

Architects of change



Social entrepreneurship is emerging as a potent force for positive change, harnessing market mechanisms to address social and environmental issues. Berlin School of Business and Innovation's **Navya Gubbi Sateeshchandra** explains how business schools can serve as the instigators of impactful ecosystems



The traditional paradigm of business, singularly focused on profit, is undergoing a full-scale shift. Societal challenges – climate change, social inequity and resource scarcity – demand a new generation of business leaders ready to tackle this complex terrain.

From an institutional economics perspective, traditional market mechanisms often struggle to address social issues effectively. Market failures, characterised by externalities, information asymmetry and collective action problems, impede the efficient allocation of resources towards social good. Educational institutions, however, can play a pivotal role in mitigating these issues. By fostering a robust social entrepreneurship ecosystem, they can create an institutional architecture that incentivises and facilitates the development of impactful ventures.

One key lever at their disposal is the design of a curriculum that transcends the confines of traditional business education. Instead of focusing solely on profit-maximisation strategies, the curriculum should integrate social impact frameworks, such as the triple bottom line and social return on investment.

These frameworks can equip schools with the tools to assess the social and environmental impact of business decisions alongside financial considerations. Many case studies highlighting successful social enterprises further illuminate the practical application of these frameworks, demonstrating the viability and potential of businesses driven by the dual mandate of financial sustainability and social good.

Critical collaboration

Beyond theoretical knowledge, experiential learning opportunities are paramount. Universities can partner with social enterprises to create real-world projects where students grapple with authentic challenges and co-create solutions with

stakeholders from the community. These projects not only hone essential skills such as design thinking and impact measurement, but also foster a deep empathy for the social issues being addressed. Students emerge from these experiences not just as business graduates but as potential changemakers, equipped with the knowledge, skills and passion to navigate the social entrepreneurship landscape effectively.

Educational institutions can further strengthen the ecosystem by fostering a culture of social entrepreneurship. This entails creating spaces for collaboration and idea exchange. Business plan competitions dedicated to social ventures provide a platform for aspiring entrepreneurs to refine their ideas, secure funding and connect with potential investors. Guest lectures by successful social entrepreneurs offer students invaluable insights into the unique challenges and opportunities within the field.

Mentorship programmes, pairing seasoned social entrepreneurs with students, not only provide crucial guidance but also forge vital connections within the ecosystem. These initiatives cultivate a supportive environment where students can translate their burgeoning social consciousness into concrete action.

Collaboration with external stakeholders – financial institutions, government agencies and non-profit bodies – is another critical component of a robust institutional architecture. Universities can serve as a bridge between these entities, facilitating knowledge exchange and forging partnerships that benefit the social entrepreneurship ecosystem. Workshops co-hosted with impact investors educate students on the intricacies of social impact investing, while simultaneously exposing investors to a pipeline of promising social ventures.

Universities can also advocate for policies that incentivise social entrepreneurship, such as tax breaks and loan guarantees for this type of enterprise. By fostering collaboration between diverse ecosystem players, universities can address the unique needs of social ventures and ensure a supportive infrastructure for their growth.

Social entrepreneurship is vital

The world faces unprecedented social and environmental challenges – poverty, inequality, climate change – and traditional business models often struggle to address these issues effectively. Social enterprises are profit-generating businesses that prioritise addressing social and environmental



problems alongside, or even above, traditional financial goals. They offer innovative solutions, create jobs and empower communities.

For business schools, fostering a robust social entrepreneurship ecosystem is not just an opportunity; it's a responsibility. By integrating social entrepreneurship into their core curriculum and fostering a supportive ecosystem, they empower students not just to excel in business, but also to become agents of positive social change.

The convergence of social entrepreneurship and the Internet of Things (IoT) presents a particularly exciting prospect for accelerating progress towards the UN's sustainable development goals (SDGs). Social enterprises can leverage the power of IoT to develop innovative and scalable solutions. For instance, a social enterprise focused on improving access to clean water in rural communities could utilise IoT-powered sensors to monitor water quality and manage distribution networks efficiently, empowering the communities with real-time data on water availability.

Furthermore, social entrepreneurship fosters a collaborative and innovative environment. By bringing together diverse stakeholders – tech developers, investors and community leaders – such enterprises can create a fertile ground for developing and deploying impactful IoT solutions. This collaborative approach can expedite the development cycle,

ensuring solutions are tailored to address specific regional needs and challenges within the broader framework of the SDGs.

The ecosystem's bedrock

The social entrepreneurship ecosystem thrives on a network of interconnected players. Educational institutions serve as the bedrock of this network, fulfilling several critical functions. The first of these is knowledge creation and dissemination. Business schools can spearhead research on social entrepreneurship, exploring successful models, identifying emerging trends and disseminating knowledge to students, practitioners and the broader community. This research base informs curriculum development, case studies and best practices.

Then there is skill development: educational institutions can equip students with the specific skillsets necessary to thrive in the social entrepreneurship landscape. These skills include design thinking, impact measurement, social innovation and social marketing, as well as the ability to navigate the unique financial landscape of social enterprises.

Nurturing a social entrepreneurship mindset is also important; beyond technical skills, educational institutions can foster a sense of social responsibility, purpose-driven leadership and a commitment to creating positive societal impact. This can be achieved through experiential learning opportunities, mentorship programmes and exposure to successful social entrepreneurs.

In addition, universities can serve as a central hub, creating spaces for collaboration and connection between aspiring social entrepreneurs, potential investors, mentors and other



key stakeholders within the ecosystem. Business plan competitions, social impact workshops and networking events can further facilitate connections. Moreover, educational institutions can play a pivotal role in connecting social enterprises with the communities they serve. Students can be involved in needs assessments, co-creation workshops and pilot projects, fostering a mutually beneficial relationship between social enterprises and their target communities.

Business schools can use a number of strategic levers to translate this responsibility into action; take for instance curriculum integration, something that can ensure social entrepreneurship principles are not relegated to elective courses alone. Core curricula can be infused with case studies highlighting successful social enterprises, modules on social impact measurement and discussions on the ethical implications of business decisions. Such integration normalises social impact as an integral part of effective business strategy.

Beyond theoretical knowledge, practical experience is vital. Business schools can incorporate social entrepreneurship projects into their curricula, where students work with real-world challenges, design solutions and engage directly with social enterprises. This fosters a deeper understanding of the practical realities to be found in this field.

Connecting aspiring social entrepreneurs with experienced professionals is another useful tool, as it provides invaluable guidance and support. Mentorship programmes can be formalised within the institution or leveraged through partnerships with social innovation hubs and impact investors.

Fostering a robust network

In today's complex world, success rarely exists in isolation. Whether it is leading a ground-breaking research project, launching a revolutionary start-up or dealing with the intricacies of a social cause, fostering a robust network of key stakeholders is paramount. These individuals and groups hold the potential to significantly influence your endeavours – by providing crucial resources, offering valuable insights and amplifying your reach.

By understanding the importance of stakeholder engagement and implementing the following tactics, schools can unlock the power of connection and propel initiatives towards impactful success. The social entrepreneurship ecosystem thrives on collaboration and educational institutions play a key role in fostering connections and interactions with other critical stakeholders.

Social impact investing is a growing field, but access to capital remains a significant challenge for social enterprises. Universities can bridge this gap by hosting workshops with impact investors, facilitating angel investor networks and connecting student ventures with potential funding sources.

Many governments offer grants, tax breaks and other support structures for social enterprises. Universities can serve as a resource for social entrepreneurs, navigating the complexities of government support programmes and advocating for policies that bolster the environment for social impact ventures. Moreover, social enterprises often collaborate with non-profit organisations – leveraging their expertise and connections – and is something that business schools can easily facilitate.

The institutional architecture of social change yearns for the bold brushstrokes of educational institutions. By reimagining their curricula as vibrant tapestries woven with social impact threads, embracing experiential learning as an apprenticeship with the world's most pressing challenges and fostering a culture of social entrepreneurship as a fertile ground for audacious ideas, universities can cultivate a new generation of business leaders – not merely graduates, but architects of a future cathedral.

This is a future where financial success and social impact are not competing spires, but rather the intertwined buttresses that hold this edifice aloft. This transformation transcends the confines of academia, rippling outwards to reshape the business landscape into a testament to human ingenuity, forging a path towards a more equitable, sustainable and impactful tomorrow.

Educational institutions, wielding the chisel of strategic design, have the power to sculpt the institutional framework for social change. They stand poised as the catalysts – the midwives, even – of a thriving social entrepreneurship ecosystem, leaving an indelible mark on the world and a testament to the transformative power of education. ♦



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