



Social Enterprise

An organization or venture that advances a social mission through entrepreneurial earned income strategies.

Earned Income

Earned income can come from revenues generated from the sale of products and/or services, or a strategic alliance between a for-profit company and a *for benefit* organization.

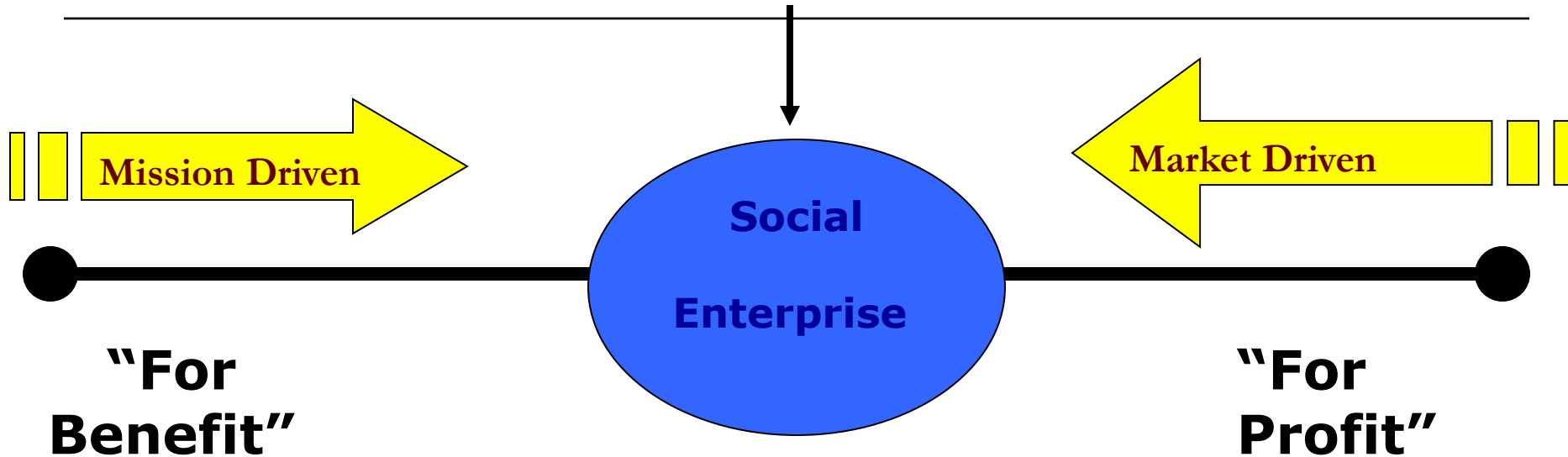


Social Entrepreneurs

Are individuals with innovative solutions to society's most pressing social problems.... for which the value created accrues primarily to society as a whole, rather than private individuals.

Bill Drayton

THE “Sweet Spot”



“Double bottom line business”, expanding income and impact

Is Social Enterprise A New Idea?

No... The quid pro quo exchange of value has underwritten social causes for centuries.

In the U.S. this year “nonprofit” commercial sales will generate billions in revenues....“for profits” generate billions more.



“In the Room” Examples

□ Change Agent Productions



□ HUB LA





Why Do It?

- **Solve more problems quicker or better.**
- Develop new services or products.
- Fund a growing or new demand for services.
- Reduce dependence on “soft” money (private donors and government awards).

...whether “for profit” or “not for profit”!

SE Challenges “Charity Think”

- ❑ No one should seek to earn a profit in charity.
- ❑ People who want to work in the nonprofit world should not care about being paid well.
- ❑ Charities should not take risks and should not make mistakes.
- ❑ Charities are not supposed to build for the future—money raised should be spent immediately.
- ❑ Charities should maintain low “overhead.” Spending on such things as training, marketing, staff support, research and development is inappropriate.

Source-Uncharitable: How Restraints on Nonprofits Undermine Their Potential, by Dan Pallotta



Legal Framework for 501(c)3s

- ❑ Organized and regulated to exclusively serve charitable purposes. Hence, “best” enterprises directly contribute to mission.
- ❑ IRS regulations are designed to prevent nonprofits from unfairly competing with private business.
- ❑ Profits are perfectly OK so long as the money is used to advance the charitable (exempt) purpose of the organization.



Social Enterprise Academies

- Workshops to sharpen business expertise
- Coaching in plan development
- Practice in “pitching” to potential investors
- Ongoing support through launch process

Take place over 6-12 months



Where the Ventures Are- Top 5 Mission Areas*

- Workforce Development
- Housing
- Community/Economic Development
- Education
- Health

*Center for Advancement of Social Entrepreneurship, 2008 National Social Enterprise Field Study

Results Worth Building On...

- ❑ Loan Guarantee from OCCF Social Enterprise Loan Fund
- ❑ New business-
+\$750,000 equity investment.
- ❑ Most agencies start ventures with 2 year ROI





Seed Capital is Key

- Who is leading the way?
- What can be done to accelerate the process?
- Do we need additional intermediaries?
- Can grants and loans be blended?