

# perfectly unreasonable endeavors

no one said changing the world would be easy. although that  
hasn't stopped a unique breed of **social entrepreneurs**  
from confronting challenges many of us would hesitate to tackle

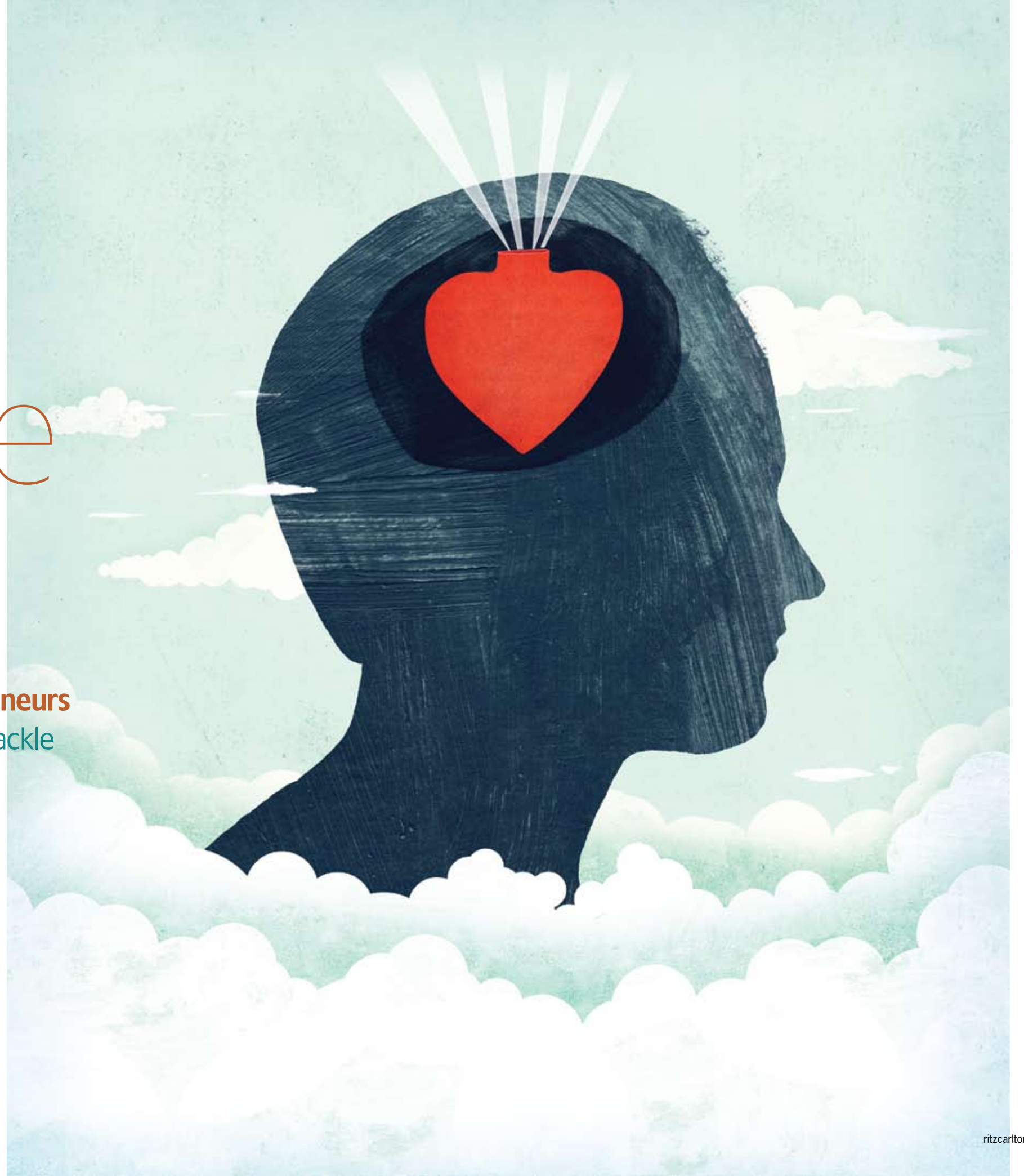
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Though he's remembered as one of the 20th century's greatest dramatists, George Bernard Shaw did us all a favor with his maxim "The reasonable man adapts himself to the world; the unreasonable one persists in trying to adapt the world to himself. Therefore, all progress depends on the unreasonable man."

Now, as we find ourselves in this new economy of the 21st century, there is a new generation of unreasonable man: the social entrepreneur. These Richard Branson-meets-Mother Teresa pioneers are leading the charge for a better future. They look for, and often find, solutions to insoluble problems in the unlikeliest places, driven by a passion to expand business thinking to reach people in need.

Thus, many are helping map out future markets where most of us would only see nightmarish problems and risk. A considerable amount of personal wealth has gone into supporting these new captains of industry, siphoned from fortunes amassed by those who created companies like Microsoft, eBay and Google. And much of the future — and survival — of the world is contingent upon their success.





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#### POLITICAL CAPITAL

Today, social entrepreneurs — and their green brethren, environmental entrepreneurs — are creating sweeping change around the world.

In the United States, Van Jones has probably done more than anyone to spotlight the urgent need for green-collar jobs, starting in 2005 when he produced the “social equity track” for the United Nations’ World Environment Day summit “Green Cities: Plan for the Planet.” His program encouraged mayors in U.S. cities to successfully create environmentally beneficial jobs in low-income neighborhoods.

He was named *Time* magazine’s 2008 “Environmental Hero,” and last spring President Barack Obama appointed him special advisor at the White House Council on Environmental Quality.

Then there’s 2006 Nobel Peace Prize winner Muhammad Yunus, Ph.D., the world’s best-known social entrepreneur and founder of the revolutionary Grameen Bank in Bangladesh, which provides banking services to the rural poor. Yunus is also a pioneer of microfinance and describes his breed as “70 percent crazy.”

Certainly, many thought Yunus was foolish when he began to make small loans to poor people — and especially to women. But the

impact has been revolutionary. Rates of repayment are spectacular — so much so that mainstream banks are now following his lead. Even more striking, Grameen Bank has now opened a branch in New York City to serve the Big Apple’s less fortunate. And, if you think that’s a random event, fasten your safety belt. Wherever we go in the world, we are amazed at how often social entrepreneurs tell us that, like Yunus, they have been called “crazy” by the media, colleagues, friends and even family members. But these people are crazy like the proverbial fox.

#### INTRACTABLE PROBLEMS, OUTLANDISH GOALS

Whether you call them foolish, unreasonable or just ahead of their time, these iconoclasts lead by example. They attack intractable problems, take huge risks and force the rest of us to look beyond the edge of what seems possible. In so doing, they uncover new ways to disrupt established industries while creating new paths for the future. Global corporations are now scouting for high-impact social and environmental entrepreneurs, citing several reasons.

First, market intelligence. Social entrepreneurs are seen as highly sensitive barometers for detecting market risks and opportunities. Also, a growing number of management-consulting companies, like Accenture, say that offering the opportunity to work alongside accomplished entrepreneurs factors into staff retention as well as professional development.

Finally, as one CEO at a recent Davos World Economic Forum candidly put it, “It is nice to be seen with people who are loved.”

All this should come with a clear caveat, though: As in any field of entrepreneurship, many of these people fail, and some fail repeatedly as they tackle tough challenges. But periods of great change are built on intense experimentation and, often, high failure rates.

The work of these innovators and entrepreneurs heralds a new phase in the evolution of business, markets and capitalism itself, involving new mindsets, new business models and very different relationships with the world’s have-nots.

These entrepreneurs are doing early market research on some of the biggest opportunities of the coming decades, such as finding sources of sustainable energy and food for a growing population. In attempting to bridge the great divides between privileged populations and the poor, they address the critical challenges where traditional markets fail.

#### DRIVEN TO CHANGE

Social and environmental entrepreneurs share the same characteristics as all entrepreneurs; namely, they are innovative, resourceful, practical and opportunistic. They delight in coming up with new products, new services — or new approaches to delivering products or services to existing or previously undiscovered markets.

But what motivates many of these people is not making a “deal,” but achieving the “ideal.” And because the ideal takes a lot longer to realize, these entrepreneurs tend to be in the game for the long haul, not just until they can sell their venture to the highest bidder.

Social and environmental entrepreneurs operate across a spectrum of enterprises, from the purely charitable to the purely

commercial. But because many of the markets they address are immature, they tend to skew toward the nonprofit end.

One burning question that invariably comes up, particularly when successful business entrepreneurs meet successful social entrepreneurs, is “What motivates you?” The implication behind the question: “If you have been so clever in achieving what you have accomplished, why haven’t you applied your talents to making money?”

“My reasons are purely selfish,” says David Green, one of the world’s outstanding examples of entrepreneurial brilliance, having created financial models that deliver quality health technologies to the world’s poorest people in India, Nepal, Guatemala and the USA, to name a few. “I figure I have been put on this Earth for a very short period of time. I could apply my talents to making lots of money, but where would I be at the end of my lifetime? I would much rather be remembered for having made a significant contribution to improving the world into which I came than for having made millions.”

Green collaborated with Aurolab in India, the first nonprofit manufacturing facility in a developing country to produce affordable intraocular lenses (IOLs), sutures, pharmaceuticals and eyeglasses. Like a growing number of such people, he is scooping up awards, including from the MacArthur, Ashoka and Schwab foundations.

#### THE PHOENIX ECONOMY

The world is facing epochal challenges — from outright conflict, terrorism and weapons of mass destruction to poverty and hunger, the threat of global pandemics, and, perhaps the biggest issue of all, climate change.

## the unreasonable person

Though these spirited individuals come from diverse countries and backgrounds, they share some important characteristics:

- Shrug off the constraints of ideology or discipline
- Identify and apply practical solutions to social problems, combining innovation, resourcefulness and opportunity
- Innovate by finding a new product, service or approach to a social problem
- Focus first and foremost on social value creation, and in that spirit, are willing to share openly their innovations and insights with a view to wider replication
- Have an unwavering belief in the innate capacity of everyone, often regardless of education, to contribute meaningfully to economic and social development
- Show a dogged determination that pushes them to take risks that others wouldn’t dare
- Balance their passion for change with a zeal to measure and monitor their impact

But, tackled in the right way, today's crises will lead to tomorrow's solutions, and the size of the potential market opportunities is staggering. For example, a New Energy Finance study estimates that the world will need to invest at least \$515 billion a year between now and 2030 to avoid adverse climate change (in 2008, only \$155 billion was invested).

None of this is going to be made easier by the economic downturn. As 2009 progresses, it is becoming increasingly clear that an old economic order is going down in flames while a new order is struggling to be born.

In our report "The Phoenix Economy: 50 Pioneers in the Business of Social Innovation," we took the pulse of social and environmental entrepreneurship worldwide. Those surveyed do not welcome the downturn — indeed, some have already been hard hit — but they see it as a necessary step toward the transformation of the global economy to meet new needs.

In the survey, we asked several hundred entrepreneurs to nominate organizations they saw as pioneering in the evolution of solutions to social, environmental and governance challenges. Among those making the Phoenix 50 listing are Himanshu Parikh, whose consulting company is helping provide sanitation to hundreds of thousands of slum dwellers in India, and Kamal Quadir of Cellbazaar, a service provided by Grameenphone in Bangladesh, which in simple

terms is an eBay solution delivered to poor farmers and traders via the increasingly ubiquitous cell phone. Users effectively carry the bazaar in their pocket.

These new-economy innovators develop and operate ventures that prioritize social returns on investment. For example, they aim to improve the quality of life for marginalized populations through programs that address poverty, health and education, and attempt to achieve higher leverage than conventional philanthropy and nongovernmental organizations (NGOs).

But as interest grows in trying to solve the world's great social, environmental and governance challenges, the definitions — and the boundaries between fields — blur. In the process, the field of social entrepreneurship has become "a truly immense tent into which all manner of socially beneficial activities may fit," according to two board members of the Skoll Foundation: Roger Martin, dean of the Rotman School of Management in Toronto, and Sally Osberg, the foundation's president and CEO.

Once you know where to look, you find unreasonable people almost everywhere. "Clearly, the power exists," says Professor Klaus Schwab, founder of the World Economic Forum. "The challenge now is to harness it to drive the necessary scale of change." That, ultimately, is the challenge for each and every one of us. ●

## rebels with a cause

So where do you find these extraordinary people? Well, they are popping up all over the world — sometimes in the most unlikely places and companies.



### Rick Aubry

As CEO of Rubicon National Social Innovations in the San Francisco Bay area, Aubry helps the disenfranchised to re-enter the economic mainstream by setting up enterprises, one of which is the highly competitive Rubicon Bakery. Now The Ritz-Carlton is selling the bakery's high-end confectionery in its retail outlets, as are Whole Foods and Williams-Sonoma.



### Harish Hande

In India, 57 percent of the population lacks electricity, and for many more the supply is unreliable. Furthermore, those living on less than \$2 a day produce close to a billion tons in CO<sub>2</sub> emissions annually. In response, Hande founded SELCO Solar Light, a for-profit social business. SELCO entrepreneurs distribute solar powered lights to low-income communities — so far, 80,000 clients.



### Soraya Salti

Salti founded INJAZ, the only education program in the Arab world that teaches students business and life skills as part of the school curriculum. INJAZ instills in Arab youth a sense of self-motivation and confidence while fostering among business leaders a responsibility for investing in the region's future talent. More than 300,000 students in 12 Arab countries are involved.



### Bart Weetjens

Weetjens, founder of Belgium-based Apopo International, trains African giant pouched rats to find buried landmines. These "Hero Rats" are too light to be blown up by the mines they find. To date, these wonder rodents have reopened more than 400,000 square meters of suspect land. Additionally, the rats turn out to be terrific at diagnosing pulmonary tuberculosis.



### Sakena Yacoobi

In Afghanistan, Yacoobi founded the Afghan Institute for Learning to restore educational and health programs in a country torn by 30 years of war. The organization's 44 education and health centers provide services to more than 350,000 Afghan women and children annually. ALL has provided training to more than 18,000 teachers, administrators and government officials.