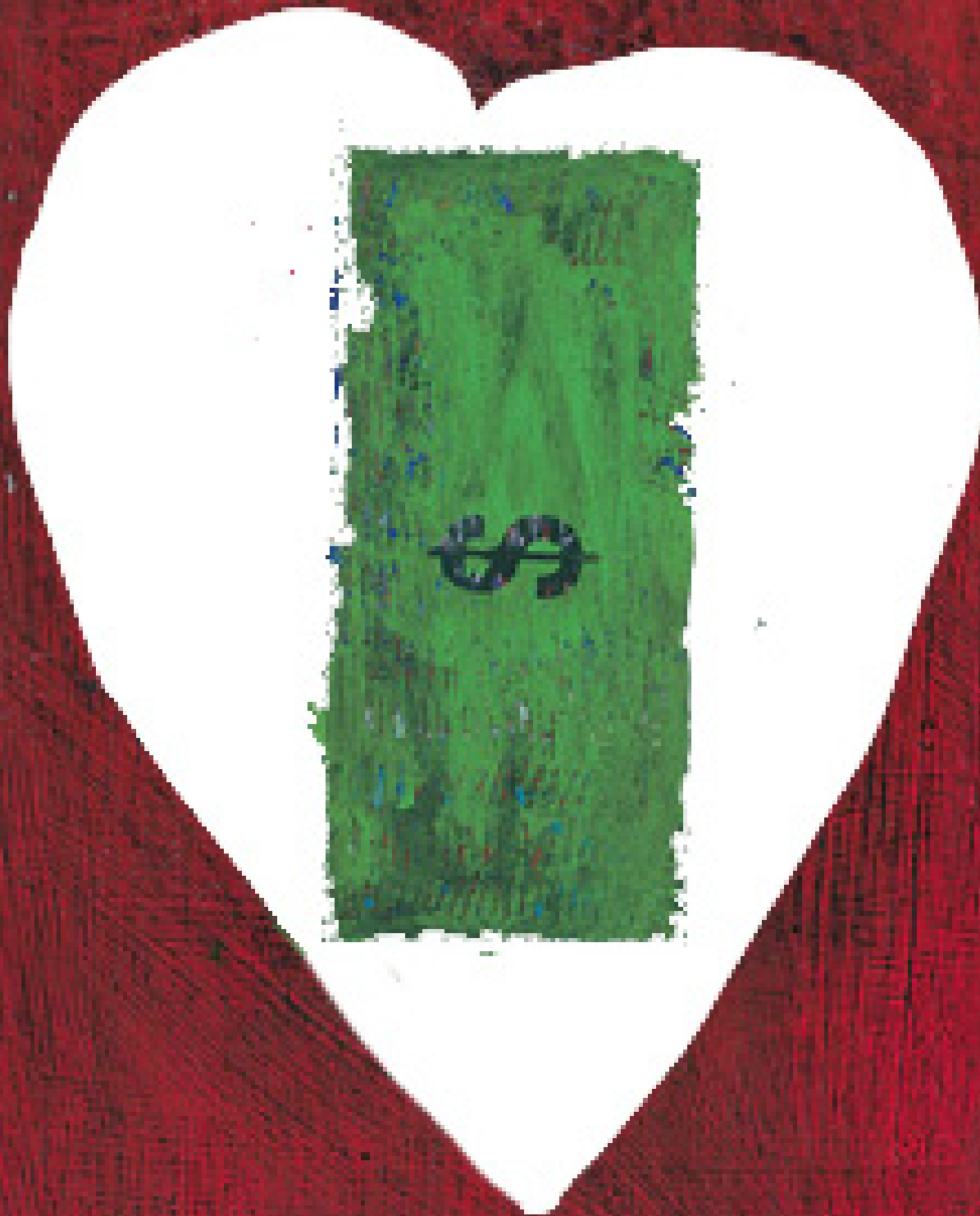


T E N N E S S E E ' S

BUSINESS



SOCIAL ENTERPRISE

T E N N E S S E E ' S BUSINESS

Vol. 20 No. 1 2011

Published by

Business and Economic Research Center
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AUBER Publications Award of Excellence

1991, 1996, 2000, 2004, 2007



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SOCIAL ENTERPRISE



Creating the opportunity for the poor to help themselves

by Horace Johns

Muhammad Yunus is an economist from Bangladesh who was formerly an assistant professor of economics at MTSU from 1969 to 1972, while he pursued his Ph.D. at Vanderbilt. As a professor of economics, Dr. Yunus developed the concepts of microcredit and microfinance, i.e., “loans given to entrepreneurs too poor to qualify for traditional bank loans.” He founded Grameen Bank, which provides small loans to poor people with little or no credit, with the goal of helping them gain creditworthiness and financial self-sufficiency. In 2006, he and Grameen Bank jointly received the Nobel Peace Prize.

Dr. Yunus is considered the most important individual for promoting social business, a concept that is now popularly called social entrepreneurship. Many colleges and universities now offer a major in social entrepreneurship, including Belmont University. MTSU has begun efforts to establish its own center to promote the goals of social entrepreneurship.

What exactly is social business? Dr. Yunus best answers this question:

Social business is a cause-driven business. In a social business, the investors/owners can gradually recoup the money invested but cannot take any dividend beyond that point. Purpose of the investment is purely to achieve one or more social objectives through the operation of the company; no personal gain is desired by the investors. The company must cover all costs and make profit and at the same time achieve the social objective, such as healthcare for the poor, housing for the poor, financial services for the poor, nutrition for malnourished children, providing safe drinking water, introducing renewable energy, etc. The impact of the business on people or environment, rather than the amount of profit made in a given period, measures the success of social business. Sustainability of the company indicates that it is running as a

business. The objective of the company is to achieve social goals.

— muhammadyunus.org

Dr. Yunus says that social business is a new category of business. Social businesses are allowed to make a profit, but the profit stays with the business as owners will not take profit beyond the amount equaling investment. Social business gives a new option to consumers by adding competition to traditional business forms. A new feeling of social awareness among business people results.

In blending the goals of making a profit and achieving social objectives, Dr. Yunus says: “I am not asking anybody to ‘give up’ anything. All I am saying is, if you are worrying about a social problem (while totally engaged in your routine business), I have a message for you: you can make a significant contribution in resolving the problem. If you put your mind seriously into it, you may even open the door to eliminate the problem globally. You can do both: conventional business and social business.”

Dr. Yunus qualifies his vision of social business to fit profit making by saying, “Some people ask me why can’t you run businesses with some profit and some social benefit: ‘doing well by doing good,’ as it is popularly described. Of course, it can be done. I am never against it.”

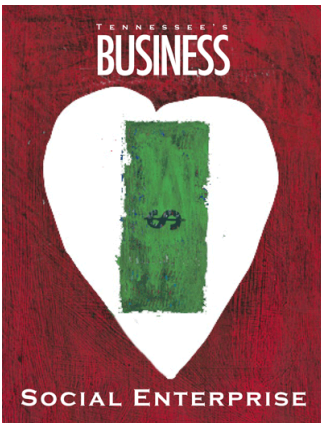
Dr. Yunus’s ultimate goal is to eliminate world poverty. While he acknowledges that free market capitalism, governments, charity, and aid organizations may help, they alone cannot do the job. For Dr. Yunus, the right approach is to create the opportunity for the poor to help themselves—for them to become actors, not just receivers, in the goal. This is food for thought, not only for the world, but for the U.S. as it struggles to help the needy while reining in a mushrooming national debt.

* Horace Johns teaches business law at MTSU.

EDITOR'S NOTE



Horace Johns teaches business law at Middle Tennessee State University.



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RETHINKING THE ENTREPRENEURIAL SPECTRUM

Entrepreneurship can have many faces.

by Richard Hannah

Readers of this piece may not be aware of MTSU's heritage of having association with three Nobel Prize winners. The main purpose of my intention herein is to focus on the global impact of the ideas of one, Dr. Muhammad Yunus, who was awarded the Nobel Peace Prize with Grameen Bank in 2006, and who also taught at MTSU. I will briefly mention the relevance of the other two at the end of this article.

In December of 2010 I was highly fortunate to have the opportunity to visit Bangladesh. This two-week trip had two primary objectives. One was to lay the groundwork for academic cooperation with Chittagong University. The second was an up-close learning experience with Grameen Bank. The genesis of this journey comes from two sources. One is the tireless efforts of Dr. Kiyoshi Kawahito to give students the opportunity for world poverty studies, including his maintaining a personal friendship Dr. Yunus. The second source is a question asked by a Buchanan Fellows student a couple of years ago: why MTSU did not undertake an initiative to embrace the work of Dr. Yunus. To make a long story short, connecting the dots led to the Yunus Commemorative Agreement between MTSU and Chittagong University, what I would describe as an open-door by Grameen Bank to accept interns from MTSU, and my own rethinking of the idea of entrepreneurship.

Bangladesh is a country of approximately 150 million people living in an area slightly larger than Tennessee. While the country is generally self-sufficient in food production and receives relatively little foreign aid, it is also acknowledged to be one of the poorest nations. Yet the general populace is very civil and highly ambitious, and those fortunate to receive formal education are exceptionally curious and open-

mindful about the larger global context. This was the first Muslim (90%) country I have visited, and hence my curiosity was reciprocal.

Bangladesh is an extraordinarily poor country where those trapped in poverty had no hope, and until the flowering of microlending championed by Dr. Yunus, had no opportunity to improve their lives. Herein lies the intent of part of the title of this article. The development of microlending to the poor directly tapped the entrepreneurial spirit, especially of women, who were (and remain) the target of Grameen microlending. The evolution of this type of microlending has two halves. One is economic, a lifting out of poverty. The second is social, a cultural shift in the role of women, rising as entrepreneurs within a Muslim nation of highly conservative values regarding their role. This development has the additional benefit of improving the lives of children and the communities where the Grameen model has taken root. Whatever and however economists or other academics evaluate the Grameen model of microlending, one has to appreciate the accomplishments of Dr. Yunus's economic solution in the broader cultural context.

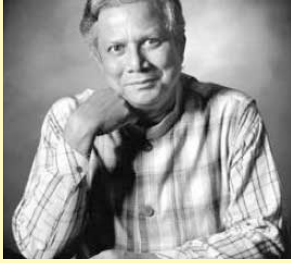
I will comment on another dimension of the Yunus legacy of entrepreneurship. This is a comment on its continuing evolution, especially regarding the social business model. This idea is different from the microlending approach to entrepreneurship in that it involves a corporate approach. Still, the basic ingredients of the positive spillover of enterprises that explicitly incorporate the philosophy and actions of improving the extended family and community infrastructure is similar to microlending—i.e., the economic and social objectives are brought into the “balance sheet.”

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This issue is dedicated to the memory of Richard Hannah (1951-2011), a professor in the Department of Economics and Finance at MTSU.

(<http://tinyurl.com/3o9j2mr>)



Muhammad Yunus

MTSU's Yunus Program
mtsu.edu/yunus

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I must say that, as an economist, it is much easier to work out, even contest, the ideas of what these kinds of initiatives mean rather than put boots on the ground in foreign places and look at reality. I'm still not convinced of the theoretical coherency of Yunus's work, but then I can't deny reality as I saw it, either. The punch line, so to speak, is that Yunus is direct in his challenge to unfettered market capitalism, not in the context of arguing an alternative, but in the context of putting forth the proposition that one of capitalism's prime principles, self-interest, is only half of the full model yet to be developed. The other half is selflessness. In the culture of our sophisticated U.S. economy of for-profit and non-profit dichotomies, this may be hard to grasp. Not so in a country like Bangladesh. As an aside, herein lies the importance of understanding the interplay of cultural context and economic context together.

To more precisely present the gist of the text to this point, Yunus does offer up the idea of social entrepreneurship, not as a counterpoint, but as a complement to economic entrepreneurship. This juxtaposition of ideas takes on global significance when Yunus includes the themes of sustainability and environment. We tend to think of these in our highly developed economic context, but poverty as seen from the perspective of Bangladesh and other developing nations has a clear and direct link to these ideas.

At the start of this summarization, I said I'd reconnect to the ideas of two other Nobel Laureates with connections to MTSU. I will focus only on the idea of entrepreneurship in doing so. Whatever you as a reader may value as a political or economic philosophy, and even whatever you may think of the personalities I reference, the linkage to the theme of entrepreneurship suggests contrasting the ideas.

Dr. James Buchanan, Nobel Laureate in Economics in 1986, for whom our Buchanan Fellows program in the Honors College is named, advanced the idea of political entrepreneurs in his works. This might aptly be viewed as negative entrepreneurship, in which he examined self-interest as applied to elected representatives. In this context, his conclusions regarding the prospects for majority rule democracy are not pretty. Coupled with the origins of the recent recession in the financial meltdown, we have another example of negative entrepreneurship in which the institution of and objectives of financial corporations were brought into question. Hence, we have our recent recession, arguably a partial result of self-interest gone wild.

The third Nobel recipient is Al Gore, who taught at MTSU. The idea of environmental sustainability as a global issue is what I want to focus on. The interplay with poverty is highly sensitive. Gore has been consistent on this theme. Consider a one-meter rise in the sea level, regardless of what you may think causes this phenomenon. This will displace about 40 million people in Bangladesh alone. Is there a form of global entrepreneurship that can adequately address this kind of outcome?

I am an optimist when it comes to the creativity of the human mind. Entrepreneurship is one of the forces driving that creativity. What I have hopefully laid out is that entrepreneurship can have many faces. A more holistic education, including boots-on-the-ground observation, helps us to sort out which institutions might channel the more positive entrepreneurial energy. Those institutions may be very different in different parts of the world, or even here at home. Sometimes we have to travel to far-off places for such lessons to sink in.

** Richard Hannah (1951-2011) was a professor in the Department of Economics and Finance at MTSU.*

SOCIAL VENTURES AS LEARNING LABORATORIES



What we need now is entrepreneurship that creates greater long-term value while drawing on fewer resources and generating fewer destructive consequences.

We have seen that the function of entrepreneurs is to reform or revolutionize the pattern of production.

—Joseph A. Schumpeter,
Capitalism, Socialism, & Democracy

If ever the world needed new patterns of production, it certainly does now—in the wake of the worst financial downturn in decades. Innovations, developed and tested by entrepreneurs, will help us emerge from this crisis and create paths to a new era of prosperity.

Entrepreneurial innovation is part of the solution, but, ironically, it was also part of the problem. Capital market innovations, such as interest-only adjustable rate mortgages and credit default swaps, helped to revolutionize the pattern of production in credit markets, resulting in permanent damage.

Innovation can be risky business, especially if the innovators and early adopters are focused only on what is likely to be profitable for them in the short term. These capital market innovations present a worst-case version of Schumpeter's idea of "creative destruction." In this case, the harm from the destruction exceeded the value created. That is not the kind of entrepreneurship we need more of.

What we need now is entrepreneurship that creates greater long-term value while drawing on fewer resources and generating fewer destructive consequences. We need business entrepreneurs whose innovations will jump-start the economy, create jobs, and create minimal disruption. We need more of the non-destructive creation that Columbia professor Amar Bhide has written about.¹ We also need more social entrepreneurship to help assure inclusive growth.

Recognizing That Social Problems Are More Pressing Than Ever

Nowhere is value-creating innovation more important than in our efforts to tackle pressing social and environmental problems. This is where social entrepreneurs come in. They reform or revolutionize the patterns for addressing social problems and needs. They measure their success in social impact. Social entrepreneurship has not gotten as much attention as business entrepreneurship and is not as well supported, but it is extremely important to the quality of our lives on this planet. It is particularly important in times like these where financial pressures have made social problems worse. Even economies that have seen growth during this difficult period, such as China, have seen uneven growth that is leaving behind large segments of the population.

Poverty and unequal participation in economic growth are associated with many social problems, such as disparities in health care, education, housing, sanitation, and nutrition that make it difficult for many to enjoy the benefits of prosperity when the economy rebounds. Progress can easily be lost, as families that have been successful in moving out of poverty fall back into it because of setbacks of illness or job loss. Inequalities can contribute to tensions, violence, and political instability. Through their efforts in education, healthcare, job training, and more, social entrepreneurs help the poor participate in the economic recovery. They make growth more inclusive.

Increasingly we are recognizing that environmental and social problems are intertwined. Climate change is tied in with a nexus of issues related to food security and pricing, water purity and availability, and energy use and production. These, in turn, are tied to health and productivity issues. Social entrepreneurs are free to explore

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by J. Gregory Dees



J. Gregory Dees is a professor in the Center for the Advancement of Social Entrepreneurship at Duke University. This essay was originally written for a special edition of the journal Innovations (MIT Press), for distribution at the World Economic Forum Annual Meeting in Davos in 2009. It has been edited by the author to bring it up to date.

**Social entrepreneurs
serve as a learning
laboratory for society:
they develop, test,
and refine innovative
solutions to social
problems.**

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solutions that cut across boundaries. They can test novel ideas that can fit into broader solutions. Because many social and environmental issues are time sensitive, failure to recognize the importance of social entrepreneurship and provide adequate support for these efforts as we emerge from this downturn would be a serious mistake. Damage has been done that cannot easily be undone. Social entrepreneurship is not a luxury that can be suspended while we wait for a new era of prosperity. It has to be part of the path to that era, if that era is to be one of inclusive prosperity.

Fostering a Vibrant Social Learning Laboratory

Social entrepreneurs serve as a learning laboratory for society: they develop, test, and refine innovative solutions to social problems. As with any form of innovation, it is impossible to know in advance what will work. This is especially true when “working” involves reducing or solving a social problem. Only by fostering a wide range of experiments can we hope to find which proposed solutions are viable, cost-effective, and scalable.

This is the beauty of the small, new, resourceful ventures that social entrepreneurs tend to create. As Stanford economist Nathan Rosenberg and his co-author L. E. Birdzell Jr. have argued, “New enterprises are useful devices for experimenting with innovation, because they can be established on a small, experimental scale at relatively low cost and therefore in large numbers, and their efforts can be intensely focused on a single target.”²² Independent social entrepreneurs have greater flexibility to experiment, uninhibited by the biases, standard operating procedures, bureaucracy, cultures, strategic commitments, and other rigidities common in established organizations of all kinds.

Because of their local knowledge and motivation to find solutions to social problems, social entrepreneurs see and construct opportunities that governments, corporations, and profit-seeking business entrepreneurs miss. Consider 2006 Noble Peace Prize winners Muhammad Yunus and Grameen Bank. When Yunus conceived the idea of Grameen Bank, with its focus on microcredit for the poor and its cost-effective peer-group business model, he was driven by the desire to alleviate poverty. The Bangladeshi government, the banks, the international relief agencies, and local business entrepreneurs did not see this as an opportunity. Yet, Grameen Bank has been

profitable since 1993 and serves some 8 million members in Bangladesh. Microfinance has grown to be a significant industry that reaches over 100 million families worldwide.

Promoting Resourcefulness and Creative Business Models

As a matter of necessity, entrepreneurs, social or otherwise, have to be resourceful. They become quite skilled at doing more with less and at attracting other people’s resources to their ventures, directly or through partnerships. This resourcefulness is reflected in their creative and pragmatic approach to business model design, as illustrated by Grameen’s use of borrower peer groups and its very low-cost structure.

It is useful to think of social venture business models as running along a spectrum, from fully reliant on philanthropy and government subsidy at one end to fully commercial and businesslike at the other. In recent years, many social entrepreneurs have been driving toward the commercial end of that spectrum to reduce their dependence on philanthropic or governmental subsidies. Commercial strategies are not optimal for all social ventures. The business model has to align with the strategy for social impact, but within that constraint, social entrepreneurs work to create sustainable, scalable ventures. For-profit ventures, social business ventures, and hybrid ventures that mix elements from the philanthropic and commercial worlds have become common.

For instance, WaterHealth International is a for-profit social venture that combines an innovative, relatively low-cost technology for water purification in rural areas of developing countries with an innovative business model in which villages finance the purchase of the equipment and the villagers pay a small fee for the clean water they use.

VisionSpring is a nonprofit example of creative business model development. It provides low-cost reading glasses, a productivity-enhancing product, by buying the glasses produced in China and selling them through trained micro-franchisees, who live in the villages of the countries where it does business. Thus, it provides affordable glasses and creates income opportunities for its Vision Entrepreneurs.

The emergence of for-profit social ventures, and the increase in non-profits generating earned income, are controversial, but this kind of experimentation is essential if we are to find ways to improve the productivity of the scarce resources we devote to social problems. When it works (aligns

with social impact), it leads to a more effective allocation of scarce philanthropic and government funds. These subsidies can be freed up to flow to the organizations and causes that need them most. Through creativity in business model development, social entrepreneurs are crafting more sustainable and scalable innovations.

Scaling Impact and Sharing Knowledge

While it is essential to support the early-stage innovations that make up the “learning laboratory” of social entrepreneurship, the real value comes in what society does with the results of that learning laboratory. Value is created when successful innovations are identified and then scaled or replicated to maximize their impact. It is important to note, however, that not every successful social innovation (successful in the sense of achieving its intended social impact) is amenable to scaling or replication. Local successes sometimes depend on rare conditions, scarce skills, or inefficient business models. Innovations need to be evaluated not just on their social impact but also on their transferability and cost-effectiveness and on the organization’s readiness for a scaling or replication effort.

However, with the right kind of rigorous due diligence, key resource providers (particularly philanthropists, social investors, potential corporate partners, and government funders) can identify viable candidates for scale or replication and provide the support they need to achieve widespread impact. In a time of financial crisis, this disciplined approach is even more important. It may seem hard-hearted to pick a few “winners” for major investment, since everyone is well intentioned, but it is essential if we are to capture the value of the experimentation.

The second way to reap value from this learning laboratory is to harvest the lessons from both the successes (scalable or not) and the failures and share this knowledge with those who can put it to good use. Tremendous waste occurs in the social sector when knowledge is not captured and

shared effectively. No one likes to admit failure, and few are willing to open their failures to inspection. Even the successes are rarely analyzed in a critical way that contributes to a common body of knowledge. However, the learning laboratory is more likely to yield effective scalable innovations in the future if the players in the laboratory know enough not to repeat past failures and can find ways to build on past successes. This is a role for universities, consultants, associations, think tanks, and publications.

Taking Social Entrepreneurship Seriously

The recent financial crisis will force us to be smart about our investments in social change. This could be a healthy development for social entrepreneurship, provided that philanthropists, social impact investors, governments, corporations, and other key players actively foster a vibrant learning laboratory of social entrepreneurs, assess the results of these experiments, support the scaling or replication of high-leverage ventures (those that promise greater social impact per unit of financial investment), and collaborate with efforts to capture and share knowledge along the way. Leaders in any society have much to gain from taking the concept of social entrepreneurship seriously and providing social entrepreneurs with the same kind of disciplined strategic support that they provide for innovation in business.

** J. Gregory Dees is a professor in the Center for the Advancement of Social Entrepreneurship at Duke University.*

Notes

1. See Amar Bhidé, *The Venturesome Economy: How Innovation Sustains Prosperity in a More Connected World* (Princeton University Press: Princeton, 2008), especially Chapter 13.
2. See Nathan Rosenberg and L. E. Birdzell, Jr., *How the West Grew Rich* (Basic Books: New York, 1986), p. 276.

The recent financial crisis will force us to be smart about our investments in social change.

ADVENTURES IN FAIR TRADE

**Helping Laotian artisans find larger markets
to preserve age-old skills and improve living standards**

by Mark Sloneker

Mark Sloneker is a founder of Oriijn: supporting art, fostering education, and sustaining culture by making handcrafted Lao silver jewelry and silk weavings available to the world market.

Background

I grew up on a Mennonite family farm in a small town in Illinois. When I was young, there still was a Mennonite culture that made quilts, wore bonnets, and had events that wrapped around the community and the church. It mostly disappeared with the older generation, and so did the handcrafts. I think that is why I later associated the two.

I was fortunate to have parents who were educated outside the community. My father had a Ph.D. in biochemistry, my mother a degree in Latin. They both had a curiosity for travel and culture, as much as a Mennonite can.

I went to school in pre-med for a couple of years in Iowa, but I was too dyslexic to continue. Then I ran off to art school in Florida and found that lifestyle more comfortable.

My work for five years after school as an art director in Houston advertising agencies gave me a good look at launching brands and products. It was during the recession of the early 1980s, but Houston was booming due to oil. Being in the advertising business gave me a good look at why even some good companies and products can falter. I continued to chase my interest in travel and culture by spending vacation time in Central America because it was cheap and easy to get there from Houston.

I left Houston to work at a London Agency for a couple of months and then bought a Volkswagen Westvalia camper and drove around Europe for the rest of the year.

An advertising job was waiting for me in Dallas, but I moved on to San Francisco six months later and freelanced as an art director and creative director for various agencies. I started my own agency with my future wife in 1990, built the

business, and sold it during the dot-com boom. Then I relaunched a virtual brand consultancy in 2002 called Convergencies.

While in San Francisco, I started exploring Asia and was fascinated by the Eastern view of the world. On 9/11, my wife and I were off for a long trip to southeast Asia. We could not return until three weeks later when foreign planes were allowed to fly to the U.S. again.

We added Laos to our tour on a whim due to a suggestion from a friend. It was the place that captured us more than any other. My chance meeting there with someone from the ministry of education stuck in my mind.

It was five years before I returned to Laos. Up until that time, e-mail was considered “illegal” and frowned upon. It was still rare for anyone to start and run a private Laotian business outside of the local markets. The Lao Government saw what was happening in China and Vietnam, that you could be communist and capitalist, so the barriers started dropping. There were local entrepreneurs, mostly women and investors from China, Japan, and Russia, who were also pushing that transition.

I reconnected with Sombath, my initial contact in the ministry, in late 2006 through some pro-bono consulting work I was doing for a fair-trade Lao coffee. He had left the government and started the first Lao NGO, the Participatory Development Training Centre, which provided community services and an alternative school program with the goal of shaping the youth, the next leaders of Laos. His other goal was to help get revenue to isolated villages by developing markets other than the local villages for their handcrafts. Organizing self-determining co-ops in each village, offering micro loans and financial classes, and supplying materials were to be part of the program.



Silk



Silver

In early 2007, I returned, inspired by Sombath's dream. Initially I did not know what I would do, only that I should go. He asked if I could teach basic business practices, as there was no management-level experience in the past 40 years from which they could draw. After two trips of teaching and seeing little change, I told Sombath the best way to teach is to do, so we built an organization within the NGO to be a profit-center business and use that as the teaching device and revenue generator for the project.

We would brand and market products in the West and help them build a supply chain and business model that would work within the culture. "Productizing" the artisans' crafts to fit Western tastes and setting customer service expectations were other efforts. Aside from the infrastructure, we opened an online store here and one in Vientiane, Laos (Oriijn). We are starting our third year of business and still working out the kinks. On our end, it is a nonprofit, but we have reached the point where the online business pays for all of its expenses and can reinvest in the system. It is also providing revenue to the organization there and a higher, fair-trade wage to the artisans. The initial launch fund came from my own checking account.

A new project in India resulted from a contact made by Doug Tatum [chairholder, Wright Travel Chair in Entrepreneurship, MTSU] on a speaking trip to Kolkata. He approached me through a mutual friend, and I said I would join to see if it seemed worthwhile. We are still in development, so I would rather not provide specific information except that it is a natural product with fair trade goals that will be good for the consumer as well. The goals of this business are different from the Laotian business; the culture and how one maneuvers in it is not the same, either.

Motivation for Making Significant Social Contributions

I have tried not to ask myself *why* too often. At midlife, I decided not to talk myself out of opportunities. When I look back, the things I neglected to do are my biggest regrets. Here is what I tell myself and my friends:

-
- In a midlife crisis, I was looking for something more fulfilling than a paycheck.
- I have always had a passion for travel, culture, art, and handcrafts.
- My first experience with the Lao and their culture was endearing and inspiring.
- The opportunity fell from the sky; I recognized it and did not question it.
- I got a sense that, as an individual, I could actually do something for the Lao.
- Helping the artisans involved a move from income of \$1 a day to \$2, which could greatly improve the options for their families and the community.
- It seemed to be a fit for my life experience.
- My Lao partner ensured that all aspects of the culture and law were considered and the business system implemented in a way that was sustainable and self-determining.

• While traveling in southeast Asia right after 9/11, we experienced support and sympathy for the U.S. in large cities and remote villages everywhere we went. But once we entered Iraq, that support turned completely into disdain. Without being too political, I was not happy about it, either. I became bored with my complaining. Laos was a country in which the U.S. had left a terrible legacy, and I saw a way to channel my energy to show that Americans are not all the same. This sounds a little corny as I write it.

There would have to be a profit and a large market in order for big companies to take notice. If done right, this larger scale would help more people, provide a good product, and make the consumer "feel good."

A mass-market product would further consumer education and understanding of fair trade.

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Laos was a country in which the U.S. had left a terrible legacy, and I saw a way to channel my energy to show that Americans are not all the same.

It will require more educated consumers that have a conscious preference, just as with the choice to buy “organic.”

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Accomplishments

In Laos, we are constantly evolving and improving the system. The structure is falling into place within Lao culture and on Lao time. One of the bigger challenges is the change of mindset. The Lao have been in survival mode for all these years. How to put food on the table today and tomorrow is as much as most Laotians plan. Helping them move to a long-term vision after years of basically foraging takes time. This is true with both the weavers in the villages and the managers in the city. One has to understand what they have been through. This includes being able to meet Western expectations about time frames, product consistency, and customer service. We tell the managers they must learn to be international during business hours and Lao at home.

Aside from the revenue and market growth, we are seeing improvements in the mindset, awareness of the advantages of a long-term strategy, and more confidence in reaching long-term goals. The Lao have been teaching me some things, too. They know how to live in and enjoy the moment and be thankful for simple things. I have learned that just following a straight line from point A to point B can cause one to miss things one might find if one takes the blinders off and follows a more serendipitous path. A little Buddhism in business can bring rewards.

In India, we are still laying the groundwork. The accomplishments so far have been developing team members and relationships for building the product, the supply chain, and the customer base.

Goals

The goals for the two businesses have some conceptual differences. In Laos, I will know I have reached my goal when the Lao do not really need me anymore, hopefully within three to five years. It is not about my making money, it is about the Lao having and managing their own sustainable business; my reward is the pleasure of being involved. Continued improvements in the system, staffing, and sales channels are the focus. The business in India is based on a different model, shaped by the product, the country's culture, and my partners' goals.

When I started the Lao business, I also started a group in San Francisco of fair trade ventures like mine, the Fair Trade Federation, all based in handcrafts. We would compare notes and share what we learned. The initial goal was to

help each other get certified. One shared agony was that we all wanted to be able to do more for the people with whom we were working, but the revenue margin and volume in the business of handcrafts are limited.

When Doug Tatum brought the original Indian concept to me, I wanted it to be more than a handcraft business. The business skills, community organization, and culture of India would allow that, and the product was a “bottom-of-the-pyramid” commodity with the potential to be embraced by large companies. There would have to be a profit and a large market in order for big companies to take notice. I would like to see fair trade move beyond coffee beans and handcrafts to common commodities backed by larger companies. If done right, this larger scale would help more people, provide a good product, and make the consumer “feel good.” A mass-market product would further consumer education and understanding of fair trade.

Tatum has been the founder and advisor who keeps the for-profit business goals on track, and I am very thankful for his guidance. His focus is necessarily on profit. Dr. Jagadish Sheth, an Indian advisor and partner, came to the U.S. early in life. He has a comprehensive background in international marketing and special relationships in India and all over Asia. He would like to help India develop international business channels. I think all of us love the adventure of entrepreneurial pursuits.

Is Social Enterprise a Growing Trend?

I hope so. I think it is feasible to have both a profit and social benefits. It will require more educated consumers that have a conscious preference, just as with the choice to buy “organic.” The small focus groups we did showed that much education is still needed. The profit and marketing opportunities must be there for large companies to embrace the concept.

Parting Thoughts

I should mention that my wife joined in the effort after its first year and has focused on the weaving side by developing products and systems for the women involved. I just hope for enough time and energy to do all the things I can see that need to be done out there.

** Mark Sloneker is a founder of Orijyn: supporting art, fostering education, and sustaining culture by making handcrafted Lao silver jewelry and silk weavings available to the world market.*

HELPING CAMBODIAN WOMEN TAKE CONTROL OF THEIR LIVES

**The Stung Treng Women's Development Center is a model
of a self-sustaining business that is lifting an entire community
from the ravages of poverty.**

by Ann Walling

The phone rings again. Another request for money. Worthy causes all, hunger, poverty, HIV/AIDS, troubled youth, day care for low-income families, bullied teens, exploited women, and the list goes on. Yes, I would like to contribute to all of them. The calls are never ending. But imagine for a moment that there is a way to help solve these problems without constant solicitation. Imagine a social entrepreneurship. A social entrepreneurship is a business locally owned and operated for the purpose of serving an impoverished community.

The Stung Treng Women's Development Center in Stung Treng, Cambodia, is a model of a self-sustaining business that is lifting an entire community from the ravages of poverty. The Stung Treng Women's Development Center grew out of the plight of impoverished young women in post-war Cambodia. Years of civil war and the genocide of the Khmer Rouge ended in 1990, leaving a desolate land and a dispirited people. The poverty was unspeakable. Everyone was hungry. Young girls were and are especially vulnerable. Some were sold as slaves to rich families. Some were sold to the sex trade. The daughters were the most valuable assets in impoverished families. When starvation lurked at the door, daughters could be sold.

Chantha Nguon not only survived the chaos of the war years but emerged from it with a passion for the vulnerable young women in the remote province of Stung Treng. In Cambodian families, boys were a treasure, girls a commodity. Consequently, boys were sent to school and given whatever opportunities the family could provide. Girls stayed home to care for the home and younger children and to provide income when the family became desperate. Girls grew

into young women with no education, no skills, no societal value, and no self-esteem. An illiterate woman has only one thing of value to sell, her body. Chantha's heart was drawn to the desperation of these young women. Many of them contracted HIV/AIDS and returned home to die.

Chantha wanted to offer them a place to die with dignity, but funding was very difficult. In 2002 a new opportunity came to Chantha. A representative of an NGO, Partners for Development, and a representative of a small family foundation, the Allen Foundation, met Chantha in Stung Treng. They discovered that Chantha knew the ancient art of Cambodian silk weaving. This changed the future focus away from caring for HIV/AIDS patients to preventing AIDS in healthy young women by offering them an opportunity to earn a living wage. They would no longer be forced into the sex trade.

The Stung Treng Women's Development Center (SWDC) became a reality in 2002. The business of SWDC is weaving silk, Mekong Blue silk. The purpose of SWDC was to develop life skills that assist in breaking the cycle of poverty for vulnerable people, especially women, in Stung Treng Province. SWDC operates under the belief that helping women to take greater control over their own lives helps to improve the lot of their children, their families, and their communities.

Today SWDC is a social entrepreneurship that employs more than 80 weavers and a staff of approximately 25 other people from the local community. The women of SWDC own the business. They earn a living wage weaving silk under the Mekong Blue label. The silk is sold around the world, available in the U.S. at its online store www.bluesilk.org.

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NASHVILLE-BASED ONLINE STORE



The Reverend Ann Walling, retired assistant rector of Nashville's St. David's Episcopal Church, is proud of her work with the Stung Treng Women's Development Center (SWDC) in Cambodia, founded by a grant from the Allen Foundation—a family foundation established by her mother—and other NGOs.

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The weavers earn \$75 to \$150 per month. That is a significant income in a country where an elementary school teacher earns \$40 and a medical doctor \$200 a month. The sale of silk also supports many programs to serve the local community:

- literacy and health education,
- school sponsorships for local children, especially girls,
- vocational training in traditional weaving and sewing,
- vocational training in carpentry and building,
- vocational training in sericulture,
- kindergarten for the children of the workers of SWDC,
- employment at the weaving center,
- employment at the cafe and gallery, and
- employment in the sericulture project.

Chantha has noted there is a Cambodian saying, “Man is gold; woman is a skirt.” The business of weaving and selling silk is making it possible

to change that to “Man is gold; Woman is a diamond.” At SWDC the belief is that women are emerging as the diamonds of Cambodian society through the social entrepreneurship model. The women earn a living wage and support the social programs of SWDC. After 10 years in business, the weavers have an earning power equivalent to or greater than most of the men. The girls are being educated so that they will become adults with the same opportunities as the men. Most families in Stung Treng Province have seven to nine children. The families who work at SWDC have one to two children. These families have lived in staggering poverty, but no more. The women of SWDC, through their social entrepreneurial enterprise, have given their children, their husbands, and their communities opportunities they never dreamed could be real.

Social entrepreneurship not only moves away from the need for charity but gives the women who own it dignity, self-respect, and their rightful place in society and gives the next generation an opportunity to be contributing members of contemporary Cambodian society.

SOCIAL ENTREPRENEURSHIP

**We need more institutions, individuals, and initiatives
to respond to alleviating society's social problems.**

by Bernard Turner

A Growing Trend

Marian Wright Edelman offers insight into some of America's social problems in the chapter "A Letter to Our Leaders" of her latest book *The Sea Is So Wide and My Boat Is So Small: Charting a Course for the Next Generation*. Is this country living its creed and preparing for the future? She cites some examples of America's ranking among industrialized counties in investing in and protecting children:

- first in the number of persons incarcerated,
- highest in relative child poverty,
- highest in the gap between rich and poor,
- highest in teen (age 15 to 19) birthrates, and
- last in protecting children against gun violence.

These are just a few of the myriad of social problems our nation is facing. The question is "Who will answer the call to have the greatest impact in addressing and alleviating these problems?" Social entrepreneurs are responding to this call. Dr. J. Gregory Dees, known as the father of social entrepreneurship education and founder of the Center for the Advancement of Social Entrepreneurship (CASE) at Duke's Fuqua School of Business, calls social entrepreneurs the future change agents in the social sector. His 2001 manuscript entitled "The Meaning of Social Entrepreneurship" notes that social entrepreneurs

- adopt a mission to create and sustain social value (not just private value),
- recognize and relentlessly pursue new opportunities to serve that mission,
- engage in a process of continuous innovation, adaptation, and learning,
- act boldly without being limited by resources currently in hand, and
- exhibit a heightened sense of accountability to the constituencies served and for the outcomes created.

At the end of February, I had the pleasure of attending the Ashoka U Exchange held in partnership with CASE. Ashoka was founded in 1980 by Bill Drayton, who is considered the father of the social entrepreneurship movement. His organization is a working community of 2,500 leading social entrepreneurs. Ashoka is focused on creating change today for an "Everyone aChangemaker" society to become the reality of tomorrow.

The conference was attended by 300 people representing 70 universities along with 20 leading practitioner organizations. The prelude to the conference was a TEDx AshokaU "Universities Driving Global Change" event. TED is a nonprofit organization devoted to "Ideas Worth Spreading." What was surprising is the increased number of institutions of higher education that offer a course in social entrepreneurship: 20 a few years ago compared to 90+ in the United States and 122 internationally today.

So what is fueling this growth on the academic level? It can be attributed to more students wanting to have a meaningful life and make a difference driven to this calling for social change. Paul Malone, a 2010 Belmont social entrepreneurship and honors graduate, stated

I feel that social entrepreneurship is a meeting of practical business concepts and high moral aims to benefit humanity. This being the case, I feel that social entrepreneurship is exactly what I want to study in order to lead a fulfilling life while benefiting and working for my fellow human being.

Recognizing the importance of social entrepreneurship education, institutions of higher education are responding to the importance of their role in equipping students with the skills necessary to make transformational social change.

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More students wanting to have a meaningful life and make a difference are driven to this calling for social change.

Belmont University stepped forward and developed the first undergraduate major in social entrepreneurship in the nation.

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Belmont's Response

Recognizing the unique capacity of universities to prepare the next generation of leaders for the social sector to respond to this growing movement, Belmont University stepped forward and developed the first undergraduate major in social entrepreneurship in the nation. The program began during the fall 2008 semester after much due diligence and the work of an interdisciplinary team of faculty and staff. The program is housed in the office of the provost with the program director reporting directly to the associate provost due to its interdisciplinary approach.

The purpose of the program is to prepare students to engage and transform the world through the formation or expansion of ventures that will create social change. These social entrepreneurs will be grounded in faith and values, shaped through experiential education and practical experience, and informed through the knowledge and skills drawn from diverse academic areas of study.

The curriculum combines business courses and issue-focused tracks in the liberal arts. Students also participate in service-learning activities, a 225-hour unpaid internship to gain practical experience, and working on an expanded project during their final semester. In addition to nine hours of social entrepreneurship courses, students complete 18 hours of entrepreneurship courses. There is regular exposure to nonprofits, social enterprises, social entrepreneurs, governmental entities, and other socially conscious for-profit organizations. Through these components, the liberal arts and entrepreneurship content is integrated with the experience and service that characterizes the practicing social entrepreneur.

The five thematic tracks are contemporary social issues, economic development, environmental science, global social entrepreneurship, and faith, culture and ethics, representing the final 18 hours of the 45-hour major. Students can earn a B.A. or B.S. degree. There are five main objectives regardless of track: ethics and values, the social entrepreneurial skill set, project planning, managing and sustaining an entrepreneurial initiative, and cultural, political, and social understanding.

Below are a few examples of students' interest in social entrepreneurship:

- "I would love to take my entrepreneurial spirit and apply it to help solve certain social issues."
- "If you were to ask me what my major is, I would most certainly say with pride, social

entrepreneurship with an ever-increasing emphasis in world changing."

- "In discovering social entrepreneurship, I breathed a sigh of relief—at last, melding my two passions, business and helping people succeed, into one!"
- "One day I hope to be working for a nonprofit, or any organization involved with helping people who are less fortunate, in some form."

In the first three years, the program graduated 10 students, and there are 30 current students majoring in social entrepreneurship represented in all five tracks. The alumni are in graduate school or seminary, taking some time off to travel overseas, or working for a consulting firm, an attorney, or nonprofits.

Impact

The program's impact can be seen in the involvement of students in service-learning activities, experiential learning, community-based research, and other forms of practical experience integrated throughout the curriculum. We want to ensure students are able to utilize what is taught in the classroom, that what was learned can be applied in real-life, practical situations leading them to critically reflect on these experiences. This is called the T-LAR (Teach, Learn, Apply, and Reflect) model. It is important that students develop knowledge and understanding of social entrepreneurship, enhance critical thinking skills, and demonstrate sensitivity to the importance of compassionate service for working with vulnerable populations.

Based on this model, below are a few examples of the program's impact:

- The program has worked with more than 100 nonprofits or social enterprises in middle Tennessee. After this semester, utilizing the Independent Sector's estimated dollar value of volunteer time (hourly rate), social entrepreneurship students will have accumulated nearly 7,000 hours worth approximately \$140,000, which equates to the equivalent of at least four full-time employees in the social sector.
- A few examples of their service include conducting an organizational assessment for a \$40 million social enterprise, internships with nearly 20 nonprofits or social enterprises, developing grant proposals for nearly 20 nonprofits (some received funding), developing a documentary on community gardens in Nashville, and writing a white paper on the issue of kinship adoption.

- Students participated in numerous service-learning activities with nonprofits for at-risk children and youth, mentally challenged seniors, families of incarcerated men, adoption, economic development for minority businesses, counseling families, and providing food for the hungry.

Center for Social Entrepreneurship and Service-Learning

The other component of the Belmont program was the creation of the Center for Social Entrepreneurship and Service-Learning (CSESL). When developing the Belmont program, most social entrepreneurship programs existed as centers linked to graduate programs in business at prestigious universities such as Duke, Stanford, Columbia, and Oxford.

The CSESL seeks to empower and engage students, faculty, staff and community partners through various programming including training, service-learning, assessment, and research activities to impact social change through innovative approaches and projects. A speaker series brings nationally known experts in the field to campus along with local social entrepreneurs.

The current president and CEO of the Social Enterprise Alliance (SEA) was on campus this semester. SEA is the leading membership organization in North America for social enterprises, service providers, nonprofit organizations, corporations, and venture capitalists. In essence, SEA is a community of change makers with more than 700 members. There are several chapters nationwide, each tied to an area university. Belmont is the university affiliated with the newly established Nashville Social Enterprise Alliance Chapter. Students will benefit from this affiliation by having ongoing access to social entrepreneurs, being able to attend the annual SEA Summit, and working on projects promoting the social enterprise movement in Middle Tennessee.

The CSESL will be the arm that links the university in multiple ways to the community: to local and international agencies and neighborhoods that are sources of service and internships for students, to key leaders in the field who serve

as guest speakers and resources for the program, and to social entrepreneurs and nonprofit leaders who benefit by accessing university people and resources.

Conclusion

In the Introduction to Social Entrepreneurship course, students are required to develop an essay on “Why Am I Interested in Social Entrepreneurship?” The following statement sums up our program:

I confirmed my need for something greater with this vision I had early on in my first semester at Belmont during a business class: While I was looking at the teacher, there was someone else in the world looking at life through a prison cell. While I was looking at my watch waiting to go to lunch, there was someone else in the world looking through trash to find something to eat. While I was looking in my book, there was someone else in the world deprived of an education. While I was looking at a text from my friend, there was someone else in the world looking for somebody, anybody, to care.

Becoming a part of the growing community of practice for building and advancing the academic field of social innovation was an objective of the Ashoka U Exchange. This is why universities like Belmont are instrumental in playing a pivotal role in educating tomorrow’s change agents in the social sector. However, as Harvard Business School Professor Jane C. Wei-Skillern noted in “Putting Entrepreneurship in the Social Sector,” a 2008 interview, “We define social entrepreneurship as innovative, social value-creating activity that can occur within or across the nonprofit, government, or business sectors.” In essence, we need more institutions, individuals, and initiatives to respond to alleviating society’s social problems. It is my hope that others will answer this important call to service and join this growing movement.

** Bernard Turner is an assistant professor of social entrepreneurship and the director of the Center for Social Entrepreneurship and Service-Learning at Belmont University.*

The newly established Nashville Social Enterprise Alliance is the local chapter of the Social Enterprise Alliance.

The SEA is the leading membership organization in North America for enterprising nonprofits, social purpose businesses and educators who come together to promote sustainable social innovation through networking opportunities, educational forums, strategic partnerships, and impact legislation.

GOOD FORTUNE SOAP



**A natural soap and
body-care company
with a heart for
creating social change
in Cleveland,
Tennessee**

by Jennifer Jack

From Good Fortune's website: The company offers a diverse body-care line online and in more than 25 states. The philanthropic focus of the brand is "to spread good fortune around the world." The goals are to mentor disadvantaged girls and women in an entrepreneur program, teach them life skills, and help them earn money for college, with an emphasis on leadership and giving back to the community.

Jennifer's Story

I worked in the corporate world for many years but was ready for a change. I longed for a different career, a lifestyle that fed my mind, body, and spirit while also providing a way to connect with and help others. While lying in bed, praying, and reading a book on soap making, I realized that my love of design, photography, and handcrafted things was my calling. With 110% enthusiasm, I followed the plan to start the business I felt inspired to create.

In May 2006, in Chattanooga, Good Fortune Soap was born. From day one I studied soap making, natural ingredients, and the natural products industry as a whole. The "fearless mad scientist" within that I had repressed since childhood took over as I experimented by making hundreds of batches of soap, scent combinations, shapes, colors, and more. Self taught, I perfected the process night and day while working full-time as a graphic designer.

After eight months in the lab, December 2006 marked Good Fortune's first big open house. In just two days, I sold hundreds of bars of soap and gift sets. Further, two Chattanooga-based gift shops placed orders, purchasing Good Fortune's entire collection of scents and gift sets. This success prepared me for the next step: going full-time with soap.

Most people knew I was clever but secretly thought I was crazy for following a divine inspiration to make soap. I knew that by traditional standards it was a risk to quit my job and that I would have to give up most luxuries, but I sensed that this plan would be realized. Life was just beginning. Without hesitation, I took the plunge, sold my house, quit my stable job, and took Good Fortune all the way.

Is Social Enterprise a Trend?

Absolutely. Especially with this economy, people are thinking more wisely about how they spend their money. People want to shop locally, buy sustainable products, and also help support a worthy cause. I am excited that "giving back" is becoming trendy because more people are thinking and acting more generously.

Accomplishments

I am proud of my two recent trips to Haiti. The excitement during all of my soap-making classes has been unmistakable. I taught more than 50 people to make natural glycerin soap during my first trip and was able to share my story about the inspiration to start the business. My translator, Filder, helped me explain the process of cutting, melting, and pouring soap. On my second trip, I worked with the nannies at Maison orphanage to gather rubble, grind it, and form it into beautiful necklaces. It was great to be able to encourage my students to develop rubble-wear, symbolically creating "beauty from ashes." Now the necklaces are available for purchase online to help rebuild lives in Haiti.

Goals

We recently relaunched our soap-making and green-clean classes. For those who cannot travel to our shop, we are considering offering a do-it-yourself green-clean kit that will offer instructions and ingredients for making green cleaners for the home that are much healthier than commercially available products for humans and the earth. It is exciting that this can be done affordably.

Parting Thoughts

Those who do not wish to start their own social entrepreneurship program might consider donating a portion of their profits to an existing program such as www.goodsearch.com, www.onepercentfortheplanet.org, or a local charity. One person can truly make a difference, so please stop thinking about it, and just do it!

**Jennifer Jack founded Good Fortune, a philanthropic soap-making business.*

YOU CAN'T FISH WITHOUT A RIVER

A college helps the poor help themselves through social entrepreneurship.

by Guy Larry Osborne

Just as entrepreneurs change the face of business, social entrepreneurs act as the change agents for society [by] improving systems, inventing new approaches, and creating solutions to change society for the better. While a business entrepreneur might create entirely new industries, a social entrepreneur comes up with new solutions to social problems.

—Ashoka, *Innovators for the Public*

Despite generally improving social and health conditions in many parts of the world, global poverty remains a serious challenge in many areas. The World Bank reports that 3 billion people live on less than \$2.50 a day, and 80% of humanity resides in countries in which the gap between the “haves” and the “have nots” is actually widening. More than 20,000 children die each day of poverty-related causes.¹

While charity has its place in meeting such human needs, as the Chinese proverb says, “give a man a fish, and you feed him for a day; teach a man to fish, and you feed him for a lifetime.” But as James Shields, who directs the Bonner Center for Community Learning at Guilford College, has pointed out, it does little good to teach the poor to fish if they can’t afford the equipment or if they don’t have access to the river.

This is where social entrepreneurship (SE) comes in. According to the Ashoka Foundation, one of the major voices for SE today, “social entrepreneurs find what is not working and solve the problem by changing the system, spreading the solution, and persuading entire societies to take new leaps.”² SE is a way of unleashing human creativity, wisdom, spirit, and work ethos for the common good, a way of helping that goes beyond charity to justice.

In his 2006 address to the National Prayer Breakfast, Bono put it this way:

Preventing the poorest of the poor from selling their products while we sing the virtues of the free market, that’s not charity: That’s a justice issue. Holding children to ransom

for the debts of their grandparents, that’s not charity: That’s a justice issue. Withholding life-saving medicines out of deference to the Office of Patents, well that’s not charity. To me, that’s a justice issue.³

Social entrepreneurs may work in the business, nonprofit, or governmental sectors. They may start their own enterprises or reform the workings of existing systems or organizations. What they have in common, however, is a profound commitment to and understanding of social change.

Thus, social entrepreneurs help the poor not only by teaching them to help themselves but also by changing the conditions and systems that maintain the discrepancies in wealth and opportunity that stand in the way of the poor achieving a better life. Ingredients of SE may include improved access to education, health care, agriculture and communication technologies, organizational development and leadership expertise, and venture capital. It is an emerging field that combines knowledge and skills from many disciplines that go beyond theory to practical application. It takes advantage of the expertise of the professional expert and the organic wisdom of the community actually affected by the problem to design partnerships for social change and independence that are both effective and sustainable.

In east Tennessee where I live and work, you don’t have to travel far to find opportunities for SE. In a recent review of regional facts and stats, I found that Appalachia has a higher percentage of economically distressed counties, poor health rankings, poverty levels, and educational failure rates than other parts of the state and nation.⁴ Carson-Newman College is applying principles of SE through its Bonner Center for Service Learning & Civic Engagement and a new undergraduate curriculum in Social Entrepreneurship & Nonprofit Studies to find effective ways of serving the region as well as educating students for a life of servant leadership.

An example of SE at Carson-Newman is our BOOST program (Bonner Out of School Time).

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Guy Larry Osborne, 2010-2011 Distinguished Faculty Member at Carson-Newman College, is a professor in the Department of Psychology and coordinator of its program of Social Entrepreneurship & Nonprofit Studies.

Social entrepreneurs help the poor not only by teaching them to help themselves but also by changing the conditions and systems that maintain the discrepancies in wealth and opportunity that stand in the way of the poor achieving a better life.

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We describe BOOST as providing “homework help and academic enrichment programs, operated through a partnership with Carson-Newman College’s Bonner Center for Service Learning and Civic Engagement and the Jefferson City Housing Authority (JCHA). The mission of the BOOST Programs is to combat educational injustice by providing engaging, scholastic programming for the students of Jefferson County in order to increase academic performance, enhance character development, and promote college access. BOOST programs are offered free of charge and are for students in age from kindergarten through sixth grade.”

What makes BOOST a good example of SE is that it was developed by Carson-Newman students, faculty mentors, and an AmeriCorps staff volunteer assigned to the college in collaboration with the leader of the previous after-school program, who also happened to be a resident in one of the housing complexes and the caretaker of one of the children in the program. Rather than simply providing student volunteers or interns for an existing community program, the college made its students and staff available as social entrepreneurs who helped design the new program including finding sources of funding needed to make it work. By increasing the chances for academic success and building the aspirations of the children, the conditions contributing to the persistent pattern of educational underachievement and failure among children of families in the housing complexes are being challenged.

Carson-Newman introduced SE into the academic curriculum in 2008. Undergraduate students may now earn a major or minor in SE and typically combine it with another major or minor in an area of study such as business, sociology, religion, or psychology. Two new courses had to be developed (Social Entrepreneurship Seminar and Social Entrepreneurship Practicum), but most of the SE curriculum is being drawn from existing course offerings in business, economics, sociology, psychology, and political science. All SE students also take a course in ethics to reinforce the servant leadership mission of the college, which we see as an essential aspect of this newly emerging field.

Indications are that SE as an area of undergraduate study and career preparation is an idea whose time is rapidly coming. The Ashoka Foundation sponsored its first national conference in SE education at the Duke University Fuqua School

of Business in February 2011. More than 300 educators, practitioners, students, and funders gathered to share ideas and experiences and plan for the future. Ashoka is now in the process of building a consortium of partner campuses committed to excellence in social entrepreneurship education.⁵ Regionally, Berea College is leading the way, having established its Entrepreneurship for the Public Good program in 2007 and hosting the sixth annual Appalachian IDEAS Network social venture competition for undergraduates in 2011.⁶ At Carson-Newman, we hope to do our part by preparing students for a rewarding life of work and service that helps people help themselves in a way that spreads access to rivers of self-sufficiency, community empowerment, and long-term social change.

“We all want to change the world,” sang the Beatles. SE is the new tune that just might make it happen.

**Guy Larry Osborne, 2010-2011 Distinguished Faculty Member at Carson-Newman College, is a professor in the Department of Psychology and coordinates its program of Social Entrepreneurship & Nonprofit Studies.*

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1. Shah, A. (2010). Poverty Facts and Stats, *Global Issues*, <http://www.globalissues.org/article/26/poverty-facts-and-stats>.
2. “What Is a Social Entrepreneur?” Ashoka: Innovators for the Public, http://www.ashoka.org/social_entrepreneur.
3. Bono (2006). “Keynote address at the 54th National Prayer Breakfast,” *American Rhetoric*, <http://www.americanrhetoric.com/speeches/bononationalprayerbreakfast.htm>
4. Osborne, G.L. (August 2010). “You Can’t Fish without a River: Helping Others Help Themselves through Social Entrepreneurship,” Tennessee Valley Institute for Nonprofit Excellence, University of Tennessee Chattanooga, Chattanooga, TN.
5. For more information including educational resources and networking opportunities, see <http://ashokau.org/>.
6. For more information on the Appalachian IDEAS Network, see <http://www.berea.edu/epg/ideas/default.asp>.

A UNIQUE OPPORTUNITY FOR SOCIALLY RESPONSIBLE BUSINESSES

by Ned Hallowell

Nonprofits and socially responsible businesses contend with many disadvantages and obstacles as they work to survive and prosper in today's world. They can claim one distinct advantage, however: the trust of the general public.

Today many citizens have lost respect for Wall Street and Big Business, and deep cynicism has set in as citizens watch such economic debacles as Enron and the near collapse of the financial system. Many feel too large a percentage of wealth has accrued to those who do not deserve it, while those who add value to this world work for comparatively low wages in an increasingly insecure environment.

This climate of mistrust has created an opportunity for nonprofits and socially responsible businesses to attract talent they previously may have lost. They have the opportunity to leverage the power not of capital but of connection.

In my new book, *Shine: Using Brain Science to Bring Out the Best in Your People* (Harvard Business School Press), I define and discuss the unsurpassed power of connection to bring out the best in people at work. By connection I do not mean access to the Internet. I mean the feeling of being an integral part of something larger than oneself, the feeling of collectively pursuing a worthwhile goal and doing work that surpasses personal gain.

While the power of connection has always fueled superior performance, in today's world it is more important than ever to recognize and capture it. We live in a paradox: although we are more connected electronically than ever before, we grow more disconnected interpersonally each day. In the workplace, what I call the "human moment"—face-to-face interaction—has given way to a wide variety of electronic moments. Our electronic communications certainly bless us with unprecedented advantages, but they carry hidden risks, not the least of which is the loss of the force of connection, of personal involvement, of loyalty, devotion, inspiration, and dedication to the team and the mission. In my practice as a psychiatrist and in my work

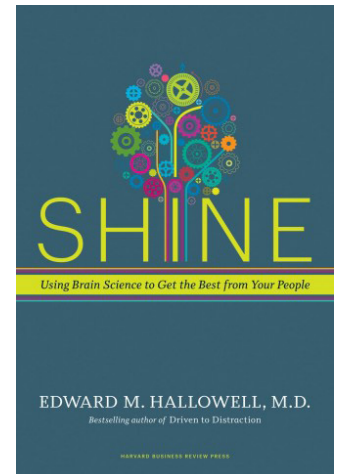
as a consultant to businesses, I hear many people complain of the pressures of being asked to do more with less, the pressures of overloaded circuits, the pressures imposed by economic uncertainty and constant change. People are looking for a mooring, some point of connection by which they can stabilize their work lives and find the extra energy to go the extra miles.

The best source of such stability and energy is the force of connection. When people buy into a mission, they catapult themselves into another realm of action. They access parts of their brains that otherwise lie dormant. They bring into the workplace the force of positive emotion, fed by the deeper centers of the brain. In disconnected work environments, these parts of the brain either show low activity or they light up in fear and anger and shanghai the higher, creative centers in the cerebral cortex. I devote much of my book to describing how the enlightened manager can create a positively connected atmosphere that fosters superior performance.

Given the myriad obstacles modern organizations face, creating such an atmosphere is often difficult. Nonprofits and socially responsible businesses, however, share an advantage in that they expressly commit to a mission. This is far from trivial, far from singing "Kumbayah." As companies like SAS and Google have proven, creating a positively connected environment can lead to enormous profit and growth. If this is true in the for-profit sector, how much truer is it in the nonprofit one?

Taking advantage of the power of connection requires only a commitment to do so. Emotional connection is infinite in supply and free of charge. Yes, setting it up takes some money, but far less money than replacing the people who leave because it is missing.

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Originally published in Stanford Social Innovation Review, Jan. 25, 2011.

**The enlightened
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ONE MAN'S OPINION



Jim Burton is the dean of Jennings A. Jones College of Business at MTSU.

**Everything old
was once new!
Was everything
new once old?**

by Jim Burton

The idea of social enterprise is getting a lot of attention—justly deserved, I believe. Finding sustainable means to achieve social good is well worth discussing and studying and well worth any media attention and spotlights that might be cast upon it. There is much good to be achieved and too few who are well focused on achieving it. But the media often makes it sound as if this is all a very new idea.

Wikipedia defines social enterprise as “any for-profit or non-profit organization that applies capitalistic strategies to achieving philanthropic goals.” It clarifies this statement by saying that it means “doing charity by doing trade” as opposed to “doing charity while doing trade.”

Wikipedia gives examples of social enterprise in different regions around the world. Some examples cited for North America include Greyston Bakery, Housing Works, Cleanslate Property Services, Rubicon Programs, Kidslink, Goodwill Industries, Boss Enterprises, Asian Neighborhood Design, and Ready, Willing and Able.

Harvard University has been hosting an annual Social Enterprise Conference for more than 10 years, and the Social Enterprise Club in the Harvard Business School is very popular with students there. Columbia University also has a Social Enterprise Program within its business school that hosts numerous events. Among the focus areas available in that program is “Corporate Social Responsibility and Sustainability.” It is this area of corporate social responsibility that, it seems to me, is the new that was once old.

As a graduate student at the University of Illinois at Urbana-Champaign, I was privileged to study with Professor David Linowes, who authored *Strategies for Survival: Using Business Know-How to Make Our Social System Work* and several other books, papers, and commission studies of similar concerns. Professor Linowes had been a founding partner of the accounting firms Leopold & Linowes and Laventhol & Horwath. He was still at Laventhol & Horwath in New York when he came from New York to Champaign-Urbana and to the university once a week to teach a course in social accounting. A news article about his death from the News Bureau at the University of Illinois describes him as the “father of socioeconomic accounting.” At U of I he also served as the Boeschstein Professor

of Political Economy and Public Policy and as a professor of business administration.

It was Professor Linowes who inspired my dissertation entitled *An Inquiry into the Socioeconomic Accounting Information Needs of Federal Legislators*. Since social policy is often legislated, determining what information legislators had, wanted, and used to determine appropriate social policy seemed a reasonable project. The issue addressed in that study was: *To determine the socioeconomic accounting information it would be expedient for companies voluntarily to disclose and how they should disclose it in order for the information to be useful to federal legislators for the decisions they must make.*

The research questions that followed included:

- What socioeconomic accounting information are companies currently disclosing?
- Is the form in which current voluntary corporate socioeconomic accounting disclosures are being made useful to federal legislators?
- Are there influences on the decision processes of federal legislators that condition the types of information companies should disclose or the form companies should use when they do disclose?
- What are the sources of information a federal legislator uses in his decision processes?

While the corporations in question were not “social enterprises” by the current definition, they were considered to be rather forward thinking in the early to mid-1970s in terms of their apparent desire to “do charity while doing trade.” Many people (stockholders of the companies in particular) at the time held the belief that stockholder-owned companies should have only one objective—maximizing profits. Any “social objectives” were considered legitimate only if they enhanced profitability. So those companies that “did well by doing good” might be considered by some to be forerunners of the current thinking on social enterprise.

The concept of social enterprise is a good one. If it did not evolve from, then at least it has been greatly enhanced by, the work of people like David Linowes and others who pioneered corporate socioeconomic accounting and accountability. It should be studied. It should be lauded and applauded. It just should not be thought of as new.