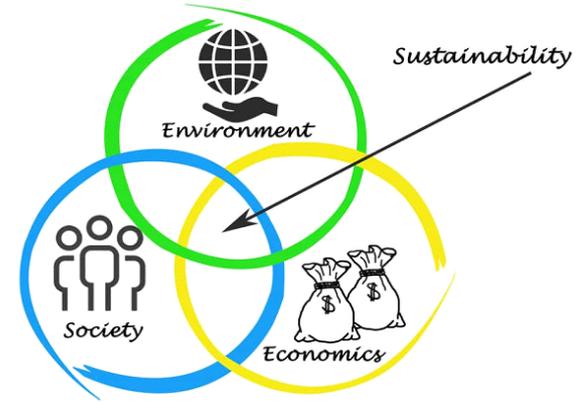
# USA: Tom's Shoes

- In the US the social entrepreneur is viewed as a 'heroic' wealth creating individual (Drayton, 2002).
- SE is seen as a response to market failure, as a social democratic welfare state is not present.
  - It is socially responsible capitalism (Drayton, 2002).
- SEs maximise commercial income in order to deliver a social aim (Kerlin, 2006).
- The US has a specific legal form:
  - 'Low profit limited liability companies' (LC3), which offer investors unlimited returns on investments (Taiwhenua, 2013).
- Example of [Tom's Shoes](#) shown earlier.



# Summary

- Social impact businesses provide a model for sustainable economic growth tied to social impact.
- Often require transformational leaders, albeit those leaders can be a group of people.
- Different models of impact business provide different solutions.
- There are many cultural differences across the globe that means impact businesses often vary in different localities.
- Ultimately, its about utilising business to ***do good stuff!***



# THANK YOU

Email: [richard.hazenberg@northampton.ac.uk](mailto:richard.hazenberg@northampton.ac.uk)

Twitter: [@instituteSII](https://twitter.com/instituteSII)

LinkedIn: [www.instituteforsocialinnovationandimpact.co.uk](http://www.instituteforsocialinnovationandimpact.co.uk)

Podcast: Talkin' Impact <https://twitter.com/talkinimpact>

GBSB Global Business School: <https://www.global-business-school.org/>

G-Accelerator: [g-accelerator@global-business-school.org](mailto:g-accelerator@global-business-school.org)