



## Κοινωνική Αλλαγή και Καινοτομία

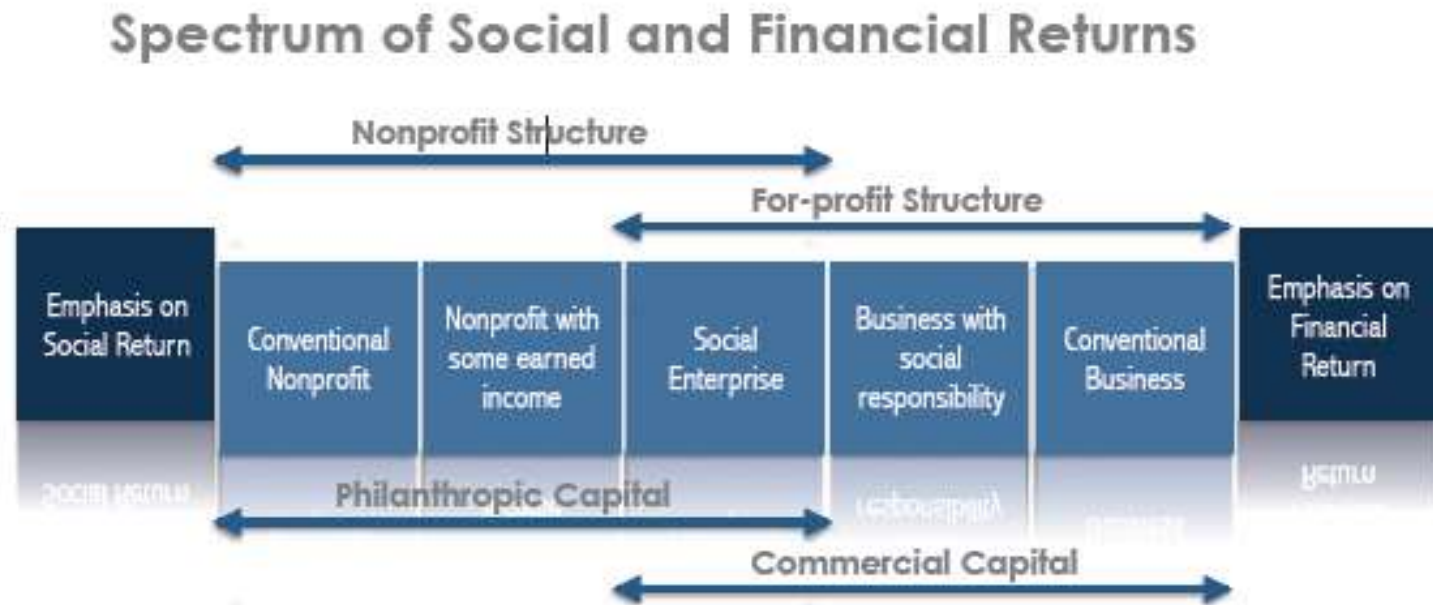
### 5-6. Κοινωνική Επιχειρηματικότητα και Καινοτομία

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# Social enterprise

Social enterprise  $\neq$  CSR



Source: Stanford Social Innovation Review, Spring 2008; Jed Emerson cited as contributor

# Social enterprise

- “Nonprofit” or “for profit” organization with social and business goals
- Business model: indispensable
- Collaborations: essential
- Incorporates social benefit in the value chain
  - Social benefit is likely to arise when an individual attempts to overcome an injustice or inequity in society that the market cannot respond to
  - E.g. creating employment opportunities for individuals that may not otherwise be employable in the marketplace
  - Innovations that aim to change the markets and the systems

# Some social entrepreneurial projects... we should know



Myrtillo café employs young people with a syndrome (mainly Asperger's) deafness or moderate learning difficulties, who are often forced to stay confined in their homes, unable to claim life.



Boroume ("We can") is a non-profit organization whose mission is to reduce food waste and to fight malnutrition in Greece.

# To understand social entrepreneurship...

## Sustainable Health Enterprises (SHE)



Photo: Hannah Brice

18% of girls and women in Rwanda miss out on school and work because they cannot afford to buy menstrual pads. Quite apart from the personal injustice, and the larger issues of health and dignity, there is a GDP loss of \$215 per women every year – a total of \$115,000,000 in Rwanda.

SHE created an affordable pad using banana fiber and launched an industrial site in Rwanda.

SHE is helping women jumpstart social businesses to manufacture and distribute affordable pads.

Coupled with health education and advocacy, girls and women have more productive lives than before<sup>5</sup>.

...we must remember entrepreneurship



By Mark Parisi

# Social entrepreneurship

- **Goals**, entrepreneur
- Innovation
- Risk taking
- Value creation
- **Collaborations!!!**

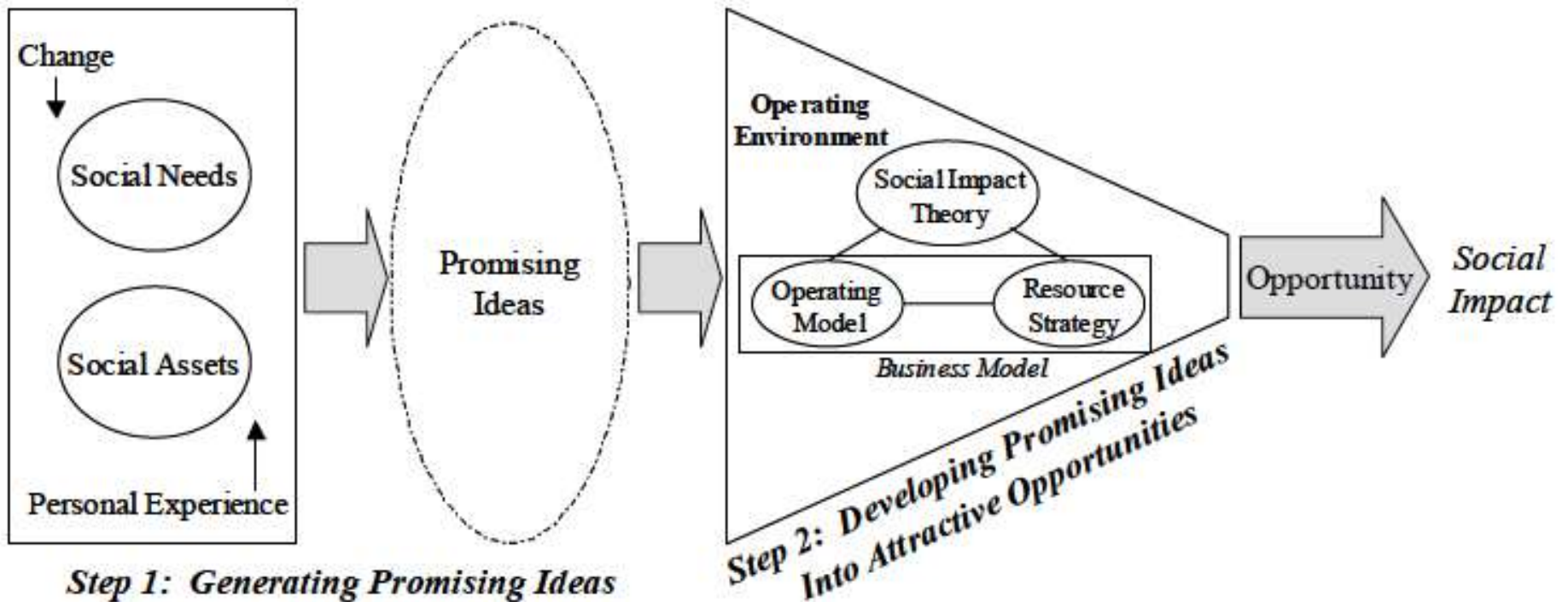


# Social entrepreneurship

- Social entrepreneurship is the recognition of a social problem and the use of **entrepreneurial principles** to organise, create and manage a social venture to achieve a desired social change (*Wikipedia*)
- Social entrepreneurs are individuals with innovative solutions to society's most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change.
- Issues: Environment, poverty, sustainability, equality, education, child mortality, sanitation, terrorism, and health



# Social opportunity



Give a man a fish and he will eat for a day



Individual change

Teach a man to fish and he has food for a lifetime



Community change

"Social entrepreneurs are not content just to give a fish or teach how to fish.

They will not rest until they have *revolutionized* the fishing industry."

Bill Drayton



Societal change

Lasting Change Making

# Social vs (?) cultural entrepreneurship

Stanford SOCIAL INNOVATION REVIEW  
Informing and inspiring leaders of social change



**Change the market**

Home | About Us | Products | Social Impact | Company News | Contact Us

*I Have Power*

Diana, is an epitome of African woman who cooks, washes her kids and help them with homework. Before she acquired the Firefly solar light, her children were sleep-induced through story-telling in darkness to save on kerosene. Now Diana can read pre-bedtime stories to her children.



**Change the culture**



**Breakthrough Generation**

Since we began, our human rights-based education program has reached more than three million people, resulting in:



WOMEN'S EMPOWERMENT

19k+

women have been selected into leadership positions in their communities



HEALTH

3m+

people live in communities that publicly declared an end to female genital cutting



CHILD MARRIAGE

7,000+

communities that have publicly declared their daughter will not marry before they are 18

# Social entrepreneurs

- Innovative, resourceful, practical, opportunistic
- Go for the “ideal” not the deal
- Blended value: multiple dimensions
- Motivation: Social returns on investment
- Generate paradigm shift
- Transformative

*Source: Unreasonable People: Ten Characteristics of Successful Social Entrepreneurs. John Elkington, Pamela Hartigan.  
[www.socialedge.org/blogs/unreasonable-people](http://www.socialedge.org/blogs/unreasonable-people)*

# But this is personal...

- Someone who works in an entrepreneurial manner, but for public or social benefit rather than to make money
- It can be
  - very hard, lonely, scary
  - and you will fall and make mistakes, but.... the view from the top is amazing !

# Social entrepreneurship: process

- Recognizing and creating opportunities for social change – Building social innovation
- Building a social business model
- Mobilizing the required resources
- Creating and managing of the venture

\* In all areas we can track important differences with classic entrepreneurship

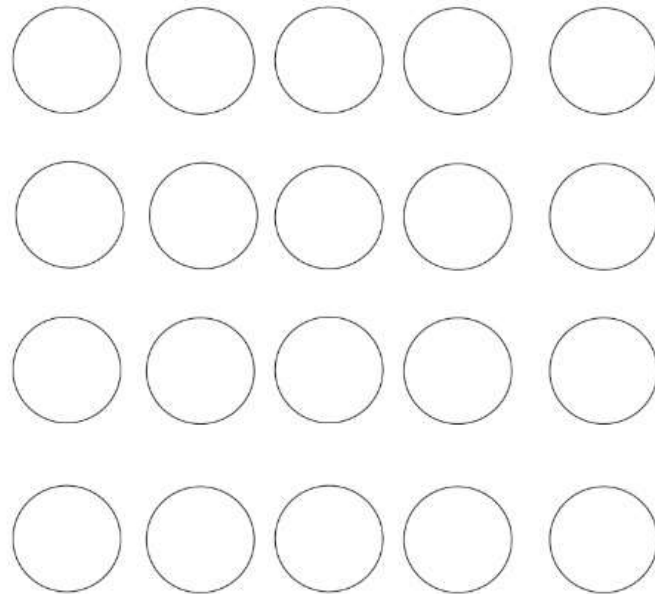
Recognizing and creating opportunities for social change  
– Building social innovation

## Creativity

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Lets play a creativity game!

 20 circles challenge





# Creativity

Creativity: the process of generating original ideas that have value

It can start with a simple sketch

It does not always require freedom from restrictions

A critical evaluation of the idea needs to be done

Is it worth it? The answer is not always easy

Faraday made his first demonstration of electromagnetism at the Royal Institute of London in 1830, someone said, "It's very interesting but what is it for?" He allegedly replied, "What does a baby serve?"

# Creativity

In each person, creativity is a function of three elements

**Knowledge:** Technical, procedural and intellectual

**Creative Thinking Skills:** Determine how flexible and imaginative people approach problems

**Motivation:** Internal passion for problem solving on the ground.

A Harvard Business School survey recorded the behavior of 3,000 executives for 6 years and found that innovators share the following abilities:

**Associate, Wonder, Observe, Experiment, Network**

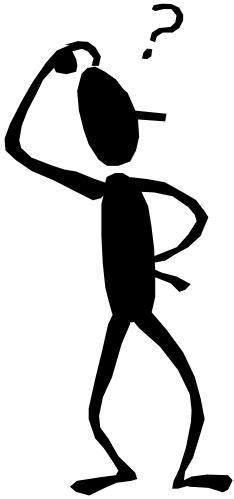
# Promotion of Creativity

1. Brainstorming
2. Focus groups
3. Fixed points approach

e.g. In a medical clinic we could focus on ideas referring to :

1. How a customer's entry is recognized
2. How hospitality is demonstrated
3. How customer waiting is managed

## Sources of Ideas



- ✓ Work experience
- ✓ *Hobbies* and personal interests
- ✓ Education
- ✓ Customers
- ✓ Distribution channels
- ✓ Solving a persistent problem
- ✓ R&D, Inventions
- ✓ New technologies
- ✓ Changes in consumer behavior
- ✓ Imitating an idea from a different locality/industry
- ✓ MEGATRENDS
- ✓ .....

Remember:

- ✓ Technology push vs market pull

# SDG goals



## SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD



## Creativity

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Is an idea the most important factor for success?



Ideas

Bill Gross founded IdeaLab, an incubator of new inventions, ideas and businesses

I used to think that the idea was everything.

A good idea increases your ability to attract people and capital BUT the original idea usually changes! (Pivot)

## Idea generation-Classic Entrepreneurship Example



Park around started as park defenders!

The initial idea was to provide parking spaces in crowded cities relying on individual parking spots.

Great idea? Did it work?

The owners succeeded in translating it into a market opportunity?

## Idea generation-Social Entrepreneurship Example

### Ludwick Marishane: A bath without water

FILMED MAY 2012 • POSTED DEC 2012 • TED@Johannesburg



You are Ludwick  
Marishane!  
You just invented the dry  
bath!  
You want to build a  
business  
What would you do?



Innovation

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Innovation = Idea + Commercialization

## Innovation

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### Categories

Types	Process	Intensity
Product/Service	Closed	Incremental
Process	Open	Radical
Business model		Disruptive

### Product/Service Innovation

= Innovation in **what we do**. It concerns the final offering and its particular features. It can come in three different forms:

- ① The development of a new product, such as the Fitbit or Amazon's Kindle.
- ② An improvement of the performance of the existing product, such as an increase in the digital camera resolution of the iPhone 11.
- ③ A new feature to an existing product, such as power windows to a car.

## Examples of Social Product/Service Innovation



Barefoot lamps



SHE sanitary pads



### Process Innovation

= Innovation in **how we do it**. It:

- ① regards the way an organization conducts its business, such as in techniques of producing, marketing, distributing its products/services
- ② relates to cost and reliability

One of the most famous and pioneering examples of process innovation is Henry Ford's invention of the world's first moving assembly line. This procedure not only simplifies the assembly of the vehicle but shortens the time required to produce a vehicle from 12 hours to 90 minutes.

## Examples of Social Process Innovation



# Business Model Innovation

=Innovation in **how we make money**. Business model innovation offers two key areas of innovative activity:

- **The product.** A new business model can redefine a product or service, and how they are produced.
- **The sales.** A new business model may change the way an organization generates profits by implementing changes in sales and distribution.

## Examples of Social Business Model Innovation



TOMS



# Closed and Open Innovation

- Closed Innovation: Development of innovation arising from the use of the company's internal resources, such as the various innovation laboratories and the marketing department  
Innovation is a secret, the company is trying to protect its intellectual capital and prevent competitors from copying ideas
- Open Innovation: Developing innovations related to the input (and output) of knowledge from the business  
Extraversion in innovation. Value for ideas coming outside R&D units: from customers, partners, employees, international competitors

# Innovation intensity



### Incremental

It brings a number of minor improvements. It often emerges after a radical innovation that brings about a breakthrough.



### Radical

It offers something new to the world.

It is sometimes referred to as a pioneering innovation.



### Disruptive

A new product or service that offers a new market proposition.

It creates new markets and disrupts existing ones.


It is usually cheap and appealing to many people.


**... at least 10 ways to innovate**


move beyond products to win

**1. Business model**   
how the enterprise makes money

**2. Networking**  
enterprise's structure/  
value chain  


**5. Product performance**   
basic features, performance and functionality


**6. Product system**  
extended system that surrounds an offering  



**7. Service**  
how you service your customers  





**3. Enabling process**  
assembled capabilities  


**4. Core process**  
proprietary processes that add value  


**8. Channel**  
how you connect your offerings to your customers  


**9. Brand**  
how you express your offering's benefit to customers  


**10. Customer experience**  
how you create an overall experience for customers  


Source: Keeley L., Walters H., Pikkell R. and Quinn B., 2013

## Building a social business model

## Business Model

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The business model shows how a company uses its resources to offer its customers more value than their competitors and make money from it  
what is the value proposition, who is it targeting, who is paying, how often, in what way?

Business model

≠

Business form/Legal structure

Business model

≠

Business plan

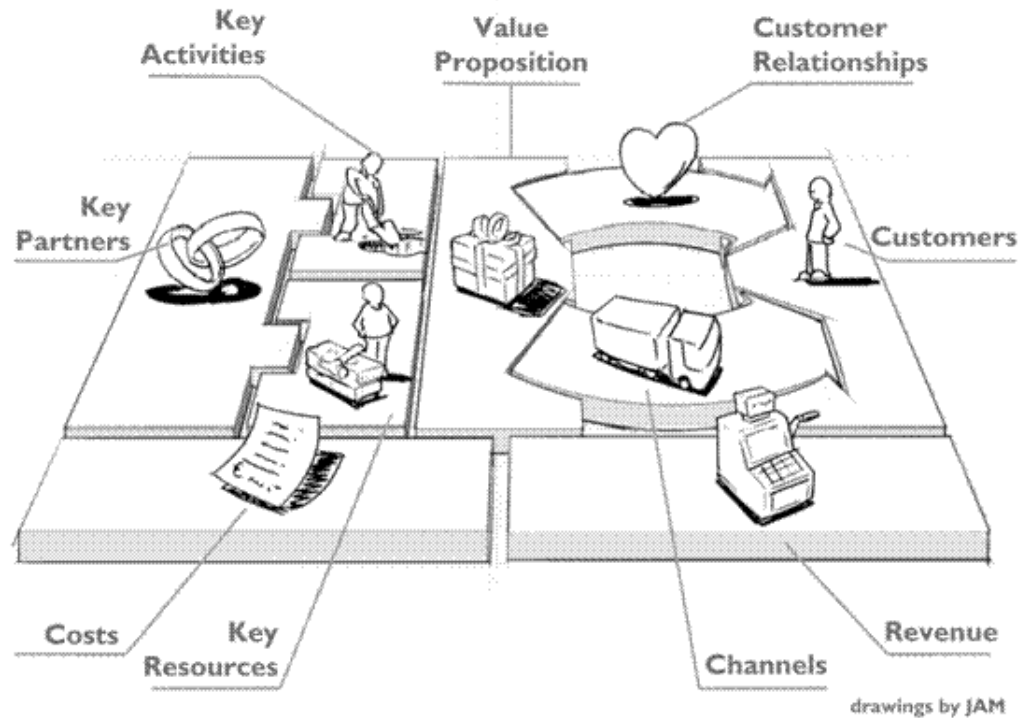
***Business model comes 1st***

***Business plan come 2nd***

# Business Model

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## Business Model Canvas



*Alexander Osterwalder*

## Business Model

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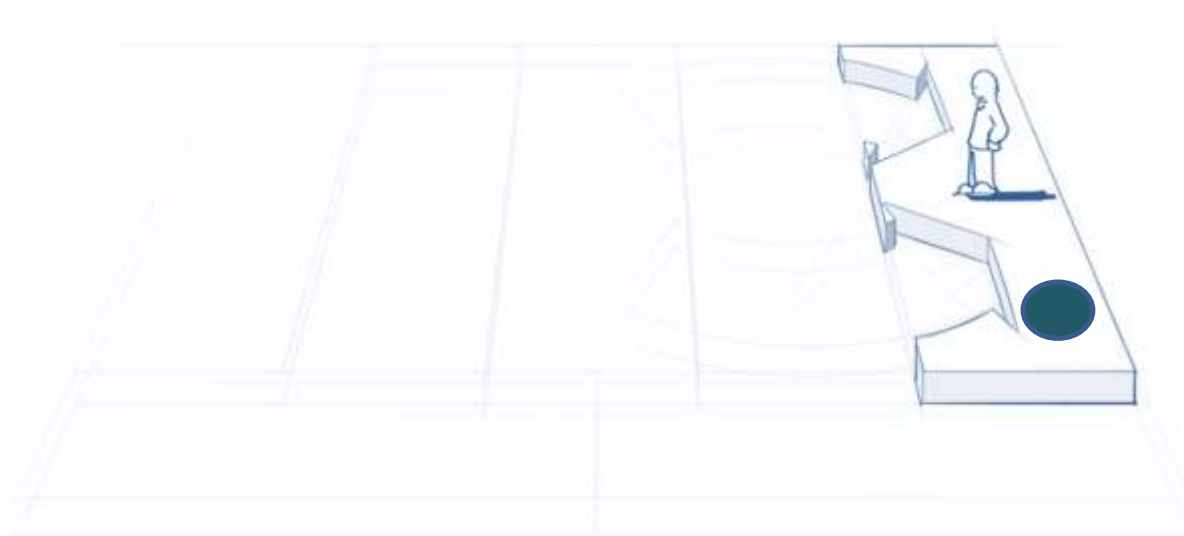
# Business Model Canvas

[http://www.youtube.com/watch?v=41q\\_zn8jMaE](http://www.youtube.com/watch?v=41q_zn8jMaE)



*Alexander Osterwalder*

## 1. Customer segments



which customers and users are you serving?  
which jobs do they really want to get done?



# The Business Model Canvas: CUSTOMER SEGMENTS

An organization must make a conscious decision about which segments to serve and which segments to ignore. Once this decision is made, a business model can be carefully designed around a strong understanding of specific customer needs.

Customer groups represent separate segments if:

- *Their needs require and justify a distinct offer*
- *They are willing to pay for different aspects of the offer*
  
- *They require different types of relationships*
  
- *They are reached through different Distribution Channels*
  
- *They have substantially different profitabilities*

For *whom* are we creating *what* value?  
Who are our most important customers?

The Customer Segments Building Block defines the different groups of people or organizations an enterprise aims to reach and serve

## 2. Value proposition



what are you offering them? what is that getting done for them? do they care?

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# The Business Model Canvas: VALUE PROPOSITIONS

Each Value Proposition consists of a selected aggregation, or *bundle*, of products and/or services that caters to the requirements of a specific Customer Segment. In this sense, the Value Proposition is a *bundle of benefits*.

The Value Proposition is the reason why customers turn to one company over another.

You identify your value proposition from a problem-solving or needs-satisfaction perspective.

Some Value Propositions may be innovative and represent a new or disruptive offer. Others may be similar to existing market offers, but with added features and attributes.

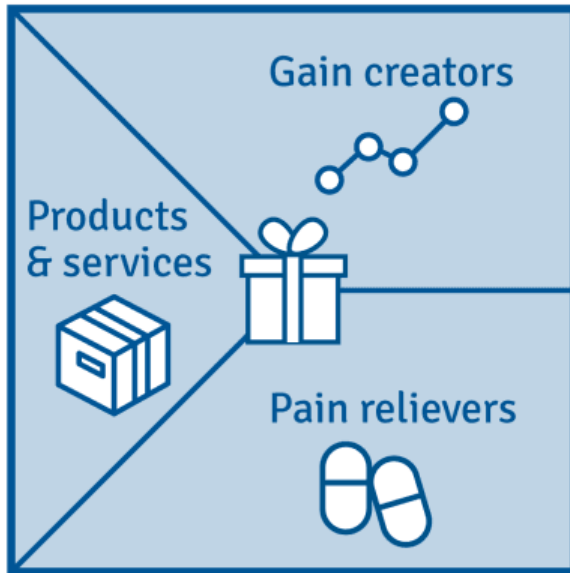
Values can be quantitative or qualitative.

What value do we deliver to the customer?  
Which problems are we solving?  
Which needs are we satisfying?  
What bundles of products and services are we offering to each Segment?

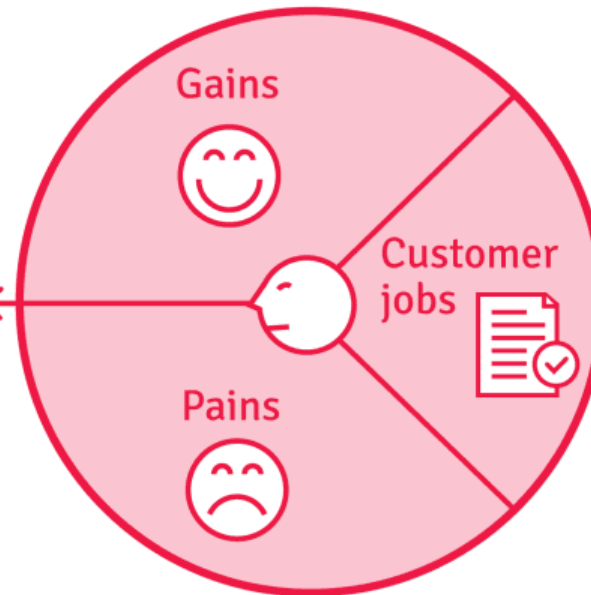
The Value Propositions Building Block describes the bundle of products and services that create value for a specific Customer Segment

# Business Model | Value Proposition Canvas

## Value Proposition



## Customer Profile



## Business Model | Customer profile

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### Customer Jobs

#### ➤ **Functional jobs**

- When your customers try to perform or complete a specific task or solve a specific problem they are aiming to get a functional job done. (e.g. you need a drill to make holes)

#### ➤ **Social jobs**

- Trying to look good or gaining power and status are social jobs. These jobs describe how a customer wants to be perceived by others. (e.g. you need clothes to get positive feedback from others)

#### ➤ **Emotional jobs**

- Your customers may seek a specific feeling, such as feeling good or feeling secure. (e.g. you buy makeup to increase self-esteem)

### Customer Pains

#### ➤ **Money shortages**

- (e.g. Airbnb)

#### ➤ **Time shortages**

- (e.g. ThedaCare hospital system, reduce waiting time in hospitals)

#### ➤ **Skill shortages**

- (e.g. Grammarly, online spelling and grammar check)

#### ➤ **Accessibility limitations**

- (e.g. Wayfindr, navigation sound application for people with vision problems)

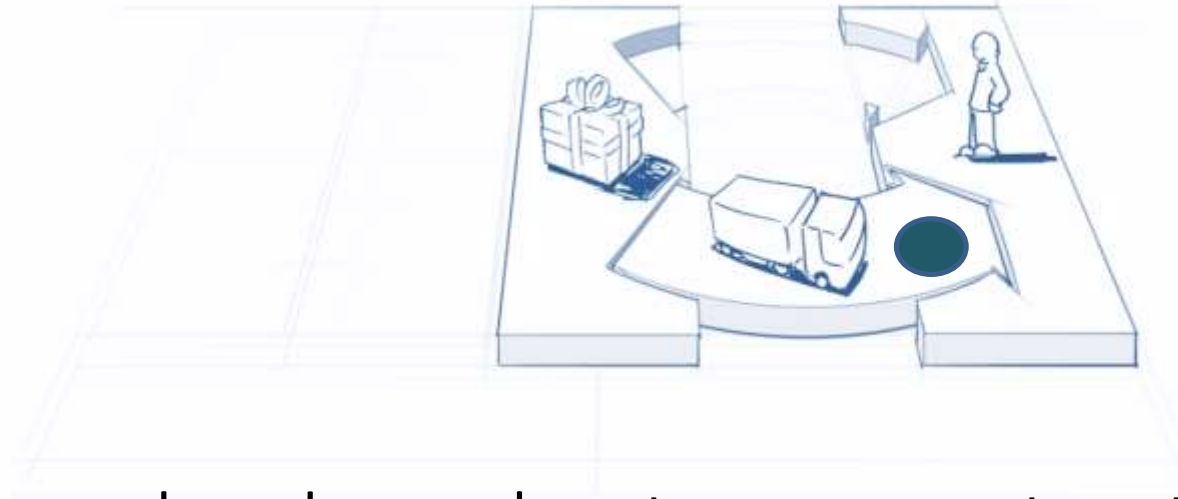
## Business Model | Customer profile

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### Customer Gains

- **Prerequisites**
  - (e.g. a smart phone needs to allow us make phone calls)
- **Expected benefits**
  - (e.g. a smart phone needs a good design)
- **Desired benefits**
  - (e.g. a smart phones needs connectivity with other appliances)
- **Unexpected benefits**
  - (e.g. a smart phone needs to have touch screen) (before apple)

### 3. Channels



how does each customer segment want to be reached? through which interaction points?

# The Business Model Canvas: CHANNELS

Communication, distribution, and sales Channels comprise a company's interface with customers. Channels are customer touch points that play an important role in the customer experience.

Channels serve several functions, including:

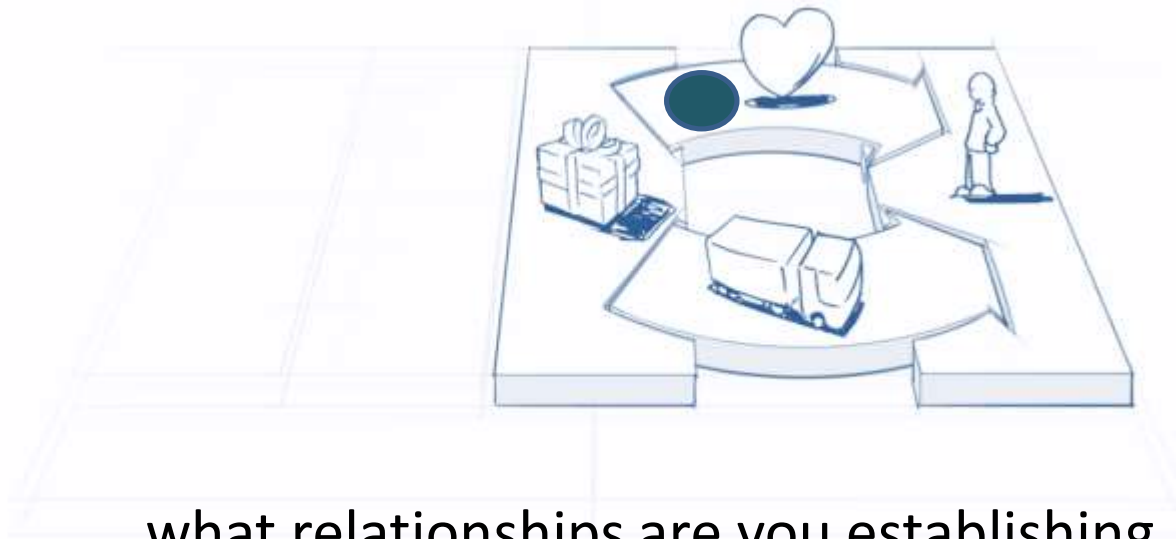
- *Raising awareness among customers about a company's products and services*
- *Helping customers evaluate a company's Value Proposition*
- *Allowing customers to purchase specific products and services*
- *Delivering a Value Proposition to customers*
- *Providing post-purchase customer support*

Through which Channels do our Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most costefficient? How are we integrating them with customer routines?

The Channels Building Block describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition



## 4. Customer relationships



what relationships are you establishing  
with each segment? personal?  
automated? acquisitive? retentive?

# The Business Model Canvas: CUSTOMER RELATIONS

## WHAT RELATIONSHIP FOR WHAT SEGMENT?

Customer relationships may be driven by the following motivations:

- Customer acquisition
- Customer retention
- Increasing returns from each sales (upselling)
- Increasing sales volumes (commoditize)

***THE RELATIONSHIP IS WHAT DETERMINES THE EXPERIENCE!***

The range is from Personal to Automated, BUT  
The relation can also be a MIX of these!

What type of relationship does each of our Customer Segments expect us to establish and maintain with them?

Which ones have we already established?

Which ones will we prioritize to establish?

How costly are they?

How are they integrated with the rest of our business model?

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# The Business Model Canvas: CUSTOMER RELATIONS

- **Personal Assistance (incl. dedicated personal assistance)**  
Clothing – also on-line, restauration-recreation, any type of consulting
- **Self-Service**  
Traditional retail, increasingly also Travelling, Banking
- **Automated Service**  
Recommendations, proposals based on cust. data, subscriptions, automatic payments. Travelling, Banking, Media...
- **Communities**  
Build groups that reflect segments, and leverage 'tribe' communication. Create communication and interaction between members. Fidelity cards, on-line communities, facebook, competitions...
- **Co-Creation – Lead User involvement**  
Book, cine, hotel reviews, self-publishing, athletes – scientists providing expert input

What type of relationship does each of our Customer Segments expect us to establish and maintain with them?

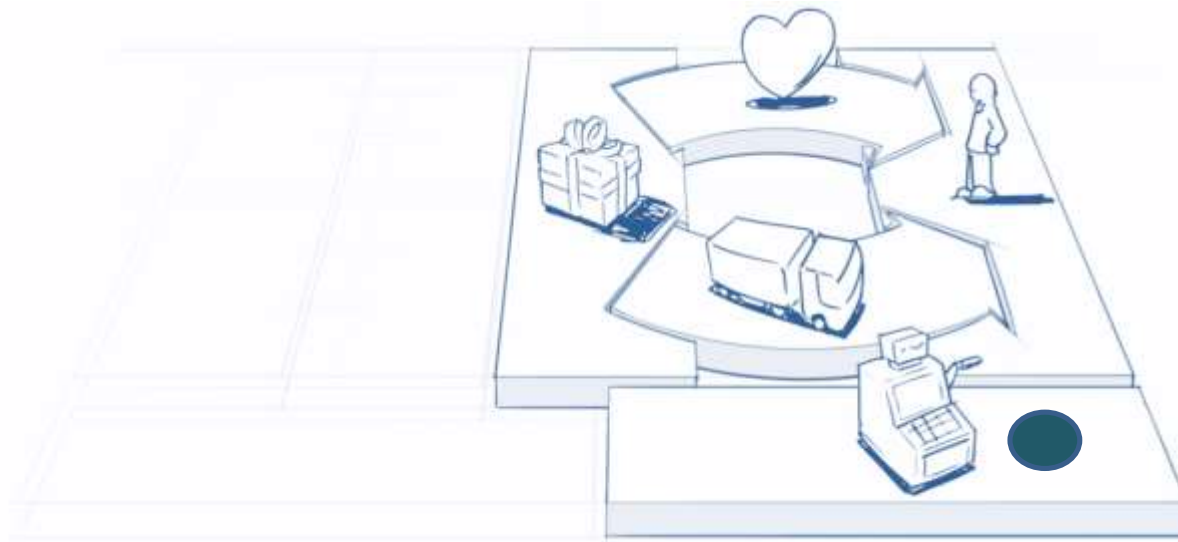
Which ones have we already established?

Which ones will we prioritize to establish?

How costly are they?

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## 5. Revenue streams



what are customers really willing to pay for? how?  
are you generating transactional or recurring revenues?

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# The Business Model Canvas: REVENUE STREAMS

The CASH you will generate from each  
Customer Segment!



Your *earnings* will be this cash minus your costs.

If customers comprise the heart of a business model, Revenue Streams are its arteries.

Each revenue stream corresponds to some specific *value proposition* for some specific *customer segment*.

Hence: Behind the answer to the question «For what value is each Customer Segment truly willing to pay?» lies a revenue stream.

Each Revenue Stream may have different pricing mechanisms, involving one or a combination of 'Spot' Payments, Repetitive Spot Payments, and Ongoing Payments.

For what value are our customers really willing to pay?

For what do they currently pay?

How are they currently paying?

How would they prefer to pay?

How much does each Revenue Stream contribute to overall revenues?

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# The Business Model Canvas: REVENUE STREAMS

- **Asset Sale «Ownership Rights to a Physical Product»**  
The largely dominating stream for products. Complemented, as, e.g., in cars by after-sales streams and accessories streams
- **Usage Fee**  
'Pay per use', 'The more usage, the larger the stream'. Mobile tariffs, electricity, water... Data Banks, Analysis Firms, Consulting, Coaching...
- **Subscription fees**  
Selling continuous access to a service or product. Gym, publications, on-line retail of, e.g., collectors items, cosmetics, health products... Also web hoisting & maintenance.
- **Lending/Renting/Leasing**  
Temporary granting ownership against a fee. Xerox, Techn. equipment – household water filter! Cars, IT equipment...
- **Licensing Brokerage Advertising**  
**L:** Exploiting a protected technology / product / concept  
**B:** Charging for an intermediation service; real-estate, finance...  
**A:** Media in general – Free Press! Apps, Any type of freeware...

For what value are our customers really willing to pay?

For what do they currently pay?

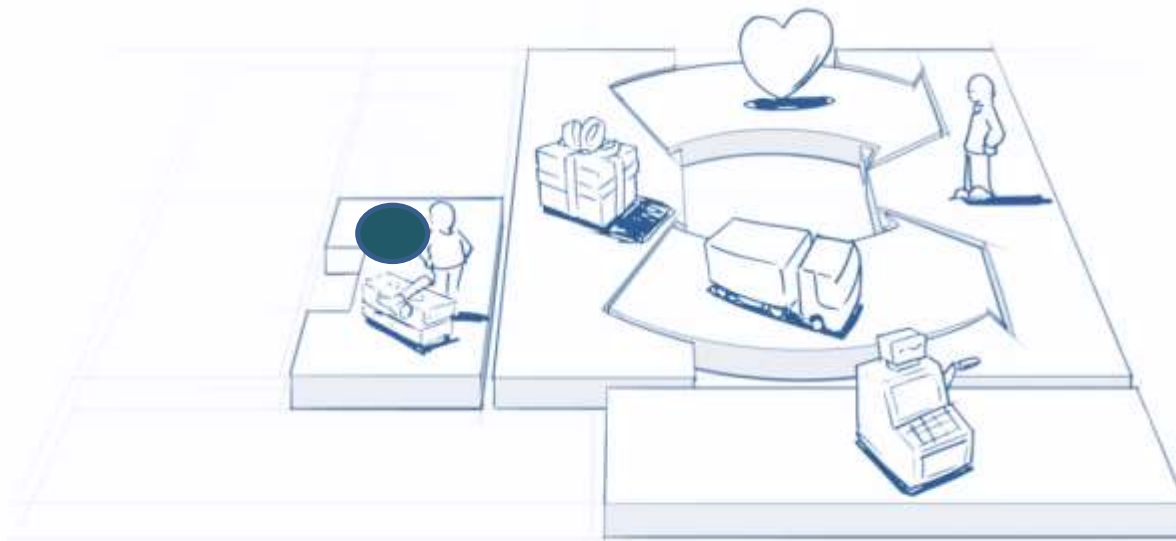
How are they currently paying?

How would they prefer to pay?

How much does each Revenue Stream contribute to overall revenues?

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## 6. Key resources



which resources underpin your business model? which assets are essential?

# The Business Model Canvas: KEY RESOURCES

What are the assets required to make the business model work?

Key resources can be

- Physical – equipment (from laptop to machinery), space, material and components supply, distribution networks...  
***CAPITAL INTENSIVE!***
- Financial – Own capital, FFF, Venture or Seed capital, supporting cash flow... **GUARANTEES, LINES OF CREDIT!**
- Intellectual - software, applications, design, brand, text (literature, analysis, critiques...), imagination...  
***PATENTS, LICENCES, COPYRIGHT!***
- Human - knowledge, know-how, competency, social capital, networks, behaviour, communication, flexibility, diplomacy...  
***KNOWLEDGE WALKS!***

Key resources can be *owned* or *leased* by the company.

They can be *acquired* from key partners or *shared* with partners.

What Key Resources do our Value Propositions require?

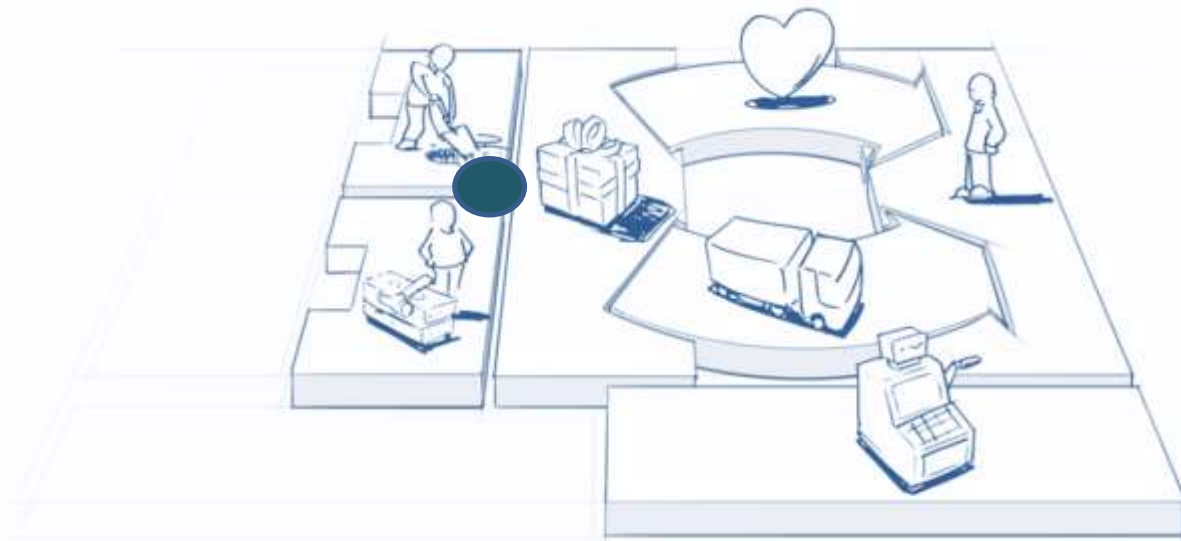
Our Distribution Channels?

Customer Relationships?

Revenue Streams?



## 7. Key activities



which activities do you need to perform well in your business model? what is crucial?

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# The Business Model Canvas

## Key Activities

What do you have to do to make the Business Model work?

*Your bread and butter preoccupation* inside and outside office – in and out of bed...

Key Activities are what link resources to value propositions

The key activities need to be executed so that the right-side 'front-office' elements of the business model...

- CUSTOMERS
- VALUE PROPOSITIONS
- CHANNELS
- CUSTOMER RELATIONS
- REVENUE STREAMS

...can operate effectively

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What Key Activities do our Value Propositions require?

Our Distribution Channels?

Our customer Relationships?

Our revenue streams?

# The Business Model Canvas

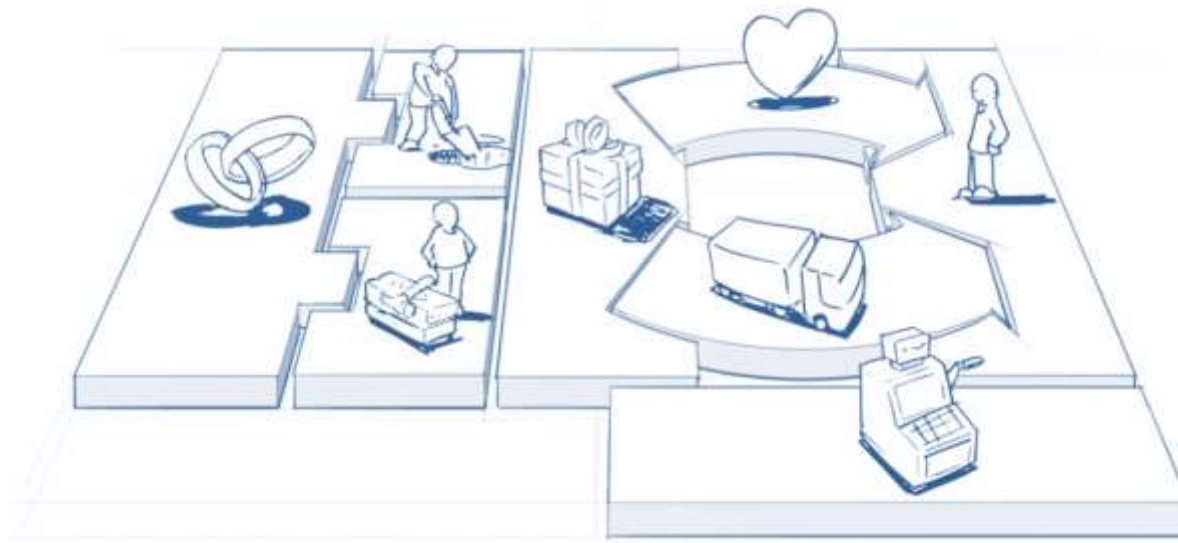
## Key Activities

What do you have to do to make the Business Model work?

Examples of Key Activities needed for the 'front-office' elements to operate effectively:

- CUSTOMERS require Awareness- and Relationship-Building...
- VALUE PROPOSITIONS require Production, Development, Problem Solving or Platform Maintenance and Evolution...
- CHANNELS require Partner Selection and Monitoring, quality control, efficiency optimization...
- CUSTOMER RELATIONS require Data Collection and Analysis, Pro-Active and Re-Active Communication...
- REVENUE STREAMS require accounting, financial planning, investment analysis, reporting...

## 8. Key partners



which partners and suppliers leverage your model?  
who do you need to rely on?

# The Business Model Canvas

## Key Partnerships

The NETWORK of suppliers and other partners that make the model work

Social media have brought true life to the notion of *extended partnerships*:

Who are your friends, fans, links, followers, diggers..., ...?

Key partnerships are ALL your relations except customers (who are treated at the right side of the canvas model)

*Supplier Relations*: Lean Supply (early 1990s from lean Production) is the reference

You must attempt to classify your *other* relations – IMBA example:

FSP sponsors, Internship Provider, Career Day Comp, Comp Day Comp, Company Visit, Guest Lecturer, Visiting Prof, Research Fellow, BAC Member, Alumni (member, non-member), Student-Entrepreneur... and tailor your communication and activities towards them accordingly!

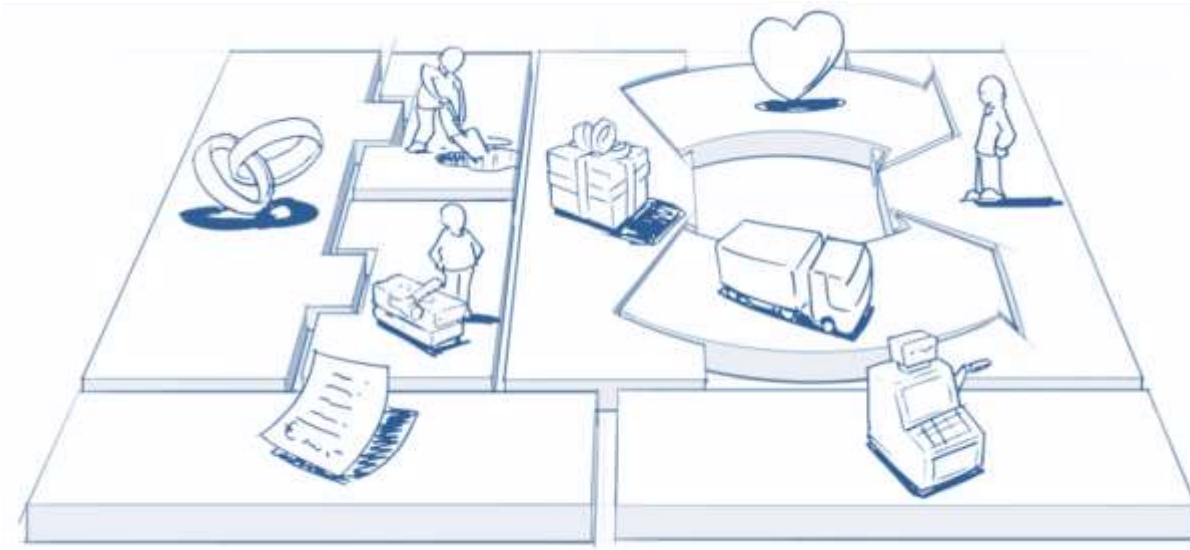
Who are our Key Partners?

Who are our key suppliers?

Which Key Resources are we acquiring from each partner?

Which Key Activities do partners perform?

## 9. Cost structure



what is the resulting cost structure?  
which key elements drive your costs?

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# The Business Model Canvas Cost Structure

All COSTS incurred to operate your  
business model

ATTENTION! It is not just the 'cost spiral' or 'cost burden'  
aspect; Cost Structure can be *THE* differentiating element of your  
new venture business model!

The main cost items stem from

- Key Resources,
- Key Activities,
- Key Partnerships.

In some business models Customer Relations can also be very costly.  
This is acceptable if unique relations is the differentiator!

Wood for Trees Alert! Cost Monitoring is Great, but *Cost Productivity* is GREATER!

What are the most  
important costs  
inherent in our  
business  
model?

Which Key  
Resources are most  
expensive?

Which  
Key Activities are  
most expensive?

# The Business Model Canvas

## Cost Structure

Cost related issues to consider:

Cost-Driven Business Model – Chase and cut costs everywhere -  
*Creative elimination of costs*

Fixed Costs – Independent of volume – Lean startup pushes this  
towards zero (credit card limit!).  
*Cost productivity might make your day for the fixed costs!*

Variable Costs – Linearly related to volume – Relate as much as possible  
to *sales* (and not to 'production').  
*Be ware of the variable cost bubble – if an exponential function takes  
over from the linear...!*

*What Economies of Scale can you exploit?*

*What Economies of Scope can you exploit?*

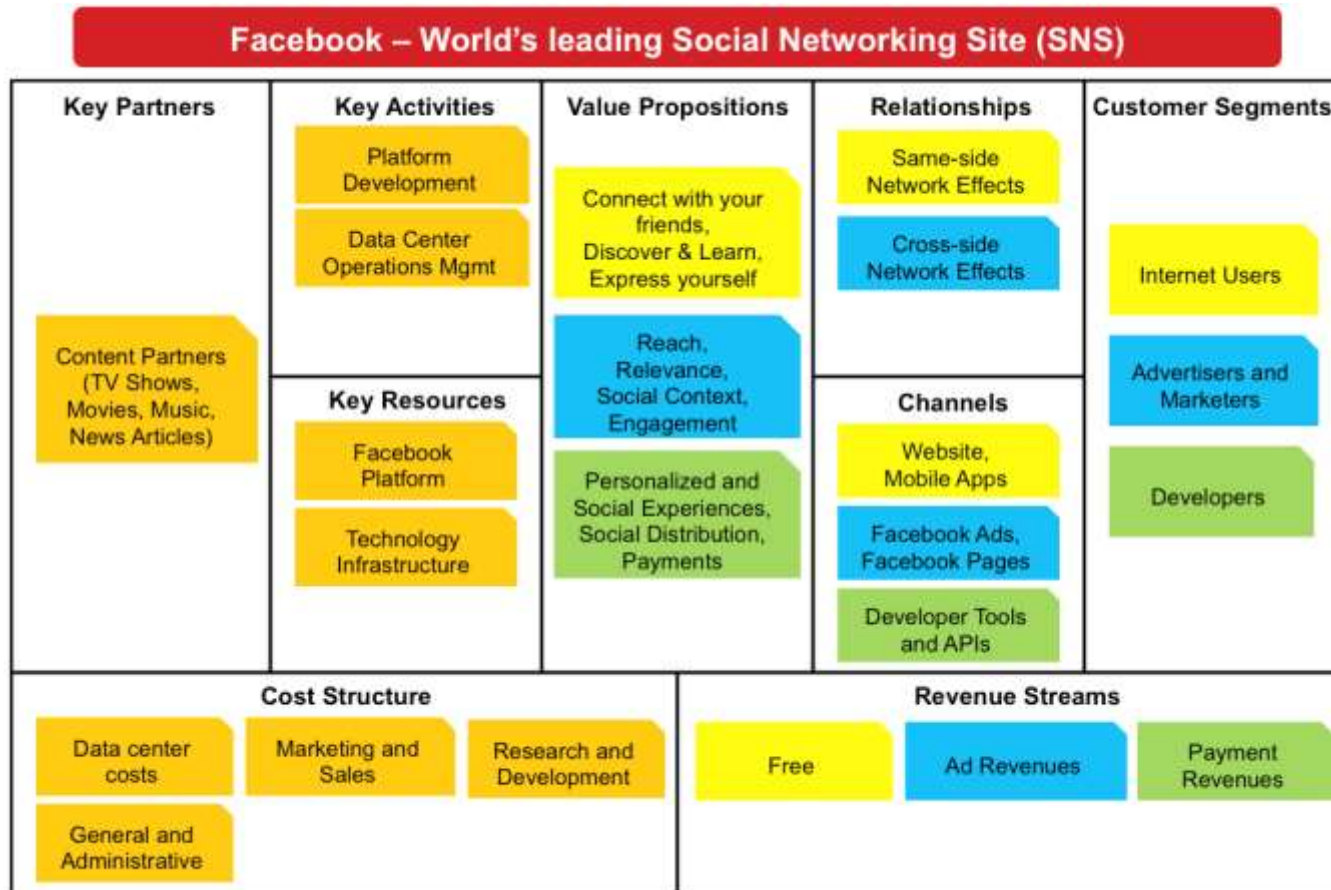
What are the most  
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Which Key  
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# Business Model | Facebook

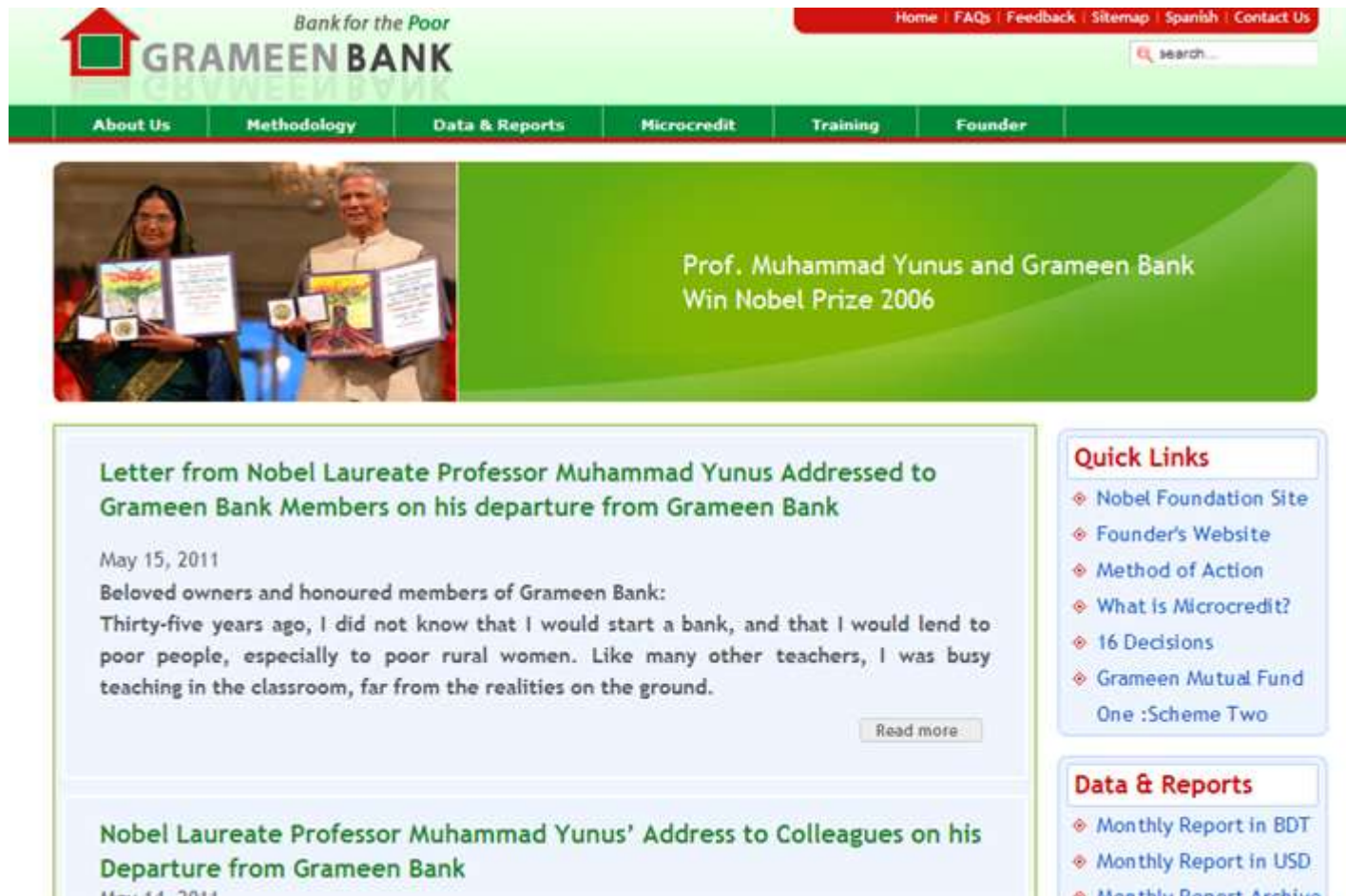


# Another perspective: The social business model canvas

<p><b>Key Resources</b></p> <p><i>What resources will you need to run your activities? People, finance, access?</i></p>	<p><b>Key Activities</b></p> <p><i>What programme and non-programme activities will your organisation be carrying out?</i></p>	<p><b>Type of Intervention</b></p> <p><i>What is the format of your intervention? Is it a workshop? A service? A product?</i></p>	<p><b>Segments</b></p> <p><b>Beneficiary</b></p>	<p><b>Value Proposition</b></p> <p><b>Social Value Proposition</b></p>
<p><b>Partners + Key Stakeholders</b></p> <p><i>Who are the essential groups you will need to involve to deliver your programme? Do you need special access or permissions?</i></p>		<p><b>Channels</b></p> <p><i>How are you reaching your beneficiaries and customers?</i></p>	<p><b>Customer</b></p> <p><i>Who are the people or organisations who will pay to address this issue?</i></p>	<p><b>Impact Measures</b></p> <p><i>How will you show that you are creating social impact?</i></p> <p><b>Customer Value Proposition</b></p>
<p><b>Cost Structure</b></p> <p><i>What are your biggest expenditure areas? How do they change as you scale up?</i></p>		<p><b>Surplus</b></p> <p><i>Where do you plan to invest your profits?</i></p>	<p><b>Revenue</b></p> <p><i>Break down your revenue sources by %</i></p>	

# Case 1 Grameen bank

<http://www.youtube.com/watch?v=krv385puXJU>



The screenshot shows the Grameen Bank website. At the top, there is a navigation bar with links for Home, FAQs, Feedback, Sitemap, Spanish, and Contact Us. Below this is a search bar. A green navigation menu contains links for About Us, Methodology, Data & Reports, Microcredit, Training, and Founder. The main content area features a banner for Prof. Muhammad Yunus and Grameen Bank winning the Nobel Prize in 2006, accompanied by a photo of Prof. Yunus and a woman holding award certificates. Below the banner, there is a section titled "Letter from Nobel Laureate Professor Muhammad Yunus Addressed to Grameen Bank Members on his departure from Grameen Bank" dated May 15, 2011. The letter begins with "Beloved owners and honoured members of Grameen Bank: Thirty-five years ago, I did not know that I would start a bank, and that I would lend to poor people, especially to poor rural women. Like many other teachers, I was busy teaching in the classroom, far from the realities on the ground." A "Read more" button is visible. To the right, there are two sidebars: "Quick Links" with links to the Nobel Foundation Site, Founder's Website, Method of Action, What is Microcredit?, 16 Decisions, and Grameen Mutual Fund One :Scheme Two; and "Data & Reports" with links to Monthly Report in BDT, Monthly Report in USD, and Monthly Report Archive.

**Bank for the Poor**  
**GRAMEEN BANK**

Home | FAQs | Feedback | Sitemap | Spanish | Contact Us

search...

About Us | Methodology | Data & Reports | Microcredit | Training | Founder

**Prof. Muhammad Yunus and Grameen Bank Win Nobel Prize 2006**

**Letter from Nobel Laureate Professor Muhammad Yunus Addressed to Grameen Bank Members on his departure from Grameen Bank**

May 15, 2011

Beloved owners and honoured members of Grameen Bank:  
Thirty-five years ago, I did not know that I would start a bank, and that I would lend to poor people, especially to poor rural women. Like many other teachers, I was busy teaching in the classroom, far from the realities on the ground.

[Read more](#)

**Quick Links**

- ◆ Nobel Foundation Site
- ◆ Founder's Website
- ◆ Method of Action
- ◆ What is Microcredit?
- ◆ 16 Decisions
- ◆ Grameen Mutual Fund One :Scheme Two

**Data & Reports**

- ◆ Monthly Report in BDT
- ◆ Monthly Report in USD
- ◆ Monthly Report Archive

# Grameen Bank

The context :

- In 70's 80% of the population in Bangladesh lives below the limits of poverty
- Collaterals are required for loans/ Women cannot take loans

The entrepreneur: Yunus

- Economist with studies in USA / Professor in the University of Chittagong (southeast Bangladesh)

The social venture

- Offered loans without collaterals mainly in women in order to develop entrepreneurial activity in Jobra (1976)
  - rice decrustation, bamboo knitting

The result

- The borrowers achieved profits and paid back the loans

# Grameen Bank

## Sources of financing

- Yunus personal capital
  - Not enough to cover the increasing demand
- Collaboration with Bangladesh Central Bank
  - After Jobra expansion in Tangail (North Central Bangladesh)
  - The success was not local
- Collaborations with donors (IFAD, Ford Foundation) and governments (Bangladesh, Norway, the Netherlands)
  - expansion of Grameen Bank at national level

# Grameen Bank

## The numbers

- ~ 8,5 m. customers/ borrowers
- 95% are women
- 2.500 branches in 80.000 villages
- More than 22.000 employees
- \$ 11,35 b. for loans
  - Since the creation of the bank
- \$ 10.11 b. already paid back

The bank of the poor outreaches every bank in Bangladesh and most banks in the world in terms of loans repayment!

# Grameen Bank

## The Business Model



## Case 2 Kiva loans





# Kiva.org

- Non-profit organization
  - Online platform that allows individuals in the developed world to make loans to micro-entrepreneurs in the developing world
- It operates two models
  - Kiva.org: the management of the loans is assigned to local collaborators/ microfinancing organisations, NGOs
  - KivaZip.org: direct person-to-person lending via mobile payment and PayPal

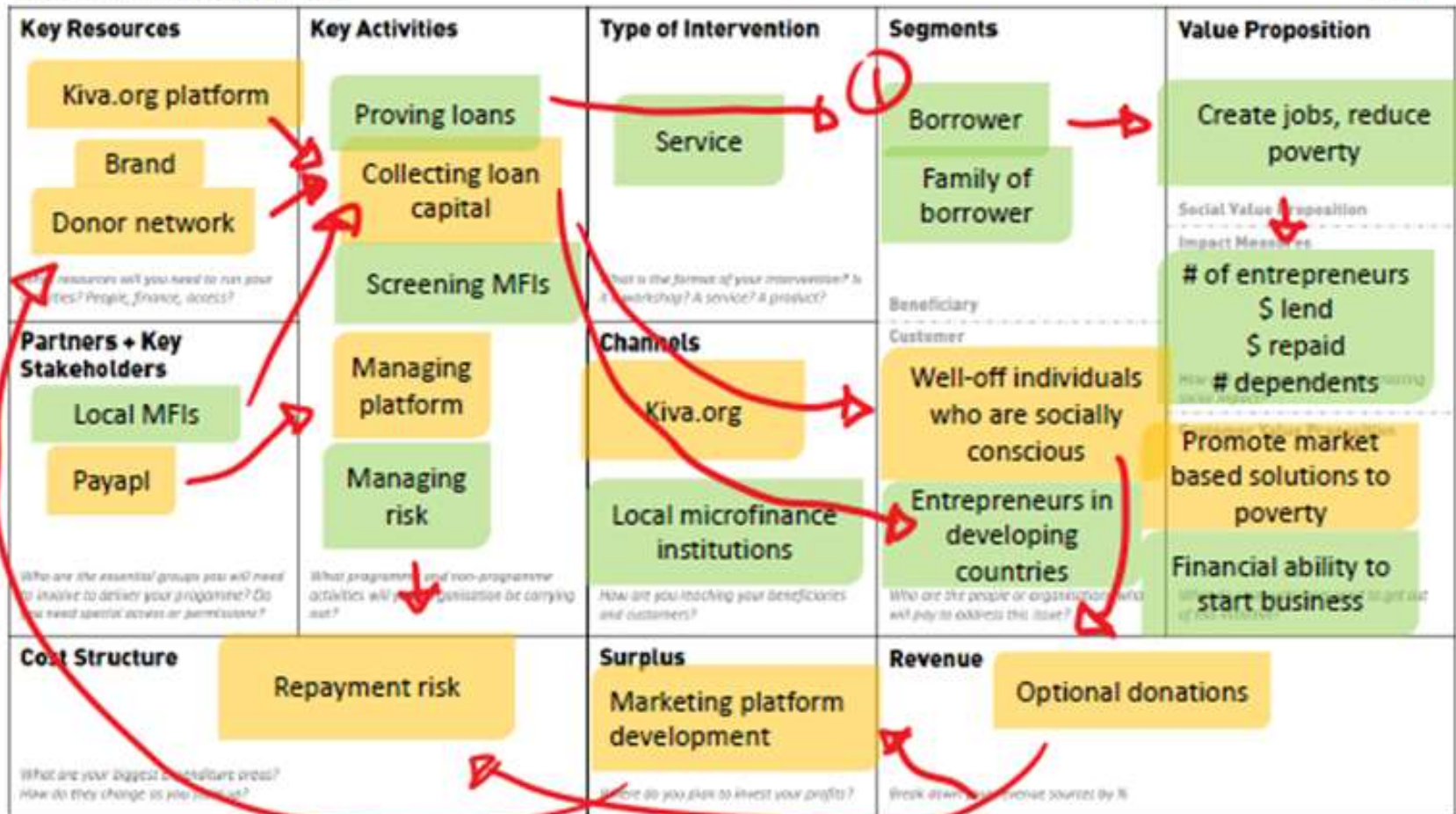
# Kiva.org

## The numbers

- More than one million loans of a total amount of more than half a billion USA dollars
  - Repayment rate of 99%
  - In more than 70 countries
- More than one million lenders all over the world
  - Since 2013 Kiva raises about one million dollars every 3 days.

# Kiva.org

## Social Business Model Canvas



Inspired by The Business Model Canvas

# Successful social business models!

- [Change Heroes](#) - Crowdfunding schools in the third world
- [IDE](#) - Developing a multitude of affordable, vital products for families in poverty
- [InVenture](#) - Creating financial opportunities for low-income entrepreneurs
- [Mosaic](#) - Crowdfunding platform for solar energy projects
- [One Acre Fund](#) - Investing in small one acre farms to alleviate poverty
- [Samasource](#)
- [Aravind Eye Care System](#)

# SAMASOURCE IS A LEADER IN GLOBAL SOURCING FOR DATA PROJECTS THAT REQUIRE A HUMAN TOUCH

We provide a range of high-quality data services

## Tech Companies



## Samasource



Training  
New job opportunities

## Impoverished women and youth



Break down big projects into small pieces

<http://www.youtube.com/watch?v=3cjnNPua7Ag>



HOME ABOUT US SERVICES FOR PATIENTS FOR EYE CARE PROFESSIONALS EYE DONATION GET INVOLVED

**mission: to eliminate needless blindness**

*... through extending the reach of quality eye care to the poor and needy – through active community involvement, screening camps, and IT enabled Vision Centres in rural areas.*

**Community Outreach**

A composite image showing a young woman on the left and an elderly woman on the right wearing large, white, circular eye glasses. The elderly woman is pointing her index finger towards the camera.

#### SERVICES

Hospital Services

**Community Outreach**

Education & Training

Aravind Medical Research Foundation - Research

LAICO - Consultancy and Capacity Building

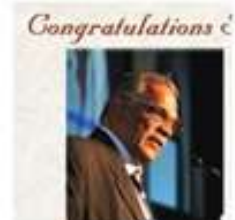
AuroLab - Ophthalmic Supplies

Eye Bank

#### UPCOMING EVENTS

- Applications invited for Orbit fellowship at Tirunelveli. Last date June 30, 2012
- [The 23rd Update in Ophthalmology](#)
- [Neuro-Ophthalmology Update](#)
- Applications invited for Management Training and Systems Development for Hospital

#### CURRENT NEWS



# Yet, several social business models fail!

## Innovative failures: why new business models don't always succeed

Social entrepreneurs are trying to make money while doing good. Young startups have much to learn from high-profile failures



# Why do business models fail?

- Alignment between value proposition and customer segments and beneficiaries
- Costs that exceed the revenues generated
- Environmental constraints not integrated within the design of the business model
- Business model not properly executed
- Inability to change

*[www.elton-pickford.com](http://www.elton-pickford.com)*



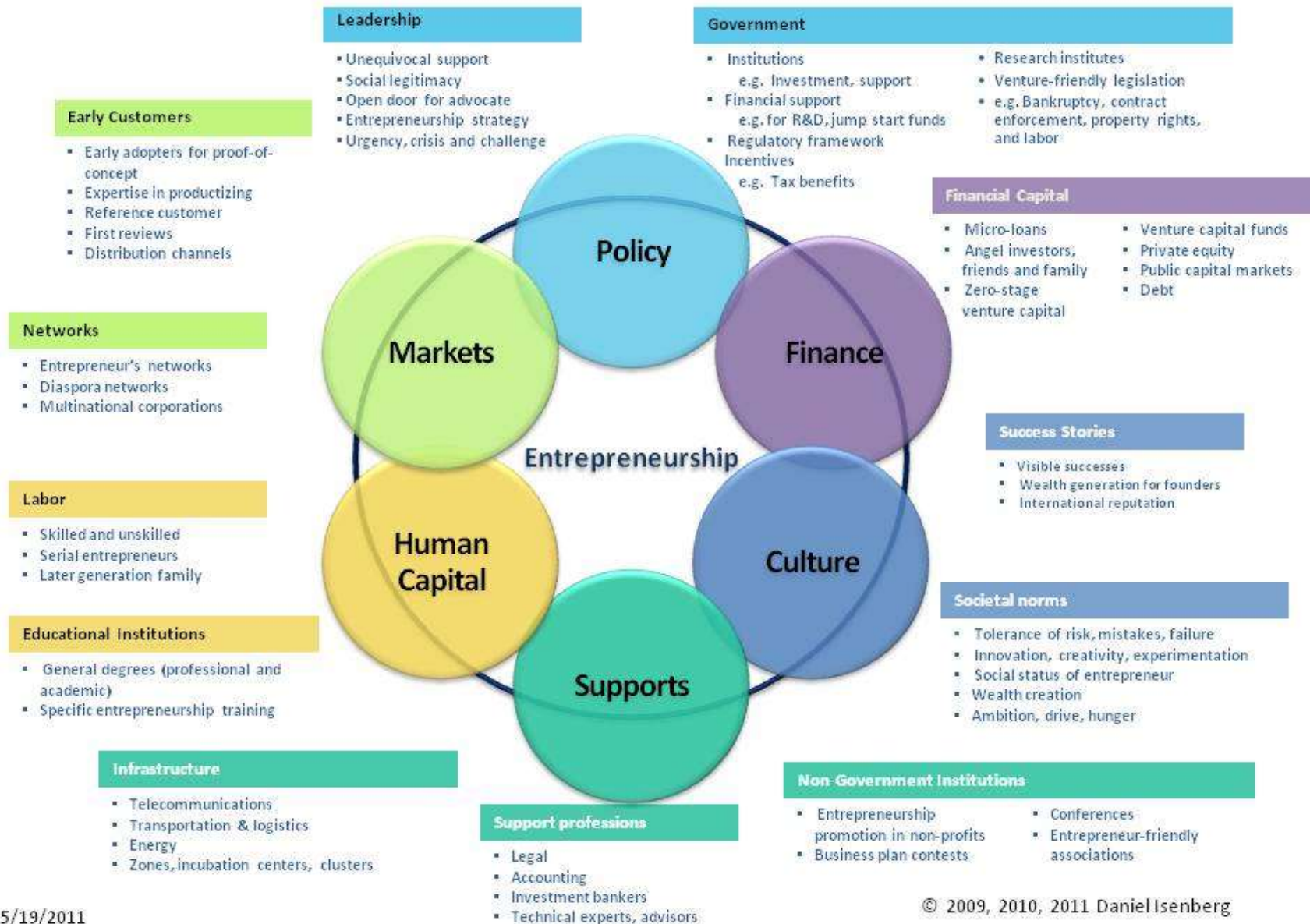
2<sup>nd</sup> difference

Mobilizing the required resources

# The eco-system of entrepreneurship



## Domains of the Entrepreneurship Ecosystem



# The eco-system of social entrepreneurship

## CAPITAL INFRASTRUCTURE

### Financial Capital

- Philanthropic Funders: Corporations, Foundations, Individuals, Venture Philanthropy Funds, etc.
- Financial Institutions
- Equity Investors (for-profit)
- Government Funders: Federal, State, Local

### Human Capital

- Undergraduate Colleges/Universities
- Business & Other Graduate Schools
- Youth Social Entrepreneurship Orgs
- Search Firms, Career Resource Orgs
- Retiree Engagement Organizations
- Social Entrepreneurship "Attractors"
- Social-Purpose Organizations
- Volunteer/Board Matching Orgs

### Intellectual Capital

- Consultants
- Academic Research Centers
- Training Providers
- Think Tanks, Action Tanks
- Peer Organizations
- Stakeholder Strategy Advisors
- Evaluation Providers

### Social/Political Capital

- Associations
- Network Conveners
- Advocacy Groups
- Political Consultants
- Funders' Portfolios
- Incubators
- On-line Communities

## SOCIAL ENTREPRENEURS & THEIR ORGANIZATIONS

- Identified, Unidentified, & Potential Social Entrepreneurs
- Nonprofit, For-Profit, & Hybrid Organizations
- Vary by field/industry, life stage, location, ambition, etc.

Effectiveness & Performance: number and effectiveness of social entrepreneurs creating sustained and widespread social impact

### BENEFICIARIES SERVED

Direct and indirect outcomes for clients, communities, and markets

### POSITIVE SOCIAL IMPACT

Improvement on social needs and problems; Reduction of gap between real and ideal conditions

### Policy & Politics

- Tax Policies & Regulation
- Legislators & Politicians
- Government Agencies: Federal, State, Local
- International Governing Bodies

### Media

- Reporters, Journalists, Book Authors
- Media Outlets
- Recognition & Awards Programs
- Media Associations and Foundations

### Economic & Social Conditions

- Economic Forces and Trends
- Social and Cultural Forces and Trends
- Public Awareness, Knowledge, and Opinion

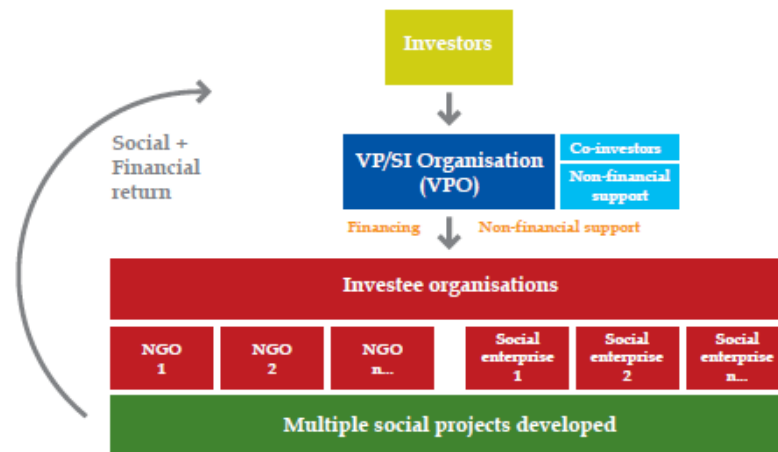
### Related Fields

- Specific Domains: Education, Health, Environment, Development, etc.
- Adjacent Fields of Knowledge and Practice: Corporate Social Responsibility, Nonprofit Management, Sustainability, etc.

## CONTEXT-SETTING FACTORS

# What is Venture Philanthropy?

Venture philanthropy works to build stronger investee organisations with a societal purpose (SPOs) by providing them with both financial and non-financial support in order to increase their societal impact. The venture philanthropy approach includes the use of the entire spectrum of financing instruments (grants, equity, debt, etc.), and pays particular attention to the ultimate objective of achieving societal impact. The key characteristics of venture philanthropy include high engagement support of few organisations, organisational capacity-building, tailored financing, non-financial support, involvement of networks, multi-year support and **societal impact measurement**



Source: EVPA 2013-14

# Venture Philanthropy



*First five target groups, multiple choice*

<https://www.impacteurope.net/about>