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### **Social Entrepreneurship: More Than Words**

By: Connette Gayle, 4/23/2004 4:20:57 PM

Much has been discussed and written recently about the burgeoning arena of social entrepreneurship, broadly defined as the process of using entrepreneurial skills to create innovative solutions to social needs. While relatively new, this idea offers an effective vehicle for skilled, socially-minded individuals to pursue their desires to create for-profit and nonprofit organizations that do well while also doing good.

But social entrepreneurship is not just something people are talking about. Many people are out there doing it - and they are making a real impact on a local and global scale.

In an effort to bring together both the practitioners and the thought leaders in this sector - and to encourage prospective entrepreneurs to pursue their social goals - New York University's Stern School of Business and Wagner School of Public Service recently hosted a Social Entrepreneurship Conference. The conference called on leaders from the private and public sectors to address the theme of "Overcoming the Challenges of Early Stage Development."

The conference focused specifically on social entrepreneurship advances in the New York area. "NYU's doors open to the community," explained Sarah K. Chiles, the Director of the Program in Social Entrepreneurship at NYU's Stern School of Business. "Therefore, we had several objectives when planning this conference. We wanted to build the New York community of social entrepreneurs by bringing together nonprofit & social sector leaders; to further the discussion on the use of philanthropic dollars; and to highlight different innovations in both management and social approaches."

Chiles added, "The West coast is really pushing the envelope with social entrepreneurship, but there is a lot going on in New York City - and we want to help build this community."

The keynote speeches and panel discussions extrapolated lessons from the experiences of noted social entrepreneurs and the challenges they face every day. Julius Walls Jr., Vice President of the Greyston Foundation and CEO of the Greyston Bakery, discussed the integration of for-profit and nonprofit sectors and the tension between the two bottom lines. Greyston Bakery (<http://www.800buycake.com>) is a Bronx-based company created to support the community development work of the Greyston Foundation, which includes housing, child care, health care, a computer learning center, and other services to support the surrounding community. Walls, who has a background in accounting, operations and marketing, stressed the importance of running the Bakery as a business, and explained the necessity of taking calculated risks. Walls' practical perspective reflected the spiritual and personal mission that he combines with pragmatism and business realism. All decisions weigh on the social and financial aspects, he pointed out, so the social mission might be secondary for short-term, but it will win out in the long-term.

The question, "What do you wish you had known before you started?" elicited some interesting experiences. Gillian Caldwell, Executive Director of Witness, a global organization that advances human rights advocacy through the use of video and communications technology, emphasized the importance of determining how to operationalize your mission. Her warning: "Nonprofits ignore infrastructure at their peril and must have accountability on the financial front."

Scott Berrie, co-founder of Scojo Vision, LLC, which designs and distributes reading glasses and donates 5% of its pretax profits to the distribution of reading glasses in underserved communities worldwide, explained the necessity of profits when pursuing a social mission: both components are necessary to achieve social impact.

Barbara Chang, the Executive Director of Npower NY, a nonprofit technology assistance provider that

receives half of its income from fees, discussed her difficulties in pushing the envelope for charged services without denying services to those that need them most.

The conference also focused on how best to use philanthropy to support social entrepreneurship. Harvey Dale, the founding President and Director of Atlantic Philanthropies, sprinkled his discussion with some of the tough questions facing the sector, such as: What is the proper spend rate? Should perpetuity be tolerated? Should a foundation ever give to an endowment? How long should one wait to make judgments on program effectiveness and success? Should the grantor-grantee relationship be thought of as a partnership? (See the recent article, Atlantic Philanthropies Walks the Talk, [/prof\\_inter/pi2003-09-19.html](/prof_inter/pi2003-09-19.html)).

Rather than answering these questions outright, Dale focused on the difficulties and intricacies involved in making these tough decisions.

The conference is actually part of a larger social entrepreneurship program at NYU's Stern School of Business that includes a course in social entrepreneurship and a Business Plan Competition that will award \$50,000 to the top one or two ideas or organizations on April 30, 2004. Most recently, Stern announced the launch of the Stewart Satter Entrepreneurship Fund, a philanthropy fund to support educational initiatives and foster social venture creation within the School's community, seeded with a \$300,000 donation. The fund is modeled on a real world foundation or venture philanthropy fund and will award its first set of grants in Fall 2004.

Stern's Social Entrepreneurship Program began in September 2003 in response to demand from the student body. Stern's Chiles theorizes that after the cataclysmic events of September 11, 2001, people were looking for more meaning in their work. Some who were interested in social impact changed their focus from community service outside of everyday work to a career that incorporated their social interests.

The Social Entrepreneurship Program, part of the Berkley Center for Entrepreneurial Studies, focuses on helping students and alumni start social ventures or create social ventures in their existing institutions by providing them with knowledge and skills on specific management issues involved in starting a social enterprise. The program is also a resource for social sector leaders, providing them with the up-to-date information that enables them to respond to changes in this dynamic field. Chiles believes that the newly announced philanthropy fund will make the program even more agile.

Many other graduate business schools, including Harvard, Columbia, Duke's Fuqua School, Stanford, to name but a few, have programs in social enterprise and many more are getting involved every year. There is cooperation and communication between these schools, which share the common objective of benefiting the social sector. Hopefully, the increased discussion around social entrepreneurship - bolstered by a growing record of successes -- will lead to increased support and encouragement of pioneering social pursuits.

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**About The Author:**

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