

Social Enterprise Business Model: A review towards a Unified Framework

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Abstract- Social Enterprises emerged as organizations working to address the social problems while exploring earned income strategies. Their Business models not only aim at the sustainability of the society, but also show a strong interest in embarking on their own sustainability. Subsequently, the business models of social enterprises are in various forms and they support the enterprises to conduct business that attain the social mission. Their business models break down the traditional boundaries between the Non-profit and private sectors and draws definition to this new institutional social enterprise aiming for social value creation with financial sustainability. The literature provides for the various elements essential for a successful business model, but social enterprises need a unique combination of elements in order to be successful. The unique combination of elements will depend on the extremity of the social problem and the social enterprise ecosystem. An in-depth analysis of business model components in academic literature also shows that, among the plethora of definitions, three elements are usually distinguished: the product/service proposed to customers, the way the company is organized so as to deliver this product and service to its customers, and the revenue model. The present paper is an attempt to identify the elements of the business models from the literature and design a framework that would facilitate the prospective social entrepreneurs to plan the business models for their enterprises.

Key Words: Social Enterprises, Business Models, Financial sustainability, Elements of the business model

1 INTRODUCTION

Social Enterprises combine three characteristics: social purpose, enterprise approach and social ownership, to create social value and transformation in the society (Alter, 2007). They design business models to develop solutions to the most challenging societal problems in order to alleviate poverty, tackle unemployment, provide medical care, integrate the disabled and fight climate change. Social

entrepreneurs are no different to commercial entrepreneurs in their efforts to define how they propose to create and deliver a product or service of social value and also, build a sustaining income model. The level of integration between the social mission and the economic objective determines the type of Business Model (Alter, 2007). The idea is to build a self-sustaining business, instead of solely profit maximizing businesses and creating opportunities to entrepreneurs to design their business models based on social issues (Boons & Freund, 2013). In addition to this, the Social entrepreneur's business model also answers Peter F Ducker's basic questions; 'who are the target population, what do they value and how does the company make money'? There were good number of studies on business models as a unit of analysis to identify the common features and patterns in Business models of successful social enterprises (Mair & Schoen, 2005) or to identify the differences between the social enterprises (Dees & Anderson, 2006). Business Model explains how an organisation creates, delivers and captures value by synthesizing the resources and activities. The concept of the business model is the central unit of analysis to understand the operations of these hybrid organisations.

2 BUSINESS MODEL DIMENSIONS

Business Model means a bundle of specific activities that are conducted to satisfy the perceived needs of the market, including the specifications of the parties that conduct these activities and how these activities are linked to each other (Amit & Zott, 2009). For Social Enterprises, they are recipes on how to operate their social mission in a financially sustainable manner. A review on the components of the business models enables for a unified construct for the present research on, 'Business Models for Social Enterprises'. Past research studies on the business model indicates that some of the researchers have used business model

construct/business model canvas designed for commercial enterprises to study the business models of Social Enterprises. Therefore, these studies become

more relevant to our current research and are included in this review on business models. Some of the studies on Business Models are given below:

Table 1.1: Review on the Elements of the Business Models

Sl. No	Elements	Authors	Title of the paper	Journal & Publisher	Category	Methodology	Short Brief description
1.	Product / Service Business actors and their roles Actor benefits Revenue resources Marketing Strategy	Timmers, 1998	Business Models for Electronic Markets	Electronic Markets	BM	Conceptual with illustrations	The respective paper uses deduced qualitative mapping of eleven business models with two dimensions: The first dimension with the degree of innovation. The second one is the level of integration of functions ranging from single functional model to fully integrated functionality.
2.	Actors Market segments Value offering Value activity Stakeholder network Value interfaces Value ports Value exchanges	Gordijn et al., 2001	Designing and Evaluatin g E- Business Models	Intelligent Systems, IEEE	BM	Conceptual study with illustrations	The E-Business ontology proposed having a graphical representation which makes it easy to understand. The model has been evaluated with illustrations. It outlines methods strategic partnering can be tackled qualitatively and quantitatively in innovative value constellations.
3.	Mission Structure Processes Revenue Legal issue Technology	Alt, Rainer; Zimmerman , 2001	Business Models, in EM- Electronic Markets	EM- Electronic Markets	BM	Literature review- conceptual work	Literature on Business models and the elements framed for the model was inferred.
4.	Value proposition Product or service Value architecture Revenue Model	Stähler P., 2002	Business models as a unit of analysis for strategizi ng	In Proceedings of 1st Internationa l Workshop on Business Models Lausanne, Switzerland	BM	Conceptual	With a review on the emergence of the word 'Business Model' and its definitions, this research paper expounds the components and its relationship to the concept of business model.
5.	Value proposition, Market segment, value Chain, Cost structure and profit potential, Value network and competitive strategy	Chesbrough & Rosenbloom , 2002	Role of business model in capturing value from innovatio n- evidence from Xerox corporatio n's Technolo gy Spin off companie s	Industrial and Corporate Change vo l 11 No.3	BM	Case study	This research paper explores the role of Business model in value creation from an early stage. A business model mediates between the technical and economical domain. Through a case study approach of Xerox corporation business model and selected spinoff companies of Xerox PARC, the study focusses on the role of business models in strategic decision making.
6.	Offering Market factors Internal capability factors Competitive strategy factors Economic factors Personal investor factors	Michael Morris, Minet Schindehutt b, Jeffrey Allenc, 200	The entrepren eur's business model: toward a unified perspectiv e	Journal of Business Research ELSEVIER	BM for entrep reneurship	Review of literature on Business Models	In this academic paper, a six-component framework is proposed for characterising a business model, regardless of venture type. These components are applied at three different levels. In terms of the proposed framework, a firm's model might be expected to evolve from the foundation level to a complete articulation of the proprietary and rules level.

7.	Resources and Competencies, Organisation (within value network), Value proposition (supply of goods and services and revenue model) (RCOV)	Lecocq Demil & Warnier, 2006	Business Model Innovation: In search of Dynamic consistency	Long Range Planning ELSEVIER	BM	RCOV framework of the Business Model Case study- Arsenal FC	This study concluded that a change in one element will disturb the other elements, thereby keeping the BM in disequilibrium. RCOV framework is used to increase performance by balancing consistency and dynamism.
8.	Customer Value Proposition (CVP) Profit formula Key resources Key processes	M. W. Johnson, C. M. Christensen and H. Kagermann, 2008	Reinventing your business model	Harvard business review	BM	Conceptual with Case study	This study proposed four elements for a successful Business model. It was deduced that the success of the model is based on the interdependency of its parts. Major changes in one element would have its effect on others and therefore the whole. The elements should blend well with consistency and in a complementing manner.
9.	Value proposition Value architecture Revenue model	Doganova and Eyquem-Renault, 2009	What do business models do? Innovation devices in technology partnership	Research Policy ELSEVIER	BM	Exploratory-Case study of Koala business model	This paper examined the role of a business model in commercialisation of technology and discussed the Business Models for startups.
10.	Content Structure Governance Value creation Revenue model	Amit & Zott, 2009	Business model innovation: creating value in times of change	Universia Business Review	BM	Case study of Apple	This article answered six questions regarding; objectives of the model, activities required, ways the activities are interrelated, who performs the activities, value created to the partners and income model for the focal firm. It was concluded that the elements of the model are interdependent and Business models create value to all parties involved.
11.	Resource structure (firm's organization, production technology, and core resources leveraged to serve customers), transactive structure (transactions with partners & stakeholders) and value structure (mechanism for value creation and capture activity)	George G, and Bock, 2011	The Business Model in Practice and Its Implications for Entrepreneurship Research	Entrepreneurship Theory and Practice	BM	Semi-structured interview method	This study analysed various dimensions to reveal the importance of Business Model in entrepreneurship and new ventures.
12.	Components of Business Model Eco system- Value Proposition Customers and end users Value Chain functions Competencies Network Relations Value formula	Lindgren and Bandholm, 2016	Business Model Innovation from a Business Model Ecosystem Perspective	Journal of Multi Business Model Innovation and Technology	BM	SAMSO BIOGAS – Case Study	This article proposed the constituents in a Business model ecosystem and explained the layers from the relevant perspective- Core Business layer, Business Model portfolio layer, Business Model layer, Business Model dimension layer.

13.	Value Proposition Revenue Model Cost Model	David J. Teece, 2018	Business models and dynamic capabilities	Long Range Planning	BM	Conceptual	This study focussed on the interactions between the business models and its dynamic capabilities. It discussed the extent to which the competency of business models are influenced by its dynamic capabilities. In addition to this, by what means the future business can be developed and strategic priorities achieved by a good business model.
14.	Value Proposition, customer segments, Channels, Customer Relationships, Revenue streams, Key resources, key activities, key Partnership, Cost structure	Ingrid Burkett Knode (adapted from the BMC generation book written by Osterwalder & Pigneur)	Business Model Canvas for Social Enterprises	Original published in Communication of the Association of Information system by Osterwalder & Pigneur	BM used for SE	Conceptual	This paper explained the Osterwalders BM in the form of a Business Model canvas.
15.	Operating Model Resource Strategy	Guclu, Dees & Anderson, 2002	Process of Social Entrepreneurship: Creating opportunities worthy serious pursuit	Centre for advancement of Social Entrepreneurship	BM used for SE	Conceptual	Generating promising ideas, developing them and its social impact are the steps in the process of creating opportunity. Two factors that stand out in the Business Model: Operating model and Resource strategy needs to mesh together to achieve the intended social impact.
16.	Value Proposition, Customer management- (customer, distribution channel, relationship) Infrastructure Management (Value configuration, core competency, partner network) Financial aspects- (Cost structure , Revenue Model)	Alexander Osterwalder, Pigneur, Tucci Communications of AIS, 2005	Clarifying Business models: Origins, Present and Future of the concept	Communication of the Association of Information system	BM used for SE	Conceptual	Designed a universally accepted Business Model and specified methods to finance the BM and implement the BM. The research discussed the Business Triangle, Enterprise model with BM and the process of Business Model.
17.	Hamel's Model Customer interface Core Strategy Strategic resources Value network	Mair, Schoen, 2007	Successful social entrepreneurial business models in the context of developing economies: An explorative study	International Journal of Emerging Markets	BM used for SE	Case studies of three companies	Three propositions emerged based on this research: 1. SE creates social value network at early stages. 2. SE accesses their resource needs and design their resource strategy in integration to BM. 3. Social Enterprises integrates their target group in their social value network.

18.	SCALERS Model Staffing, Communicating, Alliance building, Lobbying, Earning Generation, Replicating, Stimulating Market forces (SCALERS)	Bloom & Chatterjee, 2009	Scaling Social Entrepreneurial Impact	California Management Review	BM used for SE	Case studies	This study applied the SCALERS model to understand Social Enterprise impact.
19.	Social profit equation- Value Proposition- Value Constellation- Economic profit equation	Yunus et al., 2010	Building Social Business Models: Lessons from Grameen experience	Long Range Planning	BM used for SE	Case study of Grameen group of companies	The study revealed that challenging conventional wisdom, finding complementary partners, undertaking continuous experimentation, favouring social profit-oriented shareholders and specifying social objectives clearly are essential for social business.
20.	Design, Customers Targeted, Financing, marketing, Channel strategy and organizational characteristics	Shrimali, Slaski, Thurber, Zeriffi, 2011	Improved stoves in India: A study of sustainable business models	Energy policy ELSEVIER	BM used for SE	Application of the model on 10 companies	Performance of companies based on the elements were discussed.
21.	Value proposition, supply chain, customer interface, and financial model	F. Boons, F. Lüdeke-Freund, 2013	Business models for sustainable innovation: state-of-the-art and steps towards a research agenda	Journal of Cleaner Production	BM used for SE	Literature review	This study identified and proposed a set of basic normative requirements for marketing of sustainable innovations. It also emphasised the need to combine a value proposition, the organization of the upstream and downstream value chain and a financial model in order to bring sustainable innovations to the market.
22.	Value Proposition Customer interface Value creation Value capture	Goyal, Esposito, Kapoor, Jaiswal, 2014	Linking up: inclusive Business Models for access to energy solutions at BoP in India	International Journal of Business & Globalisation	BM used for SE		The key operating principles in order to fulfill energy requirements at the BoP markets was discussed. This research is a stimulus for understanding key areas in the sustainable business models to provide energy solutions to the underserved markets.
23.	Resources Inclusion Distribution Pricing	Wolfgang, Clemens Mast & Stephan Jansen, 2015	On the nature of social business model innovation	Social Business: An interdisciplinary Journal, August	BM used for SE	Empirical analysis on the dataset of awards for social innovations in the years 2011 and 2012.	This paper elucidates the types of Business model innovation for Social Enterprises and their rationale. The research also explains the elements of the Business model for Social Enterprises. And it identified six types of business model innovations: opportunity creation, smart distribution, ecosystem engineering, cheap sourcing, smart pricing and inclusive production. Contribution: An empirical review of the patterns of the business models of Social Enterprises on a global basis was conducted.

24.	Strategy and operations (working culture, partnerships, social innovation) Social value creation Replication and scaling the impact Sustainability Orientation	Ramakishna Reddy Kummitha, 2016	Social Entrepreneurship – Working towards greater inclusiveness (BOOK)	Sage Publishing house	BM used for SE	Case study	The book explains the business models of four Social Enterprises in India based on the framework decided by the author. The research highlights the innovative attempts involved in the process employed to indicate the interest of the marginalized to the forefront and analyzed the impact created.
25	Value proposition Supply chain Social profit Economic profit/ Revenue model	Mahima Kaura Mathur, Sanjeev Swami & Sanjeev Bhatnagar, 2016	BOP Business Models and Strategy	Amity Journal of Management Research	BM used for SE	Case studies	The Business model is action-oriented that facilitates the corporate to operate at the underdeveloped and the underserved markets at the Base of the Pyramid (BoP). The study included 10 cases which were analysed on the basis of – type of the business model, industry and strategy categorisation. The observations were focused on successful companies that were using a combination of multiple strategies rather than acquiring new capabilities. They chose to leverage current resources along with building strategic associations with partners like NGOs. This provides a better understanding of the market and maintaining a low product price in the market.

3 THE COMMONLY USED ELEMENTS IN THE BUSINESS MODELS LITERATURE IS IDENTIFIED AS FOLLOWS

Table 1.2: Review on the common elements of the Business Model literature

Elements/ Authors	Value Proposition	Market factors	Revenue model	Competitive Strategy	Customer relationship mgt	Networking	Others
Trimmers, 1998	Product / service Business actors and their roles Actor benefits	Marketing Strategy	Revenue resources	-	-	-	-
Gordijn et al., 2001	Value offering, Value activity	Market segment	Financial aspects	-	Customer relationship	Stakeholder network	-
Alt et al., 2001	Mission, Structure, Process		Revenue				Legal issue, Technology
Stähler P, 2002	Value proposition, product or service	-	Revenue model	-	-	Value architecture	-
Morris et al., 2003	Offering	Market factors	Economic factors	Competitive strategy	-	Internal capability factors	Personal Investor factors
Lecocq Demil & Warnier, 2006	Resources and Competencies, Value proposition	-	Revenue model	-	-	Organisation	-
Johnson et al., 2008	Customer Value Proposition	-	Profit formula	Key processes	-	-	Key resources
Doganova et al., 2009	Value proposition		Revenue model			Value architecture	
Amit & Zott, 2009	Content, Structure, Value creation		Revenue model				
George et al., 2011	Value Structure	-	Resource structure	-	-	Transactive structure	-
Lindgren & Bandholm, 2016	Value proposition			competencies		Value chain, Network relations	Value formula
David J. Teece, 2011	Value proposition	-	Revenue Model, Cost Model	-	-	-	-

Studies related to Social Enterprises							
Chesbrough et al., 2002	Value Proposition	Market Segment, Value Chain	Cost Structure and Profit potential	Competitive Strategy	-	Value Network	-
Guclu et. al., 2002	Operating model	-	Resource strategy	-	-	Resource strategy	-
Osterwalder et al., 2005	Value proposition, Target customer	Distribution channel	Cost structure & Revenue model	Core Competency	Customer Relationship	Partner Network	Value Configuration
Knobe, BMC	Value proposition, Key resources, Key activity	Customer Segments, Channels	Revenue Streams, Cost Structure	-	Customer Relationship	Key Partnership	-
Mair & Schoen, 2007 (Hamel's Model)	Core strategy, Customer interface		Strategic resources			Value network	
Bloom & Chatterjee, 2009 (SCALARS model)		Stimulating market forces	Earning generation			Alliance building	Staffing, Communicating, Lobbying, Replicating
Yunus et. al, 2010	Value Proposition	-	Economic Profit Equation	-	-	Value Constellation	Social Profit Equation
Shrimali et al., 2011	Design, Customer Targeted	Marketing, Channel Strategy	Financing	-	-	-	Organizational Characteristics
Boons et al., 2013	Value Proposition	Supply Chain	Financial Model	-	Customer Interface	-	-
Goyal et al., 2014	Value Proposition, Value Creation	-	-	-	Customer Interface	-	Value Capture
Wolfgang et al., 2015	Resources, inclusion	Distribution	Pricing				
Kummitha, 2016	Social Value Creation, Strategy & Operations	-	Sustainable Orientation	-	-	-	Replication & Scaling
Kaura et al., 2016	Value Proposition	Supply Chain	Economic Profit/ Revenue Model	-	-	-	Social Profit

Business Model elements identified are not perfectly modular. However, a change in one element generally necessitates change in one or more of the others (Teece, 2018). An in-depth analysis on the elements of the business model in the literature (Table 4.2) shows that, among the plethora of business model constructs, three elements are distinguished and is hereby used for the study:

- Value Proposition - Comprises the product/service proposed to a target group and the way the company is organised to deliver this product /service.
- Value Network - Internal value network and External value network facilitates in acquiring resources for the enterprise. Internal value includes beneficiaries and the employees whereas, external value network are other stakeholders who provide financial and non-financial resources to the enterprise.

- Revenue Model - Cost incurred in providing the product/service and the income generated by the enterprise through a market-based approach. This element measures the extent of sustainability of the enterprise.

Eventually, the Social Enterprise business model for the study includes two broad dimensions-the operating model and the financial model.

The operating model explains the process of creating and capturing the social value to beneficiaries and other stakeholders. Within the operating model, the value proposition will answer questions: who is the target group, what kind of social value has to be created and how to create that value? The value proposition can be dynamic with the active involvement of the value network. The financial model describes the financial resource strategy: the income generating activities, cost structure and the financial

resources attained through a strong external value network. As a result, value network is essential for

both the operating and the financial model of the Business Model.

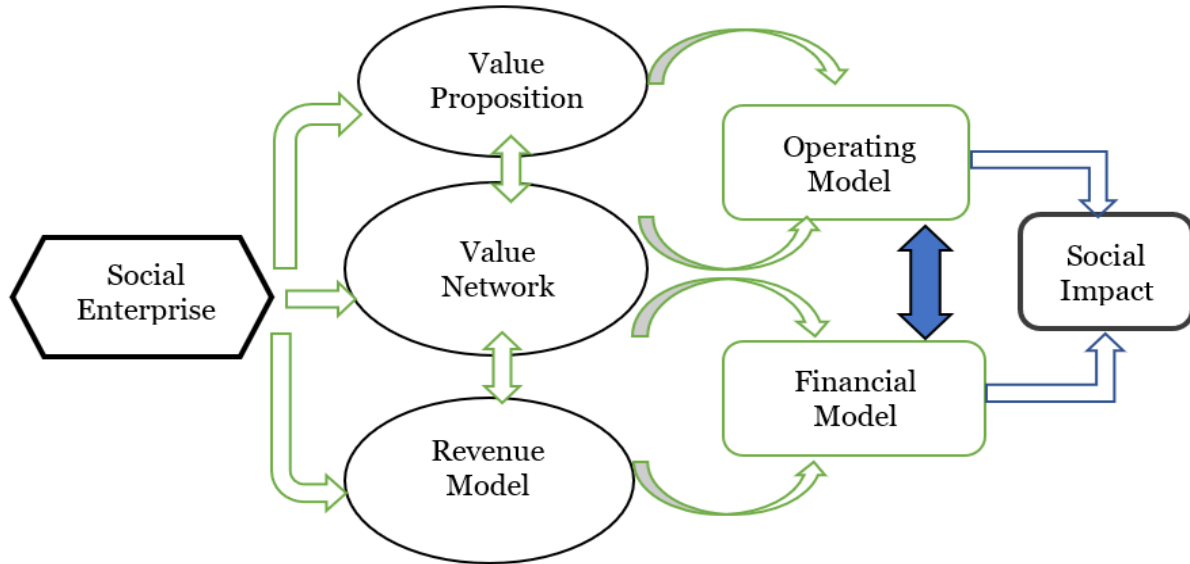


Fig 1.1: Business Model framework based on the Social Enterprise perspective developed by the researcher

Source: Developed by the researcher based on the analysis of the literature reviewed

The elements of the Business Model for the study are explained in detail:

VALUE PROPOSITION: There can be no enterprise without a well-defined value proposition (Teece, 2010) and the creation of value provides a justification for business entity (Morris et al., 2005). The emphasis is always on the value creation for all business model participants as opposed to an exclusive focus on value capture (Amit & Zott, 2009). In practice, the business model process begins with value proposition and this defines what the product offering will be and in what form a customer may use it (Chesbrough & Rosenbloom, 2002). Value proposition dimension implies that a business model should include a description of the products/services the organisation offers, or will offer, along with their related information. Fundamentally, a BM also should describe the value elements incorporated within the offering, as well as the nature of targeted market segment(s) along with their preferences (Al-Debei & Avison, 2010). The foundation level in the framework of a business model encompasses value proposition that should answer the questions: how the firm will create value and for whom the firm will create value? (Morris et al., 2005). Therefore, one of the most

fundamental aspects of a business model is developing a high-level understanding of the overall vision, strategic goals and the value proposition including the basic product/service (Alt & Zimmermann, 2001). Value Proposition includes the firm's offering, its target market, its approach to winning customers and gaining competitive advantage (Ricardson, 2008).

The most important dimension to be evaluated to understand the Bottom of Pyramid (BoP) business model is to identify the need to be addressed and decide upon the value proposition to be offered (S. Goyal et al., 2014). In the context of social enterprises, a strong value proposition also answers these questions: what the enterprise is offering to its target group? Is it building a local capacity, disseminating a package or building a movement (Alvord et al., 2004)? Knowledge about the target group and relationship / interface with them is as crucial for social ventures as relationship with customers for traditional ventures (Seelos & Mair, 2005); and without the knowledge of the target group, value propositions are of no use. Moreover, the critical distinction of social entrepreneurship lies in its value proposition (Wolfgang Grassl, 2012). Therefore, for social enterprises, value proposition includes the offering,

target group, key resources, key activities and strategies for developing a solution to the social problem. It is hereby, very evident that the primary element of the Business Model and the success of the model depends on its value proposition.

VALUE NETWORKING / SOCIAL CAPITAL: In today's interactive world, business model as a unit of analysis includes the increasing significance on networks and external value creation partners which sequentially is essential to understand the organizational phenomenon (Sommerrock, 2010). The value proposition which is the core element to a business model also takes into account two stakeholders - customers and value partners (Stahler, 2001). Social capital created by social entrepreneurs is a network of relationships that support economic partnerships and alliances which is commonly based on shared values & trust (Leadbeater, 2001). Moreover, for resource strategy and planning, there is a need for building partnership alliances, attracting donations and paying for the resources. While some partnerships may be desirable as part of the operating model, others are driven by resource considerations (Guclu et al., 2002). Therefore, the success of an enterprise depends on their effectiveness to collaborate with the networks. Value network as one of the components answers questions like: what kind of collaborations and partnerships are put in place and what will assist with competition in the market (S. Goyal et al., 2014)? Generally, in case of social enterprises, resources are scarce and hard to mobilize. Thus, it is wise to build resource-based partnerships with those who have the required resources and acquiring such resources in the form of volunteers and in donations will reduce the burden of financial resources required to create the social impact (Guclu et al., 2002). The primary task of the social entrepreneur is to take whatever endowment is given to him in terms of social capital and use the relationship to build a wider base of trust and cooperation by getting more people and organisations involved in the project (Leadbeater, 2001). With judicious linkages, a community could enlarge its economic possibilities and reduce the manufacturing requirements without sacrificing its self-sufficiency (Sale, 2017). In a resource constrained environment, social enterprises should follow effectuation approach by creating something new with the existing resources

from the stakeholders. Through innovative ways of leveraging social capital, social enterprises will be able to face their challenge of limited access to financial and human capital. Different usages on social networking are identified in the social entrepreneurship literature- embeddedness in social entrepreneurship, collective social entrepreneurship, networking, and creation of social capital as a goal for social entrepreneurship (Dufays & Huybrechts, 2014). Hence, a strong networking provides for easy access to the social and financial resources required for the functioning (operating model) and sustainability (financial model) of the enterprise.

REVENUE MODEL/ FINANCIAL MODEL/ ECONOMIC MODEL/ SUSTAINABLE ORIENTATION: Economic model gives the monetary translation of value proposition and supply chain and therefore defines how the value is created from the income that is generated (Kaura et al., 2016). For a commercial enterprise, the core of the business model is its economic model (Linder & Cantrell, 2000); but for a social enterprise, economic model is only an element to determine its financial sustainability. A sound business model is one in which a firm can translate its value proposition into a range of revenue streams from its customers and the revenue model may need to be elucidated since this can have significant implications for organisational and resourcing decisions (Lambert, 2012). Though, Social value creation by social enterprises imparts incremental values in the lives of the marginalised groups, sustainability issues from the financial independence perspective needs special attention (Kummitha, 2016). For a social enterprise, revenue model is at the bottom of the business model; but identifying the different sources of revenue and necessary investments needs to be carefully analysed for short and midterm perspective for sustainability (Alt & Zimmermann, 2001). The social entrepreneurs have to develop a resource strategy to implement the operating model and identifying the requirements is a primary concern (Guclu et al., 2002). The Business model estimates the cost structure and the potentiality of profit in producing the offering, when the value proposition and the value chain is already known (Chesbrough and Rosenbloom, 2010,). As Social Enterprises give priority to the social value creation, their financial model will highlight the economic

independence of the enterprise. But for social enterprises, the fundamental idea behind the financial sustainability depends on the efforts of its members to acquire sufficient resources to support the intended social mission; but these resources may be hybrid in nature and may be obtained from activities like trading activities or Government subsidies and voluntary contributions (Defourny and Nyssens 2006). Based on the financial model the Schwab Foundation (2012)¹ social enterprises are classified as:

- Leveraged Non-Profit: Social innovations address the Government or market failure and they fully depend on philanthropic funds.
- Hybrid Non-Profit: These enterprises follow a nonprofit approach. But they try to recover cost through some extent by selling their goods or services and the rest is funded by public or philanthropic funds.
- Social Business: These ventures generate revenue and are profit making but the profits are reinvested in the venture. Profit maximization is not the priority, instead social value is.

Consequently, not only the value proposition but also the financial model element of the business model differentiates a social enterprise business model from a commercial enterprise business model.

Norris Krueger records the interplay of the three critical components: Value Identification (Value desired by customers), Value Delivery (how to deliver that value to the identified / intended customers), and Value Capture (revenue model) of the Business models; provide opportunities to design viable ventures (Zeyen et al., 2013). Value identification and value delivery form the operating model and value capture is the financial model. Based on the review of literature, this study focuses on two key dimensions of the business models of social enterprises – 1) the operating aspect / value creation dimension and 2) the economic aspect / financing dimension. The operating aspect highlights the social mission over the profit motive and the financial model analyses the financial resource strategy for sustainability of the enterprise. The value network is an intervention to accelerate the process of value delivery.

¹ Schwab foundation for Social Entrepreneurship, a sister concern of World Economic Forum is a global platform that has developed a community of social

4 CONCLUSION

From the literature on the business models, it is evident that business models can be understood only when the elements of the model are well defined and the relationship between the elements are properly understood in the context of social enterprises. Through an in-depth review of literature, this paper attempts to provide for a unified framework on the business models of social enterprises. The framework developed will be a value addition to the present literature and would facilitate researchers to study the business models of social enterprises working in different area of operations.

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