Why Social Enterprise Can Be a Win-Win Scenario for Your Company's Future

Social enterprises aren't just good for appearances; they're good for profit. Here's how.

March 13, 2018 5 min read

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Ideally, a social enterprise wouldn't just turn a profit; it'd be a business that practices corporate social responsibility, helping the outside world without having to rely on donations or adhere to the same guidelines as traditional nonprofits.

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Take, for instance, Husk Power Systems, a social enterprise that was just awarded some hefty funding. Husk develops affordable, environmentally efficient minigrids that supply on-demand power to rural parts of Asia and Africa. The utility distributor recently garnered $20 million in a funding round led by Shell Technology Ventures with an eye toward expanding into India and Tanzania and potentially serving an additional 100,000 customers with affordable renewable power.

Husk's funding round validates both the demand and benefit sides of pursuing a social enterprise. Ultimately, these ventures can give business leaders the chance to look good, do good, turn profits and inspire others.

Give back, get back.

As nice as entrepreneurial altruism might sound on paper, the numbers still have to line up if a founder wants to properly make a go of it. A study by the University of Notre Dame's Mendoza College of Business found that for CEOs, implementing corporate social responsibility practices can be a double-edged sword: If a company isn't performing well financially, the CEO gets the blame, of course. But CEOs at companies practicing CSR to a substantial degree are 84 percent likelier to be shown the door than leaders of firms with low social responsibility.

By contrast, for companies with healthy bottom lines, past investment in CSR correlates with their CEOs being 53 percent likelier to keep their jobs.

Therefore, it's important that if you add socially responsible practices to your business, you must ensure they'll also support the bottom line. Building a business with the betterment of people at its core will pay off if you incorporate the following strategies:

1. Spin your dreams into your mission.

Base your business on a long-held passion or dream that could benefit the public. Turn that vision into your mission statement, which can form the foundation of your culture and drive the enterprise's direction.

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StartOut, a program of the Stanford University Graduate School of Business, began with a mission to advance LGBT entrepreneurial success but quickly shifted its focus to a

social mission: ending discrimination against those who identify as lesbian, gay, bisexual and transgender.

StartOut saw an opportunity to pivot toward a new, fruitful opportunity that was a passion for its founders and that could also serve an underrepresented demographic. The StartOut social enterprise gave employees the ability to promote company virtues through networking events and amassed more than 15,000 attendees.

When attaching a personal passion to your social enterprise, communicate how this mission affects you, how it can impact your company culture and how it can serve a designated community. Instill your company's values in employees throughout the organization, from the ground level to the C-suite. Making these connections will help you establish your enterprise's "why," which can increase employee buy-in and show customers what their patronage supports.

2. Revamp your technology with the greater good in mind.

Don't be afraid to replace outdated technology to help both your current and potential clients. When you're assessing your technology, ensure that any upgrades will add measurable value to not only your customers, but also the greater good.

Consider Free Code Camp, an online community teaching people around the world how to code while simultaneously assisting nonprofit organizations. Upon completing 1,200 hours of coding training challenges, participants begin supervised projects for nonprofit organizations. To date, the open-source community has provided more than $1 million worth of pro bono coding. Free Code is using its platform to continually reinvest in tech by training new generations of coders.

Keep a finger on your target audience's pulse, and determine

how updating your company’s tech can better serve the enterprise’s cause and its bottom line. Look for ways to optimize or automate your tech in order to keep the customer experience positive, support your social mission and maintain your initiative’s forward momentum.

3. Give proven tech a new philosophical spin.

Distractions are all around us, and focus is in short supply. For your social impact company to stand out, align it with a familiar tech or innovation, then use it in an inventive way that’s helpful to the community at large.

Users are familiar with Uber’s and Lyft’s standard ride-hailing offerings, but each competitor has also thrown its respective ride-sharing services into the health field. Both companies are partnering with healthcare providers to assist patients traveling to and from doctors’ appointments. This provides a service to the public and helps hospitals mitigate the $150 billion that, according to healthcare technology firm SCI Solutions, they lose each year on missed appointments.

The number of applications that exist for ride-sharing technology makes Uber’s and Lyft’s separate ventures into social enterprise a welcome development. If your company uses tech in a saturated arena, think about what complementary uses for it could benefit the public, build goodwill and ultimately boost your business.

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A business’s success depends solely upon its customers. Social enterprises create a unique win-win-win scenario for companies, customers and the public at large. Done right, a social enterprise will not only do well financially, but will

also “do good” socially.

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