



Social enterprise and social entrepreneurship: where have we reached?

Social enterprise
and social
entrepreneurship

A summary of issues and discussion points

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Abstract

Purpose – The purpose of this paper is to discuss social enterprises, social entrepreneurship and social entrepreneurs. The paper draws on published work to flag key issues and discussion points that affect the clarity of the understanding. It aims to provide some greater insight and help both scholars and practitioners in their respective quests for understanding and improvement. The paper could further help people clarify what needs to be covered on courses and degrees in this subject area.

Design/methodology/approach – The paper draws on the work of others and to this adds personal conclusions from both direct experience and observation. It attempts to deal with complex issues and tensions in a straightforward style and thus draw attention to key debates.

Findings – The central argument is that if we see social enterprises, social entrepreneurship and social entrepreneurs bound together, operating with a common purpose and approach and pursuing the same ends, then we misunderstand this critically important sector. They are clearly linked but there are important distinctions.

Research limitations/implications – This is a conceptual discussion paper. It is not directly a research paper and it is not written to either present the findings of a specific project or to inform a future research agenda. It could well-trigger ideas for researchers, however.

Originality/value – The core material for this paper is not original but the presentation, synthesis and arguments offer a distinctive treatment. They should help clarify some of the debates and issues that hamper our ability to clearly understand the world of social enterprises.

Keywords Enterprise economics, Entrepreneurialism, Entrepreneurs

Paper type Conceptual paper

Introduction

An ex-colleague was talking with the author about chiropody students who are likely to start their own professional practice at some stage. His personal view was that they would be turned-off if someone came to talk to them about entrepreneurship, but that “social entrepreneurship” would be acceptable to them. Although a chiropody practice might be established as a social enterprise – and indeed this is beginning to happen with new dental practices to provide NHS dentistry in the UK – this would be unusual. It seemed possible that entrepreneurship was being linked to profit-driven activity and social entrepreneurship to something where the work, the professional service, was more important. It perhaps implied that the image of an entrepreneur as a somewhat dodgy market trader (portrayed on television so brilliantly through the character of Del Trotter in *Only Fools and Horses*) has not disappeared. Whatever, it seemed to suggest some disagreement on, and possibly misunderstanding of, the meaning of



terms and it prompted this review of our understanding of the terms social enterprise, social entrepreneurship and social entrepreneur.

In recent years, the number of academic papers and books on social enterprise and social entrepreneurship has grown. The sector attracts attention – and funding – from government agencies and the numbers of people involved has also grown. The sector plays an increasingly significant role in economic and social regeneration. This paper does not set out to summarise and synthesise other work in a fully comprehensive way, nor is it offered as a research agenda. Instead it draws upon published work, case material and anecdotal evidence to reflect upon a number of issues and paradoxes which affect our ability to truly explain what happens in this important sector.

Whilst we may not have a “universal” definition of a social enterprise, we do have a number that are frequently cited and which capture the ethos of the relevant sector. They are broadly similar. But if we then look at the key elements of entrepreneurship, whether it is practiced in this sector or elsewhere, it becomes apparent that an organisation can be a social enterprise without being entrepreneurial.

Correspondingly social entrepreneurship is manifest in organisations that are not social enterprises when benchmarked against the popular definitions.

Therefore, and in turn, social enterprises may not be led by people we might think to describe as a social entrepreneur. And people we call social entrepreneurs may be active in activities and organisations that are not social enterprises. To “complete the circle” a person who might be described as a social entrepreneur might well be involved in an activity or organisation that is not socially entrepreneurial in the way that it behaves.

This paper explores these issues and concludes that we do need to be clear what we mean by each term and to accept that whilst there are links between them they are not bound together in a seamless manner. There is also an argument that the use of the word “social” before the word “entrepreneur” should be used cautiously.

The sector and the context

When we cite cases and examples that illustrate social enterprise and social entrepreneurship in action we sometimes include well-known contributors such as Mohamed Yunus (whose Grameen bank provides micro finance to families in developing countries, in particular Bangladesh) and Bill Drayton (whose non-profit Ashoka Foundation was set up to find and foster social entrepreneurs). They are social entrepreneurs and their work is of huge value and significance. Jamie Oliver, the high-profile UK Chef, has set up a training restaurant for young and aspiring chefs, and this is a social enterprise. As a champion and an advocate, he has also led a campaign for healthier school meals. In parallel, he runs a number of profit-seeking businesses. Is Jamie Oliver similarly a social entrepreneur? Bill Gates (Microsoft) has established the Bill and Melinda Gates Foundation that distributes billions of dollars to good causes, thus facilitating social and environmental projects around the world – but how do we define Bill Gates? It is tempting to describe him as fundamentally a successful business entrepreneur that has chosen, as many do, to “give something back”. But when he retired from his executive role at Microsoft in 2008 he pledged to dedicate his time to the Foundation and to the service of others. More realistically he is a business entrepreneur who has chosen to become a social entrepreneur.

Social entrepreneurship in the developed world is evident in some credit unions and charity shops, and the latter are arguably social enterprises, although they are largely dependent upon volunteer staff and so seen by many as part of the voluntary sector. Within the voluntary sector, there can be evidence of significant entrepreneurship; without innovation and a real desire to secure resources and make a difference many community initiatives would soon disappear.

Many organisations we do think of as social enterprises are ones which sub-contract service delivery work that might otherwise be provided by the public sector. They are again well-managed and do what they do efficiently and effectively, but they are responding to a government-defined need; they are not innovative and different in the way that entrepreneurs are.

Fair trade organisations present an interesting challenge for us. They need to be innovative and entrepreneurial if they are to help suppliers, such as African cocoa growers, to gain access to markets in the developed world, and if they are to persuade consumers to pay a premium price for the products. Divine Chocolate, for example, is priced some 15-20 per cent above the “mainstream” chocolate bars (Doherty and Meehan, 2006). Ideally their consumers will be persuaded they are buying a superior quality product as well as being willing to pay more for the Fair Trade promise. This way the business will be more sustainable in the long run, for the fact that something is Fair Trade is not in itself a guarantee of success. Aspire was set up in the late 1990s to enable homeless people sell Fair Trade products through a direct mail catalogue. Initially successful, the business was franchised. But its product range was limited and consequentially its target market was limited. It grew too quickly and was wound up in 2004.

The Social Enterprise Coalition states that in 2007 there were around 55,000 social enterprises in the UK turning over some £27 billion. This is not insignificant! Their popularity has increased in part because the government believes they can be an efficient way of delivering services that meet important social needs – they therefore commission work from them. When this happens it would be quite normal for the purchaser/funder to specify the target outputs and so, in that way, the service remains supply-driven. But others have been set up because an individual “entrepreneur” has seen a need and set out to do something about it. Thus, some activities are reactive to funding opportunities whilst others are more proactively demand-driven. With the latter it is often the case that if the opportunity is viable and consumers will pay for a product that provides value for them, it could be provided by a profit-seeking competitor in just the same way that it can by a social enterprise. Equally, some customers will pay a premium price for a product that can demonstrate fair trade origins. Here, success lies in the ability to add and deliver the value that matters to the customer.

These activities operate alongside the voluntary (or third stream) sector where a huge range of organisations also meet important social needs. In fact, volunteers will often be required to meet needs that the public sector cannot and will not pay for, and for which those with a need (or in some cases a desire rather than a need) cannot or will not pay a market price. But volunteering, even when it is enterprising, does not amount to an “enterprise” and yet many active volunteers might well be described as social entrepreneurs meeting a social need in an entrepreneurial way. They are certainly

achieving the latter, but it is debatable whether we really should call them entrepreneurs.

The literature on entrepreneurs often distinguishes an entrepreneur from someone who starts and runs a small business. They are both important but in different ways. Bolton and Thompson (2000), for example, define an entrepreneur as “someone who habitually creates and innovates to build something of recognised value around perceived opportunities”. There is a real emphasis on difference, habitual activity and growth. This point will be developed later, where it will be emphasised that entrepreneurs and entrepreneurial behaviour can both be found in all walks of life. It is also often the case that those people who are involved in social and economic regeneration all round the world behave entrepreneurially, because that is the way that makes things happen and brings results.

Entrepreneurs and small business owner managers, then, may be very different in how they behave and in what they do. Entrepreneurship and small business management are not synonymous terms. Being an entrepreneur and behaving entrepreneurially are not synonymous, and this also holds if we prefix both with the word “social”.

Defining a social enterprise and social entrepreneurship

The UK DTI (2002) has defined a social enterprise as “a business with primarily social objectives whose surpluses are principally reinvested for that (social) purpose in the business and the community”. Pearce (2003) reinforced these themes when he emphasised there is a primacy of social aims and a primary activity that involves trading goods and services. Earlier, Dees (2001) used the phrases: “commercial to the extent that it operates like a business regarding how it acquires resources and distributes its goods and services”. . . . and . . . “combines philanthropy and commerce”. There is no emphasis on innovation.

We might then think of a social enterprise as one that provides “business solutions to social problems” and one that is “good at doing good”. It has a clear orientation and purpose and it is run efficiently.

As mentioned above many other organisations and community-based, often volunteer, initiatives look to provide solutions to social problems, but they may not be “business solutions” and the way they operate may not be very business-like or particularly innovative. But their contribution might still be of great significance and value.

The following characteristics (taken from Thompson and Doherty, 2006) seem to be the determinants for a social enterprise:

- It has a social purpose.
- Its assets and wealth are used to create community benefit.
- It pursues this with (at least in part) trading activities. If it delivers services to clients which are paid for by a third party, as distinct from direct sales to a customer, this is still regarded as trading.
- Profits and surpluses are reinvested in the business and community rather than distributed to shareholders.
- Employees (or members) have some role in decision making and governance.
- The enterprise is held accountable to both its members and a wider community.

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- There is either a double or triple bottom-line paradigm with an acceptable balance of economic, social and possibly environmental returns – which are audited.

Entrepreneurship, whatever the context, is a way of thinking and behaving that has opportunity at its heart. Creativity and innovation are typically in evidence. Entrepreneurs – and entrepreneurial people – recognise, create, engage and exploit opportunities. They find ways to secure the resources they are going to need, although these may not be available when they set out on their journey. They often accomplish this through networking, which is one key aspect of their social capital. Risks have to be understood, taken and managed. Setbacks, which are inevitable, have to be overcome. The outcome is something of perceived value for the target client or audience; they have to value whatever it is, whether they have to pay for it or not. And ideally this social benefit should be sustainable. In simple terms, we would think of something as entrepreneurial, as distinct from business-like or even enterprising, if it is genuinely different in some distinctive way, if it is finding innovative solutions or resolutions for problems, and if it is hungry to achieve, find a fresh challenge (related or unrelated to the existing activity or cause) and move on.

Social entrepreneurship, then, can be thought of as “entrepreneurial activity with a social orientation and intent” (Johnson, 2000). Similarly, Nicholls (2006) summarises it as “activities which address a range of social issues in innovative and creative ways”. Mair and Marti (2004) argue that it involves motivation to meet a need, a means of satisfying the need (resources and organisation) and an appropriate ethos and culture. It can take place within or outside a social enterprise as defined by the criteria above. And, to reinforce the point and the dilemma, it may not always be evident in a social enterprise.

Whether the enterprise is entrepreneurial or not, we might look for evidence of:

- a clear idea, opportunity – or at the extreme, a cause – at the heart;
- the necessary resources, however they are acquired – sometimes this can be very entrepreneurial;
- clear outcomes – maybe communicated as a vision;
- “actioning” – again, entrepreneurial behaviour might or might not be evident;
- measured outcomes;
- demonstrated benefits – including social outcomes;
- management and business discipline; and
- a leader – or a team – who will take and manage the risk.

Sykes (1999) argues that the responsibility for these can be shared amongst a group of people and that one or more people can be responsible for three essential contributions: envisioning, enabling and enacting. The envisionser sees the opportunity; the enabler gathers together the necessary people and resources; the enactor manages the subsequent delivery. This author has always felt there is another element that needs separate identification and that is engaging. Things happen when someone makes them happen. It is the link between seeing an opportunity and responding to it. Many of us see possibilities and choose to do nothing about them. There are people “out there” willing to

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commit their time (paid or otherwise) or other resources if their contribution can be harnessed. Similarly, there are people who are good at finding money if they can be introduced to a worthy cause. When there is a team involved, sharing the responsibilities, it is always interesting to consider who the most entrepreneurial driver is.

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Opportunities

It was mentioned earlier that opportunities can be created by government agencies, Central Government, the Regional Development Agencies, Local Authorities or the National Health Service in the UK, and organisations (including social enterprises) can bid for sub-contract service delivery work. Where there is a competitive tendering process then sometimes it is the most innovative bid that wins. There can be entrepreneurship in the bid writing! The service delivery may not be entrepreneurial in nature, in part because once the contract has been issued the supplier may have something of a monopoly comfort zone – but normally it will need to be resource efficient. Targets and deadlines will need to be met, especially if there is the potential for continuation funding. But these will normally be targets important to the funding agency. In other words, there will be a need for business discipline and good record keeping. There may be cases where social enterprises are looked upon particularly favourably, but equally the opportunity may be open to competing profit-seeking firms. Given the involvement of public money, for which there is accountability, demonstrating value for money will be crucial.

This can be very different from a situation where a socially-minded person, regardless of whether or not we would define or see them as an entrepreneur, realises where there is a needs gap and an opportunity to fill it. This could well be an area where the public sector either cannot or will not provide resources to meet the need. He or she then sets out to do just that, looking for ways to secure the necessary resources, including any funding required. Entrepreneurial behaviour may be visible in both this resourcing and in the implementation. Volunteers may or may not be involved. Resource efficiency will again matter, but effectiveness will now also be a key measure. It will be important to add and deliver value and be seen to do so. There is a client market to serve and sometimes a benefactor to satisfy in a more competitive market situation. If volunteers are involved they will also want reassurance that their personal investment is worthwhile. This socially-minded leader/provider might or might not operate as a social enterprise.

It is often said that entrepreneurs spot opportunities ahead of others, for whom it later becomes obvious. When they do this successfully their activity will be visible. If there is a surplus – however it might be distributed – competitors will be drawn in. Sometimes social enterprises, with a distinct ethos, can be attracted into situations where only profit-seeking firms currently operate; on other occasions profit-seeking businesses look to capitalise on opportunities identified by social enterprises.

If the opportunity is different in nature, dependent upon whether it starts with a funder (making it reactive) or is spotted by an individual who is more proactive, one question concerns the extent to which the organisations concerned might be similar or different. At one level, they may or may not be entrepreneurial in the way they operate.

Whatever, they still have to be viable. Some organisations in the social sector are funded by grants or large service contracts. These are time-related and sustainability is dependent on repeat funding; one stream must replace another. Without funding, the

organisation will disappear. As mentioned earlier, the real entrepreneurship, and a key success factor, lies in the ability to secure funds and demonstrate outputs have been achieved. Selling products and services direct to customers implies a quite different dependency. Income is earned directly (not indirectly as above) from the trading activities; and it is possible to lose customers and replace them with others. The key success factors lie in delivering value that is perceived to matter.

Organisation issues

Discussions on social enterprises often focus on the type and structure of the organisation form. Whether to be a company limited by guarantee, a community interest company, a charitable trust or a co-operative is a significant decision – but it is not central to the purpose of this paper. Here, style and values are more important.

Although it may be very unjust, in just the same way that some people associate entrepreneurs with second-hand car salesman, others think of the public sector as bureaucratic and an opportunity for certain managers to avoid responsibility and accountability. They would not be expecting to see innovation in the public sector. They might well subscribe to the view once expressed by one of the UK's highest profile business entrepreneurs, who, when asked if he would expect to find entrepreneurs in the public sector, replied: Pigs will fly first.

The American Management Author Rosabeth Moss Kanter has commented that she has been employed as a consultant by the more traditional East Coast (of America) businesses to instil some entrepreneurship and by the entrepreneurial businesses of Silicon Valley to help them put in stronger administration and management systems. Clearly a balance must be struck in every organisation, but the general thrust will reflect the values and style of the strategic leader. Is he or she by instinct entrepreneurial?

The values and style are also affected by – and in turn they affect – the priorities of the organisation.

It is generally accepted that “what gets measured gets done”. Targets and measures can be a great focus of attention. But, in social enterprises, do we measure outputs or outcomes? (Nicholls, 2008). Although it is a generalisation, one might expect social enterprises that rely on European or other public funding to be focused on their stated outputs, allowing opportunity-driven enterprises (that rely on selling their products and services to customers) to have a greater opportunity to focus on outcomes.

Measuring performance

Social accounting, measuring the value of the impact on society of an organisation's activities, is clearly relevant for a social enterprise, but it is also being carried out by organisations that are not social enterprises in the conventional sense. Organisations are seeing a relevance and a value in measuring waste, the cost of disposing of their packaging, their carbon impact and so on. For some, such as chemical companies, there is an obvious logic in assessing the effect their plant has on the communities who live near to it. Further, given the accepted virtuous circle of committed employees, satisfied customers and financial performance (however the surplus might be distributed), evaluating how an organisation engages with its community, customers and workforce also makes strategic sense.

One might argue social accounting is something social enterprises should do, but it is not something that is exclusive to social enterprises. Furthermore, social accounting does not in itself make an organisation entrepreneurial; rather it reflects an ability of a strategic leader to see the metaphorical “big picture”.

At a very basic level it is possible to argue the real value of any organisation is the extent to which it would be missed if it were no longer there. This is especially relevant for organisations meeting social needs, but the judgment is subjective – and maybe the answer would only be truly apparent after the event.

But this does not alleviate a need to measure performance in any organisation, including those in the voluntary sector. A balance needs to be found between measures of efficiency (which focus on resource utilisation) and effectiveness (the relative value for the various stakeholders – employees, customers/clients and funders). Resource efficiencies are likely to be easier to measure because they are more readily quantified, but in the long term it is organisations that are effective that have a stronger likelihood of survival – because they are seen as worthy by all those concerned. They may not be as efficient as they might be, although efficiency should never be neglected! Efficient organisations that do not meet all stakeholder needs are more likely to be threatened.

One challenge is that a focus on efficiencies in managing resources and meeting targets demands that the targets do reflect the needs and priorities of all the relevant stakeholders, not just the priorities of the funders. At the same time, this sector can be attractive to people who feel strongly about social issues and the needs of certain disadvantaged people – they must never lose sight of the need to manage their resources properly. This can lead to the issue of multiple cultures in certain organisations. **Leading charities must be very focused on their fund raising in what is a very competitive market for charitable giving; at the same time they have a commitment to the real purpose for** the charity. The two perspectives must work in harmony, but they are different.

These issues can raise some interesting dilemmas for which there is no obvious answer:

- Should a large building conversion (into modern office premises) target established organisations with an easy ability to pay commercial rents, or new start-ups and community organisations which would benefit enormously from subsidised rents – or some mixture of the two?
- Should a nursery accept a long-term fixed arrangement for all its capacity with a major employer or always retain space for people who are likely to have short-term needs?
- In general, should an organisation seek to make the maximum profit possible and then give a good proportion of this away – or set a more “social price” that allows more people access to a product or service at a more attractive rate?

The choice in each case would reflect priorities and be influenced by the purpose. It will also be reflected in how performance is evaluated.

We might summarise this section by arguing that a successful social enterprise will:

- create both economic and social wealth;
- be able to generate some revenue and not be wholly grant dependent;

- not be reliant on volunteers – who in reality can disappear as quickly as they appear;
- be able to afford the resources it needs to perform satisfactorily but is aware of recycling and waste minimising opportunities; and
- appreciate where its growth opportunities lie.

To make the point once again, it can be demonstrably entrepreneurial in the way it achieves these, but this is not a fundamental requirement.

Entrepreneurs and capital

When we discuss double and triple bottom line achievements we are looking at economic, social and environmental impacts. It is an easy trap to think of organisations creating capital – after all profit-seeking organisations do generate economic or financial capital. The recipients of this capital then have the opportunity to become wealthy, and, again because it is an easy measure, we often evaluate the success of business people and entrepreneurs through their financial wealth.

But social capital is really an input that helps in the creation of social wealth. Fukuyama (1995) captures this by defining social capital as “a set of informal values or norms shared among members of a group that permits co-operation among them”. The way people use their networks to make other things happen is an important determinant of what they achieve – whether it is financial, social or environmental.

We should also account in some way for important buildings, works of art, great music and so on because they can also have a major impact on people’s lives. Design – and the ensuing artefacts – creates aesthetic wealth.

To what extent, though, do we create environmental wealth as distinct from arguably potentially destroying something that is there as a natural resource?

Whilst some organisations strive to, and succeed in, achieving multiple outcomes, others fail in this. The American Energy Business, Enron, was a case in point. Enron traders were happy to see Californian residents short of electricity as Enron shut down its power stations unnecessarily, and exported power out of California, to drive up energy prices through the natural laws of supply, demand and scarcity. By doing this they made huge trading profits for Enron. This challenge will never be easy. The “paradigm of greatest good” might not be financially viable, and the most financially sustainable option might deliver only modest social outcomes.

Relevant for this sector, where Faith Communities frequently have a major involvement, Bolton (2006) flags the importance of spiritual capital. He defines this as “the blessings of the Father’s love” and sees it reflected in the ways that people deal with and support each other. Caring would then be a key manifestation. When social entrepreneurs are explained later it will become apparent just how important this can be for them.

The voluntary sector

We know the voluntary sector is sizeable and hugely important. It would be difficult to quantify accurately; and without volunteers many organisations could not exist. One might anticipate that efficiency and a social ethos will be a key trade-off when extensive volunteering is prevalent. Volunteers typically come forward because they care about something and are willing to give their time, and sometimes money and

other resources. They are involved for a mixture of needs, some related to the target audience but some are their own personal needs to do something. They will expect the culture and values of the organisation to reflect and accommodate this – the multiple culture dilemma we highlighted earlier.

Handy (1988) is just one author who has pointed out that voluntary organisations still need organisation, systems and management. Ideally, they will have a clear purpose and a robust business model. Without these their fund raising will be much harder, and they appear to have only limited relevance to their targeted clients. Most people have choices they can make. Handy draws attention to the “servant syndrome” that can come from caring – people simply respond to an apparent need without thinking through the implications. Similarly idealists can destroy volunteering if they seem to be too committed to a personal cause. We might conclude that entrepreneurship is thought to be peripheral because it is not generally seen as central to voluntary organisations.

Social entrepreneurs

Bolton and Thompson (2003) introduced the FACETS mnemonic to capture the core characteristics of entrepreneurs. The detail of this framework has been reported elsewhere, but in summary:

- F represents focus, the key ability to deliver and achieve.
- A is advantage, the ability to spot real opportunities which are more than ideas.
- C is the creativity that underpins advantage and starts the process-off.
- E or ego is the temperament that drives everything. It has an inner core based around motivation and an outer core linked to the ability to deal with one’s motivation.
- T is the team element that is central to growth and development.
- S is the social characteristic that helps determine the direction the person will take; it is the only characteristic that directly affects the ego.

Their social characteristic has four sub-characteristics which can be likened to the rungs of a ladder. The two lower rungs are beliefs and values. Individually, entrepreneurs may have beliefs which have a direct impact on the values manifested by their business. But they may not and, of course, need not. Brian Souter (Stagecoach) has strong personal beliefs, based upon his Christian upbringing and beliefs, but these are not automatically Stagecoach values. His sister, and partner in the business when it started, Ann Gloag, an Ex-nurse, has invested money and spent time doing charity work for Mercy Ships, where medics provide free surgical care for people in developing countries who would otherwise not receive treatment. This was always kept separate from Stagecoach. When evident in the business, values will relate to the ways a business treats its various stakeholders – customers, suppliers and employees. Social responsibility and ethical issues can be critical.

The third rung is related to finding a cause which affects the direction of the business or enterprise. The social “direction” can vary markedly. Anita Roddick discovered a cause related to the third world and the environment. The more she focused on this the greater was the impact on the Body Shop as a business, both positively (image and reputation) and negatively (falling profits and a weaker

competitive position which had a real bearing on her losing control). J. Arthur Rank found a cause when he realised the impact film (movies) could have on people's lives and this proved to be the foundation of the modern British cinema industry.

The examples in the last two paragraphs feature entrepreneurs who have run businesses with which they are very closely associated. Anita Roddick has been described by some as a social entrepreneur, but Body Shop is not a social enterprise. It has shareholders. Brian Souter could not logically be described as a social entrepreneur. To Bolton and Thompson, the real social entrepreneurs – as distinct from people running social enterprises or being socially enterprising – dedicate their lives to the service of others. They find and embrace a cause and it becomes everything to them. There are strong spiritual and social elements in their work. They care – and do something about it. Generally, we have here moved away from entrepreneurs running businesses, however conventional or unconventional, to something else. Historically William Booth (founder of the Salvation Army) and more recently Mother Theresa and Lord Michael Young (systematically the Founder of The Open University, the Consumers' Association and Which magazine and The School for Social Entrepreneurs) would be good examples.

It might be picky but it is important to distinguish people who are socially entrepreneurial from those we celebrate as true social entrepreneurs. This view is reinforced by comments on the Ashoka Foundation web site (www.ashoka.org):

[...] social entrepreneurs are individuals with innovative solutions to society's most pressing social problems [...] ambitious and persistent [...] offering new ideas for wide-scale change [...] (they) find what is not working and solve the problem by changing the system, spreading the solution, and persuading entire societies to take new leaps [...] often possessed by their ideas they commit their lives to changing the direction of their field.

Using their team characteristic to effect they often galvanise support from socially entrepreneurial people in communities everywhere.

The expression social entrepreneur should arguably be used more cautiously and more discriminately than it often is.

Related to this are four other interesting issues.

The first concerns how we classify the successful and wealthy entrepreneurs and business people who "give back" some of their wealth to causes they believe in. Bill Gates was mentioned earlier. This generosity is an expression of belief; in itself it does not necessarily make an entrepreneur a social entrepreneur.

Bolton (2006) has gone a step further and identified those entrepreneurs he would describe as "Kingdom Entrepreneurs". Here, he is taking a religious perspective – and of course, both William Booth and Mother Theresa had this. Similarly Florence Nightingale believed she had been called by God to do the work she did. Kingdom entrepreneurs are concerned with building something of value that all of us can be proud of, and through which they leave a legacy. They leave "footprints". Taking the argument further, it helps book a place in the Father's Kingdom, and this is a key element in their motivation.

At the beginning of the paper, Mohamed Yunus was cited as a social entrepreneur. A similar contribution has been made by David Bussau, retired wealthy business entrepreneur and Founder of Opportunity International, which has provided micro finance to help small enterprises start up in various developing countries. Although, we would again call David Bussau a social entrepreneur, he is also an enterprise enabler.

If we are using terminology loosely we would probably call him an entrepreneur enabler! His contribution is to help others who want to start something modest to be able to do so.

When social enterprises and many community-based initiatives are successful they are often publicised widely and the people behind them receive attention. They become visible figures. Paradoxically, this then makes them a target for others who are in need of advice and support. Because they are socially committed people they are frequently drawn to help others, which at one level is defensible and good. The danger is they lose focus and their own enterprise suffers as they get involved in other things. Here, their serial nature can work against them rather than for them.

Concluding comments

The point has been made that social enterprises have “social good” as a prime driver. In many ways they will replicate a profit-seeking business, but their surpluses will be reinvested in the core purpose and they will be concerned to demonstrate that they are generating social wealth as well as economic wealth. They need not be run by entrepreneurial characters and their behaviour does not have to conform to what we understand as entrepreneurial.

Entrepreneurs create something of real, significant and perceived value, typically by doing something differently, and where they do this is immaterial. They can be at work in business organisations and in the community and they operate at a different level from those enterprising people who start and run small activities which in their own way are immensely valuable, but they are not meaningfully different and they are not going to grow into anything of magnitude. In just the same way that we often loosely refer to people who are self employed or running small lifestyle businesses as entrepreneurs – really because they are being enterprising – we describe people running social enterprises and sometimes community ventures as social entrepreneurs. This can prevent us from appreciating who the real social entrepreneurs are, and why their contribution should be cherished in an individual way. Ironically, there are people who we indiscriminately call a social entrepreneur who are more comfortable with the word social than they are with the word entrepreneur. They are doing good and their perspective on entrepreneurs does not correspond.

Entrepreneurial behaviour can be manifested in all walks of life. It has innovation at its heart and it is concerned with spotting, seizing and doing something about opportunities, wherever they are, and whomever they benefit. Social entrepreneurship is normally – and fairly – used where this behaviour drives social outcomes.

If we conclude that social enterprises may or may not be entrepreneurial, and if we further conclude that the extent to which they are entrepreneurial is significant, is there not a case for “entrepreneurship accounting” along the lines of social accounting, to periodically review the position?

Of course, social enterprises and voluntary organisations all need leadership, regardless of whether this comes from a high profile and/or dominant individual, or from a team of people who share the leadership role. Why, one might ask, do we not feel a need to use the term social leader for this sector? If we took the same approach to the way, we talk about social entrepreneurs we might allow for a clearer appreciation of who the real social entrepreneurs are. In reality, this could be a useful adjunct to the work of those academics who are now using the term “systemic leadership” to explain

what in the past has been called shared, participatory, collective, collaborative, co-operative and democratic. (Allen and Cherrey, 2000).

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