"When faced with a challenge, look for a way, not a way out."

David Weatherford

As we discussed previously, finding a problem that you are passionate about solving is the first step in the social entrepreneurship process. Subsequent steps are similar to the general entrepreneurship process; however, social entrepreneurs face several additional challenges. This video outlines the social entrepreneurship process and highlights some of the additional challenges social entrepreneurs must overcome.

There are five basic steps in the social entrepreneurship process:

- Identify and understand a societal problem.
- Develop an idea for how to solve the problem.
- Validate your proposed solution.
- Develop a sustainable plan.
- Launch, grow and sustain value creation, delivery and capture.

The complex and interdependent nature of wicked problems makes it particularly challenging for social entrepreneurs to identify and understand the true nature of the societal problems they aim to solve. For example, consider the problem of poor educational outcomes among urban youth living in impoverished communities. Poor educational outcomes may have many interrelated causes, including lack of preschool preparation, instability and lack of supportive resources at home, hunger, ineffective instruction at school, individual learning disabilities, sociocultural norms that devalue education and more. Detangling the many potential causes to identify a solvable problem is a big challenge for social entrepreneurs.

Once social entrepreneurs succeed in really understand a problem, they also face challenges in developing feasible solutions. In many cases, infrastructure limitations such as inadequate roads, limited electrical and communications networks, lack of basic plumbing and sanitation services and other constraints can severely limit the types of solutions that social entrepreneurs can develop and deliver.

Validating proposed solutions is also relatively challenging for social entrepreneurs. In many cases, solutions will involve creating value for two distinct “customer” groups – a group of beneficiaries and a group of payers.

For example, eye glasses company Warby Parker sells glasses to people who can afford to buy them and uses a portion of its revenues to benefit those who have limited or no access to eye care. If Warby
Parker had been a typical for-profit startup, it would have needed to validate the appeal of its glasses to paying customers only. In contrast, the development of a social impact business model required Warby Parker to validate three things about its “customers”:

1. its glasses would appeal to people who could pay for them
2. beneficiaries would value the type of support Warby Parker intended to provide
3. Warby Parker would NOT create new dependencies among its beneficiaries

Once they validate their proposed solutions, social entrepreneurs face the challenges of planning for sustainability and financing the launch of their social ventures. Sustainability is a particularly important issue for many social entrepreneurs because their solutions deliver benefits that can profoundly impact people’s lives. Imagine the adverse impact on beneficiaries if their receipt of water, educational opportunity or healthcare was disrupted due to the failure of a social venture.

Financing the launch of social ventures can also be relative difficult, as sources of available capital are fewer in number and less bountiful than those available to for-profit entrepreneurs.

Entrepreneurship in general is challenging. Social entrepreneurship is really the ultimate challenge. To succeed you’ll need to develop a sustainable solution to a complex problem while overcoming the many unique challenges associated with making a positive social impact.

Subsequent videos will provide guidance and tools to support your efforts. For now, keep in mind the words of Booker T. Washington.

“Nothing ever comes to one, that is worth having, except as a result of hard work.”