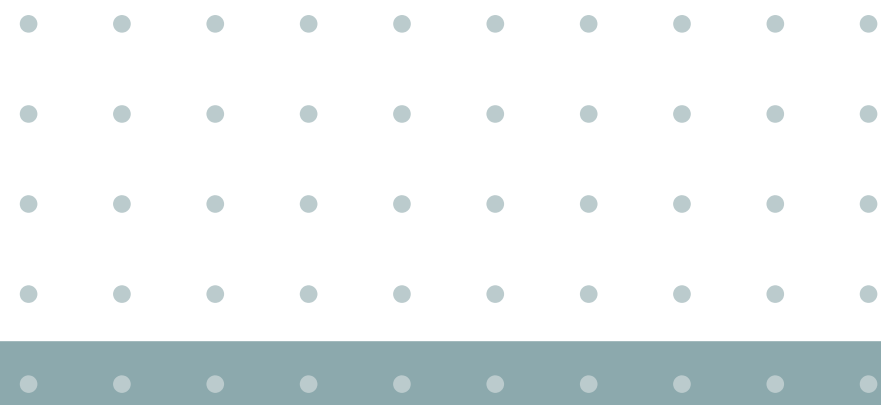




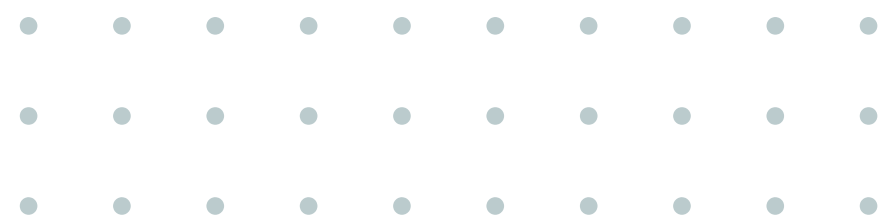
SOCIAL VS TRADITIONAL:

DECODING BUSINESS MODELS

Train the trainers

The RESIST project is co-financed by the European Union (European Regional Development Fund) under the Interreg Baltic Sea Region Programme.





Interreg
Baltic Sea Region

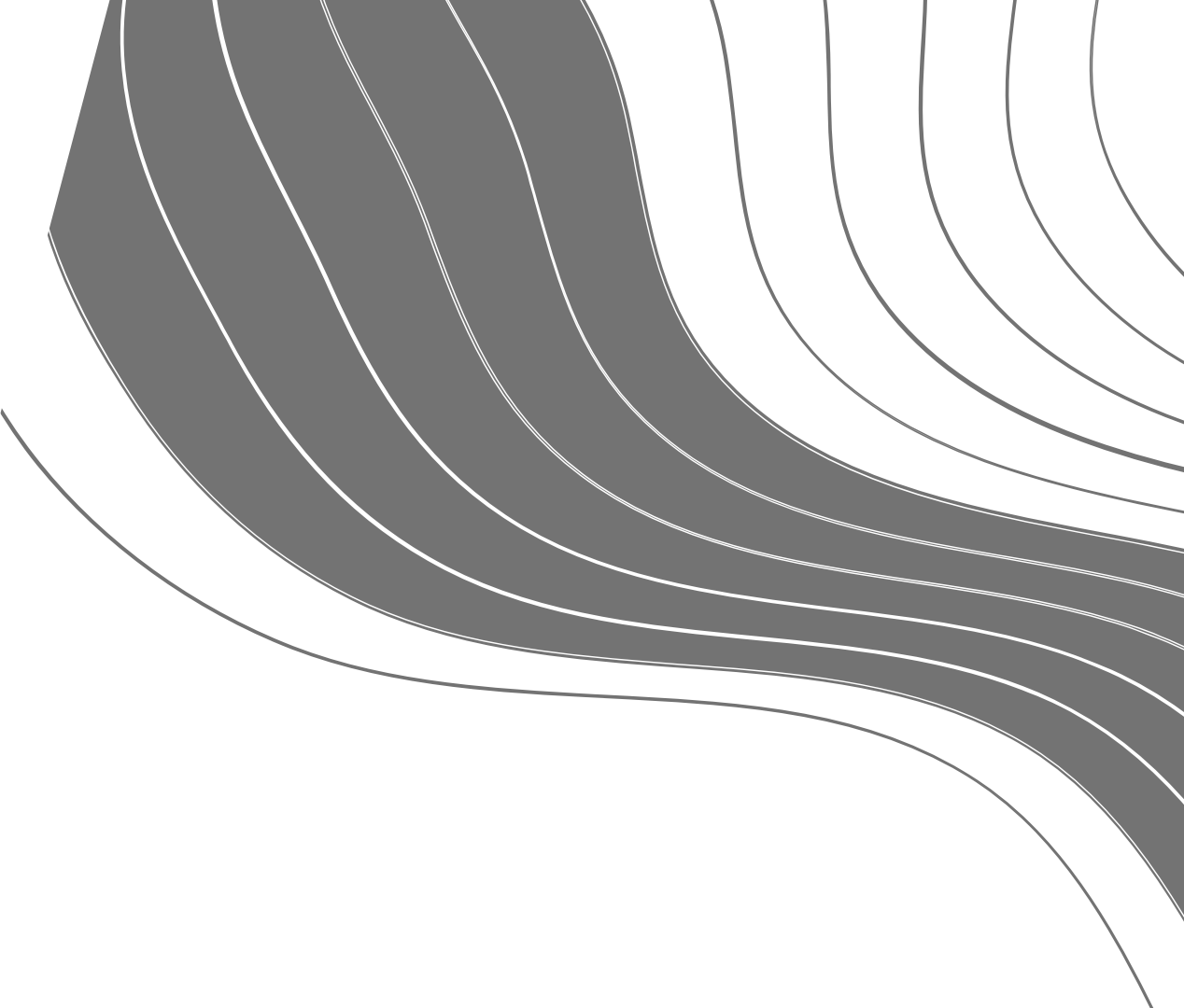


**Co-funded by
the European Union**



RESPONSIVE PUBLIC SERVICES

RESIST

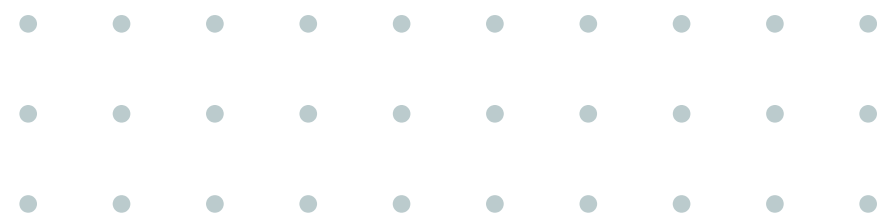


01. SOCIAL BUSINESS
What it is? Characteristics?

02. SOCIAL VS TRADITIONAL BUSINESS
Similarities? Differences?

03. DIFFERENT MODELS OF SOCIAL BUSINESSES
Key features? Examples?

TABLE OF
CONTENT



01.

SOCIAL BUSINESS

What it is? Characteristics?





“A social business is a company that
is committed
to creating a positive impact through
a business model.”





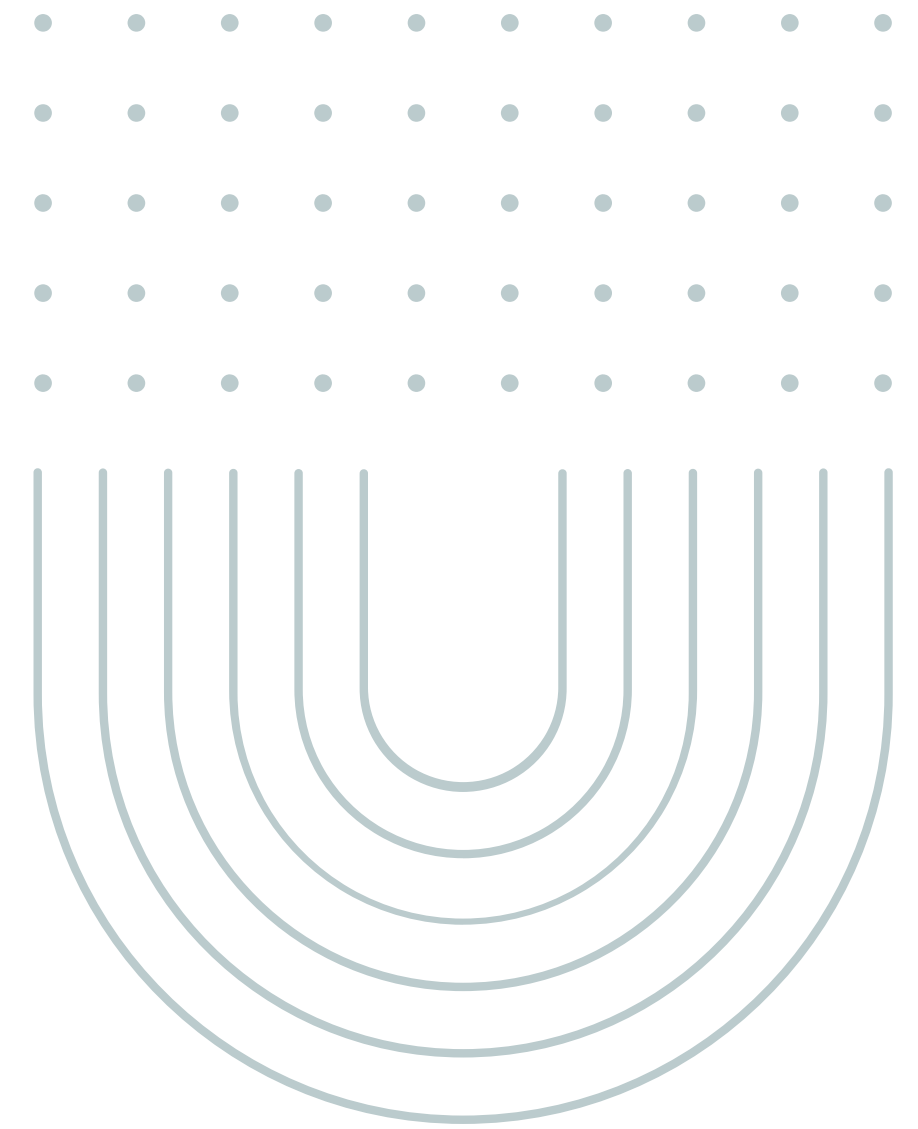
Main Goal of a Social Business

To positively influence people's livelihood, well-being or the environment.

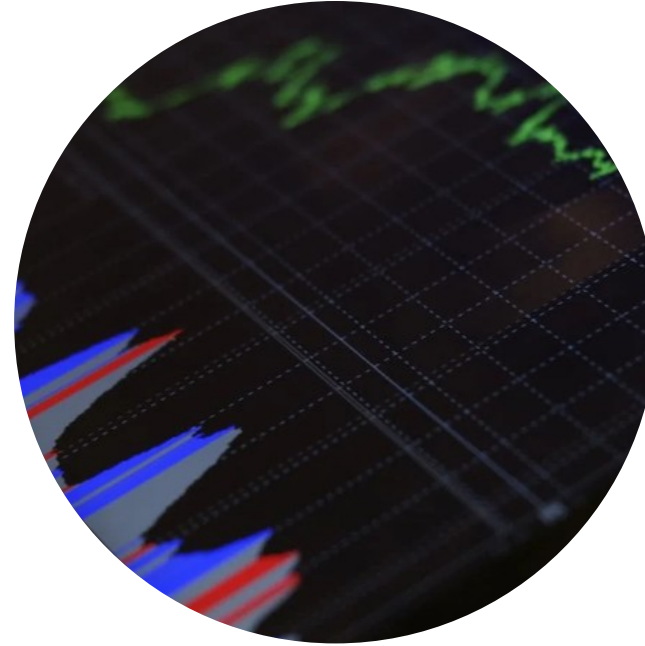
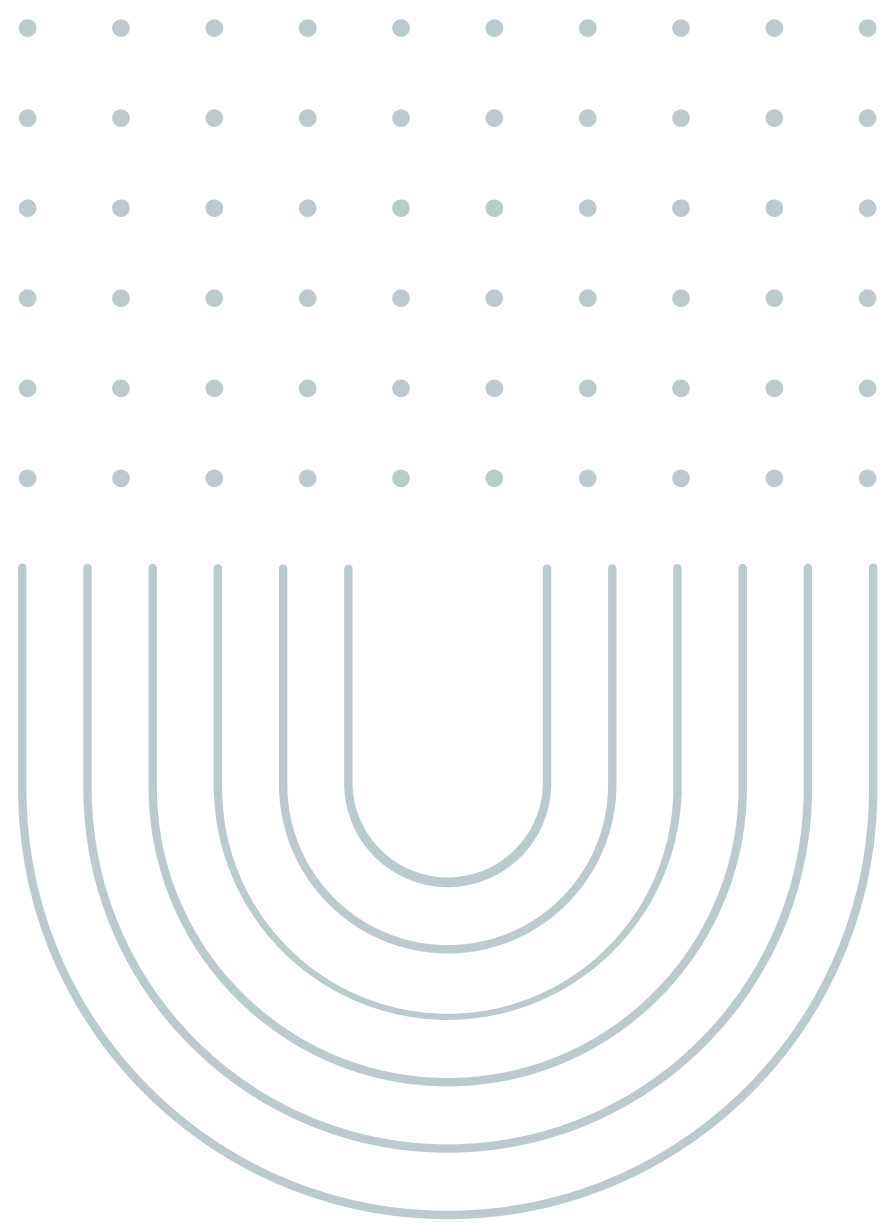


The Impact of a Social Business

Is measured and analyzed how the main goal is achieved through that.



CHARACTERISTICS



The Economic Model

Is sustainable as the social business offers goods or services for a fee, earning a profit.



The Profits of a Social Business are reinvested in achieving the main goal, 50,1+% of the profits.

CHARACTERISTICS II



WHY TO BECOME A SOCIAL BUSINESS?

IT'S A MEGATREND

Banks, governments, corporations, and individuals must consider major trends like the green revolution, sustainable consumption, and the circular economy. With a growing focus on these issues, now is an ideal time to start a social business.

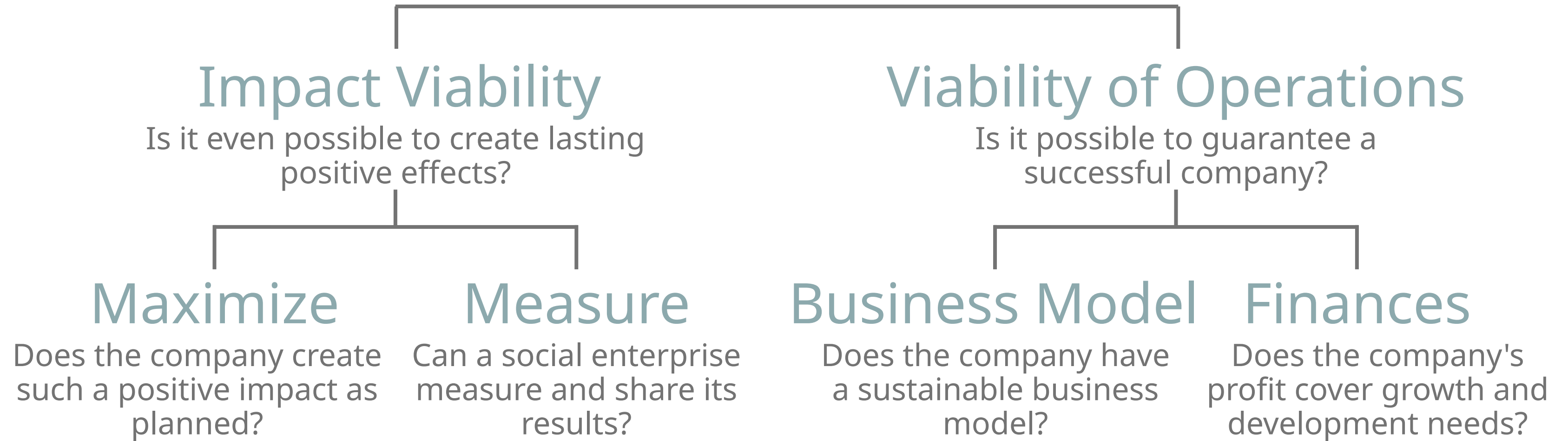
MEANINGFUL

Social enterprises address the United Nations' SDGs to sustain or improve the world for future generations, acting as pillars of sustainable progress.

COMBINED INTERESTS

Social enterprise business models vary, combining project grants and commercial revenue for funding. This makes it easy to apply your existing skills to make a world-changing impact.

HOW TO CHECK IF SOCIAL BUSINESS IS VIABLE



SCALE OF BUSINESS MODELS

the main goal is to create
social value

the main objective is a
measurable positive effect
with a financial return

the main goal is to create
financial value

A traditional
charity organization

Social Business

A traditional
business enterprise

Financial
contributions,
donations and
endowments

Additional
revenue

Potential
for self-
sufficiency
exists

Profits will be
reinvested in
the mission

A business
enterprise
with a
mission

Responsible
entrepreneurshi
p and business
philanthropy

Profit
orientation
only

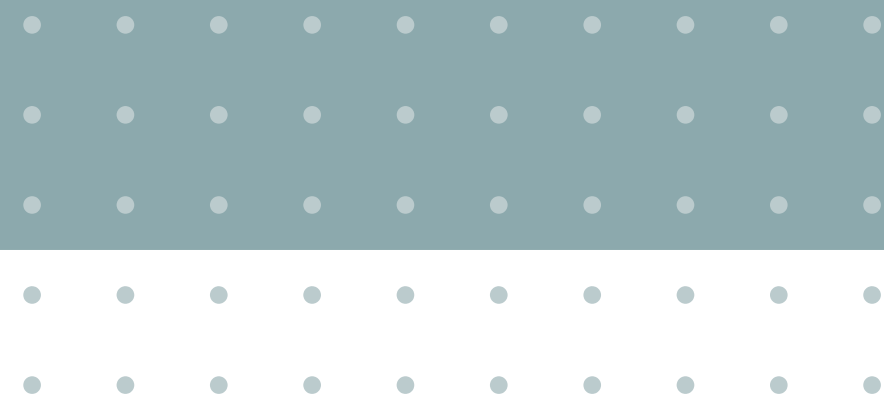
Non-profit

Profit claim

02.

SOCIAL VS TRADITIONAL BUSINESS

Similarities? Differences?





Starting Point

Main Goal

Motivation

Finances

Economic Model

COMPARISON 1

SOCIAL BUSINESS

Environmental or societal problems

Solving a problem

Increasing social impact

More options

Sustainable - looking for opportunities for growth, to sell more products/services

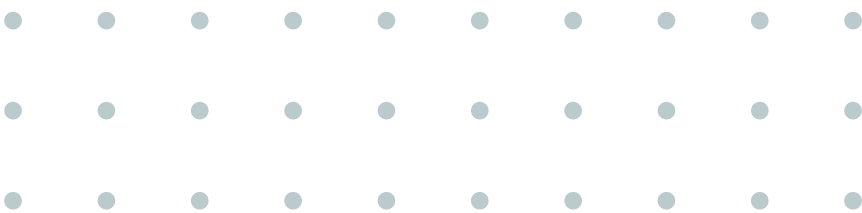
TRADITIONAL BUSINESS

Economic opportunities to meet people's wants/needs

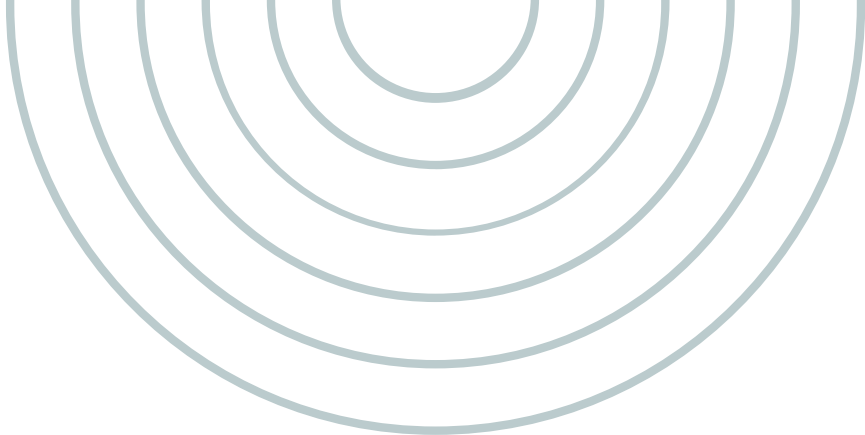
Maximize profits

Increasing own or shareholder's finances

Less options



COMPARISON 2



SOCIAL BUSINESS

TRADITIONAL BUSINESS

Other Similar Organizations

Focusing on co-operation

Focusing on competition

Analysis of Results

Impact measurement

Financial metrics

Influenced by External Factors

Yes - by the economic situation, government regulations, etc.

Profit

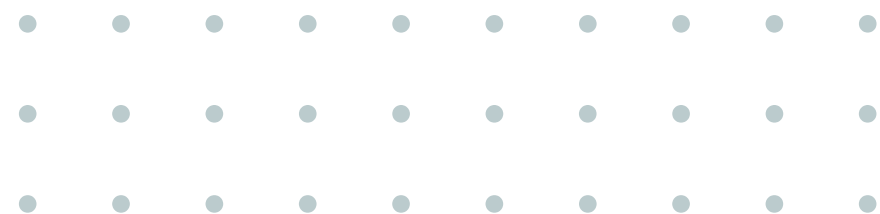
Reinvesting at least 50.1% to achieve the main goal (solve some problem)

No criteria, distributing to the shareholders



SUMMARY OF COMPARISONS

Both are companies that have a sustainable business model, but social business is driven by maximizing the impact whilst traditional business maximises profits.

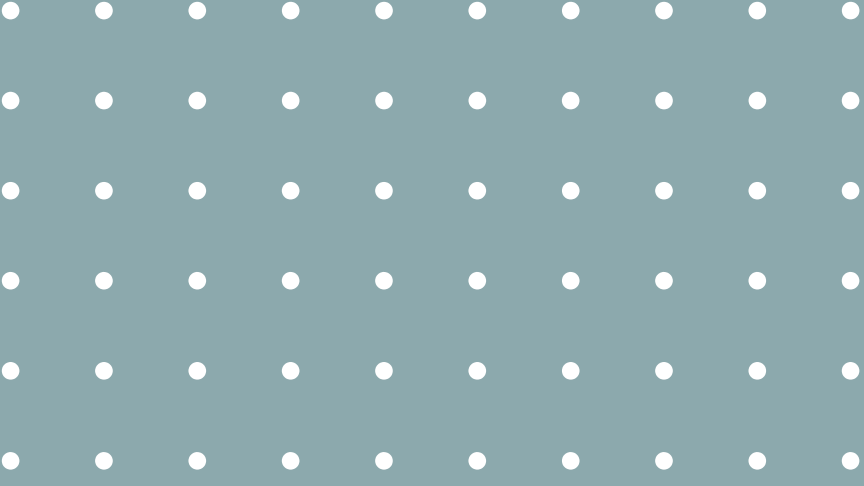


03.

DIFFERENT MODELS OF SOCIAL BUSINESSES

Key features? Examples?





ENTREPRENEUR SUPPORT MODEL

focuses on providing aspiring entrepreneurs with the necessary resources and skills, often targeting those in disadvantaged situations.

EXAMPLE



Kiva provides microloans to entrepreneurs in lower-income countries, enabling them to start or grow businesses.



EXAMPLE

Fair Trade organizations serve as intermediaries, helping producers in lower-income countries access higher-income markets.

MARKET INTERMEDIARY MODEL

involves a social enterprise acting as an intermediary between producers and markets, often for disadvantaged communities.

EMPLOYMENT MODEL

aims at creating jobs and providing training for people who face specific employment barriers.

EXAMPLE



Amanita products are made with the help of people with special needs.



EXAMPLE

LEYF Nurseries ask for higher rates for child care from wealthier areas and thus enable cheaper service for other regions.

FEE-FOR-SERVICE MODEL

involves providing services to those who can afford them while using the revenue generated to subsidize services for those who can't.

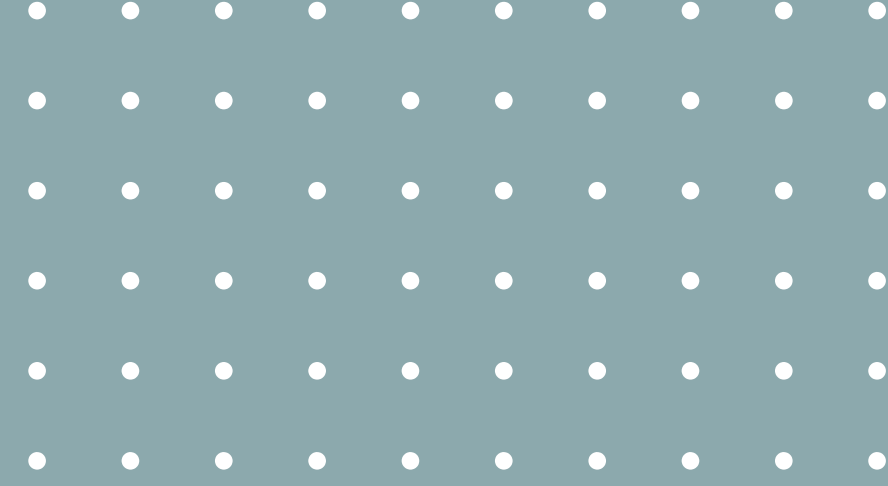
LOW-INCOME CLIENT AS MARKET MODEL

involves delivering services directly to low-income consumers at affordable prices.

EXAMPLE



GreenDice is on a mission to make qualitative computer-world access more affordable than a Big Mac meal starting from 5,9€ per month.



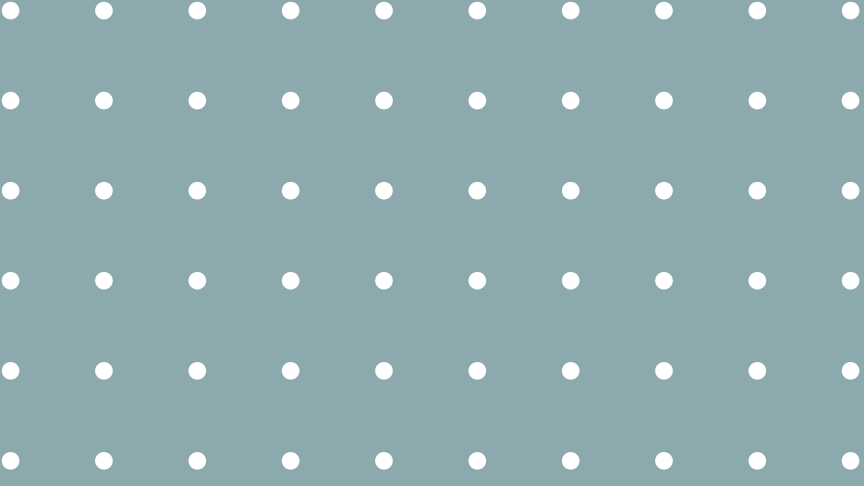
COOPERATIVE MODEL



EXAMPLE

PARE is a supportive community for HR managers and HR professionals, where one can get the necessary thread to develop the quality of people management.

is a member-owned and member-governed business that operates for the mutual benefit of its members.



HYBRID NONPROFIT MODEL

raises funds for a parent non-profit that, in turn, runs the social programs the SE wishes to support.

EXAMPLE



Domus Dorpatensis
Teaduse ja Kultuuri Sihtasutus

Domus Dorpatensis rents out its office and accommodation spaces and from that revenue organizes free programs for youth.

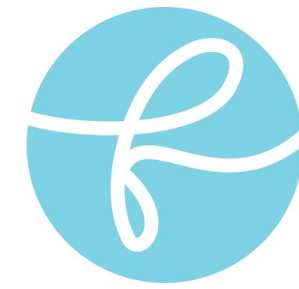
OTHER EXAMPLES

KIRA

SUSTAINABLE
PRODUCTS

Involves creating goods that are environmentally friendly, either through their sourcing, manufacturing, usage, or disposal processes.

RESOURCE
RECOVERY



Collecting waste materials and transforming them into new products. This model not only addresses waste management issues but also promotes the circular economy.

Adopts the production and promotion of sustainable energy sources, reducing reliance on fossil fuels and combating climate change.

Creating, maintaining, or preserving green spaces, such as parks, community gardens, or forests, which contribute to biodiversity, carbon sequestration.

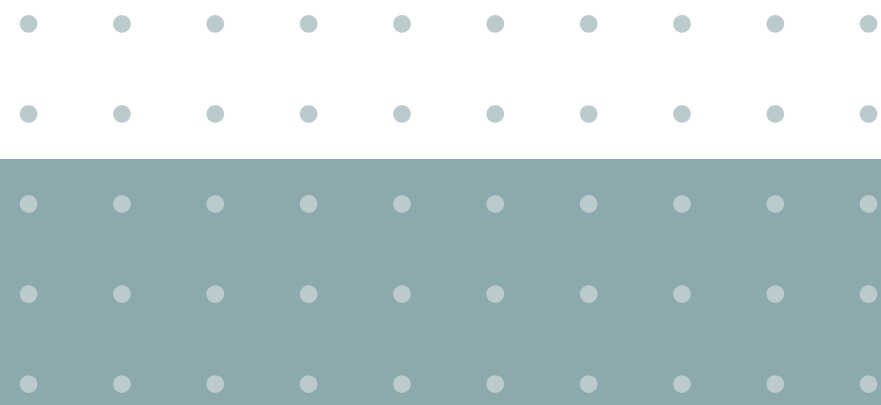


RENEWABLE
ENERGY

GREEN SPACE
PROVIDER

Arbonics™

ENVIRONMENTAL



THANK YOU

What questions do you have?

