# Detailed Table of Contents

- *List of Illustrations*  
- *About the Authors*  
- *Foreword*  
- *Preface*  
- *Acknowledgments*

## 1 Introduction  

- The Public and Private Sectors and Our Vexing Social Problems  
- Why the Time Is Ripe for Social Entrepreneurship  
- Social Entrepreneurship's Unique Qualifications  
- Resources and Tools to Begin the Social Entrepreneurship Journey

## 2 Defining and Distinguishing Social Entrepreneurship  

- Defining “Social”  
- Defining “Entrepreneurship”  
- Defining “Social Entrepreneurship”  
- How Are Social Entrepreneurship and Business Entrepreneurship the Same and Different?  
- What Motivates Social Entrepreneurs?  
- Case Study 2.1: Profile of a Social Entrepreneur: Peter Frampton, Manager, the Learning Enrichment Foundation  
- Modeling the Social Entrepreneurship Process  
  - The Timmons Model of the Entrepreneurship Process  
  - The PCDO (People, Context, Deal, and Opportunity) Framework
3 Recognizing Social Opportunities

Social Ideas 42
The Role of Innovation 45
Opportunity Recognition 47
  Opportunity Recognition Tools 49
Using the Social Opportunity Assessment Tool 51
  Social Value Potential 55
  Market Potential 57
  Competitive Advantage Potential 59
  Sustainability Potential 62
  Overall Potential 63
From Opportunity to Mission 64
Case Study 3.1: The Case of the Intel Computer Clubhouse Network 65
Voices from the Field
  Allison Lynch, Founder, New York Women's Social Entrepreneurship (NYWSE) Incubator 68

4 Lean Start-up for Social Enterprises 72

The Lean Start-up Process vs. Traditional Business Planning 74
Key Elements of the Lean Start-up 74
  Key Principles 74
  Key Tenets 75
Business Model Canvas 76
  The Traditional Canvas 76
  The Lean Canvas 77
Voices from the Field
  The Lean Start-up in Action with Kinvolved 80
Conclusion 83
Case Study 4.1: Farmerline 84
Voices from the Field
  Introduction to the Business Model Canvas 85
  Understanding Your Customer Segments 85
5 Developing a Strategic Plan for a Social Venture 88

The Importance of Social Venture Planning 88
Developing a Social Venture Plan for a Social Venture: From Opportunity to Financial Plan 91
  1. What Is the Social Problem Your Social Venture Would Like to Solve? 91
Voices from the Field
  From Prevalence to Accessibility: A Social Venture Opportunity: Greening the Desert 92
  5. Who Is the Social Venture’s Competition? 99
  6. Who Is on the Management Team and the Operational Plan? 100
Case Study 5.1: Loyal Label Business Plan 105

6 Organizational Structure 136

General Organizational Design Options 137
Pure Nonprofits 138
Pure For-Profits 143
Hybrids 145
  For-Profits with Nonprofit Subsidiaries 145
  Nonprofits with For-Profit Subsidiaries 147
  Nonprofits with Nonprofit Subsidiaries 148
  Nonprofit–Nonprofit Partnerships 149
  Nonprofit–For-Profit Partnerships 151
Conclusion 153
Case Study 6.1: Jumpstart 154
7 Funding Social Ventures

Navigating the Challenges of Capital Raising 159
Establishing the Capital Needs of the Social Enterprise 161
Understanding the Intentions of Investors 162
Risk, Return, and Impact 162
Values and Mission Alignment with Investors' Intentions 163
Mission-Related Investment Continuum 164
Grant Funding 165
The Impact Investing Market 166
Impact Investor Categories: Commercial and Philanthropic 166
Hybrid Transactions, Public–Private Partnerships 167
Finding the Right Form of Investment 168
Publicly Traded and Private Market Investments 169
  Active Ownership Strategies 169
  Screening 170
  Impact-First Investments 170
  Financial-First Investments 170
  Guarantees 170
Who's Who in Investing and Funding 172
  Financial Institutions 172
  Angels and Venture Capitalists 172
  Corporate Social Responsibility and Corporate Citizenship 172
Direct versus Funds Strategy 173
Structural Challenges for Impact Investing 173
Patient and Growth Capital 174
The Investment Decision Process 175
The Due Diligence Process 175
Building Partnerships to Create Impact 177
Voices from the Field
  A New Approach to Microfinance 178
Voices from the Field
  Funding Social Ventures: Approaches, Sources, and Latest Perspectives 180
Case Study 7.1: PODER (Project on Organizing, Development, Education, and Research) 184

8 Measuring Social Impact

The Benefits of Learning How to Measure Social Impact 194
Steps to Measuring Social Impact 194
1. Define Your Social Value Proposition (SVP) 194
2. Quantify Your Social Value 195

Voices from the Field

Measure and Move Along 196
A Permanent Solution 197
KickStart's Total Impact to Date 197
3. Monetize Your Social Value 198

Approaches to Estimating Social Impact 198
1. Cost-Effectiveness Analysis 199
2. Cost-Benefit Analysis 199

Case Study 8.1: Cost-Benefit Analysis Example 199
3. REDF's Social Return on Investment (SROI) 201
4. The Robin Hood Foundation's Benefit–Cost Ratio 203
5. The Acumen Fund's Best Available Charitable Option (BACO) Ratio 203
6. The William and Flora Hewlett Foundation's Expected Return (ER) 203
7. The Center for High Impact Philanthropy's (CHIP) Cost per Impact 204
8. The Foundation Investment Bubble Chart 204
Concluding Thoughts on the Above Methods 204

Additional Resources for Measuring Impact 205
Tools and Resources for Assessing Social Impact (TRASI) 205

Voices from the Field

D.light 206
Case Study 8.2: Indego Africa 208

9 Scaling the Social Venture 217

Why Growth? 218
Challenges to Growth 218
Growth Strategies 221
Capacity Building 221
Dissemination 224
Branching 226
Affiliation 226
Social Franchising 227
Scaling Enhancers 230
Marketing 230
Networking 233
Conclusion 238
Case Study 9.1: FareStart® and Catalyst Kitchens® 239
Voices from the Field
Stephen Rynn, Director, Mission of the Immaculate Virgin

10 Social Intrapreneurship

The Concept of “Shared Value”
Corporate Social Entrepreneurship vs. Corporate Social Responsibility
What It Takes to Foster Social Intrapreneurship
  Skills
  Environment
Social Intrapreneurship in Nonprofits
Case Study 10.1: CEMEX’s Patrimonio Hoy Initiative

11 Social Entrepreneurship and Environmental Sustainability

Modern Approaches and Solutions
Enter the Social Entrepreneur
Voices from the Field
  Social Entrepreneurship Cases in the Clean Technology Sector
Developing an Environmental Sustainability Strategy for
  New and Existing Firms: Introducing the sSWOT
Voices from the Field
  The World’s First Solar Road Is Producing More Energy than Expected
Case Study 11.1: Verdant Power: A Case of Ethical Leadership

12 The Social Entrepreneurship Support Ecosystem

Support Ecosystems
Applying the Ecosystem Concept to Social Entrepreneurship
Potential Assets in a Support Ecosystem
Social Entrepreneurship Incubators/Accelerators
Case Study 12.1: Centre for Social Innovation, New York City
Co-working Spaces
Social Entrepreneur Networks
Social Venture Philanthropy
Being Systemic about Supporting Social Entrepreneurs
Voices from the Field
  Erica Dorn, Consultant for Fair Resources in the San Francisco Bay Area and Bernoulli Finance in New York City
Conclusion
13 The Future of Social Entrepreneurship 316

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Challenges Going Forward in Social Entrepreneurship</td>
<td>318</td>
</tr>
<tr>
<td>The Future Need for Catalytic Innovations for Social Impact</td>
<td>320</td>
</tr>
<tr>
<td>Future Trends in Social Entrepreneurship</td>
<td>323</td>
</tr>
<tr>
<td>Disruptive Social Venture Models</td>
<td>323</td>
</tr>
<tr>
<td>Voices from the Field</td>
<td></td>
</tr>
<tr>
<td>A Quadruple Bottom Line for Social Ventures?</td>
<td>323</td>
</tr>
<tr>
<td>Internet Action beyond Donations</td>
<td>324</td>
</tr>
<tr>
<td>Voices from the Field</td>
<td></td>
</tr>
<tr>
<td>A Facebook Founder Begins a Social Network Focused on Charities</td>
<td>325</td>
</tr>
<tr>
<td>One-to-One Business Models: TOMS Shoes but Also Eyeglasses</td>
<td>327</td>
</tr>
<tr>
<td>Public–Private Partnerships</td>
<td>329</td>
</tr>
<tr>
<td>Furthering Entrepreneurship Education in the Area</td>
<td>330</td>
</tr>
<tr>
<td>Redefining the Meaning of an Exit Strategy for Social Ventures</td>
<td>332</td>
</tr>
<tr>
<td>Concluding Thoughts</td>
<td>335</td>
</tr>
<tr>
<td>Case Study 13.1: The World Resources Institute’s New Ventures</td>
<td>335</td>
</tr>
</tbody>
</table>

Index 341