


Social Enterprises: Financial and Marketing Strategies Utilized and Tensions






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Structure of Presentation


- Introduction
- Analytical Framework
- Methodology
- Results and Discussion
 - Organizational Strategy
 - Financial Strategies
 - Marketing Strategies
 - Tensions
- Conclusion

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Introduction
Justification and Context

- Growing social needs and problems
- Value creation in social enterprises (SE) is aimed at solving social problems
- SE = make positive change in the world
- Possibility for tensions
Dual logics (Business vs Social)
- Need for investigating the management of SE with operational strategies

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Introduction
Purpose and Research Questions

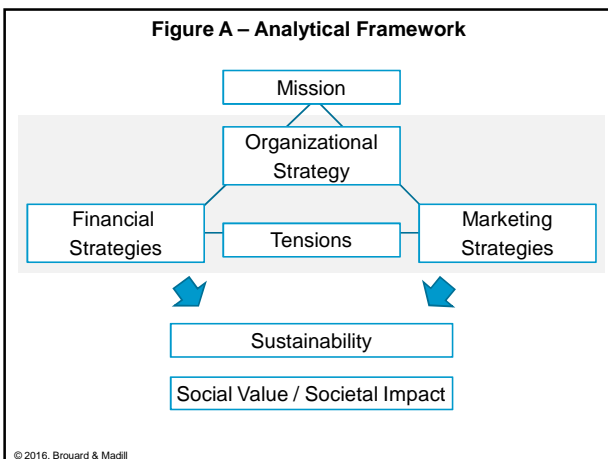
Purpose: identifying the major financial and marketing strategies adopted by social enterprises in their pursuit of financial sustainability and also examines the interplay and tensions between and among these strategies


RQ1: What are the **financial strategies** employed in social enterprises to achieve sustainability?

RQ2: What are the **marketing strategies** employed in social enterprises to achieve sustainability?

RQ3: What are the **tensions** that are face by social enterprises as they utilize various financial and marketing strategies in social enterprises?


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Methodology


- 33 Canadian SE Case studies
(Ottawa (26) & Toronto (7) - Summer 2013)
majority of SE were founded in the years since 2000; revenue range (200,000 – 3M)
74 SE contacted; 18 refused; 23 not available
- Content analysis
 - Semi-structured interviews (verbatim transcription), website, documentation
 - Used of NVIVO, data analysis software

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 **Results and Discussion**
Organizational Strategy

- Organizational strategy = not formalized, tends to emerge over time
- Miles and Snow (1978) typology
 - Prospector (12 - 36%)
 - Analyzer (12 - 36%)
 - Defender (3 - 8%); Reactor (3 - 8%)
 - No response (3 - 8%)
- Entrepreneurial mindset

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 **Results and Discussion**
Financial Strategies


- Juggling multiple sources of revenue
 - earned income, grants / contributions from foundations and governments, donations
 - no investment income and dues
- Most energy: sales, grants and donations
- Revenue diversification (limits)
- Cost structure and constraints
- Holistic perspective

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 **Results and Discussion**
Marketing Strategies


- No formal plan; different target markets:
 - customers, volunteers, donors/ funders
 - geographic areas, size, type, client, groups
 - need for multiple marketing strategies
- 4P (position, promotion, price, place)
 - brand themselves as SE
 - word of mouth, social media; inexpensive forms
 - competitive and comparable prices; quality
 - existing customers, partners and sponsors

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 **Results and Discussion**
Tensions

- Balancing: social & business mission
- Key financial tension
 - Managing funding and getting resources
- Key marketing tension
 - Managing relationships with the myriad of organization stakeholders / target markets (customers, donors, beneficiaries)
 - Difficulty based in resource constraints

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 **Conclusion**

- Strategies not formalized
- SE are innovative – innovation is seen being key in strategy development
- Considerable tensions evident in managing a social enterprise
- Theory development contribution by understanding of strategies used in SE
- Implications for SE managers

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