MEASURES OF PERFORMANCE IN THE CONTEXT OF INTERNATIONAL SOCIAL ENTERPRISE

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This thesis is dedicated to my friends, family and mentors who have provided me with endless support that has given me the confidence needed to pursue my dreams.
You must be the change you wish to see in the world.  

– Gandhi
ABSTRACT OF THE THESIS

Measures of Performance in the Context of International Social Enterprise
by
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Social entrepreneurship is poised to be the next generation in the evolution of international development and aid. While these organizations and companies all share an affinity for the mission and creating social wealth; they are all very different in the way they operate and how they measure their performance. This study identified, analyzed and attempted to uncover themes of performance measurement within the different typologies of social enterprises defined by Zahra, Gedajlovic, Neubaum, and Schulman. This thesis was developed to further the understanding of social entrepreneurship but more specifically gain an understanding of how these social ventures measure performance. A deeper understanding of performance measurement of social enterprises will not only improve the overall understanding of social entrepreneurship; it will allow for impact investors, donors and social entrepreneurs to further understand their impacts. The purpose of this study was to conduct an exploratory analysis on how international social ventures measure performance. The findings indicated that the typologies of social enterprise were in fact using different performance measurement techniques. This study contributes to the literature on social entrepreneurship in three key ways. First, it presents current data and examples on how social enterprises are measuring performance. Interviews with social entrepreneurs provide a rich understanding of the process of determining performance metrics as well as the measurement techniques and tools they are currently employing. The research builds off the theoretical base used by Zahra, Gedajlovic, Neubaum, and Schulman to define the three typologies of social enterprises. Second, this study was designed to uncover trends and patterns of performance measurement among different types of social ventures. This study presented ways in which social enterprises are currently measuring performance and how that related to or deviated from the literature. Finally, it adds to the framework provided by Zahra, Gedajlovic, Neubaum, and Schulman by creating another level of differentiation through performance measurement techniques.
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CHAPTER 1
INTRODUCTION

BACKGROUND

The World Bank estimates that in the next thirty years the developing world will be the basis for almost all the world’s population growth (Zahra, Rawhouser, Bhave, Neubaum, & Hayton, 2008). Of the world’s current population, it is estimated that half or nearly 3 billion people live on less than $2.50 a day (United Nations Development Programme, 2011). This increase in population and global wealth disparity has created more strain on communities where resources are limited and daily life is already a struggle. The increased strain coupled with increasing market, institutional and state failures have led to a growing population of those who live at poverty levels (Prahalad, 2006). Issues related to economic disparity such as starvation, child mortality, and illiteracy are also to blame for the increase in poverty stricken populations (Zahra et al., 2008). For instance, the World Health Organization (1999) reported that 50,000 deaths per day stem from poverty-related causes. It is these social needs that ultimately create the foundation for social venture opportunities. A social venture can be defined as an entity that results from the innovative use of entrepreneurial and business skills that is intended to explore and exploit opportunities that create social value (Mair & Marti, 2006; NYU Stern, 2012). With an increasing awareness of the conditions facing developing communities around the world; social entrepreneurship is increasingly being described as the new frontier in improving quality of life and enhancing human development around the world (Zahra et al., 2008). Social entrepreneurship is the activity in which an entrepreneur creates an innovative solution to address social issues (Reis, 1999). A social venture or enterprise is the activity or operation through which social entrepreneurs create social value (Peredo & McLean, 2006).

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1 This thesis assumes that social ventures or enterprises are commonly equated with social entrepreneurship and will be used interchangeably throughout this paper.
As the plight of those living in below the poverty line worsens; the innovative thinking and opportunity seeking ability of social entrepreneurs will be needed more than ever. The World Bank (2003) stated that services intended to satisfy basic human needs, especially those related to health and education, are failing poor people in terms of access, quality and affordability. Traditionally it has been the work of government organizations, non-government organizations (NGOs), corporations and non-profits to address these social problems. Despite these commitments, the United Nations Development Programme’s Human Development Report (2003) provided evidence that life remains a struggle for many on this planet and hope for improving these problems in the traditional manner is waning. This failing institutional support coupled with a decrease in funding has led to the need for inventive entrepreneurial activities that can raise awareness and funds to address these social needs (Zahra, Gedajlovic, Neubaum, & Schulman, 2009).

Social entrepreneurs all over the world have been defying these obstacles that have stood in the way of corporations and institutions (Seelos & Mair, 2005). Social entrepreneurs have been touted as “vanguards of social transformation” (Zahra et al., 2008, p. 129). Their inherent innovativeness and ability to identify opportunities where traditional market forces have failed has and continues to lead to more efficient ways of alleviating global social issues. Since social entrepreneurship is rooted in traditional entrepreneurship, it often combines social value creation as the primary focus with economic value creation as a by-product that allows for self-sufficiency and sustainability (Seelos & Mair, 2005). The idea of sustainability is often something used to describe and differentiate social entrepreneurship from other forms of social work. More importantly sustainability within social entrepreneurship is two-fold. First, there is an economic sustainability of the social enterprise that is usually fostered through innovative entrepreneurial activities. Second, there is sustainability when it comes to the social value they are creating which can lead to long term human development. This is sometimes described as sustainable development which has been defined by the World Commission on Environment and Development (1987) as “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (p.43). This is a critical element of social entrepreneurship because of the expanding percentage of population living in developing countries. Social entrepreneurs have become the focus of potential worldwide transformation
by creating new business models that work to serve a multitude of social needs (Lasprogata & Cotton, 2003).

This thesis has been developed in the hopes of furthering the understanding of social entrepreneurship but more specifically gaining an understanding of how these social ventures measure performance. A deeper understanding of performance measurement of social enterprises will not only improve the overall understanding of social entrepreneurship; it will allow for impact investors, donors and social entrepreneurs to further understand their impacts. The next sections will outline overarching problems and how this thesis will address those.

**Problem Statement**

Overall, the research and literature on social entrepreneurship has been described as being fragmented and lacking a theoretical base (Weerawardena & Mort, 2006). Most notably there is disagreement on a unified definition of social entrepreneurship. Creating an all-encompassing definition of social entrepreneurship is difficult in part because of the variety of business models and typologies that exist to address these pressing social issues (Peredo & McLean, 2006). This lack of definition is a major concern amongst researchers because without a unified definition it is difficult to establish legitimacy within the field of social entrepreneurship (Short, Moss, & Lumpkin, 2009). The lack of definition also hinders researchers’ ability to do empirical research. In order to gain knowledge by observation one must know what they are observing. Empirical research will be critical in understanding how social ventures operate and without that it will be hard to develop growth in the field (Peredo & McLean, 2006). For instance, if social entrepreneurship continues to develop a promising way of alleviating social issues, then the importance of performance measurement as a means of understanding social impact will increase; requiring more consistent ways of measuring performance. This will be crucial for stakeholders including the social entrepreneurs themselves to properly monitor and assess their contributions.

Without a clear definition and no consensus on what exactly constitutes a social venture; it is difficult to create consistency in the field. One area where there is currently no consistency regarding the conceptualization of social ventures is the area of performance measurement. In other words, since social ventures focus on social innovation and value
creation, how can an assessment be made on which ventures perform poorly versus which are exceeding expectations? Overall, the research on performance measurement can be described as fragmented and mostly conceptual (Ruebottom, 2011). Due to the lack of proven methods, codes of practice and core business models to follow; financial measures alone are an inappropriate measure of success which makes comparisons among social ventures difficult (Nicholls, 2006; Robert & Woods, 2005). Measuring performance of social ventures is further complicated by the emphasis on social goals that are difficult to monetize. In Short et al. (2009) literature review, they found that there was a considerable variance in how social ventures were measuring performance. This variance makes comparisons across different types of social ventures difficult and ultimately limits the ability to understand what makes social ventures successful. Due to the newness of this area of research, most of the work has been conceptual using empirical studies to suggest new ways of measuring performance (Ruebottom, 2011). The depth of comprehensive and coherent research on performance measures in the context of social ventures leaves no framework or guidance for current and future research as well as for founders and managers of such ventures. Filling the gap in the understanding of various performance measures and their applicability to different types of social ventures represents an important contribution to the current literature on social entrepreneurship. It also has potential practical implications for social entrepreneurs seeking to fund their ventures as most investors are likely to make performance comparisons. The next section will describe how this thesis addresses this gap in the literature on social entrepreneurship specifically in the area of performance measurement.

**STATEMENT AND PURPOSE**

The purpose of this study is to conduct an exploratory analysis on how international social ventures measure performance. At present most of the research on performance measurement in social ventures has been largely conceptual (Ruebottom, 2011). In the hopes of responding to the call for more concrete evidence on how social enterprises are measuring performance; this study will present data collected through interviews with social entrepreneurs. Most importantly, this thesis will strive to advance the overall knowledge on social entrepreneurship specifically in regards to performance measurement. For the purpose of this study, social entrepreneurship will be defined as, “The activities and processes
undertaken to discover, define and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner” (Zahra et al., 2009, p. 519). Drawing from the literature by Zahra et al. (2009) and their typologies of social enterprises; this study will collect data from social entrepreneurs in each type and do a qualitative analysis to uncover trends of performance measurement within each type.

Zahra et al.’s (2009) work on typologies identified differences among social ventures in terms of their identification of social needs, their pursuit of social opportunities and their impact on the broader social system. This study will identify another level of differentiation based on performance measurements that can be used as a framework within each type. In order to understand this performance measurement dimension, a qualitative analysis was conducted to uncover performance related patterns of performance measurement within each typology. These patterns were then used to discuss the differences in performance measurement tools and metrics among each type. Identifying performance related trends in each typology is used to expand on the criteria that Zahra et al. (2009) used to differentiate the types of social entrepreneurs. With an increasing number of impact investors and social stock exchanges, there is a growing need for standard performance metrics and reporting. Developing consistent performance measurement techniques would allow for investors and donors to apply this standard when monitoring and assessing social ventures. Most importantly, it allows social enterprises to better understand their social impact and value creation using a multidimensional framework.

This study contributes to the literature on social entrepreneurship in three key ways. First, it presents current data and examples on how social enterprises are measuring performance. Interviews with social entrepreneurs provide a rich understanding of the process of determining performance metrics as well as the measurement techniques and tools they are currently employing. The research builds off the theoretical base used by Zahra et al. (2009) to define the three typologies of social enterprises. Second, this study is designed to uncover trends and patterns of performance measurement among different types of social ventures. This allows for another dimension in which to distinguish various types of social enterprises. Finally, it adds to the framework provided by Zahra et al. (2009) by creating another level of differentiation through performance measurement techniques. The findings
of this thesis will allow social entrepreneurs to not only understand how other ventures identify social needs and opportunities but also measure performance.

**THEORETICAL FOUNDATIONS**

One concern that researchers have is that the literature on social entrepreneurship lacks a theoretical base (Dees, 2001; Weerawardena & Mort, 2006). In their recent review of literature, Short et al. (2009) identified 152 scholarly articles on social entrepreneurship to determine where there were gaps in the research. The consensus was that scholars were focusing primarily on describing and explaining social entrepreneurship. Short et al. (2009) concluded that progress in social entrepreneurship research cannot be made until there is more literature that is theory based. This sentiment was also expressed by Dees (2001) who stated that social entrepreneurship theory should be strongly based on traditional entrepreneurship theory. Many scholars have agreed that in order to gain legitimacy in the field of social entrepreneurship, there must be more work done to provide a theoretical basis for the research (Cummings, 2007; Short et al., 2009).

In order to respond to the call for a more theoretical base, this thesis uses the foundations of entrepreneurship theory and organizational theory as a basis for addressing its research question. Entrepreneurship theory explains the origins of social entrepreneurial activity and opportunity identification. Organizational theory has been dominant in research on how organizations develop performance measures and define success. This thesis draws on the research of Zahra et al. (2009) and their framework of typologies as a foundation to build another dimension of differentiation among social ventures based on their use of performance measures. Zahra et al. (2009) literature on typologies is deeply rooted in entrepreneurial theory and provides a basis of comparison for the research on performance measurement. Inspired by the work of three well respected researchers of entrepreneurial theory – Frederick Hayek, Israel Kirzner and Joseph Schumpeter; Zahra et al. (2009) create three typologies of social entrepreneurship. This body of work has been a major contribution to the field as it provides a much needed theoretical base to social entrepreneurship research (Smith & Stevens, 2010). Further, it provides a starting point to help scholars build better theories on the precursors of social entrepreneurship as well as the processes and consequences associated with different types of social entrepreneurship (Zahra et al., 2009).
Although social entrepreneurship is deeply rooted in its mission and the creation of social value; it is also important to consider its foundation in entrepreneurship (Peredo & McLean, 2006). Dees (1998) breaks down theoretical background of social entrepreneurship; starting with Say (1767-1832) who proposed that a crucial element of entrepreneurship was value creation. He then adopts Schumpeter’s (1942) notion that entrepreneurship involves innovation and change. Dees then supplemented these past contributions with current-day scholars. He acknowledges Drucker (1985) on his concept of stressing that entrepreneurial activity involves recognizing and exploiting opportunities. Finally, he concludes with Stevenson, Roberts, and Grousbeck (1989) and their addition of resourcefulness and the refusal to be constrained by resource limitations. Peredo and McLean (2006) sum up Dees’ definition of the entrepreneurial aspect of social entrepreneurship as including “(1) the recognition and relentless pursuit of new opportunities to further the mission of creating social value, (2) continuous engagement in innovation and modification, (3) bold action undertaken without acceptance of existing resource limitations (p.58). Perhaps Dees (1998) summarized it best when he described social entrepreneurship as “one species in the genus entrepreneurship” (p. 2).

To provide a foundation for the study of performance measurement in social enterprises, this thesis utilizes organizational theory. Traditionally, performance measures in organizational research have been financially based (Ruebottom, 2011). To understand the development of more multidimensional performance measurements, it is important to understand the historical research on how performance measurements and success have been defined. In early research on organizational theory and performance measures, scholars typically defined performance with very specific criteria. For instance, Campbell (1977) proposed that performance measures should include measures of productivity, efficiency, profit, innovation, stability and growth. Slowly, the research on organizational theory and performance measurement has evolved into a more multidimensional approach. Scott (1998) recommended the use of multiple criteria because organizations generally have multiple stakeholders who may view performance differently. Moving towards a more multidimensional approach is also important because performance measurement is always relative; it can be used to compare your organization’s performance against another’s or itself against past performance, goals or benchmarks (Ruebottom, 2011). As discussed, the
complexity of social entrepreneurship has a large effect on how social ventures measure performance and the variety of measurement techniques that exist. At this point in time, it is difficult to determine whether or not there can be a single general way to compare social ventures across the board. However, building off of the direction of organizational theory and multidimensional performance measurements will lay the foundation for further understanding the concept.

The following chapters each make a specific contribution to the discussion and analysis of performance measurement of social enterprises. The literature review provides a discussion and review of the literature that exists on measuring performance of social enterprises that provides the foundation for the analysis of the data. The analytical framework clearly illustrates the overall structure of the analysis and how it was formed. Next the methodology and research design details the methods used in the qualitative analysis of the data and how that data was extracted and coded in context with the performance measurement techniques identified in the literature review. The methodology used in analyzing the data led to the identification of themes which are detailed in the presentation of findings. Finally the discussion and conclusion sections present the theoretical and practical implications of the findings as well as the limitations of the study and suggestions for future research.
CHAPTER 2

LITERATURE REVIEW

Generally speaking, the research and literature on social entrepreneurship is still in the embryonic phase and has been described as being fragmented and lacking a theoretical base (Weerawardena & Mort, 2006). This section explores the current literature that exists on social entrepreneurship and social ventures, specifically addressing performance measurement. To build a foundation for discussion on performance metrics, this section provides an overview of the business models that exist within social entrepreneurship, the typologies that have been identified by Zahra et al. (2009) and finally it will explore a variety of performance measurement techniques.

Social entrepreneurship is described as being a sub-discipline of the more general entrepreneurship (Certo & Miller, 2008). While there is a distinction between the two; researchers agree that they are both based on the notion of opportunity recognition and exploitation (Corner & Ho, 2010). Traditional commercial entrepreneurship implies that an end result of entrepreneurial activities is to create profit in order to build shareholder wealth (Certo & Miller, 2008). Social entrepreneurship has been associated with a very different set of end results. According to Austin, Stevenson and Wei-Skillern (2006), social entrepreneurship involves combining new opportunities with innovative business ideas with the end result focused on creating social value as opposed to creating shareholder wealth. There has been a growing interest in social entrepreneurship from academic and business researchers in part because the idea is counter-intuitive to the bottom line focus of traditional businesses.

While social entrepreneurship lies within the well-developed and researched category of entrepreneurship; comparatively, there is still little comprehensive research that has been done on social entrepreneurship. To date, most of the literature on social entrepreneurship has focused on defining and describing what it is and how their businesses operate (Corner & Ho, 2010). Despite this focus, there is no universal definition of social entrepreneurship. There is a general consensus; however, that that the overarching theme of social
entrepreneurship is that it combines both a social mission with entrepreneurial activities (Peredo & McLean, 2006). The lack of a consistent and cohesive definition of social entrepreneurship is a major concern with researchers in the field. Without a unified definition it is hard to establish legitimacy for the field which in turn makes it hard to establish consistent business practices and measures (Short et al., 2009). The lack of a unified definition is perhaps due to the many different interpretations that exist regarding entrepreneurship (Venkataraman, 1997). Shaker Zahra, a well-known academic in the entrepreneurial field, looked at twenty separate definitions of social entrepreneurship to form this comprehensive definition, “Social Entrepreneurship encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative way” (Zahra et al., 2008, p. 3). Part of the difficulty of defining social entrepreneurship comes from the variety of innovative business models that have been created to address these pressing social issues. Simply put, social entrepreneurship means different things to different people. For instance, Christie and Honig (2006) described a social entrepreneur as an individual that acts as a change agent creating social value by overcoming obstacles such as limited resources using bold innovation. Another definition of social entrepreneurship provides examples of the various models; social entrepreneurship “is an innovative, social value creating activity that can occur within or across the nonprofit, business or government sectors” (Austin et al., 2006, p. 2).

The literature suggests that there are essentially three subcategories of models that exist within and along the non-profit and for-profit continuum. The continuum provides a representation of the variety of social enterprises that exist. At one point of this continuum are non-profit social enterprises whose entrepreneurial activities focus exclusively on social goals with very few, if any, profit generating activities (Peredo & McLean, 2006). On the opposite side of the continuum there are cases where a business that wasn’t originally set up as a social venture adopts certain activities that are meant to carry out social goals; these are described as integrated social entrepreneurship (Fowler, 2000). This concept combines an income generating activity with a traditional business idea while also creating social value. An example of this kind of venture is the Big Issue is a general interest magazine sold on the streets of Scotland and other parts of the world (The Big Issue Foundation, 2012). Its vendors
are homeless people who are currently being rehabilitated by a partner organization. They sell the magazines and in turn become business people working to make profits so they can support themselves. In the middle of the continuum are social ventures that pursue social and economic value creation. These social ventures are described as hybrids and have a double-bottom line mentality defined as “the art of simultaneously pursuing financial and social returns on investment” (Peredo & McLean, 2006, p. 60). The hybrid model of social enterprise was touted as the new form of capitalism by Bill Gates, the founder of Microsoft, during a speech at the World Economic Forum. Mr. Gates stated, “Such a system would have a twin mission: making profits and also improving lives for those who don’t fully benefit from market forces” (Guth, 2008, p. A1). Another social venture model that exists in the middle of the continuum is the concept of a complementary social venture (Fowler, 2000). The Bangladesh Rural Advancement Committee (BRAC) is one example of a complementary social enterprise. It started out as a committee working to support the foundation of agricultural and credit ventures to empower poor people. Later on the committee decided to set up revenue generating activities to complement its social activities. They formed the BRAC Printing Press, BRAC Cold Storage and the BRAC Garment Factories. All of these revenue-generating enterprises support their core operations financially allowing them to create even more social value. While there are social enterprises that are clearly non-profit and others for-profit, there is one coherent theme that runs through the concept of social entrepreneurship, “Mission-related impact becomes the central criterion, not wealth creation” (Dees, 1998, p. 3). The research on social entrepreneurship takes this notion to a level beyond general business models and identifies specific typologies of social enterprises that exist to address different types of social issues. Identifying specific typologies is important for the advancement of the social entrepreneurship field (Alter, 2012). These specific typologies not only encourage innovation but can also act as inspiration for future social entrepreneurship research. Further, defining typologies of social enterprises provides a framework for future research on this important topic.

Many researchers have called for a more theoretical base for social entrepreneurship research. “We believe that scholarly progress in social entrepreneurship will not accelerate until theoretical relationships become more explicit” (Short et al., 2009, p. 166). Until more research has been done using theory, legitimacy cannot be established (Cummings, 2007).
Zahra et al. (2009) took it upon themselves to respond to the call to build a theory of social entrepreneurship on the strong tradition of entrepreneurial theory and research. Drawing from the original research on entrepreneurial theory by Frederick Hayek (1945), Israel Kirzner (1997) and Joseph Schumpeter (1942); Zahra et al. (2009) identify three unique typologies of social entrepreneurs as: Social Bricoleur, Social Constructionist and Social Engineer. The three types differ in how they create social impact, discover opportunities that create social value, and acquire necessary resources to develop those opportunities.

The first type that Zahra et al. (2009) discusses is the Social Bricoleur. In Hayek’s (1945) research on entrepreneurial theory, he proposed that opportunities that exist can only be acted upon on a very local level due to the fact that people outside the proximity lack the knowledge essential to act on the opportunity. This research formed the foundation of the Social Bricoleur, which is defined as an entrepreneur that acts on locally available opportunities with locally available resources. Social Briocleurs are very important because they address social needs that may otherwise go unnoticed by those operating in national and international communities. Social Briocleurs utilize local resources and rarely have the need to reach externally for resources or supplies. They are very flexible because of their small scale and can respond to changes in needs or opportunities very quickly. However, their small size and lack of resources and knowledge make it very difficult for Social Briocleurs to grow or expand geographically. One such example is Oswaldo Tello, a Social Bricoleur, who founded a non-profit organization called the Center for Innovation and Business Development (CIDE) in conjunction with a for-profit firm, the North Peru Investment Company (Zahra et al., 2009). His mission was to help the poor people in his community whose goal it was to start a business. His organization identifies a few businesses that have growth potential and uses the investment company as the means to an end by bringing on investors willing to share the risk and reward.

The second type of social entrepreneur that Zahra et al. (2009) identify is the Social Constructionist. The basis for this typology is the research of Kirzner (1973), who stated that rather than opportunities arising from an entrepreneur’s local knowledge, opportunities arise from identifying and leveraging a specific opportunity by developing products, goods and services. Social Constructionists are key in identifying social needs not yet realized and developing innovative solutions to create social wealth. An important part in Kirzner’s
research on entrepreneurs is the notion that they are alert to opportunities and use bold innovation in their actions (Kirzner, 1973). *Social Constructionists* often use the bottom-up development model. This is discussed by Katzenstein and Chrispin (2011), who posit that social entrepreneurs first identify the social needs they want to address and then scale a business to fit those needs. In contrast to the local focus of the *Social Bricoleur*, *Social Constructionists* have a broader focus that can be regional, national or global (Brinkerhoff & Brinkerhoff, 2004). Rather than building solutions from their local knowledge, *Social Constructionists* use their ability to spot unique opportunities and create new ways of delivering goods and services. *Social Constructionists* often find a way to operate as a hybrid social enterprise by leveraging the capabilities of a for-profit and non-profit (Pearce & Doh, 2005). An example of a *Social Constructionist* is Jacqueline Novogratz, the founder of the Acumen Fund (Zahra et al., 2009). The Acumen Fund is a non-profit venture fund that uses entrepreneurial approaches to solve the problems of global poverty (Acumen Fund, 2012). The Acumen Fund recognizes philanthropic investments towards social entrepreneurs focused on delivering affordable goods and services such as water, healthcare and housing. The Acumen Fund supports these businesses by way of loans and equity investments in return for scalable solutions to global problems.

The third and last type that Zahra et al. (2009) identify is the *Social Engineer*. The idea of the *Social Engineer* comes from Schumpeter’s (1942) definition of entrepreneurs as prime movers of innovation and change who work to put an end to dated systems, structures and processes and replace them with innovative, more efficient ones. These engineers of social wealth can have profound effects on society. *Social Engineers* typically work to tackle national, international and global social issues. The large scope of their movements brings both positive and negative reactions. Other organizations that might be working on a similar social issue see them as a threat and sometimes consider their effects illegitimate. *Social Engineers* have to harness wide-ranging support because of the large scope and scale of their missions. Driving support and political capital is vital to a *Social Engineer’s* ability to acquire the resources necessary to fulfill their missions. The best known example of a *Social Engineer* is Muhammad Yunus, who founded Grameen Bank and engineered the microfinance movement. Grameen Bank started when Yunus went to Bangladesh and realized that the poor people were caught in a vicious cycle of owing money to lenders.
Yunnus decided there had to be a better way that would help these poor get out of poverty. He started by lending twenty seven dollars to forty two women from the village of Jobra, India (Yunus, 1998). Even though his initial work was on a local basis, the general idea of lending small amounts to the poor became the start of a new movement called Microfinance. The Grameen Bank model has been recreated in communities throughout the world and continues to fill a void in the system of lending (Zahra et al., 2009). This system of micro lending not only helps the poor get out of poverty but it has also changed the way people think about gender, trust and social practices.

The topic of social entrepreneurship is still fairly new and much of the research is focused on providing a description and explanation of social entrepreneurship (Short et al., 2009). The literature on performance measurement of social ventures presents a similar story. Overall the literature that exists on measuring performance is largely conceptual and is still developing in the hopes of creating a consistent measurement technique (Ruebbottom, 2011). There are a wide range of measurements from quantitative assessments focusing on the social return on investment (SROI) to qualitative assessments focusing on describing impacts (Short et al., 2009). In a literature review done by Short et al. (2009), they found that “271 measures were either operationalized (quantitative articles) or deemed important to the success of social ventures without providing details about metrics (qualitative articles)” (p. 168). They go on to suggest that in order to determine what measures would be suited to social entrepreneurship, future research should be done to distinguish between social entrepreneurship as a process versus an outcome (Short et al., 2009). This describes a clear theme that can be found in the literature on performance measurement. Inherently, measurement is quantitative, which is easily understood from a traditional business sense, but is complicated by the addition of social value measurement when assessing social entrepreneurship. Determining appropriate measures is further complicated by the fact that many social enterprises see performance and impact measurement as a burden rather than a competitive advantage (Social Enterprise Partnership, 2003).

The evaluation of social impact is challenging because “It involves assessing the value of things that can’t be easily, directly (or at all) monetized, such as social capital, cohesion, or quality of life” (Bielefeld, 2009, p. 78). Some literature suggests that while measuring social enterprise success is recognized as important to the growth of the field;
most research and evaluation is based on a “goal-centered evaluation of the triple-bottom line” (Ruebottom, 2011, p. 173). Having a triple bottom line means that social enterprises have financial or economic goals that coexist with the social and/or environmental mission of the organization (Ryan & Lyne, 2008). However, the consensus is that if the field of social entrepreneurship is going to move forward, there needs to be a better, more cohesive understanding of how to measure performance.

Besides developing typologies of social entrepreneurs and their business models, there has been a lot of debate about social entrepreneurship outcomes. More specifically, the topic of performance measurement in social ventures has generated a lot of ideas and stirred a lot of debate about the most appropriate way to measure performance. The suggestions that can be found on how to measure the performance of social ventures are as vast as the definitions of social entrepreneurship. There have been attempts made by The Roberts Enterprise Development Fund (REDF) to place a single financial measure using social return on investment (SROI) that assigns a dollar value using an intricate set of social outcomes (Emerson, Wachowicz, & Chun, 2001; Rotheroe & Richards, 2007; Ryan & Lyne, 2008). Others have made the suggestion that success can be measured by evaluating the progress made towards the mission, acquisition of resources, and staff effectiveness rather than using the traditional operational based measurements (Sawhill & Williamson, 2001). Taking into consideration that social entrepreneurship itself is multi-dimensional; many of the suggestions for success and performance measures follow suit. Harman (2008) described successful ventures within her case study as “multi-dimensional, based on length of operation, growth in revenue and employees and demonstrated social impact” (p. 202). Another case-based study done by Sharir and Lerner (2006) took a different approach by examining thirty three social ventures over a two year period and a follow up four years later. They first defined success as “(1) the degree to which the social venture achieves its declared goals; (2) the ability of the venture to ensure program/service continuity and sustainability by acquiring the resources necessary to maintain current operations; and (3) the measure of resources available for the venture’s growth and development” (Sharir & Lerner, 2006, p. 8). After defining success, they looked at and compared different social ventures based on all three success measures. Four years later, they revisited the enterprises and determined which survived and were still thriving.
To anchor the discussion on performance measurement techniques, this thesis utilizes organizational theory. Traditionally, performance measures in organizational research have been financially based (Ruebottom, 2011). To understand the development of more multi-dimensional performance measurements, it is important to understand the historical research on how performance measurements are derived. Throughout history many scholars have offered various models that serve as evaluation frameworks. In 1983, Quinn and Rohrbaugh took all the proposed models and created three axes of values that reflect different parts of performance measurement: focus (i.e., internal & external), structure (i.e., flexible or controlled) and outcomes (i.e., means to an end). Much of the literature on organizational theory uses the outcome-based, goal-centered approach which allows for quantitative and comparable performance measures (Yan & Luo, 2001). Cummings (1977) defined an effective organization as “one in which the greatest percentage of participants perceive themselves as free to use the organization and its subsystems as instruments for their own ends” (p. 60). Further, research on organizational systems defines success as the ability of an organization to utilize the four systemic processes (inputs, outputs, transformations and feedback effects) in relation to its goal-seeking behavior (Evan, 1976). More recently, researchers have realized that general measures are insufficient because they cannot be applied in all circumstances. Scott (1998) recommended the use of multiple criteria because organizations generally have multiple stakeholders who may view performance differently. This prior research on organizational theory and performance metrics provides the basis for discussion on performance metrics of social ventures and how they differ.

Understanding the business models and typologies that exist and the theory behind performance measurement lay the foundation for a discussion of the literature on performance measurement techniques. After a thorough evaluation of the variety of performance measurement techniques that exist, there seems to be three different categories of performance measurements that fulfill different purposes. First, there are those that focus on internal evaluation of the social venture and are closely tied to decision making and operations. Second, there are metrics that focus specifically on measuring social value creation and impact. Lastly, there are measures that have been created for impact investors who invest in businesses expecting not only financial return but also a social return on
investment (Simon & Barneier, 2011). These performance measurements help determine which ventures will provide the most impact per dollar.

As mentioned, there are performance measurements that focus mainly on evaluating the internal efficiency and effectiveness of the organization. For example, Bull (2007) suggests taking the Balanced Score Card (BSC), a well-developed business analysis tool, and adapting it to the social ventures. Performance measurement tools in social enterprises have traditionally been brought over from the commercial business industry meaning they were designed from a profit-based perspective (Speckbacher, 2003). This presents a big problem when it comes to measuring social value which often is unexpressed due to its intangibility (Dees & Anderson, 2003). However, the BSC is one analysis tool that has been developed without the characteristic profit focus (Bull, 2007). Instead, it is a multidimensional management tool that includes perspectives from: financial, customer, internal processes, learning and growth and vision and strategy. Figge, Hahn, Schaltegger, and Wagner (2002) described the BSC as a concept based on the notion that “efficient use of investment capital is no longer the sole determinant for competitive advantages, but increasingly soft factors such as intellectual capital, knowledge creation or excellent customer orientation become more important” (p. 270). The strength of the BSC framework is that it can be easily transferred to social ventures whether purely social, socio-economic or economic. Bull (2007) as he adapts the original BSC framework to fit social venture models. His research on performance measurement of social ventures highlighted two themes: business practices were generally established using management tools and quantitative analysis tools were not easily transferable to social ventures. After reflecting on these issues, Bull used a coding technique to identify and group concepts and themes from which he would adapt the BSC. His research and coding identified five sections: return, a learning organization, the stakeholder environment, internal activities and visioning. The return section focuses on a multi-bottom line approach which reflects the need for financial, environmental and social sustainability. The learning organization section looks inward to focus on how the organization will achieve their vision using qualitative measures such as culture, creativity, team work and leadership as a means to take advantage of knowledge and learning opportunities. The stakeholder environment was created to include all parties that the organization serves including customers, funders and communities. The internal activities section looks at the vision of the
organization and determines whether they have the right practices and systems in place to successfully achieve that vision. Finally, the visioning aspect brings all the sections together to form a cohesive vision. This section is concerned with how managers are engaged in the organization’s mission and how the mission is communicated to the various stakeholders. After interviewing thirty organizations and doing an analysis of each one following the BSC framework, the conclusion was that social organizations such as non-profits tend to utilize informal business practices and focus more on meeting the social and environmental needs whereas enterprise driven organizations focus on using structured business practices as a means of fulfilling each aspect of the triple bottom line.

McLoughlin et al. (2009) designed a holistic approach to measure social impact called the social impact for local economies (SIMPLE) methodology. The SIMPLE methodology was created to offer a strategic way of measuring performance that takes an organization through the process of determining impact measures to implementing those measures into decision making. This methodology presents a five-step approach to measuring impact performance: scope it, map it, track it, tell it, embed it. These concise steps allow social enterprise managers to visualize the impact problem, identify impacts for measurement, develop applicable impact measures, report on impacts and utilize the results in management decision making. This measurement technique attempts to bridge the gap between social impact valuation and the strategic decision making process. If existing social enterprises are to grow and become more competitive they need a systematic, effective way of measuring their social contribution. The SIMPLE method was developed as way to address the increasing pressure from donors and policy makers to have specific and consistent ways of measuring social impact performance.

In order to develop the SIMPLE methodology, McLoughlin et al. (2009) looked at various methods of measurement, identified the weaknesses of each and developed the SIMPLE method to address the gaps and create a more strategic measurement technique. These various measurement techniques collectively failed to look at how to combine social impact measurements with strategic decision making, accommodate internal and external dimensions of impact and embed the social impact considerations into social enterprise management. McLoughlin et al. (2009) developed the SIMPLE methodology to utilize the more specific measurement techniques (i.e., SROI or BSC) as a foundation to develop a more
robust and flexible way to measure impact that gives managers ownership and allows them to develop a professional reporting system.

The five steps of the SIMPLE methodology were designed to eliminate complexity in order to create easily accessible parts for both management and training activities (McLoughlin et al., 2009). The model features a four bottom line approach that looks at impact categorization by embracing financial, economic, social and environmental impacts. The scope it level of the SIMPLE methodology identifies four key impact drivers: mission, internal, external and stakeholder drivers. This level allows managers to understand the impact problem and the impact drivers. Scope it is the first of five levels because it sets the foundation for why organizations are measuring impact by helping them determine what impact means in their organizations. After determining exactly what impact is, mangers can move onto the map it level that gets deeper into identifying specific impacts for measurement. This is the level that takes the traditional triple bottom line and adds a fourth dimension. Adding the economic level to the bottom line allows managers to include measurements such as impacts on local GDP or employment that traditional financial measurements fail to capture. From the map it level managers can move to track it, which develops strategic and specific measures and processes for tracking and measuring impact. The first three steps are focused on the act of measuring impact and the last two steps focus on taking these measurements and integrating them into business reporting and decision making. Tell it is the next step in the SIMPLE methodology and it focuses on reporting the data collected through the previous three steps. This presents a critical step in the process because it can be used to address stakeholders such as donors and investors. The last step is to embed it, which focuses on fully integrating the impact measures into the organization at all levels so that the data collection and communication becomes a standard. Overall, this impact measurement technique provides a multi-dimensional and strategic way of measuring the impact of a social venture.

Another example of an internal performance measurement technique is social auditing and accounting. Social auditing and accounting is a well-developed evaluation technique that evaluates the performance of social, economic and environmental objectives (Stevenson, Taylor, Lyon, & Rigby, 2010). This technique can be as detailed as needed and can be combined with other metrics such as social return on investment (SROI). The defining
element of this performance measurement technique is the focus on an independent audit performed by a third party panel of audit professionals, who evaluate the progress towards mission objectives through core activities (Nicholls, 2009). The social audit assessment is mostly qualitative using descriptive metrics to report on populations served and impacts made. A major weakness that can be found in the social audit and accounting technique is that it is not easily comparable against other organizations because it is highly individualistic.

Another segment that exists in the literature on performance measurement is that which focuses on quantifying social value. One such example is social return on investment (SROI) which is quickly becoming one of the most commonly cited performance measurement techniques. In traditional entrepreneurship, a focus on the return on investment (ROI) is a staple of performance measurement. Researchers are defining ways to create performance measurement systems that can serve as proof of the value created by social enterprises (Rotheroe & Richards, 2007). The SROI analysis that was created by the Roberts Enterprise Development Fund is based on the traditional idea of cost-benefit (Emerson et al., 2001). The SROI analysis combines three calculations to determine the social return on investment (Nicholls, 2009). The first calculates the full blended value of the organization which combines its financial value with a monetized value of the social impact. The second looks at the financial investment in the project and the third looks at the enterprise and social returns on the investment. Simply put, the SROI analysis tool looks at the social value created in relation to the cost of realizing those benefits (Rotheroe & Richards, 2007).

Developing a tool such as the SROI analysis is critical in helping redefine the concept of value to include not only the transaction but also the effects of that transaction (Ryan & Lyne, 2008). There are strengths and weaknesses in every type of performance measurement technique. SROI finds its strength in the fact that it allows for a comparative analysis between different organizations which can lead to a competitive advantage when it comes to gathering support from and investors and contractors (Ryan & Lyne, 2008). Another strength of the SROI analysis is that it is an easy tool to use and an easy tool to decipher; therefore it works to the advantage of both the financial backers and the personnel at the organization.

Other techniques that focus on measuring social value creation are traditional techniques such as cost effectiveness analysis (CEA) and the cost benefit analysis (CBA) (Tuan, 2008). These techniques not only help to quantify the effectiveness of certain
initiatives or programs; they can also help in determining which initiatives are more worthwhile and should be higher priorities. The CEA allows for a calculation ratio of cost to a non-monetary benefit such as the cost per child cured of malaria. The CEA is beneficial when measuring the impact of certain programs individually. A downside to the CEA is that the individuality of measures used such as the cost of a child graduating from high school does not allow for comparisons across social programs that have different outcomes. The cost benefit analysis takes a monetized approach to measuring the potential benefit of certain programs. CBA is a more demanding approach because it requires outcomes to be monetized and compared with the cost of realizing those outcomes. Another example of a technique that utilized a cost benefit ratio is the benefit-cost ratio developed by the Robin Hood Foundation. The Robin Hood Foundation is a non-profit that focuses on targeting poverty in New York City. They provide grants to over 200 non-profits that fight poverty in different ways. They developed the benefit-cost ratio to translate the outcomes of 200 programs into one monetized value that measures the progress towards alleviating poverty on an ongoing basis. Ultimately this measure allows the Robin Hood Foundation to better understand where its grant money will have the greatest impact.

One of the reasons measuring performance is becoming so critical is because of the increasing competition to raise funds from investors and donors. With the rise of socially oriented funds and social stock exchanges all over the world, social ventures are being pressured to measure performance and deliver a return on investment. The “Guide to Outcome Planning” states that many funders now see themselves as investors and want to see defined results and progress towards those results (Penna, 2012). Measurements that are being used by investors to determine the potential success or failure of social ventures present another dimension when it comes to performance measurement techniques. One example was developed by the Acumen Fund to estimate the social output of a potential venture called the Best Available Charitable Option (BACO) ratio (Tuan, 2008). The purpose of the BACO ratio is to provide portfolio managers with a tool that can help in assessing and determining the merit of an individual investment versus a charitable grant. The BACO ratio is a calculation used by the Acumen Fund that measures the net cost per unit of social impact (Acumen Fund, 2012). The portfolio managers calculate this number for both the Acumen Fund and the best available charitable option to determine which one is the most cost
effective. Portfolio managers at the Acumen Fund calculate the BACO ratio for every potential investment. Another such measure was developed by the William and Flora Hewlett Foundation in order to help them in understanding where their grants were going to make the most impact. The Expected Return (ER) measurement technique was developed to help program officers to ask the right questions and test their assumptions against the ER number and ideally make better funding decisions. Another example of a measurement technique that has been developed to aid donors and investors in impact investment decisions is the Cost Per Impact that was developed by the Center for High Impact Philanthropy (CHIP). The cost per impact assessment tool will aid individual philanthropists in determining where their contributions will have the highest impact. The ultimate goal of the cost per impact metric is to answer the question, “How much does change cost?”

Overall, literature on performance measurement of social enterprise is rather fragmented and inconclusive as to the most appropriate and effective measurement technique. Generally, researchers have suggested models that take into account both financial and social measurements given the multi-dimensional nature of social value creation as well as focus on economic sustainability. What is needed is a cohesive measurement framework that could be used by both academics to study social ventures and the value they create and by social entrepreneurs in order to gain the attention of potential investors and donors. The next section details how this study uses this research to structure an analytical framework that provides the foundation for the qualitative analysis.

Social ventures work to address a variety of social issues and therefore their outcomes can be complex and sometimes uncertain (Paton, 2003). The implication of this complexity and uncertainty is that there exists a range of different measurements to assess the performance of a social venture. As discussed, the performance measurements that currently exist are inconsistent and fragmented. Many researchers agree that bringing a consistency to the measurement of social enterprise would be extremely beneficial (Bull, 2007; Ruebottom, 2011; Ryan & Lyne, 2008). First, it would offer social enterprises a way to measure economic and social performance against desired goals as well as a way for organizations to compare their performance relative to other organizations (Zahra et al., 2009). Second, it would also offer a way for social entrepreneurs to value potential opportunities and decide which ones to pursue. Third, donors and investors could more clearly assess and monitor the
social enterprises’ performance and make decisions on where to invest their money. Finally, performance measurements would bring accountability to social entrepreneurship by allowing a way to demonstrate their impacts on society (Young, 2003).

The analytical framework of this thesis has been adapted from the work of Smith and Stevens (2010) which also used the Zahra et al. (2009) typologies as a framework to discover new levels of differentiation. Smith and Stevens (2010) developed a relationship between geography and the structure of social networks using the typologies as the foundation. Through their research, they found that the different typologies had different levels of social structure that depended on geography. They were able to then develop a clear idea of how the different typologies scaled their social value and the strategy behind it. This provides one example of how there can be differentiation on other levels besides the ones developed by Zahra et al. (2009). Utilizing Zahra et al.’s (2009) literature on typologies to develop new levels of differentiation and following the example of Smith and Stevens (2010) this thesis provides a clear framework that future social ventures can work within. It will allow them to easily identify what type they are and see how organizations within that type operate. This will be a key part of creating more consistency among social ventures and how they measure their performance.

In an attempt to bring more consistency to the area of performance measurement in social enterprise; this thesis creates a link between the Zahra et al. (2009) typologies and performance measures used within each type. The analytical framework that is visually represented by Figure 1 serves as the structure from which all other analysis and research will be based. The outer circle of Figure 1 is represents the use of the criteria that Zahra et al. (2009) used to define each typology as the overarching framework of the analysis. The next circle of Figure 1 states that the Zahra et al. (2009) framework served as the basis for selecting and conducting interviews with social entrepreneurs from each typology. The third circle represents the next step which takes the data from all of the interviews and filters it through the measurement techniques detailed in the literature review and summarized in Table 1. Table 1 is an integral part of the study; it served as the basis for the qualitative analysis which is represented by the fourth and final circle in Figure 1. As discussed in the next chapter, the measurement techniques and their defining characteristics provided the structure for the coding of the data. The final circle represents the analysis and identification
Figure 1. Analytical framework.

Zahra Et al. (2009) Typologies

Interviews of Social entrepreneurs from each typology

Performance Measurement techniques from literature review

Qualitative analysis of interviews from each typology and which performance measurement techniques they use
<table>
<thead>
<tr>
<th>SE Performance Measure</th>
<th>Description</th>
<th>Conceptual and Practical Advantages</th>
<th>Conceptual and Practical Disadvantages</th>
<th>Key Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>SROI</td>
<td>Combination of monetized value of social impact, financial investment and monetized value of social return on investment.</td>
<td>Allows for a comparative analysis between different enterprises.</td>
<td>Not a holistic approach to performance measurement, should be combined with others such as the BSC.</td>
<td>Rotheroe &amp; Richards, 2007; Ryan &amp; Lyne, 2008; Emerson &amp; Cabaj, 2000</td>
</tr>
<tr>
<td>Balanced Scorecard</td>
<td>It is a multi-dimensional management tool that includes perspectives from various stakeholders and organizational operations.</td>
<td>The strength of the BSC framework is that it can be easily transferred to social ventures whether purely social, socio-economic or economic</td>
<td>Must be integrated with more concrete measurement techniques in certain areas.</td>
<td>Bull, 2007; Kaplan, 2001</td>
</tr>
<tr>
<td>SIMPLE Methodology</td>
<td>Five step, strategic approach to measuring performance.</td>
<td>These concise steps allow social enterprise managers to visualize the impact problem, identify impacts for measurement, develop applicable impact measures, report on impacts and utilize the results in management decision making.</td>
<td>Focuses mostly on the process of measuring performance and a lot of work must be done by practitioners to put into use.</td>
<td>McLoughlin et al., 2009</td>
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<tr>
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<th>Conceptual and Practical Disadvantages</th>
<th>Key Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Audit</td>
<td>Social accounting and audit is a well-established process of collecting performance information for social, environmental and economic objectives.</td>
<td>The approach can be adjusted to have differing degrees of detail and can also include elements of other approaches such as SROI.</td>
<td>Social audit metrics are typically human in scale, looking at individual or community level changes or developments, and largely non-comparative.</td>
<td>Nicholls, 2009; Stevenson et al., 2010</td>
</tr>
<tr>
<td>Robin Hood Foundation/Benefit Cost Ratio</td>
<td>The purpose of Robin Hood’s Benefit-Cost Ratio is to translate the outcomes of diverse programs into a single, monetized value that measures.</td>
<td>These comparisons work well across different programs that produce economic benefits, such as increased wages.</td>
<td>This technique is problematic when the goal is non-monetary, such as better health or art appreciation.</td>
<td>Tuan, 2008; Kramer &amp; Cooch, 2007; Brest, Harvey &amp; Kelvin, 2009</td>
</tr>
<tr>
<td>BACO ratio</td>
<td>Methodology used to quantify a potential investment social output and compare it to the universe of existing charitable options for a certain social issue.</td>
<td>Helps portfolio managers or investors to compare the merit of an individual investment versus making a charitable grant.</td>
<td>Limited to impact investors, wouldn’t be useful for the social enterprise itself unless they were assessing potential programs.</td>
<td>Tuan, 2008; Brest et al., 2009; Veldman, 2011</td>
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Table 1. (continued)

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<tr>
<th>SE Performance Measure</th>
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<th>Conceptual and Practical Advantages</th>
<th>Conceptual and Practical Disadvantages</th>
<th>Key Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Benefit Analysis (CBA)</td>
<td>Answers the question: What development impact does $1 of spending achieve?</td>
<td>When this question is answered it allows an organization to see how efficiently a development program is running and then be compared against other development programs.</td>
<td>It is difficult to quantify social impact in monetary terms mainly because there is a lot of subjectivity in the determination.</td>
<td>Tuan, 2008; Veldman, 2011</td>
</tr>
<tr>
<td>Cost Effective Analysis (CEA)</td>
<td>The cost effective analysis takes the same idea of the cost benefit analysis except that it doesn’t monetize the impact for instance the impact would be stated as number of kids graduated from high school and divides it by the cost of the program.</td>
<td>This is easier to determine since the impact in units is clearer than the impact in monetary terms.</td>
<td>Because of the individuality of programs and their impacts, it is almost impossible to compare it against other programs that don't have similar impacts.</td>
<td>Tuan, 2008; Veldman, 2011</td>
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Table 1. (continued)

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<tr>
<th>SE Performance Measure</th>
<th>Description</th>
<th>Conceptual and Practical Advantages</th>
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<tbody>
<tr>
<td>Expected Return (ER)</td>
<td>The Hewlett foundation created the expected return ratio as a means of combining all of the other ratios into one. ER is calculated by taking the Outcome or Benefit X the probability of success all over the cost.</td>
<td>Helps foundations to make grant making decisions and could be used by social entrepreneurs to understand where the most impact will be made.</td>
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<td></td>
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<td>ER is at the most an educated guess that comes from researching potential outcomes and benefits as well as probabilities.</td>
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<td>Tuan, 2008; Veldman, 2011</td>
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<tr>
<td>Cost per Impact</td>
<td>A measure that is critical for high impact giving and would be able to answer the question: How much does change cost?</td>
<td>Allows for philanthropists to understand where their money will make the most impact.</td>
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<td></td>
<td></td>
<td>The cost per impact is more geared towards impact reporting and used strictly for philanthropists.</td>
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<td>Tuan, 2008</td>
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of themes resulting from the filtering of data through the various measurement techniques. This study was developed to result in the identification of an additional level of differentiation through performance measurement techniques.
CHAPTER 3

METHODOLOGY AND RESEARCH DESIGN

In order to take the qualitative data gained through interviews with social entrepreneurs and begin to develop theories; this study uses the grounded theory method (GTM). The data was collected using interviews with social entrepreneurs from each typology and analyzed using qualitative analysis guided by the GTM. Through the use of the GTM and the exploratory case study method, performance measurement trends were identified from each typology.

The grounded theory method (GTM) developed by Glaser and Strauss (1967) is a social research method that allows for the derivation of theory from data. When Glaser and Strauss began developing the GTM, they set out to counter the traditional idea of presenting a theory and then finding data to support that theory (Walker & Myrick, 2006). Instead they wanted to develop a system of qualitative analysis in which a researcher gathered data and then systematically developed a theory from the data. When Glaser and Strauss developed the GTM, their main objective was to present an organic process of theory emergence by inserting data into conceptual categories (Glaser & Strauss, 1967; Suddaby, 2006). In order to do this, they developed a four stage analysis process that begins with a basic description, then works to conceptually order them and finally creates a theory from them (Patton, 2002). GTM can be used in a number of different situations because of its inherent flexibility and has been a mainstay in the qualitative analysis of interviews. This is in part because GTM was developed not only to conceptualize qualitative data but also to explore the relationships between conceptual categories and theoretical relationships that can emerge from them (Charmaz, 2003). This approach focuses on the interpretive process of analyzing “the actual production of meanings and concepts used by social actors in real setting” (Gephart, 2004; Suddaby, 2006). Glaser and Strauss (1967) made a clear distinction between the daily realities of social actors or “what is going on” and the interpretation of these realities by those who participate in them. The method of grounded theory is built on two key concepts: constant comparison and theoretical sampling (Suddaby, 2006). Constant comparison
represents the conceptualization of data from incident to concepts. Theoretical sampling is a determination of what data should be collected next using the theory that is being created.

It is important to note that since the inception of GTM in 1967, there has been a split in the interpretations of this process. Glaser and Strauss have since parted ways and developed their own interpretations of the GTM, specifically when it comes to the data analysis process (Walker & Myrick, 2006). When Glaser and Strauss (1967) developed the original GTM, there were two data analysis processes. In the first process, the analyst would code all data and then analyze these codes. In the second process, the analyst uses the codes to develop categories from which they can begin to form theories. After some thought, they decided on a third approach that would combine the first and second approaches of data analysis; they defined this approach as “an analytic procedure of the first approach and the style of theory development of the second” (Glaser & Strauss, 1967, p. 102). Eventually Glaser and Strauss went their separate ways and began publishing their own interpretations of GTM (Walker & Myrick, 2006). After much debate, there are now two separate models of GTM, Straussian and Glaserian. The analysis of data using a qualitative method is designed to manage words, language and the meanings they imply (Miles & Huberman, 1994; Walker & Myrick, 2006). The challenge lies in working with mass amounts of empirical data that can have multiple meanings and interpretations. The focus of qualitative data analysis and the basis for this analysis is that it seeks to organize and reduce data gathered into themes or essences which can be developed into descriptions, models and theories.

This study employs the coding concept defined by Strauss and Corbin (1990) which divides the coding process into three phases: open, axial and selective. Strauss and Corbin (1990) defined the open coding phase as “the analytic process through which concepts are identified and their properties and dimensions are discovered in the data” (p. 110). During the axial coding phase is when the researcher starts to relate these codes to each other (Walker & Myrick, 2006). Finally, during the selective coding phase is when the researcher selects the main categories and starts to relate them to theory in essence explaining “what is going on” (Borgatti, 1990). Following the grounded theory method, this analysis employs an exploratory case study analysis using multiple cases and interviews as the primary data source. A description and justification of these is given later in this chapter. By using a case study method, this analysis draws relevant, concrete realities from the current actors (i.e.,
social entrepreneurs). Eisenhardt (1989) described the case study method as a way of understanding a single environment (i.e., social enterprise) and its present dynamics (i.e., performance measurement). Yin (1989) provides a more detailed and relevant explanation of case study analysis stating that case study analyses are useful when exploring real-life context of a specific phenomenon when the relation between the context and the phenomenon is not distinct (p. 59). Utilizing this study as an exploratory case study analysis will lead to a furthered discussion and understanding of the current environment in which social entrepreneurs operate.

The basis for using the grounded theory of qualitative analysis alongside an exploratory case study method resides in the fact that the grounded theory allows for the increased understanding of certain outcomes. Since the concept of performance measurement in social ventures is relatively unexplored, this analysis focuses on social enterprise as the context and performance measurement as the phenomenon to develop a correlation between the two. By examining the various types of performance measures being employed by different types of social enterprises, a broader understanding is created and leads the way for the creation of a consistent way of measuring performance.

The design of this study was informed by two pieces of literature (Smith & Stevens, 2010; Weerawardena & Mort, 2006); the first of which provides a similar analytical framework and the second provides a similar process using the grounded theory method. Smith and Stevens (2010) developed their study using the Zahra et al. (2009) typologies to develop levels of differentiation in geography and structure of social networks. Similarly, this study draws from the work of Smith and Stevens (2010) to develop a level of differentiation within performance measures among the different typologies. They also looked at how the different geographical settings and structures of social networks correlated with how the social ventures operated. Weerawardena and Mort’s (2006) study provides a similar qualitative approach using the grounded theory method. They used grounded theory method in their pursuit to address the need for a theoretical framework and develop an empirical model of social entrepreneurship (Weerawardena & Mort, 2006, p. 25). The process they used in their analysis has been adapted to this study and is detailed in Table 2. This process will serve as a roadmap for the methodology of this study.
Table 2. Qualitative Analysis Process

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Develop a broad set of questions.</td>
</tr>
<tr>
<td>2.</td>
<td>Use a working definition of Social Enterprise to guide research and subject identification.</td>
</tr>
<tr>
<td>3.</td>
<td>Make systematic, detailed comparisons across cases using grounded theory method coding and analysis.</td>
</tr>
<tr>
<td>4.</td>
<td>Provide detailed interviews with Founder, Co-Founders or members of the executive team.</td>
</tr>
<tr>
<td>5.</td>
<td>Subject data from interviews to coding and thematic analysis.</td>
</tr>
<tr>
<td>6.</td>
<td>Use coding techniques to develop subthemes.</td>
</tr>
<tr>
<td>7.</td>
<td>Develop a smaller number of overall themes.</td>
</tr>
<tr>
<td>8.</td>
<td>Use themes and propositions to create a coherent model of social enterprise performance measurement</td>
</tr>
</tbody>
</table>

The intended goal of this approach is to systematically correlate theoretical data with anecdotal data from the field to create a new understanding and description of social entrepreneurship specifically related to how social ventures measure performance. This concept is essential if there is to be a broader, more concrete understanding of how social ventures measure performance. Through the use of Glaser and Strauss’ (1967) GTM, this research constructs a correlation between the incident (i.e., social enterprise) and the concept (i.e., performance measurement). Through the use of an exploratory case study model, this research develops a concrete, relevant understanding of the real-life context in which social ventures operate. Drawing from the work of Smith and Stevens (2010) and their analytical framework, this study utilizes a similar framework detailed in Figure 1 to identify performance measurement themes among the Zahra et al. (2009) typologies of social enterprise. Combined, all of these methods will aid in the analysis and furthered understanding of how different types of social ventures measure performance.
DATA COLLECTION AND ANALYSIS

When utilizing the GTM, the unit of analysis is typically identified as the incident (Glaser & Strauss, 1967). In this analysis, the incident is defined as the existence or occurrence of a social enterprise. In following the example of Weerawardena and Mort (2006), this study is guided by a working definition of social entrepreneurship defined by Zahra et al. (2008) as “the activities and processes undertaken to discover, define and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner” (p. 118).

STUDY SAMPLE

For the purpose of this study, theoretical sampling acted as the guide to selecting cases of social entrepreneurship by length of time in operation, location of impact, and typology of social enterprise. Theoretical sampling is an important part of qualitative research methods specifically for collection of data from people, places and events in order to develop and identify concepts and relationships in terms of the selected sample (Strauss & Corbin, 1994). In this study, I used several criteria for selection of cases for this analysis. First, the ventures had to be at least one year old because social ventures need time to get operations running in order to develop any sense of performance measurement. Second, the in order for a case to be within the scope of this study; their impacts had to be internationally based or they had to have partners impacting international communities. The international scope of this study was chosen because the majority of social enterprises in operation are focused on impacting developing countries. Finally, the ventures selected for interviews had to represent the three types of social ventures identified in Zahra et al.’s (2009) typology. The following definitions were used for classifying potential ventures in one of the three categories.

- Social Bricoleur: *Social Bricoleurs* are social entrepreneurs that act on an opportunity to address a local social need with limited resources. These social entrepreneurs usually find their opportunities by being in the right place at the right time. Their limited resources and small scale make it difficult or these social enterprises to expand geographically.

- Social Constructionist: *Social Constructionists* are social entrepreneurs who build operations to address social needs that are inadequately addressed by other institutions such as non-governmental organizations (NGOs), businesses and
government agencies. These entrepreneurs seek to address broader social issues that may be national and international in scale. Their advantage stems from their ability to recognize and pursue opportunities that create social wealth by reconfiguring processes to deliver goods and services.

- **Social Engineer**: Social Engineers are social entrepreneurs that identify systemic problems within social systems and address them through revolutionary change. They use creativity and innovation to destroy dated systems and processes by introducing more suitable operations. Their scale is the largest of all three and is usually national, international or global. Social Engineers often have to rally political support and capital as a way to achieve legitimacy.

Various sources of information were used to compile a list of social enterprises that met the criteria presented by Zahra et al. (2009). These included the Skoll Foundation’s list of social entrepreneurs, the Ashoka Fellows website and the Social Venture Network website (see the Appendix A for the list of websites). Other sources included personal knowledge of existing social enterprises and recommendations of social enterprises from social entrepreneurs. Once a social enterprise was identified, information from their website and other archival sources were used to examine its business model, area of impact and time in operation to determine whether they were suitable for this study.

Using the procedure described above, a total of forty-four social ventures were identified, fifteen of which were Social Bricoleurs, seventeen Social Constructionists and twelve Social Engineers. As discussed, social entrepreneurship and social enterprise can take many forms. This study is concerned with international social ventures that were purely mission driven (i.e., non-profit) or socially and economically driven but still considered the mission central to their operations (i.e., hybrid). This study excludes any social enterprise or social entrepreneurship that was a product of corporate social responsibility. After the initial screening of all forty-four social enterprises identified, an attempt to contact them was made via phone or email. Thirty-two of the social ventures contacted either declined to participate or could not be reached. As a result of the forty-four initial contact attempts, interviews were conducted with four Social Bricoleurs, four Social Constructionists and four Social Engineers. It was felt that this number could serve as a fair representation of each typology.

There were three criteria that were considered when categorizing these social ventures into their respective typologies: scale of impact, motivations of social entrepreneur/s and business model. Scale of impact was important because it helped to identify where the
social enterprise fell on the scale from local impact to global impact. Uncovering the motivations of the social entrepreneurs was important in discovering where they fell in terms of the entrepreneurial theory detailed by Hayek (1945), Kirzner (1973) and Schumpeter (1942). It also helped to understand how they identify social needs and create opportunity from those needs. Identifying their business model helped to further understand what need they were addressing and what type of business model they were using to address that need. All three of these criteria were laid out by Zahra et al. (2009) when they described each typology and their distinctive characteristics. The data used to correctly classify each social enterprise was obtained primarily from interviews but was also verified using archival information from secondary sources such as the organization’s website and financial reports. Table 3 details the twelve social ventures that were interviewed for this study and some of the criteria that were uncovered as a result of the interviews. The other criteria such as year founded, respondent information, and number of employees is detailed in Appendix B. (See also Tables 6-7 in Appendices C, D, and E for the coding spreadsheet by topography, overall findings, and representative data, respectively).

**DATA ANALYSIS**

Before data was collected, a protocol or interview script that would remain consistent for each interview was established (See Appendix F for the interview script, and Appendices G-R for transcripts by program). The protocol was created using the literature presented by Zahra et al. (2009). Using the Zahra et al. (2009) literature as a foundation, the questions were carefully phrased in a way that would help to classify the social enterprise into the proper typology. In order to identify and categorize the three typologies of social enterprise, Zahra et al. (2009) uses three dimensions: how social entrepreneurs discover social needs (i.e., motivations), how they address those opportunities (i.e., type of business) and how they affect the broader social system (i.e., scale and reach). The interview questions included those asking what the motivations of the social entrepreneur were in creating the social enterprise, how the social entrepreneur described their business model and eventually delved more deeply into the scale of the business and where the impacts were being made. The respondents were also asked about how they defined and executed the performance measurement of their organization. All questions were left very broad to allow for a complete
<table>
<thead>
<tr>
<th>Table 3. Classification of Social Ventures Interviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Bricoleur</strong></td>
</tr>
<tr>
<td>Name</td>
</tr>
<tr>
<td>Walu International Indigenous Education Fund of Tanzania</td>
</tr>
<tr>
<td>WellDone.org A New Day Cambodia</td>
</tr>
<tr>
<td>Paradigm Project</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Malawi</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
</tr>
<tr>
<td>700K</td>
</tr>
<tr>
<td><strong>Business Model</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Description</strong></td>
</tr>
<tr>
<td></td>
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<td></td>
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<td></td>
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</tbody>
</table>
and open discussion of any and all types of performance measurements that were being utilized.

The protocol allowed for interviewees to have an open conversation about their social enterprise and their operations. The majority of the respondents were either founders or co-founders of the organization. If the founders were not available to be interviewed, a member of the executive team was interviewed instead. Each interview was limited by time constraints and on average lasted about 40 minutes. The interviews were recorded and later transcribed verbatim. After transcribing the interviews, the researcher used the coding techniques detailed in the grounded theory method to pull out themes within each typology. Table 4 illustrates the main details of each performance measurement technique broken up by their defining characteristics. Table 4 also included the main measurement techniques identified and broken down into defining characteristics found in the literature. These characteristics are accompanied by a literature-based definition of that characteristic which was crucial for properly coding the data. Both the measurements and characteristics came from a detailed and exhaustive review of literature related to performance metrics used by social ventures which can be seen in Table 1 on page 25.

The coding procedure was based on the prior literature. Specifically, the concept of coding relates to the breaking down of data into portions that are significant to the research (Hite, 2003). Using the grounded theory method described by Strauss and Corbin (1990), the researcher began with the open coding phase which allows for the identification of concepts within the data. In this phase the data from the interviews was matched to the measuring technique that it correlated with (Strauss & Corbin, 1990). Table 3 provides a summary of these measuring techniques and their corresponding characteristics that were used to match the data accordingly. There were ten individual measurement techniques identified in the research and review of literature that exits on performance measurements of social enterprise. After the open coding phase, there were six measurement techniques that were not identified in any of the interviews conducted; these measurement techniques are identified with an asterisk in Table 3. These measurement techniques were then eliminated from further analysis. The Cost Effective Analysis and the Cost Benefit Analysis were removed because no interview indicated they were measuring the cost of programs. The BACO, Expected
<table>
<thead>
<tr>
<th>Measurement Technique</th>
<th>Main Characteristics</th>
<th>Description of Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balanced Score Card (BSC)</td>
<td>Return</td>
<td>Financial/Social Sustainability</td>
</tr>
<tr>
<td></td>
<td>Learning</td>
<td>Culture, creativity, teamwork</td>
</tr>
<tr>
<td></td>
<td>Stakeholder Environment</td>
<td>Parties that the organization serves i.e., the community, donors, shareholders</td>
</tr>
<tr>
<td></td>
<td>Internal Activities</td>
<td>Practices, systems</td>
</tr>
<tr>
<td></td>
<td>Visioning</td>
<td>How the vision is communicated</td>
</tr>
<tr>
<td>SIMPLE Methodology</td>
<td>Scope It</td>
<td>Identify impact drivers: mission, internal, external, stakeholder drivers</td>
</tr>
<tr>
<td></td>
<td>Map it</td>
<td>Quadruple bottom line: financial, social environmental, economic</td>
</tr>
<tr>
<td></td>
<td>Track it</td>
<td>Strategic and specific measures and processes</td>
</tr>
<tr>
<td></td>
<td>Tell it</td>
<td>Reporting data collected</td>
</tr>
<tr>
<td></td>
<td>Embed it</td>
<td>Integrating impact measures into decision making</td>
</tr>
<tr>
<td>Social Auditing</td>
<td>3rd party Audit</td>
<td>A outside, 3rd party audits your organization</td>
</tr>
<tr>
<td>Social Return on Investment (SROI)</td>
<td>Inputs</td>
<td>Resources invested in your activity</td>
</tr>
<tr>
<td></td>
<td>Outputs</td>
<td>Direct and tangible products from activity (i.e., # of people trained)</td>
</tr>
<tr>
<td></td>
<td>Outcomes</td>
<td>Changes to people resulting from activity (i.e., increased income)</td>
</tr>
<tr>
<td></td>
<td>Impact</td>
<td>Outcomes less an estimate of what would have happened anyway</td>
</tr>
<tr>
<td>Cost Effective Analysis (CEA)*</td>
<td>Inputs</td>
<td>i.e., cost</td>
</tr>
<tr>
<td></td>
<td>Non-monetary outcomes</td>
<td>i.e., cost per child cured of malaria</td>
</tr>
</tbody>
</table>

(table continues)
Table 4. (continued)

<table>
<thead>
<tr>
<th>Measurement Technique</th>
<th>Main Characteristics</th>
<th>Description of Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Benefit Analysis (CBA)*</td>
<td>Inputs</td>
<td>i.e., cost</td>
</tr>
<tr>
<td></td>
<td>Outcomes</td>
<td>Monetized outcome</td>
</tr>
<tr>
<td>Benefit-cost ratio*</td>
<td>Inputs</td>
<td>i.e., cost</td>
</tr>
<tr>
<td></td>
<td>Collective benefits</td>
<td>Translates the outcomes of diverse programs into one monetized value</td>
</tr>
<tr>
<td>Best Available Charitable Option (BACO)*</td>
<td>Social impact</td>
<td>Social impact of one program</td>
</tr>
<tr>
<td></td>
<td>Comparison</td>
<td>Compared to other available charitable options</td>
</tr>
<tr>
<td>Expected Return (ER)*</td>
<td>Evaluate</td>
<td>Evaluate and compare potential charitable investments</td>
</tr>
<tr>
<td>Cost Per Impact (CHIP)*</td>
<td>Opportunity</td>
<td>Identify opportunities</td>
</tr>
<tr>
<td></td>
<td>Cost per impact</td>
<td>Provide cost per impact estimates to potential investors</td>
</tr>
</tbody>
</table>

*The measurement techniques with an * next to them were measurement techniques that were eliminated after the initial data coding because none of the data in the sample corresponded to these techniques.

Return and Cost per Impact measurement techniques were eliminated because in order for them to be relevant, the social enterprise would have had to be funded by an impact investor or a global venture fund such as the Acumen Fund. None of the social enterprises interviewed received any type of funding from impact investors or global ventures funds.

The open coding phase took pieces of data in the form of statements made by the interviewees and matched them with the corresponding measurement techniques. For instance in an interview with Walu International the interviewee stated, “From a health standpoint we measure in terms of the decrease in diarrhea as a result of the number of hand washing stations installed” (Appendix H, p. 74). This statement was coded as an outcome in the SROI measurement technique. An outcome in the SROI technique is defined as the

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2 References to direct quotations from interview text indicate the Appendix Label of the transcribed interview and the page number where the quotation is located. For example, (Appendix H, p. 73) indicate that the quotation is from the interview in Appendix H on page 73 of this document.
changes to the community resulting from a specific activity (New Economics Foundation, 2004). The number of hand washing stations installed would be coded as an output which is defined as a direct and tangible product resulting from an activity. After the initial coding of the interviews, the axial coding phase could begin. In the axial coding phase, the researcher begins to relate the concepts to each other. This was done by grouping them in Table 6 and highlighting the themes in each typology (Appendix C). Highlighting the themes created a visual from which the main theories could be constructed. The selective coding phase utilized the visual representation of concepts to assemble them into theories related to each typology. These findings are detailed in the next chapter.
CHAPTER 4

PRESENTATION OF FINDINGS

In this section the findings from the data analysis are presented. First the overall findings are discussed leading into a detailed presentation of the themes discovered within each typology of social enterprise.

GENERAL FINDINGS

After eliminating the measurement techniques that did not emerge in the data, the four that remained were the BSC framework, the SIMPLE Methodology, the Social Audit and the SROI calculation. Table 7, the general findings table, located in Appendix D illustrates the amount of times that data from the interviews corresponded with a characteristic related to one of the four remaining measurement techniques. Among the BSC Framework, SIMPLE Methodology and the SROI calculation; characteristics related to the BSC Framework were mentioned the most with 28 statements made relating to this technique. The SIMPLE Methodology and SROI calculation were mentioned almost the same amount of times with 23 and 24 mentions respectively. The Social Audit was only mentioned once throughout the twelve interviews conducted.

There were also themes that emerged related to the business model and the size of operation. As expected, most of them corresponded with the themes found in the typologies being that business model and size are directly correlated to each typology’s defining characteristics. Five out of the twelve social enterprises interviewed were non-profits. It appeared that non-profits were more concerned with the stakeholder environment characteristic of the BSC Framework than any other business model present. This was consistent with one of the themes found in the Social Bricoleur typology that will be discussed in length in the following section. The two other business models that appeared in this study sample were hybrid social enterprises and integrated social enterprises. Hybrid social enterprises which are organizations that pursue both social and economic gains were represented by five out of the twelve social enterprises that were interviewed. Overall they
were more internally focused than any other business model. The final two social enterprises were integrated social enterprises which are defined as social enterprises that are for-profit businesses that adopt certain activities meant to carry out social goals (Fowler, 2000). These social enterprises were the least concerned with measuring outcomes which they explained by stating that the outcome measurements were performed by their field partners (Appendix M). Through the coding phase it also appeared there were themes that correlated with the size of the social enterprise. The sample ranged from microenterprises with as little as two employees to large social enterprises with as many as 3500 employees. It appeared that as the size of the enterprise increased, the concern with measuring inputs decreased and the use of measurements such as outputs increased.

**FINDINGS BY TYPOLOGY**

After the initial coding of the data gathered through interview with social entrepreneurs, the major themes were identified within each typology. In order for a theme to be present, the majority of social enterprises in that typology had to have data related to that measurement characteristic. If there were four social enterprises in the category then three out of the four had to have a check mark in that category in order for it to be considered a theme. For a detailed illustration of the themes that emerged in each typology see Table 6, Appendix C, for the coding table by typology. These findings are described in detail below.

**SOCIAL BRICOLEUR**

Consistent with the description of a *Social Bricoleur* ventures that were identified and interviewed for this study were mostly non-profits and were the smallest in terms of revenue and number of employees. The four enterprises categorized as *Social Bricoleurs*: A New Day Cambodia, Walu International, The Indigenous Education Fund of Tanzania and Welldone.org. A New Day Cambodia is a non-profit enterprise that was started to address the need for educating Cambodian kids living and working in the village garbage dumps. Walu International is a non-profit that addresses the need for sanitation tools and education in Papua New Guinea. The Indigenous Education Fund of Tanzania is a non-profit organization that started a private school in Tanzania as a way to address the corrupt and failing school systems in Tanzania. Welldone.org is a non-profit organization that uses innovative marketing and design as a means to raise awareness and funds for clean water wells in
Malawi, Africa. After the data from the interviews was analyzed and coded, the major themes were identified and an overall theory was established for each typology.

As seen in the coding spreadsheet by typology table in Table 6, Appendix C, there were three measurement techniques that emerged as unique to the Social Bricoleur typology. The first unique characteristic was the stakeholder environment. This part of the BSC framework is described as all parties that the organization serves such as communities, donors and stakeholders (Bull, 2007). For instance during the interview with A New Day Cambodia stated, “We deliver our children’s school reports to our donors and board members” (Appendix G, p. 70). Three out of the four Social Bricoleurs made similar statements that directly related to how they included their stakeholders in their operations.

The second unique characteristic that was identified was the tracking of inputs used in the SROI measurement technique. Inputs in the SROI calculation are described as any resource that is used in your organizations’ activities (New Economics Foundation, 2004). This characteristic was commonly mentioned in discussion regarding donations as the main input for the programs conducted and impacts that were being made. For example, in an interview with Walu International the founder stated, “I would say that our fundraising measures and goals are most important because that directly effects how many projects we get to do and how many people we impact” (Appendix H, p. 74). All four of the Social Bricoleurs made statements that related to how donations were the main input of their organizations. The Indigenous Education Fund of Tanzania stated, “Our annual budget is broken down into fundraising goals for individual donations, student sponsorships and grants” (Appendix J, p. 82).

The final unique trait that was consistent throughout the Social Bricoleur typology was the fact that these ventures were focusing more on measuring outcomes rather than outputs. An outcome in the SROI calculation is defined as changes to people resulting from a specific activity for example new jobs created, increased income and improved stability in life (New Economics Foundation, 2004). Walu International measured outcomes as “The decreased amount of diarrhea as a result of new hand washing stations” (Appendix H, p. 74). Another non-profit organization, WellDone.org, measured outcomes as the, “Percentage of water wells that have been maintained by the community and are still up and running”
All four of the Social Bricoleurs made mention of an outcome that resulted from a specific activity.

**SOCIAL CONSTRUCTIONIST**

The Social Constructionists that were interviewed were mostly for-profit hybrid social enterprises. The four organizations that were categorized as Social Constructionists were: Solo Eyewear, Paradigm Project, Nika Water and 31 Bits. Solo Eyewear is a for-profit social enterprise that sells sunglasses and in turn uses part of the profits to fund eye glasses and surgeries in developing countries. The Paradigm Project is a for-profit social enterprise that sells innovative cookstoves to communities and individuals in East Africa which in turn lowers carbon emissions and allows for the sale of carbon credits. Nika Water is a social venture that sells water which in turn funds clean water projects in numerous developing countries. 31 Bits is an innovative social enterprise that combines the sales of stylish jewelry made by women in Uganda with social programs that help empower and educate women in Uganda.

Social Constructionists differed in two key areas of performance measurement from other types of social ventures. Social Constructionists were most similar to Social Engineers; except in the internal activities characteristic of the BSC framework. The internal activities of the BSC framework is characterized by the processes and activities that are in place to successfully achieve the vision (Bull, 2007). In an interview with Nika Water, a for-profit social enterprise, they mentioned that a main internal activity included measuring the performance of their sales people to make sure their performance goals were successfully met while maintaining the vision (Appendix M). Solo eyewear also mentioned some of the internal activities that help maintain the vision, “We treat our customers with the best possible customer service for instance we include personalized messages with each order. We also make sure the customers are engaged and aware of the difference they are making” (Appendix N, p. 101). Other interviewees mentioned utilizing surveys as a way to assess the impact being made on their target communities.

Another difference that Social Constructionists exhibited was seen in the output characteristic of the SROI calculation. An output is described as direct and tangible product that results from an activity (New Economics Foundation, 2004). Examples of outputs are
trees planted, products sold and people trained. In an interview with for-profit social enterprise Paradigm Project they described outputs as, “The number of people impacted, number of trees saved and tons of carbon dioxide saved by the sales of carbon credits” (Appendix K, p. 86). Another theme that was seen throughout the Social Constructionist typology was the measurement of sales as an output. All four of the Social Constructionists that were interviewed stated that sales was an extremely important output and correlated directly with the sustainability of their businesses. In an interview with Nika Water when asked about what performance measure was the most important they stated, “The sales from our water is the most important because that drives the giving side of our business model and without the sales from our products we can’t help fund our partner’s projects” (Appendix M, p. 96).

**SOCIAL ENGINEER**

The four organizations that were categorized as Social Engineers were: One Laptop Per Child, Aravind Eye Institute, Orbis and Invisible Children. They were all large in scale and had high revenues and human resources. One Laptop Per Child is a for-profit social enterprise that brings low cost laptops to children in developing countries as a way of helping them learn faster and more efficiently. Aravind Eye Institute is a state-of-the-art institute that has hospitals across India and functions with a unique model where those that can afford to pay for eye care are charged regular price which in turn subsidizes that procedures for those that cannot afford them. Orbis is an international non-profit that flies volunteer doctors to developing countries where they educate doctors in the communities on the newest procedures in ophthalmology. Invisible Children is a for-profit social enterprise that combines a fight to stop the Lords Resistance Army with a variety of social programs focused on educating and providing jobs for people in Uganda. In terms of performance measurement, Social Engineers exhibited very similar characteristics to Social Constructionists. Overall the one difference that Social Engineers showed was that they measured outputs more often than they measured outcomes.

While only three of the four Social Engineers interviewed were for-profit social enterprises; they mentioned sales as an output less often than the Social Constructionists. When asked about performance measures, Aravind Eye Institute stated, “In our end of year
meetings we look at how many procedures were performed, quality of care, volume of patients and number of outreach events conducted in the community” (Appendix P, p. 109). Similarly in an interview with Orbis, they defined their performance measurements in terms of, “Number of trainings done per year, amount of funds raised and the amount of surgeries performed by Orbis trainees” (Appendix Q, p. 114).

Building on the foundation laid by the Zahra et al. (2009) literature in which they defined three distinct typologies using specific criteria; this analysis provides a fourth dimension characterized by performance measurement techniques. Considering the variety of performance measurement techniques that exist; is it no surprise that these typologies are using measurements that are characteristic to more than one technique. Table 8 in Appendix E shows the most representative data for each characteristic found in each typology. Overall it was found that Social Bricoleurs were the most distinct in their measurement techniques. They were the only typology that was unanimously concerned with the stakeholder environment which was mostly related to their donors. Directly correlated to their concern for the stakeholder environment was the concern for the financial inputs characteristic of the SROI calculation. Social Bricoleurs were also the only typology measuring outcomes more often than outputs. Moving from Social Bricoleurs to Social Constructionists and Social Engineers; the distinctions in measuring techniques decreased. Social Constructionists and Social Engineers were both concerned with measuring outputs and Social Constructionists were the only typology that tended to focus on the internal activities characteristic of the BSC Framework.
CHAPTER 5

DISCUSSION AND CONCLUSION

This thesis added to the emerging literature on social enterprises by presenting results of a qualitative study on performance measures used by three types of social ventures: Social Bricoleurs, Social Constructionists and Social Engineers. This section discusses the implications of the study findings for theory and practice. It also addresses the study limitations and presents avenues for future research.

THEORETICAL IMPLICATIONS

As discussed in the presentation of findings, this study found themes related to performance measurement techniques within each typology. Social Bricoleurs were the most dynamic in that they were most concerned with the stakeholder environment as defined by the BSC Framework. Many of the Social Bricoleurs were focused on donors as their main stakeholders. The concern for the stakeholder environment is perhaps due to the fact that all of the Social Bricoleurs were non-profits. For non-profits to secure donations they must be conscious of how they are treating and engaging with their donors. For instance, a few of the Social Bricoleurs interviewed mentioned that they sent special reports to their donors to inform them of student successes. Sending special reports is a way for them to keep donors engaged and excited about the mission. Social Bricoleurs were also the only typology that measured outcomes more often than outputs and were most concerned with measuring financial inputs as a part of the SROI calculation. Again this is most likely due to the non-profit nature of the Social Bricoleurs that were interviewed. It is important for non-profits to be aware of outcomes so they can be reported to their current donors and shared with prospective donors. It is also crucial for them to be aware of where their money can be used most effectively, hence the focus on financial inputs. Social Constructionists and Social Engineers were fairly similar in their performance measurement techniques. Social Constructionists were unique in that they were the only typology that used the internal activities part of the BSC Framework as a part of their performance measurements. This is
perhaps due to the for-profit nature of the Social Constructionists interviewed. They tend to be structured more like traditional businesses and need internal checks and balances to operate effectively. Both Social Constructionists and Social Engineers were more concerned with outputs as defined by the SROI calculation than outcomes. Two of the Social Constructionists explained that their partners in the field were measuring outcomes and reporting them back; therefore they were less inclined to measure outcomes themselves. The majority of the Social Constructionists and Social Engineers were measuring sales as the main output of their businesses. This was due to the fact that most of the Social Constructionists and Social Engineers were for-profit social enterprises that were selling a product as a means to fund their own programs or their partners programs.

Although the focus of the study was identifying themes of the performance measurement among the different typologies; this study was also designed to address two gaps found in the literature on social enterprises. The first gap is detailed in Smith and Stevens (2010) which describes the research on social entrepreneurship as lacking a theoretical base. This was addressed by using the Zahra et al. (2009) literature which identified three distinct typologies of social entrepreneurship. In this literature Zahra et al. (2009) used entrepreneurial theory as the basis for the categorization of the three typologies. The foundation of this thesis is based on the Zahra et al. (2009) literature and therefore employed the theories related to the typologies that were derived from the entrepreneurial theories described by Hayek (1945), Kirzner (1997) and Schumpeter (1942). The second gap that this study addressed was the fact that the majority of empirical research that exists on performance measurement of social enterprise is largely conceptual (Ruebottom, 2011). Rather than presenting new ways of evaluating organizational performance; this study presented ways in which social enterprises are currently measuring performance and how that related to or deviated from the literature. Scholars can use this information to further understand how social enterprises are using the performance measurement techniques identified in current literature. Scholars can also use the analytical framework of this study to conduct more studies that identify other levels of differentiation among the typologies defined by Zahra et al. (2009).
**PRACTICAL IMPLICATIONS**

This study represents an important contribution to the literature on social enterprise performance measurement. The main motivation for this study was to create a deeper understanding of how social enterprises are measuring performance. The insights gained in this study can be used in a variety of ways by both stakeholders and practitioners. Social entrepreneurs will find practical uses for this information in many areas. The findings of this study should help individuals involved in social entrepreneurship understand the different types of ventures and the commonly used performance measures associated with each type. This understanding can lead to the implementation of processes and operations related to performance measurement. Understanding performance measurement techniques among various social venture types is also important to impact investors who may be looking to fund a social enterprise. Impact investors are most interested in how social enterprises measure performance. These performance measurement techniques help impact investors to understand how some social enterprises are performing better than others and what return on investment they are likely to receive. Overall, this study lends itself to a variety of practitioners that will gain a broader understanding of the performance measurement landscape that exists amongst social enterprises.

**STUDY LIMITATIONS AND FUTURE RESEARCH**

The following section discusses the limitations that emerged during the study and makes suggestions for future research.

**Study Limitations**

While this study offers some interesting insights, it is also subject to several limitations. First, the small sample size was a major shortcoming which resulted in a limited generalization of findings. Specifically, the findings were limited to the twelve cases that participated and would need to be further tested in a larger sample with more quantitative analysis to deduct whether the themes are representative. The small sample size was due to the difficulty in getting in touch and scheduling interviews with social entrepreneurs at the various organizations identified. The sample size was also limited given that this study focused solely on international social enterprises. Lastly, only four of the ten measurement techniques identified in the literature review emerged in the interviews conducted as a part of
this study. Therefore more investigation is needed to cover the remaining measurement techniques. Future researchers could include social enterprises and global venture funds that are utilizing the techniques that were not present in this study.

**Future Research**

The performance measurement characteristics identified across each typology should be examined across other cases. In order to replicate and extend the findings discussed in this thesis, a strong sample size and quantitative analysis should be employed to determine whether the themes identified hold true in a larger sample. Quantitative analysis would allow for the identification of themes anchored by statistics rather than descriptions. The conclusion of these findings is limited to the cases discussed and analyzed. Future research should consider this as a foundation for future investigation into performance measurement techniques of social enterprises. Further, the sample study for this thesis contained a variety of different business models. Further research could be done focusing on either non-profit or for-profit social enterprises to gain a deeper understanding of the themes present in each. The social enterprises in this study were mostly early stage enterprises founded in the last five years. Future research could identify established social enterprises to see if length of operation correlates with the amount and depth of performance measurement.

**CONCLUSION**

Social entrepreneurship is poised to be the next generation in the evolution of international development and aid. While these organizations and companies all share an affinity for the mission and creating social wealth; they are all very different in the way they operate and how they measure their performance. This study identified, analyzed and attempted to uncover themes of performance measurement within the different typologies of social enterprises defined by Zahra et al. (2009). At present, empirical evidence is lacking in regards to how social enterprises are measuring performance and how that relates or deviates from the literature that exists on performance measurement of social enterprises. Therefore, this study was designed to address this gap by presenting current data and examples of performance measurement, analyzing that data to uncover trends and using those trends to further differentiate the typologies defined by Zahra et al. (2009).
BIBLIOGRAPHY

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New Economics Foundation. (2004). *Measuring social impact: The foundation of social return on investment (SROI)*. Retrieved from https://docs.google.com/file/d/0B1Be-Umh_lX5MGU3Y2U5ODEtMmM2YS00ZDZjLWJ1YmYt0GE0MzRmMGR1MmNk/edit?pli=1


**WORKS CONSULTED**


APPENDIX A

SAMPLE PROCUREMENT SOURCES
1. Ashoka Fellows Website http://www.ashoka.org/

2. Social Venture Network http://svn.org/


4. Acumen Fund http://www.acumenfund.org/ten/


7. B Corporation http://www.bcorporation.net/
APPENDIX B

COMPARATIVE CASE DATA ON ALL 12 CASES
Table 5. Comparative Case Data on all 12 Cases

<table>
<thead>
<tr>
<th>Name of Social Enterprise</th>
<th>Social Bricoleur</th>
<th>Social Constructionist</th>
<th>Social Engineer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Founded</td>
<td>Walu International</td>
<td>Indigenous Education Foundation of Tanzania</td>
<td>WellDone.org</td>
</tr>
<tr>
<td>Location of Impact</td>
<td>Guinea</td>
<td>Tanzania</td>
<td>Malawi</td>
</tr>
<tr>
<td></td>
<td>San Francisco, CA</td>
<td>Jamaica</td>
<td>San Francisco, CA</td>
</tr>
<tr>
<td>Business Model</td>
<td>Non-profit</td>
<td>Non-profit</td>
<td>Non-profit</td>
</tr>
<tr>
<td>Number of Employees/Volunteer</td>
<td>25 volunteers</td>
<td>2 employees/10 volunteers</td>
<td>11 employees/5 employees</td>
</tr>
<tr>
<td>Revenues donated or earned</td>
<td>25K</td>
<td>365K</td>
<td>Unknown</td>
</tr>
<tr>
<td>Respondent Information</td>
<td>Founder</td>
<td>Director</td>
<td>Executive</td>
</tr>
<tr>
<td>Description</td>
<td>Building a network of schools</td>
<td>Shallow clean water wells</td>
<td>Providing education for children living in garbage dumps</td>
</tr>
</tbody>
</table>
APPENDIX C

CODING SPREADSHEET BY TYPOLOGY
### Table 6. Coding Spreadsheet by Topography

<table>
<thead>
<tr>
<th>Business Model</th>
<th>Revenue Size (employee, volunteer, sustainability)</th>
<th>Topography</th>
<th>Balanced Score Card (BSC)</th>
<th>SIMPLE Methodology</th>
<th>Social Audit</th>
<th>Social Return on Investment (SROI)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Return: Financial, Culture, Strategic, Specific</td>
<td></td>
<td>Stakeholder Environment</td>
<td>Learning</td>
<td>Visioning</td>
<td>Scope It</td>
</tr>
<tr>
<td>A New Day Cambodia</td>
<td>Non-profit 35K</td>
<td>X</td>
<td>Employee X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Well Done</td>
<td>Non-profit 2K</td>
<td>X</td>
<td>Employee X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>WuliU International</td>
<td>Non-profit 25K</td>
<td>X</td>
<td>Volunteer X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Fund of Tanzania</td>
<td>Non-profit 35K</td>
<td>X</td>
<td>Employee X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Paradigm Project</td>
<td>Hybrid 60X</td>
<td>X</td>
<td>Employee X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>31 Bits</td>
<td>Hybrid 12</td>
<td>X</td>
<td>Employee X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Nike Water</td>
<td>Hybrid/Par unknown 7</td>
<td>X</td>
<td>Employee X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>SOLO Eyewear</td>
<td>Hybrid/Pa 15X</td>
<td>X</td>
<td>Volunteer X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>One Laptop Per Child</td>
<td>Hybrid 97M</td>
<td>X</td>
<td>Employee X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Arind Eye Institute</td>
<td>Hybrid 3500</td>
<td>X</td>
<td>Employee X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Invisible Children</td>
<td>Hybrid 13M</td>
<td>X</td>
<td>Employee X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Orasis</td>
<td>Non-profit 18M</td>
<td>X</td>
<td>Employee X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
APPENDIX D

OVERALL FINDINGS
Table 7. Overall Findings

<table>
<thead>
<tr>
<th>Balanced Score Card (BSC)</th>
<th>Internal Evaluation Techniques</th>
<th>Social Auditing</th>
<th>Social Return on Investment (SROI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return</td>
<td>Stakeholder</td>
<td>Scope it</td>
<td>3rd Party</td>
</tr>
<tr>
<td>Learning</td>
<td>Internal</td>
<td>Map it</td>
<td>Financial)</td>
</tr>
<tr>
<td>Environment</td>
<td>Visioning</td>
<td>Track it</td>
<td>Outputs</td>
</tr>
<tr>
<td>Activities</td>
<td></td>
<td>Tell it</td>
<td>Outcomes</td>
</tr>
<tr>
<td>Visioning</td>
<td></td>
<td>Embed it</td>
<td>Impacts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social Broker</th>
<th>Social Constructor</th>
<th>Social Engineer</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
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<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Total: 28 | 23 | 1 | 24
APPENDIX E

REPRESENTATIVE DATA
**Table 8. Representative Data**

<table>
<thead>
<tr>
<th>Social Sector</th>
<th>Balanced Score Card (BSC)</th>
<th>Internal Evaluation Techniques</th>
<th>Social Return on Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Return from the project side</td>
<td>Visioning, Map It, Tell It, Embed It, 3rd Party</td>
<td>Social Auditing</td>
</tr>
<tr>
<td></td>
<td>Learning first, we keep it simple and clean and that's in every part of our business</td>
<td>On the donation side we measure our performance via number of repeat donors and how much our board members help us raise</td>
<td>Outputs number of clean water projects we are able to build, number of people we are reaching in terms of decreasing the amount of diarrhea by a certain amount.</td>
</tr>
<tr>
<td></td>
<td>We consider our business to be sustainable because of the for-profit model and the sales from our sunglasses.</td>
<td>Last year we started an evaluation program in Uganda, where one of our staff members meets with the women each month. Each woman they meet to see if her life has changed and the stove, health, and cooking benefits.</td>
<td>From a health standpoint, we think in terms of decreasing the amount of diarrhea by a certain amount.</td>
</tr>
<tr>
<td></td>
<td>Social Consequences</td>
<td>Kitchen survey (quarterly), which is a sample of people who own cookstoves and there is a list of questions asked about the stove, health, and cooking benefits.</td>
<td>Benefit Corporation is a third party auditor that does an audit of the business and gives a score out of 200 based on your environmental, social and financial benefits.</td>
</tr>
<tr>
<td></td>
<td>Social Engineering</td>
<td>We also have an e-learning system called Cyber Sight so that doctors can get up to date information on surgeries and procedures. Our business is 100% sustainable because our revenue generating activities.</td>
<td>We also track how many and how much we have funded for each project.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Balanced Score Card (BSC)</th>
<th>SIMPLE Methodology</th>
<th>Social Return on Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder Environment</td>
<td>Internal Activities</td>
<td>Social Auditing</td>
</tr>
<tr>
<td>Balanced Score Card (BSC)</td>
<td>Visioning, Map It, Tell It, Embed It, 3rd Party</td>
<td>Social Auditing</td>
</tr>
<tr>
<td>Stakeholder Environment</td>
<td>On the donation side we measure our performance via number of repeat donors and how much our board members help us raise</td>
<td>From a health standpoint, we think in terms of decreasing the amount of diarrhea by a certain amount.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Balanced Score Card (BSC)</th>
<th>Internal Evaluation Techniques</th>
<th>Social Return on Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder Environment</td>
<td>Visioning, Map It, Tell It, Embed It, 3rd Party</td>
<td>Social Auditing</td>
</tr>
<tr>
<td>Balanced Score Card (BSC)</td>
<td>On the donation side we measure our performance via number of repeat donors and how much our board members help us raise</td>
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</tr>
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</tr>
<tr>
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</tr>
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</tr>
<tr>
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</tr>
<tr>
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<tr>
<td>Stakeholder Environment</td>
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<td>Social Auditing</td>
</tr>
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</tr>
</tbody>
</table>
APPENDIX F

INTERVIEW SCRIPT
<table>
<thead>
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A New Day Cambodia (34 minutes)

Researcher (Erin Chmelik): Why did the founders start A New Day Cambodia? What were their motivations?

Interviewee (AJ): Initially the founder didn’t intend to start a non-profit, however when he was in Cambodia in 2002 his driver took him to see this garbage dump in a nearby village. He was shocked by all the children who were working in dump. At that time he selected one little girl and promised to try and help her and her sisters go to school. Once he returned home and stated telling his friends and family about his experience they started asking how they could help. After supporting 20 children through donations informally, he decided that they would need a house and set up the kids in the house so they made sure they would go to school. He started fundraising and by early 2007 they were ready to rent.

EC: How would you describe your business model? Does your business model include revenue generating activities?

AJ: This organization is funded almost entirely from private donation, and we are affiliated with the Chicago bulls who also do a donation every year. Up until recently it was very focused on getting funds so that there would be enough money so that we could keep the childrens center open. We have no income generating activities. People can sponsor a child to send them to school and there are different tiers of sponsorship from $1200 a year to sponsor a child or $1800 a year to sponsor them and their school fees. You can also donate $600 a year just to fund their education. Sponsors renew year after year.

EC: Are there certain processes or activities in place that are geared towards ensuring sustainability?

AJ: Since it is donation based there isn’t a lot of sustainability financially although we do get reoccurring donations and our sponsors tend to renew year after year. As for the sustainability of the impact, all the children were selected from the city garbage dump. We have two houses one for boys and one for girls at the houses they learn English, computer programs and do activities. The main goal is for them to go as far as they can in education. For instance one became a hairdresser, one became a chef and we have some boys are in an apprenticeship with a plumbing company.

EC: What are the core values of your business?
AJ: Education is our main value, by offering them this opportunity we hope that they can rise above and do great things.

EC: What goals did you have when you started your business?

AJ: Our goals we the organization started were to be able to house our children and make sure the whole operation was running efficiently. We started off with 40 children in one house and 6 months later we had a second house with 55 more children.

EC: How have the goals evolved over time?

AJ: We are now at capacity in our centers so we are focusing on making sure we keep it running efficiently and that our students are getting the best possible education and care.

EC: How do you define performance measurement within your organization?

AJ: We look at school test results and grades every month and we like to post the children’s progress online to engage our donors. We also deliver these results to our board members.

EC: How do you set performance measures? How often are they set and how often are they evaluated?

AJ: In terms of school reports, they are evaluated on a monthly basis.

EC: Do you have certain measurements that are geared towards measuring social impact & value?

AJ: Since our operation is very small scale we don’t have a lot of detailed measurements for social impact. We obviously keep track of our students progress such as whether or not they make it to high school or go on to do other stuff. We help them until they can support themselves.

EC: Are there some performance measures that are more important than others?
AJ: Our donation goals and metrics.

EC: Do you continually meet your performance goals, and what actions do you take if they are not being met?

AJ: As of right now we do continually meet our goals and if they weren’t being met we would have to go back and evaluate our operations.

EC: How have the performance measurements evolved over time?

AJ: They haven’t changed much but perhaps in the future they will become more detailed.

EC: Does your company have shareholders or impact investors that have invested money to help fund operations? And if so what kind of influence do they have on decision making and do you deliver any sort of impact or performance reports to them?

AJ: No we do not have shareholders, we would consider our stakeholders to be our donors.

EC:

# of Employees/Volunteers: 11/1
2011 Revenues: 315 K
Year Founded: 2002
APPENDIX H

INTERVIEW TRANSCRIPT: WALU INTERNATIONAL
Walu International (26 minutes)

Researcher (Erin Chmelik): Why did you start a Social Enterprise? What were your motivations?

Interviewee (ZP): A lot of my motivations came from my entrepreneurial background and my other motivation was that I wanted to give back to a community that was close to my heart. I found this community in Papua New Guinea when I showed up there or a surf trip and the community immediately welcomed me and my friend in.

EC: How would you describe your business model? Does your business model include revenue generating activities?

ZP: We are a non profit so we get all of our money from fundraising. Our biggest portion of our funds comes from private donors and everything else is through fundraisers. Fundraisers are split in between individuals who pay the door charge and then there are companies who donate money and products. We have about 1-2 fundraisers per year and know every donor personally. Most people approach us because they heard what we have been doing and are interested in getting involved.

EC: Are there certain processes or activities in place that are geared towards ensuring sustainability?

ZP: Starting with the US side we are donation based so it is hard to have true sustainability but we do have recurring donations from the Give a Crap Campaign which gives us a revenue stream of incoming donations. From the project side we make sure not to give anything away, the villagers build their own projects and Walu facilitates them. We ask them what it is they want and need and 100% of everything is long term, once the project is finished they take over the care and maintenance of it.

EC: What are the core values of your business?

ZP: We have 3 main values that we keep in mind everyday. First, we keep it simple and clean and that’s in every part of our business from our website to the fundraising campaigns. Second, no handouts, we say hand up not hand out. Third, we try and keep everything lighthearted when we build relationships or even in our campaigns we won’t use pictures of children who are sad.
EC: What goals did you have when you started your business?

ZP: When we started we had unrealistic goals we thought we would be in 10-15 countries in 10 years and help out a certain amount of people by then. With a non profit its unrealistic to think it can expand like a normal business. In countries like PNG it takes years to build trust and learn their nature, culture and politics.

EC: How have the goals evolved over time?

ZP: We have learned to slow down and do things correctly. Make a good model first and then think about expanding. We want to think in terms of how many people you effect three generations from now.

EC: How do you define performance measurement within your organization?

ZP: Since we aren’t actually building anything, the easiest way would be to say that 75% of the village has built handing washing stations for example. From a health standpoint we think in terms of decreasing the amount of diarrhea by a certain amount. We haven’t hit the stage yet where we have tangible results. Its difficult because you are getting biased opinions from the community. We did do a baseline survey when we entered the village that we will eventually measure against.

EC: How do you set performance measures? How often are they set and how often are they evaluated?

ZP: In the first year our goal for fundraising was $20,000 and the second year we double that to $40,000. We need to raise about $25,000-$30,000 in order to cover the cost of the projects.

EC: Do you have certain measurements that are geared towards measuring social impact & value?

ZP: We don’t have any set measurements but our staff on the ground who are specialists would know more about the impact.

EC: Are there some performance measures that are more important than others?
ZP: I would definitely say that our fundraising measures and goals are most important because that directly effects how many projects we get to do and how many people we impact.

EC: Do you continually meet your performance goals, and what actions do you take if they are not being met?

ZP: We have met our fundraising goals in the past and if we are not we have to look at how we can change our fundraising and raise more awareness to get people interested.

EC: How have the performance measurements evolved overtime?

ZP: I see performance measurements getting more detailed overtime. In the village it is very qualitative. A goal for us is that are they teaching other villages, are they working on other projects that have the similar foundation. All donors want quantitative measurements but there is a huge disconnect there because of how accurate they really are and how the people in the US running the organization view results and how the people on the ground view results. Its not going to change quickly but its all about managing expectations.

EC: Does Walu International have shareholders or impact investors that have invested money to help fund operations? And if so what kind of influence do they have on decision making and do you deliver any sort of impact or performance reports to them?

ZP: We obviously don’t have investors because we are a non profit but we do see our donors wanting more impact performance reports and metrics.

EC:
# of Employees/Volunteers: 25 Volunteers
2011 Revenues: 25K
Year Founded: 2008
APPENDIX I

INTERVIEW TRANSCRIPT: WELLDONE.ORG
WellDone.org (28 minutes)

Researcher (Erin Chmelik): Why did you start a Social Enterprise? What were your motivations?

Interviewee (JT): For me travel played a major role in starting WellDone.org. In 2005 I traveled to Ghana for the first time to teach English. This opened my eyes to a lot of the social issues that were facing this country. I also studied design and communication studies at UCLA and wanted to figure out a way that I could use those skills to address social issues. I was working at Google when I started WellDone and quickly realized that I wanted donation platforms to be more transparent. So I combined my love for design and the idea to make donations transparent into the idea for WellDone.org.

EC: How would you describe your business model? Does your business model include revenue generating activities?

JT: WellDone is a non-profit organization that combines creative design with a passion for helping people in Africa get access to clean water. We have partners on the ground that we funnel our funds into and that help with the installation of the wells. As far as our fundraising it is through individual donations as well as some fundraising events throughout the year.

EC: Are there certain processes or activities in place that are geared towards ensuring sustainability?

JT: As far as sustainability of our social impact we make it a point to have the villagers build the wells so they can service them in the future and are involved in the process instead of it just being a handout.

EC: What are the core values of your business?

JT: Our core values are: transparency and accountability, strong design, communicating in a clear and meaningful way and using technology to our advantage.

EC: What goals did you have when you started your business?
JT: Our initial goals were amount of money raised to get the flow of donations moving. Also we wanted to partner with good organizations that were in tune with our mission and vision. Overall we wanted to help reach that UN Millennium goal of clean water access.

EC: How have the goals evolved over time?

JT: Our goals are always evolving, especially recently with the news that the millennium goal will be reached by the end of this year we are turning our attention towards other social issues and making it a goal to start redefining our strategy.

EC: How do you define performance measurement within your organization?

JT: For WellDone we measure our performance by number of clean water projects we are able to fund, number of people we are reaching in those communities and what % are still up and running after a period of time. On the donation side we measure our performance via number of repeat donors and how much our board members help us raise. Also as far as social impact we look at the number of people who are getting involved at home. We also test the water on a regular basis to make sure it is staying clean and not getting contaminated.

EC: How do you set performance measures? How often are they set and how often are they evaluated?

JT: We set them as a team so that we are all on the same page. We don’t have set times that they are evaluated but we do check in on our teammates every so often.

EC: Are there some performance measures that are more important than others?

JT: I think that central to our mission we consider donation metrics and social impact metrics equally important.

EC: Do you continually meet your performance goals, and what actions do you take if they are not being met?
JT: We have performance plan reviews and we look at whether we are hitting our goals and how that plays into our overall strategy. If we are not getting the impact we want then we will reevaluate the strategy.

EC: How have the performance measurements evolved overtime?

JT: They have pretty much remained consistent since we started a few years ago. But we are always looking at our strategy and if it’s not working or we aren’t satisfied then we will make changes.

EC: Does your company have shareholders or impact investors that have invested money to help fund operations? And if so what kind of influence do they have on decision making and do you deliver any sort of impact or performance reports to them?

JT: We do not have shareholders, we have board members and donors. We do not have any specific reports that we deliver to them at this time.

EC:

# of Employees: 2 employees, 12 volunteers
2011 Revenues: unknown
Year Founded: 208
APPENDIX J

INTERVIEW TRANSCRIPT: INDIGENOUS EDUCATION FUND OF TANZANIA
Indigenous Education Fund of Tanzania (20 minutes)

Researcher (Erin Chmelik): Why did you start a Social Enterprise? What were your motivations?

Interviewee (GF): There were two founders, Peter and Ashley who were teaching in a small village near where the school now is located. The school they were teaching at was very poorly run so they planned on saving that school but quickly realized that the people running it were not on the same page. They had their first glimpse of corruption and that school was more concerned with making money. So they decided to open up a school down the road instead. They decided they wanted to create a secondary school to serve the brightest of the poorest students. The IEFT was founded in 2007 and in late 2008 they took their first group of students. Every year following they take a group of 30-35 and have a max of 200 students.

EC: How would you describe your business model? Does your business model include revenue generating activities?

GF: The organization is run on two fronts: fundraising and programs (which are in Tanzania). The ultimate goal is to create a network of schools. All fundraising is done in the US and it is a mix of grants, individual donations, general donations and student sponsorships. The student sponsorships are $2400 per student per year. At that amount they can continue to operate the school by itself year in and year out. And then there are capital construction projects when they need a new building.

EC: Are there certain processes or activities in place that are geared towards ensuring sustainability?

GF: Student sponsorships where sponsors can sign up for as long as they can. We shoot for 30 new sponsors each year and try to keep them for a total of 6 years. We ask sponsors to try and sponsor all 4 years. Through the sponsorship model they build relationships between the kids and the sponsors.

EC: What are the core values of your business?

GF: Our values are split between fundraising and programing. Programing we are very family oriented, there are not many layers between management and the lower staff. We try to work on a community models where the kids are educated in their
community. Fundraising in more disciplined, it brings a business – like discipline to the organization.

EC: What goals did you have when you started your business?

GF: Our ultimate goal is sticking to our mission to provide a good education to the students and provide additional social services to the students. We make sure they have meals, medical care, a uniform and we remove as many barriers as possible so they can get an education. Our ultimate goal is to get the first school running at 100% and then replicate.

EC: How have the goals evolved over time?

GF: They have gone from being more focused on fundraising to being more focused on getting the program side running efficiently and looking forward at expanding.

EC: How do you define performance measurement within your organization?

GF: For the programs we look at the impact it is having, that the kids are learning and doing well on standardized tests. We see their improvement as a measurement of our performance. On the fundraising side we have the annual budget both to cover expenses and we break it down into goals for individual donations, student sponsorships, grants etc. We also look at the return on investment of their fundraising efforts as compared to total revenue.

EC: How do you set performance measures? How often are they set and how often are they evaluated?

GF: See above answer.

EC: Do you have certain measurements that are geared towards measuring social impact & value?

GF: We look at data on student grades, report cards. This summer we will be taking an intern to condense down the data into student records with performance markers. We look at grades, student attendance, visits to the clinic, height and weight changes.
EC: Are there some performance measures that are more important than others?

GF: I would say that performance in our fundraising efforts and performance in our social impact is equally important.

EC: Do you continually meet your performance goals, and what actions do you take if they are not being met?

GF: We are in the development stage as far as performance measures. Standardized tests compare us to school in the area but we want to be much better than those schools. And we look at markers to see if we are improving over time.

EC: How have the performance measurements evolved over time?

GF: Overall they are becoming more defined as we move forward and can focus on our program side more. Has seen a little bit of improvement in concrete performance measurements, increasingly called for because of transparency from grant making organizations. No one wants to pay for the measurements, costs time and energy.

EC: Does IEFT have shareholders or impact investors that have invested money to help fund operations? And if so what kind of influence do they have on decision making and do you deliver any sort of impact or performance reports to them?

GF: We don’t have shareholders since we are a non profit but we do have donors who are becoming more interested in seeing our impacts in a quantitative way.

EC:

# of Employees: 25/10
2011 Revenues: 365K
Year Founded: 2005
APPENDIX K

INTERVIEW TRANSCRIPT: PARADIGM PROJECT
Paradigm Project (38 minutes)

Researcher (Erin Chmelik): Why did you start a Social Enterprise? What were your motivations?

Interviewee (GS): The founder went to Uganda to volunteer for an organization called Food for the Hungry. He had originally started a company called Blue Source that built industrial greenhouse gas offset projects to reduce carbon emission and sell that reduction. While he was in Uganda he saw the need for a better way of heating stoves because the amount of wood being used was polluting the air and very unsafe for the community and their health. He saw the potential for a social enterprise that would create a product to reduce the amount of wood being used and then would sell the carbon credits. He started Paradigm Project in 2008 and spent time in Kenya working with stove manufacturers and building partnerships.

EC: How would you describe your business model? Does your business model include revenue generating activities?

GS: The business model is based on the carbon market but we are trying to improve so that we can build the cookstove business. The base layer is the cookstove business where we go into a country and see what improved cookstove technology is needed and then develop local manufacturing and then build the supply chain to meet that need. We have a really good supply chain in Kenya and we want to recreate that in other countries. The carbon offset business is based on the reduction of carbon emissions and selling those offsets. These offsets come from the reduced amount of wood that is being burned. Currently there are two streams of revenue, the selling of carbon credits and the cookstove sales. We have a network of sales associates in Africa who sell the stoves to local people. The business model includes finding the right products so we meet the demand at an affordable price and finding the local manufacturers to build the supply chain.

EC: Are there certain processes or activities in place that are geared towards ensuring sustainability?

GS: We look at the sustainability two fold. The sustainability of the business comes from the sales of carbon credits and cookstoves. The other part focuses on the sustainability of the impact we are having. Right now we have reduced the amount of wood used to about 50% we would like to see it be lower than that. They are still burning wood but its reduced, there is a technology adoption curve and it takes time to build the network to provide people with the technology. We know that creating sustainability
when it comes to environmental and social impacts is something that is more long term than creating the financial sustainability.

EC: What are the core values of your business?

GS: It is probably different for everyone but we are very motivated through our faith and by impacting people. Our main mission is to build a sustainable impact and do it at scale. Only impacting a couple of communities that’s not good enough for us.

EC: What goals did you have when you started your business?

GS: Our main goal has always been to install 5 million stoves by 2020. Another goal has been to bring the heart and mission of a non profit into a market based organization. When we first started our main goal was to prove that the business model would work and then figure out how we complete the full cycle. How do we bring in cookstoves that people want and how do we create carbon offsets that people will want to buy.

EC: How have the goals evolved over time?

GS: One goal we have implemented as time goes on is to bring down the cost of the cookstove. Another goal is to improve the efficiency in how we are running the supply chain. We are also trying to figure out a better way to track sales. We just delivered the first part of the contract with a group called Climate Neutral, our first set of offsets, so we feel like we proved the business model and our goals will probably change. Month to month goals there is operational efficiency we are trying to reach such as tracking systems for all the cookstoves that are out there.

EC: How do you define performance measurement within your organization?

GS: For us it was we decided what we would measure and how we would measure it. We want to make sure that its tied directly to the stoves and give a comprehensive picture of the impact we are having. We landed on the big 5: # of people impacts, number of hours saved from collecting wood, local income saved from purchasing wood, trees saved, tons of carbon dioxide saved. We have different baselines to determine how we are measuring those. In terms of trees we find a regional # of trees in an area and find the weight of the trees and each stove saves a certain weight of wood a day and then we base it off of that. We try to be conservative in our baseline work because obviously we can’t measure exactly how much wood is saved. We have really complex calculators from when a stove gets sold and he carbon calculator will
extrapolate out and say how much carbon it is saving. Benefit Corporation is a third party auditor that does an audit of the business and gives a score out of 200 based on your environmental, employee satisfaction. Its good to have independent bodies to keep an eye on what you are doing.

EC: How do you set performance measures? How often are they set and how often are they evaluated?

GS: Baseline is established each year. Kitchen surveys (quarterly), which are a sample of people who own cookstoves and there is a list of question asked about the stove, health benefits. We hire a 3rd party monitoring group based in Nairobi and it is submitted to the Gold Standard. Every 12 months we have our auditors come in and audit our carbon calculations, receipts for stoves, stove performance and they submit the findings to the Gold Standard.

EC: Do you have certain measurements that are geared towards measuring social impact & value?

GS: We landed on the big 5: # of people impacts, number of hours saved from collecting wood, local income saved from purchasing wood, trees saved, tons of carbon dioxide saved.

EC: Are there some performance measures that are more important than others?

GS: Tons of carbon saved is tied to our financial sustainability. It’s a balance of impacting people and the planet so I could not say that one is more important than the others.

EC: Do you continually meet your performance goals, and what actions do you take if they are not being met?

GS: Ultimate goal is 5 million stoves by 2020 and so we are continually measuring our progress. We know that quality needs to come before the quantity because without quality we won’t get carbon offsets approved. The goal is still scale but if we aren’t able to effectively sell stoves and develop carbon offsets then our business fails. Checking the pace at which we are growing and reevaluating how we are managing and operating our supply chains.

EC: How have the performance measurements evolved overtime?
GS: Once we developed the big 5 measurements they have really stayed the same. In terms of sales in country it has changed because we are selling more than expected.

EC: Does the Paradigm Project have shareholders or impact investors that have invested money to help fund operations? And if so what kind of influence do they have on decision making and do you deliver any sort of impact or performance reports to them?

GS: We have the parent company which is the paradigm project and then we have the projects that have separate investors. They don’t have much say over what we are doing. We wanted to measure from day one. We wanted them to get a greater return on investment by knowing the impact. We knew that measurements were going to be important to our impact investors.

EC:

# of Employees/Volunteers: 6

2011 Revenues: 692K

Year Founded: 2008
APPENDIX L

INTERVIEW TRANSCRIPT: 31 BITS
31 Bits (25 minutes)

Researcher (Erin Chmelik): Why did you start a Social Enterprise? What were your motivations?

Interviewee (JS): Kallie travelled to Uganda in 2007 and met a bunch of women that were making jewelry out of recycled paper. These women had a great product but no way to market and sell it efficiently. Kallie wanted to come up with an idea of how to work with the women on a long term basis. So she dreamed up the idea of 31 bits which would pay these women for their work and sell the jewelry to a mass market. We are traveled back to Uganda in 2008 to choose the first 6 women they would be working with.

EC: How would you describe your business model? Does your business model include revenue generating activities?

JS: I would describe it as a holistic approach to sustainable development in which we encompass every part of a person’s life. At the end of the 5th year the woman is self-sustaining. We buy the jewelry up front from the women and all of the women make the same amount which equals out to be about what a teacher would make in Uganda. The money is invested into the programs and buying the jewelry.

EC: Are there certain processes or activities in place that are geared towards ensuring sustainability?

JS: Obviously the revenue generating activities help us to sustain the business side which in turn helps us to run our programs. The women are paid a wage which they can live on and care for their families. Our programs is where the impact sustainability really comes from. When these women leave 31 bits we want them to have all the education and business knowledge they need in order to create their own sustainable business. Our programs have developed over the last few years, when the women enter the program they make sure they have a sustainable wage, if they don’t know how to make the jewelry, we teach them. We provide a finance training program so that they can understand why they are in the situation they are in and how they can rise out of it by being financially smart. We help them set goals which is something none of them have ever done before. We teach them how to save money, how to open bank accounts. We also have a Bike loan program where they get a bike from us and then they pay us a little back each month. At the end of 6 months they own their own bike. Also opportunities to talk to counselor to work through some things they’ve been
through. Health education, bring women to a class to learn how to take care of themselves and take their HIV medication (taso) partner in health education. Opportunities to learn English, most speak luo portion know English and luo. The last two years they go through a business training program, business plans, identifying access and skills they have. Business mentorship for the last year. After 4 years the women graduate with their own businesses, over the next year they make less jewelry and thrive in their own businesses more and more.

EC: What are the core values of your business?

JS: Our number one value is love, loving the women in Uganda who have never had opportunities and also just treating people well in general. Good development is at our core, we are constantly looking at our outcomes. And secondly we are continually refining our products to make them better quality.

EC: What goals did you have when you started your business?

JS: Our goals were to help women in Uganda to provide for their family and to empower them.

EC: How have the goals evolved over time?

JS: We have realized our capacity, we have no expanded to 110 women because the team we have is wonderful. We have also set our sights on other parts of Uganda and other countries.

EC: How do you define performance measurement within your organization?

JS: On the US business side we measure the sales side through selling goals and comparing them against our goals. This year we were able to take a look at all of last year and realize where we could improve so we have implemented strategic goals such as increasing sales and we evaluate them monthly between online sales and wholesale.

EC: How do you set performance measures? How often are they set and how often are they evaluated?
JS: Last year we started an evaluation program in Uganda where one of our staff members meets with the women each month. Each month they look at how their lives have changed and are evolving since being with 31 bits. Some of the things that survey looks at is where they are at as far as savings and money, have their kids been able to go to school and overall improvement in quality of life.

EC: Are there some performance measures that are more important than others

JS: I would say it is equal between financial and social measurements. Here we have financial goals that drive the business. But we are continually refining in Uganda and looking at changes that can and should be made. In the monthly evaluation we are looking for what questions are valuable to ask so that we are getting answers that we need and make the most sense to our women’s lives.

EC: Do you continually meet your performance goals, and what actions do you take if they are not being met?

JS: We have been meeting our goals for example this is the first year we had a full year of sales reports to look back on. Monthly goals have been met month over month. Mid February we were a little lower so we had to push sales over the last couple of weeks and we ended up exceeding our goal.

EC: How have the performance measurements evolved overtime?

JS: We are always evolving we had no business background so we are constantly learning and having to reevaluate the way we are doing things. This is the first year we set goals according to last years performance and have concrete numbers in place and are evaluating those month over month which helps us to see where we are at. And we also raised our budget in other places.

EC: Does 31 bits have shareholders or impact investors that have invested money to help fund operations? And if so what kind of influence do they have on decision making and do you deliver any sort of impact or performance reports to them?

JS: We do not have any investors. Everything we do (development work, salaries for our women and employees, and operations) is all funded through product sales. We've explored the idea of using investors, however, we've been able to develop our programs and hire more women based on our growth in product sales. It's been a very organic growth, there's been risks along the way, but God has always provided
exactly what we need, and enabled us to continue growing our company both State-
side and in Uganda.

EC:

# of Employees/Volunteers: 12
2011 Revenue: Unknown
Year Founded: 2008
APPENDIX M

INTERVIEW TRANSCRIPT: NIKA WATER
Nika Water (28 minutes)

Researcher (Erin Chmelik): Why did the founders decide to start Nika Water? What were their motivations?

Interviewee (JM): Four years ago, CEO Jeff Church took a trip to Kenya to volunteer for a charity called Free the Children. Through this experience Jeff was inspired but wanted to start something that would be sustainable and be able to support partner non-profits such as Free the Children. So in 2009 he started Nika Water as a social enterprise in the hopes of creating a “constant drip” of funds to support partners on the ground in other countries.

EC: How would you describe your business model? Does your business model include revenue generating activities?

JM: Our business model is a donation based model, we donate 100% of our profits to our partners. We define profits as amount that is left over after you subtract the cost of running and operating the business. 100% of that left over goes towards funding 3 of our partner charities.

EC: When starting your business or organization what thought went into ensuring that it would be sustainable? Are there certain processes or activities in place that are geared towards ensuring sustainability?

JM: The entire business model is based on being sustainable in the long term. The sales from our water are the foundation for creating sustainability because without that money we can’t drive the funds for our partner’s projects. We also base a lot of our business model on the idea of growth, we want to be able to expand operations and sales and therefore be able to donate more money.

EC: What are the core values of your business?

JM: Nika has two sides to its mission. In terms of the business side our values are rooted in hard work, sacrifices, and pushing forward no matter what. On the give side the values are centered on going to these developing countries and truly making a difference. We always remember the core of the business is giving back so we try not to get caught up in sales numbers.
EC: What goals did you have when you started your business? Who defined these goals?

JM: The original goal is still the same which is to get the business running as efficiently and sustainably as possible so that the donation side can get moving and become consistent. Since we are still in the development phase, much of our goals center around the business side because once that is up and running that will really drive the give side.

EC: Have the goals changed over time or have they stayed the same? If they change over time, are there goals set on a yearly, quarterly, monthly basis?

JM: As I said our original goal is still the same and I expect that it will evolve once we have the business side running efficiently. We do have other goals that are more specific such as sales goals. We sent goals for each of our sales team members and they are evaluated on a quarterly basis. We also set goals for what our expenses will be and what our revenues should be each year.

EC: How do you define performance measurement within your business? What types of performance measurements do you have?

JM: At this level it is more about the business side of things because that drives our give side. So as far as performance measurement we are mostly concerned with sales metrics. We also measure the performance of our sales teams to see if they are meeting their goals. Also we look at performance in terms of events we did the prior year and what kind of return we got on those for instance how much we spent to be at the event and how much we made. When we look at figures we look at them month over month and year over year. We also track how many and how much we have funded for each project.

EC: How do you set performance measures? How often are they set and how often are they evaluated?

JM: We don’t have meetings as often as we would like but we do sit down twice a year to evaluate sales goals and performance. We also look at how we can spend less money than last year on certain events or by changing suppliers.

EC: Do you have certain measurements that are geared towards measuring social impact & value?
JM: We have a really good relationship with our partners who are on the ground, it’s not necessarily something we meet about on a regular basis but we keep an ongoing conversation with our partners so that we know what impacts they are making with our funds. The way it works is we usually go to them with a certain amount of funds and see what the most efficient use of it is. Or if they have a big project coming up then Nika will decide whether they want to support part of it.

EC: Are there some performance measures that are more important than others?

JM: We are dealing with a low cost product so I would say sales is the most important because again it drives the give side of the business.

EC: Do you continually meet your performance measures, and what actions do you take if they are not being met?

JM: We set very high goals for ourselves so that we are constantly reaching and not settling. We have seen definite growth in the business but nothing is ever good enough. Even when we meet a goal we set the next one. We are happy with the direction, we have no doubt that it’s working but we would like to see it move quicker and grow quicker.

EC: How have the performance measurements evolved overtime?

JM: If you look at Nika on day one, there were no goals and no standards. We just wanted to see what we could do with this idea. There were no systems in place at the beginning but we have seen performance get better and have put processes in place. Each person in the organization has specific goals that we measure for instance sales, number of accounts and number of marketing events.

EC: Does Nika Water have shareholders or impact investors that have invested money to help fund operations? And if so what kind of influence do they have on decision making and do you deliver any sort of impact or performance reports to them?

JM: Nika does not have shareholders or outside investors. It has been funded fully by the two CEOs that started it. Those funds go towards operating costs/production, as well as donations of “assumed profits”, since it takes time to become profitable and for our 100% donation model to take effect. Obviously, since our funding is from our CEOs, they are also very involved in the running of the business and have immense
influence (one more active, one more silent however). They are constantly in touch with our team and Nika’s actions/decisions and oversee all performance.

EC:
# of Employees/Volunteers: 7
2011 Revenues: Unknown
Year Founded: 2009
APPENDIX N

INTERVIEW TRANSCRIPT: SOLO EYEWEAR
Researcher (Erin Chmelik): Why did you start a Social Enterprise? What were your motivations?

JA: I started Solo Eyewear because I was passionate about helping others. I thought of the idea in an international entrepreneurship class and then started to think more about how to create a business plan and brand. My motivation was found in helping people who couldn’t afford eye surgery or eye glasses. I was also motivated because of the international aspect of it and getting to travel the world and see the work of amazing people.

EC: How would you describe your business model? Does your business model include revenue generating activities?

JA: Our business model is based on a for-profit business model where we take the overhead of what it costs to run the business and subtract that from our profits and donate the rest which comes out to be around 20%.

EC: When starting your business or organization what thought went into ensuring that it would be sustainable? Are there certain processes or activities in place that are geared towards ensuring sustainability?

JA: We considering our business to be sustainable because of the for-profit model and the sales from our sunglasses. In developing the right product, we decided to use bamboo for part of our sunglasses which is a sustainable resource. We are now moving more toward better quality plastic. Partnering with the right people is also a thought that went into being sustainable. Treating customers with the best customer service and allowing them to get engaged in who they are helping.

EC: What are the core values of your business?

JA: The core values of our business really come from us- the people who started it who have been involved since the beginning. We live and breathe by: always doing the right thing, give the best customer service and assure quality products and make the customer feel awesome about their purchase and the cause.

EC: What goals did you have when you started your business? Who defined these goals?
JA: Our first goal was getting our initial shipment of 300 glasses sold as fast as possible. Once we realized the product wasn’t as good of quality as we wanted, we then focused our goal on getting the best product. We defined these goals as a team.

EC: Have the goals changed over time or have they stayed the same? If they change over time, are there goals set on a yearly, quarterly, month basis?

JA: Now that we have a year under our belts and have sold out of our first shipment, we are focusing our goals for 2012 on: getting retailers (at least 15), spreading our reach (focusing on 4 cities) and getting a sales split of about 30% online, 70% in store. We would ultimately like to sell 15,000 pairs in 2012 and have 6-700,000 in revenue.

EC: How do you define performance measurement within your business?

JA: Since sales is what drives our donations, we focus on getting as many sales as possible. We also look at our reach online monitoring website views/facebook impressions.

EC: How do you set performance measures? How often are they set and how often are they evaluated?

JA: We look at our goals and what we have done thus far and then determine where we want to go. Then we put concrete numbers on those goals.

EC: Do you have certain measurements that are geared towards measuring social impact & value?

JA: We do keep track of how many eye surgeries/ and eye glasses we fund. We also are very involved in with our partners who are on the ground delivering these.

EC: Are there some performance measures that are more important than others?

JA: Sales is the most important since it drives our donations.

EC: Do you continually meet your performance measures, and what actions do you take if they are not being met?
JA: We are so new that we don’t really know what is achievable and what is not; but we set lofty goals to have something to aspire to and then if we don’t meet them we will reevaluate and see what we can do differently.

EC: How have the performance measurements evolved overtime?

JA: We went from focusing on pushing products and getting sales to refocusing on having a quality product so that our customers would be happy and in turn would recommend our product.

EC: Does Solo Eyewear have shareholders or impact investors that have invested money to help fund operations? And if so what kind of influence do they have on decision making and do you deliver any kind of impact or performance reports to them?

JA: The investments we have gotten have been from family and friends. They are official investors so they don’t have much influence over our decisions and we do not send any kind of special reports to them.

EC:

# of Employees/Volunteers: 4
2011 Revenues: 25K
Year Founded: 2010
APPENDIX O

INTERVIEW TRANSCRIPT: ONE LAPTOP PER CHILD
Researcher (Erin Chmelik): Why did you start a Social Enterprise? What were your motivations?

Interviewee (BH): OLPC was started in 2005 by Nicholas Negroponte who got his start at MIT in the media lab 26 years prior. His colleague Papeter studied the computer and came to realize that it was the perfect device for learning. Papeter and Negroponte started collaborating in the 80s on some projects in Cambodia and in 2005 they launched OLPC.

EC: How would you describe your business model? Does your business model include revenue generating activities?

BH: We have two business models, one non-profit 501 C3 and one for-profit business in Miami. The for profit business is a social enterprise that sells laptops to sponsors who give them to the children. We sell the laptops and make about 5-6% gross margin and that % is designed to cover our overhead. We have some sponsors with federal, state and city governments, NGOs, and private sector companies.

EC: Are there certain processes or activities in place that are geared towards ensuring sustainability?

BH: Our business is 100% sustainable because of our revenue generating activities. We don’t specifically measure the sustainability of our impact but we do know that our laptops bring countries such as Uruguay national pride. Similarly in Peru they have a monument with one of our laptops on it, so we know it has a lasting effect but we aren’t measuring that specifically.

EC: What are the core values of your business?

BH: We have 5 principles that make up our core values: the kid keeps the laptop, we focus on early education (4-12 years old), no one gets left out, they have connection to the internet and they are free to grow and adapt.

EC: What goals did you have when you started your business?
BH: We have 2 or 3 key goals: number of units sold, gross margin target, and number of new markets we go into.

EC: How have the goals evolved over time?

BH: Pretty much stayed the same since they were implemented a few years ago.

EC: How do you define performance measurement within your organization?

BH: I would say they are exactly aligned with our goals stated previously: number of units sold, gross margin target and number of new markets entered.

EC: How do you set performance measures? How often are they set and how often are they evaluated?

BH: They are evaluated on a monthly basis, developed based on the prior year and what they reached. Overarching objective is to grow and no remain small! Our goals are always a stretch but we usually reach them on a regular basis.

EC: Do you have certain measurements that are geared towards measuring social impact & value?

BH: Together with our partners we measure some social impacts. They evaluate social effect, education effect such as increased class attendance and student motivation, social skill development, increased daily computer access and use of computer outside the classroom. We have been slow to do a lot of evaluating ourselves but it is becoming more and more a part of what we do.

EC: Are there some performance measures that are more important than others?

BH: Sales of units

EC: Do you continually meet your performance goals, and what actions do you take if they are not being met?
BH: We’ve been coming pretty close to our goals every year, if the goals are not being met, we tend to put more people in the field.

EC: How have the performance measurements evolved overtime?

BH: When I came into the OLPC about 2 ½ years ago there were not metrics to evaluate performance as far as our sales and number of markets, I implemented those metrics. We are also moving towards more evaluation in the field.

EC: Does OLPC have shareholders or impact investors that have invested money to help fund operations? And if so what kind of influence do they have on decision making and do you deliver any sort of impact or performance reports to them?

BH: No investors and no shareholders.

EC:

# of Employees/Volunteers: 34/11
2011 Revenues: 97M
Year Founded: 2005
APPENDIX P

INTERVIEW TRANSCRIPT: ARAVIND EYE INSTITUTE
Interviewee (S): Dr. V. started the hospital as a small clinic with 11 bed. Before starting the hospital he was working in a general hospital and working on reaching people in the community. He was later joined by his sister in law and a team of 3-4 people started the clinic. His work in government made him interested in implementing good programs for those who couldn’t afford them. He knew the government alone couldn’t help all those that needed eye treatment. He founded Aravind in 1976.

EC: How would you describe your business model? Does your business model include revenue generating activities?

S: From the very beginning Dr. V. wanted to see that no patient was turned away. He knew that rich people had their choice of where to go for health care but poor people didn’t. He wanted to serve those that weren’t otherwise served so he created a cost subsidy model. At the beginning it was 40% full pay and 60% subsidized or no pay. Revenues generated by paying patients can provide up to 3 surgeries for the poor patients. To date all of our revenues are generated by patient services and donations to fund programs make up less than 3%.

EC: Are there certain processes or activities in place that are geared towards ensuring sustainability?

S: With respect to clinical care, Aravind doesn’t do advertisements. Our outreach programs are what we focus on to create impact in the community. We do 20-25 exams per week through our outreach programs and we monitor them over the next couple of week to see how many people come to the hospital from the outreach programs. If we do a surgery the patient is examined after a month to make sure that no complications have arisen. Our outreach programs are very structured and provided in a systematic way. We have the support of the local community who provides us with the venue and the publicity. When we do an outreach we go into the community and identify who needs surgery and conduct screening eye camps. Then every week we review the outputs and outcomes of the outreach.

We have different types of outreach programs to ensure that we stay connected to the community. First we have comprehensive screen eye camps where we can identify if someone needs surgery. Second, we have outreach programs that focus on people
who need glasses and screen school children and people at factories for vision problems. Third, we have diabetic camps.

EC: What are the core values of your business?

S: Our core value is to serve those who are underserved and to offer them the best quality care possible.

EC: What goals did you have when you started your business?

S: His goals when he started the hospital were just to reach as many people as possible and to make the cost subsidy model work.

EC: How have the goals evolved over time?

S: Our goals keep changing over time, for instance in 2000 we did an analysis of our performance of all of our properties and we found that our ratio was coming down to 80% subsidized, 20% paying. We realized that if we go down another 5% then it would become difficult to retain sustainability. We then decided that our goal year over year would be 70% paying and 30% subsidized. We also decided that our focus should be on specialty services because that was what was needed most at the time. We now set the challenge of 1 million surgeries per year across all of our hospitals which goes hand in hand with improving our capacity.

EC: How do you define performance measurement within your organization?

S: Each year we do forecasting for the next year in December for each department across all hospitals. On a day to day and week to week basis we do planning around what kind of volumes we can expect. Annually we also have audits across all hospitals where one location will audit another location to make sure their documentation is in order. When we have our end of year meetings each department presents on volume of patients, quality of care, how many procedures they did and their projected growth. We also have quality reviews that are done locally on clinical quality which looks at documentation, and quality of care. We also measure our outreach programs and how many we do, how many patients we get from those programs. We don’t fix financial targets at a specific monetary value, we know that we have to keep the ratio at 70/30 in order to be able to run the hospitals and provide subsidized care.
EC: How do you set performance measures? How often are they set and how often are they evaluated?

S: We have meetings on a regular basis to make sure that each department is aware of their goals and what they are being evaluated on. We evaluate certain metrics yearly, semi-annually, weekly and daily.

EC: Are there some performance measures that are more important than others?

S: All are important and every week we look at quality of surgeries that have been done in the previous week and the complications that have occurred, what operating room and what doctor it was with. Then we look at why the complication happened so we can try and prevent that next time. This is very important because we do high volume and we need check points on a regular basis. We always have meetings on Thursday that review quality and meetings on Mondays that review outreach programs.

EC: Do you continually meet your performance goals, and what actions do you take if they are not being met?

S: We try to meet the goals for instance in our outreach two of our staff have reached their targets of how many patients to get from the community. Through their camps they should be doing about 6000 surgeries each. Not everyone achieves this goal so we look at what we can do to help them achieve this. Until last year targets were set based on past experience but this time we changed the approach so they fix targets on eye care needs of the community.

EC: How have the performance measurements evolved over time?

S: They have evolved a lot and they keep evolving. Every year we look at how we can monitor and track better and how we can set reachable goals.

EC: Does 31 bits have shareholders or impact investors that have invested money to help fund operations? And if so what kind of influence do they have on decision making and do you deliver any sort of impact or performance reports to them?

S: We do not have investors, the Aravind hospital is run by a trust which means there can’t be any investors. All the money is generated by services provided.
EC:

# of Employees/Volunteers: 3500
2011 Revenues: Unknown
Year Founded: 1976
APPENDIX Q

INTERVIEW TRANSCRIPT: ORBIS
Interview (43 minutes)

Researcher (Erin Chmelik): Why did you decide to start a social enterprise? What were your motivations?

Interviewee (JM): There were three founders. The original founder Dr. David Payton who throughout his career was always asking his colleagues to go to poor countries with him to teach ophthalmology skills that were unheard of there. He knew what a miracle his hands could produce so he decided he wanted to give these skills to those less fortunate. He got in touch with a chairman of United and they eventually donated the first flying eye hospital. Orbis was officially founded in 1982 and they began making regular trips abroad to teach these skills.

EC: How would you describe your business model? Does your business model include revenue generating activities?

JM: We are a non-profit organization our fundraising budget is 100 Million. Most of our fundraising is from in-kind donation from Pfizer and other pharmaceutical companies. Our Hong Kong office raises about 35 million through marketing, direct mail, events, etc. The rest is raised in the UK and the US.

We take these donations and we train eye doctors around the world in developing countries how to perform safe and successful eye surgeries. These doctors work at our partner hospitals who provide the buildings and operations to do the surgeries. Once trained, our eye doctors perform surgeries on patients and we hope that they are doing successful surgeries.

EC: Are there certain processes or activities in place that are geared towards ensuring sustainability?

JM: On the fundraising side we are striving to build up our direct mail in the US and UK and Canada. We are trying to broaden from a homegrown small organization to a well-known and trying to get more corporate giving.

In terms of the mission sustainability, we have 500 volunteer faculty. We will have a new flying hospital platform at the end of this year and we have long term relationships with our partners. The biggest thing we want to focus on now is creating sustainability by using technology both on the fundraising side and the mission side. For instance we are looking into more social media campaigns and we are looking at
implementing technology such as IPADs to our doctors in the developing countries. Currently we do have an e-online learning system called Cyber Sight so that doctors can get up to date information on surgeries and procedures and also continue to learn.

EC: What are the core values of your business?

JM: Our mission is to provide quality eye care on a global basis to eliminate and cure avoidable blindness and eye disease. We teach them how to provide the care, we provide the tools to do quality eye care and we also provide resources such as cyber sight to allow them to ask faculty in the US questions.

EC: What goals did you have when you started your business?

JM: The goals were to bring up to date quality training to as many people in developing countries as possible and also to develop long lasting partnerships.

EC: How have the goals evolved over time?

JM: Our goals haven’t changed much but now that Orbis has been running efficiently for a number of years, our goals have evolved towards more detailed ways of monitoring and evaluation. Also a goal is to always stay current with our practice so we can bring that to our partners in developing countries.

EC: How do you define performance measurement within your organization?

JM: We define performance as the number of trainings done per year, amount of funds raised, and number of surgeries performed by Orbis trainees. The fourth thing we would like to focus on in the future is measuring how successful the surgeries are, because if the success rate is low then we aren’t doing our job well enough.

We also ask for reports on outcomes and patient health records but this is not on a regular basis.

EC: How do you set performance measures? How often are they set and how often are they evaluated?
JM: Every year we have baselines we like to hit such as how many flying hospital visits we do, how much fundraising we need to do, number of surgeries performed by Obris trainees. 50% of our missions our ongoing because of grants that we get year after year. The other 35-40% is certain grants come to an end and then we have to find another way to get those resources and we looking for countries in need.

EC: Do you have certain measurements that are geared towards measuring social impact & value?

JM: Right now it is difficult to say how we measure impact. We are trying to create a way to successfully monitor the patients being treated by our doctors. But if we are looking at how we measure outcome, it is how our hospital based programs are doing, how many patients they are treating, what surgeries they do and how many. We are having difficulty measuring the patients that our doctors are treating to see if the surgeries have been successful but that is something we are currently working on.

EC: Are there some performance measures that are more important than others?

JM: Our mission is centered around the training of doctors so that people in developing countries can have access to quality eye care so I would have to say number of trainings we do is our number one measure.

EC: Do you continually meet your performance goals, and what actions do you take if they are not being met?

JM: We are constantly evaluating. Since we are a training organization, we have to monitor all the time and if something isn’t working we look at how we can fix it or make it better. We don’t focus on the end of the year result, we focus more on day to day and how we can continually improve.

EC: How have the performance measurements evolved overtime?

JM: They are currently evolving especially with measuring how successful the surgeries performed are. We have been developing some ideas about how to use technology to develop electronic patient records that we can continually monitor.

EC: Does Orbis have shareholders or impact investors that have invested money to help fund operations? And if so what kind of influence do they have on decision making and do you deliver any sort of impact or performance reports to them?
JM: Orbis does not have any shareholders or investors, the closest thing we have is our donors.

EC:
# of Employees/Volunteers: 176/500
2011 Revenues: 84M
Year Founded: 1982
APPENDIX R

INTERVIEW TRANSCRIPT: INVISIBLE CHILDREN
Invisible Children (35 minutes)

Researcher (Erin Chmelik): Why did you start a Social Enterprise? What were your motivations?

Interviewee (CC): The founders when to Northern Uganda and met a boy named Jacob who was running from the leader of the Lords Resistance Army (LRA). They realized that something needed to be done that no more children would get kidnapped and forced to kill people.

EC: How would you describe your business model? Does your business model include revenue generating activities?

CC: Unlike most models, we are creating a movement not a business. We work more like an advertising agency and take the media we create and screen that throughout the country to students. Through this process students are attracted to the message or organization and want to get involved. We do have for-profit businesses that help to sustain our model.

EC: Are there certain processes or activities in place that are geared towards ensuring sustainability?

CC: We get a lot of our sustainability as a business because we have the for-profit side with sales from our merchandise and screenings. We also have reoccurring donations and regular fundraising activities. Most of our merchandise is made by people in Africa which helps to keep them employed and teach them skills.

EC: What are the core values of your business?

CC: The core value of our business comes from the idea that where you live shouldn’t determine whether you live and we want to help put an end to that.

EC: What goals did you have when you started your business?

CC: Goal setting is collaborative and from the beginning they have been 1. Stop Joseph Kony 2. Generate revenues and net income. All of our goals align with our organizational goals.
EC: How have the goals evolved over time?

CC: They have evolved based off the need. Some years revenue is important and we need to fundraise more. Some years it may be to get more media and awareness out there.

EC: How do you define performance measurement within your organization?

CC: Revenue (donations and profit from sales), performance in tours, awareness and advocacy (ie 1 million hits to a new documentary). We also look at connectivity through Facebook, Twitter. We also have merchandise goals on tour (ie sales).

EC: How do you set performance measures? How often are they evaluated?

CC: They are initially set at the beginning of the fiscal year and then evaluated at different points along the year.

EC: Do you have certain measurements that are specific to measuring social impact & value?

CC: We do have a monitoring and evaluation department working with each of our programs to develop different benchmarks. With our program Mend we measure qualitatively through things like measuring how much savings the women have when they start and then along the way. We track certain things like how much they contribute to the savings group and percentage of return on loans. Each program is run a little differently. Schools for schools we measure how our schools are performing in comparison to other schools and against the national exam standards.

EC: Are there some performance measures that are more important than others?

CC: We are always keeping an eye on the bottom line because that is what will drive our programs and our outreach.

EC: Do you continually meet your performance goals, and what actions do you take if they are not being met?
CC: In the last few years we’ve been successful in meeting goals and all of our work in the Congo has been made possible because of our success.

EC: How have the performance measurements evolved overtime?

CC: A lot of the measures have stayed the same because they are a part of the DNA of Invisible Children.

Orbis Interview (43 minutes)

Researcher (Erin Chmelik): Why did you decide to start a social enterprise? What were your motivations?

Interviewee (JM): There were three founders. The original founder Dr. David Payton who throughout his career was always asking his colleagues to go to poor countries with him to teach ophthalmology skills that were unheard of there. He knew what a miracle his hands could produce so he decided he wanted to give these skills to those less fortunate. He got in touch with a chairman of United and they eventually donated the first flying eye hospital. Orbis was officially founded in 1982 and they began making regular trips abroad to teach these skills.

EC: How would you describe your business model? Does your business model include revenue generating activities?

JM: We are a non-profit organization our fundraising budget is 100 Million. Most of our fundraising is from in-kind donation from Pfizer and other pharmaceutical companies. Our Hong Kong office raises about 35 million through marketing, direct mail, events, etc. The rest is raised in the UK and the US.

We take these donations and we train eye doctors around the world in developing countries how to perform safe and successful eye surgeries. These doctors work at our partner hospitals who provide the buildings and operations to do the surgeries. Once trained, our eye doctors perform surgeries on patients and we hope that they are doing successful surgeries.

EC: Are there certain processes or activities in place that are geared towards ensuring sustainability?
JM: On the fundraising side we are striving to build up our direct main in the US and Uk and Canada. We are trying to broaden from a homegrown small organization to a well-known and trying to get more corporate giving.

In terms of the mission sustainability, we have 500 volunteer faculty. We will have a new flying hospital platform at the end of this year and we have long term relationships with our partners. The biggest thing we want to focus on now is creating sustainability by using technology both on the fundraising side and the mission side. For instance we are looking into more social media campaigns and we are looking at implementing technology such as IPADs to our doctors in the developing countries. Currently we do have a e-online learning system called Cyber Sight so that doctors can get up to date information on surgeries and procedures and also continue to learn.

EC: What are the core values of your business?

JM: Our mission is to provide quality eye care on a global basis to eliminate and cure avoidable blindness and eye disease. We teach them how to provide the care, we provide the tools to do quality eye care and we also provide resources such as cyber sight to allow them to ask faculty in the US questions.

EC: What goals did you have when you started your business?

JM: The goals were to bring up to date quality training to as many people in developing countries as possible and also to develop long lasting partnerships.

EC: How have the goals evolved over time?

JM: Our goals haven’t changed much but now that Orbis has been running efficiently for a number of years, our goals have evolved towards more detailed ways of monitoring and evaluation. Also a goal is to always stay current with our practice so we can bring that to our partners in developing countries.

EC: How do you define performance measurement within your organization?

JM: We define performance as the number of trainings done per year, amount of funds rasied, and number of surgeries performed by Orbis trainees. The fourth thing we
would like to focus on in the future is measuring how successful the surgeries are, because if the success rate is low then we aren’t doing our job well enough.

We also ask for reports on outcomes and patient health records but this is not on a regular basis.

EC: How do you set performance measures? How often are they set and how often are they evaluated?

JM: Every year we have baselines we like to hit such as how many flying hospital visits we do, how much fundraising we need to do, number of surgeries performed by Obris trainees. 50% of our missions our ongoing because of grants that we get year after year. The other 35-40% is certain grants come to an end and then we have to find another way to get those resources and we looking for countries in need.

EC: Do you have certain measurements that are geared towards measuring social impact & value?

JM: Right now it is difficult to say how we measure impact. We are trying to create a way to successfully monitor the patients being treated by our doctors. But if we are looking at how we measure outcome, it is how our hospital based programs are doing, how many patients they are treating, what surgeries they do and how many. We are having difficulty measuring the patients that our doctors are treating to see if the surgeries have been successful but that is something we are currently working on.

EC: Are there some performance measures that are more important than others?

JM: Our mission is centered around the training of doctors so that people in developing countries can have access to quality eye care so I would have to say number of trainings we do is our number one measure.

EC: Do you continually meet your performance goals, and what actions do you take if they are not being met?

JM: We are constantly evaluating. Since we are a training organization, we have to monitor all the time and if something isn’t working we look at how we can fix it or make it better. We don’t focus on the end of the year result, we focus more on day to day and how we can continually improve.
EC: How have the performance measurements evolved overtime?

JM: They are currently evolving especially with measuring how successful the surgeries performed are. We have been developing some ideas about how to use technology to develop electronic patient records that we can continually monitor.

EC: Does IC have shareholders or impact investors that have invested money to help fund operations? And if so what kind of influence do they have on decision making and do you deliver any sort of impact or performance reports to them?

CC: IC does not have any shareholders or investors. We receive all of our revenues through donors and our merchandise.

EC:

# of Employees/Volunteers: 143
2011 Revenues: 13M
Year Founded: 2005