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DECISION SCIENCES INSTITUTE
An Innovative Approach to Project Design of Social Entrepreneurship

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ABSTRACT

In order to generate an optimal outcome of implementing social entrepreneurship, this study applied a new approach - design thinking - to build up valuable implementation mechanism for social entrepreneurship projects.

KEYWORDS: Social entrepreneurship, Design thinking, Social enterprise, Innovation

INTRODUCTION

Social entrepreneurship is a newly developed research field. A successful social entrepreneurship would make a positive contribution to the society. A valuable social entrepreneurship could provide constructive thoughts and motives that moves the society onto the right track and arrives at a harmony state. For this reason, it is worthwhile to seek a method of achieving successful social entrepreneurship. Social entrepreneurs usually desire to solve a social problem or need, which is similar to those entrepreneurs who create non-profit and charity organizations. The main difference between traditional business and social entrepreneurship is their motivation of solving social problem and needs.

In order to generate an optimal outcome of social entrepreneurship implementation, this study applies a new approach of building up valuable implementation mechanism for social entrepreneurship projects. This new approach is the design thinking approach. Design thinking is "a methodology that imbues the full spectrum of innovation activities with a human-centered design ethos." (Brown, 2008, p. 1). It is different from traditional way of handling processes in social entrepreneurship, in which social entrepreneurs could decide the way they would do.

This paper starts with literature and issues of social entrepreneurship. It then discusses the implication of design thinking methodology. A new way of building up social entrepreneurship is then proposed. After that, a case study is presented to illustrate the new social entrepreneurship approach. A conclusion is provided at the end of this paper.

LITERATURE REVIEW

Social Entrepreneurship and Its Development

Social entrepreneurship is a young research area. Researchers in the field of social entrepreneurship showed diversified focuses and a unified definition was not found (Pless 2012, p. 317; Short et al. 2009, p. 161; Dacin et al. 2011; Dacin et al., 2010).

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The development of social entrepreneurship includes a series of research streams. At early stage, the dominant research was focused on "social entrepreneurs and the personalities, qualities, values and visions of individual change agents" (Pless, 2012, p. 317; Bornstein, 2007).

Another research stream was on the process mechanism. In this research path, social entrepreneurship was based on "a process involving the innovative use and combination of resources to pursue opportunities to catalyze social change and/or address social needs." (Mair and Marti, 2006, p. 37). Short et al. (2009) suggested that social entrepreneurship should focus on the strategic issues, based on the principles such as contingency theory, discovery theory and resource dependency theory.

Mort, et al. (2003) illustrated social entrepreneurship through a multidimensional construct, which included the following components: entrepreneurially virtuous, social opportunity recognition, risk tolerance, proactive-ness, innovativeness, and judgment capacity.

Another scholar, Light (2006), argued that social entrepreneurship should not just be focused on individual entrepreneur's vision and activity (such as starting a new organization to create dramatic social change), but also it needs to recognize "thousands of other individuals, groups, and organizations that are crafting solutions to troubles around the globe." (Light 2006, p. 47). Light (2006) defined a social entrepreneur as '"an individual, group, network, organization, or alliance of organizations that seeks sustainable, large-scale change through pattern-breaking ideas in what or how governments, nonprofits, and businesses do to address significant social problems." (Light 2006, p. 50).

Lately, Dacin et al. (2011, p. 1211) pinpointed the importance of social processes in the pursuit of social entrepreneurship. They also indicated that social entrepreneurship theory should be constructed based on the following disciplines: institutions and social movements, networks, culture, identity and image cognition. A successful social entrepreneurship would contribute positively to the society. A valuable social entrepreneurship could provide constructive thoughts and motives that move the society onto the right track and arrive at a harmony state. Social entrepreneurship should broad social, cultural, and environmental goals, reach a high social satisfaction, and enhance social innovation. Social entrepreneurs would seek to transform societies at large. In order to reach a maximum outcome, social entrepreneurship must utilize information technology such as the Internet for facilitating communication capability. For these reasons, it is worthwhile to seek agreeable methodology of building social entrepreneurship projects.

STAKEHOLDERS OF SOCIAL ENTREPRENEURSHIP

A major stakeholder of social entrepreneurship is social entrepreneur. Social entrepreneurs are those persons who have interests in solving social problems. For this reason, social activists, philanthropists, environmentalists, and other socially oriented practitioners belong to this group. Social entrepreneurs are also called social innovators by Bornstein (2007) since they are creative while solving social problems.

Other stakeholders of social entrepreneurships may include citizens in society, their roles consist of customers, users, clients, and others who are working closely with social entrepreneurs. Governments in different levels, communities, corporations, and non-profit organizations also interact with social entrepreneurs while performing social entrepreneurship projects.

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An exemplary non-profit organization that work closely with social entrepreneurs is thesedge.org. The mission of thesedge.org is to "help organizational and individual social innovators connect with each other to access education and community" (thesedge.org, 2016). Thesedge.org serves as agent's role to "bring together the global community of change makers who are embracing a socially entrepreneurial mindset and using social enterprise to advance their social missions." (thesedge.org, 2016). They use collaboration network to educate their members how to access to the resources to build successful social entrepreneurship projects.

DESIGNING SOCIAL ENTREPRENEURSHIP PROJECT

Social design is defined as a design process that contributes to human well-being and livelihood's improvement (Holm, 2006). It is clear to see that social design is a way to move the society into a positive direction with needed changes. The main purpose of social design thinking is to create a better society and improved the life quality of the human-beings in the world. Social entrepreneurs hold the same ideology with the effort on improving the human life through social development activities. For this reason, social entrepreneurs are always called social innovators. The process of transforming societies at large rather than focusing on profit boundary is the project that social entrepreneurs intend to do. Social entrepreneurs utilize a variety of components in the environments of social entrepreneurship to create projects that could bring societies into a better state of comfort, including life quality, community development, environmental quality, social justice and equality, etc.

Three types of business models of social enterprise have been identified by Elkington and Hartigan (2008), they are:

1. The Leveraged Non-Profit: This social enterprise model leverages resources in order to respond to social needs.
2. The Hybrid Non-Profit: This social enterprise model is distinctive because it is willing to use profit to sustain its operations.
3. The Social Business Venture: This type of social enterprise model is taking business form that is designed to create change through social means.

Social entrepreneurship's business models have been implemented in a variety of formats within different industries that intend to meet diverse purposes and the needs in societies. For example, social entrepreneurship projects can be created to solve social problems in environmental, foods distribution, water safety and distribution, textbook allocation, cooking, job creation, etc.

CONCERNS AND DRAWBACKS OF TRADITIONAL SOCIAL ENTREPRENEURSHIP DESIGN

Social entrepreneurship projects can be fulfilled through the following enterprises forms: community-based enterprises, socially responsible enterprises, social services industry professionals, and socio-economic enterprises. Although these projects and created enterprises can contribute to societies with good intention, they benefit only to a specific sector in society. A more comprehensive design process to solve social problems would result in a better project outcome.

It can be inferred that a project design process should involve more participants who have diverse backgrounds, knowledge, and expertise to solve a social problem. Since social entrepreneurship projects involve social change as a needed part of their design process, the new and innovative

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thinking becomes one of its success factors. Most social problems are people based, therefore, human centric design approach would strengthen the quality of such projects.

A new approach to design social entrepreneurship projects is through the "design thinking" methodology. This paper intends to integrate design thinking methodology into social entrepreneurship project's design process to make the project a better solution.

DESIGN THINKING METHODOLOGY

Brown (2008) is a known practitioner of design thinking methodology. He is the CEO and President of IDEO, an innovation and design firm located in Palo Alto, California. His company promotes and utilizes the idea of design thinking to all corporate projects.

Lockwood (2010) proposed a similar definition to design thinking as "essentially a human-centered innovation process that emphasizes observation, collaboration, fast learning, visualization of ideas, rapid concept prototyping, and concurrent business analysis, which ultimately influences innovation and business strategy." (Lockwood, 2010, p. xi). Design thinking is a methodology that has been used in product design, branding design, service design (IDEO, 2016; Lockwood, 2010) and other areas such as information systems design (Vetterli et al., 2016). Based on these studies, it shown that design thinking methodology can be used to generate new and innovative products and systems.

IDEO (2016) described the design thinking process as a system of overlapping spaces rather than a sequence of steps. Brown (2008) defined the design thinking process through three spaces, they are inspiration, ideation, and implementation. Inspiration is the cause of searching for solutions, such as social problems or possible opportunities appeared to surface. The second space is ideation that is the process of identifying ideas, developing and deepening targeted ideas and then testing them through experimentation or simulation means. The final space is implementation, which puts selected project into the realization stage. Individual projects will loop back through these spaces; particularly the first two spaces, more than once as ideas are refined and new directions will be taken and refilled after debates.

Design thinking methodology is "scalable and can be applied incrementally to improve existing ideas or it can be applied radically to create disruptive solutions that meet the needs of people in entirely new ways" (Brown, 2016). Design thinking methodology can integrate technologies, innovative thinking, design process, and available resources into human's desire to build up a new and innovative product. Design thinking is a deeply human process that taps into abilities we all have but get overlooked by more conventional problem-solving practices. It relies on our ability to be intuitive, to recognize patterns, to construct ideas that are emotionally meaningful as well as functional, and to express ourselves through means beyond words or symbols.

BUILDING SOCIAL ENTREPRENEURSHIP PROJECTS THROUGH DESIGN THINKING

Social entrepreneurship's building structure contains the features of social collaboration, human-centered innovative activities, visualized idea, and social strategy determination. The features of these building structure matches design thinking's development process. This study intends to identify such a new methodology for building social entrepreneurship projects.

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Social entrepreneurs seek to create innovative projects and to incorporate transformational changes into under-represented and under-served communities. Based on social entrepreneurs' desire, the project team must fully understands the lives of people who needs such help. It also involves the knowledge of culture and socio-economic conditions. We can compare the attributes between social entrepreneurship and design thinking methodology and then decide the fitness of adopting such an integrated project design approach. Possible attributes are:

1. Human-centered focus:
   Social entrepreneurship deals with social problems, therefore, it is always related to people's lives. As indicated in the earlier section, design thinking is a methodology of human-centered practice.
2. Strategy and goals:
   Social entrepreneurship seeks specific goals to be achieved and its solution should apply to specific strategies. Design thinking also seeks social entrepreneurs' goals with specific design strategy in the process.
3. Innovation approach:
   Social entrepreneurs are always described as social innovators since they pursue innovative idea and venture for social development. Design thinking methodology also applies innovative approach into its design process.
4. Altruism:
   Social entrepreneurs, in their deep mind, are to solve social problem and to improve the life of human-being. Design thinking methodology applies new idea to create new product in society.
5. Collaboration approach and brainstorming:
   Social entrepreneurship involves a variety of stakeholders such as social entrepreneurs, users, citizens, governments, communities, etc. to collaborate together to solve the social problems. Design thinking methodology also needs project team members from diversified backgrounds to collaboratively solve the design concerns.
6. Technology usage:
   Social entrepreneurs use technologies such as the Internet, social networks, and mobile devices to promote and communicate their idea and philosophy with users and the general public in societies. Design thinking methodology also needs computer technologies and tools for carrying out its design process.
7. User involvement:
   Social entrepreneurship's projects success is based on the amount of user adoption in the society. More user involvement means better success of the social entrepreneurship project. Design thinking methodology also seeks users' involvement to design a product that will meet users' desire and need.
8. Prototype usage:
   Social entrepreneurship's project may start with an initial plan or prototype for seeking further project's improvement. Therefore, continued development will enhance the quality of social entrepreneurship's project. Design thinking methodology also emphasizes the process of experimentation and prototyping process in order to identifying the opportunities of improvement.
9. Test:
   In order to seek a better social entrepreneurship plan and project, test or assessment to such plan and project is needed. Design thinking methodology also applies test stage to assess the quality of designed product for approval purpose.
10. Experimentation:

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        While social entrepreneurs are not sure about their desire for solving social problems, the practice of experimentation is always implemented. Social entrepreneurship's project experimentation allows such project to be accurately identified.

11. Resources need:
        Social entrepreneurship's project consumes a variety of resources such as social capital, funding, human resources, and others. Some social entrepreneurship costs a tremendous amount of resources to make it comes true.

CASE OF BUILDING SOCIAL ENTREPRENEURSHIP PROJECT THROUGH DESIGN THINKING

In 2007, a team of Stanford University used design thinking approach to design a simple and portable device (that is, sleeping bag for newborns) to help 22,000 low-birth-weight babies around the world to stay warm (Soule, 2013). The project of "The Embrace Baby Warmer" adopted an innovative phase-change material to maintain its temperature for six hours after heating for new born babies.

This social entrepreneurship project started by a group of Standard students who had been building a low-cost incubator for their class project. Later on, while this group of students visited Nepal to present their project outcome, they figured out that their project outcome wouldn't help Nepal's residents. During their visitation in Nepal, this group of students observed the need in the community, that is, "low-birth-weight babies often develop fatal hypothermia in homes, many of which lack electricity." (Soule, 2013).

Students then applied "Design Thinking" method to develop an innovative product, The Embrace Baby Warmer, to help needed families in the world (Soule, 2013).

The process of designing such product was complicated. At first, their ambitious goal of helping low-income resident's baby captured everyone's heart and mind in the project team. The team applied rapid prototyping process to create prototypes and then seeking feedback from the users quickly. The new prototypes have been created to respond to the feedback from the users. This approach made a better version of the product.

The prototype finally went through the test stage. The project team brainstormed after receiving the outcomes and feedback from the test. The designed project went through readjustment again to refine the product. This process went on again and again until the test result approved their ultimate goals.

CONCLUSION

A successful social entrepreneurship would make a positive contribution to the society. In order to generate an optimal outcome of implementing social entrepreneurship, this study applied a new approach, that is, design thinking, to build up valuable implementation mechanism for social entrepreneurship projects.
Design thinking is a human-centered innovation process that emphasizes observation, collaboration, fast learning, visualization of ideas, rapid concept prototyping, and concurrent business analysis, which ultimately influences innovation and strategy. Social entrepreneurship project and design thinking methodology are highly related to their attributes and therefore can be proved to be integrated together.

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A Stanford University's case study fully exhibited the use of design thinking to implement social entrepreneurship project by creating an innovative product – the Embrace Baby Warmer – to help needed babies in the world. We expect more social entrepreneurs to use design thinking methodology to build their comprehensive, human-centered, and innovative products or projects to improve the life of human-being.

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