Creating Good Work, edited by Ron Schultz, social entrepreneurs, using free market principles to solve pressing problems, show how to make a positive difference in the world. Creating change on any scale is challenging, but doing so for the good of society is not an easy task. Against daunting odds and large-scale social problems, social entrepreneurs are driven to produce measurable impact, opening up new pathways that unlock society’s full potential to effect positive change.

Here Ron Schultz, founder of Entrepreneurs4Change, collects some of the world’s leading social innovators to create a field guide for successfully setting out on a journey that benefits all of us. Over 20 contributors show how they have launched their efforts and sustained them, highlighting both the barriers they have had to overcome as well as the social victories they have achieved. You’ll hear from social innovators like William Foote, founder and CEO of Root Capital, Dorothy Stoneman, founder and CEO of YouthBuild USA, Jim Fruchterman, CEO of Benetech, Craig Dunn, Associate Dean of Business at Western Washington University, Bill Shore, founder and Chief Executive Officer of Share Our Strength, and many more.

Divided into three parts—theory, application, and practice—the first section provides the ideas on which this work is based, an understanding of why and how the work gets done. The next two sections are firsthand accounts which describe how these social entrepreneurs turned those ideas into an enterprise and what they have done to further continue their work. As you read through the application chapters, it becomes evident how
CREATING GOOD WORK
The World's Leading Social Entrepreneurs Show How to Build a Healthy Economy

Edited by
RON SCHULTZ

Foreword by
CHERYL L. DORSEY

palgrave macmillan
This book is dedicated to
Sam Schultz
A mentor, a friend, and my father
You've got to be very careful if you don't know where you are going, because you might not get there.

— Yogi Berra

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INTRODUCTION

Ron Schultz
Entrepreneurs4Change

WHEN MY EDITOR AT PALGRAVE MACMILLAN asked me to bring her a book on social entrepreneurship, I knew exactly what I wanted to do. I had developed a model a number of years back for what was in essence an industry bible: a compendium of the prevailing thinking and activities that describes where we came from, what we believe, and what we need to know to go forward.

Fortunately, Palgrave Macmillan agreed with my plan, and I set about the task of gathering many of the folks with whom I had worked and who I had come to know over the past dozen years of my involvement in the social entrepreneurial world. They are remarkable people, to a person. But I didn't want to produce a book about how remarkable they are. I wanted their knowledge, wisdom, and experience. I wanted a book that would be truly helpful to someone who had it in their heads that they, too, knew they were a social entrepreneur, but wanted to hear more from those who had traveled the same paths they were facing.

There were enough books in the world that had elevated these people and told great hero stories about their efforts. But there was nothing that really spoke to the practicality of getting it done. And nothing, still, that combined the personal voices of the players themselves talking about the work that was required to actualize positive change in the world and the lessons they had learned in doing so.
The model for this book is one that is almost archetypal in its approach. It follows a path of theory, application, and practice. Theory—the ideas upon which our efforts are based; application—how we make something out of those ideas; and practice—how we develop and continue that something and move it forward.

The book is also laid out in a similar fashion, with the first section providing a theoretical understanding of why and how the work gets done, followed by stories from social entrepreneurs describing how they gave birth to the ideas that influenced their direction and work, how they turned those ideas into an enterprise, and finally what has been needed to further and continue that work.

The grounding comes first: and Craig Dunn, associate dean of business at Western Washington University, in Bellingham WA, introduces a rather extraordinary definition and description of what social entrepreneurship is all about—“Deliberate Disruptive Design.” He lays out the historical context as only a practitioner and academician can. This chapter sets our thematic tone of what drives a social entrepreneur, how the work gets done, and why it’s not just more of the same. From this base of understanding unfolds an amazing continuum of personal path, collaborative accomplishment, social understanding, and pertinent lessons.

One of the personal benefits of putting together a volume like this is that I got to read these pieces before anyone else. I admit that I am not a partial observer, but all I did was put an idea out into the world and people I knew delivered what they knew at a level from which everyone benefits. Craig Dunn’s redefining of the social entrepreneurial world and experience will shift thinking and perceptions for years to come.

But now, once you’ve assimilated Dunn’s ideas, hold on to your hats, because what Jeff Trexler then adds to the perspective of social entrepreneurship is sure to blow off a number of people’s heads. In “Understanding Social Enterprise,” Trexler takes his long and deep understanding of the field of social entrepreneurship and his experience outside of it to challenge social entrepreneurs to do exactly what Dunn has said we must do with our social challenges—but do so to our own industry: continually apply the idea of deliberate disruptive design to our own work. As we have tended to glorify the successes within the social entrepreneurial world,
social entrepreneurial model from traditional business and charities. The rules may not be as exciting as the playing field, but if you try playing the game without them, one thing is certain: You’re going to lose.

Once we understand why and how we’ve entered this realm of enterprising service, and how to do so legally, it becomes of even greater importance that we know how to get the word out about the efforts we make, so that we can serve our greater markets and create resources that will support those efforts. Alan Andreason, provides an expert analysis of the particular form of marketing that has come into being to support social enterprise and social business. Not too surprisingly, it’s called “social marketing.” I have met very few marketing people who won’t tell you that every form of business is marketing. Operations, mission, finances, and legal issues aside, telling the compelling story is certainly the means to engage others throughout the enterprise chain. One of the great social marketers of our time, Phil Harvey, recognized early on that the way to decrease an out-of-control population growth in developing nations was to increase the use of condoms. His campaigns throughout Asia and Africa resulted in saving thousands of lives and preventing an epidemic of overpopulation. The strength of the program was solely one of marketing the message again and again. And as Harvey points out in his groundbreaking book Let Every Child Be Wanted (Auburn House, 2002), it was Alan Andreason who provided the definitive definition of the power of this opportunity—“to influence the voluntary behavior of target audiences to improve their personal welfare and that of society of which they are a part.”

Getting the word out about the work being done to shift long-entrenched social ailments is indeed an essential piece in the social entrepreneurial puzzle. Making sure outcomes are being realized and the desired impact is being achieved has become a hallmark characteristic required to ensure investment and resource in social businesses. The challenge has always been one of trying to quantify human suffering and its relief and to make sure what we have said we want to accomplish is actually getting done.

In the area of metrics and evaluation, we provide two interlinked chapters by R. Paul Herman, founder and president of the HIPInvestor and Glenda Eoyang, whose organization, Human Dynamic Systems, looks at the underlying interactions that produce action and how we capture what emerges. In Paul Herman’s work, he details how it is possible to not only do good, but to do well by doing good. Paul’s work in establishing a social impact scorecard to be applied to all business enterprises, and from that an index of profitable indicators, is revolutionizing how corporations, large and small, and social businesses measure their own outcomes so they can not only produce profit for stockholders and stakeholders, but demonstrate how their work is benefiting their communities and society as a whole.

But when dealing with the human impact of social entrepreneurs, metrics are only part of the equation. As Glenda Eoyang makes clear in her chapter titled “Evaluating Complex Change” there is useful evaluation, and then there is the feedback that can lead one down a rat hole of useless information. Characterizing change as anything other than complex is to miss the fundamental understanding of how change emerges out of the interactions of the players involved. Because complex emergence is not predictable, we cannot expect the same sort of industrial strength measurement techniques that drive a factory output to deliver a useful reflection of the impact of human interaction. What emerges out of the interactions of complex living systems, of which we humans are a part, simply defies a linear progression. It is based on several previous interactions that an individual may have experienced and when you combine that with others with as equally a diverse chain of experience, it is impossible to predict what will emerge. Fortunately, even though we cannot predict that by initiating this interaction we will get this result, we can explain what arises in a fashion that we can point directly to outcomes that have emerged. Glenda’s work is about being able to capture what emerges out of these complex iterations and demonstrate the impact and shift that has taken place. For funders and supporters this, together with traditional metrics, provides a much more complete picture of impact and measurement than numbers alone. And with this chapter we close our theoretical discussion of the grounding ideas upon which the social entrepreneurial enterprises we launch are founded.

What follows, introduced section by section, are the practitioners at work. How they have taken these ideas and turned them into something—an enterprise that is challenging business-as-usual at every turn and having a profound impact on how life on this planet shows up. While
the stories of the social entrepreneurs are compelling and moving, it is how they meet their challenges that is of real use here. And as will become evident as you read through the application chapters, each of these social entrepreneurs has employed his or her own particular form of deliberate disruptive design to blow up the old models, rules, and behaviors that have governed how we help each other. Social entrepreneurship is not about us helping them—it is our recognition that we are all in this together and that any real solution can only arise from the development of our interdependence and our working together to create good work.
Chapter 1

DELIBERATE DISRUPTIVE DESIGN

Craig P. Dunn
Associate Dean of Business,
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While its roots are deep in our past, over the last three decades we have witnessed an explosion of innovation as a growing international community of individuals has experimented with a great variety of approaches to fulfilling one basic idea:

*Markets and business, capital and commerce can be harnessed not simply for the creation of individual wealth, but rather the creation of value in its fullest.*

—Jed Emerson, Foreword, *Social Enterprise Typology* (emphasis in the original)

SOCIAL ENTREPRENEURSHIP IS A RAPIDLY shifting field ranging from the work of philosophers to that of economists to that of organizational theorists to that of social scientists to that of philanthropists to perhaps the most vital aspect, the work of ordinary folk seeking simply to leave the world a better place than they found it. The term "social entrepreneurship," however, fails to adequately capture both the *head* and the *heart*
of the matter: thoughtful, caring design that is at the same time deliberate and disruptive, to the point of being fundamentally subversive.

Before probing the heart of social entrepreneurship, how might the mounting literature on social entrepreneurship be meaningfully organized? Perhaps it would be best to step back for a moment and consider the grounding for knowledge, which is: What is truth? And, how do we access truth? These are two of the most essential questions facing us as we strive to make sense of the world in which we find ourselves—and answers are particularly vital with respect to emerging topics such as social entrepreneurship.

Those trained at virtually any institution of higher education come to appreciate evidence-based, empirical research conducted against the backdrop of very exacting assumptions. It is assumed, for example, that there exists an objective reality apart from the observer. This reality is there to be discovered, and the process of discovery does not impact the truth itself. Knowledge accumulates in a regimented iterative cycle of conjecture. This leads to the development of a hypothesis, which in turn leads to hypothesis testing, and then to interpretation of the findings, which leads back to modification of the original conjecture and further hypothesis development, testing, and further interpretation of findings, ad infinitum. Through this progression we come to a better understanding of the world in which we live—if not of our place in that world.

We seem naturally driven to reinforce an orderly understanding of the universe. The scientific method just described nets an enormous volume of evidence that needs to be organized in some logical fashion. To that end, we engage in a variety of tactics. One is to draw similarities and distinctions: In what ways is social entrepreneurship similar to traditional entrepreneurship? In what ways is social entrepreneurship dissimilar to traditional entrepreneurship? It has been argued that the centrality of the social mission contributes to the distinction between social entrepreneurship and other forms of entrepreneurship.¹

A second organizational tactic is to categorize: Social entrepreneurship ranges along a continuum of for-profit to not-for-profit enterprise and along a continuum of social goals to commercial exchange. One such approach has been to delineate the salient legal distinctions that differentiate organizational forms, providing within each several examples of social entrepreneurial activity.² However, while theorists and practitioners alike have generally moved well beyond the narrow view that “[s]ocial enterprise refers to non-profits that operate businesses both to raise revenue and to further the social missions of their organizations,”³ a quick literature search uncovers a glut of claims that social entrepreneurship is solidly and exclusively grounded in the not-for-profit sector of the larger economy.

A third is to differentiate individual behavior from organizational behavior: What are the characteristics of a successful social entrepreneur? What are the effective tactics employed by social entrepreneurs? Several successful entrepreneurial methods have been outlined and categorized as harmonizing strategies, disisolating strategies, and leadership strategies.⁴

A fourth is to establish hierarchy: “[S]ocial entrepreneurs are one species in the genus entrepreneur.”⁵ This oft-quoted statement by one of the prominent forces in entrepreneurship implies a subservient role for social entrepreneurship within the broader field in which it is presumed to reside.

A fifth is to expose the antecedents of a process: Is social entrepreneurship a response to market failure? How are intentions to create a social enterprise formed? In a macro sense, “future entrepreneurs will likely be more socially concerned than those of the past—not necessarily as a result of their own value orientations but as a response to an evolution of thought regarding the social responsibility of business activity in general.”⁶ This general statement comes on the heels of numerous more specific claims, such as the one that “social entrepreneurship has a distinct mission: to combat market failures aggravated by disenfranchisement,”⁷ with arguments here situated on mitigating the negative externalities that often attend the operation of unconstrained markets.

A sixth is to evaluate the performance of social entrepreneurial ventures: How should one assess organizational effectiveness? Nonempiricists suggest that performance measurement needs to rely on more than qualitative, case-based research, and advocate for employing the rigors of double-bottom-line or triple-bottom-line analysis.⁸
But something beyond developing categorization schemes is needed in order to understand the underlying social entrepreneurship construct. Three methods extend existing knowledge to draw conclusions or construct explanations: inductive reasoning, deductive reasoning, and abductive reasoning. Inductive reasoning maintains we know social entrepreneurship when we see it, and that its general principles can be inferred from observation of cases describing specific instances of social entrepreneurship. Much of the current manuscript offers the reader the opportunity to draw conclusions about social entrepreneurship writ large from rich description of particular exemplars. Although such inductive inferences are not logical necessities, they nonetheless amplify knowledge. Alternatively, deductive reasoning was employed earlier in the chapter to show how empirical literature, related to social entrepreneurship, was analytically organized. The reader will now be invited to engage in a thought experiment serving to deconstruct the term “social entrepreneurship,” which will prove an exercise in abductive reasoning, “characterized by a lack of completeness, either in evidence, or in the explanation, or both”—a process that can be creative, intuitive, or even revolutionary.⁹

**JARRING JUXTAPOSITIONS**

So much critical research for such a young field! But the question that arises is: Is “social entrepreneurship” even the right term to describe the topic under investigation? Or alternatively framed: Is the head sufficient to frame the field of social entrepreneurship, or is the heart necessary as well? In order to answer this question, let’s begin with Immanuel Kant’s categorical imperative, summarized as the universal requirement that natural persons be treated as something other than mere means to some further end. Kant’s demand is grounded in a fundamental commitment to the inherent dignity and liberty of the individual.

But Kant’s categorical imperative is consistently and unreflectively violated in the dogged usage of certain common business expressions. Consider the phrase “human resource management.” If one pays even cursory attention to this conjoining of words, one cannot escape the exclusive focus placed on prizing persons only for their utility, rather than for their intrinsic value. Humans—as with land and capital in the economist’s parlance—are on this turn of phrase valued merely for what they can produce. To the extent humans are valued only for their productive capacity, however, they are undervalued. And while this usage has worked its way into the very fabric of virtually every business organization, the damage done does not stop here; many are now unabashedly fond of referring to real, living, purpose-driven individuals as “human assets” and “human capital.”

What is striking about each of these phrases is that they share in common a fusing of the sacred and the economic. Humanity itself is a sacred idea, capturing as it does fundamental notions of nobility and purpose and choice. Economics, on the other hand, has been referred to as the “dismal science” for over a century and a half now.

There persist other—and better—examples of what should be recognized as jarring juxtapositions, but that are accepted as if they actually mean something. Consider the practice of exchanging gifts. Really? What can that possibly mean? The idea of exchange is the cornerstone of economic theory and references the act of giving something with every expectation of getting in return something of equal or greater value—else why would one engage in the exchange? The idea of gift is sacred and indicates the act of giving something with no expectation of getting something in return. There is a difference between exchange and gift, and we know it. If a gift is given, and the gift-giver awaits a gift in return, then the alleged act of gift-giving was not that at all. And if the hoped-for reciprocity never materializes, the gift-giver should not cling to the claim that the act was gift; rather, an honest assessment would have this act considered an unfulfilled exchange. Conversely, if the impulse of a gift-receiver is to reciprocate with a gift out of some sense of felt obligation to generate cosmic fairness, the recipient has diminished the sacred quality of the gift by seeking to convert it into an exchange.

What does this have to do with social entrepreneurship? Here is the rub. The idea of being social is sacred. To a great extent our core personal identities are formed and understood in relation to the other, while what it means to be moral is summed up by how we treat others. On the other hand, the idea of entrepreneurship has existed for over two centuries and
has always referenced innovative market-based activity carried out against the backdrop of economic—particularly capitalistic—ideals and principles. There you have it: the confounding of the sacred and the economic. To return to the abbreviated literature review mentioned earlier, the purely scientific study of social enterprise depends entirely on the reasonableness of uniting the sacred and the economic. Furthermore, such analytic inquiry privileges the head over the heart—and the spirit.

AN ALTERNATE CONCEPTUALIZATION

As considered earlier, the scientific method seems at the same time objective, rational, and rigorous. Inquiry into the sociology of science calls into question such assumptions, oftentimes going so far as to suggest that “the construction of facts…is a collective process”—with the accompanying implication that truth is a social construction of reality rather than objective reality.10

In the process of truth discovery, it is easy to work from what we know and modify that knowledge as we go along. We know something about entrepreneurship; we can bring considerations of social justice to this construct and end up with some understanding of social entrepreneurship. This approach has produced findings that are consistent with the demands of science, and at the same time are expedient. But accurate? What if the construct called for is entirely new, rather than a modification to or extension of existing knowledge?

There are at least three dimensions of what has come to be known as social entrepreneurship that ought to be given attention. First the activity is deliberate. We are familiar with the notion that evolution takes place as random variations in nature are retained due to their improved environmental fit. Part of what is distinctive about human activity is our ability to engage in deliberate rather than random choice and behavior. Considered adaptive shifts in response to system changes support the view that “social enterprise is an algorithm rather than a particular kind of organization, with a specific set of traits or a prescribed mission.”11 This intentionality is essential to the activity that has come to be known as social entrepreneurship.

DELIBERATE DISRUPTIVE DESIGN

The second dimension is disruption, as understood in contrast to incremental change. At least three perspectives have been referenced within discussions of disruptive innovation: radical product, technology, and business-model development.12 It has been argued that each of these disruptions arises in a different way, posing different competitive advantages, and requiring disparate responses from its incumbents. Whatever form it takes, such disruption is essential to social entrepreneurship.

The final dimension is design—not as a “downstream step in the development process” but rather as innovative systems thinking serving to unite inspiration, ideation, and implementation.13 crossing the traditional boundaries between public, for-profit, and not-for-profit enterprises. Inspiration comes from the practice of embedding oneself in the lives of the people one is designing for,14 and oftentimes involves positive deviance—looking for solutions among the ranks of those who are already doing well. Meaningful field research is a process of synthesis that leads to change. Consistent with disruptive innovation, such change is not obvious and incremental, but rather a result of divergent thinking. The final stage of design is to translate the best ideas into concrete action plans, allowing for rapid prototyping as a way of identifying unforeseen implementation challenges and unintended consequences.15 Design thinking, involving the three aspects of inspiration, ideation, and implementation, is essential to social entrepreneurship.

In essence, social entrepreneurship is deliberate disruptive design. This formulation is liberating in that it extends the construct beyond the bounds of traditional entrepreneurship—and empirical science—and in so doing stimulates new opportunities for creative and economic undertakings in the service of social justice. In short, it engages the heart. Moreover, the concept of deliberate disruptive design dodges the conflation of sacred and economic terms, which is unavoidable when referring to social entrepreneurship.

But what of the initial claim that deliberate disruptive design is fundamentally subversive?

Deliberate disruptive design is meant to address persistent problems. Such problems, many having to do with social inequities, are seldom resolved
through traditional economic means—rather, they tend to be exacerbated by such means. “These problems all have people at their heart...[t]hey require a human-centered, creative, iterative and practical approach to finding the best ideas and ultimate solutions.”

16 Given the escalation of social inequities within pure market systems, the system itself needs to be overturned (not abandoned), for complete change to take place—that is, it needs to be subverted. Deliberate disruptive design bears the potential to harness that which is effective within market systems (the head) as a legitimate means to attaining greater social justice (the heart).

NOTES

1. Nicholos & Cho (2008), among many others, offer this argument.
5. Dees (1998); emphasis in the original.
10. For a seminal reference in this regard, consider Latour (1987); emphasis in the original.
15. Ibid.

REFERENCES CITED