

INCREASING YOUR COMMUNITY'S ROI FROM SOCIAL ENTREPRENEURS

Thomas S. Lyons, Ph.D.

Professor and Director

MSU Product Center Food-Ag-Bio

Michigan State University

What is Social Entrepreneurship?

- Using the mindset, tools, techniques, and processes of commercial entrepreneurship to pursue a social/environmental mission.
- Using markets to solve social/environmental problems

Why Government and the Private Sector Can't Solve Our Most Pressing Social Problems

- Government
 - Lacks political will
 - Resource constrained
 - Transactional; not transformational
- Private Sector
 - Emphasizes shareholders over stakeholders
 - Downplays the reality of market failure

Social entrepreneurship serves the niche where government can't and the private sector won't.

Social Entrepreneurship Can Be A Catalyst for Change

- It eschews political ideology for pragmatism
- It bootstraps and leverages resources
- It is innovative and transformative
- It perfects markets without destroying them
- It benefits all stakeholders (including shareholders)
- It brings social goods to markets in need
- It facilitates individual, family and community wealth building

Addressing Economic Inequality via Social Entrepreneurship

- Via the efforts of individual commercial and social entrepreneurs in low-income, urban communities
- Through the work of social entrepreneurial intermediaries who support the work of these individual entrepreneurs
- Being systemic, systematic and strategic about managing these combined efforts

Competition THRIVE

- Partners: NYCEDC, Deutsche Bank Americas Foundation, Field Center for Entrepreneurship at Baruch College of the City University of New York
- Social Mission: To foster entrepreneurship among immigrant populations (most of them low-income) by encouraging CBOs to think and act more like social entrepreneurs (innovate)
- Used a business plan competition format to coach and finance CBOs
- A post-program study showed impressive results

**THIS KIND OF APPROACH
IS NECESSARY, BUT NOT
SUFFICIENT**

Must Create Social Entrepreneurship Ecosystems

- Preparing the community to think and act entrepreneurially
 - Mindset/culture
 - Leadership capability
 - Capacity for continuous learning and innovation
- Creating a broadly accessible system to develop properly motivated individuals into successful entrepreneurs
 - Clinical assessment of skills
 - Long-term coaching
 - Entrepreneurs moving enterprises through business life cycle
- Blending these two systems