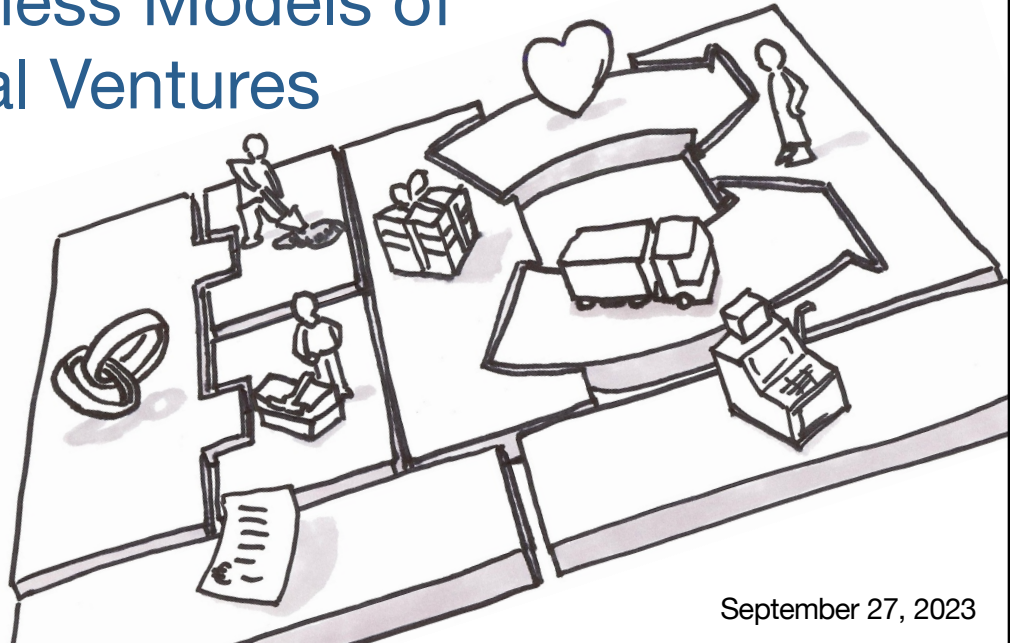


Business Models of Social Ventures



September 27, 2023

Image source: tpma-inc.com

1

01 September 30 ~ National Day for Truth and Reconciliation

02 empathy

03 what's happening + in the news

04 business model canvas spectrum + components

05 structures + integration

06 sustainable models: human + technological factors

TODAY'S CLASS

2

UBC INDIAN RESIDENTIAL SCHOOL HISTORY and DIALOGUE CENTRE



<https://irshdc.ubc.ca/orangeshirtday/>

<https://irshdc.ubc.ca/>

The National Day for TRUTH and RECONCILIATION

3

The National Day for Truth and Reconciliation

September 30 2023

A History and Timeline of Residential Schools (National Centre for Truth and Reconciliation, 2021)

<https://nctr.ca/education/teaching-resources/residential-school-history/>

Beyond 94: CBC's project that measures the progress of the 94 Calls to Action (CBC, updated 2022)

<https://newsinteractives.cbc.ca/longform-single/beyond-94?cta=1>

What Business Leaders Can Learn from an Indigenous Worldview (Forbes, 2021)

<https://www.forbes.com/sites/timabansal/2021/06/15/what-business-leaders-can-learn-from-an-indigenous-worldview/?sh=17305bcd5c2f>

Defining Meaningful Allyship in the Quest for Reconciliation: Author Michelle Good (*Five Little Indians*), and journalist Jessica McDiarmid. (Green College UBC October 12, 2021)

<https://greencollege.ubc.ca/civicism/event/info?id=1246&reset=1>

How to Be an Ally: websites, articles, podcasts, books that can help you learn about Indigenous history and how to build relationships with Indigenous peoples in the classroom and in business (Laurentian University, 2021)

<https://laurentian.ca/indigenous-programs/how-to-be-an-ally>

4

Truth and Reconciliation

Indigenous Foundations: UBC information resource on topics relating to the histories, politics and cultures of the Aboriginal peoples of Canada

<https://indigenousfoundations.arts.ubc.ca/home/>

Indigenous Works: Tips for Inclusion

<https://indigenousworks.ca/en/resources/inclusion-tips>

Indigenous Canada: Free Online Course by Faculty of Native Studies at the University of Alberta

<https://www.coursera.org/lecture/indigenous-canada/indigenous-art-part-1-kgdof>

5

early feedback

https://ubc.ca1.qualtrics.com/jfe/form/SV_bmvkfP9pRosINjw

6



On October 12, 2023:

- Your THURSDAY class will be canceled
- Your MONDAY class will take place at its regularly scheduled time and location on Thursday October 12*

*Programs will vary, please confirm the time and location changes with your instructor

UBC-wide course schedule changes are in effect WT1 to balance out instructional hours affected by Statutory Holiday (the majority falling on Mondays).

7

Empathy Exercise

- Group of 3 people:
 - Speaker shares personal experience of a 'wicked problem'
 - Interviewer asks questions to understand more deeply
 - Observer/listener takes notes on empathy map
- ~10 minutes interviewing, then reflect as a group
- **Goal:** Practice empathy, a deeper understanding of another person's perspective, needs, motivations...

8

Ask “why”, even when you think you know the answer.

Never say “usually” when asking a question. Ask about a specific instance or occurrence.

Encourage stories—they reveal how people think about the world.

Look for inconsistencies. Inconsistencies often hide interesting insights.

Pay attention to nonverbal cues: body language and emotions.

Don’t be afraid of silence. It lets a person reflect, and they may reveal something deeper.

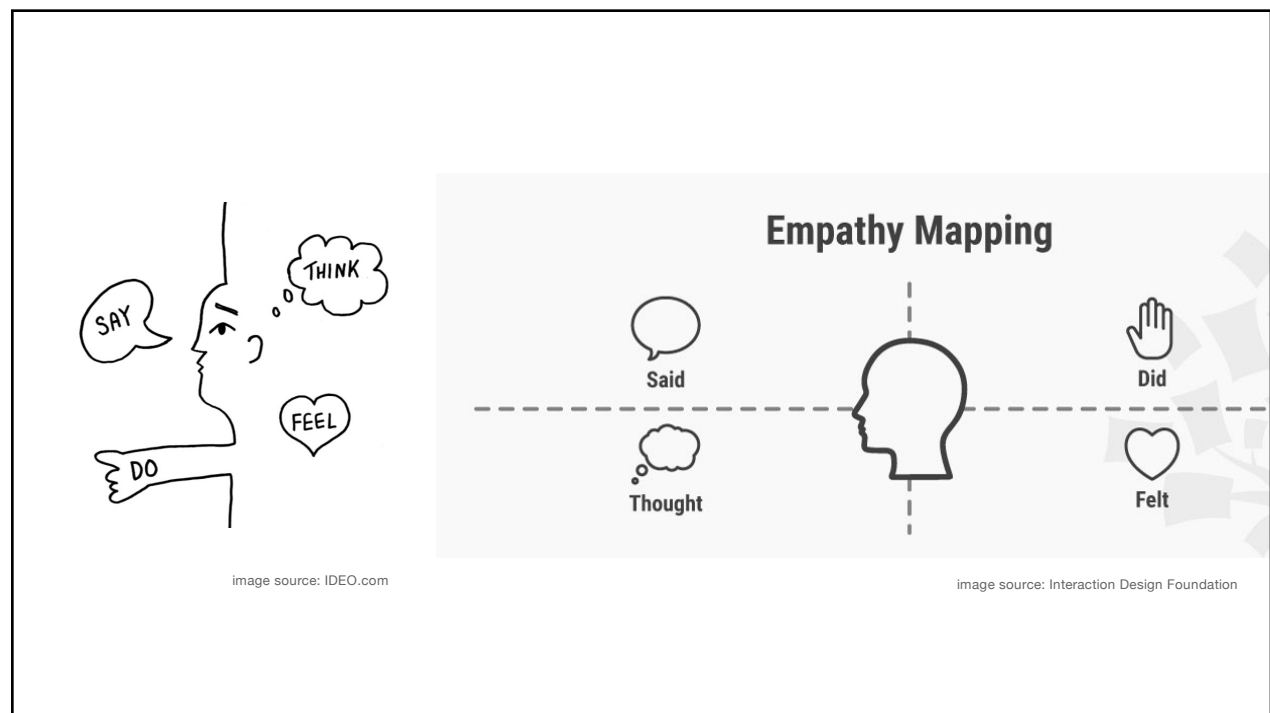
Don’t suggest answers to your questions.

Ask questions neutrally. Questions shouldn’t imply a right answer.

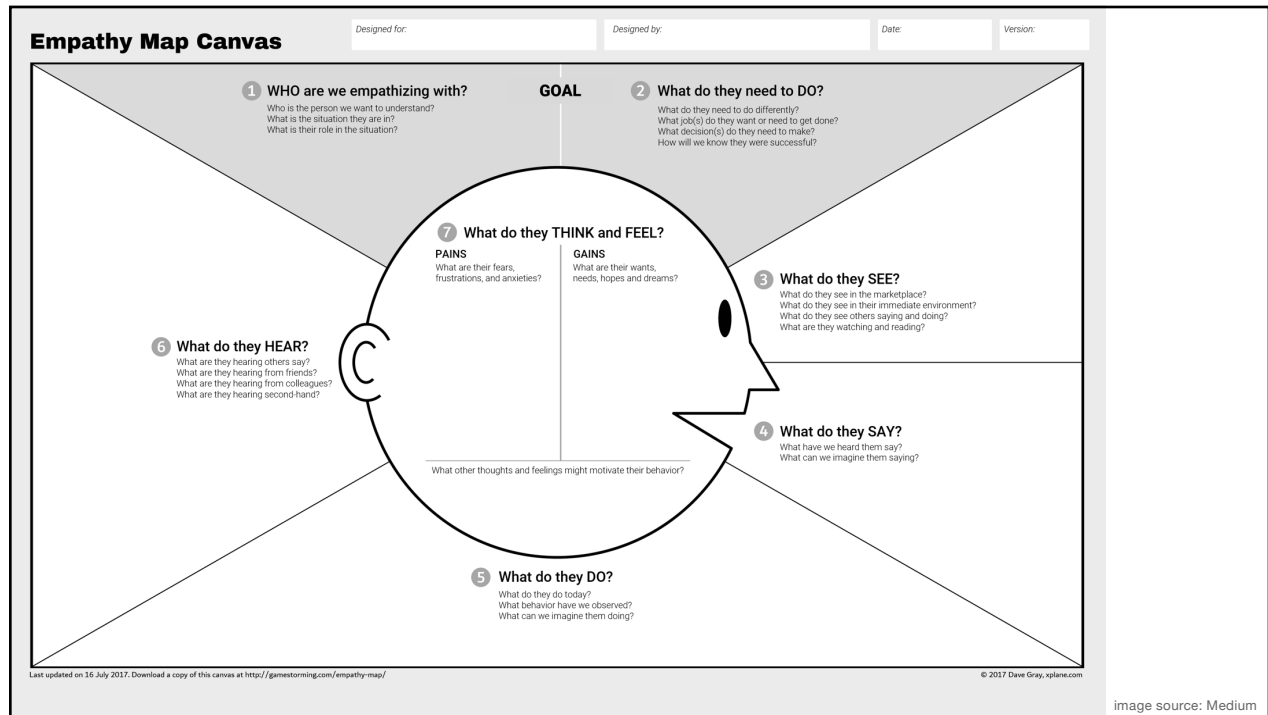
Don’t ask binary questions (yes/no) Use “the 5 Ws” to start open questions.

<http://tlpny.com/design-thinking-empathy/>

9



10



11

Problem Statement vs. Paradox

“AND..... ”

“Your audience does not need to own the problem to own a part of the solution.”

Thaler Pekar, 2012

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Problem Statement vs. Paradox

“ Paradox welcomes multiple points of view, pathways toward understanding, and complex arguments. ”

– Thaler Pekar, 2012

What are the social problems or paradoxes in your common areas of interest?

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Business Models of Social Ventures

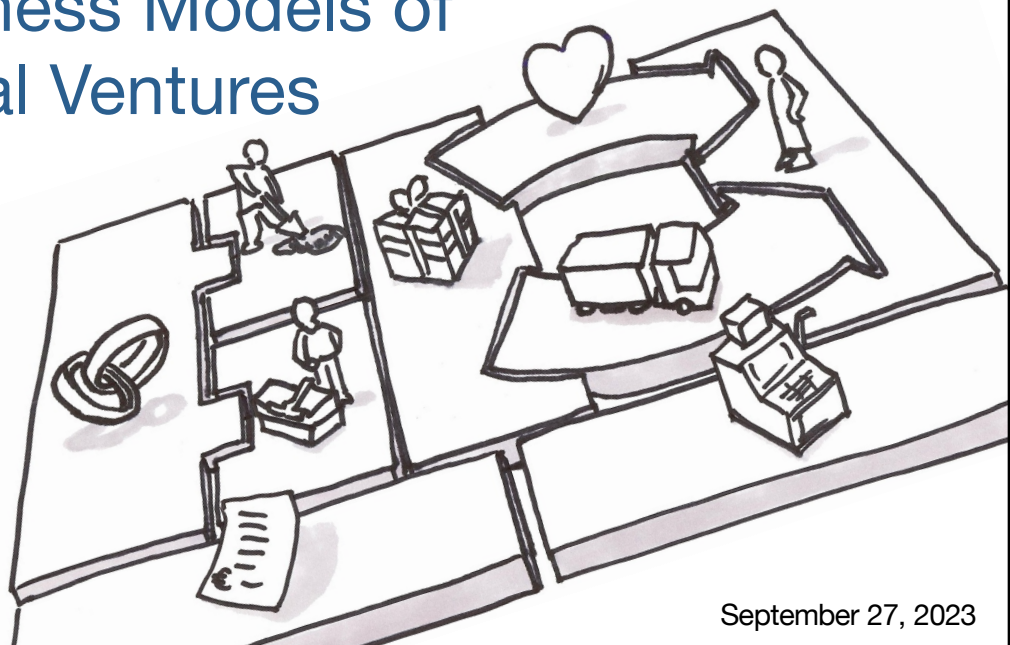


image source: tpma-inc.com

September 27, 2023

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STORY OF PLASTIC Film

Released September 30 2021

THE STORY OF PLASTIC (DOCUMENTARY FILM)



Produced by *The Story of Stuff Project*.

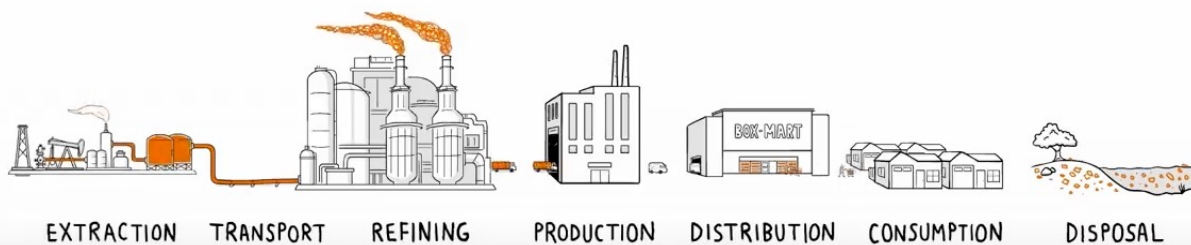
<https://www.storyofstuff.org/>

Emmy nomination.

<https://www.storyofstuff.org/movies/the-story-of-plastic-documentary-film/>

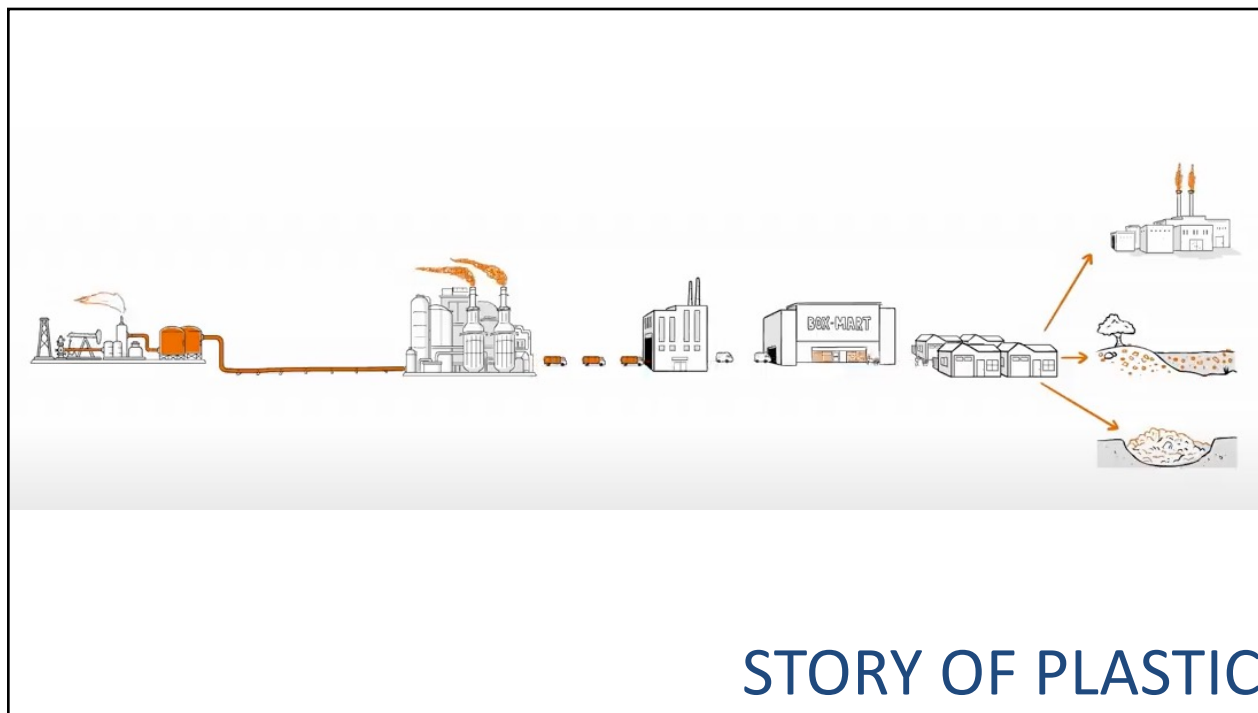
IN THE NEWS

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STORY OF PLASTIC

16



17

Discovery The Story of Plastic (Full Documentary)

Watch later Share

Alliance to End Plastic Waste:

BASF, Berry Global, Braskem, Chevron Phillips Chemical Company LLC, Clariant, ConocoPhillips, CP Group, Dow, DSM, ExxonMobil, Formosa Plastics Corporation USA, Henkel, LyondellBasell, Mitsubishi Chemical Holdings, Mitsui Chemicals, NOVA Chemicals, OxyChem, PolyOne, Procter & Gamble, Reliance Industries, SABIC, Sasol, Shell, Suez, SCG Chemicals, Sumitomo Chemical, Total, Veolia, and Versalis (Eni)

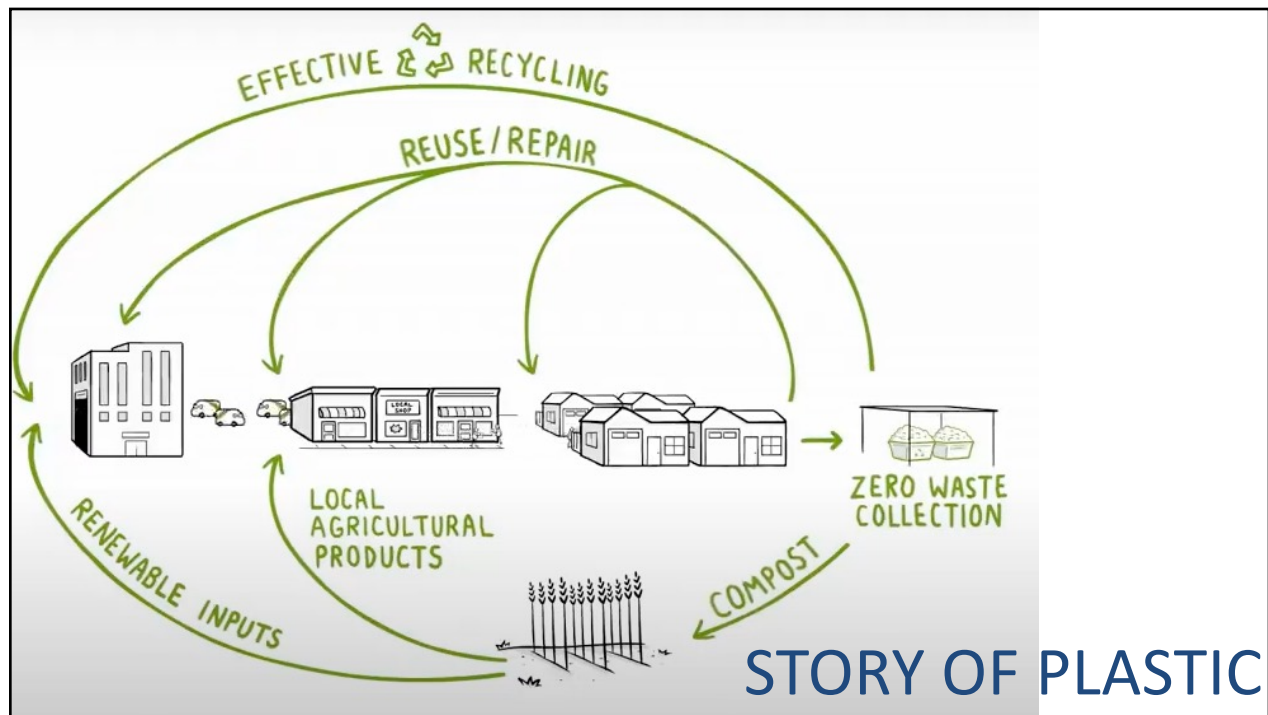
committing **\$1.5 billion** to cleanup

while **\$204 billion**

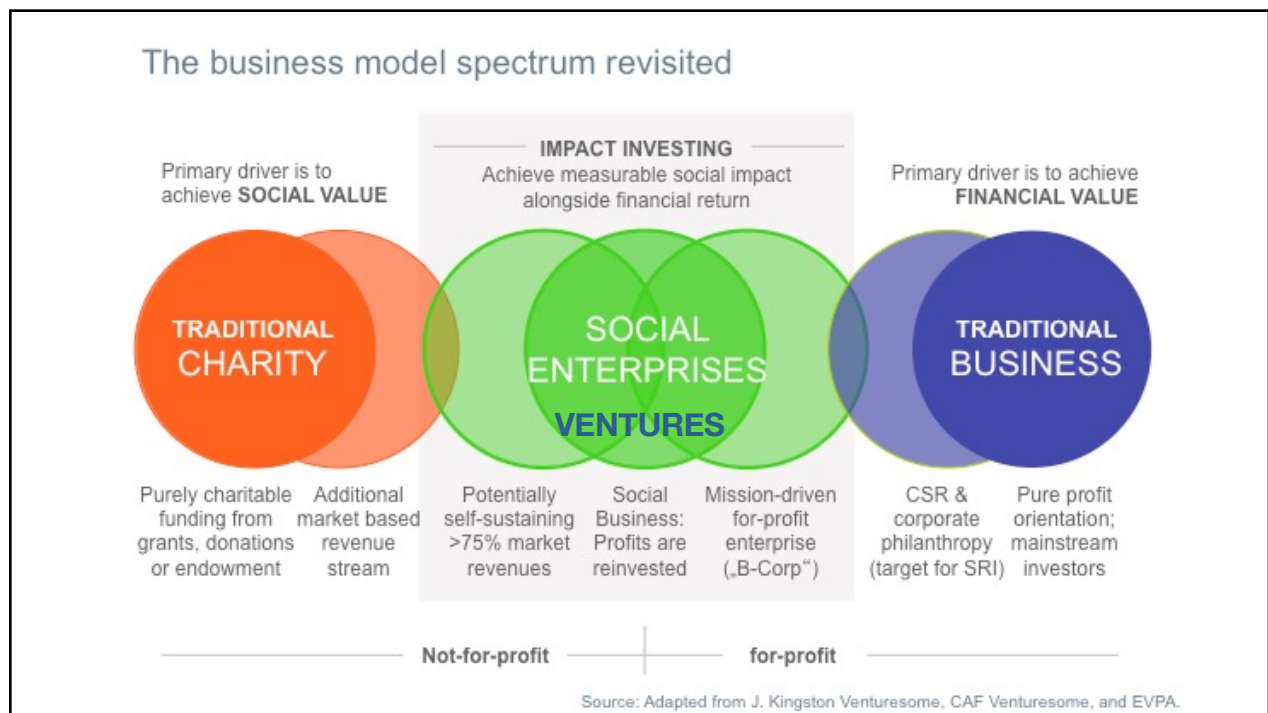
goes to 334+ new petrochemical facilities*

STORY OF PLASTIC

18



19



20

Legal Context: Structures

- Not-for-profit ('Regular' or Charitable status)
- For-profit (Sole Proprietor, Partnership, JV, Public or Private Corporation)
- Co-operative
- Community Contribution Company (BC), Community Interest Company (UK and NS), or Public Benefit Corporation (USA)
 - “Asset lock: cap on shareholder dividends and on assets distributed upon dissolution
 - Bulk of profits must go to community purposes
 - Governance: min. 3 directors
 - Annual Community Contribution Report

source: Social Enterprise Canada

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Form Follows Function

Registered Charity	Nonprofit	Co-operative	Business Corporation	Community Contribution Corporation (CCC)
Receive donations and issue tax receipts. Mission mandated by law.	Receive Grants. Run “related” businesses. Mission is explicit in Articles.	Great for formal, long-term collaboration. Strong business history.	Flexible and adaptable, many financing options. Few legal unknowns.	Committed to mission in Articles. Limited dividend payments to shareholders.
Strict CRA reporting Limited business options	No equity/shares. Can have governance challenges.	Not nimble. Challenging if power struggles arise.	Pays taxes. Can't take grants. Public trust and accountability.	No legal case history yet. Good for special cases? Often no clear advantage over hybrids.

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Business Model Components

1. Operating strategy to create intended impact

- Internal organizational structure
- External partnerships
- Channels, activities

Remember
"Question Zero"

2. Resource strategy to do the work

- Human and financial
- From where/whom?
- On what terms?

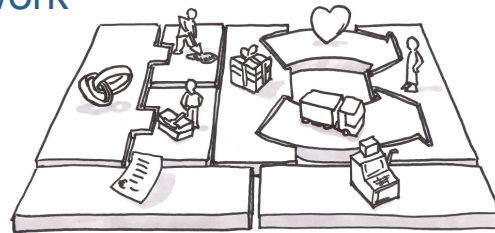


Image source: tpma-inc.com

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[What is Social Enterprise?](#)

[Features](#) ▾

[News](#)

[Contact](#)

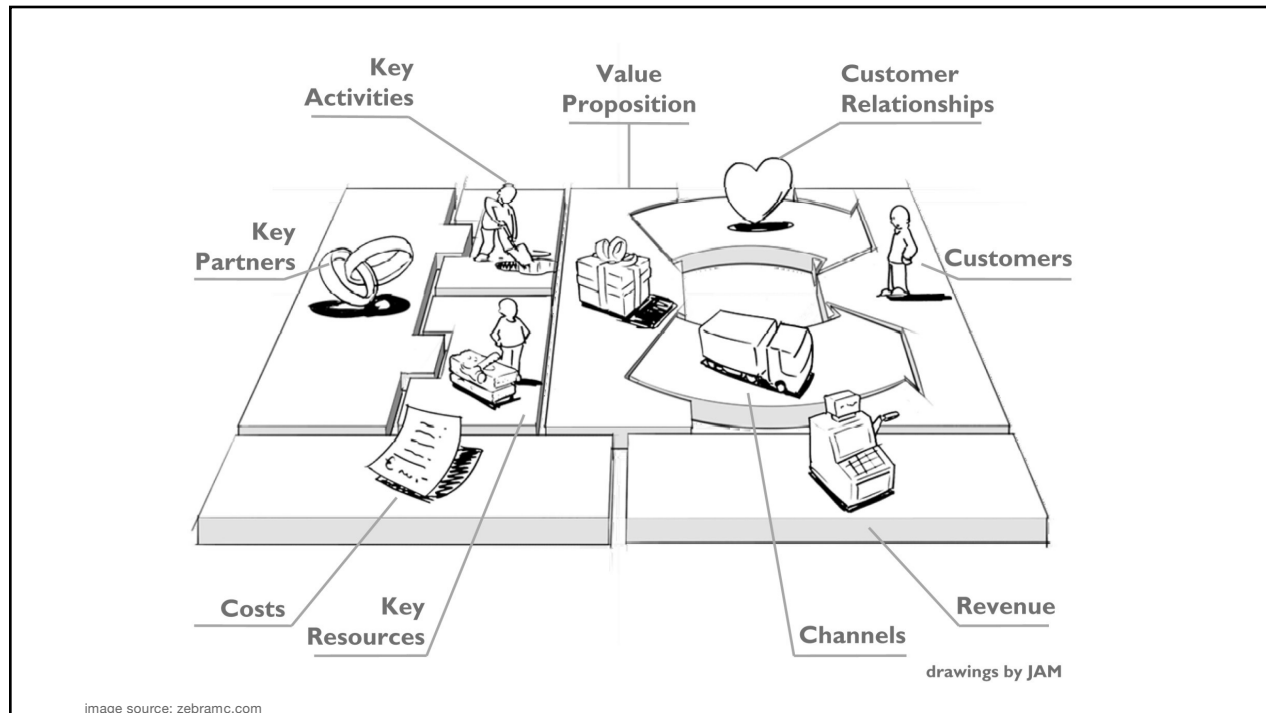


'Charities and non-profits rely on three core sources of revenue: government funding, philanthropy, and earned income. Of these, only earned income offers any prospect for long-term growth.'

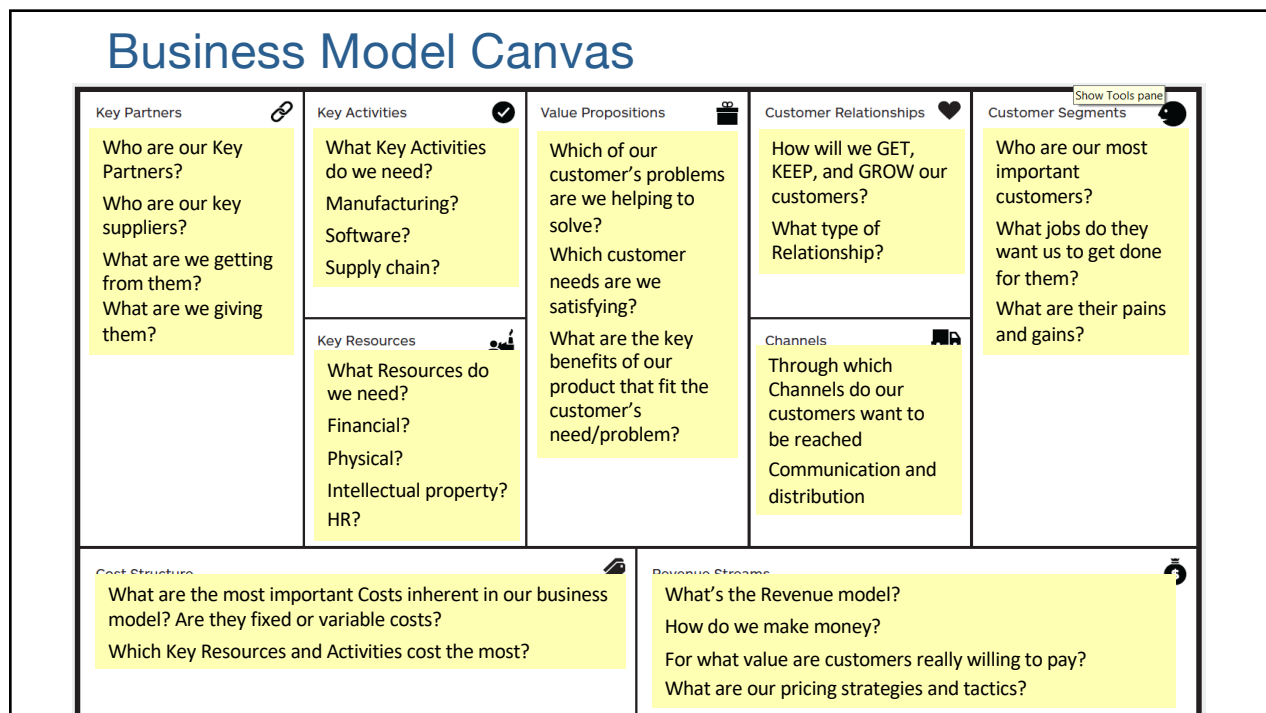
[WANT TO KNOW MORE?](#)

<https://www.centreforsocialenterprise.com/>

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25



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Business Model Components

- For a social enterprise, the business model must generate both **social value** (measurable impact) and **economic value** (revenue)
- Must be designed in accordance with:
 - mission
 - social + economic objectives
 - client needs + capabilities
 - legal environment

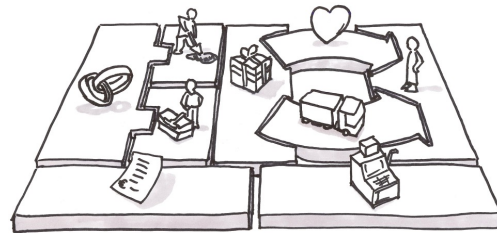


Image source: tpma-inc.com

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Finding Your Value Proposition

What **jobs** can you help the customer do?

What **pains** can you help the customer avoid?

What **gains** can you provide to the customer?

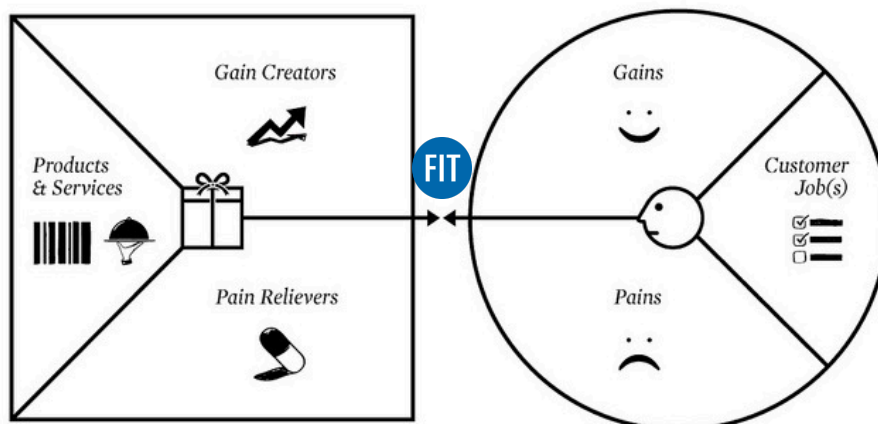
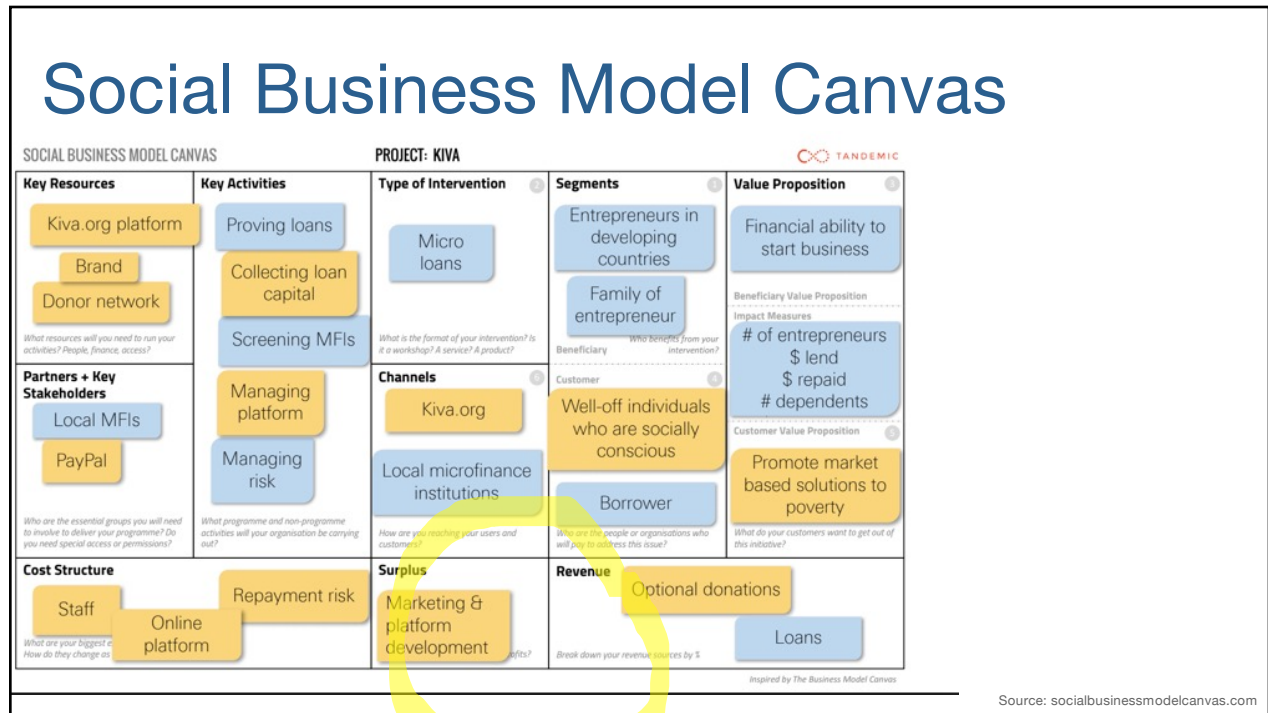


Image source: strategyzer.com

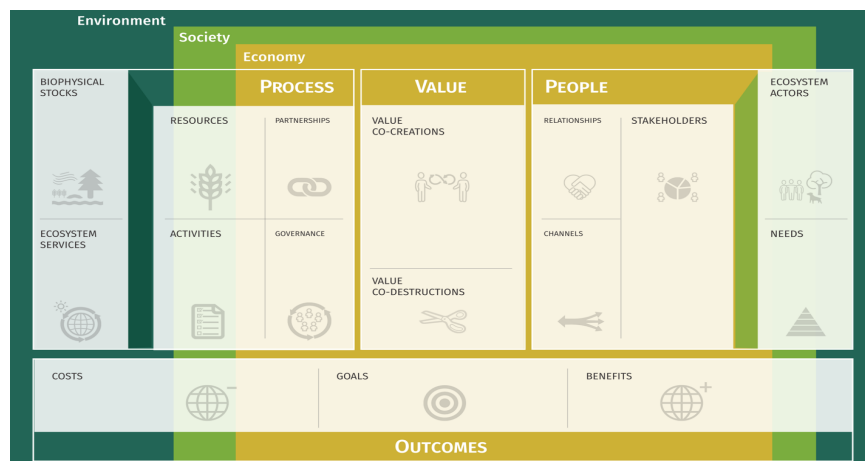
28

Social Business Model Canvas



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The Flourishing Business Canvas



© Antony Upward / Edward James Consulting Ltd., 2014 All rights reserved.
www.flourishingbusiness.org

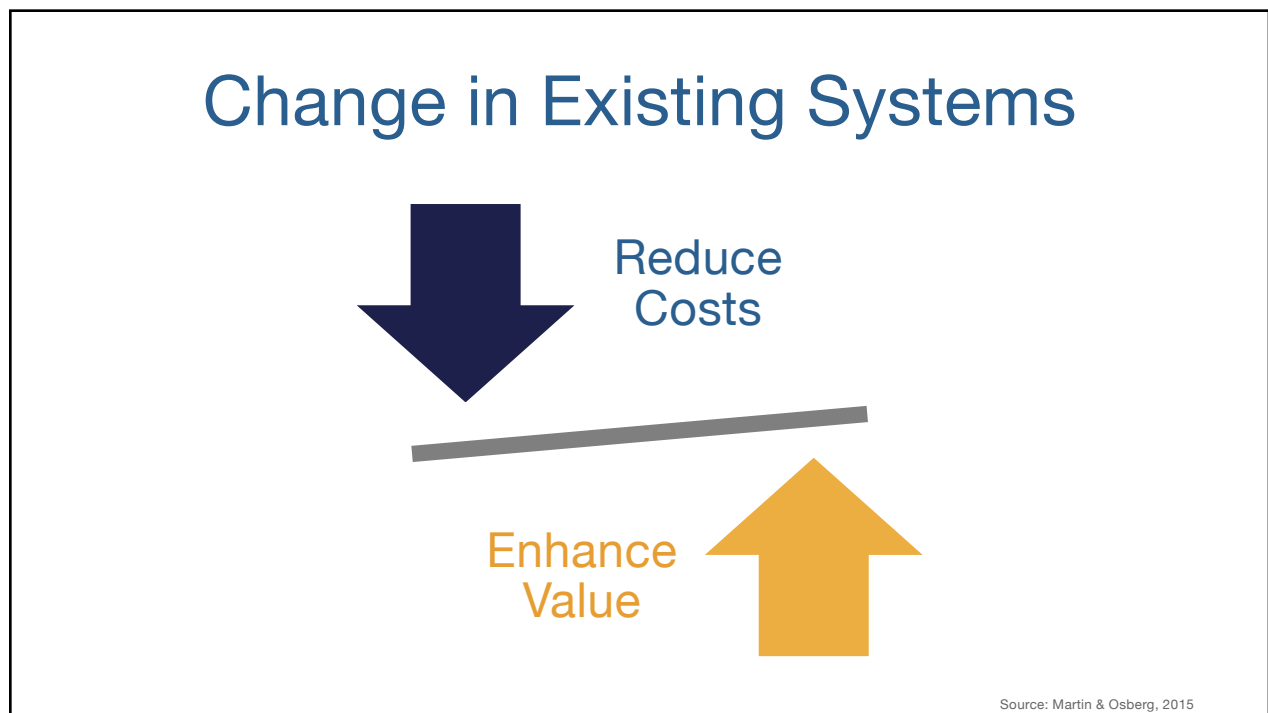
30

The image shows a screenshot of a Business Model Canvas (BMC) template. The template is divided into nine sections: Key Partners, Key Activities, Value Propositions, Customer Relationships, Customer Segments, Key Resources, Key Channels, Cost Structure, and Revenue Streams. A yellow rectangular overlay is positioned in the center, containing the following text:

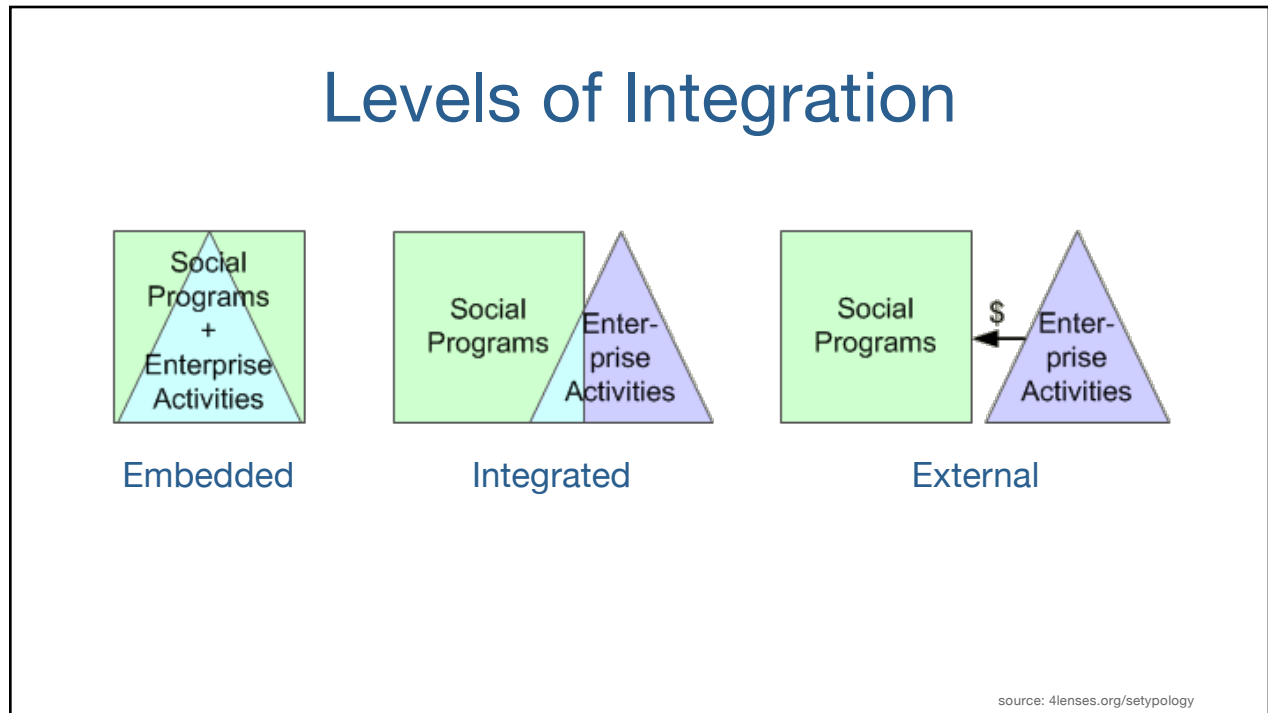
Practice: BMC for a SocEnt

1. Choose a quick SocEnt case study
2. Start with Value Proposition, then complete as many boxes as you can
3. In any boxes you don't know, write a question or guess ("hypothesis") you could test
4. Draw lines between points that are connected
5. Identify "special considerations" for a SocEnt

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34

Traditional Mechanisms of Change in Existing Systems

Enhance value

1. Transparency standard (customer)
2. Measurement rubric (gov't)
3. Powerful methodology (asset)

Reduce costs

1. Creatively repurpose capital assets (capital costs)
2. Invest in dramatically lower-cost platform (operating costs)
3. Substitute lower-cost labour (operating costs)
4. Low-cost product (operating costs)

Source: Martin & Osberg, 2015

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Keys to Sustainable Social Enterprise

Changes two features of a socioeconomic system:

1. Adds new actor to an existing system
 - Customers: shift the power balance
 - Government: alters the economics
2. Improves the enabling technologies
 - Replaces a key technology with a lower-cost one
 - Creates a new enabling technology
 - Repurposes an existing enabling technology

Not mutually exclusive: consider a blended approach

source: Martin & Osberg, HBR, 2015

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People and Technology

- Improve production and access to markets
- Provide employment
- Help consumers
- Enable entrepreneurship
- Provide stability
- Increase access to infrastructure
- Adapt technologies used by the wealthy to the needs of the poor
- Enhance sustainability and the environment through technological solutions

Source: Yunus, 2010

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Recap: Special Considerations in Social Enterprise Business Models

- What is my social objective?
- What benefits will I provide? Can I add any more? Are they lasting?
- How will the intended beneficiaries participate?
- How will I measure the social impact?
- If successful, how can it be replicated or scaled up?
- How am I ensuring responsibility? (ethics, laws, no harm, minimizing negative impacts)
- Is the model sustainable for the long term?

source: Yunus, 2010

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		individual / partner	team
prep:	Pre-assessments	10%	
assignment 1:	Social Problem Situational Analysis	20%	
assignment 2:	Selected Case Study + Presentation		15%
assignment 3:	Applied Social Enterprise Project		30%
assignment 4:	Reflection Paper	10%	
Participation*:	Participation + Engagement	15%	
total		55%	45%

ASSESSMENT

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<div>*Participation + Engagement ~ Participation “Portfolio”</div> <div>1: in class speaking (synchronous)</div> <div>2: discussion boards (asynchronous) ~ 1 week</div>	
<div>PARTICIPATION</div> <div></div>	

40

		due	present
prep:	Pre-assessments	ongoing	
contribution:	In-class Participation + Engagement	ongoing	
assignment 1:	Social Problem Situational Analysis	oct 3	
assignment 2:	Selected Case Study + Presentation	oct 23	oct 23 - oct 30
assignment 3:	Applied Social Enterprise Project	nov 28	nov 29* + dec 4*
assignment 4:	Reflection Paper	dec 8	
note* clients attend			
DATES			

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Intro Card
1. full name + preferred name (if different)
2. faculty + year
3. specialization
4. why are you here?
5. what do you hope to learn (from course, peers)?
6. how do you define “social entrepreneurship”?
7. what inspires you?

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Assignment 1: SOCIAL PROBLEM SITUATIONAL ANALYSIS

The purpose of a situational analysis written assignment is to help increase knowledge about the context of a social problem, identified and selected by the student. The selected problem may be local, national, global or specific to another country. With this in mind, it is important to understand the context and system of which the problem is a part, as well as the circumstances and influences that may have resulted in the situation. This type of exercise is essential to developing a deeper understanding of how any proposed future recommendations or initiatives might impact the system, all communities and stakeholders.

Students are encouraged to follow their interests and passions, looking broadly (locally, nationally, globally, etc.) to identify a compelling social problem. Through research, students will learn about the context of the problem; describe the current status of the issue; examine the causes and factors that have contributed to the problem; and provide an analysis of key strategies addressing the issues.

In preparing the situational analysis, please reference appropriate sources (literature and reports) and interpret and apply findings to regional issues (i.e. nutrition, health, education, the economy, environmental sustainability, etc.). This macro level background information will provide an important contextual backdrop. Elements of the situational analysis include:

- **Background/Context** – brief description of the situation in the region (i.e. country, province/state, city, etc) in terms of economy, climate, political structure, religion, gender and other factors that could have an impact on the problem space you are exploring. Consider regional differences and particularities.
- **Issue Status** – research and statistics about the relevant issues.
- **Causes of Issues** – summary of factors (i.e. historical, political, cultural, climatic, etc.) that might be contributing to the current state of affairs relating to the current situation.
- **Current Key Intervention Strategies** – brief analysis of strategies that are currently being implemented to address the issues, including why the strategies may have been selected (consider appropriateness from a cultural and national perspective). What might be some of the challenges with these strategies?
- **Resources** – references clearly indicated for all sources used.

Please Note: This assignment is to be completed with a partner, in groups of two students and represents 20% of the final grade. The main body of the situational analysis should be five (5) pages. References and supporting appendices (if required) are to be included in addition. Clear structure, communication and grammar are essential to a well-written piece.

DUE: Due 6pm Tuesday October 3, via Canvas.

ASSIGNMENT 1



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A1 SOCIAL PROBLEM SITUATIONAL ANALYSIS partner PARTNERS

ASSIGNMENTS

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01 assignment 1 ~ social problem situational analysis
due Tuesday October 3 on Canvas

02 early feedback

03 class prep ~ review, complete class prep
pre-assessments ~ due by 9am on day of class

04 sharing ~ new articles, resources, inspiration

REMINDERS



Image source: imgarcade.com