

# 51 QUESTIONS

ON SOCIAL  
ENTREPRENEURSHIP

BY NEETAL PAREKH



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# Foreword

*by John Montgomery*

This is the most exciting time to be alive and in business because the collective consciousness of humanity is on the rise, shifting to being altruistic and global from being selfish, tribal and local. In business, this shift is reflected in a re-orientation to a triple bottom line approach—planet, people, profit—from a solitary focus on profits. Social entrepreneurs and their businesses are leading this shift.

Social entrepreneurship is a reflection of this evolution of consciousness. At its core is the disruptive innovation that successful businesses not only must create a profit but also have a material positive effect on society and the environment. Social entrepreneurship is better suited than conventional business to help our one human family take better care of each other and our shared planetary home.

As consciousness evolves, corporations that exist to optimize both social good and profit replace corporations that exist solely to maximize profits for shareholders. In the new paradigm, corporations compete to not only be the best in the world but also to be the best for the world. The vehicles for this new paradigm are new corporate forms such as the benefit corporation, which are structurally aligned with the foundational premise of social entrepreneurship because they expressly authorize the simultaneous pursuit of profit and social impact.

The benefit corporation is also a disruptive innovation because it contains legal architecture to support a social and environmental conscience that transcends and includes the usual

pecuniary, profit-oriented one. It is the first significant innovation in corporate law since 1811 when New York combined free incorporation and limited liability. These innovations quickly became standard features in corporations around the world and enabled the liability-free flow of investment capital that fueled the Age of Industry. Social enterprises incorporated as benefit corporations herald the start of Age of Interdependence in which business is conducted as if people and place matter.

Silicon Valley has unleashed many disruptive innovations—the personal computer, the cell phone, the browser to name a few—which spread rapidly to become the global standard. Adoption is slow at first with mass adoption coming only after a tipping point where a sufficient number of pioneers and early adopters have shown that the new technology is safe for the masses. Once it has taken hold, however, we wonder how we possibly could have existed without it.

Social entrepreneurship approaches its tipping point where doing business this way is the norm. In less than 10 years, most businesses in the world will be social enterprises pursuing profit as well as positive social impact. Business schools will train MBA students to think with a social impact mindset. Social impact will be reflected in new accounting systems such as those being developed by the Sustainability Accounting Standards Board (SASB) and in public company disclosures. We will look back and wonder how we could possibly done business any other way.

Now, however, there is still resistance to social entrepreneurship because it is relatively new. Happily, this approach is a better way to do business. The preliminary economic data indicates that corporations built for the new paradigm<sup>1</sup> with

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<sup>1</sup> See, for example: The Impact of a Corporate Culture of Sustainability on Corporate Behavior and Performance, Eccles et al, Harvard Business School Working Paper, November 2011 and From the Stockholder to the Stakeholder: How Sustainability Can Drive Financial Outperformance, University of Oxford and Arabesque Partners, March 2015

cultures of sustainability out-perform their conventional peers. This book does a great service to the new paradigm by taking the fear out of social entrepreneurship and inspiring its readers to join in the great adventure of co-creating a more humane and sustainable global economic system.

*51 Questions on Social Entrepreneurship* will help social entrepreneurship reach its tipping point more quickly. This book makes a significant contribution to accelerating the global shift in consciousness by de-mystifying social entrepreneurship and making it intelligible and accessible not only to aspiring social entrepreneurs but also to anyone interested in learning about the topic, including venture capitalists, attorneys, management consultants, accountants and investors.

The author, Neetal Parekh, tackles the most frequently asked questions about social entrepreneurship in a straightforward and creative manner. Unlike most business books, which are written in the tiresome voice of an omniscient narrator, this book answers the questions by taking the reader on a journey through the voices of three fictional social entrepreneurs who develop a successful social enterprise. At journey's end, you will not only understand social entrepreneurship but also will be inspired and empowered to create your own successful social enterprise.

\* \* \*

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<sup>2</sup> For more, see interview with John Montgomery <http://www.innov8social.com/2015/09/interview-with-john-montgomery-social-enterprise-attorney>

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# Introduction

I AM SO EXCITED to share this book with you! It is the product of years of exploring fascinating concepts of social entrepreneurship through education, life, work experiences, and through launching innov8social.com. Though it took longer than expected (as everyone said it would), I am thrilled to be able to hand over this part of me to you.

## WHO SHOULD READ THE BOOK?

This book is for:

- **Startup founders and co-founders** seeking to create social impact with their ventures.
- **Aspiring entrepreneurs and innovators** and those considering starting a social impact venture in the future.
- **Professionals** who want to understand more about the field of social innovation, social entrepreneurship, and social enterprise.
- **Students** at all levels who are looking for a multi-lens view into the social impact venture space.
- **Companies and intrapreneurs** seeking to better understand the growing social impact sector to incorporate into their businesses and careers.
- **Informed consumers** who realize that we vote with every dollar we spend.
- **Anyone who wants to explore social impact.**

- **Anyone who likes a story.** And if you enjoy reading through listening as much as I do, you may also enjoy the audiobook version as well. :)

## WHAT MAKES THE BOOK INTERESTING, RELEVANT, AND FUN?

The book is meant to be an accessible, actionable, and friendly introduction to topics related to social innovation and social entrepreneurship. To help make it easier to follow, these features have been incorporated:

- **It is a Q&A of 51 questions** that can be read in order or piecemeal to make it easy to find what you are looking for in whichever stage of learning and research you are in.
- **It is composed in a story format**, featuring a host of characters (not real) and their quest for actionable information (totally real) for their own idea, making the process of reading fun and engaging! The story also puts common social entrepreneurship questions into context, so you know how they could apply to you and your social impact journey . The characters help frame different perspectives and connect you to what drives their work.
- **It points to other resources so you can further your exploration.** Ebook readers can click on resources to directly and easily reach live links. Where relevant, I have linked to updateable posts on [Innov8social.com](http://Innov8social.com) so you can engage through comments and even suggest additions and edits.
- **The questions are based on some of the most popular blog posts on [Innov8social.com](http://Innov8social.com),** so you know you are getting answers to questions that other readers and online users are searching for as well.

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## WHAT DOES THE BOOK COVER?

The book is set up with three main characters and aspiring co-founders: Sara, Jay, and Tino. We join them as they explore the prospect of starting a social enterprise—a business that embodies their guiding desire to create impact as well as make a profit.

Of course, they have a lot of questions. We will tag along as they talk to various individuals and with each other on topics including:

- Definitions for terms like social entrepreneurship, social innovation, social enterprise, and social business
- Whether they should try to be a social enterprise, and the benefits and drawbacks of the designation
- New and emerging legal forms for social enterprises
- How social enterprises raise funds
- The complexities and necessities of measuring impact
- How they can deepen their knowledge of social entrepreneurship through outside resources
- How they can support other social entrepreneurs and social enterprises

## WHAT WILL I KNOW AFTER READING THE BOOK?

You will understand the social enterprise landscape and learn actionable information to help you make decisions on furthering your social impact ideas and your potential to create social impact in your daily life.

You will also learn how Sara, Jay, and Tino fare in their adventure in social entrepreneurship.

Now, let's get started with the first question, addressing the essential question driving this book, the "why." Whenever exploring a new topic, and maybe it's the skeptic in me, but I always like to ask—what's the point? Why does this matter? It's only because I have found the *why* behind social impact and social entrepreneurship so compelling that I have dedicated my efforts to projects like this book.

## **I** WHAT'S THE POINT—WHY DOES SOCIAL IMPACT EVEN MATTER?

The world is changing, and everywhere we look there seems to be a call to action.

On the horizon, we can see a world population that will reach eight billion people in the next decade—double what it was just fifty years prior. Climate change, which has been recognized as a global concern by institutions ranging from the EPA to the Papacy, threatens with extreme weather patterns as well as a rise in sea level and impact on existing species. Wealth inequity has a new definition as half of the world's wealth is now owned by less than 1% of the global population, and we live in a time in which nearly 3 billion people struggle to survive on less than \$2 a day and nearly 1 billion people don't have enough food to eat. We live in a time in which girls globally are not afforded the same access to education, with 33 million fewer girls than boys attending middle school around the world.

Fortunately, the story doesn't end here.

We also live in a moment when we have ready problem solvers and incredible advances in technology that let us imagine impact not in magnitudes of hundreds of lives improved, but in magnitudes of billions. We are in a moment in which our workforce is changing, and so are their values.

2015 marked the first time that millennials comprised a majority of the workforce and the first time generation Z began their significant entry into the workforce. By 2025, millennials will make up 75% and Gen Z over 20% of our working economy. That matters because when asked, the vast majority of millennials express their desire to use their skills for good, and Gen Z-ers, having grown up in times of financial and political instability, seek to make the world significantly better. These generations, more than any preceding them, have prioritized creating impact in their equations for a life well-lived.

This ethos doesn't just impact the workforce, but also informs how and what individuals buy and the kinds of companies they launch and scale.

As of the end of 2015, over 30 states or jurisdictions in the US have passed some form of social enterprise legal structure, with nearly 3,000 companies choosing to adopt these new legal structures. Additionally, companies including Rally Software and Etsy that have aligned with the social enterprise movement through pursuing a "B corporation" certification have had an Initial Public Offering (IPO). Others, such as Laureate Education, have chosen to convert to a benefit corporation and also file an IPO.<sup>1</sup>

As we stand at the edge of how things have always been done and how they can be done, we can see divergent but complementary forces: the pressing issues that affect our generation and most definitely will affect future generations and the intelligent, engaged, motivated army of problem solvers ready to do something about it.

While the evolution of social entrepreneurship to this point has seen the carving out of a new kind of business and a vocabulary to define terms in this emerging space, the urgent need

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<sup>1</sup> [http://lawprofessors.typepad.com/business\\_law/2015/10/laureate-education-first-ipo-for-a-benefit-corporation.html](http://lawprofessors.typepad.com/business_law/2015/10/laureate-education-first-ipo-for-a-benefit-corporation.html)

for leadership and innovation has the potential to be met by the most driven, largest, and most cross-functional social innovators and social entrepreneurs the world has ever known.

There is the potential to work beyond subsets of entrepreneurship and focus on redefining the future of business as a whole and to consider impact as a norm. There is the possibility of broadening the reach of social entrepreneurship by absorbing its core attributes into the character of business itself. Instead of being “social entrepreneurship,” the values of measuring, reporting, and expanding impact could become part of the way we understand, assess, and measure the success of industries across the board—making it part of “business as usual.”

This massive potential—this meeting of what we need and what we are capable of giving, of limitless possibility and urgent problems, of compounding concerns and creative and committed problem solvers—to me encapsulates the essence of why social entrepreneurship matters. I have no doubt that it has the ability to not only transform our lives individually, but to collectively change the world.

CHAPTER 1

Meet Sara, Jay, and Tino—  
Aspiring Entrepreneurs

SARA



The gen Z student entrepreneur

SARA, BORN IN THE LATE 1990s, is part of the growing group of emerging students and professionals known as “Generation Z.”

She embodies the values and mindset attributed to her generation—she is a digital native—born after the advent of mobile phones and social media and is incredibly tech-savvy; she prefers

texting over calling, is eager to use her skills for good, feels the most productive when she is collaborating, and loves her independence and autonomy.

She identifies with newer millennials and contemporaries of her gen Z cohort because experiencing the “Great Recession” in middle school literally shifted her path on everything from college to contemplating her career. Sara’s family was personally impacted as her father lost his job after his company downsized, and her mother’s hours were reduced at her part-time position. They had to sell their home and move out of their neighborhood. It took nearly half of a decade for their lives to get back to “normal” or a new normal with her parents in good jobs and their family living without a recurring fear of a repeat. Sara spent a lot of her high school years worrying about her family’s financial stability and feeling like the systems and economics that were supposed to protect and support families like hers had somehow failed them.

Sara grew up in Kansas and after high school decided to save money and go to a local community college. It gave her the chance to take on a job and pay for her education. She graduated with dual associates degrees in business and nutrition about a year ago. She, like a number of her classmates, has taken multiple online classes from top universities around the country, often for free or a nominal cost. In Sara’s case, she enrolled in a handful of courses to better understand the intersection of food, sociology, and business.

Sara, also like many of her peers, is passionate about creating impact with her life and work.

She has been particularly moved by issues around food—especially creating access to good nutrition. She first began to understand the need for making healthy food more accessible through her trips to rural parts of the state with her family. During the recession, people who hadn’t experienced food shortages before were figuring out how to make ends meet and feed

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their families. Her family would drive to food banks and volunteer with the sorting and delivering of boxes of mixed food items.

After graduation and with savings from her various jobs, Sara made the bold move to pack up her bags and get on a plane to Oakland, California. She was ready to take her knowledge and experience to the next level and work with others passionate about food issues.

It took a few months to get settled in, but Sara now works at a local co-op and volunteers regularly at Second Harvest, a large food bank that collects, sorts, and distributes food to communities in need. She dreams about creating a business that solves a problem in the food and nutrition space and has met a number of passionate community leaders and startup companies who are similarly motivated.

Sara intends to finish her college degree and considers this her “gap” year or two to gain valuable work and life experience and save up for college. She is beyond excited about the prospect of becoming an entrepreneur and creating impact with her work.

## JAY



The millennial law student

Jay is the first in his family to go to law school and is also a first-generation American.

Back in India, where his parents were born and where he lived until he was three, most of his relatives owned their own small businesses. His great-grandfather had been in the textile trade, shipping textiles from India to the British Empire and Asia.

Jay was born in Bhuj, a rural village in central India, and his family took a leap of faith and moved to Washington, D.C. when he was a toddler and his sister was just a few years older. His dad owned a small retail store, and Jay grew up watching his parents juggle the challenges and opportunities of being both first-generation Americans and entrepreneurs.

2001 marked a number of shifts for his family and their

realities. Early in the year, a major earthquake struck near where he grew up in Bhuj. Jay was in high school at the time, and he and his mother went back that summer to help. He was startled to see how much it had devastated the entire area. He volunteered with a non-government organization (an “NGO,” also called a nonprofit) to build new homes and helped his extended family and their neighbors move into the new housing before coming back to the US.

Then, in September, soon after they returned from the summer in India, 9/11 changed everything. The fall of the Twin Towers of the World Trade Center in New York City, the plane striking the Pentagon, and the other grounded outside of D.C. created deep sadness in humanity and new tensions at school and for his father’s business. Though there was a unifying sense of resilience and strength that arose after 9/11, there was also danger for immigrant communities like Jay’s family. Their small shop was vandalized with racial epithets sprayed across the door. Jay was held at gunpoint one night when closing the store. “Live through it, find ways to heal, and rebuild” became Jay’s personal mantra.

His family made the challenging decision to sell the business and pursue another outside of the city. The decade after involved considerable adjustment, but they found peace and solitude in their decision and also worked with local communities to foster interfaith and racial tolerance.

After high school, Jay started his journey westward, finishing college in Chicago. He had majored in economics and business, but the desire to engage more deeply in something directly impactful weighed on him. He took a bold step by not taking a full-time position after college, and decided instead to dedicate the next year to AmeriCorps—which took him further west.

AmeriCorps is a government-supported intensive one-year service program. Jay was assigned to work at a civic

organization in downtown San Francisco focusing on issues affecting urban youth. The work led him not only to counsel numerous at-risk youth and understand their daily challenges but also to see the various laws and policies the organization supported to improve access to education and healthcare for the population they served.

Jay made his second bold step, this time to pursue law school. He shadowed the pro bono attorney who supported the organization and felt hopeful that he could create a new path by going into law. He took the LSAT a few times before getting a score that could win him a spot at one of the well-regarded local law schools.

Now, he is in his second year of law school in the greater San Francisco Bay area. He is eager to find ways to combine his love of legal systems with his passion for social impact. Having been surrounded by entrepreneurs growing up, he is also excited about exploring the intersection of law, business, and social impact.

## TINO



The seasoned serial entrepreneur

Tino is a lifelong entrepreneur and, most recently, a new grandfather.

He was born in Guatemala in the late 1940s during the Guatemalan Revolution. It was a decade of unique social reform for the country, including literacy programs and democratic participation. His parents, both professors outside of Guatemala City, would always tell him about the shift in consciousness they witnessed during this time.

Tino has vague memories of the Revolution, but most of his childhood and youth was during the three-decades-long civil war within the country from the 1960s to well into the 1990s. He counts the political and economic instability as one of the primary catalysts to his early foray into entrepreneurship.

Tino started his first modestly successful business selling

books door-to-door at the age of ten. By the time he was in his late teens, he was running a highly profitable business managing a small team of contractors and handymen to do repairs in local homes and businesses. His parents encouraged his entrepreneurial tendencies but pressed him on his studies.

So when he received a scholarship to attend an engineering program in Idaho, he couldn't refuse the offer. It was a major move to transition from a massive city in Guatemala and a civil war to a sleepy college town in Pacific Northwest USA. He embraced the opportunity and excelled in engineering, economics, and global development studies.

He felt an urgency and drive to realize the "American Dream" and achieve incredible success in his career. The engineering degree led him to work for a startup company in San Jose—the heart of entrepreneurial "Silicon Valley" and he has remained in the area for the better part of thirty years.

Soon after his first few jobs in increasingly large companies, he swapped out his engineer's hat for an entrepreneur's one. Tino has started all kinds of businesses ranging from ventures in hardware to mobile technology and, most recently, in virtual currencies like Bitcoin.

He has experienced flat-out failures—including the time he had to file for bankruptcy after a particularly challenging startup nosedived—along with incredible success—including the acquisition of one of his companies by Google. Tino has served on the boards of a few nonprofit organizations but has never been part of a business focused on social impact.

For all intents and purposes, he achieved a version of that American Dream he rallied for. He built businesses of which he was both proud and which allowed him the means to raise a family and provide good-paying jobs to countless employees and contractors. He always imagined bringing his siblings to California or planning a massive reunion for his parents and family. Life

had gotten so busy that he figured he would focus on the reunion when things eased up a bit. But then in 2008 he received word that his youngest sister had developed an unexpected and serious brain hemorrhage. By the time he boarded a plane and reached his family, his little sister had already passed away.

The sad event was devastating for his family and for him personally. He felt a need to step away from the intensity of running multiple businesses and instead engage in work that would be part of his legacy.

So, Tino took a bold step with the support of his family. After applying a few years back, Tino and his wife accepted the joint opportunity to serve as Peace Corps fellows in Botswana. There, they worked on economic development and food projects with local communities. It opened Tino's eyes to the need for new ways of doing business.

Though he considers himself a no-frills pragmatist, he sees a compelling case for companies thinking about impact *now*, when it can do the most for future generations, including his grandkids. After his time in Botswana, he is back in the US and ready to immerse himself in a new venture—one that prioritizes impact as well as profit.

## **How They Meet: IMPACTATHON San Francisco**

Sara, Jay, and Tino meet at *IMPACTATHON SF*, a five-day, immersive hackathon-style workshop in San Francisco designed for aspiring entrepreneurs seeking to create impact.

The event they are participating in, *IMPACTATHON*, features a five-day hackathon for social impact startups and social entrepreneurs with various modules of instruction and support and guidance from organizers. It runs Monday through Friday and culminates in a formal pitch to an audience of peers, supporters, community members, potential investors

and partners, as well as a panel of judges.

“Hackathon” workshops like this one force creative thinking and quick prototyping because of the time constraint and because each team has to pitch their startup idea to an audience of potential investors and advisors.

Top pitches, as voted by the judging panel and audience, can receive free office space, complimentary access to helpful software and web tools, admission into accelerator programs to help take their ideas to the next stage, and even funding. A lot can happen in a few days for aspiring entrepreneurs! As with many such immersive hackathon events, past participants who speak to the crowd underscore that individuals and teams will get out of the experience what they put into it.

At IMPACTATHON, participants have the option of giving a brief, initial outline of their social impact startup ideas to attract potential teammates and co-founders. Then all of the attendees mingle and “vote” informally on top ideas. In this way, ideas that resonate or have traction tend to gain support and team members.

#### *MONDAY AT IMPACTATHON*

Sara lines up behind other workshop participants waiting to make their initial pitch. She is thinking of ways to clearly express an idea that can combine nutrition and social impact in a meaningful way, and that might attract a few others to join her. What if she gets nervous and doesn’t express herself well? What if no one is interested? She hasn’t articulated the idea in front of a group and is much more interested in finding a great team motivated by a similar mission than in actualizing the specific idea she has. Before she knows it, it’s her turn.

“Hi, I’m Sara. I’m passionate about nutrition and impact.

My idea is to create a business that delivers fresh food to areas where there aren't supermarkets, farmer's markets, local grocery stores, or other sources of healthy food. I think we can create a business that helps solve the problem of lack of access to good nutrition and one that people will love to buy from. If you're interested, come by; I would love to talk to you!"

\* \* \*

After a few dozen initial pitches, *IMPACTATHON* participants mingle, and those who pitched carry neon yellow index cards with their idea name. Attendees walk around, ask more questions, and "vote" for initial ideas they like by taping a paper straw to the index card. People tend to vote for ideas they like, that they wish were already reality, and sometimes to support their friends or existing team.

Sara is grateful for the chance to share her idea and gauge any interest. It's something she has been thinking about for some time. It aligns with everything she is interested in: being part of a startup team, working on food issues, and creating both profit and impact with her work. She is also particularly interested in finding out more about what it means for a business to be for-profit, seeking investment as well as pursuing impact. She is interested in building out the line of products and services they will deliver that support the overall intent to deliver fresh, healthy food to those lacking access.

With so many ideas and participants, there is a buzz around certain ideas. The app that will let people report overuse of water by residents and businesses has at least ten votes and a line of participants waiting to talk to the founder. Another idea about using drones to help find missing children is also popular among the crowd. It doesn't hurt that the founder of that idea actually brought her own drone!

Sara's idea isn't one of the top, and a few people walk by and congratulate her on her idea and presentation but apologize that they have already used all of their votes. She gets a couple of straws taped to her card, but the voters seem drawn to actually commit their time to other teams.

Then, Jay walks over. He votes for Sara's idea and another one focusing on creating a smartphone app to make it easier for people to get informed on new policy or legislation proposals in their counties and cities. He ultimately chooses Sara's idea because he relates with her enthusiasm and passion, and he thinks her idea will have a more practical business model.

He is also excited to hear Sara's focus on building a company that has a social motivation in addition to profit. He suggests that they think beyond a strong corporate social responsibility (CSR) to form a company in which impact is really core to its formation. He shares his experience at a few legal seminars in the previous semester and about unique, new legal structures for companies dedicated to a particular mission or impact objective. He doesn't know much about them yet but is eager to find out more and possibly become part of forming one.

Tino, who was invited to mentor groups, decides to jump in and participate in the voting after hearing the initial pitches. Though he is a seasoned entrepreneur, he hasn't worked on a mission-driven venture. He initially votes for two other ideas related to creating social impact through implementing wearable devices or mobile technology, but ultimately approaches Sara because he finds the problem she is trying to solve simple and straightforward and the solution unique and interesting.

As a serial entrepreneur and occasional investor, Tino approaches this startup idea as he does every other one he has co-founded—from a practical and decisive perspective. He needs to know that the numbers will make sense and that the business case is sound. He knows the market for fresh food in certain areas

is substantial and growing. In fact, he has learned that the overall market for grocery buyers who consciously purchase healthier, more sustainable food is in the hundreds of billions of dollars.<sup>2</sup> And it's growing rapidly. To Tino, it makes good sense to create a business around a product and service that will not only deliver something people want and are willing to pay for, but that also has the potential to improve the health and well-being of customers.

Besides, Tino has a bit of experience in this because he worked on a pretty complex food delivery project during his time in Botswana. He thinks a company like this has the potential not only to be sustainable, but to also turn a profit in the long run—all by giving people the means to live healthier lives. If the idea goes beyond these few days at the workshop, he would even be willing to invest his own funds in the company.

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They introduce themselves a bit more to each other and talk about how they can work as a small team to tackle a number of demanding tasks over the next few days, their goals for the final presentation, and what roles each can play in crafting a compelling (and hopefully, winning) pitch. Sara is thrilled to have Jay and Tino's interest and expertise to help make this idea happen.

So, they start.

They decide to break down the remaining time based on elements of storytelling and pitching that were presented in the Pitching 101 session of the workshop. The organizers mention Guy Kawasaki's "10 Slide Pitch Deck" as a good sample set of slides for preparing a pitch to any audience, especially investors, as detailed in his book *Art of the Start 2.0*.<sup>3</sup>

<sup>2</sup> Lifestyles of Health and Sustainability (LOHAS). Retrieved from <http://lohas.groupsite.com/main/summary>

<sup>3</sup> "The Only 10 Slides You Need in a Pitch Deck". Kawasaki, Guy. Retrieved from <http://guykawasaki.com/the-only-10-slides-you-need-in-your-pitch/>

Sara, Tino, and Jay work in a team and refine the idea for delivering healthy, fresh food to underserved urban youth and their families where local, fresh options are hard to come by. They know the idea might change or pivot along the way, but after discussing options in depth, they feel on the same page about the core aspects of the business.

### **Slide 1: Title—Deciding on a Name**

They begin brainstorming a name. They think about how they can capture the positive feeling of nutritious food along with the convenience of delivery. After creating a list of over fifty possible names, Tino suggests looking at what domain names are available in case they want to create a website.

In the end, it makes sense to combine a few words that help convey their idea, and they land on the name *FreshDashDeliver*.<sup>4</sup>

### **Slide 2: Defining a Problem—a Closer Look at “Food Deserts”**

They start with defining the problem and opportunity.

From their initial research, Sara, Jay, and Tino discover that there is actually a name for areas where access to fresh food is limited. The US Department of Agriculture (USDA) defined the term “food desert” specifically to describe areas such “as urban neighborhoods and rural towns without ready access to fresh, healthy, and affordable food. Instead of supermarkets and grocery stores, these communities may have no food access or are served only by fast food restaurants and convenience stores that offer few healthy, affordable food options.”<sup>5</sup>

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<sup>4</sup> [freshdashdeliver.com](http://freshdashdeliver.com)

<sup>5</sup> USDA.gov. Retrieved from <http://apps.ams.usda.gov/fooddeserts/fooddeserts.aspx>

Relevant to defining the problem and opportunity, they discover:

- Food deserts are not isolated occurrences—because an estimated 23.5 million people in the US live in food deserts, and more than half are low-income individuals.<sup>6</sup>
- Studies suggest individuals living in food deserts are twice as likely to pass away from diabetes than those who have ready access to healthy foods.<sup>7</sup>
- Though food deserts can be found in rural areas, they are a big part of big cities too. For example, in Chicago nearly one million people live in food deserts or areas with more fast-food chains than grocery stores. Similarly, New York, Los Angeles,<sup>8</sup> Oakland, New Orleans, and Baltimore<sup>9</sup>—where one in four people are said to lack easy access to healthy food—are also sites of food deserts or lack easy access to healthy food.
- The White House issued a goal of eliminating food deserts by 2017 and allocated \$400 million to solutions, mostly in the form of tax breaks to supermarkets.<sup>10</sup>

### **Slide 3: Defining a Solution and Value Proposition— Deciding What to Build Together**

As part of the workshop, they have to not only come up with an idea but also build a basic prototype—at least enough to get feedback from potential users. This will help them to define a “value proposition,” i.e., defining the value their solution

6 USDA.gov. Retrieved from <http://apps.ams.usda.gov/fooddeserts/fooddeserts.aspx>

7 Food Empowerment Project. Retrieved from <http://www.foodispower.org/food-deserts/>

8 Food Empowerment Project. Retrieved from <http://www.foodispower.org/food-deserts/>

9 “1 in 4 Baltimore Residents Live in a Food Desert”. Retrieved from <http://www.jhsph.edu/research/centers-and-institutes/johns-hopkins-center-for-a-livable-future/news-room/News-Releases/2015/1-In-4-Baltimore-Residents-Live-Food-Desert.html>

10 “11 Facts About Food Deserts” [DoSomething.org]. Retrieved from <https://www.dosomething.org/facts/11-facts-about-food-deserts>

will deliver to its customers. A value proposition helps nail down how a company proposes to solve a particular customer problem.

Since they are early in the process and have not built or tested a solution, Tino suggests keeping the value proposition fairly broad. He makes a few suggestions and they tumble the phrasing until they get to one they like.

*“FreshDashDeliver delivers fresh, healthy food to underserved neighborhoods and families.”*

#### **Slide 4: What Makes Them Unique**

The next slide is supposed to show what will make them unique. This could include a compelling design, intuitive user experience, or unique algorithms or data analysis that will give their solution an edge or even an “unfair advantage.”

Ideally, they should have a basic prototype ready. That way everyone from potential users to the judges can see and potentially even interact with or try the solution.

This is hard.

They spend a number of hours on the first day on this element. Could the mode of transportation they choose differentiate them? They were thinking trucks, but maybe they could use less costly modes such as bicycles or motorized scooters. If they do pursue delivery by truck, maybe they could create an app that could more efficiently map out routes for delivering food without wasting time, fuel, or resources.

As they think through these critical elements, Jay brings up a few points.

*Jay: “You know, we don’t really know much about social impact companies. We don’t know how they work or don’t work, and I don’t know about you guys—but a lot the*

terms sound the same to me. I've heard social entrepreneurship, social innovation, social enterprise.... We have a lot to do, but do you think we should split forces and try to learn more? It could help us figure out our distinguishing features."

*Sara:* "Yes, to everything! I have really been wanting to know about this. I actually have a family friend who is kind of an expert in this space. I was just reading a magazine article she wrote about companies that are committed to social impact. I could see if she is in town and meet up with her tomorrow morning if she's free."

*Tino:* "Do it. We're at the right time to think big, because as we get closer we're going to be in total crunch time. After tonight we will have four full days and then the final presentation. Honestly, it's not an end-all, be-all to win or place here. I mean, we can still definitely pursue this idea if we don't. But from my experience, these little opportunities to get recognized and validated or win free stuff like office space, etc. can be helpful in building relationships down the road.

"Jay, you also mentioned being interested in legal structures. Do you think you can find out more about that by tomorrow too? I have a friend who has a fund that I think exclusively works with mission-driven companies. I'll see if I can meet her too."

*Sara:* "Ok, awesome! Let's work on asking these questions and then catch each other up on what we learn."

They wrap up the first night well after sunset, the adrenaline from the day making it hard to let go.

## About the Author



NEETAL PAREKH is an attorney by education, a digital content strategist by training, and a social innovator and storyteller at heart. She specializes in social enterprise business models and legal structures, startup methodologies, social media strategy, writing/blogging, and public speaking. Neetal is the Founder and CEO of Innov8social, which builds tools to help individuals and companies reach their impact potential. She is the host of the Innov8social Podcast, featuring interviews with thinkers and doers in the social impact space. She loves sharing ideas and knowledge through mentorship, coaching, public speaking and blogging. Neetal serves as an advisor and mentor to social enterprise startups and has been selected as a 2016 Starting Bloc Fellow.

She also admittedly finds a certain thrill composing just the right content for just the right platform. Offline, you can find Neetal taking walks with dog, Bella, listening to audiobooks, or spending time with family and friends. Online, you can find her on social media at @neetalparekh and @innov8social, likely using one of her favorite hashtags — #goanddo!