Social Entrepreneurship Business Models: Managing Innovation for Social and Economic Value Creation

Anica Zeyen
Royal Holloway University of London(UK)
anica.zeyen@rhul.ac.uk

Markus Beckmann
markus.beckmann@fau.de

Roya Akhavan
roya.akhavan@fau.de

Friedrich Alexander University Erlangen-Nürnberg (Germany)

This is a pre-print author version of the publication:

Zeyen, A., Beckmann, M., & Akhavan, R. (2014). Social Entrepreneurship Business Models: Managing Innovation for Social and Economic Value Creation. In C-P. Zimth, & C. G. von Mueller (Eds.), *Managementperspektiven für die Zivilgesellschaft des 21. Jahrhunderts: Management als Liberal Art.* (pp. 107-132). Wiesbaden: Springer-Verlag. 10.1007/978-3-658-02523-6_7

Social Entrepreneurship Business Models: Managing Innovation for Social and Economic Value Creation

Anica Zeyen, Markus Beckmann, Roya Akhavan

At the beginning of the 21st century, humankind faces a historic challenge: for the first time, we risk destroying the very basis of our specie's livelihood through ecological damage to the climate and either earth systems (Rockström et al., 2009). In addition to environmental problems, there are also persistent social challenges including severe poverty, the exclusion of disadvantaged groups and the lack of general access to health care or education. Given the complexity of these challenges, no single organization or individual can solve these problems. In fact, while both the state and private business make important contributions in terms of government programs and goods and services, many urgent social issues remain unresolved (Bornstein, 2007). In this global predicament, social entrepreneurship has the potential to provide some solutions (Dees, 1998). Social entrepreneurs, by applying an entrepreneurial approach to social challenges, can leverage the power of innovation (Dees & Anderson, 2006) through a creative combining of preexisting resources (Schumpeter, 1934).

Take for example, the concept of microcredits. Social entrepreneur Muhammad Yunus, founder of Grameen Bank, was committed to fighting poverty. He realized that poor Bangladeshi women could be successful entrepreneurs if they had access to credit to start their own business (Yunus, 2008a). As these women cannot offer financial collateral, conventional banks would not consider them as credit-worthy borrowers. Yunus' microcredits solved this problem by using the concept of credit rings. Instead of borrowing as individuals, women in a credit ring borrow as a group in which they provide each other with assurance of their creditworthiness. As a result, they become eligible individually for a loan for their respective businesses. As an innovation, microcredits thus combine the resources of conventional banking with the social capital of women in their rural communities.

Muhammad Yunus exemplifies how social entrepreneurs discover innovative solutions that empower people as partners instead of just giving them hand-outs. Social entrepreneurs view social issues as an entrepreneurial opportunity (Beckmann, 2011; Murphy & Coombes, 2008). Focusing on the root of the problem rather than simply treating symptoms and short-term needs (Dees, 1998), the social entrepreneurship approach promises to provide innovative forms of value creation that can be scaled up over space and sustained over time.

This chapter looks at the underlying mechanisms of how social entrepreneurs innovate value creation. In order to shed light on social entrepreneurship as a distinct management perspective for civil society, we use the concept of business models. As a generic framework, the business model is a helpful tool to understand how value – financial and social – is created (Thompson & MacMillan, 2010). Building upon this framework, this chapter shows how distinctive features of the social entrepreneurship approach allow social entrepreneurs to revolutionize business models and create value by meeting hitherto unfulfilled social needs. We develop our argument in five steps.

First, we define social entrepreneurship as any innovative activity that has, as its primary purpose, the direct creation of social change.

In step two, we use this definition to discriminate social entrepreneurship from the actions of conventional businesses taken as part of their CSR mandate.

Based on this comparison, in the third step we discuss how the distinctive characteristics of social entrepreneurships endow social ventures with special access to certain material and non-material resources such as pro-bono consulting, trust, volunteer services, and government support.

To analyze how social entrepreneurs capitalize on these distinct resources, in the fourth step we introduce the business model framework. The business model is used to explain how social entrepreneurs combine diverse resources in innovative ways. To illustrate our argument, we identify three social entrepreneurship business models, namely, the "expertise broker", the "catalyst" and the "freemium" model and discuss each using an actual example.

In the fifth step, we derive implications for civil society management in the 21st century.

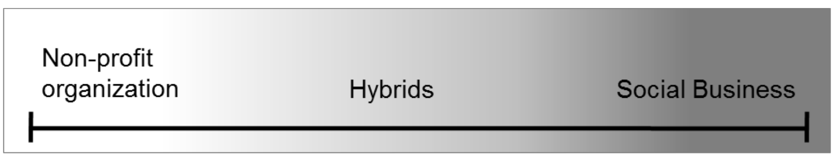
1 Defining Social Entrepreneurship

The concept of "social entrepreneurship" has gained popularity among scholars in recent years, and the resulting literature has produced numerous, but ambiguous definitions (e.g., Dacin, Dacin, & Matear, 2010; Defourney & Nyssens, 2010). Despite the lack of a generally accepted theoretical framework (Weerawardena & Mort, 2006), two approaches have gained particular prominence among scholars. We describe these perspectives briefly and explain how they relate to social entrepreneurships as discussed in this chapter.

The current social entrepreneurship discussion emerged from two main schools of thought: the "Social Enterprise School" and the "Social Innovation School" (Dees & Anderson, 2006). The former focuses on the generation of earned income to serve a social mission, and the latter emphasizes the role of innovation in creating social change.

The Social Enterprise School focuses on "enterprising" funding strategies (Dees & Anderson, 2006) that allow nonprofit organizations to become less dependent on donations because the latter are considered too volatile (Defourney & Nyssens, 2010). In the "extreme" form, a social enterprise relies fully on earned market income like a conventional business (Beckmann, Zeyen, & Krzeminska, n.d.). Muhammad Yunus utilizes this idea with his "social business" concept. Such social businesses are fully self-sustaining, i.e., they generate their entire income through selling goods or services in the market (Yunus & Weber, 2010; Yunus, 2008b). In short, the Social Enterprise School emphasizes the organizational form (nonprofit) and the funding structure (earned income) of a social venture.

According to the Social Innovation School, "social entrepreneurs are individuals who reform or revolutionize the historic patterns of producing social value, shifting resources into areas of higher yield for society" (Dees & Anderson, 2006). Social entrepreneurs thus recognize novel opportunities and use them to accomplish their vision. In this process, social entrepreneurs strive for improvements by continuously adjusting their innovative approaches (Dees, 1998). Note that, in contrast to the Social Enterprise School, the Social Innovation School does not emphasize a particular funding structure or organizational form, but takes a comprehensive look at making use of and developing all relevant means to advance society (Nicholls, 2006). Here, the focus lies on innovation in a broad sense that goes beyond new market-based funding strategies.
According to the social innovation perspective, social entrepreneurship uses various resources (e.g., donations, volunteer time, grants, pro-bono services, market income) in innovative ways. These social entrepreneurs work in the public, for-profit, and civil-society sector. They employ various legal organizational forms ranging from charities, community businesses, development trusts and co-operatives to conventional private limited companies (Nicholls, 2006), to innovate and implement novel solutions for social problems (Fig. 2.1). Social entrepreneurships can thus be conceptualized as a dynamic continuum of suitable organizational forms to exploit the full richness of resources from the nonprofit and for-profit landscape (Nicholls, 2006).



Non-profit form

For-profit form

Fig. 1.1 Potential spectrum of legal forms for social entrepreneurship ventures.

In this chapter, we follow the less restrictive approach of the Social Innovation School for two reasons. First, it directs our attention to the potential for innovation that flows from combining the resources of the public, for-profit, and civil-society sector. Second, perceiving social entrepreneurship as a hybrid approach that combines diverse funding sources will help explain why social entrepreneurs have that distinct edge in their innovative business models.

In summary, we endorse Nicholls' (2006, p. 43) definition of social entrepreneurship as "[i]nnovative and effective activities that focus strategically on resolving social market failures and creating new opportunities to add social value systemically by using a range of resources and organizational formats to maximize social impact and bring about change."

2 Social Entrepreneurship versus Socially Responsible Business Entrepreneurship

The focus on innovation is a core principle of the "entrepreneurship" part of "social entrepreneurship". Innovation, however, is not a characteristic unique to social entrepreneurship. Take, for example, entrepreneurs such as Steve Jobs (Apple) or Richard Branson (Virgin Group) – who remind us that innovation lies at the heart of commercial entrepreneurship and many for-profit businesses as well. Distinguishing "social entrepreneurship" from conventional forms of business thus requires a brief look at the "social" part of "social entrepreneurship".

What makes social entrepreneurship "social"? Fig. 3.1 illustrates not only the difference between social entrepreneurship and conventional business, but also important features common to both. Social entrepreneurship and conventional business approaches are focused on win-win oriented forms of value creation that simultaneously realize economic value and societal benefits. In this process of value creation, however, social entrepreneurships and conventional for-profits differ in whether they treat economic value and social benefits as "means" or, "objectives" of their businesses. Let us take a closer look at Fig. 3.1 to expand on this idea.

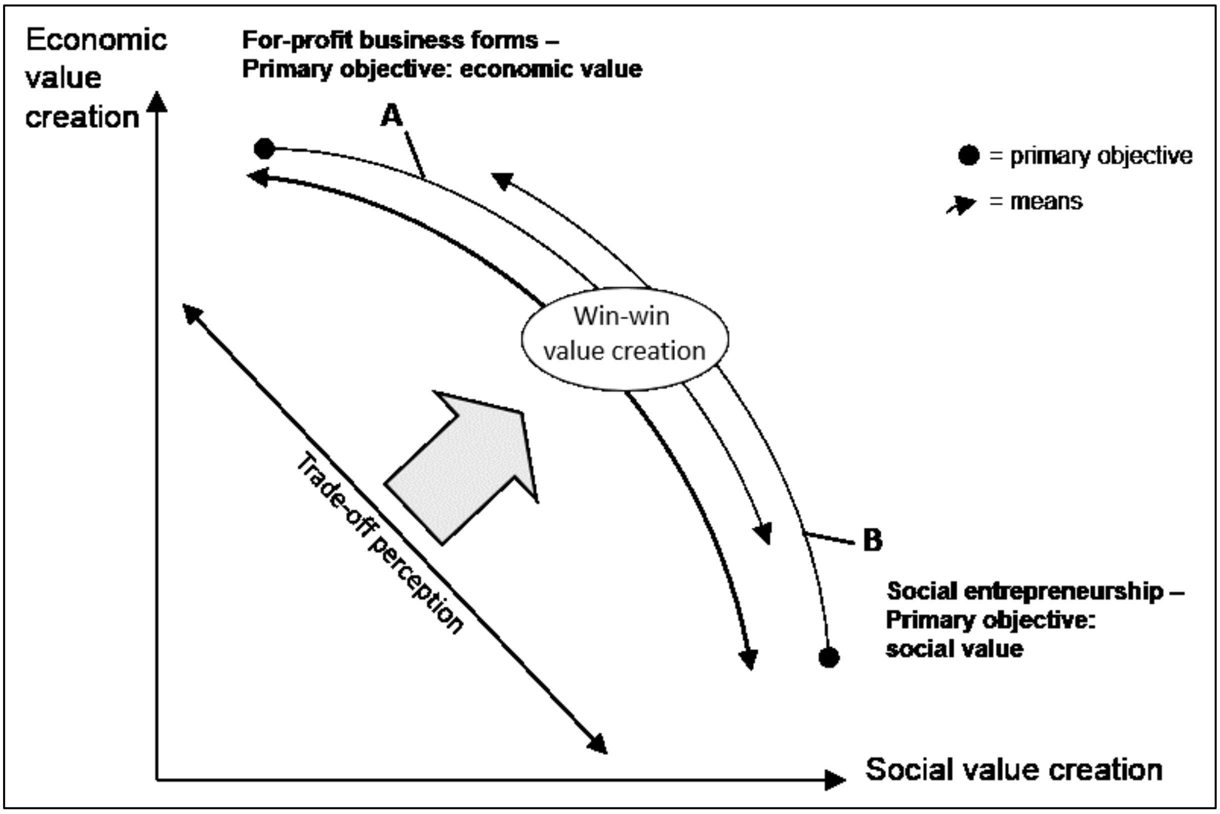


Fig. 2.1 Social and economic value creation in social and conventional businesses

A common perspective on business in public discourse is that there is a conflict between the self-interested pursuit of economic value (e.g. profit) and the altruistic goal of helping others (social value). According to this perspective, organizations such as charities pursue social objectives at the expense of profitability while companies focus purely on profits at the expense of societal interests. In short, this perspective assumes a trade-off between acquiring economic value and advancing social benefits (illustrated by the negatively sloped line in Fig. 3.1).

This perspective has some basis in reality: there are situations in which private profiteering occurs at the expense of society, for example when a company saves money by dumping toxic waste into a river. Interpreting such exceptional cases as the general rule, however, obscures the more fundamental reality that functioning markets can harness entrepreneurship and business for win-win outcomes that advance economic and social values (Mises, 2008). In functioning markets, companies can be successful only if they offer something of value, for example, to customers, suppliers, financiers and employees. If any of these stakeholders fail to benefit from the business relationship, they withdraw their cooperation and the company goes out of business (Freeman, 1984). Economic value creation, therefore, needs to go hand-in-hand with creating social value, for example, through (innovative) goods and services, investments or job opportunities. In Fig. 3.1, this win-win relationship between economic value (profits) and social value (needs of others) is illustrated by the arrow that departs from the trade-off line and points to the upper-right.

To be precise, the *commonality* between social entrepreneurships and other forms of business is the underlying concept of win-win oriented value creation. Traditional businesses can realize economic profitability only if they create value for society (Jensen, 2002; p. 239). Similarly, social entrepreneurs can best address societal needs and create social value if they generate economic value to sustain their solution (Dees, 1998).

Social entrepreneurship and traditional business *differ* in the ways that economic and social value creation apply to means and objectives. The primary objective of conventional companies is to make a profit (for a critical discussion on additional responsibilities of the firms, see Dodd, 1932): the creation of social value through successful provision of goods and services is the means to achieve this objective. In contrast, the primary motive for social entrepreneurs is to redress a social problem: their principal objective is to advance social values by using economic values as the means. Take for example, the case of microcredits and the Grameen Bank, where profit-seeking is a means to increase social value. The more profit is made and the more cost-efficient the operations, the more money is available to lend to the poor.

In Fig. 3.1, arrows A and B illustrate these twin arguments. A company (arrow A) that has the creation of economic value as its objective, must produce goods and services that are useful for others and, in this process, create social value (means). Arrow B depicts a social venture that wishes to advance social value for its beneficiaries (objective): it must create economic value to provide the necessary resources for its operations (means).

The distinction between “means” and “objectives” allows us to discriminate social entrepreneurship from other management concepts such as the “base of the pyramid” (Prahalad, 2010), strategic Corporate Social Responsibility (Porter & Kramer, 2006) or the “shared value” (Porter & Kramer, 2011) approach. These business approaches, as with social entrepreneurships, address societal needs by improving the circumstances of target groups such as small farmers, poor consumers or disadvantaged suppliers. The primary objective of these social initiatives, however, is not to turn the corporation into a charity or development agency, but to increase the corporation’s ability to create long-term economic value. CSR-oriented, new management approaches exemplify how the best way to identify new markets and generate economic value creation, is to innovate ways of satisfying unfulfilled societal needs. Social entrepreneurships follow the corresponding logic that the best way to create sustainable social change is to discover innovative resources necessary for its implementation.

In summary, what makes social entrepreneurship “social” is not that entrepreneurs create social value for others: after all, as Schramm (2010) pointed out, “all entrepreneurship is social”. Every successful business benefits society by providing necessary products for consumers, taxes for community services, income for suppliers and jobs for their employees. What makes social entrepreneurship “social” is that social entrepreneurs pursue the primary objective of value creation whereas traditional and socially responsible businesses use societal needs as a means to achieve their primary objective of economic value creation. This difference in the primary motivation behind win-win oriented value creation discriminates social entrepreneurship from conventional business forms of value creation. In the next section, this motivational difference also provides a basis for discussing why social entrepreneurs enjoy special access to certain material and non-material resources that allow them to create innovative business models.

3 Social Entrepreneurs have Special Access to Resources

As discussed in the previous sections, the objective of commercial entrepreneurship is economic value creation whereas social entrepreneurship uses economic value creation merely to achieve social value creation. Yet, given their pragmatic commitment to social change, social entrepreneurs are very creative when it comes to mobilizing other means and resources as well. Social entrepreneurs, for example, make use of the entire spectrum of legal forms, thereby blurring the boundaries between "traditional" business and the nonprofit sector (Dees & Anderson, 2006). In the following section, we discuss how these specific items (hybrid organizational forms, innovation and mission-driven objectives) enable social entrepreneurs to gain access to resources otherwise difficult to obtain for *pure* nonprofit or for-profit organizations.

The resource-based view (RBV) provides a helpful theoretical framework that can be used to systematically analyze the variety of potential resources available to a social venture. The RBV was originally developed to analyze how unique resources can provide conventional companies with a competitive advantage (Barney, 1991). The RBV perspective can also be used to examine how social entrepreneurship ventures gain skills and capabilities that distinguish them from other organizations. A key insight of the RBV is that organizations differ in their ability to attract, establish, keep or make use of critical organizational assets. As a consequence, innovative forms of value creation are not determined by external market conditions, but by the uniqueness of organizational competencies, capabilities and resources (Barney, 1991). Understanding how social entrepreneurs fill in the value creation voids left by other participants such as conventional firms, traditional nonprofit organizations or state actors, requires identifying the specific resources social entrepreneurs may use as organizational assets for their social mission and future strategy.

We now discuss the distinctive characteristics of social entrepreneurs that give them the ability to attract (a) financial and physical, (b) human and social and (c) information and structural resources. While the majority of resources discussed below are also available to for-profit or nonprofit organizational forms, social entrepreneurship ventures are capable of leveraging the full spectrum of resources. The following is a selective overview of some specific resource advantages for social entrepreneurship ventures.

a) Financial and physical resources.

One of the specific characteristics of social entrepreneurship is access to a diversity of funding options. Financial resources can range from donations and grant funding to conventional capital investments and income generation through paying customers. Note the difference with pure nonprofit or conventional firms: the latter, for example, typically are not allowed to accept donations. Traditional nongovernmental organizations (NGOs), on the other hand, can take donations but are limited in their ability to attract capital investments. For instance, NGOs may get a conventional loan from a bank, but they cannot sell equity shares to investors who could then become co-owners of the organization. A social entrepreneurship venture, in contrast, may attract social investors who provide equity for organizational growth as in the case of "crowd funding" for social start-ups (Lehner, 2013).

The social mission that distinguishes social entrepreneurship from conventional business, furthermore, results in more diverse and potentially more favorable conditions for using these resources. Take the example of capital investments: while conventional firms also use such investment as a funding strategy, the conditions that accompany capital investments in social ventures, are often quite advantageous. When dealing with social investors who value the social mission of the enterprise, social ventures often pay no or very low interest rates or may not be required to issue full or partial ownership rights in return for equity shares. In these cases, reduced interest rates are a form of donation to social entrepreneurship ventures and are not available to conventional businesses. Social ventures may also attract financial capital from investors who are not interested in their social mission but in a financial return on the investment. A case in point is social ventures that operate in the market and generate profits - allowing social entrepreneurs to tap resources that are out of reach for traditional nonprofits.

Just like any other organization, social ventures also need physical resources such as office space.

The social mission and the innovative approach taken can expedite access to these resources. Socially responsible conventional companies may give unoccupied office space to a social venture at very favorable conditions or even for free. While granting such conditions to a conventional business client would make it more difficult to demand a high rent from other conventional business clients in the future, the (temporary) provision of office space to a social venture does not create this risk and enhances the reputation of the supporting firm. For instance, the Hamburg subsidiary of Social Impact Start - a German-based social venture that provides consulting services to new social entrepreneurs - is situated in a premium office district. As many social ventures, Social Impact Start also endures irregular income (Kunz, 2011). Thus, they could neither afford such office spaces nor would the landlord accept a client with such changes in liquidity. In this situation, Social Impact Start was able to use its social mission to overcome their financial shortcomings. SAP – the global software company – provides Social Impact Start the offices for free as part of their social responsibility program. On top, SAP consultants also offer help and support to both Social Impact Start and their protégées (Social Impact Start, 2013).

b) Human and social resources.

Just like any other organization, social entrepreneurship ventures also need human resources. Thanks to their specific items – mission-focus and innovation – social ventures enjoy a particular access to people with a high degree of motivation and skill.

First, social ventures offer certain advantages when attracting and motivating "normal" employees such as staff to work in marketing or product distribution. In contrast to conventional firms, a social venture can attract talented employees who wish to identify with the social mission and are motivated by a sense of altruism. While this mission-focus is also a characteristic of conventional nonprofit organizations, social entrepreneurship ventures are seen as more innovative and entrepreneurial and are thus more appealing to young professionals (Priddat, 2011) who want a dynamic work environment and who favor innovation over work routines.

Second, due to their social mission, social entrepreneurial ventures may also be better at attracting and leveraging the potential of vulnerable groups of people who might have experienced prejudice and discrimination throughout their lives. People who work closely with such groups recognize the talents and skills of individuals usually considered to have none. Specialisterne, a Danish social venture, for example, employs people with autism to perform code-testing on computer software: the social venture recognized that one of the unique abilities of people with autism is to focus on details and that this talent could be applied to testing and debugging software (Specialisterne, 2013). As a result, Specialisterne creates both social and financial value through leveraging a unique human resource: it provides quality jobs to people with autism while reducing the costs related to software development. In addition to identifying special skills, social ventures also enjoy other advantages when recruiting people from vulnerable groups. Compared to conventional firms, the social mission provides social ventures with more integrity: they are unlikely to exploit the vulnerable and/or disadvantaged. Unlike conventional charities, social ventures such as Specialisterne make clear that they do not employ autistic people as a charitable act but because they appreciate them as valuable partners in the process of value creation.

Third, in contrast to conventional businesses, social entrepreneurship ventures regularly attract significant numbers of volunteers. In fact, prominent examples of social entrepreneurships such as Wellcome (2013) a network to support young families in the first week after child delivery, or Chancenwerk (2013) a mentoring program for students from migrant families, implement and enlarge their ventures significantly through volunteers. This ability to attract volunteers, motivated employees and expertise through pro-bono work can be attributed to the social mission (which gives people an opportunity to work with a sense of purpose) and innovative features (which allows people to be part of social change) of many social entrepreneurship ventures.

With regard to social capital, many programs and organizations wish to support social ventures with knowledge and/or information (know-how). International organizations, public agencies and NGOs, for example, perceive social entrepreneurs as credible and effective partners in new forms of collaborative value creation. Moreover, businesses seek collaboration with social ventures as part of their CSR programs (Seelos & Mair, 2005). As part of these collaborations, know-how is transferred to the social venture. Due to its social orientation, partner organizations usually do not consider this knowledge transfer harmful to their own operations but as an investment in their own CSR mandate. Put differently, social ventures can access collaborative resources due to their social mission while their innovation aspect allows them to be more flexible and responsive to diverse cooperative partners. Social networking is a strategic tool (Nicholls, 2006) that social entrepreneurs typically use to actively engage different stakeholders. Social entrepreneurs use their leadership roles in networking not only to leverage resources (such as through crowd funding), but also to influence and advance new social values (Nicholls, 2006).

c) Information and structural resources:

Information and structural resources are also key components for innovation. Many social entrepreneurs work in roles that overlap the public, nonprofit or profit sectors and can draw on particularly broad information flows. Social networks and social media are an important source of information: the social mission can motivate beneficiaries, supporters and potential partners to provide knowledge and expertise through crowd and open source channels. One example is the karma movement "Build more - buy less", which crowd funded, crowd designed, and crowd sourced the popular shoe model chucks without "bad karma". To achieve this objective, they used organic materials, produced under fair labor conditions, and used 50 % less packaging material than the production of a 'normal' shoe in their production of 500 pairs of shoes. This show production was part of the social mission of founder Van Bo Le-Mentzel, which is to empower consumers through the provision of knowledge regarding sustainable production so that everybody can become a producer of sustainable products. Several thousand people on the social network Facebook sympathized with this idea and decided to fund the project and to take part in its design decisions (Karma-Movement, 2013).

A particularly interesting feedback channel that many social entrepreneurs use stems from their market-oriented strategies. Typically, social entrepreneurship ventures provide the solution for beneficiaries in terms of market offers. Examples include: special services in the capital market as in the case of Grameen Bank's microcredits, special job offers in the labor market as in the case of Specialisterne, or special products in the consumer goods market (an example would be Danone Shakti Doi's fortified yogurt, a social venture that addresses the problem of malnutrition among poor children (Humberg, 2011)). In all cases, the market success of these offerings provides valuable feedback whether the solution really addresses the needs of the beneficiaries. If the microcredits were too expensive or the fortified yogurt was of poor quality, customers would be unwilling to pay the asking price. Note the difference between this market-based feedback mechanism and charitable nonprofits that may, for example, simply give free hand-outs. In the latter case, the willingness to accept a gift is not a good indicator of the quality of the product. Social entrepreneurship ventures can thus invent business models that tap into information resources to which charitable nonprofits would have little access.

In terms of structural resources, social ventures have a wide range of options because they can use various legal forms (Dees & Anderson, 2006). As they explore all potential resource options - from pure philanthropy to the commercial methods of the business sector - they are not bound by sector norms or traditions (Dees, 1998)[1]. As a consequence, they freely move across sectors to expand their influence and increase resource flows (Nicholls, 2006).

In summary, social entrepreneurs use their exceptional access to resources to generate social value. The following section now explores how social ventures combine these resources to create innovative business models that serve their respective social missions.

[1] In several countries, new legal forms exist that are tailor-made for social ventures (Defourney & Nyssens, 2010). Examples include the "Community Interest Company" (CIC) in the United Kingdom or the "Work Integration Social Enterprise" (WISE) in France.

4 Business Models and Social Entrepreneurship

Whereas there are many discussions on the definition of social entrepreneurship (e.g., Dacin et al., 2010; Defourney & Nyssens, 2010) and on specific aspects, e.g., measuring its actual impact (e.g., Nicholls, 2005), little scholarly work using systematic analyses has been done to gain an understanding of how social entrepreneurship ventures create new forms of social value (Mair & Schoen, 2007). Various case studies, though, have shed light on the individual strategies of prominent social entrepreneurship examples such as the Grameen Bank or BRAC (Mair & Marti, 2009). In this section, we apply the business model perspective as a framework to examine and learn from individual cases.

Business models constitute a promising and novel domain for research (Boons & Lüdeke-Freund, 2013). As a method of analysis, the business model helps to assemble, analyze and manage the actors, resources and interactions that together define how a network of stakeholders creates value: the outcome is that the shared value potential (of networks) is comprehensible to as many stakeholders as possible (Osterwalder, Pigneur, & Tucci, 2005). Business models generate fruitful insights into how social and sustainable entrepreneurship ventures create social (and economic) value (Schaltegger, Lüdeke-Freund, & Hansen, 2012).

4.1 The business model perspective

Although the business model concept emerged during the internet boom of the mid-1990s and has been gathering momentum since then (Zott, Amit, & Massa, 2011), there is yet no academic consensus on what a business model is (Zott et al., 2011). Business model research emphasizes a holistic approach to explaining how firms “do business”. Every manager or entrepreneur needs to know the components of their business model in order to prosper (Zott et al., 2011).

Summarizing various definitions in the literature, Zott et al. (2011) define business models as the attempt to describe how businesses act and use organizational structures and resources strategically to generate both customer and economic value. The value creation and capture may occur in a value network, which can include suppliers, partners, distribution channels and coalitions that extend the company’s resources (Hamel, 2000).

Several scholars have developed tools to analyze business models (Zott et al., 2011). Such tools not only support conceptualization of, but also help to understand the relevant components of business models and their successful combination. For example, Osterwalder et al. (2005) provide an ontological view to formalize the conceptualization of elements, relationships and semantics[2] of a business model. Osterwalder & Pigneur (2011; p. 66) developed a practical guide describing the generic building blocks of the “business model canvas” as follows:

1. *Customer Segment:* this defines the target group the enterprise aims to serve.
2. *Value Propositions:* this seeks to solve customer problems and satisfy customer needs with products or services that create value for a specific customer segment.
3. *Customer Relationships:* these are established and maintained with each customer segment.
4. *Distribution Channels:* value propositions are delivered to customers through communication, distribution and sales channels.
5. *Key Resources:* these are the assets required to offer and deliver the previously-described elements.
6. *Key Activities:* these are the most important things a company must carry out to make its business model work.
7. *Key Partnerships*: network of suppliers and partners providing resources and activities, to make the business model work.

[2] The term semantics refers to the meaning ascribed to the respective parts: semantics tries to understand how individuals think about certain aspects of life.

8. *Revenue Streams:* these result from value propositions successfully offered to customers.
9. *Cost Structures:* these describe the important costs incurred while operating under a particular business model.

Staehler (2002) condensed this business model canvas to three core elements: value proposition, value architecture and revenue model. *Value proposition* consists of customer segments and value proposition. Components four to seven are summed up in *value architecture.* The *revenue model* includes revenue streams and cost structures.

The business model perspective is helpful for understanding social entrepreneurship for at least four reasons. First, the value proposition concept underlines the need to think about value creation not in terms of products that are inherently valuable, but in terms of solutions that satisfy important stakeholder needs. The business model thus shifts the focus from technology-oriented inventions to people-oriented social innovations.

Second, the business model indicates that the full potential for value creation typically emerges through the cooperative outcome of comprehensive networks of various actors with different resources. The concepts of the value architecture and the revenue model highlight the fact, for example, that business models can be designed such that those who receive a certain product need not be the same as those who pay for it. A well-known example is the case of free newspapers or private TV-stations: consumers get these products for free while companies fund the program by selling advertisements. A narrow perspective on the bilateral relationship between newspaper and reader or between newspaper and advertising firm only, fails to capture the logic of value creation. Thus, social entrepreneurship solutions often create new win-win potential by broadening the perspective and establishing a social link between different stakeholder needs and resources.

Third, value architecture emphasizes that business models can be designed so that unused resources are exploited: a classic illustration would be the business model innovation brought forward by Ikea. Furniture retailers before Ikea transported and assembled the furniture: in the Ikea business model, the consumers transport and assemble their own furniture providing key resources such as time, labor and transportation. Similarly, social entrepreneurs develop novel solutions by identifying untapped resources and utilizing them, for example, the women's social capital in the case of microcredits and the Grameen Bank.

Fourth, the business model sheds light on the importance of actively *designing* the merging of different components for value creation. Take, for example, Ikea's business model: each product literally needs to be designed so that consumers can transport it (packaging is easy to handle) and assemble it (no special tools needed) (IKEA, 2013). The business model focuses on the active contribution of the entrepreneur in adapting and bringing together different resources that might not otherwise have a productive association. By analogy, social entrepreneurs are hybrid brokers between different sectors and logics: they are often the active matchmakers that reconfigure resources in a productive way.

In short, the business model provides a useful framework for looking at social entrepreneurship and how it can manage the network of multiple stakeholders with diverse needs, diverse resources and abilities, and diverse interaction modes. Due to their specific characteristics (potentially hybrid organizational structures, innovation and social mission), social entrepreneurs are often able to leverage the business model logic for new forms of value creation. The business model provides a systematic account of the design options for value creation. From a social entrepreneur's viewpoint, these design options define entrepreneurial opportunities for generating the means to create social value for their beneficiaries (Mair & Schoen, 2007; Wilson & Post, 2011).

4.2 Innovative business models serve special needs – Three generic cases

In this section, we use Staehler's (2002) approach to illustrate three business models in a social entrepreneurship context. This will help us to explain the interaction of business model components and the specific characteristics of social entrepreneurship (Mair & Schoen, 2007). This break down of business models can help both scholars and practitioners to better understand the mechanism of value creation so as to transform, optimize or adapt business models for future challenges. Based on our observations, we will elaborate on three business models, discussing one – *freemium* – already established in the literature (Osterwalder & Pigneur, 2010) and introducing two new ones – *catalyst* and *expertise broker* – to the literature. For each model, we first outline its general concept. Second, we provide a social entrepreneurship example using this business model type. Third, we use the example to illustrate how social entrepreneurship ventures leverage their special resource access and the consequences for the business model.

4.2.1 Freemium – The idea of cross-subsidization

(1) Freemium - The concept

The "freemium" concept is a well-established, conventional business model that creates value for at least two customer groups by discriminating between their distinct demands and their willingness to pay (Russell & Cohn, 2012). One customer group receives a basic product or service for free whereas the other group receives a premium product or service at a price. Hence, "free" plus "premium" makes *freemium*.

The core idea is that the premium customers receive better services because of the free users. Due to mass use of the basic product or service, or positive network effects, the company achieves economies of scale, scope and learning. Network effects emerge when the utility of a product increases with the number of other people using it – such as is the case with software platforms. In addition, companies can also use free users for feedback and scale. In summary, their service and product quality are higher than if they were only catering to paying customers (see ◉ Fig. 4.1). Moreover, from a company's perspective, an initial offering of basic, free services can also be part of a campaign to develop a good customer base. Customers are more likely to try out free products and if satisfied, they will be more willing to upgrade to premium accounts.

Such configurations are often found in information and communication technology. A recent example is "Dropbox", a file sharing cloud service that allows decentralized collaboration. Free accounts have file storage space of up to 2 GB. If a customer requires greater cloud space, he/she can buy an upgrade to become a premium user. While there are many freemium examples in the IT industry, the freemium business model is potentially applicable when mass use of products or services is feasible.

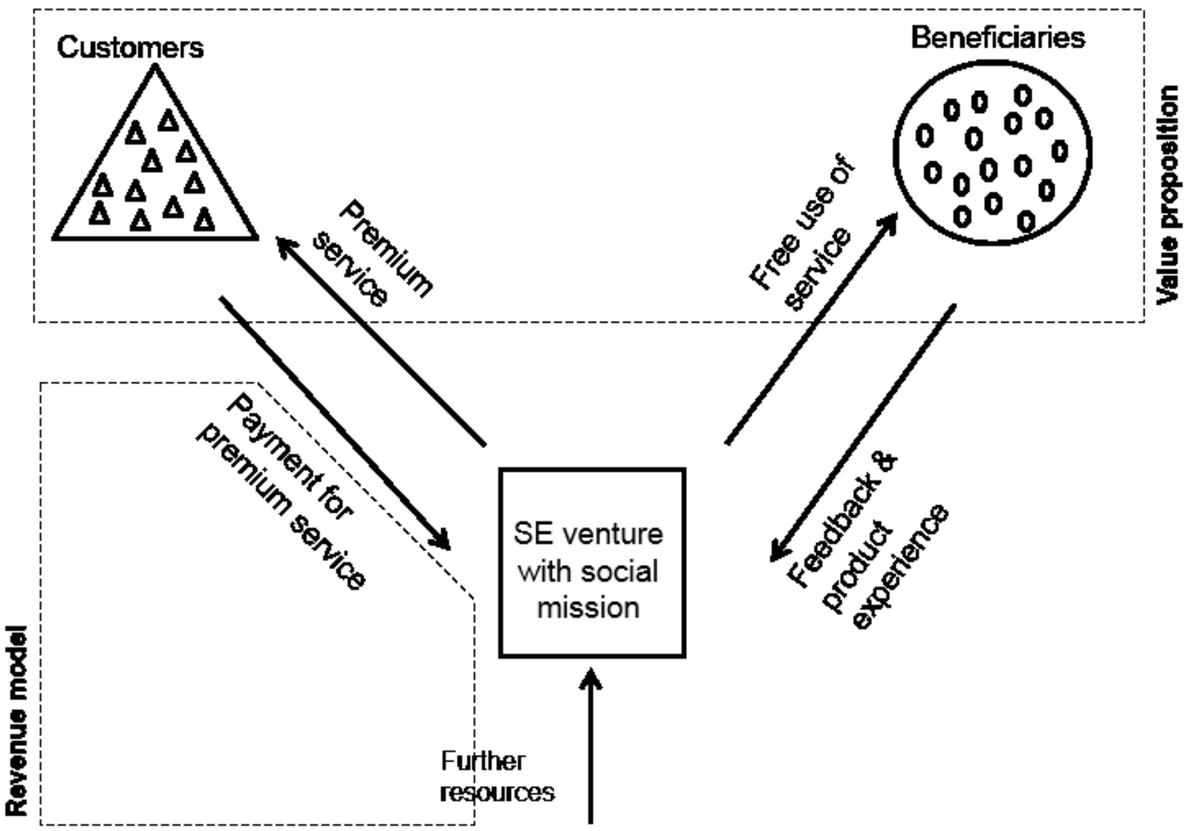


Fig. 4.1 The freemium business model

(2) The freemium example - Aravind eye care hospitals

In many developing countries, cataract disease commonly leads to blindness because the necessary surgery is unavailable to the poor, both because of financial constraints and remoteness of locations. This "unnecessary" blindness obviously puts a lot of extra financial and work-related pressure on rural families.

In the late-1970s, Dr. Govindappa Venkataswamy, a then retiring ophthalmologist, decided to address this social issue in India and founded the "Aravind eye care hospital" (hereafter: Aravind). Since its foundation, over 32 million patients have been treated at Aravind and more than 4 million surgeries performed, of which only roughly one third are "paid-for" operations (Mehta & Shenoy, 2011). As surgeries require significant resources in terms of materials and skills, how did Aravind manage to achieve such a huge scale of operation?

Aravind, from its inception had a clearly formulated vision statement: "Eliminate needless blindness, providing compassionate and high quality eye care to all". This vision statement summarizes the key elements of Aravind's *value proposition*: providing the service to everyone and offering high quality.

These two aspects are important as they help to understand the *value architecture* of Aravind. Aravind offers its services not only to the poor but also to those capable of paying a fee. Because of the high volume of free surgeries, the Aravind surgeons have acquired a vast amount of experience and established routine expertise with delicate eye-operations. As a consequence, the Aravind surgeons who treat cataract disease are among the most skilled in the world and consequently attract wealthy patients who are willing to pay for the service. The (almost) exclusive emphasis on cataract disease has additional benefits for Aravind: it is able to standardize its processes and reach great economies of scale further reducing the cost of operations (Rangan & Thulasiraj, 2007).

The rural poor in India typically cannot leave their villages due to their obligations with livestock or crops and nor can they afford long-distance travel to reach the nearest Aravind hospital. Aravind thus utilizes "free eye scan camps" to make its services even more accessible to the poor. Medical staff travel throughout the country with a mobile cataract testing facility to identify those individuals who require treatment. Once a village has been tested, Aravind uses buses to transport all villagers who are in need of an operation to the nearest hospital.

Despite its large economies of scale, Aravind is still in need of funding for day-to-day operations, and to manage this problem, its *revenue model* is based on cross-subsidization. As in the case of the Dropbox example, most patients do not pay while some premium clients do and receive enhanced services including lovely accommodation and a more sophisticated diet (Levine, 2007; Rangan & Thulasiraj, 2007). As in the "normal" freemium business model, Aravind's paying customers do so because of the higher service level and the superior quality product. Thus, their willingness to pay does not depend primarily on Aravind's social mission but on its highly trained staff.

(3) The social entrepreneurship freemium business model

The Aravind case illustrates how social entrepreneurial ventures can adjust the freemium model to suit their mission. In contrast to the "conventional" freemium model, Aravind does not provide free services in order to attract paying customers, but to reach as many people as possible. This change in the underlying business model logic helps Aravind attract additional resources.

Aravind is able to leverage social capital because of its mission, in particular *network and partnership resources*. The eye scan camps, for example, are frequently provided by other charities or nonprofit organizations such as the World Health Organization or the Seva Foundation. These NGOs would (most likely) be less willing to cooperate if Aravind were a conventional company merely wishing to gain access to the poor as potential paying customers.

Aravind's social mission and nonprofit status give it high credibility with their chief beneficiaries (the rural poor), who are less likely to feel exploited as a training resource for the surgeons. Compare this to a conventional eye-care corporation entering rural Indian villages for the purpose of exploiting the high incidence of cataracts among the population (e.g. McGivering, 2013). The people would be highly skeptical knowing that services would eventually have to be paid for and/or that they would be exploited as a cheap training resource.

Aravind’s superior eye care helps it gain access to both financial and human resources. Its reputation for high quality surgeries attracts aspiring eye surgeons who want to be trained at the best eye care hospital in India (Rangan & Thulasiraj, 2007). Aravind does not have to rely on their “social consciousness”. Top quality surgeons attract premium-paying clients, as Aravind is the leader in this field. Moreover, Aravind provides paying patients with differentiated pre- and post-surgery services such as semi-private bedrooms or optional air-conditioning (Rangan & Thulasiraj, 2007). Note the difference with pure nonprofit hospitals: those surgeons who desire to contribute to a social mission, but might not necessarily be the most skilled, may want to work at the hospital. Moreover, wealthy Indians would not go to a charitable hospital to have surgery. First, they might be excluded because they would be above the income barrier. Second, due to cultural norms (the caste or Hindu system) they would potentially consider such behavior “beneath them”. Hence, the mix of nonprofit and for-profit goals helps Aravind to pursue its social mission more cost-effectively in a self-sustaining manner and using superior quality personnel.

The case of Aravind illustrates how social entrepreneurship organizations can adapt the idea of the freemium business model based on their special access to resources. By combining the idea of offering some people services for free and charging others for a premium version, Aravind is able to be financially self-sustainable while offering the best possible quality eye care to all of its customers. Moreover, due to its broad customer base, it is able to reach large economies of scale which feeds right back into its social mission allowing it to provide free services to even more customers.

4.2.2 The catalyst matchmaker - Making untapped human resources productive

(1) Catalyst – The concept

The basic idea of the catalyst business model is simple. In chemistry, a catalyst facilitates the reaction between two or more ingredients that normally would not react with each other: this reaction can start a powerful transformative process. In the catalyst business model, a matchmaker enables two parties to cooperate who otherwise would not benefit from each other.

The catalyst business model, in the simplest version, comprises a minimum of three parties. The first party is a group of people with special skills: for example, autistic people with a unique sense for details (Baron-Cohen, Ashwin, Ashwin, Tavassoli, & Chakrabarti, 2009) deaf people with a unique skill for nonverbal communication or blind people with a unique ability for using their audio or tactile senses (Goldrich & Kanics, 2003). The second party comprises those actors who would benefit from these unique human resources; such as a software company in the case of Specialisterne, where, thanks to their sense for detail, autistic people are experts at testing and debugging software code.

In this scenario, there are two parties who would clearly benefit from cooperating with each other. The catalyzing matchmaker (third party) brings together these specific resources and needs providing his/her own special knowledge and skills. First, both parties need to know how they could benefit from each other. In the example of Specialisterne, software companies need to know that autistic people have skills and people with autism need to know that software companies have a need for these skills. Second, expertise is needed to create and maintain an environment conducive to optimizing people’s unused talents. Specialisterne, for example, knows that autistic people cannot work in a regular office environment but need a high level of routine to feel comfortable and be productive.

To summarize, in the catalyst business model, the social entrepreneur is the matchmaker who creates the conditions for exposing latent human resources. The social venture has access to particular human resources unavailable to others and will then use this unique access (both in terms of location and skill) to provide services to clients as a third party. Thus, while the beneficiaries of the freemium business model are typically product users, the beneficiaries of the catalyst business model are often employees of the social venture (◉ Fig. 4.2).

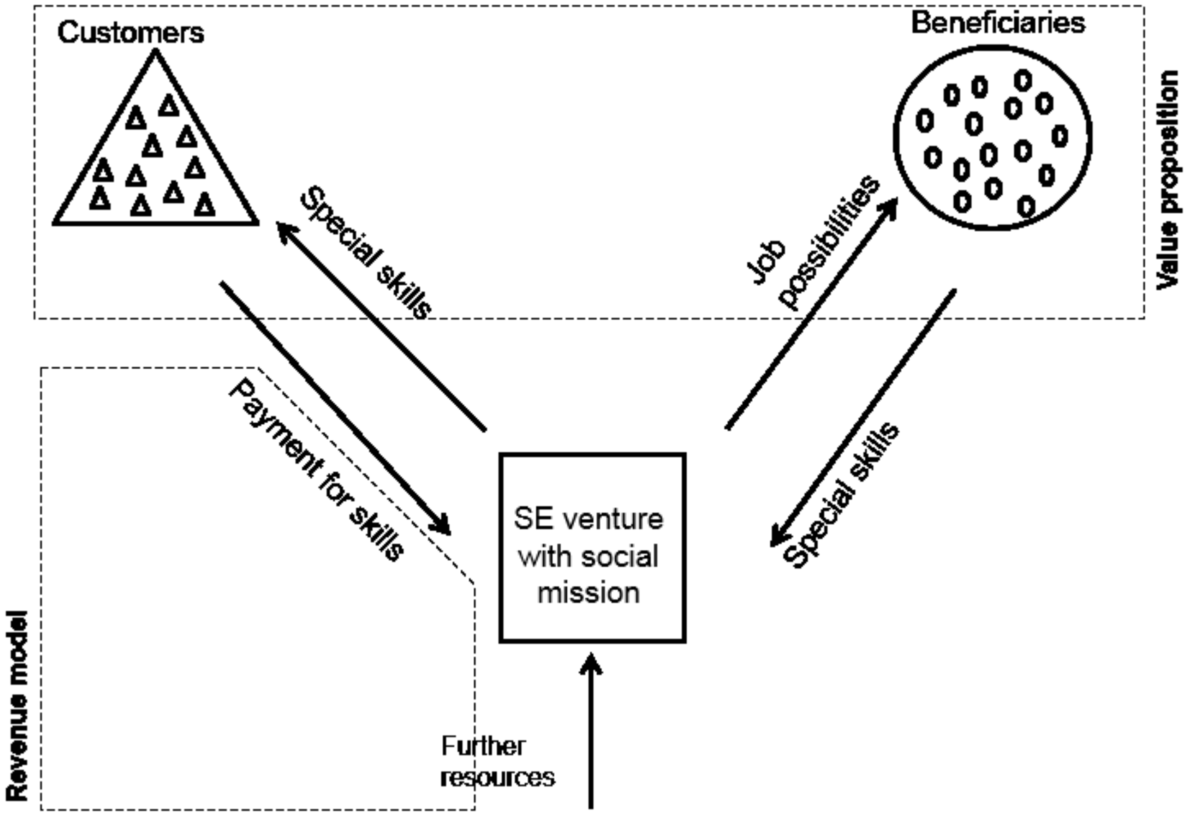


Fig. 4.2 The catalyst business model

(2) A catalyst example - Discovering Hands

Discovering Hands is a young German social entrepreneurship venture that trains blind women to perform preventive screening for breast cancer (Discovering Hands, 2013). The enhanced tactile skills of blind women increase their likelihood of detecting early-stage breast cancer. The founder of Discovering Hands, Frank Hofmann, is a gynecologist who was aware that the most frequent cause of death for women under 50 is breast cancer. Despite this, the German health care system does not pay for mammograms for these women. As a consequence, breast cancer is frequently detected too late and can therefore be fatal (Engel, Baumert, & Hölzel, 2000). With the innovative way to detect breast cancer, Discovering Hands provides valuable medical treatment to women while providing blind women with meaningful jobs (*value proposition*).

A key aspect of the *value architecture* is the special training the blind women receive. Before working in gynecology practices, the blind women need to undergo a nine months training program to become certified “Medical Tactile Examiners” (MTEs). In addition to some basic medical training, MTEs are taught to palpate potentially cancerous breast lumps through a method developed by Frank Hofmann. This teaching however is not provided by Discovering Hands itself but by a training facility for the blind that is specifically equipped to cater to their educational needs. In cooperation with this organization, Frank Hofmann developed the training certificate. Once trained, the MTE can then work in any gynecological practice under the supervision of a doctor.

Discovering Hands finances its operations through a hybrid *revenue model*. The training of the MTE is financed through the training facility for the blind, which in turns receives tax money from the state government. The actual treatment is paid for by the patient or her health insurance. Some health insurers now include this breast cancer examination in their paid preventions. These costs are a lot lower than those for a mammogram.

(3) The social entrepreneurship catalyst business model

The description above illustrates how social entrepreneurships can facilitate exchange between groups that have complementary interests but would not meet without the matchmaker. In the case of

Discovering Hands, women have a keen interest in early detection of breast cancer and blind women have an interest in finding meaningful work. Yet, this exchange of values would not occur without the intermediary organization - Discovering Hands.

Like all people with disabilities, blind women are typically perceived as being less capable than others and face discrimination in the regular job market (Foster & Wass, 2012). Discovering Hands, in contrast, views blind people as specialists with unique talents and in its intermediary role, makes use of its ability to identify untapped human resources, in this case, the blind women’s sensory skills. However, simply seeing this potential is not enough. Even if other gynecologists had seen this potential, they might have lacked the skills to properly train MTEs or might not have had the interest in doing so. As the catalyst in this situation, Discovering Hands provides the conditions to tap the potential of unused human resources.

The lack of systematic training for MTEs is not the only problem gynecologists might encounter. Another problem might be access: in other words, blind women need to perceive an organization such as Discovering Hands as trustworthy and not fear potential exploitation. While the social mission endows Discovering Hands with credibility, conventional companies that lack such a mission might find it more difficult to access the *human resources* of blind women or other disadvantaged groups despite recognizing their unique skills.

By the same logic, the training facility for blind people might be less likely to cooperate with a conventional venture, perceiving it as less credible and being skeptical of its true intentions. As a government-funded organization, the training facility might not want to work with a conventional corporation in order to protect its own reputation as well as its beneficiaries (in this case the blind women). Thus, due to its social mission, Discovering Hands is not only able to access special human resources but also specific partnership resources.

In terms of *financial resources*, Discovering Hands follows a hybrid model. Its internal operations receive philanthropic funding by, e.g., the German Vodafone Foundation whereas the patient or her health insurance pays for the actual treatment.

In sum, the catalyst business model empowers people with special human resources so that their talents can benefit others who would otherwise have no access to this form of value creation.

4.2.3 Expertise broker – Capitalizing know-how

(1) Expertise broker – The concept

The key resource for this business model is know-how (information resources). Organizations with know-how have accumulated specific knowledge regarding special practices and target groups. They then use this knowledge as a means to train or educate others how to better design processes or how to deal with specific target groups (see ◉ Fig. 4.3). Typically, expertise brokers acquire this knowledge through working closely with the target group.

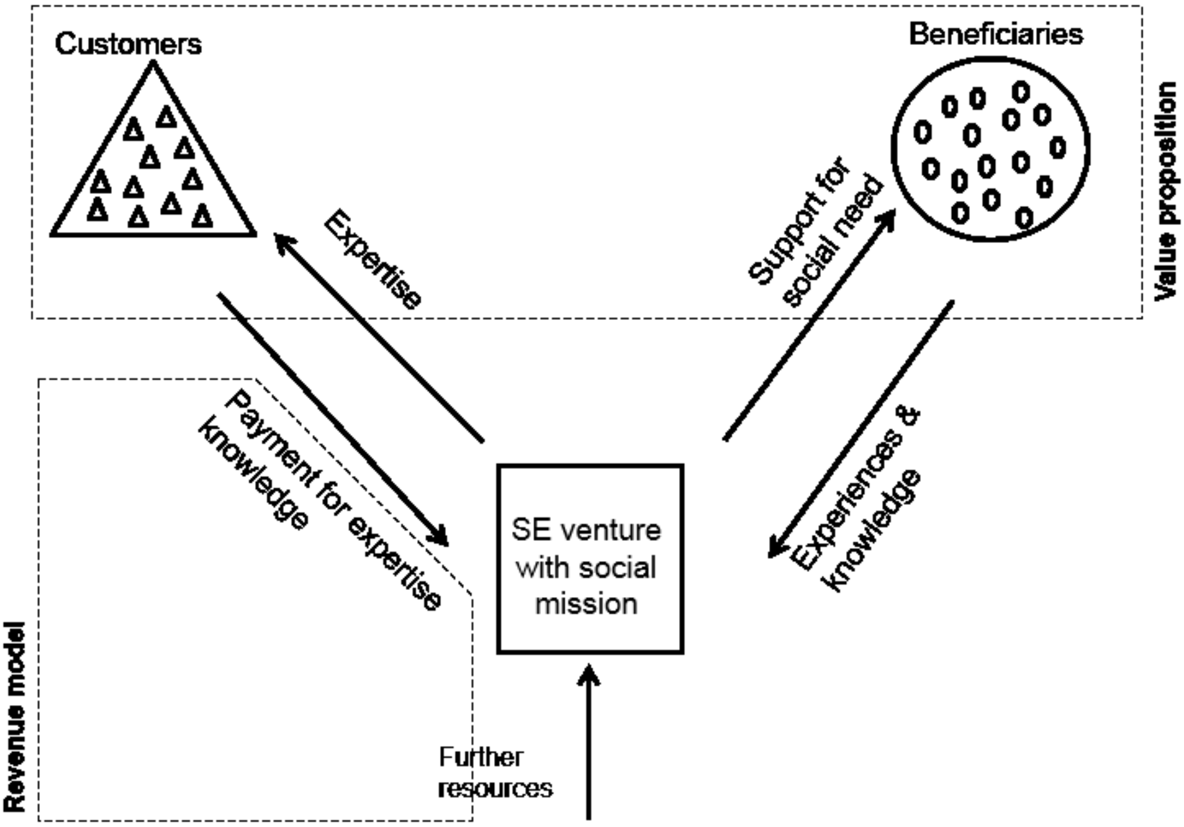


Fig. 4.3 The expertise broker business model

(2) An expertise broker example - Vaeter

Over the last several decades, the traditional roles of men and women have changed. More and more fathers want to be actively involved in child rearing. However, societal acceptance of "stay-at-home-Dads" is still rather low. At the same time, companies are still struggling to provide fathers and mothers with opportunities to balance their work and private life.

It was in this environment that Volker Baisch founded the social venture Vaeter (German for fathers) (Vaeter, 2013). Based on his extensive work with fathers, he uses insights gained to train companies to enhance their "family-friendliness" with particular emphasis on the role of the father *(value proposition)*. Put differently, Vaeter's mission is to provide a holistic solution to the powerlessness, frustration and discomfort many men feel about reconciling family and work life.

Vaeter offers a broad range of services that fall into three categories *(value architecture)*. One, it provides various avenues of interaction for fathers: in addition to providing an online platform where fathers can meet and exchange experiences, it arranges physical meetings and father-child weekends. Two, Vaeter also uses its insights for lobbying purposes: it has played an active role in changing the German parental leave regulations so that fathers are now also able to take paternal leave. Three, Vaeter works closely with companies wishing to better accommodate fatherhood. Improving their employee work-life balance has become, for many companies, an important factor in the competition for skilled workers.

Vaeter's revenue model is as diverse as its service offerings. Vaeter receives funding both from philanthropic supporters such as the Hertie Foundation as well as earned income from the companies to which it sells its consultancy services. In addition to these two income streams, Vaeter also offers workshops for which participants pay fees.

(3) The social entrepreneurship expertise broker business model

As in the previous two business model concepts, Vaeter is able to access special resources due to its social mission. In this case, it is granted access to specific *information resources*. The fathers are far more willing to share personal information with nonprofit organizations wishing to improve their situation, than with a conventional venture merely wishing to profit from it. Vaeter uses this knowledge to inform both policy makers and company leaders to better deal with these challenges. Vaeter's work improves the lives of fathers because of its close interactions with all stakeholders.

These two target groups illustrate an interesting case regarding the legal form of a social entrepreneurship. While policy makers may also listen to lobbying efforts by conventional firms, their perception of social ventures is significantly different. Whereas they perceive the former to be acting in their own interest, they perceive the latter as acting on behalf of a group that is otherwise not capable of expressing its needs. In contrast, companies that work together with nonprofit organizations may perceive them not as equal partners but rather as part of their CSR initiatives (Zeyen & Beckmann, 2011). If the social entrepreneurship uses different *structural resources* such as a for-profit legal form, this perception shifts and it is recognized as being “just another consultancy”.

As a consequence, Vaeter is able to convert its unique information and knowledge resources into *financial resources* (consultancy service).

4.3 Summarizing the business model perspective

The discussion above of three business models allows three overarching insights.
First, many business models are built on a key resource: in the above illustrations, these were human resources for the catalyst and information resources for the expertise broker. However, the examples also show how a creative combination of various resources can lead to more efficient and effective forms of value creation. In particular, they suggest how social ventures are able to leverage so far inaccessible or unused resources.
Second, our illustrations show how social entrepreneurships can alter existing business models due to their specific access to resources and in doing so, were also able to affect a stronger social impact than that accomplished by their conventional NGO or company counterparts.
Third, the examples show how social entrepreneurship organizations involve and integrate diverse stakeholders so as to create tailor-made solutions to meet specific needs.
◉ Tab. 4.1 summarizes the key elements of the business model canvas (Staehler, 2002) of the three described business model concepts.

Tab. 4.1 Overview of the particular element composition of the three business models

	Freemium	**Catalyst**	**Expertise broker**
Value proposition (customer segment, customer and social value)	Provide free services to a large number of people and premium services to a smaller (paying) number of customers.	Offer valuable, often special skills & providing jobs for vulnerable groups.	Provide expertise to costumers regarding a certain social problem. Support people with the same problem.
Value architecture (resources, activity)	Improve the solution for a social problem by using network effects such as the feedback from beneficiaries. Key resources: human resources (skills) & information resources (process know-how)	Create structures and conditions in which individuals can leverage their unique skills. Key resource: human resources (skills: both by the vulnerable group and by the organization to use them)	Gain expertise through close interactions with the target group (beneficiaries); providing this knowledge to others. Key resource: social capital and information
Revenue model	Premium customers pay for added service and expertise.	Customers pay for the accessibility to the special skills.	Customers pay for consultation and expertise.
Case	Aravind Eye Care	Discovering Hands	Vaeter gGmbH

5 Implications for Management Perspectives of the 21st Century

Our discussion has shown how social entrepreneurs use innovative business models to create social and economic value. But what are the more general implications of our argument for management perspectives in the 21st century's civil society? In the following, we focus on one particular observation that seems to be of general interest: the importance of diverse biographies and diverse personal skills.

A key commonality among the three business models discussed above is a triangular relationship between the social entrepreneur and its beneficiaries: Aravind, the poor patients, and the rich patients in the first case; Discovering Hands, the blind MTEs, and women patients in the second case; and Vaeter, the group of fathers, and the consulted companies in the third case. The three examples illustrate the usefulness of analyzing value creation as a social network process instead of just focusing on a stand-alone product or technological invention.

Moreover, the three examples demonstrate that a critical function of the social entrepreneur is to serve as a matchmaker and merge widely dispersed streams of knowledge, resources and interests of diverse stakeholders. To carry out this merger, social entrepreneurs need to be able to understand different backgrounds, logics and "languages". If social entrepreneurs want to empower diversity, they will benefit from having diverse skills and experiences. Take the example of Volker Baisch. In his social venture Vaeter, he combines his private experience as a father with his professional experience as a corporate insider. Similarly, Thorkil Sonne brought together diverse personal experiences when he founded Specialisterne. As the technical director of a Danish software company, he knew about the problems of testing and debugging software. As a father of a son with autism, he knew about the challenges but also the gifts of this condition. Bringing together experiences from very different environments, Specialisterne was born.

We draw three implications from these observations. First, the 21st century needs people with colorful biographies, identities and diverse experiences. If innovation benefits from bringing together diverse resources and if it takes diverse people to be matchmakers in this process, then we should celebrate people who cross sector boundaries between the for-profit, public and civil-society sectors or who move from industry to industry instead of following a mainstream career path.

Second, multi-dimensional biographies will not be encouraged by one-dimensional education. While disciplinary scholarship remains important, universities should also offer broader educational programs that stimulate inter- or trans-disciplinary learning. Management education in particular will benefit from allowing students to combine their core discipline with studies in other fields such as ethics, sustainability, education, natural sciences or the arts.

Third, the power of entrepreneurial innovation is not confined to classical management and market environments. On the contrary, the diversity of inspiring social entrepreneurship examples shows that not only eye doctors, gynecologists and fathers can be ground-breaking entrepreneurs but also kindergarten educators, health care professionals, housewives and journalists. A positive and supportive climate for entrepreneurship and innovation is therefore important not only to stimulate economic growth, but also to strengthen civil society in the 21st century.

6 Conclusion

Humankind is facing critical challenges such as climate change, severe poverty and interpersonal inequalities. Yet, at the beginning of the 21st century, we can also draw on an unprecedented pool of ideas, resources, and promising tools. In this chapter, we introduced social entrepreneurship as one tool to address challenges of the 21st century: seeing it first, as an innovative means to solve social problems. We then discriminated between social entrepreneurship and conventional entrepreneurship and CSR activities by pointing to the different means-objective combinations. In comparison to conventional businesses that use social or environmental activities to generate their profits, social entrepreneurship organizations create revenues to realize societal value. We then used this distinction to draw attention to the distinct ability of social entrepreneurship to attract resources that are usually available only to nonprofit or conventional business.

Taking a business model perspective, we then discussed three business model concepts for social entrepreneurship organizations: freemium, catalyst, and expertise broker. We showed that each business model leverages one or a combination of key resources. Moreover, we showed how social entrepreneurs can create more effective business models due to their unique characteristics. And, we highlighted the importance of people with diverse biographies, experiences, and skills to stimulate innovation for the civil society of the 21st century. Therefore, if we create a society in which diversity flourishes, we will be better equipped to turn current and future challenges into opportunities for innovation and sustainable value creation.

7 Literature

Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. (Anonymous, Ed.)*Journal of Management*, *17*(1), 99–120. doi:10.1177/014920639101700108

Baron-Cohen, S., Ashwin, E., Ashwin, C., Tavassoli, T., & Chakrabarti, B. (2009). Talent in autism: hyper-systemizing, hyper-attention to detail and sensory hypersensitivity. Philosophical Transactions of the Royal Society B. *Biological Sciences*, *364*(1522), 1377–1383.

Beckmann, M. (2011). The social case as a business case: Making sense of social entrepreneurship from an ordonomic perspective. In I. Pies & P. Koslowski (Eds.), *Corporate Citizenship and New Governance. The Political Role of Corporations* (Vol. 40, pp. 91–115). Dordrecht: Springer Netherlands. doi:10.1007/978-94-007-1661-2

Beckmann, M., Zeyen, A., & Krzeminska, A. (n.d.). Mission, Finance, and Innovation: The Similarities and Differences between Social Entrepreneurship and Social Business. In A. Grove (Ed.), *Cases and Perspectives on the Social Business Movement*. Springer.

Boons, F., & Lüdeke-Freund, F. (2013). Business models for sustainable innovation: state-of-the-art and steps towards a research agenda. *Journal of Cleaner Production*, *45*(April), 9–19. doi:10.1016/j.jclepro.2012.07.007

Bornstein, D. (2007). *How to Change the World: Social Entrepreneurs and the Power of Ideas,*. New York, N.Y.: Oxford University Press.

Chancenwerk. (2013). Über Chancenwerk. Retrieved July 14, 2013, from http://chancenwerk.de/wer-sind-wir/verein

Dacin, P. A., Dacin, M. T., & Matear, M. (2010). Social Entrepreneurship: Why We Don ' t Need a New Theory and How We Move Forward From Here. *Academy of Management Perspectives,*, *24*(3), 37–58.

Dees, J. G. (1998). The Meaning of " Social Entrepreneurship ", 1–5. Retrieved from www.caseatduke.org/documents/dees_sedef.pdf

Dees, J. G., & Anderson, B. B. (2006). Framing a theory of social entrepreneurship: Building on two schools of practice and thought. In D. Williamson (Ed.), *Research on social entrepreneurship: Understanding and contributing to an emerging field* (pp. 39–66). Indianapolis, IN: ARNOVA.

Defourney, J., & Nyssens, M. (2010). Conceptions of social enterprise and social entrepreneurship in Europe and the United States: Convergence and Divergence. *Journal of Social Entrepreneurship*, *1*(1), 32–53.

Discovering_Hands. (2013). Discovering Hands - Der Tastsinn Blinder verbessert die Brustkrebsfrüherkennung. Retrieved July 14, 2013, from http://www.discovering-hands.de/

Engel, J., Baumert, J., & Hölzel, D. (2000). Brustkrebsfrüherkennung in Deutschland. *Der Radiologe*, *40*(2), 177–183.

Foster, D., & Wass, V. (2012). Disability in the Labour Market: An Exploration of Concepts of the Ideal Worker and Organisational Fit that Disadvantage Employees with Impairments. *Sociology*, *Online Fir*. doi:10.1177/0038038512454245

Freeman, E. (1984). Stakeholder management. *A strategic approach. Marchfield, MA: Pitman Publishing*.

Goldrich, M., & Kanics, L. M. (2003). Tactile acuity is enhanced in blindness. *The Journal of Neuroscience*, *23*(8), 3439–3445.

Hamel, G. (2000). *Leading the revolution*. Boston, MA: Harvard Business School Press.

Humberg, K. M. (2011). *Poverty reduction through social business? Lessons learnt from Grameen joint ventures in Bangladesh* (p. 334). München: oekom verlag.

IKEA. (2013). Our Business Idea. Retrieved July 30, 2013, from http://www.ikea.com/ms/en_GB/about_ikea/the_ikea_way/our_business_idea/index.html

Jensen, M. C. (2009). Value Maximization , Stakeholder Theory, and the Corporate Objective Function, *12*(2), 235–256.

Karma-Movement. (2013). Facebook-Page of the Karma-Movement "Build more, by less." Retrieved July 30, 2013, from https://www.facebook.com/buildmorebuyless/info

Kunz, N. (2011). Interview with Norbert Kunz - CEO of Social Impact Start. Belrin.

Lehner, O. M. (2013). Crowdfunding Social Ventures: A Model and Research Agenda, *15*(3), 1–28.

Levine, R. (2007). *Case studies in global health: millions saved*. Sudbury, MA: Jones and Bartlett Publishers.

Mair, J., & Marti, I. (2009). Entrepreneurship in and around institutional voids: A case study from Bangladesh. *Journal of Business Venturing*, *24*(5), 419–435. doi:10.1016/j.jbusvent.2008.04.006

Mair, J., & Schoen, O. (2007). Successful social entrepreneurial business models in the context of developing economies: An explorative study. *International Journal of Emerging Markets*, *2*(1), 54–68. doi:10.1108/17468800710718895

McGivering, J. (2013, February). The Indian women pushed into hysterectomies. *BBC News Magazine*. Retrieved from http://www.bbc.co.uk/news/magazine-21297606

Mises, L. von. (2008). *Profit and Loss*. Auburn: Ludwig von Mises Institute.

Murphy, P. J., & Coombes, S. M. (2008). A Model of Social Entrepreneurial Discovery. *Journal of Business Ethics*, *87*(3), 325–336. doi:10.1007/s10551-008-9921-y

Nicholls, A. (2005). Measuring Impact in Social Entrepreneurship: New Accountabilities to Stakeholders and Investors?

Nicholls, A. (2006). *Social Entrepreneurship: New Models of Sustainable Social Change: New Models of Sustainable Social Change*. Oxford: Oxford University Press.

Osterwalder, A., & Pigneur, Y. (2010). *Business model generation: a handbook for visionaries, game changers, and challengers*. Wiley.com.

Osterwalder, A., & Pigneur, Y. (2011). Aligning Profit and Purpose through Business Model Innovation. In G. Palazzo & M. Wentland (Eds.), *Responsible Management Practices for the 21st Century* (pp. 61–75). Pearson International.

Osterwalder, A., Pigneur, Y., & Tucci, C. L. (2005). Clarifying business models : origins, present , and future of the concept clarifying business models : origins, present , and future of the concept. *Communication of the Association of Information Systems*, *15*(May).

Porter, M. E., & Kramer, M. (2011). Creating shared value. *Harvard Business Review*, *January-Fe*.

Porter, M. E., & Kramer, M. R. (2006). Strategy and society. The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, *84*(12), 78–92.

Prahalad, C. K. (2010). *The fortune at the bottom of the pyramid: eradicating poverty through profits*. Upper Saddle River, New Jersey: Wharton School.

Priddat, B. P. (2011). Organisationstheoretische Einschätzungen - Warum Social Entrepreneurship so attraktiv für High Potentials ist. In H. Hackenberg & S. Empter (Eds.), *Social Entrepreneurship - Social Business: Für die Gesellschaft unternehmen* (pp. 105–118). Wiesbaden: VS Verlag.

Rangan, K. V, & Thulasiraj, R. D. (2007). Making Sight Affordable. *Innovations: Technology, Governance, Globalizationh*, *1*(3), 35–49.

Rockström, J., Steffen, W., Noone, K., Persson, A., Chapin, F. S., Lambin, E. F., … Foley, J. (2009). A safe operating space for humanity. *nature*, *461*(September), 472–475.

Russell, J., & Cohn, R. (2012). *Freemium*. Book on Demand.

Schaltegger, S., Lüdeke-Freund, F. & Hansen, E (2012). Business cases for sustainability– the role of business model innovation for corporate sustainability. International. *Journal of Innovation and Sustainable Developmen*t, 6(2), 95-119.

Schramm, C. (2010). All entrepreneurship is social. *Stanford Social Innovation Review*, *Spring*, 21–22.

Schumpeter, J. (1934). *The Theory of Economic Development*. Cambridge: Harvard University Press.

Seelos, C., & Mair, J. (2005). Social entrepreneurship: Creating new business models to serve the poor. *Business Horizons*, *48*(3), 241–246. doi:10.1016/j.bushor.2004.11.006

Social Impact Start. (2013). Home. Retrieved August 05, 2013, from http://socialimpactstart.eu/

Specialisterne. (2013). Welcome to Specialisterne. Retrieved July 30, 2013, from http://specialisterne.com/

Staehler, P. (2002). *Geschäftsmodelle in der digitalen Ökonomie; Merkmale, Strategien und Auswirkungen* (2nd editio.). Josef Eul Verlag.

Thompson, J. D., & MacMillan, I. C. (2010). Business Models: Creating New Markets and Societal Wealth. *Long Range Planning*, *43*(2-3), 291–307. doi:10.1016/j.lrp.2009.11.002

Vaeter. (2013). Väter. Werte, die tragen. Retrieved July 14, 2013, from http://vaeter-ggmbh.de/ueber-uns/

Weerawardena, J., & Mort, G. S. (2006). Investigating social entrepreneurship: A multidimensional model. *Journal of World Business*, *41*(1), 21–35. doi:10.1016/j.jwb.2005.09.001

Wellcome. (2013). wellcome - Hilfe nach der Geburt. Retrieved July 14, 2013, from http://www.wellcome-online.de/was_wir_tun/hilfe_nach_der_geburt/index.html

Wilson, F., & Post, J. E. (2011). Business models for people, planet (& profits): exploring the phenomena of social business, a market-based approach to social value creation. *Small Business Economics*, *40*(3), 715–737. doi:10.1007/s11187-011-9401-0

Yunus, M. (2008a). Economic Security for a World in Crisis. *World Policy Journal*, 5–12.

Yunus, M. (2008b). Creating a world without poverty: social business and the future of capitalism, (November), 16–41.

Yunus, M., & Weber, K. (2010). *Building social business*. *The new kind of capitalism that serves humanity's most pressing needs*. New York, N.Y.: Public Affairs.

Zeyen, A., & Beckmann, M. (2011). *Social Entrepreneurship and Institutional Logics* (pp. 1–34). Lueneburg: Centre for Sustainability Management.

Zott, C., Amit, R., & Massa, L. (2011). The Business Model: Recent Developments and Future Research. *Journal of Management*, *37*(4), 1019–1042. doi:10.1177/0149206311406265