Social Enterprise Reporter

Innovative Solutions for Social Entrepreneurs

"Social innovation" and "social enterprise": A powerful combination

Jerr Boschee's column about entrepreneurial marketing is a regular monthly feature of the Social Enterprise Reporter. Jerr has spent nearly 30 years advising social entrepreneurs in the United States and elsewhere. To date he has delivered seminars or taught master classes in 42 states and 15 countries and has long been recognized as one of the founders of the social enterprise movement worldwide. Jerr is Executive Director of The Institute for Social Entrepreneurs (www.socialent.org), which he created in 1999, and is the former President and CEO of The National Center for Social Entrepreneurs. Please direct your comments to jerr@orbis.net.

By Jerr Boschee

Bear with me, now. Practitioners notoriously resist academics -- but there's a movement afoot that deserves our attention.

In their recent essay "Framing a Theory of Social Entrepreneurship," Greg Dees and Beth Battle Anderson point out that "social entrepreneurship has been gaining momentum as an academic subject." But they also issue a caution. "Even with this flurry of activity, social entrepreneurship is still in its infancy" as a field of intellectual inquiry. "We do not yet have the deep, rich explanatory or prescriptive theories that characterize a more mature academic field."

Why should that matter to practitioners?

Because we have an extraordinary opportunity to invigorate academic research and ultimately benefit the field. Greg and Beth argue we should abandon the typical academic approach of "building management

practice from theory" and adopt one of "building management theory from practice."

What a breath of fresh air! An academic approach rooted in practical experiences rather than theory!

Unfortunately, before much progress can be made, Greg and Beth emphasize that it's "crucial to define the domain in a felicitous way" and that "the best way of framing this new field lies at the intersection of the two dominant schools of practice and thought: the Social Enterprise School and the Social Innovation School."

I couldn't agree more.

Terminology can be vexing. Anybody who's been around "social entrepreneurship" for more than a few years knows it well. The phrase began to appear in the late 1980s and early 1990s and by the time of the first National Gathering for Social Entrepreneurs in 1998 there were two competing definitions.

Earlier that year, Greg had published an influential essay identifying five principal characteristics of "social entrepreneurship": "Social entrepreneurs play the role of change agents in the social sector," he wrote, "by adopting a mission to create and sustain social value (not just private value); recognizing and relentlessly pursuing new opportunities to serve that mission; engaging in a process of continuous innovation, adaptation, and learning; acting boldly without being limited by resources currently in hand; and exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created."

A few years later, I collaborated with Jim McClurg of the Social Enterprise Alliance to argue an opposing view, insisting that earned revenue is the *sine qua non* of social entrepreneurship. "Here is the gist of the problem," we wrote. "Unless a nonprofit organization is generating *earned* revenue from its activities, it is *not* acting in an entrepreneurial manner. It may be doing good and wonderful things, creating new and vibrant programs: But it is *innovative*, not *entrepreneurial.* Why is the distinction so important? Because only earned income will ever allow a nonprofit to become sustainable or self-sufficient."

And there things stood, until three years ago.

On a March afternoon in 2004, Greg and I stood in an aisle in The Nelson Mandela Lecture Theatre at Oxford during the inaugural Skoll World Forum on Social Entrepreneurship. We had both been plenary session speakers during the previous two days, along with more than two dozen others from all over the globe, and there were more than 400 people in the audience from 20-plus countries and five continents.

And it seemed, to me at least, that during our conversation Greg and I found common ground, a place I described two years later in my book *Migrating from Innovation to Entrepreneurship: How Nonprofits are Moving toward Sustainability and Self-Sufficiency*:

"Social innovators around the world have begun to reach a disquieting conclusion: Inspired vision, impassioned leadership, enthusiastic volunteers, government subsidies and a phalanx of donors are not always enough.

"They serve admirably while innovators transform their dreams into fledgling programs and steer their organizations through early growing pains. But there comes a time, albeit reluctantly, when most founders and their followers begin to understand that living from year to year does not ensure the future -- and that is the moment when they begin migrating from innovation to entrepreneurship. It is one thing to design, develop and carry out a new program, quite another to sustain it. So they begin turning toward commercial markets, gradually exploring the possibilities of *earned* income, many for the first time, and often with reluctance given their uneasiness about the profit motive."

In other words, social innovation and social enterprise are siblings, and I applaud Greg and Beth for recommending future research be conducted at the point where they intersect -- because it's at the moment of intersection that genuine sustainability and self-sufficiency become possible.

Social innovators are vital to any hopes we have to address the ills of the world. There's nothing more inspiring than a person with a systemic-changing idea who summons the chutzpah and the courage to thrust it into existence and nurture it for as long as it takes.

But social enterprise is the tool that can move social innovators toward sustainability and self-sufficiency, and it's time we put aside our warring definitions of "social entrepreneurship" and worked together to create the virtuous circle academics and practitioners alike can covet: Start with practitioners, build theory from their experiences -- and create a strategic framework for the next generation of practitioners.