

STEP-BY-STEP GUIDELINES FOR YOUNG SOCIAL ENTREPRENEURS

MOTIVATION

1 Spot opportunities by identifying problems and their solutions

A product is useless if nobody needs it.

It is almost impossible to create needs in order to sell your product. Therefore you have to become closer to your target group and find out what products or services they need to make their lives better or might even solve a problem.

PASSION is truly an important factor if you want to become a social entrepreneur. Passion ensures motivation in times your business isn't performing well and makes sure you stay focused and motivated to pursue your goals. It will ensure high commitment and an enormous personal drive to succeed. Therefore, make sure you spot opportunities in an area you're interested in!

Tips on how to spot new social business opportunities:

- **Think outside the box** - analyse data to find the opportunities that others have missed
- **Know what's inside the box** - know anything and everything about the industry, past present and predictions of the future, only by knowing the in- and outside, you will be able to come up with something innovative
- **Gain knowledge and experience** - By talking to your peers you'll gain essential industry insight)
- **Have confidence – it's ok to fail** - Once identified, it's important that you take advantage of an opportunity, even if it's not guaranteed to succeed
- **Keep a journal** - Recording all of the opportunities and meetings that you have will be helpful in the long run
- **Understand needs** - know what are the basic needs and which solutions could be life changing
- **Do what others don't want to** - this because they might be too time consuming, heavy, or boring, but might offer you opportunities
- **Ask for more than you think you will get** - Don't be afraid to aim high; after all, you might just be surprised.

To find your social cause, combine these needs with doing something good for society. People are willing to pay more, when it increases their inner satisfaction.

You can try to find niches and invent brand new products or services to fulfil customers wishes, however, this is not the only manner to find out about new opportunities; You don't have to reinvent the wheel. Improve existing products, bring them to a higher level, add functionalities, make existing products "social",

Keeping your motivation and passion in mind, where can you find your business opportunity nowadays?

Take a critical look at your personal surroundings, but also at the global trends;

- Demographic changes (e.g. the world population will be increased with 1 billion people in 2030)
- Climate change
- Scarcity of resources
- The aging of the population
- New models in the workplace (outsourcing, flexible contract models)
- The globalisation of industry
- The increasing focus on health care and fitness
- The proliferation of computers and the Internet (social networking, cloud computing)
- The increase in the number of mobile users

Want to ensure your new business idea is matching your customer's needs?
Watch how people do this! (FABLAB)

2 It's all about vision!

While dreaming about your future social business, it is important to define which ideals you want to chase. These ideals will help you plot your pathway and describes what you desire to achieve in the future. One of the first things you'll have to determine in order to establish a full focused social enterprise, is a vision and mission statement;

VISION

A vision describes what a company desires to achieve in the long-run, generally in a time frame of five to ten years, or sometimes even longer. It depicts a vision of what the company will look like in the future and sets a defined direction for the planning and execution of different strategy aspects.

MISSION

A mission statement is a short summary of an organization's core purpose, focus, and aims. This usually includes a brief description of what the organization does and its key objectives.

Start defining the mission and vision of your social business by deciding precisely who you want to serve and exactly where and how you want to serve them. Be clear about the problem you'd like to solve for this demographic through your business service or product. Ask yourself simple guiding questions like "What will I do, how will I do it, who am I doing it for and what value will I provide?" The secret of a good vision statement is to make it forward-looking, motivating and inspirational, aimed at bringing benefits and improvements to your organisation in the future and defines the company's reason for existence. If you want others to join and to pursue the same ideals you do, you must have determined a clear vision and mission.

For example, IKEA:

Mission: Offer a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.

Vision: To create a better everyday life for the many people.

3 Reach for the impossible

As a social entrepreneur you have to reach for the impossible. Find your life goal and place the bar somewhere that high, it might be impossible to reach. In this way you give everything to at least accomplish a small part of your target and work towards the end goal. Don't start a social company if you are not fully committed to this end goal. You must stay engaged and committed, because you'll have to work hard to reach your goals and overcome difficulties on the road to success.

You want to be an inspiration for others and need to gain support for your cause.

Being committed and engaged means

- Staying driven
 - Have a vision that moves you
- Being determined
 - Seeing tasks as challenges and aim to grow through these challenges
- Being self-motivated
 - Understand what does and doesn't motivates you and use this to focus
- Being resilient
 - Keep going despite adversities and stressful situations

- Not giving up
 - Work hard, keep living your dream every day and don't forget why you have started this adventure in the first place!

RESOURCES

4 A goal without a plan is just a wish

In defining your goals and successfully run a business it is essential to plan. It will help clarify the goals you want to achieve, identify your aspirations, it will help set priorities and meet deadlines.

- Start with the end in mind; identify the end goal. What do you want to accomplish by the end of the journey → reach for the impossible.
- Break down your end goal into sub-goals. Objectives are easier to accomplish if it is reduced to several small consecutive tasks, corresponding to sub-goals or intermediary goals. After finalizing several smaller sub-goals you will be motivated to start and finalize the next one.

Use the **SMART** methodology to select and write down your goal(s), which is an effective tool to determine feasible goals.

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Specific	Measurable	Attainable	Realistic	Time-bound
<p>Do: Set real numbers with real deadlines.</p> <p>Don't: Say, "I want more visitors."</p>	<p>Do: Make sure your goal is trackable.</p> <p>Don't: Hide behind buzzwords like, "brand engagement," or, "social influence."</p>	<p>Do: Work towards a goal that is challenging, but possible.</p> <p>Don't: Try to take over the world in one night.</p>	<p>Do: Be honest with yourself- you know what you and your team are capable of.</p> <p>Don't: Forget any hurdles you may have to overcome.</p>	<p>Do: Give yourself a deadline.</p> <p>Don't: Keep pushing towards a goal you might hit, "some day."</p>

A useful tool to plan your activities in detail is a Gantt Chart. This is a type of bar chart that illustrates a schedule and its activities individually, but also related to each other. A Gantt Chart is a visual view of tasks scheduled over time. Find an easy tutorial about Gantt Charts [here](#).

In order to give focus to your social business idea you have to develop a business plan. It shouldn't be difficult and complicated and will help you to;

- Analyse the development potential of the enterprise
- Outline the direction of the development
- Identify strengths and weaknesses of the enterprise

- Identify the measures necessary for the enterprise's development and gives focus to the needs related to the product/service you're offering

Want to find out about a great tool to develop your own business plan? Watch this FabLab about the Business Model Canvas and create your own! You can download an empty canvas [here](#).

5 Fund your venture

Once you have established your social business idea, you need a foundation to build your brand new business. One way or the other, a bag of money (small or big) is essential to start your business and buy the basic principles to launch the venture. Thus, you need money. First, determine how much money you need. Once you have the final amount in mind, it is time to survey your investment options.

When first getting started, many entrepreneurs use “bootstrapping,” which means financing your company by scraping together any personal funds you can find. This typically includes your savings account, credit cards, and any home equity lines you may have.

In many cases, using the money you have instead of borrowing or raising is a great approach—in fact, some starters continue to bootstrap until their business is profitable. This can be beneficial because it means you won't have extensive loans and monthly payments that bog you down, especially if you run into snags along the way.

However, if you're looking to scale your business quickly or the starting capital of your business is too high for you to fund yourself, it can be advantageous to bring in outside sources of funding;

Small Business Loans

Some banks specifically offer loans to small businesses, but banks historically are careful about giving money to small companies. It can be difficult to qualify. There are alternative lending companies, however, which may be better equipped to help you get your business off the ground.

Grants (by government, municipalities, etc)

Financial resources that public institutions grant as collateral for loans to Small and Medium Enterprises, Start-ups and individuals to support and facilitate their borrowing process and stimulate starting (social) entrepreneurs to chase their dreams

Friends and family loans

Your friends and family have a vested, personal interest in watching you succeed. This might make them more willing to invest in your business, especially in the beginning. Taking money from friends and family, however, can be tricky, and all of the pros and cons should be scrutinized before deciding to use this method to generate funds.

Crowdfunding

Crowdfunding is a form of investment where people invest money (even very small amounts) through an online platform to finance entrepreneurial projects and can be both equity or loan-based. Kickstarter is probably the most recognizable, but Indiegogo is gaining in popularity, along with RocketHub, Fundable and Fundly.

Watch how people do this! (FABLAB)

Angel investment

Angel investors stand out from other types of funding options because they are always on the lookout for the next business to invest in. Many of the biggest tech companies today, including Google and Yahoo, were funded by angel investors.

At its most basic deal, taking money from an angel almost always requires you to give your investor some share of equity in your company. Angel investors and any related transactions must be registered with the Securities and Exchange Commission (SEC).

Micro loans

Reserved largely for non-profit organizations, microloans are granted by institutions to individuals who would not normally qualify for a traditional bank loan. Instead of gifting a donation to the non-profit organization, microloan organizations allow individuals to invest in economic opportunities.

Pitch competitions (receive capital by participating in a start-up contest)

You can earn some money by participating in start-up contests. Eligibility requirements, entry fees and judging criteria vary widely. But if you have confidence in your pitch, this might be the way to get some cash.

Business Incubator

Business incubators are organisation that provide assistance services to start up, offering free resources and might even invest in your start-up company. In addition, business incubators have a large network where you might find the person or organisation who beliefs in your business idea and want to invest.

Social businesses include non-profit and for-profit ventures, and their returns blend social benefit and financial revenues. They come in many flavours, but they all face the same fundamental question: Can they generate enough revenue and attract enough investment to cover their costs and grow their activities?

Eventually, a successful social business must be able to become self-sufficient and can earn profit that is sufficient to run the business without external investors.

6 Be the change you want to see in the world

You, as a social entrepreneur, wants to change the status quo as you are solving a problem while creating social value and doing something good for the world. Be inspired by great examples and preach your ideals to your family, friends and closest ones. Involve and inspire others to believe in your dreams, which results in highly motivated brand ambassadors who can bring your social company to the next level.

By inspiring and motivating stakeholders, personnel and potential customers you get...

- To build your team
- Partners
- To involve end users and other stakeholders
- Financial support
- Ideas
- Networks
- Resilience
- Commitment
- Enthusiasm

How do you create enthused partners?

Do research on the people who are involved in your business, talk and listen to them. Are there like minded people around you? Who has tried to solve the problem already and can you convince them to cooperate with you? Do you need volunteers? Local communities? Local shops? The municipality?

Contact the local newspaper and deliver an “almost ready” article with photos. Make a statement about how much you want to involve local people to solve the problem together and take the initiative.

Describe the great future you are building together and make them aware of the importance of your new product/service and how it will solve the problem. People would love to contribute to bring inner satisfaction of doing something good.

- Use storytelling; people love stories, let them ‘live’ your journey.

- Create confidence; show that you have prepared and that the job can be done through collaborative effort
- Communicate what you are doing using appropriate media
- Use social media wisely
- Create a path for people to share and show their support (e.g. a donation page if you need money or a form which can be completed by people who would love to volunteer)

IMPACT

7 Use your passion to make an impact

When it comes to social impact initiatives, there are certain things we know to be true. For example, we know that these days, an increasing number of consumers seek out products that have a positive impact on the world in some capacity. But what does impact really mean?

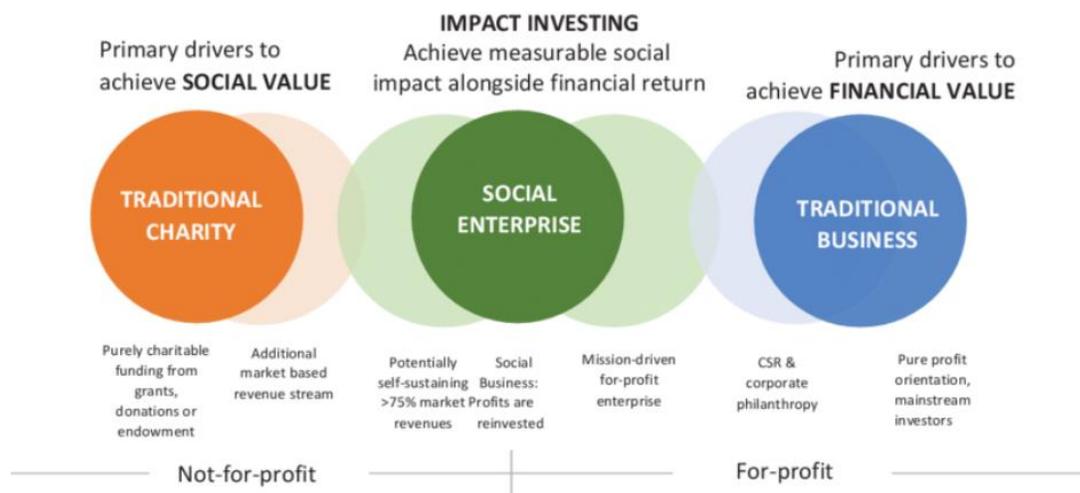
It is difficult to give one definition of what impact really entails. Social impact is about creating a positive change in the world and contributing to a greater good. In addition, impact should be sustainable. It isn't about fixing immediate problems, the goal is to develop strategies that have a long term positive impact. Finding ways to make the world a better place for us all. Find out about different social companies by watching these virtual tours →

So, how to set up a social business creating social value and impact (learn about the differences between those 2 [HERE](#))

1. Define social and environmental goals of your company
2. Define the Key Performance Indicators. An estimated indication (specific quality of quantity numbers) in order to recognise if the planned outcomes have been achieved and to what extent you have generated any long term positive effect.

As a social enterprise, you are going to get asked about your social mission a lot. Funders will want to make sure about the social change they invest in and customers will check you're different from less ethical alternatives. Prepare yourself with an outstanding elevator pitch to convince interested and curious people and have the social impact you want to create ready to pop out in any time and place.

The definition of a social enterprise is somewhere between running a traditional business and a traditional charity.



8 Recognize the risks

Dealing with ambiguity and risks in the workplace and the uncertainty that it generates is a significant challenge for today's leaders and managers and should be a top priority. For you as an entrepreneur, every day brings something new, therefore a good entrepreneurial mind will be adaptable and flexible;

- Make decisions when the information they have is partial or ambiguous, or when there is a risk of unwanted outcomes
- Use effective ways of testing ideas, to diminish risks of failing
- Deal with dynamic situations promptly and flexibly, adapting to change, changing strategies when necessary.

Even the most successful people had no certain guarantees or paths forward. Unexpected events in projects and businesses are distinguished by uncertainty and ambiguity.

Failing to identify ambiguity allows it to result in risk and uncertainty. We never eliminate ambiguity completely, however we can try to *reduce* it, because identifying and investigating ambiguity provides an understanding of coping with them and brings new strategies.

You can develop your problem-solving skills, using certain methods, such as the [IDEAL method](#).

1. Identify your problem
2. Define your goals
3. Explore possible solutions
4. Action – choose and use a solution
5. Learn from your actions

Adapt to change and expose yourself to new situations constantly. This will make you more experienced in dealing with risks, ambiguity and uncertainty.

In order to deal and anticipate to all kind of risks you have to forecast and predict the probability of a risk occurring and its impact. In addition, try to anticipate the consequences of these risks and develop a risk response planning. You can (re)act on risks in four different ways;

- **Avoid** – eliminate the cause of the risk (e.g. bring your daily earnings to the bank to prevent the money from being stolen).
- **Mitigate** – reduce the probability of the occurrence of risky events (e.g. instruct your employees on safety measurements).
- **Transfer** – direct risks management towards a different person or organisation (e.g. making insurances).
- **Accept** – accept risks and communicate to stakeholders (e.g. not insuring older transport vehicles since you will accept the loss in case traffic accidents happen).

9 Build your network and cooperate

Cooperation can lead to new insights, synergy, and a strong message to deliver to the world. Therefore cooperation is a mighty tool to make your social business a success. Another benefit? Through cooperation and sharing your vision you'll meet new people who might be valuable to your social enterprise! Expand your network and be open-minded when it comes to new, fresh ideas.

So... what skills do you need in order to manage effective cooperation?

- Listen, speak, observe...
Be an active and empathetic listener. Use nonverbal communication to show you are listening. Let go of any judgements that arise in your mind and ask questions.

- Deal with conflicts
Be open-minded and allow everyone to speak up. Be aware of signs of conflict, set some basic rules when you know in advance people will disagree. Address the conflict immediately before it can grow and know both sides of the stories. Try to find a compromise which fits all of you.
- Embrace teamwork and value diversity
Build a strong team and recognize the skills of each team member. Value diversity as every person has their own qualifications and talents. It brings different insights and skills.
- Use digital technology for networking
Establish a strong social media presence. Watch how people do this! (FABLAB).

Networking brings new relationships, new opportunities for partnerships, joint ventures, or new areas for expansion of your business. In addition, you keep abreast of the latest trends or technology in your industry. It is a fact you'll have to spend some time and effort, however, when networking done in the right manner, you'll get a lot in return!

- Go to physical network events or local business lunches
- Listen, speak and observe
- Have your elevator pitch ready to easily introduce new people to your business (idea)
- Exchange business cards and follow up later
- Create an appropriate business email address and make sure your social media presence is up to date
- Bring the right open-minded attitude. Don't only attend network meetings because you want help, try to look for someone you can help instead.