



## Doing Well by Doing Good



Using Mobile Medic technology, Nepali women work through Nyaya Health to provide data-driven health care to Nepal's rural poor. © Nyaya Health

**W**hat is social entrepreneurship? Employing tactics from government, civil society and the private sector, social entrepreneurship seeks to address social issues through collaborative creation and widespread adoption of new solutions.

Social entrepreneurs see social issues as opportunities to create positive change. They aim to achieve this change by developing innovative yet pragmatic solutions—new products, services or processes—that fundamentally alter and improve the

status quo. Such solutions are capable not only of reaching more people but also of sustaining themselves financially. That is, while social entrepreneurs seek to create social value, they also generate financial value to reinvest in their venture, thereby expanding it to help more people.

Just as entrepreneurship is vital to the economy, social entrepreneurship is vital to society. By tackling social issues and achieving scalable, sustainable impact, social entrepreneurship can create a more equitable society. By providing innovative

needs, social entrepreneurs can help spur sustainable human and economic development.

### How Is Social Entrepreneurship Different?

Social entrepreneurship differs from traditional entrepreneurship in many ways. One key way to distinguish a traditional entrepreneur from a social entrepreneur is through the goal he hopes to achieve. While the traditional entrepreneur aims to create a product, service or process for which a consumer will pay, the



Above, left: A woman uses an Ecopuntos interactive kiosk in Colombia to recycle a bottle and earn points toward a prize. © Ecopuntos. Above, right: Derreck Kayongo shows off soap created through his Global Soap Project, a venture that recycles used soap from hotels into new soap for people without access to it. © AP Photo.

social entrepreneur aims to create a product, service or process from which society will benefit. In essence, traditional entrepreneurs aim to create commercial value where social entrepreneurs aim to create social value.

Furthermore, because social entrepreneurs are tackling issues such as the prevention and treatment of HIV/AIDS, the outcomes of their success can be more rewarding. While a success in the business world can mean more money for investors, success in social entrepreneurship can mean saving lives—and fundamentally improving the world.

The work of social entrepreneurs also differs from that of civil society organizations. While philanthropists, social activists and non-governmental organizations (NGOs) also work toward the creation of social value, they achieve that social value in different ways.

Philanthropists and social activists use influence—whether from financial contributions, political clout or public pressure—to create social value. NGOs deploy products, services or processes within the status quo to create social value. But social entrepreneurs go above and beyond: They create social value by generating innovative solutions that establish a completely new—and improved—status quo. And rather than funding through donations, social entrepreneurs reinvest their revenue into their ventures.

For example, Camilo Jimenez, a young entrepreneur from Colombia, noticed that less than 20 percent of daily waste is recycled in Latin America. To encourage recycling and help those living on low incomes, Jimenez developed Ecopuntos, a network of interactive kiosks that entice people to recycle by rewarding them with prizes in exchange for their trash. Owners of Ecopuntos kiosks make money by reselling the recycled material and can

reinvest that money into the venture by purchasing more kiosks. To see if you have what it takes to be a social entrepreneur like Jimenez, check out the sidebar.

### Could You Be a Social Entrepreneur?

- Are you perceptive? Can you see an opportunity for change when others see a stubborn social issue?
- Are you determined? Can you devote your life to pursuing this opportunity for change?
- Are you innovative? Can you develop new yet practical solutions to solve this social issue?
- Are you courageous? Can you withstand the wear and the risk of repeated failure?
- Are you results oriented? Can you establish measurable outcomes, using data to refine your approach and enhance your impact?

