What’s All This Buzz About Social Enterprise?

The days of fundraising as the main arrow in a nonprofit's quiver have ended ... Social enterprise is the new arrow.

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October 2, 2018
SocialVentures advocates for, develops, and funds businesses that address social problems in our community.

- Started in 2014 with 18 social enterprises; now can identify 102 in Central Ohio
- Only online Marketplace to highlight social impact and encourage consumer to engage
- Offer mentorship and expert workshops for entrepreneur growth
- Social Ventures Fund provides low interest loans exclusively to social enterprises
- Produce “The State of Social Enterprise in Central Ohio” report to feature accomplishments of the sector
What is a Social Enterprise?

Social enterprises are businesses that intentionally integrate social impact as a non-negotiable component of their business models through the people they employ or the social missions they support.

Two Criteria:
1. Must be integral to mission - the purpose for starting the business.
2. Must have a measurable (quantifiable) social impact.
What’s the Difference?

The business model spectrum revisited

**Primary driver is to achieve SOCIAL VALUE**
- Purely charitable funding from grants, donations, or endowment
- Additional market based revenue stream

**Impact Investing**
- Achieve measurable social impact alongside financial return
- Potentially self-sustaining
  
- Social Business: Profits are reinvested

**Social Enterprises**
- Mission-driven for-profit enterprise ("B-Corp")

**Primary driver is to achieve FINANCIAL VALUE**
- CSR & corporate philanthropy (target for SRI)
- Pure profit orientation; mainstream investors

Not-for-profit | for-profit

Source: Adapted from J. Kingston Venturesome, CAF Venturesome, and EVPA.
Types of Impact

Social Enterprises take three primary forms in their impact: Direct, BOGO, or Profit Transfer

Impact: Direct – who they employ and the benefits/training they provide
Types of Impact

Impact: BOGO – for every item they sell, they donate an item to individual in need.

Impact: Profit Transfer – a significant portion of profits are given to a nonprofit organization.
Social Enterprise in Action

In 2017, Central Ohio Social Enterprises:

- Employed 2,398 individuals
- Paid $49 million in payroll
- Generated $73 million of revenue

For-profits Growing in Popularity:

- 59% Non-profit
- 41% For-profit

Consumer Goods Predominate:

- 51% B2B
- 31% B2C
- 18% Both
Further Information

Upcoming Events

• Festival for Good – October 13
• Columbus Funds – October 15
• Columbus SOUP – November 4
• Nonprofit Sustainability Showcase – February 7

• Get Involved
  • Learn (go to www.socialventurescbus.com/blog)
  • Volunteer (go to www.givebesa.org)
  • Be a consumer (coffee, baked goods, lunch ...)