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# Business ideas for social change



By [Zoe McKay](#)

## **Business schools teach that markets and best practice should be leveraged to increase profits. But can they also be used to create social change?**

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[Hans Wahl](#), co-director of the INSEAD [Social Entrepreneurship Programme](#) believes social entrepreneurs the world over are already making this happen.

“Social entrepreneurs are people who apply business practices and market principles in an effort to bring about social change. They often work at the base of the pyramid, using volume, large numbers of customers or constituents to compensate for the low prices or low fees that they charge.”

And there are many examples that show this idea in action. INSEAD’s Social Entrepreneurship Network counts over 250 members worldwide. One such organisation is Friendship in Bangladesh. This innovative association, which provides primary and secondary healthcare to riverbank villages and settlements, recognised the impracticalities of static, brick-and-mortar medical facilities and instead invested in mobile hospital ships. To make their efforts sustainable, “they complement this activity with programmes in education, economic development and microfinance,” says Wahl. Another

organisation, [Gram Vikas](#) in India, works with communities to bring them fresh water and improve sanitation. “They use a very innovative financing structure which brings water to the poorest of the poor while making them sustainable.”

“It is really the notion that they are using market mechanisms to bring about social change,” he continues. “And the sustainability of their model is built on generating revenue from their activities, as well as leveraging the skills and services they are able to provide. As a result, social entrepreneurs are able to sustain their work and organisations rather than relying entirely on charity.”

The concept of profit-making is more of a means to an end for social entrepreneurs, however, and sometimes the very nature of the activity does not permit a fully sustainable business model.

“In some cases charity is required. Often where services are being provided for the poorest of the poor, people with disabilities or who need help in accessing justice. We work with organisations to promote innovative solutions for revenue generation that can supplement charity,” Wahl told INSEAD Knowledge. “We strive to develop the skills and capacities within these organisations so they can develop sustainable business models and empower and enable themselves to deliver the services that they desire and bring about the change needed to improve their communities.”

The development of skills and capabilities in this emerging and important field within social entrepreneurship has been the focus of the INSEAD Social Entrepreneurship Programme (ISEP) for the past seven years. It typically aims to work with organisations which are at least three to five years old, have a proven concept and are looking to scale up their operations and extend the value of the services they provide.

“The intensive ISEP week focuses on issues of scaling and growth, issues of business model innovation, of leadership, of transition from one level of organisation that is often local or community-based to something that is national and sometimes international,” says Wahl. “To succeed at these challenges, we have found they then need some solid business tools and principles and that some lessons and frameworks that come from the corporate and business community can be adapted and applied.”

Since the launch of the programme, the Social Entrepreneurship Initiative has built a network of 250 organisations in more than 40 countries and works with other leaders in the field such as The Schwab Foundation for Social Entrepreneurs, The [Skoll Foundation](#) and Ashoka. “These organisations identify the people that will fit well into this programme and who are able to make the best use of the high-level skills we teach. Through the network created from those who have attended the programme, we also conduct research on best practices, begin to learn the lessons their experience teaches, construct the frameworks that help us understand this dynamic and rapidly emerging field. We also promote the network itself. There is a great deal of benefit from putting people working in healthcare in India together with those doing similar work in Africa or Latin America.”

MBA and EMBA students are getting involved, too. “For several years, we conducted a field course which enabled MBAs to do ‘on the ground’ consulting work with some of the leading people in the field. Teams partnered with McKinsey mentors and carried out tasks ranging from financial and market analysis to organisational modelling for some of these social enterprises. So there is a great deal of benefit that can be brought by our professional faculty, our students, and certainly by our executives to people working in this field.”

This interest in social entrepreneurship is not limited to small organisations. “Just in the last two or three years we have increasingly worked with companies like Lafarge, Coca-Cola, HSBC and Danone. They are all looking to capture the benefits of doing social good and learn how to improve their own businesses. There is an enormous amount of potential here - especially in the area of scaling up. The opportunities to reach a much broader audience and create a much greater impact increase substantially with larger organisations.”

“We have seen a dramatic increase in interest in this field,” says Wahl. “The interest comes not only from individuals interested in this work, but from people who want to see their companies, the people they work with and the people who work for them find ways of making an even more positive contribution to their communities and their societies.”

***The INSEAD Social Entrepreneurship Programme equips social entrepreneurs and executives with the business skills and frameworks to grow successful social entrepreneurship organisations.***

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## Social Entrepreneurship Programme

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