

3 August 2015

## Balancing Social and Commercial Objectives in Social Enterprise: workshop with Professor Bob Doherty

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*(Professor Bob Doherty discussing the rising popularity and challenges of social enterprise.  
Photo credit: British Council)*

Social enterprises are increasingly becoming a new phenomenon as a business model that defies tradition. In an increasingly globalised world, there has been a shift from a focus on either the private, public or non-profit sectors. Social enterprises bridge the gap between these sectors, providing a solution that serves a social purpose while achieving financial sustainability. Professor Bob Doherty, Deputy Dean at The York Management School, University of York, shared his expertise and experience in his workshop, *Balancing Social and Commercial Objectives in Social Enterprise*, held on Friday 24 July 2015 in partnership with the British Council.

Professor Doherty was formerly Head of Sales and Marketing at the world's leading social enterprise, Divine Chocolate. Launched in 1998, Divine was able to challenge the trade status quo and the way the chocolate industry operates, becoming the first ever farmer-owned Fairtrade chocolate company aimed at the mass market. So how has Divine maintained its success over the past 17 years? And what are the challenges of maintaining a successful, sustainable social enterprise?

### ***The workshop***

The workshop brought together over thirty social entrepreneurs from across Thailand, with each individual at various stages in their journey in becoming a successful, sustainable social enterprise. Social entrepreneurship in Thailand has full government support in the form of the Thai Social Enterprise Office (TSEO), but learning how to balance the social mission, financial resources and people management – the three competing challenges in social enterprise – from an expert in the field was an invaluable opportunity for our workshop participants.

Starting a social enterprise is no easy task – sometimes it is easy to overlook the problems that can arise when you are striving to be financially successful while making a positive social impact. What are the critical management problems and tensions arising from bringing together the financial and social objectives of social enterprise?

“Our objective of the British Council’s Society Programme in Thailand is to develop new relations and partnerships between Thailand and the United Kingdom. Our Thai participants were able to gain expertise from a leader in social enterprise in the UK, learning new skills that will hopefully ensure the success of their social enterprises in the future,” said Pasiwat Sutthirak, the British Council’s Programme Manager, Society.



*(Workshop participant discussing the challenges and tensions from trying to manage social and commercial objectives. Photo credit: British Council)*

Our workshop participants engaged in a presentation from Professor Doherty on social enterprise, based on his latest publication, *Social Enterprises as Hybrid Organizations: A Review and Research Agenda*, from the *International Journal of Management Reviews*. Throughout the day our social entrepreneurs participated in group discussions, sharing anecdotes of the challenges and tensions they have experienced while managing their social enterprises.

Challenges specific to Thailand were discussed, such as rapid urbanisation, an ageing population, wealth inequality and increasing health problems. Where there is a challenge, also comes opportunity, and it is important to be able to identify these in a business model in order to stay true to the social mission while creating financial value.

Financial incentives can often influence the overall social impact of a social enterprise. As part of the workshop, participants and Professor Doherty discussed the importance of maintaining a strong social mission. The social mission for Divine Chocolate, for example, is clear – to improve income levels of cocoa farmers in West Africa by encouraging fair trade. Establishing a clear overall social impact goal is important for success, but financial resources are also vital to sustainability. Social enterprises have the benefit of obtaining mixed income streams, primarily from traditional finance loans, philanthropy, and non-profit grants.

Money isn't just important in creating wealth for the social enterprise, but it is also important in the management of people. Many social enterprises may not have the finances to pay for staff, so many often rely on volunteers. This can create issues such as high staff turnover and tension between volunteers and paid staff. Our participants discussed the challenges of this and how to overcome it in a group discussion. This gave our participants an opportunity to share experiences and learn from each other, while having an opportunity to network.

***To find out more about our work in social enterprise at the British Council, please visit [www.britishcouncil.or.th/programmes/society/social-entrepreneurs](http://www.britishcouncil.or.th/programmes/society/social-entrepreneurs).***