

Social Enterprise – Using the Marketplace to Address Social Problems

Definition

Social Enterprise in its broadest sense is an organization or venture that advances its social mission through entrepreneurial, earned income strategies. The social missions of social enterprise programs are as diverse as their business operations and organizational structure.

General Organizational Structure

Nonprofit Versus For-Profit

The Social Enterprise Alliance describes the social enterprise movement as including: *“nonprofits that use business models to pursue their mission and for-profits whose primary purposes are social. Social mission is primary and fundamental; the organizational form depends on what will best advance the social mission. Many nonprofit organizations see social enterprise as a way to reduce their dependence on charitable donations and grants while others view the business itself as the vehicle for social change. Whether structured as nonprofits or for-profits, social enterprises are simply launched by social entrepreneurs who want to improve the common good and solve a social problem in a new, more lasting and effective way than traditional approaches.”*

Social Enterprise Markets – B2B, B2C and B2G

The market for social enterprise programs varies as well – here are the primary 3:

- **Business to Business (B2B)** transactions (supply chains, industrial/professional sales)
- **Business to Consumer (B2C)** transactions (retail sales)
- **Business to Government (B2G)** transactions (government procurement/contracts)

B2B and B2G transactions have a higher volume and as such offer greater scale, however, B2C transactions can also find success (think thrift stores).