

INNOVATION BRIEF

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Lessons for millennial social entrepreneurs and programs that support them

Bozhanka Vitanova

Social entrepreneurship is the dream career of many millennials. This is a distinctively self-confident generation, seeking adventure with a desire to create positive impact through their work. For millennials, the startup is shaping up to be the new ideal and entrepreneurs the new rock stars. And the rock star building a better world seems to be among the most admired ones.

This study retrospectively analyzes the experience of building a successful social enterprise and factors most influential in the process. Formative experiences that shape successful social entrepreneurs, critical skills that define them, and ways for attracting resources that make ideas tangible are examined.

Successful Social Entrepreneurs: Where to find them

Findings of the study are based on open-ended interviews with established social entrepreneurs in Boston, New York, San Francisco, and Los Angeles. Social entrepreneurs interviewed have started their ventures at 34 years or younger, their social enterprise has existed for at least 2 years, with a financially viable model, and a proven track of social impact.

The broader definition of a social entrepreneur was used including entrepreneurs who organize and operate businesses with a social objective at its core generating profit to support direct social purpose activities. Both for-profit and non-profit legal models were included as long as the main objective of the organization was creating social impact.

Eligible social entrepreneurs were recognized leaders in their fields. They were located through established social entrepreneurship networks and channels including Ashoka Fellows, Echoing Green Fellows, World Economic Forum Young Global Leaders, B Corps, and Forbes 30 under 30 Social Entrepreneurs.

In total, thirty-one social entrepreneurs took part in the study, nine based in Boston, eleven in New York and eleven in San Francisco and Los Angeles.

Sixteen of the entrepreneurs were female and fifteen male. The age range at the time of the interview was 21 to 46 years old with median of 32 years. The median years of existence of their social enterprises was 5 years, with a range from 2 to 13 years.

Nine of the entrepreneurs interviewed have either emigrated themselves or are children of immigrants. Fourteen of the entrepreneurs are serial entrepreneurs, having started more than one social or a for-profit enterprise.

The age-old question: are entrepreneurs born or made?

Study findings suggest the latter with a minor twist. Social entrepreneurs can be “made” but not through formal entrepreneurship programs or competitions, and the “making” might need to happen earlier than expected.

Leila Janah, founder of Sama, confidently states that her best entrepreneurial training was the need to hustle. Leila started babysitting when she was 12; she put around flyers and found her customers in an effort to afford her ballet classes. "My parents didn't have the money and my mom told me that if I worked and made money, I could still make it happen. So, I started being a hustler as many immigrants do," she explains.

Leila adds: "Almost all entrepreneurs I know had to hustle at some point and I think this is what builds resilience and comfort with rejection and failure. It is important to get rejected and keep going. That is the one defining characteristic of an entrepreneur, to be rejected and just get back because you inevitably will have horrible trying moments."

Abby Falik, founder of Global Citizen Year, also had an entrepreneurial instinct from a young age. She started selling her father's neckties at the age of seven and founded a summer camp when she was thirteen. She has been in action ever since and has a theory based on her experience: "We don't learn in our comfort zone, we don't learn in our panic zone, but there is this stretch zone in-between where our growth and learning happens. Forcing ourselves out of our comfort zone is the key to developing ourselves, and the muscle memory that makes it easier to take the leap the next time."

Daquan Oliver, founder of WeThrive explains how building that muscle memory worked for him: "In my childhood, I built a habit, whenever there is a challenge, I'd find my way around it. I was presented with no shortage of challenges to the point where it just became a game. Being presented with these challenges and figuring out how to overcome them was my best training."

In one way or another, most social entrepreneurs that took part in the study actively practiced core entrepreneurial competences such as the ability to identify problems, effectively take action to resolve them, and be resilient when their attempts failed, from a very young age. Most successful social entrepreneurs have started what they refer to as hustling before they reached adulthood.

They were either raised in circumstances that have forced them to take charge early on, have had strong role models that have helped them understand that their actions can make a difference, or have gone through experiences that have enabled them to clearly see the fruits of their work.

The two skills critical for entrepreneurial success

CRITICAL SKILL #1 - SOLVING PROBLEMS

Building a social enterprise is first and foremost about solving an actual problem. It is not about becoming a social entrepreneur, as many aspiring entrepreneurs put it.

Nancy Lublin, founder of Crisis Text Line sums it up perfectly, "Solve an actual problem. Stop entering business plan competitions, stop taking entrepreneurship classes, and make something that delights someone."

It all comes down to understanding how to break down and analyze a problem, get to its root cause, assess and evaluate possible solutions, and implement findings. Having a process to solve problems and the right mix of analytical and creative thinking is indispensable.

A STEM background comes in handy by providing that framework and a reasoning method that helps with taking on complex, multifaceted problems. Consulting work experience was shown to be effective in honing this skill as well.

CRITICAL SKILL #2 - EFFECTIVELY COMMUNICATING

Even the best solutions would not see the light of day, if they were not shared in a clear, concise, persuasive manner. If one is too wordy and unclear, it is very difficult to get people on board, in particular when it is a new and risky idea.

Justin Pasquariello, Executive Director of Children's HealthWatch, understands the power of communication and has learnt that "if you give people information that does not resonate with their frame of thinking about the world, they will dismiss it or forget it. You need to frame your message in a context that makes sense for your audience."

Entrepreneurs that took part in the study understood the need for strong communication skills. Quite a few took part in debate teams, others were in fields that require good writing skills, one even went as far as to study linguistic philosophy in order to understand the power of language and effective communication. Having the ability to communicate effectively was what provided the confidence needed to get people on board and attract initial resources.

NETWORKS THAT WORK

Strong networks are the backbone for an entrepreneur, essential for getting an idea off the ground, acquiring first customers, getting content expertise, and obtaining initial funding. However, most entrepreneurs see networking as a tedious activity requiring attending numerous events, collecting business cards, and pitching their needs to strangers.

NETWORKS THAT ACTUALLY WORK:

... are authentic and genuine

Building enabling relationships requires authenticity and being genuine. Anna Squires Levine, co-founder of Run for America says: "Relationships are only good if they are real. You can't collect people just because you are networking, you need to genuinely want to get to know people, what they are thinking, and what drives them."

John Harthorne, founder of MassChallenge has the same advice drawing from his experience: "We set up a lot of meetings. Our ideas were still poor, our plan was not very viable, but we were genuine, sincere, and passionate and people respected that. They told us what they perceived to be wrong with the plan and how to fix it."

As someone who has helped many other startups navigate their way, John confirms: "You don't want to support someone who is half-hearted and does something different every two days. We were able to demonstrate that we cared and we would really do this, no matter what."

...are two-way and not focused solely on the needs of the entrepreneur

Rajesh Setty, a serial entrepreneur, sums it up nicely: "If you have built important relationships, things become very easy. Stay long enough, build big enough relationships and things will become easy."

Rajesh has some distinctive advice on the point of offering value to other people when developing networks: "You will have a unique competitive advantage, if you have the ability to give valuable gifts at scale at a very low incremental cost to you. You make the incremental cost low by doing things that are easy for you. You become really good at a craft, invest in yourself an insane amount of time, and borrow existing knowledge from other people."

George Weiner, founder of WholeWhale shares his story: "I had a lot of money saved up in the 'karma bank'. I had a lot of goodwill out there from consistently offering to help anyone I could. All of our initial clients came from primary or secondary networks of people I had helped. If you have a cold start and don't know the sector, the sector doesn't know you, you haven't built up that trust, it is a huge hurdle to overcome."

... are not formalized

Nikki Cicerani, President & CEO of Upwardly Global, shares her experience: "My mentors have become such organically. They were all people who seemed to just want to see me succeed and were willing to be an advocate for me when they could. When I reflect on why that was, I think it was because I was reasonably smart, earnest in my desire to produce excellent results, and I took initiative and had an opinion or a position. I never sought out a formal mentoring relationship, never set up a series of conversations."

... are consistent

Caroline Ghosn, founder of Levo highlights her learnings: "It is really important that you articulate your purpose early in your career and you are consistent about that. I



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have been saying the same thing for years. When you keep saying the same thing and you keep coming back, showing progress on your purpose, you build trust. It creates a pull instead of a push."

Financing may not be as important as you think

Lack of financial support is often cited to be the number one obstacle for starting a social enterprise. Almost none of the social entrepreneurs in the study had significant resources before they seriously kicked off their business. What these entrepreneurs claim is that scarcity breeds creativity.

Starting with limited resources slowed growth initially, but helped build a model that is viable on the long run. Going slow in the beginning enabled these entrepreneurs to go fast and strong long-term.

George explains his experience: "Whole Whale was bootstrapped, which made it difficult to start building momentum. However, had we not gone through that phase of scarcity, it wouldn't have become the same company; I wouldn't have been forced to test my assumptions. We've had a very slow growth curve because we didn't get an investment, but I love where we are now."

Tracey Durning, who successfully founded five enterprises, is a firm believer in starting as streamlined as possible: "The more money someone puts in, the more pressure there is," she explains.

Abby further confirms that lack of financing does not need to be a barrier: "In my experience, financial constraints can breed beautiful, creative solutions. Being forced to work with limited funding is a gift -- it pushes you to be innovative and define your value proposition very, very clearly."

Not waiting for financing to be in order, but having some sort of minimal safety net during those initial years can help new social entrepreneurs get their idea off the ground. Seeing financial constraints as an opportunity rather than a hindrance can create that spur of creativity and efficiency that can set a solid basis for long-term growth.

Enterprises that have had to bootstrap have managed to build models that minimize costs, establish working efficient process and innovate ways to deliver value, which has proven to be crucial as the enterprise matures past the initial survival stage.

A brave new future?

There are certain formative experiences that have managed to hone crucial competences and the entrepreneurial mindset needed to start and build a lasting social enterprise. If there could be a framework that replicates those circumstances, we might be able to build new generations of impact entrepreneurs.

With the development of technology, influential surroundings do not need to be physical. Entrepreneurs-to-be anywhere could build networks that work. Recognizing that effective networks are not transactional, and understanding how to offer value that creates lasting, mutually beneficial networks can make the process of starting something from scratch a bit easier. And as hard as it is to obtain that initial funding, one might as well be able to go without it.

Social entrepreneurship has enormous potential, but we need enabling ecosystems and guiding frameworks that help young social entrepreneurs confidently navigate this emerging field.

Building on some of the factors that have helped successful social entrepreneurs could help effectively support emerging ones. We might even be able to take out the rock star element and make the extraordinary social entrepreneur ubiquitous.

To receive more information on this topic, please contact:

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