

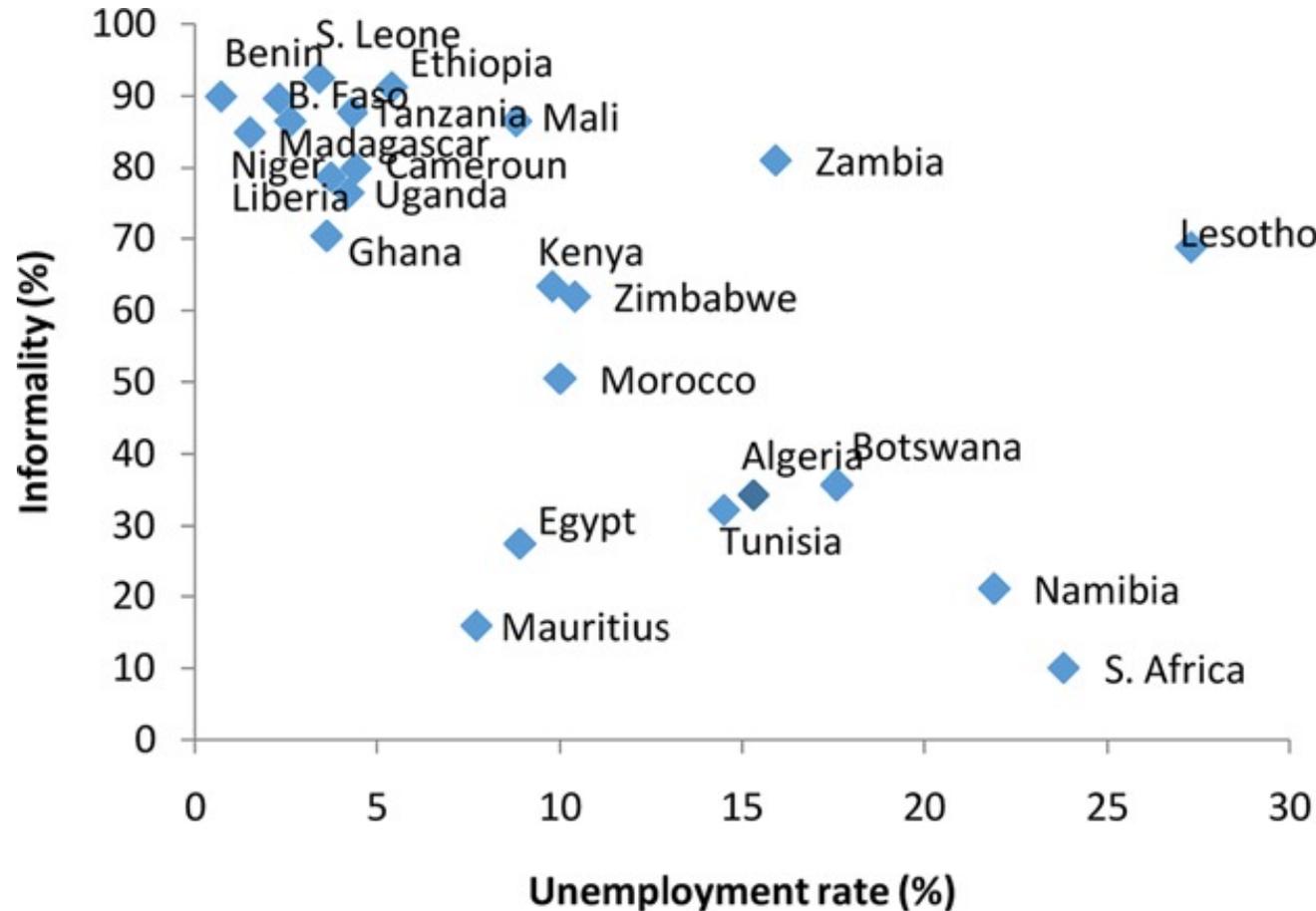
Innovating the Social Enterprise:

a sustainable business model to tackle
social exclusion

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IEEC2018

In Africa most workers have precarious incomes



Improving managerial capital among “survival entrepreneurs” should create more and safer jobs



Just 20% of the Malawi workforce are in formal jobs

Does it work in practice?

“We find little or no evidence of changes in key outcomes such as business revenue, profits, or employment”

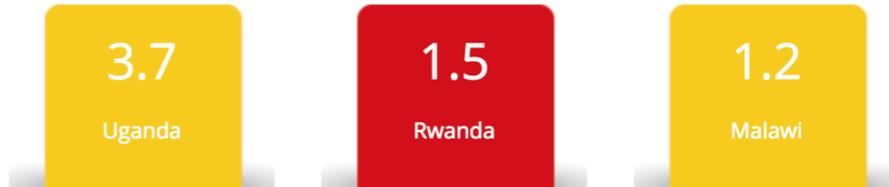
(Karlan and Valdivia 2011)

“entrepreneurship programs have a positive and large impact for youth on business knowledge and practice, but no immediate translation into business set-up and expansion or increased income”

(Cho and Honorati 2013)

But that is not the whole story

Average number of jobs created per entrepreneur



Percentage of entrepreneurs that increased their number of employees



An RCT studied 500 entrepreneurship interventions for Ugandan SMEs in 2015-2016.

It found a significant positive effect in the treatment group compared with the control group

It is not what you do, but how you do it

The impact on growth and job creation of learning

“through entrepreneurship”

is significantly greater than learning

“about entrepreneurship”



Enterprise and
Entrepreneurship
Education:
Guidance for UK Higher
Education Providers
January 2018

See page 14



Empowerment through experimentation is really important



What works well?

12 sessions over 4-6 months with clear goal

“Homework” tasks that are:

- Practical
- Contextual
- Actionable
- Measurable

A tale of 2 projects – which one had most impact?



- 70 year old widow
- Malawi
- Primary education
- Existing business
- Grow Movement



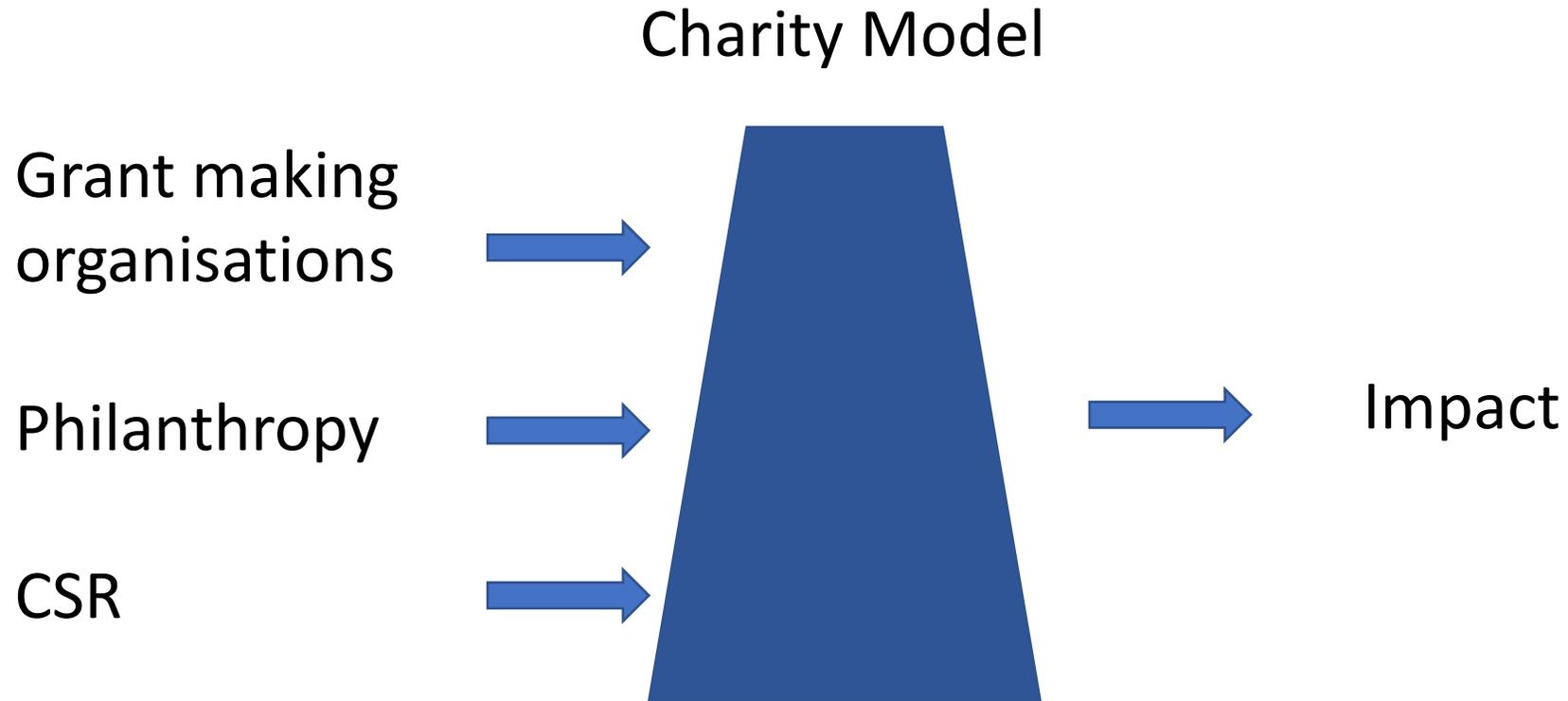
- 20s Youth
- Bangladesh
- Graduates
- New business
- VSO

The Charity sector in development aid is broken

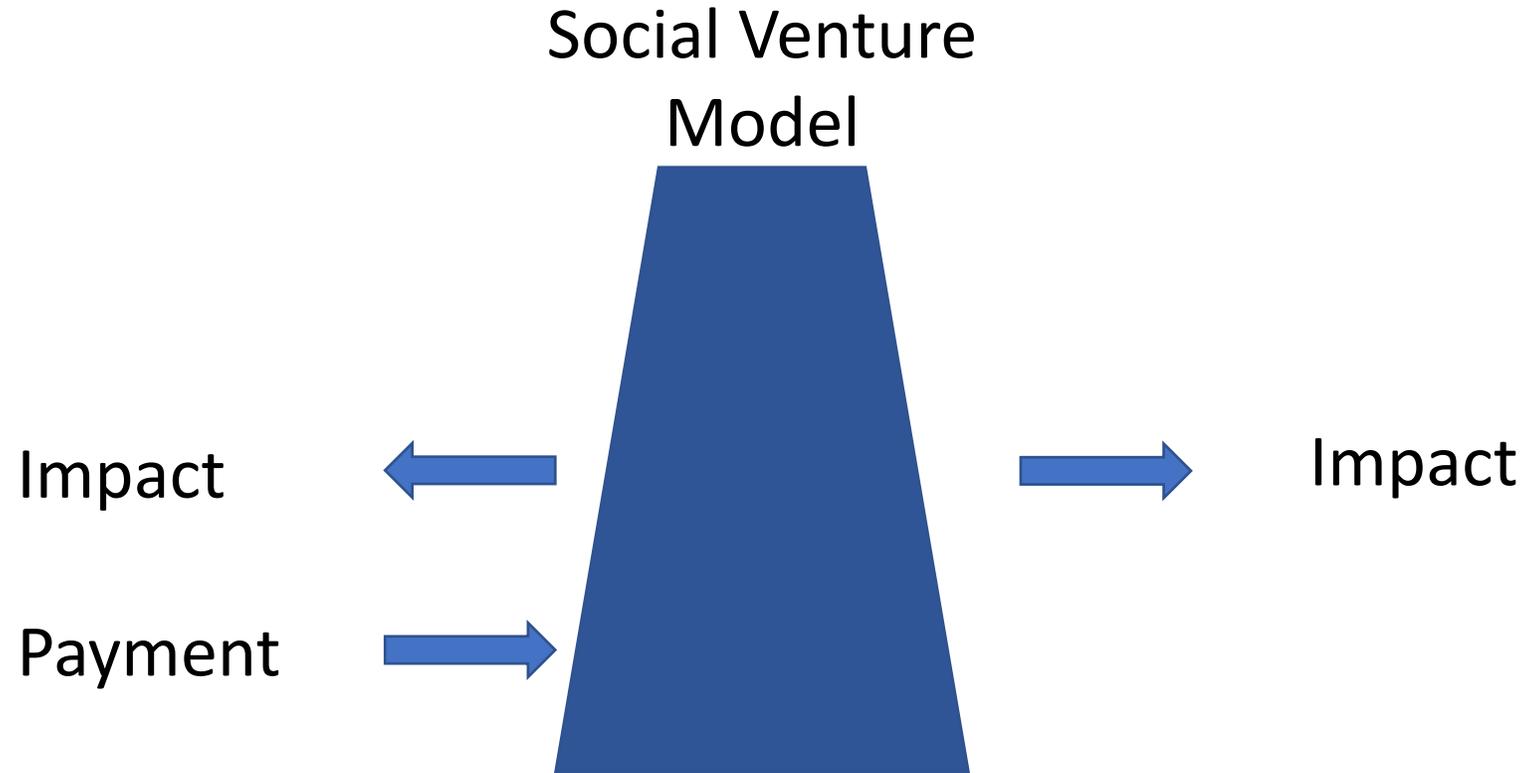
- “Professionalisation” and big salaries
- 3% of charities get 72% of funding
- Irrationality in donating
- We would rather fund cure than prevention

So how do we fix it?

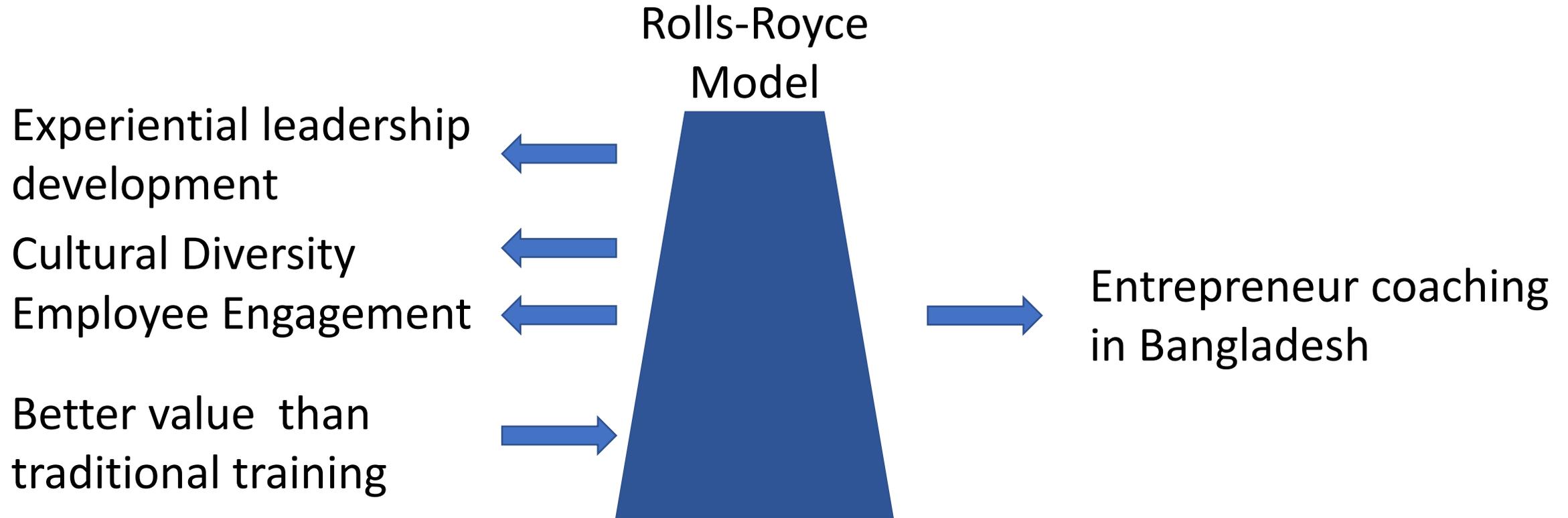
Create a more sustainable funding stream...



...using a *double-sided* business model

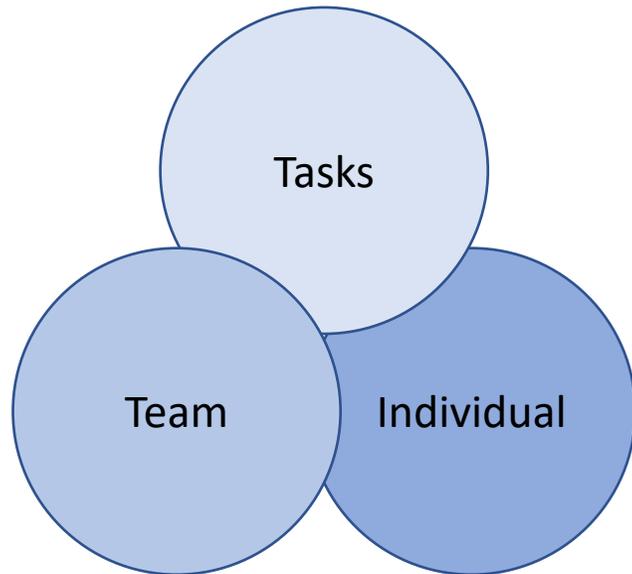


Our Rolls-Royce pilot supported the concept....



...giving better learning outcomes than traditional training

The RIGHT experiential learning



Leading is not just a competence

Business
skills

Integrity
Perseverance

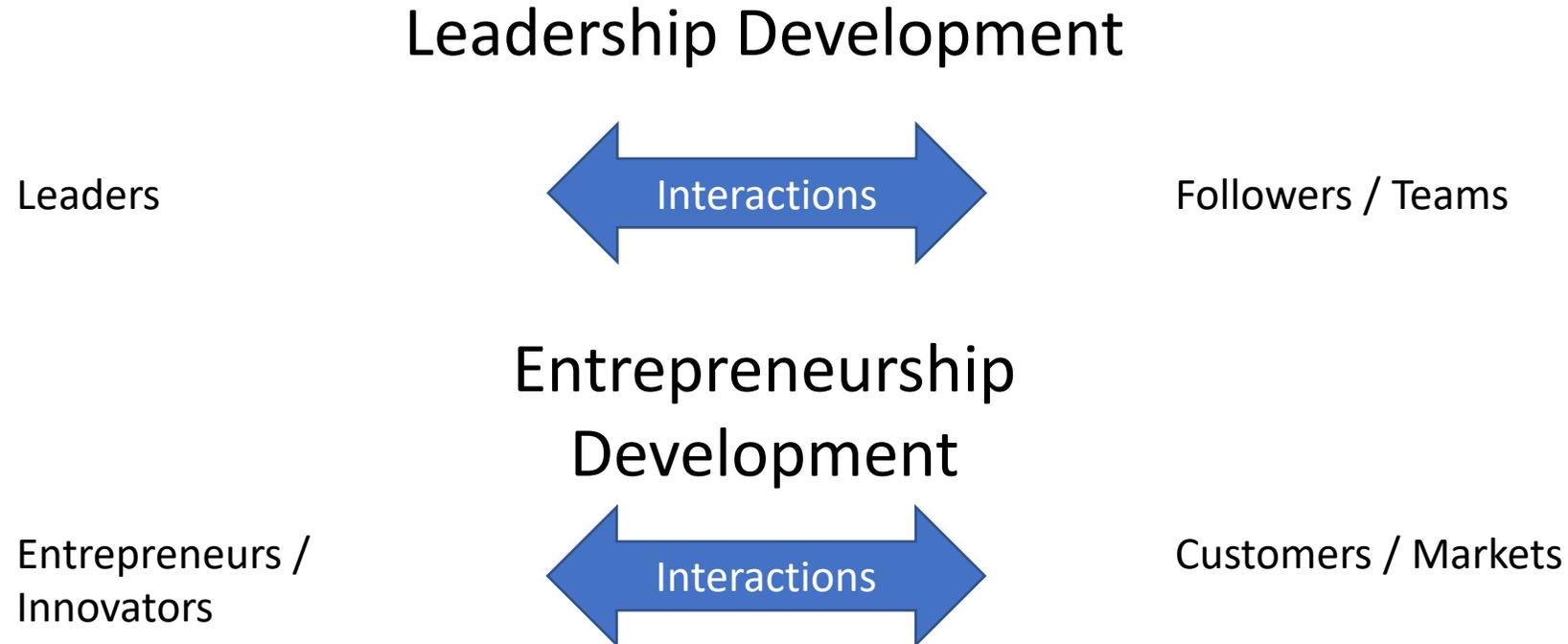


Identity
Authenticity

Vision
Innovation

Interpersonal
empathy

Notice any similarities?



It is all about interactions with real humans
Humility enhances interactions

Lessons from Project Phoenix

- Ex-offenders respond as well as students to Lean Startup
- Motivation is key – confidence plays a big part
- Position (social capital) is a big factor in business success
- Fund based on business plan not person's history



Any Questions?