

2. RESOURCES, KNOW-HOW & PARTNER NETWORKS

2.1. Background

Every business relies on resources. Resources are both tangible and intangible assets, which are combined and transformed to create new value. For one company, it will be mostly people, for another machine and production materials, while for other organizations it might be mostly knowledge and know-how. Contemporary business approaches emphasize the effectiveness of a lean start-up approach where you start with as little as you can and gradually build your way up adjusting your value proposition to beneficiary and customer needs.

Every enterprise functions in an environment consisting of its stakeholders, which influence it in many different ways. In order to reduce risks and optimize operations, organizations need to cultivate relationships with partners so they can focus on their core activity. Module 2 will help to identify key stakeholders, their interest and influence on the social venture. It will also help to figure out who can be the partner of a social enterprise and what kind of relations can be created.

2.2. Module objectives

- Identifying necessary resources (capital, know-how, people, permits, technical assets etc.)
- Adapting the lean start-up perspective
- Assessing access to necessary resources
- Researching financing options (if needed) in Indonesia and beyond (including crowdfunding)
- Mapping the environment
- Identifying stakeholders, their interest and impact (Central government, local government, NGOs, business companies, interest groups, celebrities, church, educational organizations, health facilities etc.)
- Specifying legal forms of SEs in Indonesia (company, foundation, association, freelancer...)

2.3 Materials

- Introductory case study on NOT JUST SHOP
- Presentation slides
- Discussion questions
- Beneficiary Canvas for Social Enterprises
- Customer canvas for Social Enterprises
- Suggested tools for students to use
- Helpful links

2.4 Module content

- ✓ What resources will I need for my social enterprise?
- ✓ What are the possible ways of getting access to financial capital in Indonesia? Are there any grants that I can use?
- ✓ Do the financing options depend on the legal forms that I can work in?
- ✓ To what extent can I adapt a lean start-up approach?
- ✓ Who has the same social goals as my organization?
- ✓ Who is willing to cooperate and join forces?
- ✓ What partners do I need? How do I access them?
- ✓ How will I maintain and grow this cooperation?

2.5 Helpful links

- <http://www.id.undp.org/content/dam/indonesia/2017/doc/INS-SF%20Report2%20ANGIN.PDF> (SE financing schemes in Indonesia)
- <https://usahasosial.com/> (Se platform in Indonesia)
- <http://theleanstartup.com/>
- <https://www.solutionsiq.com/resource/blog-post/what-is-an-empathy-map/> (a collaborative tool to gain a deeper insight into the essential needs of beneficiaries and customers)
- <https://www.youtube.com/watch?v=0P7nCmln7PM> (Minimal Viable Product - helpful for planning lean)
- <http://gamestorming.com/category/games-for-planning/> (a great resource of numerous tools)



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**RESOURCES, KNOW-HOW
& PARTNER NETWORKS**

Agenda

- 1 Objectives
- 2 Case study NotJustShop
- 3 Useful questions for for planning resources
- 4 Lean startup - how to start with no resources?
- 5 Social Enterprises Environment
- 6 Stakeholders, partners and networks
- 7 Implementation of the crowdfunding
- 8 Useful links and further reading

Objectives and background

- Module 2 helps to identify key resources needed in the venture.
- It will also help to identify potential stakeholders and partners of a social enterprise with whom cooperation and networks can be created.

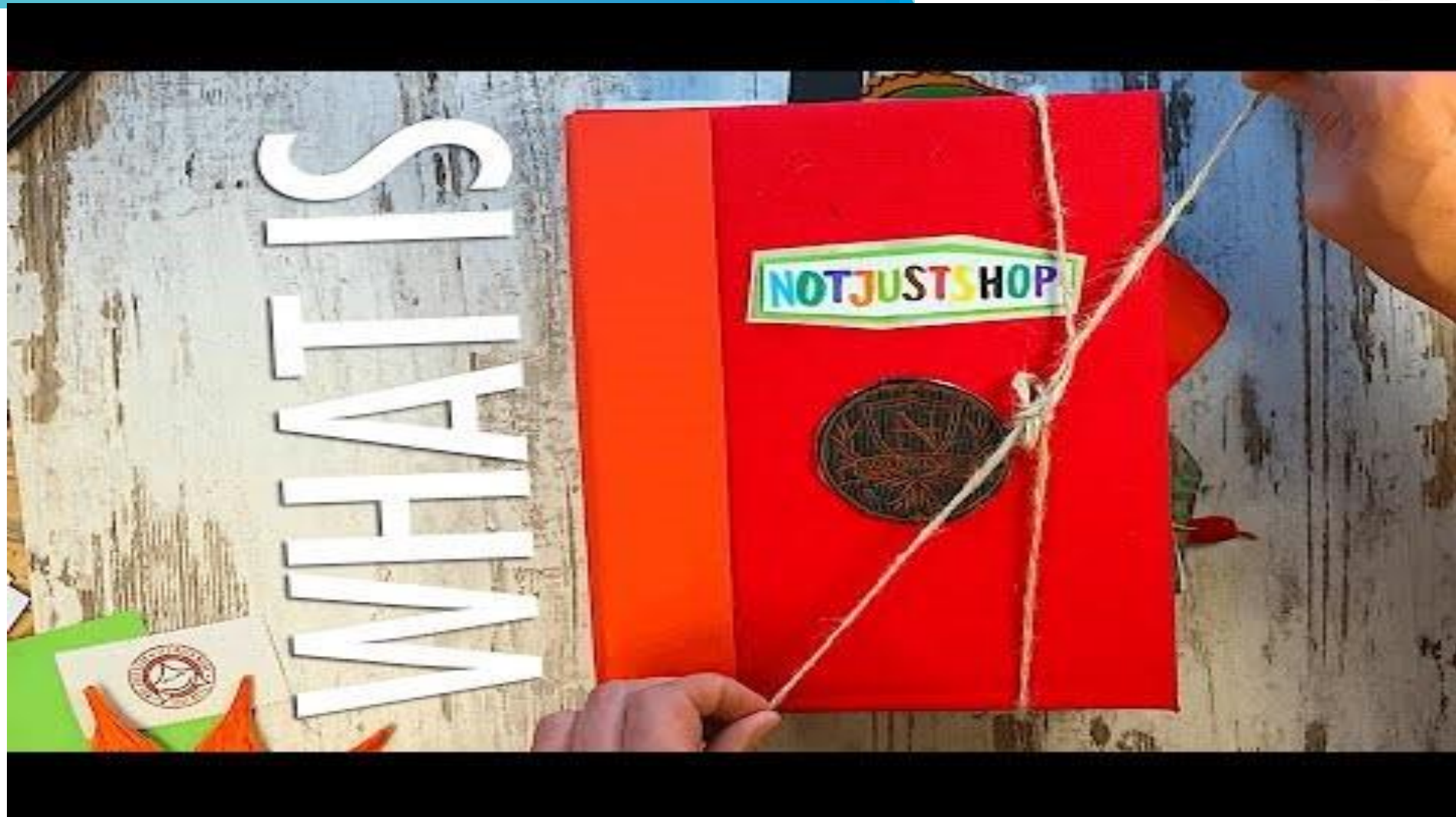
Case study NotJustShop - introduction

NOTJUSTSHOP



Case study NotJustShop - introduction

NOTJUSTSHOP



Case study NotJustShop

NOTJUSTSHOP



Teamwork / Discussion

1. What social problem has Łukasz identified?
2. What resources do you need to start a similar business in Indonesia?
3. What resources does Łukasz need today to create social campaigns?
4. What type of partners does NotJustShop cooperate with?
5. How do these partnerships benefit his organization?
6. Why did Łukasz change his business idea from a production and e-commerce company to an advertising agency?
7. Which of his business idea would gain more support among: regulators (public administration), business partners, volunteers and crowdfunding campaigns?
8. Do you think that economic activity can interfere with a social mission? When?

Resources planning



Resources are both tangible and intangible assets, which are combined and transformed to create value.

For one company, it will be mostly people, for another machines and production materials, while for other organizations it might be mostly knowledge and know-how.

Every enterprise functions in an environment influenced by different stakeholders (e.g. government, business companies, universities, NGOs).

Useful questions for planning resources

Teamwork / Discussion

What resources will I need for my social enterprise?

What are the possible ways of getting access to financial capital in Indonesia? Are there any grants that I can use?

Do the financing options depend on the legal forms that I can work in?

To what extent can I adapt a lean start-up approach?

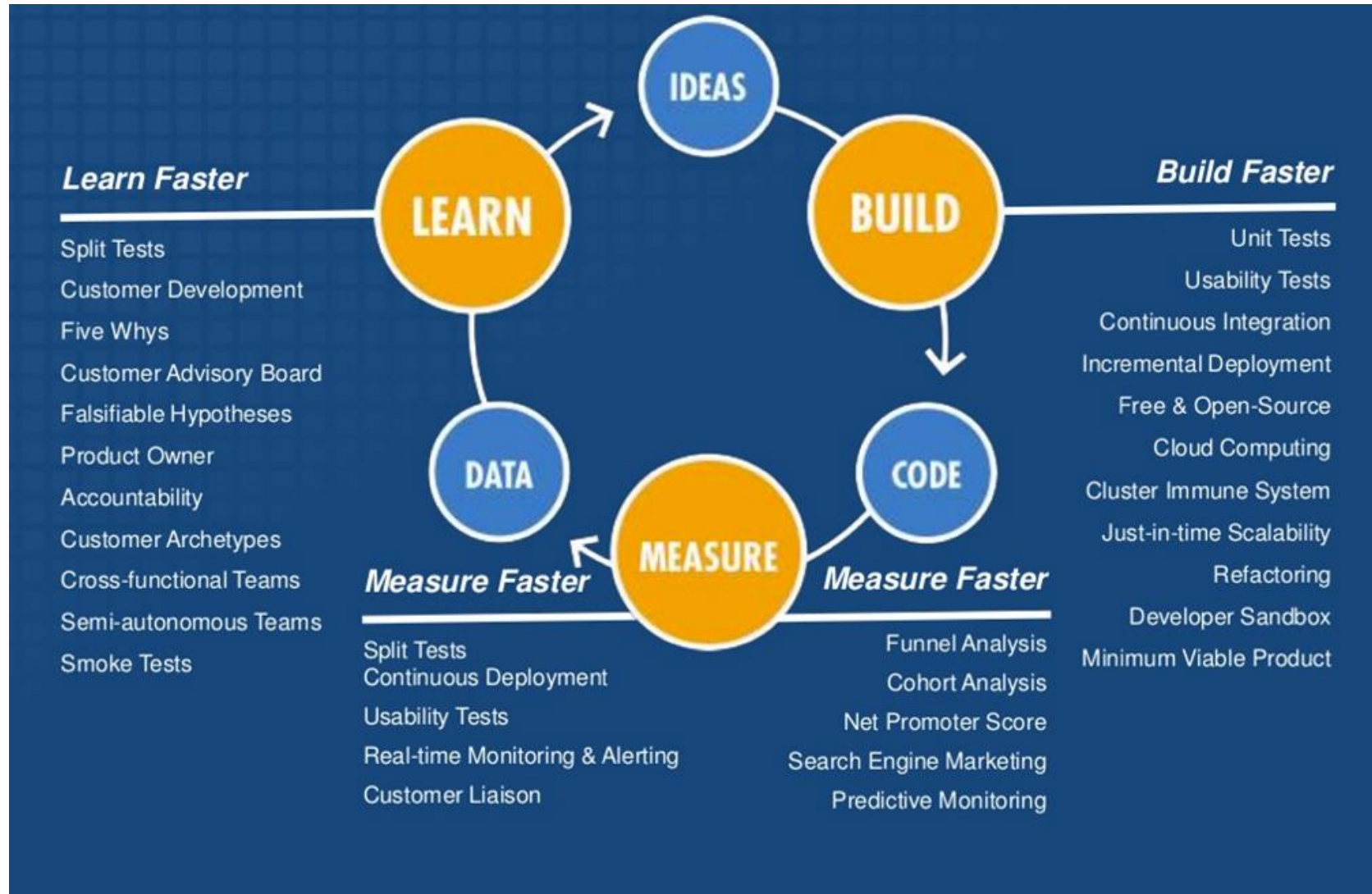
Who has the same social goals as my organization?

Who is willing to cooperate and join forces?

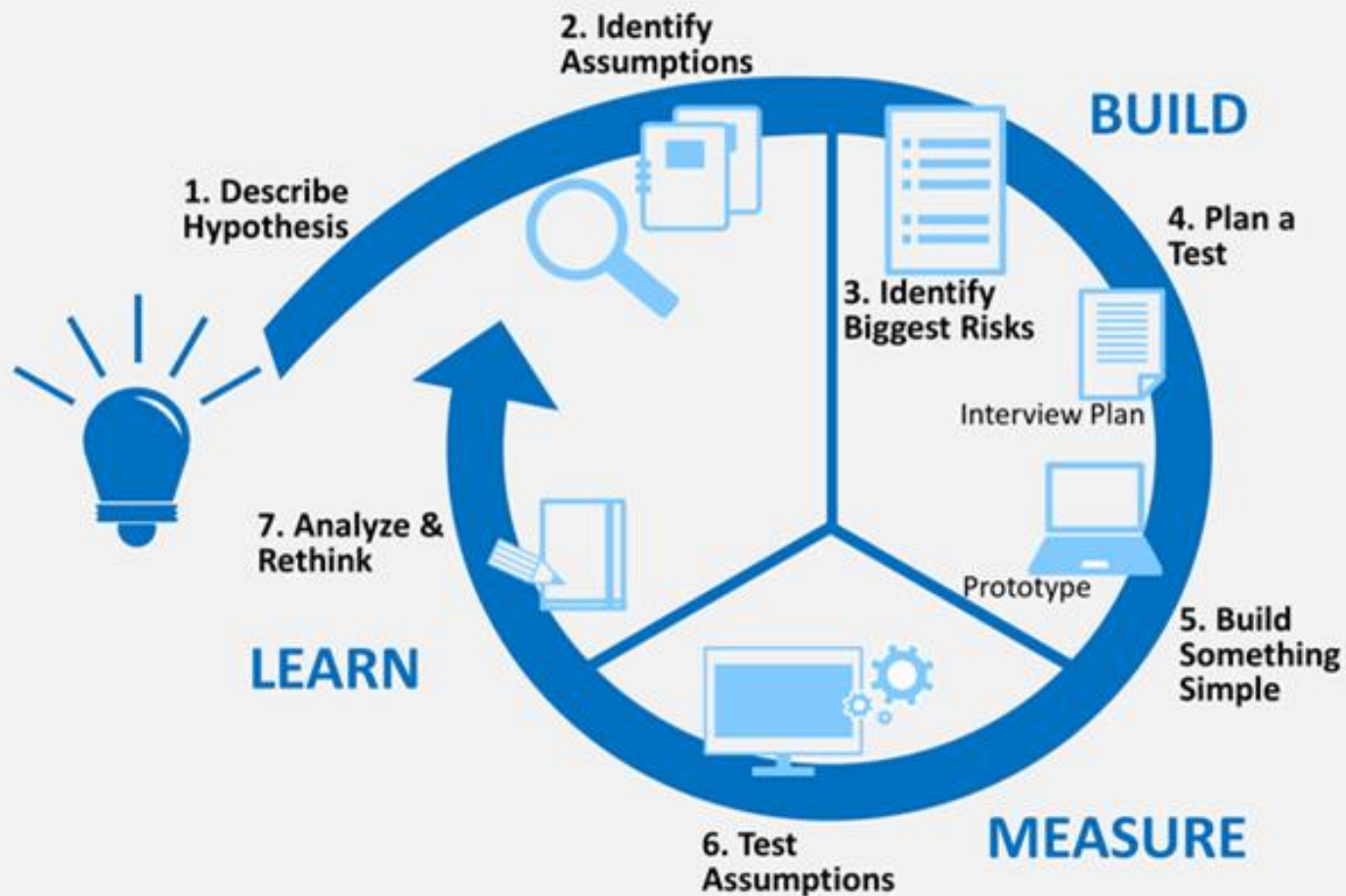
What partners do I need? How do I access them?

How will I maintain and grow this cooperation?

Lean startup - how to start with no resources?

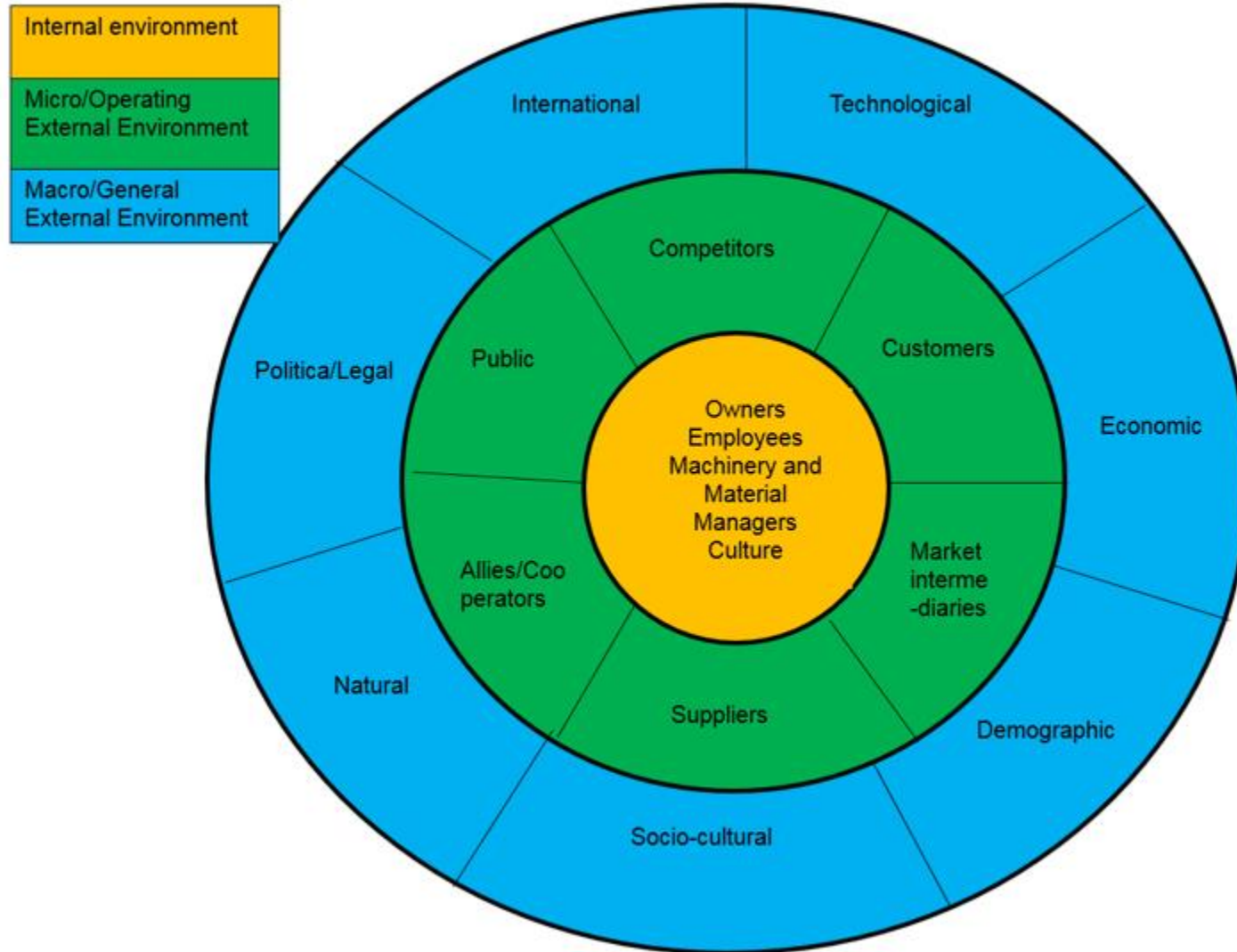


Lean startup



<https://cdn.sketchbubble.com/media/catalog/product/cache/1/image/720x540/c96a280f94e22e3ee3823dd0a1a87606/l/e/lean-startup-slide2.png>

Social Enterprises Environment



Partners and networks



Analyze who out of your stakeholders has common interest and would be willing to cooperate with you.



This is a starting point of a network.

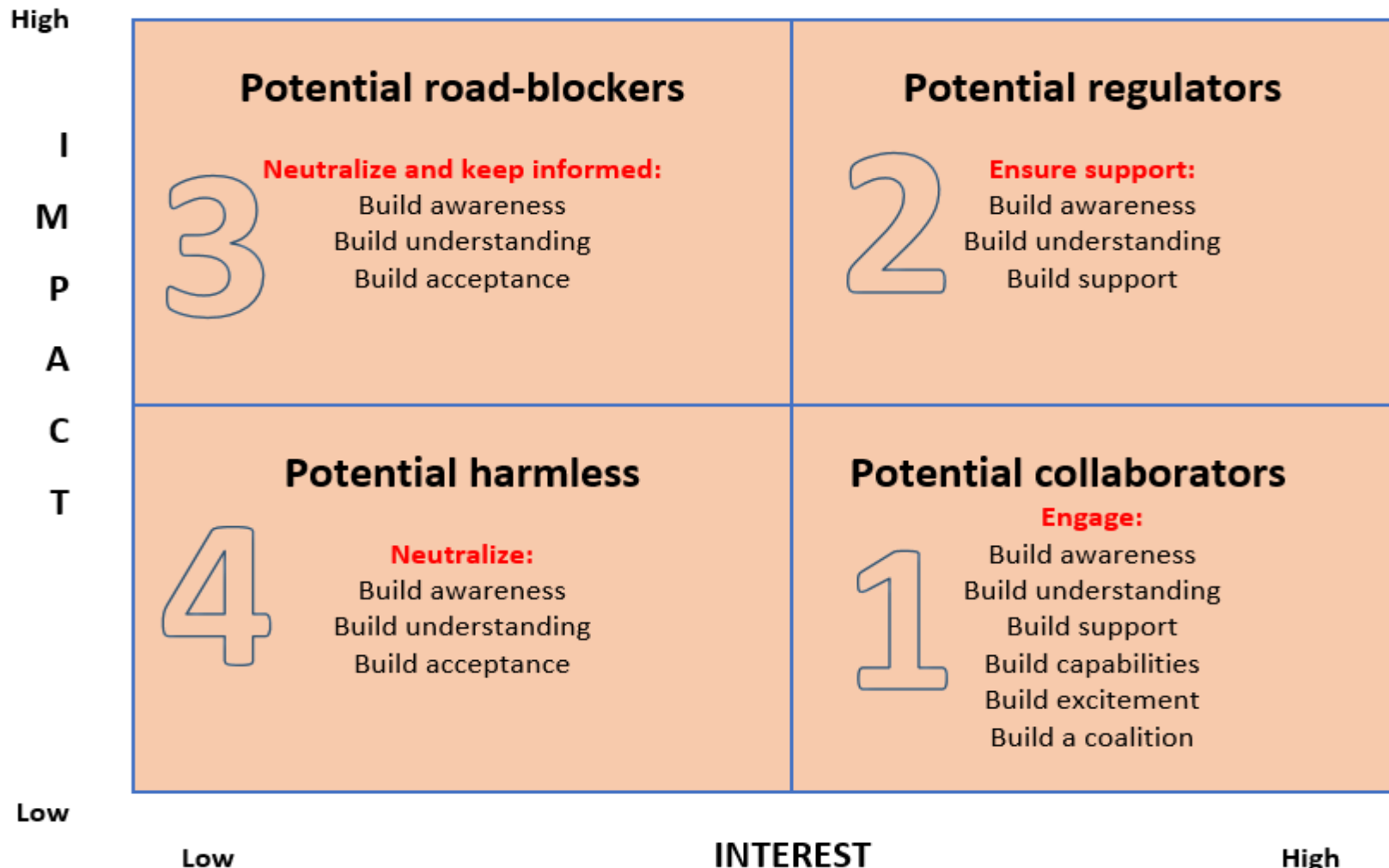


Keep this orientation always in mind as you grow your social enterprise.

Stakeholder list for Social Enterprise

Stakeholder name (individual or team/group)	Stakeholder interests	Impact on SE	Role SE	Information needs
	Specific areas where stakeholders interest lie what does he care about most?	Positive, negative, strong, weak, supporter or roadblocker	Decision maker, partner, beneficiary, regulator	Types of information the stakeholder needs, frequency and channel of communication

Stakeholder Communication Strategies



Crowdfunding



Larralde and Schwienbacher (2012) define crowdfunding as the “*financing of a project or a venture by a group of individuals instead of professional parties*” usually taking place online, through dedicated platforms, for the provision of financial resources in order to support initiatives for specific purposes.

Source: Larralde B., Schwienbacher A. (2012), Alternative Types Of Entrepreneurial Finance, in: D. Cumming (ed.), The Oxford Handbook of Entrepreneurial Finance, p. 3.

Forbes and Schaefer (2017) define crowdfunding as “*the process of taking a project or business, in need of investment, and asking a large group of people, which is usually the public, to supply this investment*”.

Source: Forbes H., Schaefer D. (2017), Guidelines for Successful Crowdfunding. Procedia CIRP 60, 27th CIRP Design 2017, p. 399.

What are the different crowdfunding models?

EQUITY-BASED

for financial return

Sale of registered security by mostly early-stage firms to investors

REWARD-BASED

for non-monetary rewards

Donors have an expectation that recipients will provide a tangible (but non-financial) reward or product in exchange for their contribution

LENDING-BASED

for financial return

Debt-based transactions between individuals; mostly unsecured personal loans.

DONATION-BASED

for philanthropy or sponsorship

No legally binding financial obligation incurred by recipient to donor; no financial or material returns are expected by the donor.

Source: Colins et al. (2013).

The largest platforms of Crowdfunding



Top Crowdfunding Platforms in Asia

Top 11 Donation and Reward –Based Crowdfunding Platforms in Asia



GIVE.asia (Singapore)



FringeBacker (Hong Kong)



Kopernik (Indonesia)



Sniffrr (Singapore)



Mystartr (Malaysia)



51Give (China)



Weeboon (Thailand)



tumblbug

Tumblbug (South Korea)



Campfire (Japan)



支持创新的力量

DemoHour (China)



Ketto (India)



Teamwork

Customer Model Canvas for Social Enterprise

Team or Company Name:

COMPANY NAME

Date:

MM/DD/YY

Customer Segments

- Who are the people who will buy your product / service? (Age, living in a city/village, family status, sex, education etc.)
- Where does he/she get information from?
- On what basis do they make purchase decisions?
- Are they looking for comfort and convenience or escape from discomfort or want to solve a problem?
- Who are they spending time with?
- What kind of people surround them?
- What lifestyle do they lead?
- What are the needs of your customers?

3

Macro-economic Environment

- What is your target geographical market?
- What legal changes might affect your enterprise?
- What economic, social and technological changes might affect your market now and in the future?
- Are these changes a threat or an opportunity?

3

Competitors

- Who are your direct competitors?
- Who are your indirect competitors?
- How can your competitors fulfill customer needs?
- What is your USP (unique selling proposition)?

3

Value Proposition

- What is the story behind your product / service?
- What problems are you trying to solve for your customers?
- What is the market failure / gap / deficiency?
- What value will you deliver to your customers?

4

Product / Service

- What are the features of your product / service?
- What is the core of your

Logistics / Getting to the Market

- What resources will you need?

Cost Structure

- What are the major cost drivers? (People, production, distribution, design, materials, technology... etc.)

2

Revenue Stream

- For what
- What are
- What and
- Will you c

Beneficiary Model Canvas for Social Enterprise

Team or Company Name:

COMPANY NAME

Date:

MM/DD/YY

Social Challenge

- What is the present situation (numbers, scale of problem, geographical area etc.)?
- What are the root causes of the problem?
- What are the factors contributing to the problem?
- Are there any local problem solutions?
- Are there any international / foreign problem solutions?

1

Beneficiaries

- Who are your target beneficiaries (age, sex, location, education, work experience, material status, registered in other foundations/social care organizations)?
- What are their needs?
- What are their expectations?

1

Resources

- What human resources will you need?
- What financial resources will you need?
- What know-how will you need?

2

Partners

- What social partners do you want to cooperate with?
- What business partners will you need?
- What institutional partners will you involve?
- What know-how will they give you?
- How will you build relationships with your partners?

2

Social Change / Impact

- How will you measure your impact?
- How will you verify your idea?
- What will be the adaptation process?
- How will you scale your idea (spread to other markets / target groups / social needs)?

5

6

Involvement of Beneficiaries

- What channels will you use to involve the beneficiaries?
- How will you convince them to participate?
- What challenges may occur why trying to involve beneficiaries?

2

Desired Future State / Outputs

- What is the desired social state of the social problem?
- What outputs do you expect?
- Can you put the outputs into numbers?

4

Core Activities

- What are your core activities?
- What the core activities are for you beneficiaries?

3

Useful links

- <http://www.id.undp.org/content/dam/indonesia/2017/doc/INS-SF%20Report2%20ANGIN.PDF> (SE financing schemes in Indonesia)
- <https://usahasosial.com/> (Se platform in Indonesia)
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- <http://gamestorming.com/category/games-for-planning/> (a great resource of numerous tools)

Further reading

- Defourny, J. and Nyssens, M. (2012). The EMES approach of social enterprise in a comparative perspective, EMES Working Paper Series, No.12/3 http://www.emes.net/site/wp-content/uploads/EMES-WP-12-03_Defourny-Nyssens.pdf
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- Forbes H., Schaefer D. (2017), Guidelines for Successful Crowdfunding. *Procedia CIRP* 60, 27th CIRP Design 2017, p. 399, <https://www.sciencedirect.com/science/article/pii/S2212827117301178>
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- Stevenson, H., We-Skillern, J., Austin, J. E., Leonard, 2007. *H. Entrepreneurship in the Social Sector*, Sage Publications, London
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- Yunus, M. (2011). *Building Social Business: The New Kind of Capitalism that Serves Humanity's Most Pressing Needs*, Public Affairs
- Żur, A. (2015). Social Problems as Sources of Opportunity : Antecedents of Social Entrepreneurship Opportunities, *Entrepreneurial Business and Economics Review*, 3(4), 73-87. <https://doi.org/10.15678/EBER.2015.030405>

A large, stylized blue and white 'Thank You' sign hanging from a string. The sign is made of two pieces of paper, one for 'Thank' and one for 'You', both in a bold, rounded, sans-serif font. The letters are white with a thick blue outline. The sign is hanging from a thin brown string with a small metal ring at the top. The background is a solid light blue.



NOTJUSTSHOP



In 2007 Łukasz Kalicinski, a former professional basketball player, was intensively looking for an idea what to do with the money he earned in the first company he established - a recycling company. He was looking for projects that would make a meaning and do something for others. He started with different internet startups, but none of the ideas worked. One of the many projects he invented was an online shop called *NotJustShop*.



Łukasz always loved drawing and since 2006 he was drawing for his lovely daughter, so he figured he would make a business out of this passion. His creative drawings were printed on t-shirts and sold online. The business was growing, but Łukasz felt that there was something missing, because the main value for him has always been making the world a better place.

Together with his wife Kasia, they started saving money at home to help others. With the saved money they bought school supplies for Ola - a girl from a very poor family. This wonderful and extremely grateful girl was the trigger to change the direction of the business and start helping others. All Łukasz needed, was a business tool to help him put this idea into life. "It's not about the clothes, it's about the story behind it" – a new business idea came up. NotJustShop became this tool – an online store selling designer t-shirts and hoodies and using earned money to help children in need. The idea still evolved – graphic projects started being created together with kids from a hospice, an orphanage or even school for blind kids. They help children by involving whole families to work together in the project. The revenues from sales of clothes are designated especially for the youngest, causing pride and smile to everyone who has engaged in the action. Why? To prove those children that they can do amazing things, that they have internal power and that they are important to the world. By creating unique clothing, they change the world for the better.

Those projects with social institutions demanded a specific way of communicating the story to the community and clients. Telling the story behind the product was the most important marketing strategy. With very little budget but lots of creative ideas – NJS was able to communicate its strategy to the Polish market. Big institutions became interested in the project – TESCO, Philips and other companies and foundations. Selling t-shirts became less and less important, because it appeared that Łukasz is very skilled in talking about corporate social responsibility, building strategy, creating new business models, using tools for project management and at the same time keeping his mission around helping others. NJS was not a store any more, they became a marketing agency.

The Agency realized many projects for Tesco Foundation, Tesco for Children Foundation, Poland Business Run, different foundations, hospices and organizations. Its history is spread widely in Polish media and this publicity helps to promote the projects and social problems.



High five for Tyniecka was the first big project that NotJustShop prepared. Special School and Education Center for Blind and Visually Impaired Children in Krakow was very active in the creation of an entire clothing collection (with reflections of those children's hands on the designed pattern). Blind children reflected their colorfully painted hands on paper. It was symbolic, because with

hands is how the blind children get to know the world every day. A digital pattern was created and duplicated on all kinds of fabrics. The story behind the t-shirts was the main trigger of sales.

With small patients of the University Children's Hospital in Krakow NJS realized a one-of-a-kind t-shirt - the symbol of IV Charity Run of the Tesco Foundation for Children. The workshop was attended by 20 children, dressed in special suits, with 17 liters of paint and an entire floor of the hospital ward. Children spilled the paint in many directions creating an energetic and colorful pattern that became the logo on the run. The project won the hearts of runners and caused that nearly 2,000 people appeared at the start line near Krakow's Błonia. Many Polish famous personalities joined the campaign as well.



Coloring books for adults are very popular in Poland right now, because they are anti-depression and anti-stress tools. Psychologists emphasize that colouring can enhance creativity, concentration and positive thinking. This was a basis for another interesting campaign. NJS released a coloring book to help children from the Special Education and Care Center for Blind and Visually Impaired Children in Krakow. The created album stands out, because it contains photos of famous people, to which coloring drawings have been added. Their fans can color 50 characters, each person will find their idols there. The entire income from the sale is intended for kids. There were various goals to achieve: scientific aids, a 3D printer and

renovation of the floor in the Center.

A marketing agency has proven to be a better and more effective business than any other type of company. This socially responsible Agency engages companies which have money and want to help others with those in need. The scale of help is much bigger now than what they did before. Artistic, creative and fun-oriented approach became their showcase. Łukasz believes that a lean approach – showing the world your ideas locally, getting the interest of stakeholders through telling local stories is the key to success of a socially engaged company.



The company does not need to advertise. They share their stories and projects through Facebook, LinkedIn, YouTube channel and during conferences. This is how customers find them – they hear a story and become interested in the company and its' projects. They also don't recruit new employees. Potential employees come to the company and ask for work when they find out about projects that NJS does and they get inspired. They come to this company, because they're tired of working in international corporations and doing meaningless work – they want to change the world and make a difference in the society. In



2015 Łukasz received an Amicus Hominum Award granted by the Marshall of Malopolskie Voivodship, as well as Innovative Initiative Award granted by Forbes and PriceWaterhouseCoopers.

For the past few years Łukasz has been spreading the idea of social responsibility among university students. He's been a guest lecturer on many courses in the field of social

responsibility and social entrepreneurship. He's always emphasizing, that even the best idea is worth nothing, if nobody talks about it. Every project needs to be spread, communicated and praised – only then it has the ability to grow. He values mostly people who try to put their ideas into action. Even a very moderate idea put into practice is worth more than the best idea that was never implemented. But the most important value of a social entrepreneur, he believes, is passion. Only when you find your passion and build your business around it, only then you will be able to truly succeed.

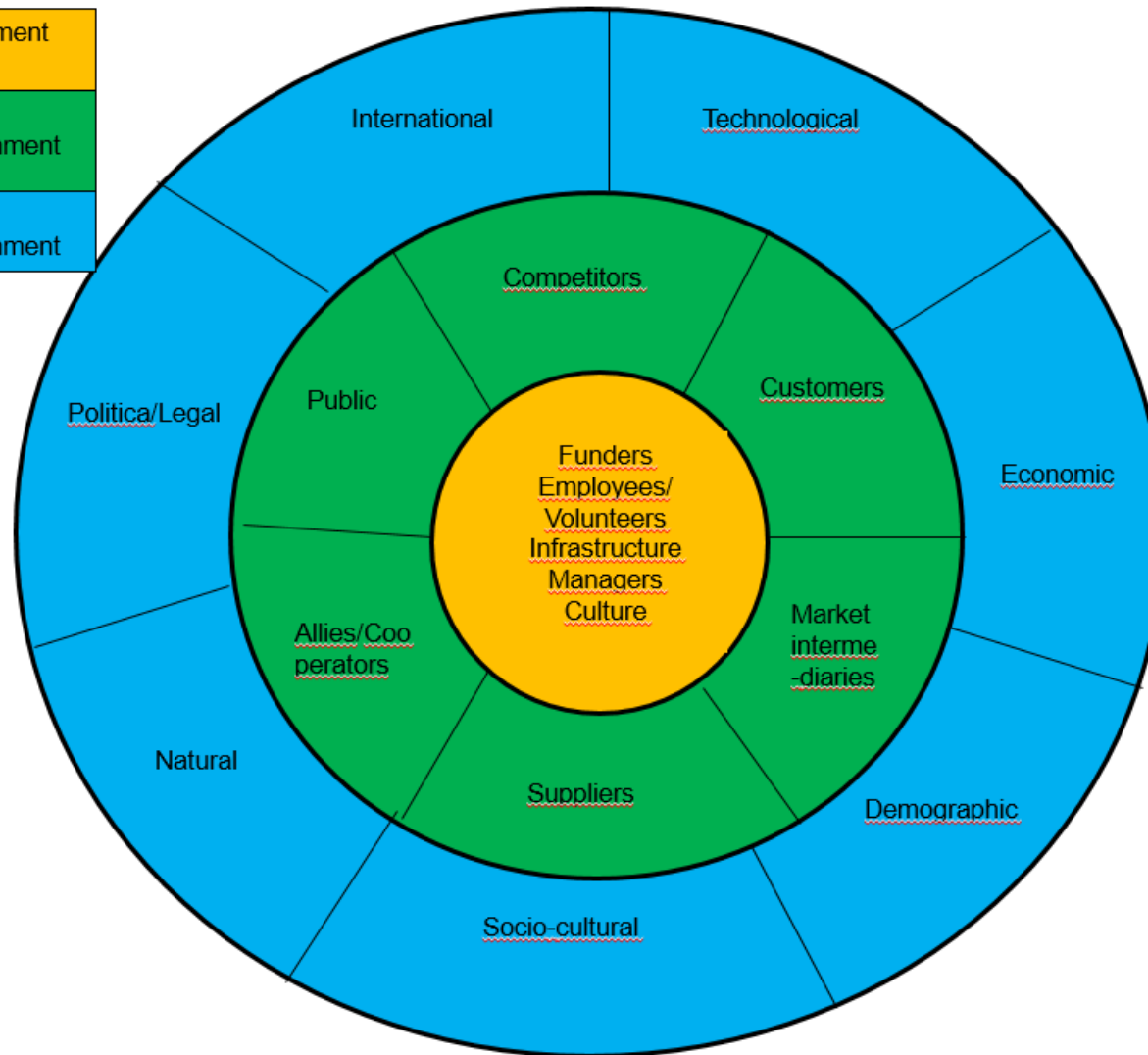
From a recycling company, through internet start-ups, being a lecturer, writing books, producing t-shirts and selling them in an online store, Łukasz had finally found his business idea – a marketing agency creating socially responsible projects and events. The common idea leading him through all those activities was a great need to help others and prove that the weak ones have great strength to do amazing things and to change their lives.



Questions for discussion:

1. What social problem has Łukasz identified?
2. What resources do you need to start a similar business in Indonesia?
3. What resources does Łukasz need today to create social campaigns?
4. What type of partners does NotJustShop cooperate with?
5. How do these partnerships benefit his organization?
6. Why did Łukasz change his business idea from a production and e-commerce company to an advertising agency?
7. Which of his business idea would gain more support among: regulators (public administration), business partners, volunteers and crowdfunding campaigns?
8. Do you think that economic activity can interfere with a social mission? When?

Internal environment
Micro/Operating External Environment
Macro/General External Environment



PROJECT:

The use of crowdfunding in social entrepreneurship

The project is focused on the using the crowdfunding in entrepreneurship education in higher education institutions as well as assessing its impact on the development or strengthening of entrepreneurial traits and attitudes of students. The aim of developing a crowdfunding project is to obtain sponsors (a large group of people, crowd) that will enable its implementation, through the financial support.

In order to achieve this goal, the crowdfunding project should contain the following parts:

1. Project title, that will encourage people to get acquainted with the project.
2. Financial goal and budget of the project, which should not be too high, because a lower funding goal increases the chance of success by attracting more potential backers.
3. Information about the project (purpose, motivation), which indicates it's attractiveness and innovation as well as possibility of funders' participation in the project.
4. Action plan, that should convince sponsors that the project is feasible and realistic.
5. Information about prizes for financial support, for example: t-shirts, books, thematically related to the project, wherein backers are most likely to fund project in exchange for the main outcome i.e. the product.
6. Visual presentation (graphics, photos, videos), wherein the most important is the video, with the front-loaded key information, and motivation for the project emphasized at the end.
7. Creating dedicated accounts in social media, which allows a wide audience to be reached.
8. Project website, which allows funders to get detailed information about the project.

Worksheet: The use of crowdfunding in social entrepreneurship

Project elements	Proposals and reference implementation
Project title	
Financial goal and budget of the project	
Information about the project (purpose, motivation)	
Action plan	
Information about prizes for financial support	
Visual presentation (graphics, photos, videos)	
Creating dedicated accounts in social media	
Project website	

Project evaluation

To what extent each element of the crowdfunding project can contribute to effective entrepreneurship education?

Elements of crowdfunding project	To a large extent	To a moderate degree	To a small extent	No impact
Project title				
Financial goal and budget of the project				
Information about the project (purpose, motivation)				
Action plan				
Information about prizes for financial support				
Visual presentation (graphics, photos, videos)				
Creating dedicated accounts in social media				
Project website				

What is the impact of the preparation of a crowdfunding project on the development or strengthening the entrepreneurial traits and attitudes of students?

Entrepreneurial characteristics and attitudes of students	Yes	No
Responsibility		
Ability to take initiatives		
Ability to take risks		
Strongly developed need for achievements		
Ability to accept failure		
Ingenuity, creativity		
Ability to cooperate with people		
Diligence		
Time management skills		
Organizational skills		
Adapting to changes		
The ability to use the information		
Flexibility		
Speed of decision making		
Ability to take advantage of opportunities		

Theoretical background

Developing a crowdfunding project by students, can be considered as a didactic method in entrepreneurial education, and also fits into the constructivist learning theory. This theory focuses on activities and environments rather than on learning objectives¹. In this approach, knowledge is constructed by students and it is not transmitted by an academic teacher.

Through developing a crowdfunding project, students make decisions and analyze their effects on the basis of their knowledge, they are engaging emotionally in the project, and learning from each other.

Larralde and Schwienbacher define crowdfunding as the “financing of a project or a venture by a group of individuals instead of professional parties”² usually taking place online, through dedicated platforms, for the provision of financial resources in order to support initiatives for specific purposes. Forbes and Schaefer note that crowdfunding exists in many forms and consequently its definition must be generalized to describe only the fundamentals of the phenomenon. Hence they define crowdfunding as “the process of taking a project or business, in need of investment, and asking a large group of people, which is usually the public, to supply this investment”³. This broad definition has been adopted in this work.

Crowdfunding contains three different methods of raising funds: the donations model, the lending model and the investment model. The subject of research in this project is the donations model, in which funders provide money for a project either for no return or in return for some form of non-financial reward⁴.

Exemplary portals based on the donations model:

- Kickstarter.com
- IndieGoGo.com

¹ Wangpipatwong T., Papasratorn B. (2008), The Influence of Constructivist E-Learning System on Student Learning Outcomes, in: Van Slyke, C. (ed.), Information Communication Technologies: Concepts, Methodologies, Tools, and Applications: Concepts, Methodologies, Tools, and Applications. IGI Global, Information Science Reference, Hershey - New York, pp. 1109-1121.

² Larralde B., Schwienbacher A. (2012), Alternative Types Of Entrepreneurial Finance, in: D. Cumming (ed.), The Oxford Handbook of Entrepreneurial Finance, p. 3.

³ Forbes H., Schaefer D. (2017), Guidelines for Successful Crowdfunding. Procedia CIRP 60, 27th CIRP Design 2017, p. 399, <https://www.sciencedirect.com/science/article/pii/S2212827117301178>

⁴ UKIE (2012), Crowd Funding Report: A Proposal to Facilitate Crowd Funding in the UK. The Association for UK Interactive Entertainment (UKIE), London

Social enterprise - STAKEHOLDER LIST

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Useful questions for planning resources

What resources will I need for my social enterprise?	
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Do the financing options depend on the legal forms that I can work in?	
To what extent can I adapt a lean start-up approach?	

Useful questions for planning resources

Who has the same social goals as my organization?	
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What partners do I need? How do I access them?	
How will I maintain and grow this cooperation?	

STAKEHOLDER COMMUNICATION STRATEGIES

