Social Enterprise Definitions

Wikipedia – Social Enterprise
https://en.wikipedia.org/wiki/Social_enterprise

A social enterprise is an organization that applies commercial strategies to maximize improvements in financial, social and environmental well-being—this may include maximizing social impact alongside profits for external shareholders.

Social enterprises can be structured as a for-profit or non-profit, and may take the form (depending on in which country the entity exists and the legal forms available) of a co-operative, mutual organization, a disregarded entity, a social business, a benefit corporation, a community interest company, a company limited by guarantee or a charity organization. They can also take more conventional structures. Social enterprises have both business goals and social goals. As a result, their social goals are embedded in their objective, which differentiates them from other organizations and corporations.

A social enterprise’s main purpose is to promote, encourage, and make social change. Social enterprises are businesses created to further a social purpose in a financially sustainable way. Social enterprises can provide income generation opportunities that meet the basic needs of people who live in poverty. They are sustainable and earn income from sales is reinvested in their mission. They do not depend on philanthropy and can sustain themselves over the long term. Their models can be expanded or replicated to other communities to generate more impact. A social enterprise can be more sustainable than a nonprofit organization that may solely rely on grant money, donations or federal programs alone. As a for-profit model, you control the curriculum and funding of the program. The incentives of the company are designed such that greater impact directly correlates to a great profit. Investors and business partners today want to know that the companies they choose are doing more than just providing a product or service. They look for companies that are doing good. They will feel a special connection to companies whose values align with their own.

Social Enterprise Alliance – What is a Social Enterprise?
www.socialenterprise.us/about/social-enterprise/

Social enterprise can be challenging to define, in large part because the concept has been evolving rapidly in recent years and increasingly blurs the lines of the traditional business, government and non-profit sectors.

Social Enterprise Alliance suggests the following basic working definition:

*Organizations that address a basic unmet need or solve a social or environmental problem through a market-driven approach.*

Social enterprises span the spectrum of nonprofit to for-profit entities. SEA recognizes three general social enterprise models:

- **Opportunity Employment**: organizations that employ people who have significant barriers to mainstream employment.
  - Examples include Goodwill Industries, Greyston Bakery & Nisolo.
• **Transformative Products or Services:** organizations that create social or environmental impact through innovative products and services.
  
  o Examples include Benetech, Growing Sound & Soles4Souls.

• **Donate Back:** organizations that contribute a portion of their profits to nonprofits that address basic unmet needs.
  
  o Examples include Everly, The Thx Co. & Songs Against Slavery.

Social enterprise is not a silver bullet, but it is a promising approach to fulfilling unmet needs and fostering genuinely “triple-bottom-line” organizations – those simultaneously seeking profits, social impact, and environmental sustainability. It’s certainly not the *only* solution, but it is most definitely a solution.

- For traditional non-profits, social enterprise can be a powerful complement to other activities when it advances the social mission and the financial sustainability of the organization.

- For new start-ups – non-profits and for-profits – social enterprise gives entrepreneurs the ability to bake social impact and financial sustainability into the organization’s DNA from its outset.

- For traditional businesses, social enterprise initiatives enable a company to integrate social impact into business operations and prioritize social goals alongside financial returns.