



**Mainstreaming Inclusive Innovation
and Social Entrepreneurship
in Higher Education**

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InnoSocial Course in Inclusive Innovation and Social Entrepreneurship

Module 3. Tools for designing a social enterprise

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Project Consortium



Content of presentation

UNIT 3.1

Macro and Micro Marketing
Environment

UNIT 3.3

Assessment of Opportunities
and Risks

UNIT 3.2

Social Business Model

UNIT 3.4

Case study



Key Symbols



**Definition/ theoretical
background**



**Teaching/learning
activities**



Tips



Video



**Additional resources/
further reading**



**Case studies/good
practices**



Learning outcomes

Module III		
Units/Topics 1-4:		
KNOWLEDGE	SKILLS	ATTITUDES
<p>The trainee will be able to:</p> <ul style="list-style-type: none"> • know how to use tools like PESTLE and others for macro and micro marketing environment analysis; • understand how to design own Social Business Model; • understand the process of identifying, evaluating and controlling risks within a social enterprise creation; • know how to Use tools like SWOT analysis. 	<p>The trainee will be able to:</p> <ul style="list-style-type: none"> • evaluate the factors affecting the success of social enterprise; • use the business model Canvas; • complete the task individually and to work collaboratively; • create insights and synthesize information; • develop and present arguments of identified opportunities and benefits of social business; • make evidence-informed decisions about risk management. 	<p>The trainee will be able to:</p> <ul style="list-style-type: none"> • be inspired to take responsibility for addressing social and environmental challenges; • deeper understand and feel empathy towards the socially affected people; • develop problem-solving mindset; • educate greater sense of responsibility and motivation.

Unit 3.1 Macro and Micro Marketing Environment

Marketing environment



The marketing environment is the combination of the microenvironment (internal) and macro environment (external) factors.

The macroenvironment refers to the broader societal forces that impact a company's ability to operate and succeed in the market. These factors are generally beyond the company's control and can include demographic, economic, technological, political, legal, and cultural forces.

The microenvironment - factors directly related to a company's ability to serve its customers. These factors are often internal to the company or closely related to the company's operations and include customers, suppliers, competitors, intermediaries, and the public. (Kotler & Armstrong, 2017).



Macro Marketing Enviroment



Tool: PESTLE (template 1)

The purpose of PESTLE is to give a clear idea about the business environment and help to plan the business by answering the questions:

- **Political Factors.** What is the country's political situation, and how can it affect the industry?
- **Economic Factors.** What are the prevalent economic factors?
- **Social Factors.** How important is culture in the market, and what are its determinants?
- **Technological Factors.** What technological innovations are likely to pop up and affect the market structure?
- **Legal Factors.** Are there any current legislations regulating the industry, or can there be any change in the industry?
- **Environmental Factors.** What are the environmental concerns for the industry? (Makos, 2024)





PESTLE analysis

Political	Economic	Social	Technological	Legal	Environmental
Governmental stability Government policies and laws Taxation policies, budgets International trade laws Trade restrictions Environmental laws in place Grants, and other funding	Overall economic situation (GDP) National Income Inflation Unemployment levels Exchange rates Consumer spending	Demographics: age, gender ratio, population growth, urban-rural divide, employment rates, health statistics Customer attitudes Cultural shifts Religion Education level Lifestyle	Technological access Infrastructure Level of innovation Research Patent regulations Electronic laws and regulations Technology trends	Laws and legislation Health and safety guidelines Guidelines for equality Consumer rights Ethical standards for advertisement	Ecological effects of the industry Environmental regulations Recycling Sustainability Pollution levels Green issues Plastic waste Deforestation Global warming

Micro Marketing environment

Tool: Analysis of 6 elements of micro-marketing environments:

1. Suppliers;
2. Distributors and resellers;
3. Partners;
4. Customers;
5. Competitors (template 2).
6. Competitors.



6 elements of micro-marketing environment

Suppliers	Distributors and resellers	Partners	Customers	Competitors	The public
provide raw materials, services or goods to a company. The prices, service availability and product quality that a supplier offers can affect the cost and condition of products	help companies store and deliver their goods	organizations that a company collaborates with to develop a product, deliver a service or provide a promotion	companies may collect information about customer behaviors and opinions to help inform future business decisions	they directly affect daily business operations	The public includes any person who might engage with the company. The public can also include potential investors and people who refer new customers to the business.

Source: Kotler & Armstrong, 2017

Unit 3.2 Social Business Model

Social Business Model



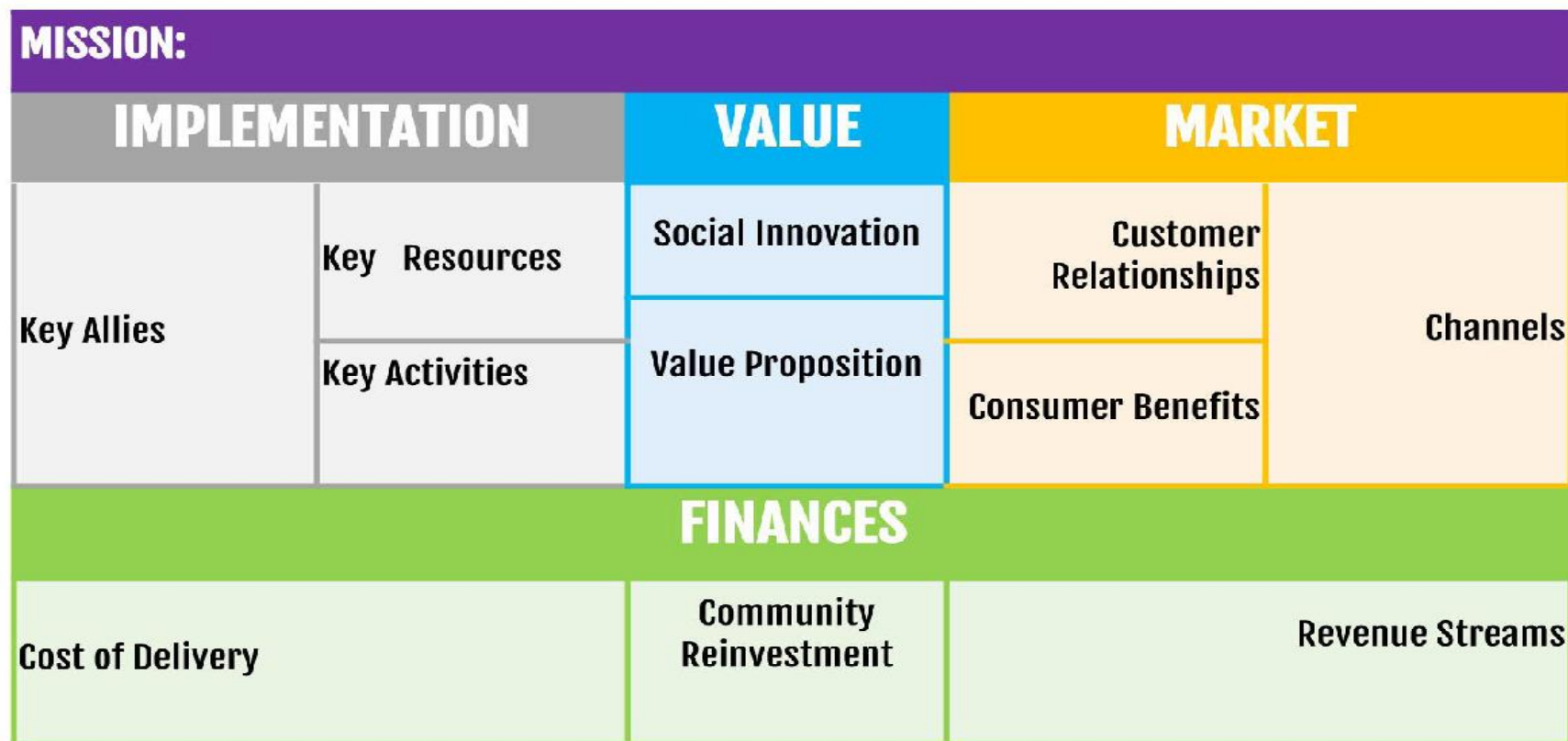
Tool: Social Business Model Canvas: (template 3)

A visual tool used to plan, communicate, and refine a business model specifically for social enterprises.

Key components include mission, customer relationships, social innovation, value proposition, channels, consumer benefits, key activities, key resources, key allies, cost of delivery, revenue streams, and community reinvestment.



Social Business Model Canvas



Source: Social enterprise institute

Example: Social business model Canvas TOM'S SHOES

MISSION: With every product you purchase, TOMS will help a person in need. One for One®.				
IMPLEMENTATION		VALUE	MARKET	
Key Allies <ul style="list-style-type: none">Suppliers provide environmentally sound materialsShoe retailers sell product to customersHumanitarian organizations collaborate on social programsIn-country volunteers distribute shoes for free in target countries	Key Resources <ul style="list-style-type: none">Working capitalLarge workforceManufacturing facilitiesVolunteer base	Social Innovation <p>One-for-one concept is distinctive from traditional charitable giving</p>	Customer Relationships <ul style="list-style-type: none">Brand conscious millennials and hipstersPeople experiencing first-world consumer guilt	Channels <ul style="list-style-type: none">Social mediaGlobal awareness raising eventsCampus and school programsCorporate cause marketing partnershipsE-commerce and online advertisingInternational network of shoe retailers
	Key Activities <ul style="list-style-type: none">Product developmentManufacturing processOnline sellingTracking and shippingCustomer serviceSocial programs	Value Proposition <ul style="list-style-type: none">Meaningful causeHigh quality productEthical company<ul style="list-style-type: none">Status symbolFresh way to donate	Consumer Benefits <ul style="list-style-type: none">Children educatedBetter family healthEconomic opportunity	
FINANCES				
Cost of Delivery <ul style="list-style-type: none">Shoe design and manufacturingMarketingLogisticsDistribution of donated shoes		Community Reinvestment <ul style="list-style-type: none">One-for-one product donation<ul style="list-style-type: none">Company giving program	Revenue Streams <ul style="list-style-type: none">Revenue from shoe salesSales of accessories	

Source: Social enterprise institute

Unit 3.3 Assessment of Opportunities and Risks

Assessment of Opportunities

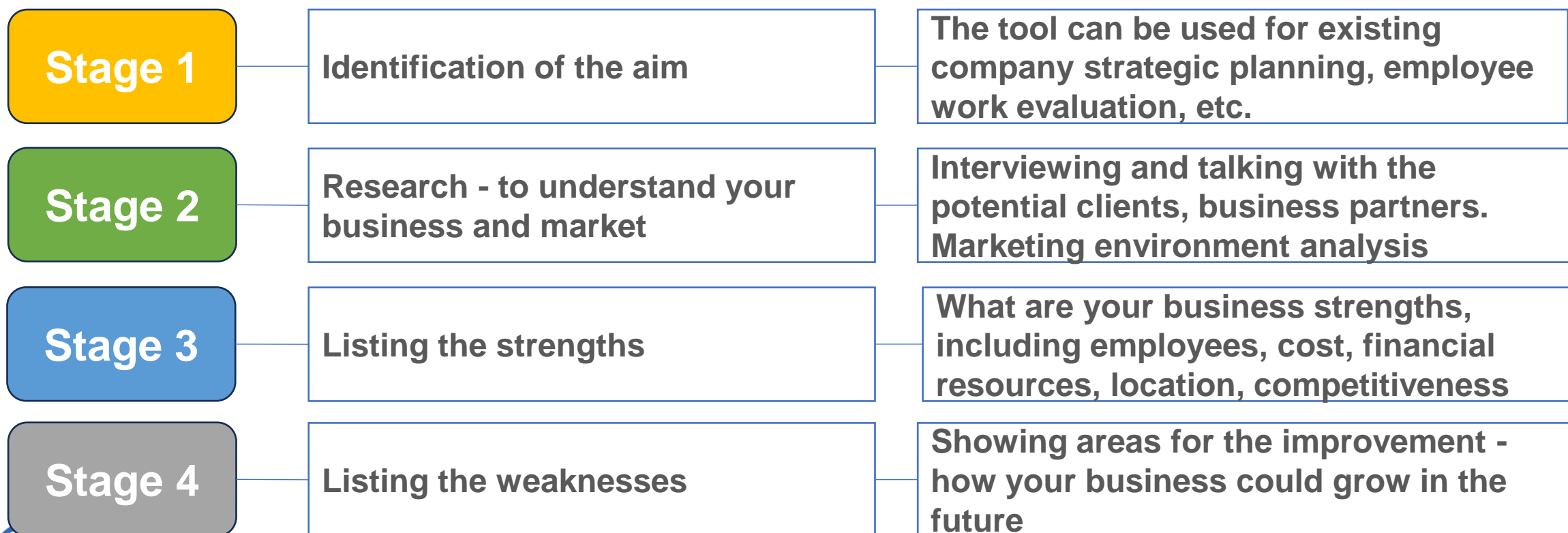
Tool: SWOT Analysis (template 4)

A situational analysis tool to assess internal strengths (S) and weaknesses (W) and external opportunities (O) and threats (T) of a social business idea.

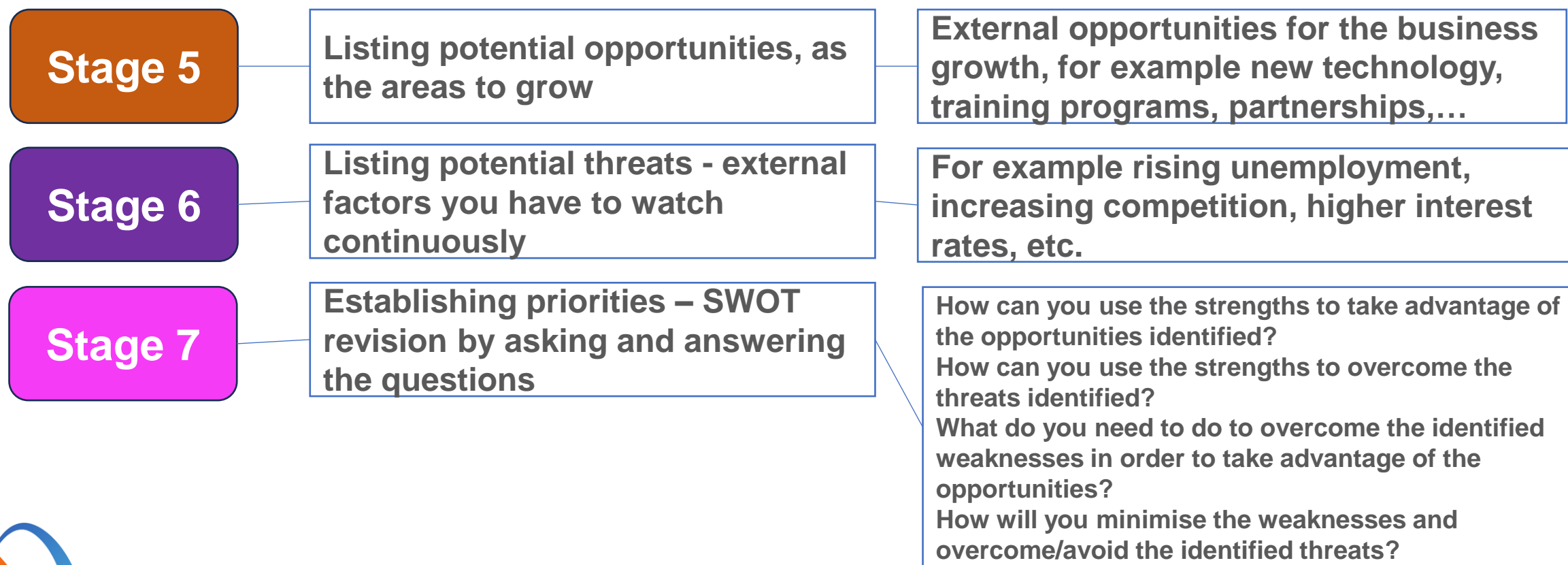
- **Strengths:** Internal attributes that support the business.
- **Weaknesses:** Internal attributes that could hinder the business.
- **Opportunities:** External factors that the business could exploit.
- **Threats:** External factors that could pose challenges.



How to conduct SWOT analysis (1)



How to conduct SWOT analysis (2)



Assessment of Risks

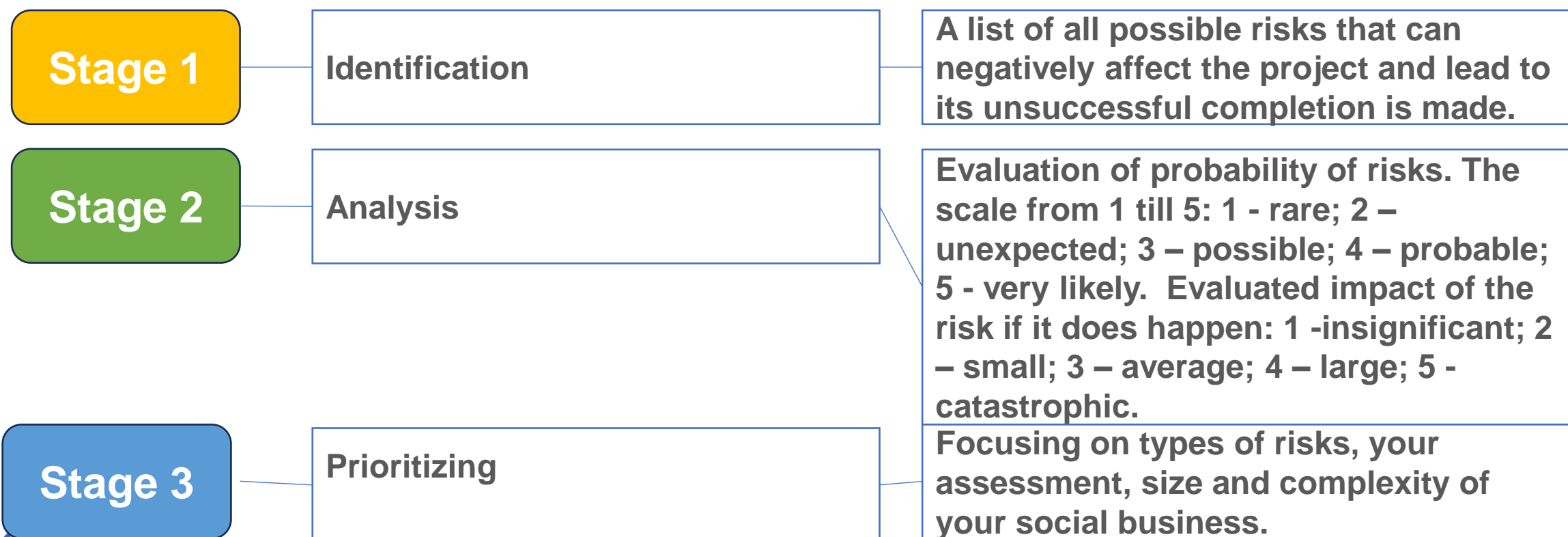
Tool: Risks analysis (template 5)

Risk – The chance of something happening that will have an impact on your social business idea and its implementation.

Risk management – The overall process of risk identification, risk analysis and risk evaluation, prioritization, reduction and risk monitoring (Valis D., Koucky M., 2009).



How to manage risks (1)



How to conduct SWOT analysis (2)

Stage 4

Reduction

There are four common ways to treat risks:

- risk avoidance,
- risk mitigation,
- risk acceptance,
- risk transference.

Stage 5

Monitoring

In order to achieve effective project success, it is necessary to carry out continuous monitoring of the project.



Risk reduction

Risk avoidance involves eliminating the possibility of a risk manifesting or posing a threat, often leading to decisions against investing in products, services, or regions with excessive risks, though it should be periodically reassessed for sustainable alternatives.

Risk mitigation entails addressing real threats or problems with a comprehensive plan to minimize negative impacts, particularly when avoidance or acceptance is insufficient, through identification, assessment, action, and ongoing monitoring of solutions.

Risk acceptance occurs when it's impractical to avoid them, especially if they're unlikely or have minimal impact, necessitating periodic reevaluation of their significance to the company's strategic goals, such as anticipated vendor price changes.

Risk transference involves outsourcing or shifting risks to other parties, such as those with expertise or insurance companies, when internal capabilities are inadequate, allowing organizations to manage challenges they cannot avoid, accept, or mitigate independently. (Vicente, 2023)



Unit 3.4 Case study

Transforming Lives through Ethical Commercial Cleaning



The aim - to illustrate social business model.

Upbeat Clean was established by Upbeat Communities who have served the refugee communities in Derby for over 15 years, seeking to help people who have fled their countries rebuild their lives here in Derby.



<https://www.upbeatclean.co.uk/>

<https://www.facebook.com/UpbeatClean/>

<https://derbymuseums.org/news/derby-museums-announces-new-partnership-with-derby-social-enterprise-upbeat-clean>

<https://www.upbeatcommunities.org/news/2023/3/1/upbeat-clean-proudly-receives-the-marketing-derby-rising-star-award>

<https://www.socialenterprise.org.uk/case-studies/collaborating-to-increase-impact-how-five-cleaning-social-enterprises-are-working-together/>

songs to clean to

A PLAYLIST

Upbeat Housecleaning Music

1. A-Punk || Vampire Weekend
2. Love Will Tear Us Apart || Joy Division
3. Sleep Now in the Fire || Rage Against the Machine
4. I'm Free (Heaven Helps the Man) || Kenny Loggins
5. Flesh Without Blood || Grimes
6. The Ghosts of Beverly Drive || Death Cab for Cutie
7. Suffragette City || David Bowie
8. Hand Clap || Fritz and the Tantrums
9. All We Got || Chance the Rapper
10. Can't Bring Me Down || Awrecoh
11. Coriscan Rosé || Mayer Hawthorne
12. Stop It || Theophilus London
13. Go! || Santigold
14. The Ghost at #1 || Jellyfish
15. Fire's Highway || Japandroids
16. The Wire || Haim
17. Could You Be Loved || Bob Marley & the Wailers
18. Lovely Day || Bill Withers
19. Don't Stop || Foster the People
20. Shake Your Rump || Beastie Boys
21. Boys Don't Cry || The Cure
22. Set It Off || Strafe
23. Shake It Out || Florence & the Machine
24. Elephant || Tame Impala
25. Daft Punk is Playing at My House || LCD Soundsystem
26. Keep the Car Running || Arcade Fire

Transforming Lives through Ethical Commercial Cleaning (1)



What challenges and criticisms does the cleaning sector typically face regarding employment practices, and why is there a need for social enterprises like Upbeat Clean?

Customer Segments: How does Upbeat Clean identify and target its customer segments in the commercial cleaning market?

Why is it crucial for Upbeat Clean to focus on commercial clients, and how does this align with its social impact goals?

Value Propositions: What sets Upbeat Clean's value proposition apart from traditional commercial cleaning services?

In what ways does Upbeat Clean prioritize both customer satisfaction and social impact in its value proposition?

Channels: How does Upbeat Clean effectively communicate its commitment to ethical employment and social impact through various channels?

Transforming Lives through Ethical Commercial Cleaning (2)



Customer Relationships. Why does Upbeat Clean assign a designated account manager to each customer, and how does this contribute to building strong customer relationships?

How can positive customer experiences contribute to the social impact narrative of Upbeat Clean?

Revenue Streams: Analyze the primary revenue streams for Upbeat Clean and discuss how the company positions itself as a premium service provider.

Key Resources: Identify the key resources that contribute to Upbeat Clean's success, and discuss how they align with the company's mission and values.

Key Activities: How do the key activities of Upbeat Clean reflect its commitment to delivering excellent cleaning services and creating a positive impact on the community? practices?



Transforming Lives through Ethical Commercial Cleaning (3)



Key Partnerships: Explore the significance of Upbeat Clean's partnerships with over 25 organizations across Derby. How do these partnerships contribute to the company's social impact and client base?

Cost Structure: Discuss the elements of Upbeat Clean's cost structure, emphasizing how the company views these costs as essential components of its social business model.

Conclusion: Reflect on the success of Upbeat Clean as a social enterprise. What lessons can other businesses, especially in challenging industries, learn from Upbeat Clean's business model and practices?



Useful links

Title	Short description	Link
Social Business Model Canvas (SBMC) online	It is based on Strategyzer's original Business Model Canvas	https://socialbusinessmodelcanvas.swarthmore.edu/
How to Conduct Swot and Pestle Analysis	It explains How to Conduct Swot and Pestle Analysis	https://www.youtube.com/watch?v=bmYKA9Lge8
7 competitive analysis templates and examples	Seven different types of competitive analyses.	https://www.wordstream.com/blog/ws/2023/09/21/competitive-analysis-templates
SAMPLE RISK MANAGEMENT PLAN	This plan can be used as a guide.	https://www.northam.wa.gov.au/Assets/Documents/Document-Centre/environmental-health/Events/SAMPLE_RISK_MANAGEMENT_PLAN.pdf



Templates

1. PESTLE analysis template.
2. Competitive analysis template.
3. Social business model Canva template.
4. SWOT analysis template.
5. Risk management template.

Assessment criteria

1. Are the individual parts of the work detailed and clearly described:
 - 1.1. Clearly describe all Macro marketing environment components according to the PESTLE tool.
 - 1.2. Clearly described 6 elements of Micro-marketing environments of the social enterprise, including competitors' analysis.
 - 1.3. Clearly planned social business model according to Social business model Canvas.
 - 1.4. Created SWOT analysis.
 - 1.5. Created a clear risk management plan.
2. Can you arrange thoughts briefly and clearly?



Thank you!



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