

Issue: Social Entrepreneurship

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Can start-ups change the world?

Executive Summary

Global interest in social entrepreneurship is growing, as investors, corporations, academic institutions and foundations support individuals trying to solve intractable global problems, from abject poverty in the developing world to the ravages of climate change. Whether working in for-profit, nonprofit or hybrid organizations, these entrepreneurs are applying sound business principles and attempting to scale their solutions to reach the greatest number of people. The popularity and even trendiness of social entrepreneurship is attributed to the rise of the Millennial Generation, many of whom want businesses to prioritize social innovation and a concern for people over profit. But social entrepreneurs face a strong chance of failure, and serious challenges remain, from getting adequate funding to sustain growth to maintaining focus on social mission and impact as a venture grows. Among the questions under debate: Does a social enterprise need to be self-sustaining? Should investors and social entrepreneurs be allowed to profit from a social enterprise? Can social enterprises stay true to their mission if they become large and successful?

Overview



Founders of Exo work with chefs on a recipe for the company's cricket-based protein bars; from left, co-CEO Greg Sewitz, Ali Bouzari, Kyle Connaughton and co-CEO Gabi Lewis. Insect protein is easier on the planet than conventional protein sources, says Lewis, one of a growing number of entrepreneurs who combine business ventures with social goals. (Exo)

Brown University senior Gabi Lewis, an avid weightlifter, was trying to invent a healthier protein bar as a project for his 2013 social entrepreneurship class.

His roommate, Greg Sewitz, fresh from a climate change conference at the Massachusetts Institute of Technology, made a novel suggestion: Why not cook up something using insect protein?

Lewis was skeptical, until Sewitz told him about the nutritional and environmental benefits of eating insects, compared with, say, beef cattle, which take far more resources to raise and create far more greenhouse gases.

It wasn't long before the two friends had unloaded two boxes filled with 2,000 live, chirping crickets in their kitchen, Lewis recalls. They froze the bugs, roasted them in their oven and ground them up in their Vitamix blender to make cricket "flour," then blended it with fruits, nuts and other tasty ingredients. Their first protein bars were such a hit with their friends and professors at Brown that they took them to the local farmers market.

By the time the roommates graduated from Brown, they were well on their way to creating a company called Exo, as in exoskeleton. They raised their first funds that summer on Kickstarter to finance their first production run, joined a food-focused accelerator program called AccelFoods, then raised another \$1.2 million from investors in September 2014.¹

Exo's protein bars contain 10 grams of protein and 40 crickets each. Their social and environmental mission is baked into each bar, too, Lewis says.

"Our entire business is about shifting eating habits in a more sustainable direction."

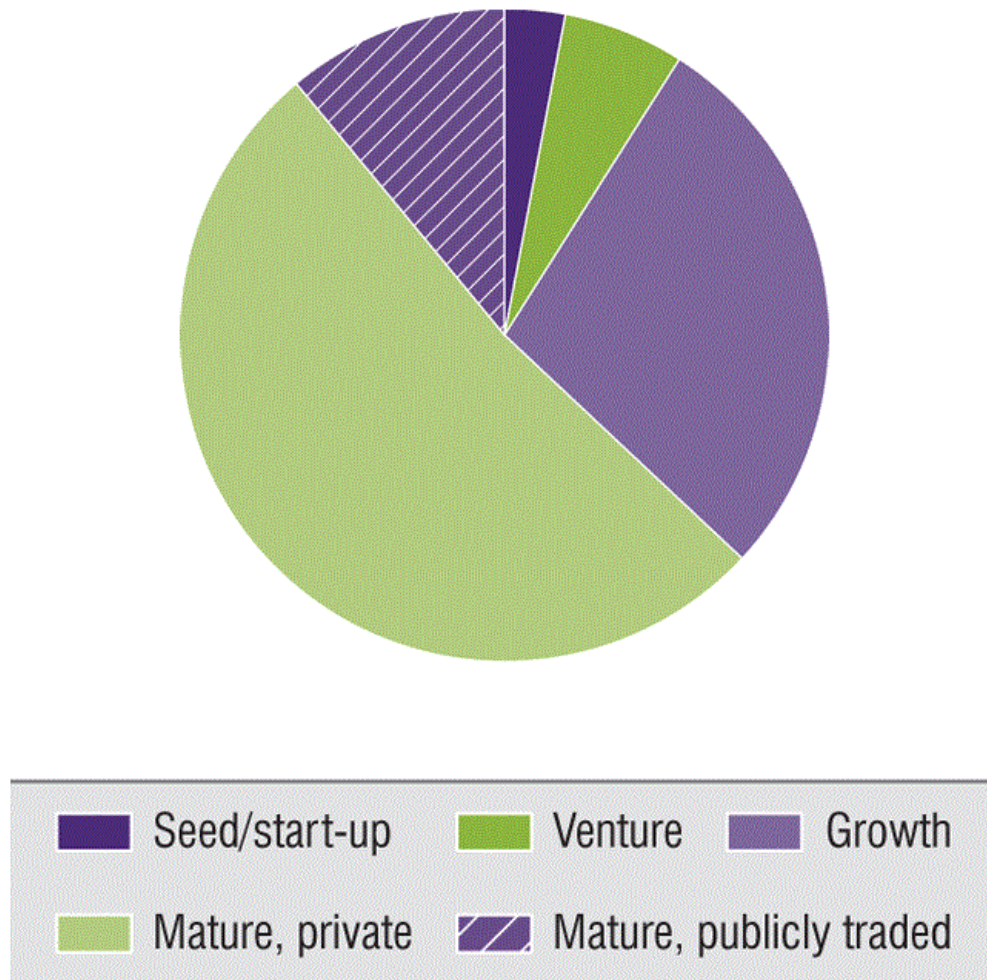
Exo's founders aim for fast growth; they joined the food industry accelerator to help them through the process. Eventually, they hope to expand into other insect-based products—once they get people used to the idea of eating bugs. And they emphasize they wouldn't be starting a business if they didn't think they could make a big social impact.

Lewis and Sewitz see themselves as social entrepreneurs, part of a growing movement of individuals who seek to transform and build institutions, including businesses, to tackle pressing and intractable social problems, from poverty and illiteracy to environmental destruction and climate change.² While the term social entrepreneurship has been used to describe these individuals since the 1980s, the field is gaining traction with the rise of the Millennial Generation, experts say. Millennials want businesses to prioritize social innovation and concern for people above profit, according to one international survey.³

A growing ecosystem—made up of impact investors, who generally accept lower rates of return and stay in their investments longer than typical venture capitalists in order to help solve social and environmental problems; foundations that support social entrepreneurs; academic programs around the globe; and a growing number of business plan competitions sponsored by brands that want to attract the Millennial market—is helping improve the prospects that social entrepreneurs will succeed. But serious challenges remain, from getting adequate funding to maintaining a focus on mission and impact as a venture grows.

Most Impact Investment Occurs in Post-Venture Stages

How impact investors distribute their capital, by stage of business



Note: Based on survey of 146 impact investors who manage at least \$10 million and have invested in at least five transactions.

Source: "Eyes on the Horizon: The Impact Investor Survey," JPMorgan, Global Impact Investing Network, May 4, 2015, p. 7, <http://tinyurl.com/orfvzdp>

Impact investors have committed 91 percent of their managed capital during the growth and mature stages of the companies they invest in, rather than earlier stages, according to data from the Global Impact Investing Network. Only 9 percent of capital has been invested during seed and venture funding stages.

"Since social enterprises have a high probability of failure, the chances are pretty high that you will not be successful, and this means a lot of attention needs to be given to the unpleasant but probable downside," Ian C. MacMillan and James D. Thompson, both entrepreneurship professors at the Wharton School of the University of Pennsylvania, advised in "The Social Entrepreneur's Playbook." ⁴

Social entrepreneurs, by most definitions, seek to make an impact on a broad scale, which means they have to come up with a model that can be replicated and expanded to help as many people as possible—in business jargon, "scaled." They draw from the strengths of entrepreneurs: creativity, perseverance and an ability to muster scarce resources. They often apply sound business principles to expand their organizations. Their ventures come in many flavors, from nonprofit efforts that have little or no prospect of generating revenue to for-profit ventures with an environmental or social mission intrinsic to the business.

In between are so-called hybrid models, such as the benefit corporation, which is legal in 30 states, plus the District of Columbia, according to B Lab, a Wayne, Pa., group backed by a number of socially responsible organizations that lobbies for the corporate designation.

Hybrid organizations combine both worlds by linking profit to social mission and a concern for improving lives. They are proponents of the corporate philosophy of the "triple bottom line," or the 3 Ps, so-called because adherents account for performance in three areas: "people, profits and the planet." ⁵

Catherine Clark, director of Duke University's CASE i3 Initiative on Impact Investing, says about 40 percent of the students who attend the Fuqua School of Business, which houses CASE, the Center for the Advancement of Social Entrepreneurship, say they chose the school because of its social emphasis.

"They're the first group in history to believe their primary purpose is to serve society, and they list making a profit as No. 2," says Clark, speaking of the Millennial Generation. "Our students are interested in education, development, energy and sustainability. They come in with all sort of interesting backgrounds and are trying to become more effective leaders doing the work they care about." (See Expert Views, "[Q&A: Catherine Clark on Impact Investing](#).")

New York-based Echoing Green, a group that awards fellowships to early-stage social entrepreneurs, reported earlier this year that close to 50 percent of the 2015 applicants for its three fellowship programs want to start for-profit businesses.

In addition, contests sponsored by brands that market to Millennials increasingly honor young social entrepreneurs.

In July 2015, actor Adrian Grenier, star of the HBO series and movie "Entourage," and CBS Late Late Show host James Corden helped judge "The Venture," a Chivas Regal-sponsored business plan contest that awarded a share of \$1 million to five finalists pitching their social ventures. "Social entrepreneurship challenges society to reimagine what is possible and inspires us to create a better future and a better world," Grenier said.⁶

Meanwhile, Forbes Magazine's 2015 Change the World Competition, for social entrepreneurs under 30, drew more than 2,500 applicants from around the globe for \$1 million in prizes. Prize winners were announced at the magazine's second annual Under 30 Summit in October. The top prize—\$250,000 in cash and a \$250,000 media grant—went to SIRUM, a social enterprise started by Kiah Williams and her co-founders Adam Kircher and George Wang, all Stanford University alumni. They have created a tech platform to match unexpired surplus prescription drugs, which are often discarded, with hospitals that serve people in need.⁷

The magazine said that 42 percent of the applicants proposed for-profit businesses, 28 percent proposed hybrid business models with donated and earned revenue and 30 percent pitched nonprofit groups.⁸

Educators are responding to the interest in social entrepreneurship, too. In the United States and Canada alone, more than 200 colleges and universities offer programs and classes in social entrepreneurship.⁹ Copenhagen Business School in Denmark offers a minor in social entrepreneurship and recently launched a MOOC (massive open online course) on social entrepreneurship to reach a broader audience. (See Short Article, "[Class Opens Social Entrepreneurship to the World](#).")

A handful of fellowships support practicing social entrepreneurs, such as those sponsored by Echoing Green; Ashoka—Innovators for the Public, based in Arlington, Va.; the Skoll Foundation in Palo Alto, Calif.; and the Schwab Foundation for Social Entrepreneurship, headquartered in Switzerland.

In addition, impact investment funds and angel investors who want to have a social impact are fueling the growth of social entrepreneurship. JPMorgan estimated that global impact investments could reach \$400 billion to \$1 trillion by 2020.¹⁰

However, Fuqua's Clark says a vast funding gap remains, with many early-stage social entrepreneurs still not considered established enough to attract investors.

Some early-stage impact funds and incubators are beginning to address that need, and groups such as Ashoka, a global organization that invests in social entrepreneurs with game-changing ideas, are expanding that "ecosystem" to help social entrepreneurs.

Social entrepreneur Björn Strüwer, who founded Roots of Impact, a Frankfurt, Germany-based consulting firm and accelerator for social entrepreneurs, is leading Ashoka's efforts to foster an ecosystem for social innovators, focusing particularly on new ways to help entrepreneurs overcome the funding gap.

Starting any business is a risky proposition at best, and adding a layer of social accountability and mission is a tall order, notes Ted Ladd, who teaches social entrepreneurship at Hult International Business School in San Francisco.

"It's a harder row to hoe," he says. Such businesses have to take all the same steps as conventional ones, but the valuations and revenue tend to be lower, he adds.

Some social entrepreneurs struggle without mentorship and start-up funds. They may also lack the managerial expertise to build and lead a team. Social entrepreneurs sometimes fail to broadly execute change in a way that allows for maximum efficiency and impact, or scalability.

When social entrepreneurs start out, there are friends, family and other supporters to cheer them on, says Felipe Vergara, an Ashoka fellow from Colombia who started Lumni, a for-profit company that finances students who can't otherwise afford higher education. "As you want to scale, it's harder and harder to raise capital," he says. "The main challenge is not to lose faith, and also to understand your weaknesses and strengths."

Often, social entrepreneurs fail to think about the impact they hope to achieve when they start, says Cheryl Kiser, executive director of the Lewis Institute for Social Innovation and the Babson Social Innovation Lab at Babson College in Babson Park, Mass. She works with students to outline their goals and metrics from the start.

Erica Lock, director of fellowship programs at Echoing Green, says that her team tries to ensure success for those they support by seeking people who demonstrate leadership, passion and purpose, resilience to handle the inevitable ups and downs ahead and “resource magnetism”—the ability to attract both human and financial capital.

Often, she says, social entrepreneurs have a big vision and plenty of optimism but may lack the ability to execute that vision and run an organization. Echoing Green provides extensive mentoring and a network of advisers to try to overcome that challenge. They help the entrepreneurs develop a fundraising and short-term plan, internalize their philosophy of how to bring about change and then work toward it. That involves not just saying “this is my goal,” Lock says, but also “how do you measure it?”

Social entrepreneurs often have great ideas and the best of intentions, but they still aren't able to achieve scale, Olivier Kayser and Valeria Budinich wrote in “Scaling Up Business Solutions to Social Problems.” Sometimes, solutions fail to scale because corporate executives don't see the value of reaching the world's 4 billion poorest customers. In other cases, giveaway programs supported by well-meaning foundations and governments can distort markets that social entrepreneurs are trying to serve. “And social entrepreneurs themselves are often encumbered by ideology or limited by their own capabilities,” wrote Kayser and Budinich, who both work with groups that back entrepreneurs.¹¹



Björn Strüwer: Focusing on the funding gap.

Ashoka's Strüwer says the funding gap remains a major hurdle for most social entrepreneurs. “Most social enterprise models are not as profitable as traditional ventures.” He points to one encouraging financial development, the creation in 2010 of the first Social Impact Bond in the United Kingdom to finance a nonprofit program to reduce recidivism among former prisoners. More than 100 social projects globally now follow this funding model: They pay investors a premium over their original investment, but only if the desired effect is achieved. Otherwise, investors don't get anything back.

Strüwer's firm is working with the Swiss Agency for Development and Cooperation on a project in Latin America that is trying to adapt the most successful features of the impact bond approach. Because some social businesses are not profitable or attractive enough to scale their ideas, Roots of Impact and the Swiss agency have designed a Social Impact Incentive, which is a payment from either a public entity or a donor agency. Funds would be provided for a limited time, until the organization is either self-sufficient or another funder takes over, Strüwer says.

Ashoka, which has named more than 3,000 fellows around the world since its founding in 1980, selects its entrepreneurs based on how innovative their idea is and whether it can be put in action on a broad scale and replicated elsewhere, explains Anne Evans, a leadership group member at Ashoka. Fellows must also have a track record achieving their mission.

“It was completely transformative to what we did,” Sascha Haselmayer, the founder of Barcelona-based Citymart, says of his selection as an Ashoka fellow in 2011.

Citymart, a for-profit global social enterprise that recently expanded to New York City, lets cities around the world put out broad requests for solutions to their urban problems; its online platform promotes a wider range of responses than a traditional bidding process.

Finding like-minded peers who are going through similar experiences has been encouraging, Haselmayer says. “You work like an entrepreneur but with no prospect of becoming filthy rich from it,” he says. “We take the economically least rational decision, choosing principle over profit. Then you walk into a room where everyone is like that.”

As educators, funders and would-be social entrepreneurs consider the status of the sector, here are some of the issues under debate:

Weighing the Issues

Does a social enterprise need to be self-sustaining?

When fledgling social entrepreneurs write business plans for their ventures, professors and mentors often ask them to describe their “earned income strategy.” (See Short Article, [“How to Plan a Social Enterprise.”](#))

In other words, where is the money going to come from to fund continuing operations, once start-up funds are exhausted? Is the venture going to sell a



product or service as part of its business model, or will it depend on grants from nongovernmental organizations, foundations and government agencies? Will it have a long-term endowment or go begging for funds each year?

Sascha Haselmayer: "You work like an entrepreneur but with no prospect of becoming filthy rich from it." (Ashoka—Innovators for the Public)

Social entrepreneurs who choose a for-profit model expect their business to eventually generate enough revenue to pay back investors and finance continuing operations.

However, an earned income strategy also works for many nonprofit organizations. The Girl Scouts of the United States of America, for example, earn revenue from cookie sales, but the profits get plowed back into supporting the group's activities.¹²

Regardless of whether a social enterprise is nonprofit or for-profit, becoming self-sufficient can assure that organizations actually survive to accomplish their social mission, says Kiser at Babson College.



Gavin Armstrong: Succeeding with "buy-one, donate-one" model.

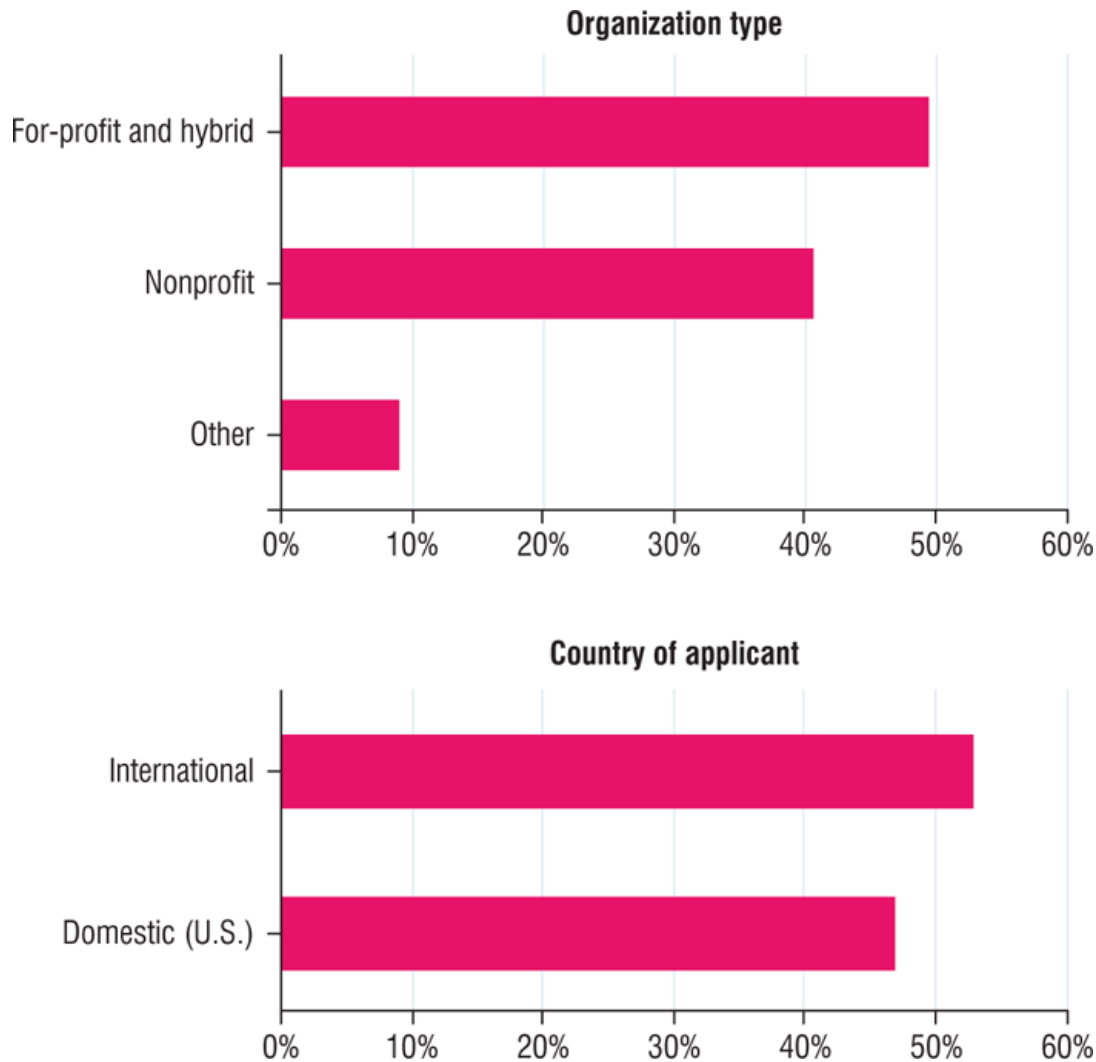
For example, Lucky Iron Fish, started in 2012 by Gavin Armstrong, aims to vanquish iron deficiency anemia in the developing world with a small, fish-shaped iron ingot that's dropped into cooking water. For every fish it sells to a customer in the West, the company pledges to donate a second fish to a poor family. The company is now selling more than 10,000 fish a month to Western consumers and donating an equal number. (See Short Article, "[How to Plan a Social Enterprise](#).")

"The growing interest and demand in Western countries is actually fueling our impact," Armstrong says. "I never dreamed the buy-one, donate-one model would be as successful as it is."

Being a nonprofit or a for-profit doesn't typically limit a venture's ability to sell products or accept donations, according to a 2014 Harvard Business Review article by Rich Leimsider, then vice president of fellowship programs at Echoing Green. In the 2013 class of fellows, five of the 12 nonprofits had earned revenue, and five of seven for-profit companies had received donations.¹³

Most Fellowship Applicants Aspire to Profits

Percentage of applications for 2015 Echoing Green Fellowships, by type



Note: From 3,165 submitted applications.

Source: Kayleigh Rogers, "The Data: Seven Trends We're Seeing in 2015," Echoing Green, March 10, 2015, <http://tinyurl.com/o6f82t5>

Half the 2015 applicants for fellowships with Echoing Green, a New York-based social impact nonprofit, were for-profit organizations or hybrid organizations with both for-profit and nonprofit aspects, while 41 percent were nonprofit groups. More fellowship applications came from outside the United States than from within.

What's more, Leimsider argued, there's nothing inherently better about relying on revenue, rather than grants and donations. He says it's a common misconception that philanthropic revenue is somehow less reliable than earned income.

He noted that more than half of for-profit start-ups fail within the first five years and that earned revenue can also vary widely, depending on market conditions.

"In fact, according to the National Philanthropic Trust, when the S&P 500 fell by 45% after the 2007 recession, U.S. charitable giving dipped only 10%," he wrote.¹⁴

In many cases, though, it's not feasible for a nonprofit social enterprise to have an earned income model.

Echoing Green's Lock gives the example of fellows Robin Reineke and William Masson, co-founders of the Colibrí Center for Human Rights in Tucson, Ariz., which aims to end migrant suffering.

It's doing "super important work," helping to identify the dead along the borders of the United States and Mexico and establishing a database that will help provide grist for the policy debate on immigration, Lock says. In Colibrí's case, charging families for the identification service to raise revenue would be an "unethical model," she says.

An earned income strategy isn't always possible, agrees Lauren Booker Allen, senior manager for impact investing at the Omidyar Network, started by eBay founder Pierre Omidyar to invest in socially oriented nonprofit and for-profit ventures. However, she says, "For the vast majority, it's very important."

Omidyar Network helps its grant recipients determine how to eventually become self-sustaining. Sometimes it's through membership or subscription fees or by selling research. In other cases, it may involve securing an endowment for a fixed number of years.

"Similar to our for-profit companies, we don't like to create a dependency model," Allen says. Omidyar Network, on average, supports these nonprofit social enterprises for seven years, at an amount not exceeding 20 to 25 percent of their budgets, she says.

Should investors and social entrepreneurs be allowed to profit from a social enterprise?

For companies that need to raise a lot of capital to accomplish their social or environmental goals, a for-profit model allows them to seek funds from a growing community of impact investors, who want to make a difference while also making a profit.

"The biggest way to spread social good is in a for-profit model because then it's sustainable," says David Rosenberg, the CEO of Aerofarms, based in Newark, N.J., who has raised \$35 million from impact investors to build an urban demonstration farm in Newark that grows plants "aeroponically" with a patented technique that requires very little water and no pesticides.



Artist's rendering of Newark, N.J., headquarters for Aerofarms; the company broke ground on the project in August. The building will house what Aerofarms says will be the world's largest vertical farm. (Aerofarms)

Social enterprises like Aerofarms, which haven't yet proven they will be profitable, can't easily attract investments from conventional venture capital firms. Impact investors offer "patient capital," because they're not looking for a quick exit, Rosenberg says.

However, making a profit isn't always desirable, or even possible when an organization's goal is to use the social enterprise to help support a mission.

REDF is a San Francisco-based venture philanthropy that provides funding and advice to social enterprises, mostly nonprofit, that help provide job opportunities to low-income and marginalized populations. Like a venture capital firm, they are looking for a return on their investment in these enterprises, but in this case, the return is social, not financial, explains President and CEO Carla Javits. They measure success by how many people gain meaningful employment as a result of their programs.

Most of the businesses in REDF's portfolio succeed at providing job opportunities while coming close to break-even. But they're not generating the level of returns that attract traditional investors. "They're basically covering all their costs with earned revenue," Javits says.

Still, that may be enough from a social perspective. In an analysis of programs it supports, REDF found that these organizations have helped 10,000 people go to work over an 18-year-period, with 3,000 of them in the last five years. Moreover, a cost-benefit analysis found that for every dollar spent, the programs generated \$2.23 in value to the individuals they supported, Javits says.

Staying nonprofit can also help prevent what's known in the social enterprise world as "mission drift"—straying from the original social or environmental goals as a business grows, and in some cases, gets sold or changes leadership.

Nonprofit social enterprises are often more adept at monitoring their effectiveness and staying on course, Javits says. "I think many times the for-profits really fall short and really don't know how to measure social outcome, and so they don't."

Echoing Green's Lock says, however, that a for-profit structure can be perfectly compatible with achieving social or environmental goals. Echoing Green, as an organization, makes grants that must be paid back without interest when the entrepreneurs reach certain thresholds,

either in valuation or revenue. About 20 percent of their entrepreneurs have reached those goals since the program took effect in 2011, according to Lock.

A changing business landscape is making it easier for these social entrepreneurs to succeed, as more investors look for companies that can help poor people or the environment, Lock says. "A lot more people are learning about social entrepreneurship and seeing the potential of capital markets and private investors to support this industry."

For social entrepreneurs who sell a useful product to poor populations around the globe—a strategy often referred to as base of the pyramid marketing, because there are so many more poor people than rich ones—charging customers a small fee, even if they are of limited means, may make them value a product more and take care of it better.

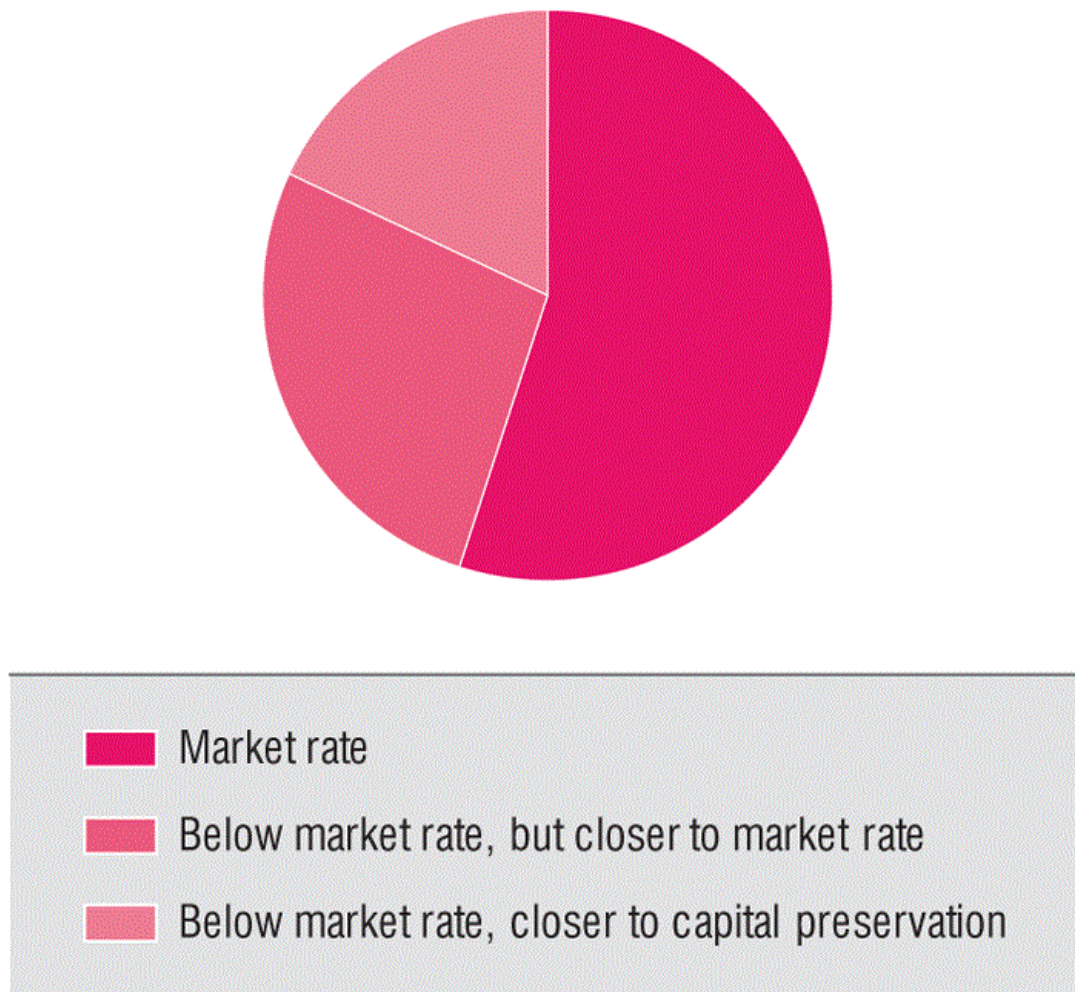
That's been the case for Essmart Global, a distribution business that sells solar lamps, water filters and other devices that improve the lives of the poor in southern India, Lock says. The company's founders, Diana Jue and Jackie Stenson, were 2013 Echoing Green fellows.

Omidyar Network's Allen says most businesses her firm invests in have integrated their social mission directly into their business model, so there's no conflict between profit and mission.

Many companies that consider themselves mission-driven yet adopt a more conventional corporate structure see no conflict between profit and purpose, says Babson's Kiser. Typically, they are seeking to reach a large scale quickly, and the best way to do that is by seeking venture capital or funds from impact investors.

Most Impact Investors Want Competitive Returns

Level of returns investors seek, by percent



Note: Based on survey of 146 impact investors who manage at least \$10 million and have invested in at least five transactions.

Source: "Eyes on the Horizon: The Impact Investor Survey," JPMorgan, Global Impact Investing Network, May 4, 2015, p. 15, <http://tinyurl.com/orfvzdp>

Fifty-five percent of social impact investors said they seek market-rate returns on their investments. Another 27 percent target returns slightly lower than the market rate, while less than one-fifth aim for below-market-rate returns that simply prevent investment losses.

Kiser says she has no problem with social entrepreneurs making money for themselves and their investors. She cites the example of Brandon Arbiter, a social entrepreneur who created an app to control diabetes after he was diagnosed with the disease.

"If somebody is willing to come up with an amazing solution to better manage diabetes, I don't begrudge anyone making as much money as they want to," she says.

What does concern her, however, are entrepreneurs who don't clearly explain from the outset what impact they are seeking and how they will measure it. She says she wouldn't invest in any business that didn't provide this information to investors.

Ashoka's Evans notes the rise of many for-profit businesses with a social agenda.

Some, she says, are more about purpose with profit, where the entire business is geared to achieving a specific social or environmental goal. Others are more clearly about profit, with purpose taking a back seat. "Sometimes, the purpose part is more a marketing gimmick and other times it's very inherent to what the business is about. If it's really structured into what they do, then you can say at the very least, they're more about purpose."

Can social enterprises stay true to their mission if they become large and successful?

All social enterprises face the challenge of preventing "mission drift."

"Everything out there can claim to be social entrepreneurship," warns Kai Hockerts, a social entrepreneurship professor at Copenhagen Business School who organized an online course for social entrepreneurs around the world. "The social motivation or mission needs to be first."

Social entrepreneurs and funders say this challenge of placing mission first can be addressed either by choosing a legal structure that protects against mission drift or by building the intended impact right into the business model.

For instance, in a much-publicized move, Kickstarter, one of the leading for-profit crowdfunding sites, officially relaunched on Sept. 21 as Kickstarter PBC, a public benefit corporation, which means that the company is obligated to consider the impact of its business decisions on society, as well as on shareholders.

In New Hampshire, Henry and Lisa Lovejoy founded EcoFish in 1999, expressly to assure consumers that they were buying seafood that came from fisheries that were behaving in an environmentally responsible way, careful not to deplete stocks of dwindling species or harm other animals, such as dolphins, in the fishing process. The company, which incorporated in 1999, projects \$3 million in sales this year in canned and frozen, sustainably sourced tuna, cod, shrimp, sardines and salmon.



Lisa and Henry Lovejoy founded EcoFish to sell responsibly sourced seafood; the company projects 2015 sales of \$3 million. (EcoFish)

"One of the biggest challenges we had right out of the gate was that no one was doing this," Henry Lovejoy said. "You'd mention sustainable seafood and no one knew what it meant."¹⁵

To get around that problem, the Lovejoys created an advisory board, composed of conservation and environmental organizations, with veto power over every strategic decision the company makes. The structure remains in place and has enabled the company to stay on message and on target, Lovejoy says.

"We're highly regulated by design," he said. "We have eliminated a massive percentage of the average seafood a company could sell."¹⁶

But other organizations struggle with mission drift as they grow. That's particularly the case where a growing organization hires new employees from its industry, bringing in profit-minded people who might not necessarily share the social mission. The authors of a 2012 article in *Stanford Social Innovation Review* give the example of the Bolivian microfinance group Banco Solidario, or BancoSol, which transitioned from a nonprofit to a hybrid in 1992 by spinning off its lending into "a regulated commercial organization."¹⁷

Under its new structure, BancoSol was able to meet the demand for loans from low-income entrepreneurs, because it generated income. However, staffing became an issue as the bank hired employees from both the social and business sectors and planned to train them to work together effectively, the authors wrote.

"According to Francisco Otero, BancoSol's first CEO, a balanced organizational culture would be created by 'converting social workers into bankers and bankers into social workers.' Despite BancoSol's training efforts, however, the single-purpose backgrounds of their employees made it hard for them to adjust to the hybrid model. Those with a social work background and those with a financial background ended up resenting each other and fighting constantly, so that the organization could hardly operate."¹⁸

Echoing Green screens heavily to make sure the entrepreneurs selected for its fellowships have a plan to keep the mission alive, whether via bylaws in their constitution or in their articles of incorporation.

Babson's Kiser, who co-authored the book "Creating Social Value: A Guide for Leaders and Change Makers," emphasizes to her students the importance of defining what they hope to achieve with their social venture and figuring out how they will measure it. Such

steps will ensure that as the enterprise grows larger and more successful, the mission won't get lost along the way, she says.

"If you wait until the end, it doesn't work," she says "Most people are remediating and backtracking. I say to them it's as rigorous as financing or anything else."

Background

Ashoka and Its Aims

In his 2007 book, "How to Change the World," author David Bornstein argued that many of history's most important social innovators—those who have worked to bring about major changes on a large scale—would fit today's definition of a social entrepreneur.¹⁹

These include religious leaders such as St. Francis of Assisi, who founded the Franciscan order and built multiple organizations that advanced systemic changes in his field, as well as Florence Nightingale, who completely transformed the system of nursing on the battlefield.



David Bornstein: Social entrepreneurship now "a vocation and mainstream area of inquiry."

"What's different today is that social entrepreneurship is becoming established as a vocation and a mainstream area of inquiry, not only in the United States, but increasingly in Asia, Africa and Latin America," Bornstein wrote.²⁰ The emergence of what Bornstein called the "citizen sector"—a term he used to encompass nonprofit organizations and international nongovernmental aid organizations—has enabled change on a larger scale than was possible in the past, he said. These organizations are forging partnerships with government and business, approaching problems in a systemic rather than a stopgap fashion, he wrote.

To tell the story of social entrepreneurship's rise, Bornstein focused on the emergence and growth of Ashoka—Innovators for the Public, an organization founded in 1980 by Bill Drayton, then the assistant administrator of the U.S. Environmental Protection Agency.

Drayton had been mulling over his idea for about 15 years: to establish an organization that would support the world's leading visionaries, who combined entrepreneurial creativity and strong ethics to accomplish broad social change.

"To this end, Drayton set out like a modern-day explorer to map the world's social terrain in search of its most talented change makers," according to Bornstein.²¹



Social Entrepreneurship: William D. Drayton, "Social Entrepreneurship and the Next Frontier: How to Change the World."

Social entrepreneurship pioneer Bill Drayton: “Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry.” (Ashoka—Innovators for the Public)

Ashoka, one of the best-known foundations in the field of social entrepreneurship, took an approach not unlike a venture capital firm, seeking a high return from very targeted investments.

The main difference: The returns Ashoka sought were not financial, but social.

Drayton's organization wanted to support individuals who were going to tackle some of the world's most intransigent problems: transforming education, protecting the environment, alleviating poverty, protecting human rights, caring for the disabled, aiding children at risk.²²

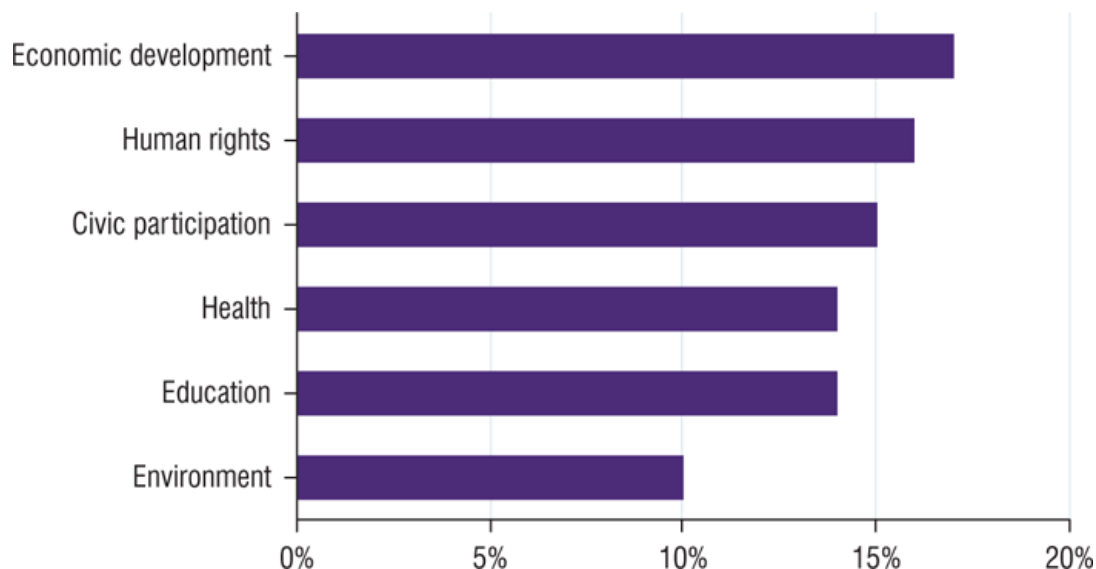
“Like Bill Drayton, Ashoka is a lean organization that punches above its weight,” Bornstein said. Its network includes tens of thousands of nominators and supporters who search out people who can cause major, positive system change.²³

As Drayton is famously quoted: “Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry.”²⁴

Now 35 years old, Ashoka has elected nearly 3,000 social entrepreneurs from 70 countries to its fellowship program, providing them with start-up financing, professional support services and access to a global network.²⁵

Ashoka Funds Fellowships in Various Sectors

Percentage of all Ashoka fellows by field, through end of fiscal 2013



Note: Total does not add to 100 because Ashoka did not classify all fellows by sector.

Source: Graphic courtesy of Ashoka—Innovators for the Public

Seventeen percent of fellows funded by global social entrepreneurship nonprofit Ashoka through the end of fiscal 2013 worked in economic development. Human rights (16 percent) and civic participation (15 percent) were the second- and third-most common sectors, followed by education and health (each 14 percent).

Often, social entrepreneurs' personal experiences fuel their passion. Fellows include Vergara, the founder of Lumni, who saw firsthand in his native Colombia how the lack of access to financial resources was keeping poor students in developing countries from attending universities and bettering their lives. Not only was this a personal tragedy for these students and their families, but it meant that local economies didn't reap the benefits of their increased education and earning power.

Lumni manages for-profit investment funds that lend money to students, mostly in developing countries. At the heart of Vergara's system is the “human capital contract,” in which the investor partners with the student in a shared-income agreement. It requires the students to pay back a set percentage of their earnings to the investor over a predetermined period after graduation. The amounts students repay vary depending upon their chosen field of study, meaning that a graduate pursuing a career as a teacher would pay back less than someone who became an investment banker.

As of 2015, Lumni has found more than 150 investors and raised about \$40 million for college students in Chile, Colombia, Mexico and the United States, as well as another \$10 million to develop the business, according to Vergara. “My primary goal is to help people have a better education, pursue their goals and improve their quality of life,” Vergara says.



Felipe Vergara: “My primary goal is to help people have a better education, pursue their goals and improve their quality of life.” (Ashoka—Innovators for the Public)

As Ashoka views the world of social change, there are three levels of potential impact: direct service, where an individual or an organization is working to address a social problem in a repeatable, direct fashion, but not changing an existing system to eliminate the problem; system change, where a social entrepreneur comes up with a completely new solution that gets to the root of the problem; and the highest level, framework change—something that disrupts the pattern in a given industry and results in widespread policy change. Ashoka has sought out social entrepreneurs working at those two highest levels, Evans says.

Evans says Vergara's idea is changing the system of financing college education because he came up with “a completely new way of thinking about tertiary education.” If he succeeds at a broad scale, resulting in a policy change within governments, he may completely change the framework, she says.

Over the past 10 years, Ashoka has evolved to promote the idea that everyone can be a “change maker.”

“We've really done a deep dive into what is it these leading social

To that end, Ashoka has begun recognizing outstanding “changemaker” schools and universities that are rethinking how to educate people to lead with empathy and find solutions to the world's problems. These include a diverse group of institutions of higher education, from Miami Dade College, a community college with more than 160,000 students and seven campuses in Florida, to the private Tulane University in New Orleans. At the primary and second-school level, Ashoka has singled out schools like the Western Institute for Leadership Development in Tucson, Ariz., also known as “Changemaker High School,” and Baltimore public charter school City Neighbors Hamilton. “We've been talking about how we can reimagine learning around the world to make everyone have this experience. This is where you get framework change: every child mastering empathy, and every child becoming a change maker,” Parthasarathy says.

Change-maker schools and universities, like social entrepreneurship fellows, benefit from both the prestige of the designation and access to a network of peers with whom they share ideas and strategies.

Pioneering Solutions in Bangladesh

Around the same time that Drayton was thinking about how to support social entrepreneurs, Bangladeshi economics professor Muhammad Yunus was developing a revolutionary way to eliminate poverty in destitute communities of his country, which became independent in 1971 in the aftermath of a disastrous cyclone and a bloody war for independence from Pakistan.²⁶

No one had called Yunus a social entrepreneur yet, but he had become an example of how an individual could upset the status quo and bring about broad-scale change by getting to the root of a problem.

In 1974, Yunus took his Chittagong University students on a field trip to a poor village, where they spoke to a woman who earned her livelihood making and selling bamboo stools. They learned that to buy the raw bamboo, she had to borrow money from middlemen at sky-high interest rates, thus making only pennies per sale. Yunus reasoned that if she could borrow at better rates, she could move beyond a subsistence existence and build an economic cushion.

Later, Yunus defied the advice of both banks and his government by making tiny loans, known as microloans, out of his own pocket to poor female basket weavers in Bangladesh.

In 1983, Yunus founded Grameen Bank, which means “village bank” bank, on the foundation of trust and solidarity.

Since then, Grameen Bank has become a major economic force in Bangladesh, growing to more than 2,500 branches and serving 8.3 million borrowers from 81,379 villages, according to 2011 figures listed on its website. Almost all of the borrowers—97 percent—are women.²⁷

Grameen Bank's methods have been adopted around the world, and microlending has become an established route to spur economic development in the world's poorest regions.

Yunus and Grameen jointly won the Nobel Peace Prize in 2006: “From Dr. Yunus' personal loan of small amounts of money to destitute basket weavers

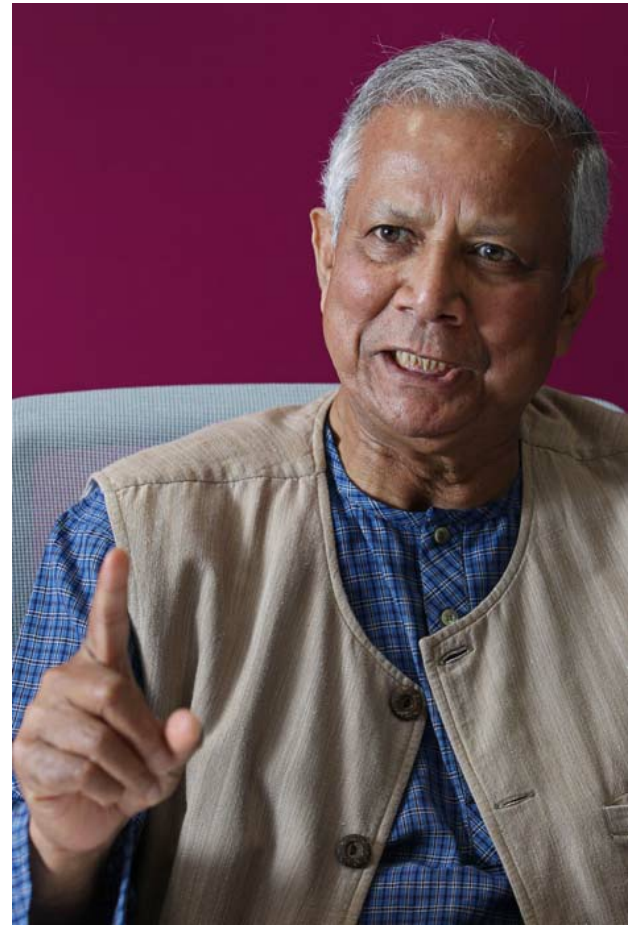
in Bangladesh in the mid-70s, the Grameen Bank has advanced to the forefront of a burgeoning world movement toward eradicating poverty through microlending. Replicas of the Grameen Bank model operate in more than 100 countries worldwide,” according to the Nobel Foundation.²⁸

In Yunus' 2009 book, “Creating a World Without Poverty,” he wrote that economic theory, by reducing human beings to “one-dimensional” profit seekers has produced a “narrow” interpretation of capitalism that ignores the “essence of what it is to be human.”²⁹

In 2011, the Supreme Court of Bangladesh ruled that he was required to resign as managing director, citing a government provision that required retirement by age 60. (He was 70 at the time.) Observers said the move to oust Yunus was politically motivated.³⁰

“Every time I wanted to go into retirement, you told me through your representatives that until you released me, I would have to continue with my responsibilities at Grameen Bank,” Yunus wrote in an open letter to Grameen Bank members upon his resignation. “I accepted this and carried on. Recently, on the orders of Bangladesh Bank I have been forced to relinquish this responsibility. I am removing myself from the responsibilities of the Managing Director of Grameen Bank, but I am not distancing myself from you. My relationship with you will never be broken. Even after leaving Grameen Bank, I will remain close to you.”³¹

Yunus has since formed Yunus Social Business, headquartered in Frankfurt. The accelerator program operates in the Balkans, Brazil, Colombia, Haiti, India, Tunisia and Uganda to encourage the formation of social businesses, which are dedicated to solving a social problem in “a financially self-sustainable way.”³²



Muhammad Yunus, Nobel laureate and founder of Grameen Bank, champions the idea of microfinance—lending small amounts to people in developing communities. (Goh Seng Chong/Bloomberg via Getty Images)

The ‘Double Dip’ at Ben & Jerry's

At the same time that pioneering social entrepreneurs such as Drayton and Yunus were working outside the system to spur social change, some businesses were questioning how as corporate entities they could behave in a more socially responsible manner.

Since then, the lines have blurred between so-called social entrepreneurs and larger companies that want to pursue a triple bottom line of people, profits and the planet.

In 1978, Ben Cohen and Jerry Greenfield opened their first ice cream store in a renovated gas station in South Burlington, Vt. As it grew, Ben & Jerry's became “a social enterprise icon” by stressing fair labor practices, environmental consciousness and humane treatment of the cows that supplied its milk.³³

The founders called their pursuit of both profit and corporate social responsibility the “double dip.”³⁴

“In its heyday (circa 1990), the company was a kind of corporate hippie, wearing its convictions on its labels with funky-named flavors like Cherry Garcia, Whirled Peace, and Wavy Gravy. Peace, love, and ice cream,” according to law professors Antony Page and Robert A. Katz.³⁵

The company also sought to create business opportunities for disadvantaged groups. For instance, it bought the brownies for its chocolate fudge brownie ice cream from the social enterprise Greyston Bakery in Yonkers, N.Y. Greyston was started in 1982 by Bernie Glassman to provide jobs and training to impoverished people who faced barriers such as previous incarceration, drug abuse and low education.³⁶

Ben & Jerry's also committed to giving 7.5 percent of pretax profit to charity. However, the company's commitment to social responsibility failed to result in sufficient profit to buoy its stock price. The company's shares fell from almost \$34 a share in 1993 to \$17 in 1999.³⁷

In 2000, the company's board accepted a \$326 million acquisition offer from Unilever, then the world's third-largest consumer products company.

“While I would have preferred for Ben & Jerry's to remain independent, I'm excited about this next chapter,” Cohen said in a prepared statement.³⁸

Founders Cohen and Greenfield contended publicly that they had no choice but to accept the offer or they would have faced shareholder lawsuits. At the time, critics were outraged, calling the founders “sellouts” for putting profit above their ideals. By 2003, Unilever had discontinued one of their signature flavors, Wavy Gravy, because it wasn't profitable enough.³⁹

Common wisdom has since held that Ben & Jerry's could have avoided being forced to sell if new corporate structures for social businesses had existed at the time, wrote Page and Katz. They contended that the company could have evoked its anti-takeover provisions for protection and would have been able to turn down the takeover offer without any change in its legal status.⁴⁰

Current Situation

Corporate Structures for Social Enterprises

Social entrepreneurs must decide from the outset how they are going to structure their venture: Will it be a nonprofit organization, which is exempt from paying taxes, or a for-profit business, which pays taxes, but has more flexibility in raising capital from investors? Or will they seek some sort of hybrid option that combines the best of both worlds?

A small but growing number of social entrepreneurs are forming profit-making businesses, generally called hybrids, that value their social purpose at least as much as their profits. Many nonprofits also have revenue-generating businesses that support their social purpose because of the difficulty of obtaining philanthropic and government funding.

The two hybrid structures most used by for-profit U.S. social enterprises are the benefit corporation and the L3C. Both are taxable entities.

A benefit corporation must meet certain standards of accountability, transparency and purpose. While laws vary by state, in general benefit corporations must demonstrate a material impact on both society and the environment. Purpose is embedded in their DNA.⁴¹

At present, 30 states plus the District of Columbia allow benefit corporations, and legislation is pending in five more states.⁴² There are about 1,200 benefit corporations in the United States, according to B Lab.

Kickstarter is one of the latest companies to join the club. On Sept. 21, 2015, it relaunched as a public benefit corporation. The co-founders explained their decision in a letter posted on the Kickstarter website: “Until recently, the idea of a for-profit company pursuing social good at the expense of shareholder value had no clear protection under U.S. corporate law, and certainly no mandate,” they wrote.

“Companies that believe there are more important goals than maximizing shareholder value have been at odds with the expectation that for-profit companies must exist ultimately for profit above all.”⁴³

San Francisco lawyers Doug Bend and Alex King wrote that start-ups should consider forming a benefit corporation when they have a strong social purpose. “Incorporating as a benefit corporation legally protects an entrepreneur's social goals by mandating considerations other than just profit,” they said. Also, Bend and King said, with consumers increasingly making purchases at companies they feel are responsible corporate citizens, the benefit corporation status can help differentiate a business from the competition.⁴⁴

While the benefit corporation path can align a company with its social and environmental goals, Bend and King acknowledged possible drawbacks: Benefit corporations have annual reporting requirements that benchmark performance against a third-party standard. Also, the very newness of the benefit corporation as a legal entity means that it's still unclear how courts will view such companies' mandates to consider societal benefits along with profit. It's also unclear, according to Bend and King, how the status will affect the ability of these companies to raise funds from angel investors and venture capitalists.⁴⁵

The L3C, or Low-Profit Limited Liability Company, affords social entrepreneurs the legal and tax flexibility of a traditional LLC, the social benefits of a nonprofit organization and the branding benefits of being able to call one's business a social enterprise, says Marc J. Lane, a Chicago lawyer who drafted the L3C legislation for Illinois.

Under current tax law, foundations must distribute 5 percent of their assets annually to charitable causes related to their mission. Under Internal Revenue Service regulations, those distributions can include so-called Program-Related Investments (PRI) in organizations with a charitable or educational purpose, and L3Cs fall into this category.⁴⁶ There are 1,279 L3Cs in the United States, according to a quarterly tally by InterSector Partners, a consulting firm that advises social-purposes businesses and nonprofits.⁴⁷

Just eight states allow companies to incorporate as L3Cs. (A ninth, North Carolina, rescinded its 2010 L3C law in 2014, deeming it unnecessary.⁴⁸)

In the United Kingdom, a social enterprise hybrid known as a Community Interest Company (CIC) gets tax benefits in exchange for limiting profit distributions to investors. Once the designation is approved, the government freezes the assets of the CIC and designates them for general community benefit. Investors can receive capped dividends on their investment, but the principal is never retrieved.⁴⁹

A Growing Community

Allen, the senior manager of impact investing at Omidyar Network, says that even though she is seeing more social entrepreneurs who are exploring the benefit corporation concept, structure is less important than substance.

"We're certainly encouraged by this growing effort, as transparency, accountability, and commitment to impact are all great things," she says. "We don't think it matters, however, whether a company is structured in one way or the other: Benefit corps, certified B corps and companies not structured in this way can all have compelling profit and impact profiles, and vice versa."

However, Allen says, deciding to clearly brand a business as mission-oriented will appeal to some investors more than others. "Entrepreneurs have to be ready for potential market resistance if going this route."

Entrepreneurs who don't live in a state that allows L3Cs or benefit corporations can register their business in one that does, says Lane, who frequently helps social entrepreneurs set up L3Cs or benefit corporations.

For instance, Kickstarter, which has its headquarters in New York City, is incorporated in Delaware, legal home to thousands of corporations.⁵⁰

Seal of Approval: B Corp Certification

In addition to choosing a hybrid for-profit business form, a growing number of companies are submitting to a voluntary review process called B Corp certification.

B Lab established the B Corp certification, which is different from the benefit corporation designation, in 2006. Currently, there are 1,498 certified B Corps, from 130 industries in 42 countries.⁵¹ B Lab issues a report card assessing a company's commitment to social and environmental responsibility, accountability and transparency, benchmarking it against industry norms. Companies that pass can brand their business as a Certified B Corp., which can attract both consumers and impact investors, Lane says.

"B Corp is to business what Fair Trade certification is to coffee or USDA Organic certification is to milk," declares the B Corp website.⁵² Such companies aren't necessarily small ventures run by new social entrepreneurs; they include large businesses, such as outdoor clothing maker Patagonia and two publicly traded companies, Etsy, the online sales platform for craftspeople, and Natura, a Brazilian cosmetics giant with 7,000 employees.⁵³ B Corps that are registered in states with a benefit corporation law are required to reincorporate as benefit corporations within four years to maintain B Corp certification.

Among B Lab's top-ranked B Corps is Better World Books in Alpharetta, Ga., near Atlanta. Better World is a triple bottom line business that is creating a nursing library in Somaliland, providing profit sharing and equity ownership opportunities to its employees and making carbon-balanced shipments. "They're not a company with an add-on 'cause' component. They create social good and protect the environment through their regular business transactions," according to a profile on the B Lab website.⁵⁴

Looking Ahead

Expanding the Definition

Increasingly, players in the social innovation and impact investing community are looking to a broader definition of social entrepreneurship as the field evolves. In some cases, they have stopped using the term social entrepreneur altogether, preferring more inclusive terms that encompass efforts to solve social and environmental problems within larger organizations as well as entrepreneurial ventures.

In the future, Chicago lawyer Lane expects more charities will embrace earned revenue strategies. "We're seeing an enormous pickup in charities starting businesses to drive mission. It's healthy because it introduces sound business principles into the social sector, where they're desperately needed," he says.

As the lines continue to blur between the for-profit and the nonprofit worlds, more conversations will focus on how people can work together, across sectors to create social change, observers say.

Babson College, which requires all its business students to take an entrepreneurship class, was named a "Changemaker Campus" by Ashoka because of its strong socially oriented curriculum. Babson's Kiser stresses that entrepreneurs alone can't tackle the world's big social problems.

Nor is everyone cut out to run a venture. But individuals can work within larger organizations to foster social responsibility or join the nonprofit sector and steer investment funds to fledgling social innovators, she says.

"I love the notion of change-making. I think social entrepreneurship is very narrow," Kiser says.

Kiser sees a bright outlook for anybody interested in social and environmental change. While Millennials have been famously active in seeking social meaning in their lives, Baby Boomer entrepreneurs over 50, who are loathe to retire, will also play a big role in bringing about social change, she says.

Clark of Duke University's Fuqua School of Business sees social entrepreneurs acting as the catalyst for change, but says they can't succeed alone. "It's not just about creating the catalyst but about creating the helpers," she says. Clark maintains that social entrepreneurs can have the most impact when they work in tandem with major institutions, such as government agencies and private sector companies.

Vergara at Lumni, the higher education financing group, says he hopes companies generally will spend more time thinking about the social impact of their businesses on society and the environment.

Marina Kim, who is co-founder of Ashoka U, a program that identifies Changemaker Campuses, says she hopes as Ashoka's goal of promoting everyone as a change maker evolves, programs and fellowships won't be concentrated among socioeconomic classes perceived as having the luxury to think about making a difference instead of making a living.

"Social innovation has been a little bit elite. It's now spreading out of that, but it has a long way to go," she says.

To democratize social innovation, she says she would like to see more community colleges and historically black colleges starting social entrepreneurship programs, outside of the San Francisco Bay Area, New York and Boston.

"We will not get the type of innovation we need if it's only coming from a few places. For social innovation to have the impact it can have, and the democratization, there has to be some way for everyone to be a change maker," Kim says.

How to do that is the big question, she says. "Democratizing access is the No. 1 thing keeping us up at night."

About the Author

Robin D. Schatz is an adjunct associate professor of journalism at the Columbia University Graduate School of Journalism and a New York-based business writer, who writes frequently for Inc. magazine on entrepreneurs and start-ups and is a contributor to Forbes.com. She previously worked at Bloomberg News as an editor, writer and television producer, and as an editor and columnist at Businessweek. She was also a Knight-Bagehot Fellow in economics and business journalism at Columbia University. For SAGE Business Researcher, she wrote a report about [Crowdfunding](#).

Chronology

Pre-20th Century

1209

Social entrepreneurship arises but lacks a name.

St. Francis of Assisi [establishes the Franciscan order](#).

1854

[Florence Nightingale takes charge](#) of British military hospitals in the Scutari district of Istanbul.

1970s-1990s

Pioneers establish notable groups that blend business and social good.

1971

Stanford University launches the [public management program](#) to educate socially conscious leaders.

1976

[Muhammad Yunus](#) starts a research project to lend to the poor in Bangladesh.

1978

Ben Cohen and Jerry Greenfield found ice cream maker [Ben & Jerry's](#) as a "values led" company in South Burlington, Vt.

1980

Bill Drayton founds [Ashoka—Innovators for the Public](#) to support social entrepreneurs. ... Harvard University students launch the [Nonprofit Management Club](#), now part of the Social Enterprise Club, one of the largest clubs on campus. ... Yunus opens Grameen Bank to make microloans to poor borrowers.

1987

Global private equity firm General Atlanta starts [Echoing Green](#), a foundation to support social entrepreneurs.

1989

Wendy Kopp founds [Teach for America](#) to recruit high-performing college graduates to teach in America's inner city schools.

1999

Stanford University establishes the [Center for Social Innovation](#) to develop leaders to solve global social and environmental problems.

2000s

New corporate structures evolve.

2000

[Unilever acquires](#) Ben & Jerry's, promising to allow the company to keep its socially oriented policies.

2001	Harvard Business School adds a social enterprise track to its annual business plan competition.
2003	Oxford University's Said Business School establishes the Skoll Centre for Social Entrepreneurship .
2004	EBay founder Pierre Omidyar and his wife, Pam Omidyar, start Omidyar Network to fund entrepreneurs tackling social problems.
2006	Yunus and Grameen Bank are jointly awarded the Nobel Peace Prize for their microcredit innovation.
2007	Nonprofit B Lab certifies the first 19 B Corps, companies that agree to meet standards for environmental and social responsibility, transparency, workforce treatment and other criteria. ... King Arthur Flour becomes first company to put Certified B-Corp logo on its packaging.
2008	Vermont creates a new corporate status , the Low-Profit Limited Liability Company (L3C), for social enterprises that put mission ahead of profit.
2009	President Obama establishes the Office of Social Innovation and Civic Participation to enlist nonprofits, foundations, social enterprises, businesses, faith-based and other community organizations to help solve problems facing communities.
2010-Present	Social entrepreneurship reaches the mainstream.
2010	The United Kingdom implements social impact bonds to help fund social enterprises. ... Echoing Green establishes the first fellowship for social entrepreneurs working to improve the lives of black boys and men in the United States. ... Maryland becomes the first state to enact a benefit corporation law, in which companies emphasize the importance of social and environmental missions to their business goals, along with profit.
2011	Yunus is forced to resign as managing director of Grameen Bank by the government of Bangladesh because he is 10 years beyond retirement age. ... Yunus forms Yunus Social Business , an accelerator that's helping to finance and support social businesses in seven countries.
2012	Patagonia Inc., the outdoor outfitter, becomes California's first benefit corporation .
2014	Echoing Green launches its new Climate Fellowship for social entrepreneurs helping to mitigate or prevent climate change.
2015	Etsy, the Web platform for makers and crafters and a certified B Corp, goes public Crowdfunding giant Kickstarter, already certified as a B Corp, relaunches as a benefit corporation .

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Organizations

Ashoka—Innovators for the Public

1700 N. Moore St., Suite 2000, Arlington, VA 22209
703-527-8300
www.ashoka.org/

Fellowship program that invests in social entrepreneurs; supports education to foster empathy and social change.

B Lab

155 Lancaster Ave., Wayne, PA 19087
610-293-0299

<https://www.bcorporation.net/>

Group established by socially oriented firms to certify B Corporations, provide analytics for benchmarking and lobby for benefit corporation legislation in United States.

Center for the Advancement of Social Entrepreneurship

Fuqua School of Business, Duke University, 100 Fuqua Drive, Durham, NC 27708
919-660-7734

<https://centers.fuqua.duke.edu/case/>

Research and education center that prepares leaders and organizations to achieve lasting social change.

Echoing Green

462 Seventh Ave., 13th Floor, New York, NY 10018
212-689-1165

<http://www.echoinggreen.org>

Group that supports social entrepreneurs with three fellowship programs; impact investing; and curriculum and training for young leaders.

Global Impact Investing Network (GIIN)

30 Broad St., New York, NY 10004
212-852-8349

www.thegiin.org/

International group that represents the impact investment industry.

Schwab Foundation for Social Entrepreneurship

91-93 Route de la Capite, CH-1223 Cologny/Geneva, Switzerland
+41 (0) 22 869 1212

www.schwabfound.org

Internationally oriented group that highlights and advances models of sustainable social innovation; identifies select social entrepreneurs; and engages in shaping global, regional and industry agendas that improve the state of the world.

Skoll Foundation

250 University Ave., Suite 200, Palo Alto, CA 94301
650-331-1031

www.skollfoundation.org

Foundation that supports social entrepreneurs through fellowship program, including through direct investments; runs Skoll Center for Social Entrepreneurship in London.

Social Enterprise Alliance

41 Peabody St., Nashville, TN 37210
615-727-8551

www.socialenterprise.us

National membership organization for social enterprises.

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