

FACILITATING A BUSINESS RELATIONSHIP BETWEEN SOCIAL ENTREPRENEURS AND BUSINESS ANGELS!



Numerous initiatives worldwide are working to challenge the prevailing economic order, and develop alternatives directed at a wider profit perspective, and promoting inclusion of social and environmental impact at the core of business. We contribute to this work by exploring the potential for increased prosperity of the community as well as of individuals by investigating the potential of business angels and social entrepreneurs engaging in business together.

The numerous initiatives we mention above comprise of people, organizations, and institutions from all three major institutional sectors that make up a society: civil society; the state; and businesses. They work to resolve the challenges ahead by introducing new ideas and methods.

Our study focuses on two of the many actors, which are identified as important drivers of change and innovation, social entrepreneurs and business angels.

Here are some of the topics Michael and Evelina address in lectures, keynotes and workshops:

- What is social entrepreneurship (and why it is so difficult to define), and its role in the currently changing economic paradigms.
- How to enhance communication between social entrepreneurs and investors and increase social entrepreneurs' chances of finding an investor.
- Differences between social entrepreneurship and entrepreneurship.
- How can my business benefit from including social and environmental, along side profit seeking in the core business.

We can address these topics in English, Swedish and German.

BOOKS US FOR LECTURES, KEYNOTES & WORKSHOPS!

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OUR MAIN FINDINGS

Social entrepreneurship – nascent domain in a pre-paradigmatic state

There are not many cases known of business angels investing in social entrepreneurs' ventures. We relate this to a discursive gap between the discourses of business angels and social entrepreneurs. It seems as if the word social tears the discourses apart. The domain of social entrepreneurship is currently in constant flux, and has no clear boundaries. Although the phenomenon of social entrepreneurs is not new the domain is still to be deemed nascent, and in a pre-paradigmatic state.

Trust – the most important factor in a business relationship

Above all factors facilitating a business relationship between social entrepreneurs and business angels is trust. Investing in social ventures, especially in very early stages of the venture's development cycle means investing into people and their ideas. Though business angels want to see hard facts in a business plan they pay most attention to the personal qualities of the social entrepreneur.

Social entrepreneurship is entrepreneurship +

Their requirements on social entrepreneurs are immense: not only needs the social entrepreneur show excellence in creating social and/or environmental impact, and incorporate so called social qualities like solidarity, cooperation, or selflessness they also need to exhibit a broad set of entrepreneurial qualities, for instance drive, passion, perseverance, competitiveness and an eye for business. This lets us conclude that social entrepreneurship is more comprehensive than entrepreneurship, adding social and/or environmental impact, hence we label it "entrepreneurship +".

Essential reaching agreement on social and environmental impact and profit

There are many factors specific to social entrepreneurship which can reduce the chances of investment. The social entrepreneur and business angel must reach agreement on their understanding and definitions concerning social and environmental impact, the value of social entrepreneurship, the level of return on investment, and methods to measure social and environmental impact.

WHO IS SOCIAL ENTREPRENEUR?

Social entrepreneurs conduct a wide range of activities, ranging from activism to social business, and social enterprise to corporate social responsibility. They have an important role to play in the current change of economic paradigms since they challenge and disrupt institutions and structures on all levels through offering solutions to social and environmental problems, which other actors cannot or choose not to deal with. There are several business models social entrepreneurs can pursue: non-profits with earned income, hybrids, for-profits with a social mission, and traditional non-profits; and forms of financing: revenues, loans from commercial and social banks, soft loans, grants and scholarships, donations, venture capital, venture philanthropy, and angel capital and social angel capital.

WHAT IS A BUSINESS ANGEL?

Business angels provide high risk capital expecting rather high rates of return. They typically invest in the early stages of a company's life cycle enabling it to fund the development of business concepts, products and services and bring them to market. Business angels are strongly motivated by growing and developing a venture through contributing own experience, network, and time. This may be largely owed to the fact that most business angels have been entrepreneurs themselves.



More information on www.thegoodtribe.com.