Creating the Social Venture

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Social ventures aim at creating social value. The literature on social entrepreneurship analyses how social entrepreneurs pursue the aspect of social change. The combination of shared value creation-economic and social value- does pose a formidable challenge for social ventures.

The authors define the concepts and discuss the core functions of social entrepreneurs such as creation of value, change agents and creators of sustainable enterprises. At the outset, a differentiation between commercial and social entrepreneurship is made and an analysis of factors giving rise to social entrepreneurship is given. As per the authors, social entrepreneurs provide examples of ‘community leadership’ in developing countries, whereas in developed countries social entrepreneurship arises out of ‘knowledge’base, ‘awareness’ and ‘information’ The authors outline the theories and models and explain how social entrepreneurs can deliver social value. Chapter two explains theories and models of social entrepreneurship. Theories such as Cognitive, effectuation, the Resource based view, and Bricolage theory are presented.

In a separate section, key elements of social entrepreneurship are highlighted. An analysis of entrepreneurial profile is presented. Social entrepreneurs also create economic value by exploring newer opportunities. There is a challenge for them to engage multiple stakeholders for social purpose. Further, the external environments impact creation of social value.

The authors highlight the role of culture in forming social ventures: collaboration, creativity, controls and competition. Innovations play an important role in designing and delivering solutions for social problems. Innovations especially social innovations are critical for the effective contributions from the social ventures. Different forms of innovations are possible: (‘innovative products and services, process, delivery systems and technologies’). There are inherent risks of innovation process and content. The role of ‘social strategy, ….and strategy for diversification’ are important for social ventures. Social venture have an additional challenge in attracting funds.
In the section on management of social ventures the authors explain how original ideas are developed into social ventures and the role of the ‘pioneering teams’ in addressing multiple challenges. The focus of the analysis is on strategizing social ventures. How to manage social ventures is yet another theme. The management practices of social entrepreneurs differ from commercial ventures and therefore, a hybrid approach combining for profit and non-profit become a focal point of strategy process. Financing innovation in such ventures is yet another important issue. The authors discuss the role of ‘impact investing and socially responsible venture capital funds’.

In the section on sustainable change, the authors discuss measuring the success of social ventures. At present the existing standards for performance measurement for commercial ventures are also applied to measure social ventures. In the Chapter on scaling social ventures the authors discuss the benefits and challenges. One aspect of the social ventures is ‘creating impact and sharing best practices’ therefore, the role of evaluation and feedback is important. Overtime social entrepreneurs need to learn from knowledge management; since so much knowledge is generated in social ventures, the same is to be utilized for future directions.

If a separate such volume is to be prepared exclusively for the developing countries like India one could discern several issues. One of the difficulties with the stakeholder engagement process is that a diverse range of stakeholders is to be involved. Identification of core stakeholders, communicating them the vision and mission of social venture, negotiating a social consensus on social change agenda, and developing a particular language of discourse on the themes and sub-themes is indeed a challenging task, especially in a developing country context as there are problems of language, literacy, social structure. Moreover, oftentimes the preferences and needs of the stakeholders change posing further complications. Also many stakeholders do not what their stakes are and how to protect them. There is also the issue of shorttermism when the stakeholders focus on short term realisation of benefits that are likely to accrue only over time. Therefore, to obtain a social consensus on social mission centric projects is a formidable task. Social ventures will need to try assorted strategies to such as: stakeholder education, innovative methods of obtaining informed consent, stakeholder empowerment, and effective negotiations for social consensus building.

This volume is a lucid exposition of themes, theories, practices and implications. Each Chapter contains a case study and review questions.. The publication of this book is significant because it comes at a time when social economics, social finance, social entrepreneurship and sustainable development are becoming important themes in the contemporary discourse in development economics. Further research will sure enough be provoked by the present volume on how social ventures can engage with a diverse
range of stakeholders and how they can create and deliver social value. The present volume will benefit students, researchers, teachers, institutions supporting entrepreneurship development, and policy makers, among others.

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