Charity is OUT
Social Entrepreneurship is IN
April 2015

SUZANNE N. SMITH, MBA • suzanne@socialimpactarchitects.com

Social Impact Architects

@snstexas @socialtrendspot socialimpactarchitects.com/wp
What is SOCIAL ENTREPRENEURSHIP?
What issues do you care about?
What makes a great ENTREPRENEUR?
What does CHARITY MEAN TO YOU?
Who are SOCIAL ENTREPRENEURS?

Photo: Grameen Foundation
Name these entrepreneurs:

For-profit entrepreneurs:
1. [Image of entrepreneur]
2. [Image of entrepreneur]

Social Entrepreneurs:
3. [Image of entrepreneur]
4. [Image of entrepreneur]
5. [Image of entrepreneur]
What is the difference between

S O C I A L  I N N O V A T I O N
S O C I A L  E N T R E P R E N E U R
S O C I A L  E N T E R P R I S E?
Juma Ventures • CA, LA, WA

- **Innovation**: Use job training to help students be workforce and college ready
- **Enterprise**: Students in Juma’s program work in concessions and develop plans to save wages for college

Photo: Juma Ventures
Social Entrepreneur = PERSON

Café Momentum • Dallas, TX
• Innovation: At-risk youth receive training in all areas of restaurant service
• Entrepreneur: Chad Houser
• Enterprise: Café Momentum students run a restaurant and catering services to fund operations
Dallas Lighthouse • Dallas, TX

- **Innovation**: Visually impaired individuals receive job training and employment
- **Enterprise**: Dallas Lighthouse operates manufacturing facilities that employ the visually impaired in creating products for military, federal, state and other customers
How do you practice social entrepreneurship?
Social Alchemy

Innovate | Improve | Impact | Scale
--- | --- | --- | ---
Brainstorm Ideas | Prove Impact | Learn | Disseminate
Develop Hypotheses | Test Ideas | Define Core Elements | 
Collect Insights | Pivot | Build | 
Define Problem | Measure | |

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In Focus: Innovate

**PURPOSE**
- Focus on the problem
- Gather all the facts
- Resist assumptions
- Generate ideas for solutions using disciplined process

**DO**
- Start with the problem, not the solution
- Use secondary research to find best practices, competitors/comparables and market conditions

**DON’T**
- Fall in love with your idea
- Assume that “if you build it, people will come”
In Focus: Improve & Impact

**PURPOSE**
- Test and refine hypotheses based on real world knowledge
- Focus on continuous improvement and results
- Ensure positive effects

**DO**
- Ensure the solution you implement is having a positive impact on those you serve
- Be focused and flexible

**DON’T**
- Get caught in analysis paralysis
- Rely on anecdotal results to prove impact
- Get caught in activity trap
In Focus: Scale

**PURPOSE**
- Expand successful ideas to benefit more individuals
- Understand what really matters

**DO**
- Use a logic model to distill the essential components of your enterprise that generate your results – fewer components → easier to replicate results

**DON’T**
- Scale without conducting a feasibility assessment on growth opportunities
- Assume that scale is only bricks and mortar

@socialtrendspot
www.socialimpactarchitects.com
What does this mean for fundraising?
DONOR vs. INVESTOR

Photo: Your News Wire
<table>
<thead>
<tr>
<th>DONOR</th>
<th>INVESTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Need-focused</strong></td>
<td><strong>Impact-focused</strong></td>
</tr>
<tr>
<td>Funding must be sufficient to create intended outputs</td>
<td>Funding must be sufficient to create intended change</td>
</tr>
<tr>
<td>Occasional use of donor’s expertise to increase engagement</td>
<td>Increased use of investor’s technical expertise to build organizational capacity</td>
</tr>
<tr>
<td>Social returns</td>
<td>Social and financial returns</td>
</tr>
</tbody>
</table>
Social Focus

- Traditional Nonprofits
- “Enterprising Nonprofits”
- Double/Triple Bottom Line Companies

Profit Focus

- Traditional For-profit Businesses

Traditional Philanthropy

Impact Investing

Traditional Investing

Source: Case Foundation
PAY FOR SUCCESS

1. Investors make long-term investment.
2. Intermediary funds and oversees evidence-based prevention programs.
3. Service Provider produces improved outcomes that reduce demand for remedial services.
4. Government pays only for programs that achieve results; retains % of savings.
5. Investors repay principal + interest.

Source: Social Finance US
Illinois
- Intervention: At-risk youth
- Service Provider: One Hope United, Conscience Community Network
- Investors: State government
- Value: $30 million
- Launched: 2014

New York State
- Intervention: Workforce development
- Service Provider: Center for Employment Opportunities
- Investors: U.S. Department of Labor
- Value: $12 million
- Intermediary: Social Finance US
- Launched: 2013
  *The state announced an additional $30 million for other projects in healthcare, child welfare, early childhood development, and public safety

Massachusetts
- Intervention: Homelessness and recidivism
- Service Provider: Massachusetts Housing & Shelter Alliance; Roca Inc.
- Investors: State government; U.S. Department of Labor
- Intermediary: Third Sector Capital Partners
- Value: $11.67 million
- Launched: 2012

New York City
- Intervention: Juvenile recidivism
- Service Provider: Osborne Association and Friends of Island Academy
- Investors: Goldman Sachs
- Intermediary: MDRC
- Value: $9.6 million
- Launched: 2012
  *Unlike standard social impact bonds, $7.2 million of Goldman's investment is guaranteed by former Mayor Michael Bloomberg's private foundation

Utah
- Intervention: The Utah High Quality Preschool Program
- Service Provider: Utah Voices for Children
- Investors: Goldman Sachs, J.B. Pritzker
- Intermediary: United Way of Salt Lake
- Value: $7 million
- Launched: 2013

Legend:
- SIB launched
- SIB feasibility
- SIB exploration
**PROGRAM-RELATED INVESTMENT**

**PURPOSE** | Advance one or more of the foundation’s charitable objectives by offering low-interest loans to organizations operating programs in those areas

**PROFIT** | Must not be primarily profit-seeking; generally below market returns

**DISTRIBUTION REQUIREMENT** | Is counted toward foundations’ 5% distribution requirements

**BENEFITS** | Allows organizations to make significant investments and build credit history to qualify for mainstream credit products

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**MISSION-RELATED INVESTMENT**

**PURPOSE** | Generate market rate financial returns that ensure a foundation’s long-term sustainability while producing positive social and environmental impact

**PROFIT** | Seeks market rate financial returns

**DISTRIBUTION REQUIREMENT** | Is **not** counted toward foundations’ 5% distribution requirements

**BENEFITS** | Allows the foundation to build capital that supports social and environmental impact in the long-term
EVERYONE CAN BE A CHANGEMAKER

Challenge:

EVERYONE CAN BE A CHANGEMAKER

Photo: AFP
CHECK OUT THESE BLOGS, JUST FOR AFP:

OUT-OF-THE-BOX FUNDRAISING IDEAS
socialimpactarchitects.com/wp/out-of-the-box-fundraising-ideas

SOCIAL IMPACT BONDS
socialimpactarchitects.com/wp/are-social-impact-bonds-the-right-financing-tool-for-my-organization

CROWDFUNDING
socialimpactarchitects.com/wp/the-dos-and-donts-of-crowdfunding

GRANT PROPOSALS ARE LIKE BUSINESS PLANS
socialimpactarchitects.com/wp/sat-analogy-flashback-grant-proposals-are-to-business-plans

PROSPECTUSES
socialimpactarchitects.com/wp/cliffsnotes-for-investors-writing-a-strong-prospectus
Suzanne Smith, MBA
Founder & Managing Director, Social Impact Architects

National Member
• Senior Policy Advisor, Social Enterprise Alliance
• Consultant Member, Society for Organizational Learning
• Research Fellow, Center for the Advancement of Social Entrepreneurship at Duke University (CASE)
• Alumni Council, Fuqua School of Business at Duke University

Local Leader
• **Adjunct Professor** – University of North Texas
• **Dallas, Texas** – South Dallas/Fair Park Trust, Mayor’s Task Force on Poverty, Dallas Business Club, Entrepreneurs for North Texas, Leadership Dallas, Leadership North Texas & Junior League
• **Cincinnati, Ohio** – Flywheel: Social Enterprise Hub

Awards & Honors
• Dallas Regional Chamber, Young ATHENA Award, 2014
• Huffington Post’s Top 10 Social Sector Blog, 2014
• Dallas Business Journal’s 40 Under 40 Award, 2012
• Next Generation Social Entrepreneurs Award, 2010
**Social Enterprise Matrix**

- **High Mission, Low Economic Income**
  - "Burgers"
  - Programs that are vital to the organization's mission, but the organization must economically break even or lose money to make it happen.

- **Low Mission, Low Economic Income**
  - "Peanuts"
  - Programs with little or no economic or mission driven return to the organization

- **High Mission, High Economic Income**
  - "Cookies"
  - Programs that are vital to the organization's mission and economic viability.

- **Low Mission, High Economic Income**
  - "Popcorn"
  - Programs that are loosely related to the mission of the organization, but provide a great source of revenue to support less profitable programs.
The Entrepreneurial “Model”

In Reality...
Christie Hinrichs
President & CEO

April 21, 2015
Tabitha’s “C” of Customer Service
Tabitha’s “C” of Courageous Vision
Tabitha’s BlankPage™ Philosophy
People Work, Not Paperwork
Tabitha’s BlankPage™ Philosophy
How we EngAGE
THE TABITHA ELDER CARE CONTINUUM

END-OF-LIFE CARE
- Hospice
- Green House Homes

LIVING COMMUNITIES
- Assisted Living
- Memory Care
- Long Term Care
- Independent Living

HOME CARE
- Meals On Wheels
- Adult Day
- Nursing and Therapy
- Non-Medical Support

FOUNDATION

REHABILITATION
- Physical Therapy
- Speech Therapy
- Occupational Therapy

Physical Therapy
- Aquatic Therapy

Independent Living

Journey House
- Palliative Care

Adult Day
- Meals On Wheels
- Palliative Care

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