

# SOCIAL *and* GREEN *Entrepreneurship Guidebook*



Co-funded by the  
Erasmus+ Programme  
of the European Union



The European Commission's support for the production of this publication does not constitute an endorsement of the contents, which reflect the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

## **SOCIAL ENTREPRENEURSHIP**

Social entrepreneurship is a for-profit business model that strives to impact social issues or the environment. Individuals who start their businesses are motivated by many different things. Some people want the freedom to be their boss or pursue their passion. Others dream of making a lot of money and building an empire. However, a new type of entrepreneur has emerged in the past several years: the social entrepreneur.

Social entrepreneurship is how individuals, start-ups, and entrepreneurs develop and fund solutions that address social issues. A social entrepreneur, therefore, is a person who explores business opportunities that have a positive impact on their community, society, or the world.

While sometimes confused with non-profit organizations, social entrepreneurship is a for-profit endeavour, even though a greater emphasis is placed on creating social or environmental changes. Read to learn more about five companies that practice social entrepreneurship.

## **GREEN ENTREPRENEURSHIP**

The literature does not offer definitive answers regarding the precise activities or characteristics associated with green entrepreneurs. The term can refer to entrepreneurs who make their existing businesses/enterprises environmentally friendly or are inherently green businesses. Green entrepreneurship can be defined based on adopting green technologies across various sectors of the economy or the focus on specific ones that produce environmentally friendly outputs. (Entrepreneurship at a Glance, 2011)

Green entrepreneurship is when people start their businesses with the idea of helping the environment and making the world a better place. These special entrepreneurs come up with ideas to solve problems that hurt the Earth and they want to bring positive changes. Some people think that green entrepreneurship is not just a small part of starting a business, but a whole new way of doing business. Green entrepreneurs have strong reasons for making eco-friendly things and helping the planet, not just because it is a small market. (Kirkwood and Walton, 2010)

Green entrepreneurship is about listening to people who want to stop businesses that hurt the environment. These special entrepreneurs see that more and more people are willing to spend money on things that help the Earth. They grab these chances to start their businesses and positively impact nature. They find ways to make things better for the environment and create a sustainable future. (Dean and McMullen, 2007).

## **WHY IS GREEN ENTREPRENEURSHIP IMPORTANT?**

Green entrepreneurship is a crucial need in our society to address the pressing environmental challenges. As our planet grapples with issues like climate change, pollution, and resource depletion, there is an urgent need for innovative solutions that prioritize sustainability and conservation. Green entrepreneurship offers a platform for individuals and businesses to develop and implement eco-friendly products, services, and practices that mitigate environmental harm while promoting economic growth.

We can catalyze the transition to a more sustainable economy by fostering green entrepreneurship. These ventures create jobs, stimulate economic activity, and drive technological advancements in renewable energy, waste management, and conservation efforts. Moreover, green entrepreneurs often operate with a triple-bottom-line mindset, considering profits and their environmental and social impact. This holistic approach encourages responsible business practices that benefit people and the planet.

Furthermore, green entrepreneurship can inspire widespread behavioural change. Through their innovative offerings and commitment to sustainability, green entrepreneurs raise awareness about environmental issues and demonstrate practical ways individuals and businesses can reduce their ecological footprint. By championing eco-conscious consumption and production habits, these entrepreneurs pave the way for a greener, more resilient future. Green entrepreneurship is a business model and a pathway towards sustainable development and a healthier planet.

## DIFFERENCES AND SIMILARITIES BETWEEN SOCIAL AND GREEN ENTREPRENEURSHIP

There are several similarities and differences between green and social entrepreneurship.

### THE DIFFERENCES:

#### Focus Area:

- Social Entrepreneurship: Primarily focuses on addressing social issues such as poverty, education, healthcare, and community development.
- Green Entrepreneurship: Primarily focuses on addressing environmental challenges and promoting sustainability through eco-friendly products, services, and technologies.

#### Primary Goals:

- Social Entrepreneurship: Aims to generate social value and solve social problems. Profit-making may or may not be a primary objective.
- Green Entrepreneurship: Aims to create environmental value and contribute to sustainable development while also considering profitability.

#### Impact Measurement:

- Social Entrepreneurship: Often measures impact in terms of social metrics such as improved livelihoods, increased access to education or healthcare, and reduced poverty.
- Green Entrepreneurship: Measures impact in terms of environmental metrics such as reduced carbon footprint, conservation of resources, and promotion of renewable energy.

#### Target Stakeholders:

- Social Entrepreneurship: Target beneficiaries are often marginalized or underserved communities, with a focus on improving their quality of life and well-being.
- Green Entrepreneurship: Target stakeholders include environmentally conscious consumers, businesses seeking sustainable solutions, and policymakers aiming to address climate change and environmental degradation.

## **THE SIMILARITIES:**

### **Positive Impact:**

- Social and green entrepreneurship aim to create a positive impact, whether it is improving social conditions or promoting environmental sustainability.

### **Innovation:**

- Both types of entrepreneurship often involve innovative solutions to address complex social or environmental challenges.

### **Entrepreneurial Spirit:**

- Social and green entrepreneurs exhibit the entrepreneurial spirit of creativity, risk-taking, and initiative in pursuing their goals.

### **Potential for Profitability:**

- While the primary goals may differ, social and green ventures can be profitable. However, profitability is typically seen to sustain the venture and further its social or environmental mission.

### **Cross-Sector Collaboration:**

- Both sectors often collaborate with various stakeholders, including governments, non-profits, corporations, and communities, to maximize their impact and reach.

In summary, while social and green entrepreneurship have distinct focuses and goals, they share commonalities in their commitment to creating positive change through innovative and sustainable approaches.

## **WHAT WAS DIFFERENT FROM WORKING WITH ENTREPRENEURS FROM OTHER SECTORS?**

Conventional business is all about making money. Think of a regular restaurant that wants to serve tasty food, get more customers, and make a profit. They might not worry too much about where their waste goes or if their ingredients are eco-friendly. (Dean and McMullen, 2007)

Green business, on the other hand, cares about the environment while making money. Imagine a restaurant that only serves organic food, recycles, and uses solar panels for power. Their main goal is not just making money, but also being kind to Earth.

In a regular business, the main goal is profit. Some entrepreneurs are more eco-friendly now because laws are changing, and people like buying green products. So, they might start recycling or reducing waste, but their first aim is still to make money. Green businesses are different. They want to make money, but they also focus on being good for the planet and society. They recycle, use solar energy, or create products that last longer and do not harm the environment. Their whole business plan is designed to be good for Earth and people. (Cohen and Winn, 2007)

In short, regular businesses mainly want to grow and make money. Green businesses want to make money, too, but in a way to be good for the planet and the people living on it. Green businesses are like problem-solvers: they try to change how we do things to make the world a better place.

It is important to note that the terms "green entrepreneurship," "ecopreneurship," "eco-entrepreneurship," and "environmental entrepreneurship" are often used interchangeably to describe this field (Schaper, 2016). These terms capture the same concept of entrepreneurship that aims to reduce negative environmental impacts and promote sustainable development.

## WHAT A SOCIAL AND A GREEN ENTREPRENEUR SHOULD HAVE?

The following are the skills and mindset that a social entrepreneur should have:

**Entrepreneurial thinking skills** refer to the ability to identify marketplace opportunities and discover the most appropriate ways and time to capitalize on them. Sometimes, it is simply referred to as the ability to find and pursue the problem-solution fits. Entrepreneurial thinking is the ability to see things differently than the rest of the world, but it is not necessarily an inherent trait and can be easily developed or improved. It is more like a state of mind that opens your eyes to new learning opportunities and helps you grow in your role. Now that we understand entrepreneurial thinking skills are not innate and can be learned, you will find the following tips helpful in your efforts to improve them.

**Be passionate about your work** - We all know that passion and contentment are the ultimate keys to career success. So, if you still spend half of your day at work fantasizing about how you would rather be working elsewhere, it is time to consider pivoting your career.

**Try to be a risk-taker** - Almost all business owners know the phrase 'high risk, high reward'. What sets an employee with entrepreneurial thinking apart from the average one is his risk appetite. Nobody ever said it is easy to put all you have at stake, but it does pay off!

**Last but not least; dream big!** Never limit your dreams because the most important aspect of entrepreneurial thinking skills is the boundlessness that is required. Throughout our lives, we are all conditioned to be practical and realistic. The one thing that tends to set you apart is your ability to dream big and think differently. That is where entrepreneurial thinking begins!

**Social thinking** or Thinking socially refers to a process; we all go through our minds as we try to make sense of our own and others' thoughts, feelings, and intentions in context, whether we are co-existing, actively interacting, or figuring out what is happening from a distance (e.g., media, literature, etc.). Our ability to think socially is part of social-emotional learning that begins at birth and evolves across our lifetime. Also, social thinking is said to be the process of interpreting information to better understand and respond to another person's experience. By understanding the thoughts, actions, emotions, beliefs, intentions, and knowledge of another person, individuals are better able to engage and share space with them. A person's social skills and development have a considerable effect on relationships and workplace/school success as they affect a person's; self-awareness and self-regulation, social skills, critical thinking, play skills, social problem-solving, perspective-taking, organization skills, ability to learn and work in groups, reading comprehension and written expression.

**Social Entrepreneur Mindset** - A social entrepreneur is a person who pursues novel applications that have the potential to solve community-based problems. These individuals are willing to take on the risk and effort to create positive changes in society through their initiatives. Social innovation often comes from the application of knowledge to a societal problem. What social entrepreneurs know, their experience and their expertise are highly relevant for their effectiveness. Whereas other people may look at the problem from the outside, social entrepreneurs try to understand problems intimately, usually from within, through personal experience, direct observation, or field research. Due to the relevance of their expertise in the development of specific solutions, they propose novel contributions that increase their chances of having a strong impact.

## **ROADMAP TO OPENING A SOCIAL/GREEN ENTERPRISE**

In this first step of the Social Entrepreneurship Roadmap, the focus is on selecting a social issue or community challenge that you want to work with, as a project or within your enterprise. In this first step, we suggest that you look inward at your own personal values, strengths, and interests. This approach can be helpful even if you already selected the social issue or started your enterprise, matching your competencies, values, and interests to the selected topic.

Your goal is to meet the community challenges innovatively and create social value based on your passion, personal strengths, and values. The following steps can be helpful:

1. Your values, virtues, and personal strengths. What do you have to offer?
2. Your interests and employment preferences, what would you like to do?
3. Select a social sector or a community you want to explore further to identify social issues and challenges within.
4. Defining the social issue you want to explore further, and how it relates to your values, strengths, and relevant resources.

### **YOUR VALUES AND STRENGTHS**

Values are the principles that give your life meaning, values you have built up from early childhood and passed on between generations. You have probably learned many of your values from your parents, teachers, or other leading persons. You can consider the following steps in choosing your core values (Selig, 2018):

- It can be helpful to review and contemplate your values, decide, or re-decide upon your top 6-8 values, see the list from Lifehack to choose from, or use free online values inventories.
- Think of 3-6 people you most admire or love, why are they so important for you and can they inspire your choice of values?

- Explore your interests concerning career choices, education, and interests that reflect upon your values. See John Holland's theory of vocational types in the next chapter. After defining your values, you can look further into your strengths. In the VIA model, personal strengths are linked with the core virtues of wisdom, courage, humanity, transcendence, justice, and moderation. See picture (Gardner, 2020). Personal strengths and values are closely correlated and are often defined as values in action. Exploring your character strengths can give you insight into your personality and what values you think are most important to follow in your daily life.

Exercise: One can check his/her strengths online via the following link.

Link: <https://www.viacharacter.org/>

## **YOUR INTERESTS**

To put your strengths into practice in social entrepreneurship it can be helpful to build on your interests. Although closely related to strengths, their reference is also to your skills and experiences. A helpful tool is John Holland's theory of vocational types where he identifies 6 dimensions of interests that guide us in identifying our professional preferences: (Bryan, D., 2019):

I. Realistic – like mechanical activities, athletics, working with your hands, being outdoors, getting dirt on your fingernails.

II. Investigative – enjoys asking intellectual questions, investigating answers to those questions, and using scientific methods.

III. Artistic – seeks opportunities for self-expression, writing, music, drama, and dance, and enjoys a lack of clear procedures.

IV. Social – likes to help others, teach, guide, counsel, and be of service to others.

V. Enterprising – persuading, leading, risk-taking, and action-oriented.

VI. Conventional – organized, detail-oriented, follows rules and procedures, works with data.

Exercise: After defining your values and interests, you can observe yourself for a couple of days, label your key decisions, and pay attention to whether your values are reflected in your daily life decisions. If not, what values are you living by, are there patterns, what do you want, what are you willing to give up, and what is non-negotiable in your life? What are you dissatisfied with in your current choices, and do you need to re-evaluate what is most important for you? Focus on your life experience by thinking back to both the sweetest and most painful moments of your life, as these moments can direct you to what you care about most.

## **SELECTING A SOCIAL SECTOR OR COMMUNITY**

In selecting social issues that you will then explore and investigate further you need to shift your focus from exploring yourself to exploring the environment and social circumstances that you want to work with. If you already have identified a social issue in your immediate community, you can use this step to refine and write down your definition of the issue.

In the first 2 steps of the Social Entrepreneurship Roadmap (Selecting and researching a social issue), we suggest using methods and tools of Design thinking (DT) to identify and research a social issue. This will include the first 2 steps in the Design Thinking process "Empathize" and "Define", see a picture of the Design thinking process (Karl, S., 2020).

You must understand the difference in the meaning of empathy and sympathy. While sympathy is feeling compassion, sorrow, or pity for another person's hardships, empathy is putting yourself in the shoes of another.

Exercise: Consider your discoveries on your values, strengths, and interests, and select at least one social or community sector you want to explore. This does not have to be a very narrow definition, but this sector/community needs to be accessible to you, could be a community center, or online community. Use 1-2 days for your investigation, write down your observations on what challenges you identify, and who is facing them, and try to put yourself in their shoes.

Exercise: Based upon your selection and investigation of a social or a community sector and with the design thinking process in mind define people or groups of people you want to explore and research further. Summarize a short description of where (sector/environment), who (people affected), what (the challenges), and how (you can apply your strengths/values/interests).

## RESEARCH YOUR ISSUE

This is the second step of the social entrepreneurship Roadmap for innovation and self-employment. In the first step you selected a social issue or challenge you wanted to meet, defining your community/social sector (where), target group (who), issue/challenge (what), and your competencies and character to meet these issues and challenges (how). In this step, we suggest using the Design Thinking process to research or investigate a social issue or challenge you selected further as this method is especially helpful in defining and designing solutions where community and individual needs are not being met (Tim Brown and Jocelyn Wyatt, 2010). If you already have a developed idea or a solution to a social issue, use these exercises to reflect upon them.

### DESIGN THINKING FOR SOCIAL INNOVATION

Design thinking is an interactive process in which entrepreneurs use the method of designers to understand users, challenge assumptions, and redefine problems to identify alternative solutions/strategies (Rikke Friis Dam and Teo Yu Siang, 2020). The focus of design thinking is on working with and involving end users in the creative process, its emphasis is on active listening, openness, communication, and creativity (Alimdar, 2017). The research of a social issue utilizes mainly the 1st and 2nd steps in the Design Thinking process, empathize and define. You can also use all the steps (see picture) to test your knowledge/ideas on the issue (Solomon, 2013). In the research process, you may:

- Create a list of topics or questions based upon the first step in the Road map where you select a social issue to work with.
- Interview people in the selected sector or community on challenges and issues they face.
- Observe the environment using multiple approaches like drawing, mind mapping, storyboards, etc.
- Get users' feedback on your ideas or prototypes (if you have developed your issue into a prototype).

Exercise: Build on exercises in step one of this Roadmap and write down your observations on people affected by the social issue, using what-how-why sections:

- What are people doing, details without your interpretation?
- How are they doing what they are doing, are they frustrated or happy, where are their pain points?
- Why means putting an observation in our own words, defining the issues we aim to solve.

## EMPATHIZE, RESEARCH TOOLS

The “Empathize” step is about understanding people. Through empathy, we can put ourselves in other people’s shoes and connect with how they might feel about their problems, circumstances, or situations. It can be helpful to use the Empathy map canvas (see pictures) to research and understand people’s needs (Sankarraaj, 2019). You can create personas to understand better your future customer or beneficiary (Training, 2019). To create them, follow the following four steps:

1. Research and analysis: observation, and interviews/focus groups, as well as using existing analytical data and social media.
2. Persona Description: Prepare a 1-2-page description of each persona you develop, including demographics, behaviors, needs, and stress points.
3. Problem analysis where you test how your personas respond to the social issue.
4. Collaborate with your partners or mentors to iterate your personas.

When you use interviews to gain empathy and a deeper understanding of the people you want to serve, you need to pay attention to stated and unstated needs, that is, what people need but do not know yet.

Exercise: Start with filling in the Empathy map canvas and then create 2-3 different personas you want to serve in your social enterprise, use the steps mentioned above, collect available data, conduct 2-3 interviews, test your personas and get feedback from your partners or mentors if possible. Write a summary of your results.

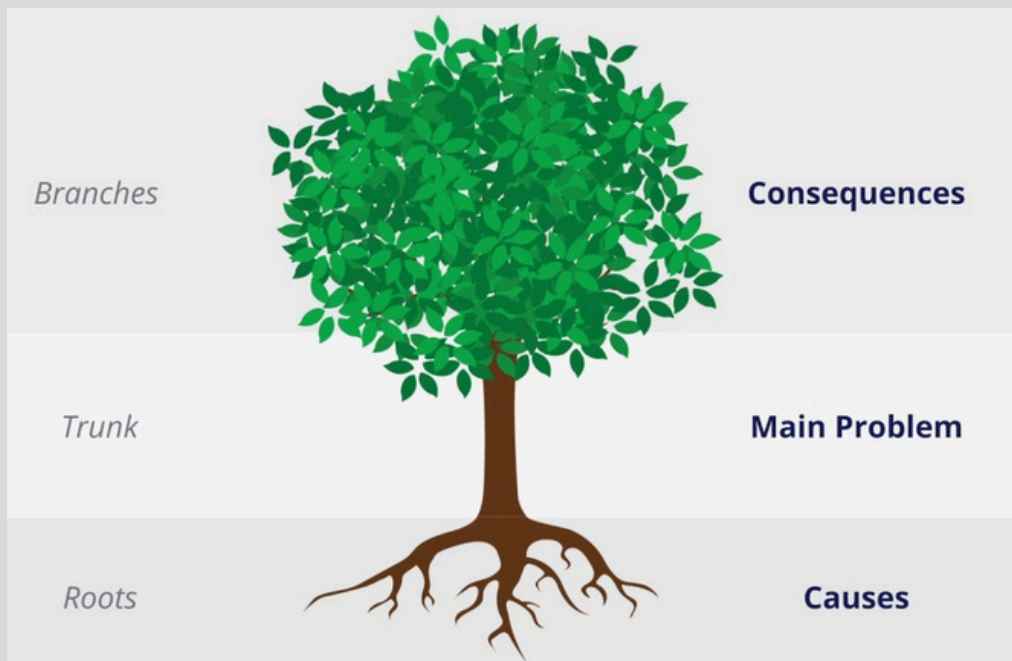
Designed for:	Designed by:	Date:	Version:
<b>Empathy Map Canvas</b>			
<b>1 WHO are we empathizing with?</b> Who is the person we want to understand? What is the situation they are in? What is their role in the situation?	<b>GOAL</b>	<b>2 What do they need to DO?</b> What do they need to do differently? What job(s) do they want or need to get done? What decision(s) do they need to make? How will we know they were successful?	
	<b>7 What do they THINK and FEEL?</b> <b>PAINS</b> What are their fears, frustrations, and anxieties? <b>GAINS</b> What are their wants, needs, hopes and dreams?	<b>3 What do they SEE?</b> What do they see in the marketplace? What do they see in their immediate environment? What do they see others saying and doing? What are they watching and reading?	
<b>6 What do they HEAR?</b> What are they hearing others say? What are they hearing from friends? What are they hearing from colleagues? What are they hearing second-hand?	<b>4 What do they SAY?</b> What have we heard them say? What can we imagine them saying?		
	<b>5 What do they DO?</b> What do they do today? What behavior have we observed? What can we imagine them doing?		
What other thoughts and feelings might motivate their behavior?			
Last updated on 16 July 2017. Download a copy of this canvas at <a href="http://jamesstanford.com/empathy-map/">http://jamesstanford.com/empathy-map/</a>			
© 2017 Don Gray, spln.com			

## THE PROBLEM STATEMENT

The next stage in the Design Thinking process is to “Define” the problem into an actionable problem statement based on your findings from the Emphasize stage. It is useful to gain an understanding of the relationship between analysis and synthesis before creating a great problem statement. Analysis refers to breaking down complex concepts and problems into smaller, easier-to-understand constituents while Synthesis involves creatively piecing the puzzle together to form whole ideas. Creating a problem statement enables you and your team to focus on the social issues and needs you have uncovered as well as creating a sense of possibility and optimism that helps you in the “Ideation” stage or in discussing and developing solutions to the issue/challenge. A good problem statement should have the following traits (Rikke Friis Dam and Teo You Siang, 2019):

**Problem Identifying and Defining the Target Group:** Social entrepreneurs create innovative solutions to address important and neglected societal problems, mobilizing the ideas, capacities, resources, and social arrangements required for sustainable social transformations. For this reason, we present the “problem tree” tool that provides a framework for analyzing the causes and effects of a chosen problem. It promotes the understanding of the anatomy of the societal problem through the identification of its causes and effects and the causal links between them. The chosen problem – which we will call the “core problem” - is organized as a tree that has roots and branches - causes and effects.

Why use the problem tree? Entrepreneurs should always try to tackle the root causes of problems rather than their symptoms or effects. The problem tree tool helps represent reality and focuses on the analysis process: the problem is understood in its entirety but it is also broken down into its different components. The problem tree facilitates not only the discussion and clarification of the causes and effects of problems but also the understanding of why a specific problem persists and has not yet been solved by society. This tool also allows social entrepreneurs to: establish what additional information or evidence is needed to proceed with the development of an effective solution and understand the challenges they may face in the development of the solution, for example, the level of the resources required or relevant partnerships; find domains of intervention that best fit with the team’s competencies and where it is easier to leverage resources.



How to develop the problem tree?

a) Choose the core problem The purpose of the first step is to discuss and agree on the main problem that needs to be analyzed and tackled. Defining a problem is not a simple task that one might assume it to be – what at first seems to be a central problem is often merely a symptom or effect of a deeper problem, so it is important to collect, compare, and discuss different points of view throughout the definition process.

b) List all the problems. The central problem in this step, the causes of the problem are developed sequentially. First, the direct causes of the problem are identified, followed by the underlying causes of those direct causes, and so on, until the roots of the core problem become clear. The key mechanism to building the problem tree is to ask “Why?” After doing the “why?” exercise two or three times, social entrepreneurs are usually close to the root causes.

c) List all the effects caused by the core problem Aware that some causes can simultaneously be effects. This happens when we are in the presence of vicious cycles. For instance, stress causes sleep disturbances, which, in turn, causes more stress. Childhood obesity leads to a decrease in physical exercise, which then reinforces obesity.

## **GET A GLOBAL VIEWPOINT**

Social entrepreneurship has already become a crucial ingredient of the worldwide role of volunteerism and civic engagement in several sectors of society. The social responsibility in the field of entrepreneurship and the evolvement of the "third sector" or "community sector" around the world has created new structures and factors in the development of the business sector. Greater emphasis was placed on global issues such as unemployment, health, social inclusion, refugee crisis, climate change, education, discrimination and racism, gender inequalities, poverty, democracy, and civic participation, etc. These reasons have determined the role of social entrepreneurship, stimulating mechanisms for improving the world's socio-economic perspective. Social entrepreneurship follows the quest for mission-associated influence; due to its value proposition for working on a global social cause. Social challenges are global and determined by different interrelated, multidimensional, and complex issues. This section presents the cognitive theory on the global viewpoint of social entrepreneurship and the significance of its maintenance and improvement. This module aims to understand the global aspect of a social enterprise and the dimensions it could adopt.

### **GLOBALIZATION AND THE ROLE OF SOCIAL ENTREPRENEURSHIP**

Due to globalization, many social challenges have evolved into global issues and are still perpetuated, although the multilevel actions and the worldwide declarations on human rights on behalf of the International Organizations (IO) have been intensified in recent years. This has defined the significant role of the emergence of innovative businesses for social change. Social entrepreneurship prioritizes serving the public over profitability, following the global trends in the economy. Therefore, the role of social entrepreneurship has become increasingly emerging, supplementing existing efforts of IO. More specifically, social enterprises have developed the ability to build unique and transformative innovations to aid and enhance social change in various fields, to create socio-economic opportunities, especially for those in need, and to participate in international debates combating global issues.

	<b>Currently, emerging social issues that reflect on a global level</b>
<b>Urbanization</b>	Enhance the development of innovative labs and spaces for experimentation
<b>Migration</b>	Encouraging the design of efficient cultural and social integration (Migration and refugees)
<b>Education</b>	Facilitating social innovation participatory learning among experts in education, practitioners, researchers, and policy-makers (Education and skills)
<b>Climate Change</b>	Combatting negative effects of fossil fuels and plastic pollution (Reducing environmental footprint, Climate change, Food security, Renewable energy)
<b>Technological Development</b>	Exploring the ways to strengthen open and collaborative societies (Artificial intelligence, Social data, Digital social innovation, Social data, E-Democracy, E-Health, Smart City)
<b>Circular Economy</b>	Looking for new ways to minimize the pressure on ecosystems (Reducing plastic waste, Re-imagining fashion, changing consumption patterns, Extend the life cycle of products)
<b>Employment</b>	Exploring new needs and abilities of societies to adapt to them (Sharing services and products)
<b>Social Impact</b>	Fostering the social value and facilitating new ways of impact measurement (Change behaviours, Ageing, Mobility Housing)
<b>Democracy</b>	Improving institutional trust, civic participation, and inclusion (Community-led, Participation)
<b>Gender Equality</b>	Working on awareness-raising, coalition building, and advocacy for poverty reduction and human development (Inclusiveness)
<b>Health</b>	Looking for efficient ways to tackle global pandemics and other challenges (Health solutions for diseases)

## **SOCIAL CHANGE AGENTS**

Social entrepreneurs promote various solutions and practices focused on sustainable development and social change. A social entrepreneur should follow a definition of the first landscape of future trends in the social innovation field. The best way to address a social issue is to consider the global megatrends, policies, and legal regulations, which are defining the future challenges and opportunities for society. Analyzing both the opportunities and the challenges that globalization provides is necessary to be concerned during the decision-making process of social entrepreneurs. For a successful and impactful outcome, the co-creation of a network with both scholars and practitioners but also the development of a communication pathway with the community as well as with nation-states is crucial.

### **SETTING THE GLOBAL PERSPECTIVE**

1. Examining the business models that other social entrepreneurs implement, focusing on the strategic, resource, and legal factors.
2. Investigate all the best practices around the world, about established business ideas, preferably under the same sector, growth opportunities, and financing options.
3. Exploring the benefits and challenges of addressing a global social issue by building a social enterprise.

### **SOCIAL ENTREPRENEURSHIP CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)**

The SDGs are 17 goals and 169 associated targets developed and adopted by 193 UN member countries as part of the 2030 Agenda for Sustainable Development (UN, 2017). To achieve these goals, the efforts of governments, businesses, and third-sector actors, often working in collaboration, are required. The SDGs provide this potential to the interested parties, to improve their communication, develop synergies, and attract funds.

Therefore, social entrepreneurs must understand how a social enterprise, based on its key constituents, can contribute to the SDGs. A social enterprise could contribute to the SDGs through one or a small number of value chain activities or extend throughout value chains, and these contributions focus on one or a small number of SDGs or even multiple SDGs. Also, social needs could be other than those articulated in the SDGs. However, there is a necessity to make the global efforts of the 2030 Agenda even more visible to stakeholders, including the public thus encouraging social entrepreneurs to connect their activity to the SDGs openly. The familiarization with and embracement of the Agenda 2030 principles and objectives, can be promoted through multiple initiatives and continuous information. Social entrepreneurs need to realize that Agenda 2030 has a certain value added to their ongoing production and further development.

Exercise: What are the global perspectives of your enterprise, can you benefit from best practices in your country/region or elsewhere? How does your enterprise support the implementation of the Sustainable Development Goals of the United Nations?

## **GRASP LEGAL STRUCTURES**

What is a legal structure? A legal structure is the legal business structure that your organization takes. Your legal structure determines procedures like the amount of tax you pay or the type of grants or investments you may receive. There is no one best choice for the type of business entity you legally choose, just the best choice for your company based on your goals. One of the most important decisions you will make is whether to establish your social enterprise as a nonprofit, for-profit entity or you will utilize both structures. There are several different for-profit legal entities to choose from but there is one form of nonprofit legal entity. This decision is critical because if you start as a nonprofit, it can be difficult to change it to a for-profit entity structure later.

## **COMMON FEATURE IN ALL TYPES OF BUSINESS ENTITIES**

Expenses incurred for the company's operation are to be deducted subject to the ascertainment of the legality of the deduction. There are a lot of different legal structures. Selecting a legal structure should not be rushed, and we would recommend that you seek out advice before making any decision. Choosing the legal structure most suited to your social enterprise can require some research and deliberation over important factors such as ownership, ease of setting up, potential tax benefits, access to types of funding, and control.

## **ESTABLISH A SOLID BUSINESS PLAN**

The setting up of a social business plan is the milestone of the social business project. A well-done social business plan allows for verifying the real feasibility of the initiative under its different profiles (technical, commercial, economic, financial). It constitutes an "operating guide" for the first periods of management. An ideal business plan should be written clearly and synthetically, to be understandable for possible funders. For this purpose, it is useful to fill a social business model Canvas beforehand. The SBMC is a simplified version of the business plan. You can find the same items in a more intuitive structure.

**Key Steps:** Before starting the complete BP it is good to have all the key information clear: the business model canvas will help you in this sense. It is best to leave the executive summary for the end when all other parts are completed. You should conduct a market analysis to establish a sufficient degree of reliability in the brand positioning. Subsequently, you should focus on the company and the service description, providing a thorough profile of both elements. Last, but not least (maybe most) you have to give a solid analysis of your financial and marketing provision and how they will integrate into the production process. Do not refuse the idea of receiving professional help from a business consultant. The level of technicality required to well structure a BP is very high. It is important to remember that the business plan is a flexible document that can be changed in the future. The information provided has to be reliable and realistic, but it can be rescheduled on the run. A well-structured business plan will ease researching potential funders: it will be an irreplaceable "social business card" for any contact with financial institutions or crowd funders.

**Exercise:** Use the Social Business Model Canvas to prepare a draft business plan for your enterprise following the guidelines set in the text above.

## INVESTIGATE FUNDING OPTIONS

### INVESTIGATE FUNDING OPTIONS

Once you have selected the domain and established the legal structure and the business profile, you will need to explore the spectrum of available funding sources unless you have conspicuous capital. Finding the appropriate funding channels could be crucial for the take-off of your company. In the following subsections, there is an overview of the possible funders with pros and cons for every option.

#### FINANCING SOURCES FRIENDS AND FAMILY

Probably the most accessible source: asking for the support of family and friends will not be too hard. However, it requires a rigorous commitment. Any failure or excessive delay in repaying the debt could upset your relationship.

Pros	Cons
No interests or deadlines in reimbursements. The objective of family or friends is not the economic benefit but to help the entrepreneur carry out his business.	Money and capital issues can alter good friendships and family relationships.
Independence of the project without too many compromises (until the social entrepreneur looks for new investors to support him as a business incubator).	Small amount of capital lent. In the future, there will be the necessity to look for other forms of financing.

**Banks:** The requirement of a loan from the bank is the most traditional instrument to fund your business. You get capital to set up your social company by submitting a solid project and providing adequate guarantees.

Pros	Cons
It is possible to have a reduced risk of insolvency if you are protected by Guarantee Funds of Ministries of Economic Development or Loan Guarantees Facility of COSME Program.	Higher interest rates than alternative funding channels  Serious risks in case of insolvency

Microcredit is a more accessible source of financing for not bankable subjects who cannot access standard loans. In general, the amount ranges from 3 thousand to 25 thousand euros.

Pros	Cons
<p>You can access it easily without having any credit history. All you need is a credible project and a business plan for the creation of a social company or the development of an existing one.</p> <p>No need for personal guarantees. You can rely on national and European public guarantee funds (i.e. Loan Guarantees Facility of the COSME programme).</p>	As a general rule, microcredit is forbidden to companies already established for many years (the exact timeframe varies from country to country). You should not have outstanding debts and not be called an evil payer

Easy Finance: It can take several shapes: direct financing, with the disbursement of money, or indirect financing, through tax benefits or guarantees on financing obtained from banks and financial institutions. They include reimbursable grants.

Pros	Cons
<p>In the case of direct financing, lower interest rates make them easier to be repaid.</p> <p>Reduction of fiscal burden in case of indirect financing.</p>	<p>In some countries, burdening bureaucracy could slow down the process of funding.</p> <p>Lots of technicalities: better ask for the intermediation of a professional figure</p>

Non-reimbursable grants: It is possible to find suitable calls on Government websites, and related agencies, Ministries, Regions, Chambers of Commerce, Trade Associations, and the European Commission. European Union funds almost every kind of initiative in every sector, through direct and indirect funding. You should check specific Erasmus+, EaSi, Creative Europe, and COSME portals and deadlines.

Pros	Cons
<p>You do not have to return them.</p>	<p>They are often delivered as a reimbursement for the purchase of goods or services after presenting the invoices once the investment has been completed. It is necessary to pay the initial spending phase.</p> <p>In the case of indirect funding, the bureaucratic praxis could be exhausting in some countries.</p>

Crowdfunding: Crowdfunding is also known as collective financing. It is done through platforms aimed at raising funds so that investors are encouraged to finance different projects with small amounts of capital. The total of the capital to be financed is divided into small amounts to help the entrepreneur. You should make the idea attractive and launch it on special portals, such as Kickstarter, Rule, and Indiegogo.

Pros	Cons
<p>It allows you to test the validity of your projects, exposing them to the judgement of the virtual community, thus guaranteeing feedback.</p> <p>If the web receives the idea well, a crowdfunding campaign can become a powerful marketing tool able to effectively build a valid brand image.</p> <p>It leaves greater control to social entrepreneurs.</p>	<p>The campaign does not always lead to success.</p> <p>Even when the campaign succeeds, generally small amounts are gathered.</p> <p>By presenting a creative project on an online site, there is the concrete risk of someone freely taking possession of the intellectual property rights of the idea. Despite copyright laws, it is very difficult to protect what is spread on the Net.</p>

Exercise: How will you finance your social enterprise? After reading about different options what funding options do you think are most relevant and accessible for you? What steps have you or will you take to secure enough funding for your enterprise?

## SEEK ONGOING SUPPORT FROM A MENTOR

### Who is a mentor?

- A mentor is an individual with expertise who can develop a mentee's potential. The mentor guides, trains, and advises the mentee. A mentor does NOT do the mentee's job - unless both parties agree.

### What are the roles of the mentor?

- To build emotional support: encouragement, recognition, feedback, coaching, trust;
- Acts as a role model;
- Have access to learning opportunities and networks;
- Keeps the mentee on the "right" track and diminishing pitfalls.

## **Who is a mentee?**

- Someone who needs the support of someone who has already experienced certain actions or processes you will encounter in your future endeavours.

## **What are the roles of the mentee in the mentoring process?**

- To be open and receptive to learning;
- To be open to giving and receiving feedback;
- To be committed to expanding capabilities;
- Have a sense of personal responsibility: take ownership;
- Follow the development plan.

These are descriptions of both mentors and mentees and their roles. And now, what is the process of mentoring? What is mentorship?

## **We can describe mentoring with these sentences.**

- You choose for yourself which one is making rapport with you: mentoring is essentially about helping people to develop more effectively; it is a form of developing the human capital; guiding others in their quest for growth through learning; and a method of encouraging individual growth.

## **What are the benefits for you from mentoring?**

### **Why to “seek” for a mentor?**

- You will avoid the common pitfalls (learning from others' mistakes will save you time, energy and finances);
- You will make connections (your net worth is equal to your network);
- You will be more effective (able to focus on the right things in your business);
- You will get as much as you give (you will learn that the business is all give and take);
- You will grow after feedback from mentors;
- It is focused on your needs - not general advice;
- You can make a lasting friendship – each relationship will be unique to those two individuals involved.

To get those benefits, it requires more than common sense. Research indicates that mentors and mentees who develop and manage successful mentoring partnerships demonstrate several specific, identifiable skills that enable learning and changes.

Other research reveals that mediocre mentoring relationships occur unless a fairly structured process and specific skills are applied. Not much happens, and participants become frustrated with their well-intended but haphazard efforts. Worse, disappointed participants become convinced that mentoring does not work. On the positive side, when individuals use these skills and add structure, important, satisfying changes happen in the lives of both mentees and mentors.

**In the previous paragraph, we mentioned that mentoring is a process. What are its phases?**

	<b>Phase</b>	<b>What is happening</b>
1	Initial meeting	Develop rapport and build trust
2	Working together	Mentor sessions
3	Evaluating and moving on	Meeting the goals. Reflect the experience

**KEY STEPS:** You need to know that for years, individuals assumed that the mentoring process was somewhat mysterious. These relationships just happened, and “chemistry” had to be present. It was impossible to analyze and describe the specifics of what was going on in these arrangements. Some people were able to find mentoring relationships, but many individuals were unaware of how to get started with mentoring and missed out on one of the most powerful development strategies ever devised. Now that you have the explanations of the matter, the process, the benefits, and the required skills, you know in which segments you need to be good and what you should be looking for.

Exercise: Are you already benefitting from mentors, who are they and what do they contribute? Do you feel additional mentorship and what skills do they need to possess?

## **Success Stories:**

The best lesson you can learn is the one received by those who have already experienced it. Learning from the people who have already done the journey before you will help you to get motivated and also learn from the experience of the others who have done this experience before you.

In this part of the guidebook, we will read three success stories of three incredible business adventures across Europe whose protagonists are young social entrepreneurs, who want to change their lives and the social environment surrounding them. Young men and women aged 25-33, each different and similar at the same time, come from three EU countries.

All of them have a stimulating story made by the same fears, different challenges, and ambitious objectives: finding and fostering solutions to help disadvantaged people and strengthen communities.

These are all stories that impact the society in terms of concrete solutions and engaging values in people's social mindset. All these stories give a powerful idea of the economic frame and historical heritage that have generated them, expressing clearly the sense of payback and the future horizon of each country.

**THE MESSAGE IS SIMPLE: IF THEY SUCCEED, YOU CAN DO IT AS WELL! GET INSPIRED, BECOME A SOCIAL ENTREPRENEUR.**

**Name of Enterprise:** Progetto Quid

**Main Aim:** Changing women's world, one dress at a time

**Country:** Italy

**Problem Addressed:** Nowadays, the Italian fashion industry, an over 88 million-per-year turnover business, is increasingly resorting to malpractice to keep pace with global fast fashion. According to the OECD 2017 Outlook Report, the Italian labour market is the fifth least inclusive, discriminating against women (48% employment rate), migrants, disabled (16% employment rate), former offenders, and recovering addicts (10% employment rate). Discrimination yields unemployment which is financially draining for the State and emotionally for individuals, while also causing the black market to grow.

In this context Progetto Quid arises, an eco-fashion brand that employs the textile surplus of the Made in Italy industry to produce limited edition and yet affordable fashion collections, manufactured by those who would otherwise struggle to enter the Italian labour market, especially women.

The firm produces ethical lines for established brands that have an appetite for sustainability. Quid closed 2021 with a € 1.9 million turnover and with the first global acknowledgment, the Women for Results UN Momentum for Change Award, short after winning the 2014 European Social Innovation Competition.

**Their story:** The entrepreneurial adventure began when the founder saw fragility as a starting point to plan for a more inclusive, safer world. She ditched a career as a medical student because curing the world was not enough, she wanted to change it. An internship in a women's microcredit NGO in India, followed by a joint MA in International Organisations, made her realise that real change only comes through bottom-up empowerment. She founded Quid, together with five good friends. Quid employed disadvantaged women through other cooperatives, thus they managed to keep fixed costs low. They collaborate with Calzedonia Group who donated faulty T-shirts and let them use one of their vacant shops as a pop-up store. This business model allowed them to test how the market would react to their offer.

During the first period of activity, they understood that T-shirts could not be their core business if they were to grow. They differentiated their core business: on the one hand, Progetto Quid is an independent fashion brand, on the other it is a supplier of ethical fashion to established brands. This strategic decision was expensive: they leaped and applied for grants to hire a designer team and rent a workshop. As the production grew, Quid changed its statute from charity to a not-for-profit cooperative to open more stores and hire employees directly. The next steps will be improving employees' welfare and collaborating with other social fashion organisations: constant growth requires capital, and they are not in a position to fund their strategic investments yet.

**Lessons learned and tips for others:** One of the biggest challenges was coming to grips with the fashion business. They had to learn to trust designers and production managers, a completely different breed of managers and economists. Competition is fierce, too, and funding is scarce – especially in southern Europe.

There are many social entrepreneurs out there, all with amazing ideas – you have to fight and work relentlessly to succeed in making a difference. Passion and determination were also key – social entrepreneurship and not-for-profit are often regarded as 'second-rate' forms of economy.

The founder had a background in Management and Economics and this has helped her navigate the commercial and financial aspects of setting up a social enterprise. In addition, in the course of her work experience in International Development, she developed great project management skills and interpersonal skills, which proved crucial in the very early days – when she was mainly multitasking across production, communications, and sales – and are crucial now that she supervises the general operations.

**Name of Enterprise:** The Helping Hand

**Main Aim:** The Foundation that takes care of parentless children and families

**Country:** Bulgaria

**Problem Addressed:** Institutionalised care for children with special needs and disabilities was unfortunately an attribute of the Bulgarian social system, like most of the eastern countries that followed a socialist regime. This system was inefficient in meeting the needs of the children and their families. The Child Care System Reform on de-institutionalization was framed through many changes, and as a result, there has been a significant decrease (over 80%) in the number of children placed in institutional care and the number of family support services provided within the communities proliferated (National Network for Children, 2017).

Helping Hand Foundation was created in 2005 within this framework, by a group of young volunteers who realised that pro-bono assistance work in the institutions for abandoned children produced only temporary results.

This brought them to establish a Centre for Social Rehabilitation and Integration of Children with the support of the Dobrich Municipality. The Foundation has been one of the forerunners and a model that inspires many volunteers and community leaders in north-eastern Bulgaria. Initially, the activities were financed with the support of the EU and other national donors, but nowadays the foundation provides a portfolio of educational and training programmes.

**Their story:** Their vision is that all children in Bulgaria - regardless of their ethnicity, race, behaviour, and physical and mental capabilities - must grow up loved, accepted, and valued by their families and society as they are. They aim to raise the well-being of children and families by investing in the adolescents' physical, emotional, and personal development and by mobilizing the family and society for active participation in these processes. Priorities are developing the ability to learn and to cope with future challenges.

In 2005, as three young volunteers, they started their work in the Home for Parentless Children in Dobrich. In 2008, they gradually realised that the most important thing for parentless children is to be accepted in society.

In 2009 the pilot project "Decent Living for the Children of Dobrich" gave rise to a Family-type Placement Centre and a Community Support Centre which are part of the foundation's network. The focus of their activity became wider and they decided to include families and not just the children because the life stories of people under institutional care revealed that the main beneficiaries were families where parents were poor, sick, or did not understand their responsibilities. The Helping Hand Foundation nowadays has valorised all its counselling, integrative, and educational experience in providing training and learning activities for a wide target in the Dobrich Community.

**What have they Reached:** The main achievement is that Helping Hand Foundation manages to sustain and enlarge its activities in times of economic downturn and in a rural and trans-border region where the social status of the population and general entrepreneurial activity is not widespread.

In the beginning, most of the activities were implemented with volunteer efforts and project-based funding. However, through active networking, consultation, and support mobilisation, the foundation has managed to create a variegated service portfolio and integrate people with different needs and potentials. As of now, a complete community service package is developed and the Foundation is commissioned to provide social services on behalf of Dobrich Municipality.

In addition, many local campaigns and social events are organised to support people who are not direct beneficiaries of the state social programmes. Currently, they are managing a network of local social institutions and they act as a social-activity hub through:

- Family-type Placement Centre for homeless adults.
- Community Support Centre for children aged 0-18 and their families.
- Kindergarten "Hope" that integrates children aged 4-6 from ethnic minority groups and prepares them for enrolment in schools.
- Youth Volunteer Centre, where over 30 young people from Dobrich high schools partake and support children and families with special needs.

**Lessons learned and tips for others:** The success and sustainability factors of the Helping Hand Foundation come from the team's enthusiasm, willingness to help, motivation to learn and experiment with new approaches and activities, creativity, and persistence combined with integrity and devotion.

The lessons learned from the experience of working for the well-being of the community are embedded in Helping Hand's working principles:

- They work to improve children's lives, and their approach is based on the individual needs of each one;
- They are convinced that parents are the most important people in every child's life;
- The team is constantly learning to find answers, new ideas, and ways to work successfully;
- They provide a dynamic, friendly, and supportive atmosphere for each member of their team;
- They take care of the professional growth of each other;
- They value the trust of each partner and donor;
- They are committed to transparency and accountability to all their donors and partners

**Name of Enterprise:** Tiganokinisi

**Main Aim:** Turning used cooking oil into fuel

**Country:** Cyprus

**Problem Addressed:** Used cooking oil (UCO) is an excellent feedstock for advanced biofuel production since its conversion and use in transportation not only help meet energy efficiency targets without affecting land use but also contribute to the protection of the environment through the diversion of hazardous waste from landfills and watercourses.

It is estimated that over 200 tons per year of used cooking oil are produced in the households of Cyprus. They are disposed of either in the sewage system or in the storm drain system, poured directly on the ground, or even put in bottles with mixed garbage. This creates a huge problem of pollution on the island.

Cyprus has also one of the EU's highest amounts of municipal waste generated as well as one of the lowest renewable energy generation performances. There is therefore a clear need to find a solution-oriented approach to address the issue of UCO as a potential renewable energy source by transforming it into biodiesel. There is also a need to increase environmental awareness, social involvement, and education towards the circular economy principles.

AKTI reached a holistic solution that propagates knowledge, raises awareness of renewable energy from advanced and sustainable biofuel production, and provides an alternative route for UCO that benefits schools and the environment. In 2012, the NGO AKTI Project and Research Centre with the Pedagogical Institute of Cyprus decided to focus on the problem of domestic used cooking oils, with the implementation of a social project addressed to kids and unemployed youth. The project named 'Tiganokinisi' (literally meaning 'pan movement' in Greek), has education at its core. The programme was initially pilot-tested in 10 schools in Cyprus and in 2018 more than 360 out of 500 schools participated. Schools express interest in installing a collection barrel on their premises and their students bring UCO from home.

They collect and sell the UCO to conversion factories to be transformed into biofuel. The profits are distributed back to schools, to be invested in environmentally friendly practices and green infrastructure. Part of the income goes to fund the environmental education activities Tiganokinisi project offers. The "caravan", a mobile information and education centre, was created in which the experimental process for conversion of cooking oil into biodiesel takes place. The caravan travels to schools and public events for on-site conversion demonstrations. A group of experts is always on board to guide the participants and provide them with scientific education and information. In this way, green and sustainable chemistry becomes familiar to the public and is related to a better quality of life.

**What have they reached:** Their main achievements are:

- Promoting/building greener, sustainable schools: the profits from the sale of the UCO are proportionally distributed back to schools to be invested in environmentally friendly practices and green infrastructure.
- Continuous education in the classroom: Tiganokinisi has been included in the analytical programme of the Pedagogical Institute of the Ministry of Education. A teacher's guide was prepared that allows teachers to use the project as an educational tool in their classroom.
- Active participation of the local society: local authorities and businesses are engaged as they donate their UCO (or part of their UCO) as part of their corporate social responsibility programmes to schools.
- The open school approach: the school becomes the point of reference of the local society, where citizens can be educated about environmental and sustainable practices that can adopt in their everyday lives
- Involving youngsters: youngsters act as agents of change in society and can transfer their environmentally conscious habits to their families and friends.
- Encourage social entrepreneurship: the programme itself has a strong social character that stimulates social entrepreneurship and encourages innovative solutions to societal challenges for school students of all levels.
- Non-formal learning and Technological innovation: students are encouraged to experiment, develop their own digital or physical applications/products/processes, and test their ideas. It is common to see huge potential for start-up ideas from the kids getting involved in the project.

**Lessons learned and tips for others:** Implementing 'Tiganokinisi' has been educative for people involved and an ongoing yet fulfilling challenge. It was hard to convince school teachers and parent's councils that the process of collecting used cooking oil is not at all harmful in any way for school students. After informational presentations and hands-on experience, all the doubts were clarified and the program was endorsed by the Ministry of Education.

A major challenge faced was route optimisation to succeed in the cost-effective collection. This was mainly achieved by developing a communication process with schools and businesses. Creativity, imagination, and scientific know-how have been proven necessary skills to develop interesting educational experiments. Communication skills and public outreach are also important. However, the programme's success is due to the dedicated and determined team behind the idea, driven by the social potential impact of Tiganokinisi that could improve the educational mindset of Cyprus.