
Annual Meeting of the New Champions 2009

IdeasLab with Social Entrepreneurs

Dalian, People's Republic of China 10-12 September

Social Entrepreneurs presented a creative look at ways to better address society's most pressing needs.

Key Points

- One of the biggest challenges facing today's social entrepreneurs is replicating their respective business models internationally.
- When contemplating global expansion, social enterprises should pay attention to factors such as financial scaling, customer education and local human resources. They also need to be aware of downsides such as potential distribution obstacles.
- Social entrepreneurs can address growth obstacles by creatively partnering with government, the private sector, technology providers and other social enterprises.

Synopsis

With three billion people in the world currently living on less than US\$ 2 a day, providing poverty alleviation and economic development for half of the world's population is no small task. Social entrepreneurs tackle such challenges by taking a business-minded approach to societal problems, ultimately aiming to create systemic long-term change that is innovative, effective and economically viable.

In an engaging presentation, four social entrepreneurs presented their work, spanning a variety of disciplines ranging from alternative energy and rural development, to land reform and financial education for migrant workers. The focal point of the ensuing discussion was then on the potential scalability of successful solutions on a global level and ways that these might be financed.

Depending on the products and services offered by a social enterprise, the following considerations and recommendations may apply.

Government: The group addressed ways that social enterprises can engage government in a constructive way to scale up. One way is to help influence public policy and legal frameworks, an especially important factor in infrastructure-related projects. Social enterprises can also work closely with government agencies to design programmes that the state can then administer on a large scale.

Private sector: Social enterprises can provide the field knowledge and local expertise that the private sector often lacks when expanding into new and emerging markets. Social entrepreneurs can help bridge communications gaps and provide on-the-ground information gathering. Companies can also partner with social enterprises, effectively integrating their corporate social responsibility functions into their business strategy, and helping to mitigate risks when entering uncharted markets. In this instance, the social enterprise in turn receives assistance on the distribution, sales and marketing fronts.

Technology: Technological development moves rapidly, and sustainable, economically viable innovations can help provide scalable solutions to the field of poverty alleviation. Social enterprises can leverage their corporate alliances to apply appropriate technologies to their programmes, or to help build systems in a cost-effective way from the ground up.

World Economic Forum Summary

Distribution: Large-scale distribution is a major challenge for social enterprises. Customer education and in-market staff training can be expensive and time-consuming activities. By using word-of-mouth marketing and providing case studies of early adopters, social enterprises can achieve valuable momentum for their products and services.

Achieving supply chain reliability and quality assurance within each target distribution market is a challenge often solved over time and is usually driven by sales volumes and experience. Developing strong local networks in each market can therefore prove critical to replicating a social enterprise. More thought should also be given to working closely with other social enterprises in adjacent areas, to the mutual benefit of both parties.

Discussion Leaders

Disnadda Diskul, Secretary-General, Mae Fah Luang Foundation, Thailand; Social Entrepreneur

Tim Hanstad, President and Chief Executive Officer, Rural Development Institute (RDI), USA; Social Entrepreneur

Sarah Mavrincac, President, aidha, Singapore; Social Entrepreneur; Global Agenda Council on Social Entrepreneurship

Ned Tozun, President, D.Light Design, People's Republic of China

Facilitated by

Richard T. Pascale, Associate Fellow, Saïd Business School, University of Oxford, United Kingdom

Disclosures

This summary was prepared by Vivian Gee and Luke Clark. The views expressed are those of certain participants in the discussion and do not necessarily reflect the views of all participants or of the World Economic Forum.

Copyright 2009 World Economic Forum

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior written consent of the World Economic Forum.

10 September 2009

Keywords: social entrepreneurship, social innovation

Recommended reading for: social entrepreneurs, Global Agenda Council on Social Entrepreneurship