

## RESEARCH ARTICLE

WILEY

# Exploring production of social and economic value in social enterprises through a business model framework

Elizabeth Green<sup>1</sup> | Peter Bradley<sup>1</sup> | Glenn Parry<sup>2</sup> 

<sup>1</sup>Bristol Business School, University of the West of England, Bristol, UK

<sup>2</sup>Surrey Business School, University of Surrey, Guildford, UK

## Correspondence

Elizabeth Green, Faculty of Business and Law, University of the West of England, Bristol, UK.  
Email: [Elizabeth7.Green@uwe.ac.uk](mailto:Elizabeth7.Green@uwe.ac.uk)

## Funding information

British Academy Leverhulme Small Research Grant "Beyond the Gate", Grant/Award Number: SG142923

## Abstract

This study explores how social enterprises create social and economic value through business models that support ex-offenders. The work was motivated by a request for help from an entrepreneur wishing to establish a business that supports ex-offender rehabilitation. The research explored five case organisations that already provided such support, analysing them through a business model framework. The case studies investigated the dual propositions of social and economic value created using various organisational forms, including private companies, charities, and a government body. Findings demonstrate how each organisation utilised under-valued human resources to address social challenges while maintaining economic viability. The research contributes to social enterprise literature and practice, showing the integration of social and economic value creation, exploring the role of Mission, and explaining the reluctance of some organisations to engage in social value measurement. The findings offer insights to entrepreneurs seeking to sustainably deliver social impact.

## KEYWORDS

business model, social Enterprise, social value

## Key Points

- Business model frameworks provide a useful lens through which to examine how organisations can create social and economic value.
- Work is based on an original request from practitioners to provide insight that will help in the creation of a business that supports ex-offenders through employment and training.
- The social challenge of reforming prisoners for society, and economic challenge of finding skilled committed employees is addressed simultaneously by social enterprises (SEs).
- Using a business model framework, this article gives insight into how organizations undertake SE work to deliver social and economic value.
- Five diverse case examples are provided, giving insight into different SE organizational forms: charities, not-for profit, government owned, private, and limited companies.
- Business model-based analysis shows how an SEs hybrid structure has dual value propositions, creating both social and economic value using under-valued human resource.

## JEL CLASSIFICATION

D83, M14, M21, Z10

This is an open access article under the terms of the [Creative Commons Attribution](https://creativecommons.org/licenses/by/4.0/) License, which permits use, distribution and reproduction in any medium, provided the original work is properly cited.

© 2024 The Author(s). *Strategic Change* published by John Wiley & Sons Ltd.

## 1 | INTRODUCTION

In this article, we use a business model lens (Bradley et al., 2020) to understand how different organizations are able to provide support into work for ex-offenders. The work was motivated by a group who approached the researchers seeking insight on how to launch a business that was self-funded and supported ex-offenders in the United Kingdom. They wanted to create a business that was sustainable, and gave the ex-offenders agency through training and work. The research aim was to generate insight that could help provide guidance by capturing the business models of different organizations that support ex-offenders without significant financial resources, recourse to government, or grant funding (Green et al., 2016). We particularly focus on value creation and how social value and economic value is created.

The research work is framed through a social entrepreneurship lens. Social entrepreneurs and social enterprise (SE) employ business logic to improve the situation of disenfranchised and marginalized communities (Saebi et al., 2019). In social diversity discourses about organizations that provide support to excluded groups, such as studies into housing or transport, for example (Elvy, 2014; Haase et al., 2017), disenfranchised individuals are often limited to the role of beneficiaries, denying them agency. In this work we show how socially excluded ex-offenders can be active contributors, developing their skills to create value within the business they work. The context of studies into disenfranchised groups who have agency in organizations is most often seen in developing countries and base of the pyramid markets (Halme et al., 2012). In this study, we sought organizations from the United Kingdom that engaged with disenfranchised individuals and supported them through giving them active value creating roles. Ranjatoelina (2018, p. 595) highlight the benefit in business models that can “favor human resources that are being “wasted” by the traditional markets.” Referring to marginalized people as negatively-perceived or wasted resource (Marrow, 1957; Ranjatoelina & Zaoual, 2016) these people can be “the predominant human resources of value creation” (Ranjatoelina, 2018, p. 595).

Through this study, the paper provides insights into how the five socially oriented organizations who support ex-offenders utilize resource to create social value. Analysis shows how these marginalized people are employed in the different organizations to create social and economic value for the organization and wider society. The research identified knowledge gaps as in SE scholarship “social and economic value, and social and economic mission” were being used interchangeably, yet they are different constructs (David, 2011; Jones et al., 2021; Stevens et al., 2015). The case organizations we study are all very different in their form and structure. They all address a twin challenge: the challenge of reforming prisoners so they can successfully integrate and flourish in society and the challenge for businesses in finding skilled committed employees. We discuss how they can all be categorized as SE, as in each organization social entrepreneurs use the resources available to them to achieve the twin hurdle of economic and social value creation. Social and economic value are treated as separate in literature (Saebi et al., 2019), when in practice social entrepreneurs demonstrate their synergy within a business model.

We provide empirical evidence of how social value propositions integrate with organizations economic value propositions to create hybrid value propositions.

The paper proceeds as follows. The literature on social entrepreneurship is examined. The business model literature and a framework employed in this article is then described. The research method is then laid out and results from business model analysis of the five different case organizations presented. The discussion section examines how the organizations and their business models fulfill the SE definition. The paper finishes with conclusions, limitations, and future work.

## 2 | LITERATURE

### 2.1 | Social entrepreneurs and SE

Social entrepreneurship or SE may be explored at three levels (Saebi et al., 2019) the individual, organization, or institution. Studies into social entrepreneurs speak to research at the individual level, though may expand to other levels. At the individual level, entrepreneurs are defined as those that through the manipulation of resources create greater yield “entrepreneurs create value” (Dees, 2018, p. 23). Such action requires both the drive to achieve social value and business acumen (Abebe et al., 2020). Dees notes that starting new businesses is not the essence of the entrepreneur's role, but rather it is the creation of social value using business activities.

This article focuses upon the value created at the organizational level where the vehicles for social entrepreneurship are described as SEs. Borzaga defines SE as organizations with an explicit aim of benefiting the community (Borzaga & Santuari, 2001). Social Enterprise Alliance (2015) defines SE as organizations or ventures within an organization that advance a social Mission through market-based strategies. Saebi et al. (2019) seek to demarcate SE from other organizational types, as the heart of the nature of their activities is the duality of social and economic value creation. SE and those who work for them are characterized as having moral and ethical motivation (Bornstein, 2004; Nicholls & Dees, 2015). Simultaneously, the organizations may exhibit entrepreneurial traits, be innovative, take risks and exploit opportunities through appropriate exploitation of resources (Saebi et al., 2019).

The broad set of goals of SE mean that many different organizational forms may claim to be SE (Alter, 2007), including charities, community business, philanthropy, and corporate social responsibility (CSR) (Zahra et al., 2009). CSR activities may lie beyond the immediate interest of the firm, but may still be undertaken with a profit maximization objective (McWilliams & Siegel, 2001). Nonprofit or philanthropic organizations activities have their primary focus on social value creation, but unless they have strategic revenue growth targets they could not be considered as SE. Such organizations typically focus on delivery of the basic human needs (water, shelter, food, education, etc.) (Certo & Miller, 2008). Other hybrid ventures that Saebi et al. (2019) identify include sustainable entrepreneurship. This covers organizations that exploit market failures for economic opportunity that are sustainability or environmentally beneficial (Dean &

McMullen, 2007). Institutional entrepreneurs seek to innovate by changing or breaking institutional norms in order to create alternatives for positive social benefit. They do not necessarily create new ventures and so may lack the entrepreneurial business activity of an SE (Battilana et al., 2009). Similarly, development entrepreneurs (DEs) are said to change institutional norms to enhance social value, though as an SE they may not necessarily create institutional change, therefore DEs may be a special case (McMullen, 2011; Zahra et al., 2009).

Though social value creation is central to SE, markets have not historically done well at valuing the improvements such business bring. This makes it hard to judge if the resources employed in creating that value are justified for the social benefit gained (Dees, 2018). A major part of the challenge is the difficulty in placing an accurate value on the social change created, for example, what is the value of employing an ex-offender? Despite many studies into measuring impact (Rawhouser et al., 2019), the total value, the contributing factors, and even the attribution of them to a particular business is contentious (Dees, 2018). This makes setting KPIs related to social value creation challenging. Economic value capture is required for sustainability, but Dees (2018) argues that the survival of SE is not a good indicator of their effectiveness at generating social value. However, economic performance is an essential as to be an SE and use business activities to create social value necessarily requires economic value creation for survival.

Classification of SE types is challenging due to the broad nature of the organizations involved in SE work. SEs are a type of hybrid organization (Battilana & Lee, 2014), and have been represented on a number of SE typology spectrums in literature (Agarwal et al., 2018; Alter, 2007; Vassallo et al., 2019). These spectrums extend from Mission oriented nonprofits on one pole, through market and Mission oriented hybrids, to market oriented for profit businesses at the other pole. The spectrum focuses upon the value proposition—is it primarily economic and secondarily social, or vice-versa. However, SE are more complex than the single dimension categorization allows (Boyd et al., 2018), as successful social Missions may be achieved in highly profit driven organizations, and firms have motivations that blur the social/economic value boundaries. Addressing this, Saebi et al. (2019) proposed a four-box model. On the x-axis is social mission (value), split into the dyad of organizations that create value for beneficiaries, and those that co-create value with beneficiaries. On the y-axis is economic mission (value), split into the dyad labeled *differentiated* for those organizations where commercial revenue cross subsidize social mission, and *integrated*, where the beneficiaries are paying customers. Type A (*for & differentiated*) business create value for beneficiaries, using their business revenue to cross subsidize social mission. Type B (*with & differentiated*) business create value by employing beneficiaries to create goods/service to sell. Type C business (*for & integrated*) provide goods or services at a more affordable price to beneficiaries. Type C business (*with & integrated*) both provide goods or services at a more affordable price to beneficiaries and employ those same beneficiaries.

To understand the structure of the firm type further, how it functions and delivers on social value, and allow for classification we need to examine their business models.

## 2.2 | Business model theory

Business models describe the structure of a firm and the strategies employed to enable a business to compete (Magretta, 2002). Business models are variously defined as: “the design of content, structure, and governance so as to create value through the exploitation of business opportunities” (Amit & Zott, 2001, p. 495); “the rationale of how an organization creates, delivers and captures value” (Osterwalder & Pigneur, 2010, p. 14); “the manner by which the enterprise delivers value to customers, entices customers to pay for value, and converts those payments to profit” (Teece, 2010, p. 172); and “a set of generic level descriptors that captures how a firm organizes to create and distribute value” (Baden-Fuller & Morgan, 2010, p. 157). In their simplest form, business models capture detail of three elements (Parry & Tasker, 2014; Teece, 2010): a value proposition—the proposed offering based upon the resources the firm is able to organize; value realization—which occurs in the context of resource use for the benefit of the customer; and worth capture—is the ability of provider and consumer to capture worth from the enactment of the proposition. Usually monetary, though not necessarily, but continued operations require the provider capture economic value sufficient to exceed costs.

An effective business model provides a systemic view of the firm, its operations and its interaction with suppliers, markets and customers (Vendrell-Herrero et al., 2018). They can be used as epistemic objects (Cetina, 1997), representations that help capture knowledge. Knowledge that a business model represents can be interpreted differently by different actors and is always incomplete as business models are models and not the firm (Baden-Fuller & Morgan, 2010). As epistemic objects representing cognitive configurations of the firms characteristics (Baden-Fuller & Mangematin, 2013) business models can be used to show connections between value propositions and the process of production.

Lüdeke-Freund and Musango case studies of South African firms employ business models as a lens in the examination of sustainability through shared value (Lüdeke-Freund & Musango, 2016). Their report provides description of their method of analysis, but their reports have descriptive narratives and little detail of the actual case study firm's business model, a general issue highlighted in the sustainable business model literature by Bradley et al., 2020. Osterwalder and Pigneur (2010) provide the most cited example of a business model, a 9-box model named the business model canvas. Their model is robust and highly flexible, a result of drawing upon a global group of more than 470 practitioners. However, their goal was commercial business models, not to address firm values and social value. While the majority of business models are not antithetical to notions of social value, the majority of business model literature has not paid sufficient attention to notions of value beyond financial worth (Bradley et al., 2020).

In business literature, the term value is often used, but it has a multitude of meanings, including utility, finances and phenomenological experience (C.L., Ng & Smith, 2012). The meaning of value is therefore broader than just money. SE literature focuses on a duality of social and economic value creation. While capturing economic value is an organizational imperative for survival, social value creation is often

a reason the organization exists, and balancing these two depends on the organizational format, spanning for profit to purely not for profit (Nair, 2022). To guide organizations, SE often employs mission statement. In strategy literature, mission statements capture a firm fundamental purpose, core values, and long-term objectives, communicating the reason beyond profitability that the company exists (David, 2011; Pearce & David, 1987). Strategic mission focuses upon the means of value creation, rather than the ends (Bart et al., 2001). SE Mission is often a written statement that acts as an explicit guide in organizational decisions (Yunus et al., 2010). SE are said to be Mission driven, creating and sustaining social value, not just private value (Dees, 2018). However, the Mission construct is often poorly delineated, and insufficiently differentiated from value proposition in SE literature (Jones et al., 2021). In most SE literature “mission” is employed as a synonym for social value creation (Stevens et al., 2015). SE are frequently described as having a dual mission—reflecting their hybrid structure of social and economic value creation (Battilana et al., 2009; Chen & Wang, 2024; Saebi et al., 2019). Balancing the dual focus on social and economic value is a key challenge for social entrepreneurs (Sharma & Bansal, 2017; W. K. Smith & Lewis, 2011). Successful economic value creation provides the freedom for organizations to invest in social ventures (Hagedoorn et al., 2023). Failure to organize a hybrid structure results in “mission drift,” which is framed in value terms, occurring when seeking economic value begins to take precedence over social value creation (Ebrahim et al., 2014; Jones et al., 2021; Ramus & Vaccaro, 2017).

Studies of SE employing business models use either Osterwalder and Pigneur (2010) directly e.g. (Chen & Wang, 2024) or modify the canvas (Nair, 2022), often re-labeling blocks and adding elements such as “Mission” (Qastharin, 2016; S. Smith, 2020), social and environmental cost and benefit (Yeoman & Moskovitz, 2013), or splitting value proposition into social and customer value (Qastharin, 2016). Detailed examination of the meaning of value remains lacking—potentially adding to the confusion with mission. Bradley et al. (2020) found sustainable business models also employed adaptations of Osterwalder and Pigneur's (2010) canvas, but rarely engaged in broader consideration of the meaning of value (Biloslavo et al., 2018; Boons & Lüdeke-Freund, 2013; Schaltegger et al., 2011). They found the sustainable business model literature could be improved with regard to detail on the discussion of value in relation to sustainability (Bradley et al., 2020) and that most studies follow the normative assumption that business are profit maximizers.

While the small changes made to Osterwalder and Pigneur's (2010) canvas are useful to the application, the underlying business model canvas tends to remain theoretically the same (Vial, 2016). Changes in different business model frameworks are often specific to a particular business model type, which may paradoxically require knowledge of the business model before selecting the right canvas. We find that suggested changes often reflect that the value proposition definition in the original Osterwalder and Pigneur's (2010) canvas was not clarified sufficiently. Osterwalder and Pigneur's later “Value Proposition Design” work (Osterwalder et al., 2014) introduces a value focused second canvas, but this a design tool rather than one for analysis of a business. While we have explored possible options

for business models, pragmatically it is important to remember that business models are just models. It is their application as a model to learn or develop a business that is important. In this work, we wish to examine the nature of a number of hybrid organizational structures by applying a business model as an “organism for investigation” (Baden-Fuller & Morgan, 2010, p. 162). We therefore employ the Bradley et al. (2020) model, which is a modified version of the Osterwalder and Pigneur's (2010) canvas. The Bradley et al. (2020) model was developed to examine sustainable business models, but does not capture Mission or the duality of value proposition in hybrid SE organizations. As SE speaks of Mission, we added in Mission Statement as a first question. We extensively discussed value propositions, seeking to capture the different social and economic propositions each organization provided. Thus, the business model we employed creates the basis of semi-structured interviews:

1. *Mission statement: why does the company exist?*
2. *Value proposition: Which issue or challenge does your organization solve and what products and services are used to achieve that? Care is taken to ensure a broader view of value is explored in interview to understand the different value propositions that may be employed (social value and economic value) and which takes precedence.*
3. *Key activities: What are your key activities? For example, production, problem solving, maintenance, therapy, skills development.*
4. *Key resources: What are your key resources? For example, what are the physical assets such as buildings and machinery, intellectual property such as brands, patents and copyright, and human resources—particularly skilled workers? Any financial resources such as grants or endowments are also examined that might support the business.*
5. *Customer segments: Who uses the organizations product or service? Does it focus on a mass market or particular groups? What defines the groups? Do they serve a single customer group with the same need or do customers have different needs such as a newspaper having readers and advertisers?*
6. *Customers/stakeholders use of value proposition in their context: What are the different contexts/circumstances in which the customer uses the organizations offering? How does different context or circumstances affect the offering? Do key resources change with context? Given different contexts, how does the value of the proposition change from the customer's perspective? Is there a customer(s) we can talk to and confirm this?*
7. *Channels, value chain and linkages: How is the product or service distributed/delivered to the customer? How do you engage with customers and other stakeholders? Is the business categorized as integrated (very self-contained), hierarchical (part of a supply chain) or networked (part of a web of other services)? If stakeholders are involved in the operation of the business, where in the operation structure are they?*
8. *Customer Relationships and Sensing: Are users paying directly for your organizations product or service? If not who is paying and what is their motivation and benefit? For example, a newspapers are supported by Adverts more than readers purchase price and they want to sell their products, drug rehabilitation is often paid for by local authorities for social benefit.*

9. *Key stakeholders and partners: What is (is there) a network of suppliers and partners that make/help the organization function? What is the nature of the relationship with these suppliers/partners? Do they have a claim on the business?*
10. *Cost Structure: What are the main costs of operating the business? What are the fixed costs that the firm is exposed to regardless of operations? What are the variable costs that are proportionate to activity? How do you minimize costs and are there any economies of scale (volume lowers costs) or scope exist (breadth of offer lowers cost)?*
11. *Worth Capture: What economic forms of worth does the organization capture? What forms of noneconomic worth does the organization capture?*

Through the exploration of the elements of the business model, we gain insight to how the organization supports both social and economic value propositions, and how it may be classified within the typology of SE proposed by Saebi et al. (2019).

### 3 | RESEARCH METHODOLOGY

The research was initiated by a group aiming to develop a new business supporting ex-offenders in the United Kingdom. An advisory board was created to steer the project, comprising four members representing diverse organizations directly involved in ex-offender support (including one from a housing charity and three from other support charities). The findings were presented to the advisory board as work progressed.

Research adopted a qualitative multiple case study design (Yin, 2009). Organizations were sought with a mission to support ex-offenders through work. Multiple cases allow identification of viable business model options, and identify enablers and barriers to success by learning from practice. To ensure theory guided the research, first a literature review explored the intersection of business practices and social impact, and draws upon SE theory. Business model theory was also examined and a business model canvas framework was employed (Bradley et al., 2020) to facilitate the examination of a number of businesses that support ex-offenders.

We used a mixed strategy to find case firms. We began with firms identified by our expert advisory panel. We then employed desktop methods, using search engines, business networking websites and industry news. During interviews we used snowball sampling, asking interviewees for information of similar operations (Farquhar, 2012). A US-based organization, Delancey Street Foundation, run by and for ex-offenders was put forward by the advisory board as an exemplar organization. Organizations with the same structure and goals were sought in the United Kingdom, but none were identified. Five case organizations were identified as demonstrating commitment to providing meaningful assistance and opportunities to ex-offenders, as well as their reputation for authenticity and effectiveness in delivering support services. The organizations included Timpson, a family owned retailer who have an extensive training and recruitment program with

UK prisons; Emmaus Bristol, who are part of a global federation of communes who provide support, meaningful work and stable accommodation for the homeless and socially excluded; Greggs the Baker, a UK Ltd company who run a program to recruit and train from UK prisons; and Network Rail, a UK Government owned company who provide specialist rail-worker training in Cardiff prison alongside skills training to help individuals find employment. All have different governance and core offer, and focus was placed upon their work with the prisoner and ex-offender communities.

The findings reported below are drawn from primary and secondary data. Secondary data included websites and company reports. Primary data were collected via interviews, either face to face or telephone when that was not possible, and site visits where practicable (Yin, 2009). In all cases, initial study started with the analysis of organizational website, online news and reporting. This was used to initially populate the business model. A semi-structured interview technique was used to focus on completing the canvas and gaining further insight (Finley, 2018). Interviews were undertaken with managers within each organization. A minimum of two interviews per organization were undertaken, with at least one senior manager leading ex-offender support. Interviews were between 30 min and 2 h, continuing until data saturation was achieved. Interviews were professionally transcribed.

Primary and secondary data were coded against the business model, and reflexive thematic analysis (Braun & Clarke, 2006, 2022) undertaken, with two researchers, working in parallel to surface themes. The researchers worked together to test validity of constructs and a common structure and content for each case study was agreed. For confirmation and validation, the case studies were checked by a third researcher before being sent to the organizations to highlight misunderstandings or correct factual error. Multiple data sources allowed the researchers to triangulate information to gain insights into how these organizations effectively generate both economic value and social value.

Following completion of the analysis seminars were given to present findings to a broad community of academics and interested parties from business and charitable sectors, two in 2018 and one in 2023. Feedback from the seminars further shaped the discussion.

### 4 | RESULTS FROM THE CASE STUDIES

A summary of the results from the case studies is shown in Table 1. Where the organization had multiple business lines, the summary is specific to the socially beneficial ex-offender business provided by each firm.<sup>1</sup>

All the organizations studied are different in legal forms. Delancey Street is a US nonprofit foundation (IRS tax code 501c3) and Emmaus is a registered UK charity, with both seeking financial independence through trading activities, though accepting donations and grants to help cover costs and develop businesses. Timpson is a publicly limited company, but its shares are privately held by the Timpson family members effectively making it a family business. Greggs is a public



**TABLE 1** Business models for social enterprises supporting ex-offenders.

	Delancey street	Emmaus	Greggs	Timpson	Network rail
Mission	To provide a structured educational and living environment in which men and women, most of whom are ex-felons and substance abusers, can learn the skills they need to rebuild their lives <sup>a</sup>	To work together to overcome homelessness and exclusion <sup>b</sup>	Each and every shop stays true to its name and remains as good as it was the day we opened <sup>c</sup>	Timpson has no mission statement, but has an “ethos” “to provide great customer service and to do this we operate an “Upside Down” management style. We believe the best way to give great customer service is to give freedom to the colleagues that serve customers.”	We exist to get people and goods where they need to be and to support our country's economic prosperity <sup>d</sup>
Value proposition	Ex-offender support (Social value)	Homeless support (Social Value)	Retail (Economic Value)		Infrastructure Management (Economic Value)
Primary					
Secondary	Retail (Economic Value)		Ex-offender support (Social Value)		
Key activities for offender program	Residential Provision Direct Employment Training/Education		N/A		N/A
Key resources	Their People Buildings/Assets N/A		Specialist in-prison training facilities		
Customer segments For Social Value	Socially excluded—with a focus on ex-offender support				
For Economic Value	General public is customer for business activities				Business to business
Customers/ stakeholders use of value proposition in their context	<ul style="list-style-type: none"> <li>Rehabilitation: structured 2–4 year pathway of education, where residents are expected to achieve min. high school equivalency and learn three marketable skills.</li> <li>Commercial ventures raise finance, but also grow residents esteem and engage local community</li> </ul>	<ul style="list-style-type: none"> <li>Disenfranchised people are offered accommodation, security/support, opportunity for work, education and training.</li> </ul>	<ul style="list-style-type: none"> <li>Offenders benefit from training and employment</li> <li>Retailer benefits from motivated staff with good retention rate</li> <li>Prison benefits from provision of training, work both on-site and on release, and enhanced rehabilitation</li> </ul>	<ul style="list-style-type: none"> <li>Offenders benefit from training and employment</li> <li>Partner firms benefit from trained track workers</li> <li>Prisons benefit from provision of training and rehabilitation</li> </ul>	
Channels, value chain and linkages	<ul style="list-style-type: none"> <li>Organization is self-contained, minimizing reliance on external parties</li> <li>Interactions via retail/business operations</li> <li>Important to engage local community, ensuring integration and acceptance</li> </ul>	<ul style="list-style-type: none"> <li>Federated global structure; each community is free to innovate</li> <li>Local trustees provide longitudinal management support</li> <li>Interactions with/ via retail/business operations</li> </ul>	<ul style="list-style-type: none"> <li>National high street retailer; highly internally integrated ex-offender recruitment</li> <li>Interactions via retail/business operations</li> </ul>	<ul style="list-style-type: none"> <li>National high street retailer; highly internally integrated ex-offender recruitment</li> <li>Prisons are stakeholders; each requires unique management</li> <li>Interactions via retail/business operations</li> </ul>	<ul style="list-style-type: none"> <li>Offender training program coordinated by Network Rail Head Quarters. <ul style="list-style-type: none"> <li>Close relationship with local prison hosting training facility</li> </ul> </li> </ul>

TABLE 1 (Continued)

	Delancey street	Emmaus	Greggs	Timpson	Network rail
Customer Relationship and Sensing	<ul style="list-style-type: none"> <li>All income from business so focus upon customer/client</li> </ul>	<ul style="list-style-type: none"> <li>Significant income from business so focus upon customer/client</li> <li>Support available via Emmaus UK/Global as part of federated structure</li> </ul>	<ul style="list-style-type: none"> <li>All income from business so focus upon customer/client</li> </ul>	<ul style="list-style-type: none"> <li>All income from business so focus upon customer/client</li> <li>Prison academies HMP pay wages of their staff and Timpson pay theirs</li> </ul>	<ul style="list-style-type: none"> <li>Cost of trainers for the prison via Government grant</li> <li>All other costs are met by Network Rail</li> </ul>
Key stakeholders and partners	<ul style="list-style-type: none"> <li>Private, resident owned organization</li> <li>No other stakeholders or debts/liabilities</li> </ul>	<ul style="list-style-type: none"> <li>Independent Charity</li> <li>Emmaus communities are cooperatives and companions are key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Publically traded limited company</li> <li>Staff and offenders are key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Family owned business</li> <li>Ex-offenders and prisons are key program stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>State owned company</li> <li>Ex-offenders and prisons are key program stakeholders</li> </ul>
Cost Structure	<ul style="list-style-type: none"> <li>Fixed overhead for maintenance of assets</li> <li>Variable costs relate to operations</li> <li>All functions are integrated providing cross subsidy</li> <li>No professional staff</li> </ul>	<ul style="list-style-type: none"> <li>Fixed overhead for maintenance of assets</li> <li>Variable costs relate to operations</li> <li>Small professional staff salary and Companion allowances</li> </ul>	<ul style="list-style-type: none"> <li>Ex-offender program is integrated and not a separate cost center</li> <li>Program managers are centrally funded</li> </ul>	<ul style="list-style-type: none"> <li>Prison training involves fixed costs including start up and installation.</li> <li>Variable costs of maintenance, materials, staff and prisoner wages, administration.</li> <li>Other costs are integral to the main retail business</li> </ul>	<ul style="list-style-type: none"> <li>Variable costs of prison training via Welsh Assembly grant.</li> <li>Network Rail fund life skill, CV training, equipment, uniforms and track</li> </ul>
Worth Capture	<ul style="list-style-type: none"> <li>Primary worth is to change the attitude and behavior of the residents</li> <li>Financial worth is from business operations</li> <li>No social value KPIs are maintained</li> </ul>	<ul style="list-style-type: none"> <li>Primary worth is to provide meaningful work and a stable home for disenfranchised</li> <li>Financial worth from business activities &amp; monthly donors</li> <li>Limited metrics e.g. where individuals have moved on to after leaving</li> </ul>	<ul style="list-style-type: none"> <li>Primary worth is financial, from retail operations</li> <li>Social worth is recruitment of motivated, engaged individuals</li> <li>No social value KPIs are maintained</li> </ul>	<ul style="list-style-type: none"> <li>Primary worth financial from retail operations</li> <li>Social worth is recruitment of motivated engaged individuals</li> <li>No social value KPIs are maintained</li> </ul>	<ul style="list-style-type: none"> <li>Primary worth is financial, from UK and Scottish Gov. grants, charges levied on train operators, and from commercial property.</li> <li>Social worth in this case is provision of opportunity for offenders coupled with talent for partner firms</li> <li>No KPIs link to the social project.</li> </ul>

<sup>a</sup><https://philanthropynewsdigest.org/features/nonprofit-spotlight/delancey-street-foundation#:~:text=Mission%3A,need%20to%20rebuild%20their%20lives.>

<sup>b</sup><https://emmaus.org.uk/slc/our-vision-mission-and-values/#:~:text=To%20work%20together%20to%20overcome%20homelessness%20and%20exclusion.>

<sup>c</sup><https://careers.greggs.co.uk/about-greggs.>

<sup>d</sup>[https://www.networkrail.co.uk/who-we-are/about-us/.](https://www.networkrail.co.uk/who-we-are/about-us/)

limited company, with institutional, retail and individual investors. Network Rail is a Government-owned company and incorporated as a private limited company without share capital.

Discussion of the Mission of the organization highlighted fundamental differences. Delancey Street was established to create opportunity for ex-offenders and support their rehabilitation. The residents are provided with accommodation, academic education, skills training, and employment/business opportunities. It is run by and for ex-offenders, with each person learning skills then teaching those skills

to the subsequent people. The Delancey Street education and training process follows an “up and onwards” model. Each resident is expected to achieve a high school equivalency degree (GED). Someone entering with an 8th Grade education can teach someone at 6th grade. Each individual learns at least three marketable skills. They then teach the skills to the next person. Individuals gain confidence and self-worth through employing their skills and teaching others and move through the program. Training often relates directly to the commercial activities Delancey Street operates to self-fund. Their

businesses activities incorporate positive interactions with society for their residents. Emmaus is a registered charity that operates as a series of independent “communes.” The communes form a national and international federated system. Their Mission is ending homelessness and restoring esteem. Unlike Delancey Street, it is not a “throughput” model, but rather provides stability for individuals. Residents are referred to as Companions, and work to support the commune as best they can, with various retail and business offers. The goal is to be completely Companion run, but Bristol had a small non-resident management team. Timpson, Greggs and Network Rail are all commercial organizations. Timpson is a chain of cobblers and Greggs, a “food on the go” baked goods business, both have chains of high-street retailer shops. Both organizations are retail led, reflected in the commercial retail mission/ethos both express. Both found it difficult to recruit and retain staff, which was problematic as it is skilled work. They both recognized ex-offenders had skills to offer, yet few opportunities and so had introduced processes that positively supported their recruitment. Network Rail is charged with running UKs rail system, using extensive subcontracting. Their subcontractors struggled to recruit skilled rail workers. They developed training facilities inside Cardiff prison which included sections of track and equipment such that offenders could gain experience before they were released. Further, Network Rail's HR department providing CV and interview skills training.

During interviews, it became apparent that all of the organizations social value creation activities we examined were driven by people who could be considered social entrepreneurs. In most cases, interviewees all identified an individual who initiated the social value creating activities. For example, in Delancey Street, co-founder Dr Mimi Silbert developed the initial processes and businesses, and While others have developed these, she continues to provide leadership to the organization. Within Timpson, it was their main owner, Sir John Timpson, who had met a promising ex-offender during a visit to a young offenders institute and offered him a job. This led to a full training and recruitment program. The ex-offender support within Network Rail was initiated by one individual, whose passion attracted others to help support the work. In all cases, the organizations had a number of people in management who had taken on the role as social entrepreneurs, using the organizations resources to create business opportunities that co-created social value. None of the interviewees said that they presented these activities as part of CSR. This highlights the important role that a key individual make in developing a business to make social value creation a core part of their businesses model that aids the creation of economic value and in so doing, there is not the common trade-off between social and economic value creation, social value is not an additional expenditure or add on that diverts from core business. It showcases authentic leadership on sustainable development and how to do it well, with an intelligent and systems approach to the challenge.

With regards economic value capture, the organizations all maintained financial accounts. All knew the cost and revenue associated with each line of business and the overall training, education and support they provided. Neither Timpson nor Greggs had separate

financial accounts for the ex-offenders recruitment as it was fully integrated into the overall organizational training and recruitment accounting process. Network Rail staff provided interview training themselves, but their in-prison training course was reliant on grant funding to maintain activities. Both Delancey Street and Emmaus were reticent about grant funding. Delancey Street received no government funding and this is avoided as it is seen to come with too many conditions, demanded metrics and was not focused—and as Dr Silbert put it “*Government money changes its mind all the time.*” The latter creates instability for planning, investment, sustainability and long-term goals. “Emmaus could apply for local grants, but must go through their central Emmaus system.” The broader Emmaus UK system is able to provide loans to individual communes if times become difficult as the federation are very supportive.

All the organizations were creating social value through supporting ex-offenders. Though delivering on social value, specific impact measures were not employed extensively by any of the organizations. There was a reluctance to track individuals or capture an overview of “success” in rehabilitation. Dr Silbert believed they have 66–70% success, but sees metrics as problematic. She stated that over a decade ago a study reported Delancey Street having a very high success rate, but that it aggravated them. She found that attempts at measurement was against the values of the organization as to measure “success” conflicted with the organization's approach of focusing on the person over a long period, not reporting about them to others over a set period. Dr Silbert was further concerned about the short-term nature of metrics, which are typically annualized, stating “*If you can stop people from doing this for a year then that's good, but I find that so offensive. I don't want to give them some harm reduction for a year... It's where a lot of our government stands right now.*”

Emmaus Management Information Reports capture some key aspects of their service. Measures included Companion attendance and the roles they take to contribute. They felt the statements of progress and experience produced a richer picture for the community's success. As an example, one stated that “despite having ongoing problems, the time they spent at Emmaus was ‘the most stable time of their life’.” The impact and worth of the organization was perceived as more subtle and they believed, not susceptible to direct measurement. The CEO suggested that perhaps assessment of the communities progress could be undertaken based upon a balanced scorecard approach of metrics and qualitative observations. There are no ex-offender specific statistics with regards training or retention by either Greggs or Timpson. Both fully integrated ex-offenders within their organizations and it would be incongruent to separate them out in metrics. The program is at the heart of the core values of the corporation which grew up from the way the company was built. Greggs managers told us that retention for anyone employed on the training scheme was ~75%. Likewise with Timpson, their operations are integral to the ex-offenders work and so it is not possible to separate out their contributions in any sensible way. They know that their retention rate for ex-offender colleagues is ~80–85% which is significantly better than most ex-offender organizations. In addition to the work being “the right thing to do,” the key external worth is that this is



good for society. They could estimate benefits, as they believe that they can reduce rates of re-offending by 50%. Twelve months prison time expenses (police, court, sentencing, prison, etc.) costs roughly £250K. But again, this was not a calculated metric. They valued the individuals; as stated in interview “*Criminals often have excellent sales skills and are good with money!*” They had found those taken on are less likely to steal, they are “*grateful for opportunity so they don't bite the hand that feeds them.*” Some use the Timpson as a stepping stone and this is accepted as part of the social value, and they are happy to give individuals the references they need in future employment. Network Rail had also not attached any KPIs with this project, and relies on communication from the course participants and the instructor post release to keep in touch, qualitatively with the former course participants. They indicated approximately 65% of those that undertook the course gained gainful employment within the rail industry on release.

## 5 | DISCUSSION

We were able to find a number of organizations that were successfully operating to support ex-offenders. The business model framework applied, the Bradley et al. (2020) model with a box to record “Mission” added, which gave us sufficient insights into the organizations to understand their operational processes and success factors. This provided sufficient information to inform the group wishing to develop their own organization. In workshops presenting this work to a broader set of business leaders, all appreciated the nuances of the organizational types, their Mission, value propositions and operations, and how they were viable and generating social value over the longer term. The narrative business models provided, of social entrepreneurs, their Mission and the different forms of SE, helped reduce the negative perception of ex-offenders and their value as individuals and as a valued pool of human resource to draw upon (Ranjatoelina, 2018).

We found that the Mission statements available aligned with what we classified as the organizations primary value propositions (David, 2011; Pearce & David, 1987). That Mission is often pseudonymous with value in the SE literature (David, 2011; Dees, 2018; Pearce & David, 1987; Stevens et al., 2015) is a reflection of the overlap between value proposition and Mission statement, and is a weakness in SE scholarship. When considering organizations value creation, we found in practice that much of what Mission statements provide is captured within a well specified value proposition, which was achieved using the business model canvas (Bradley et al., 2020). When presenting the work to business leaders in workshops the Mission statement was found to be valuable. Before engaging with detail of the value proposition, Mission statements provided a deeper narrative meaning for the existence of the firm (Bart et al., 2001) and therefore the decisions that were made (Yunus et al., 2010), which helped engage people with the organization and the dual value propositions. However, with well specified value propositions, Mission just provides historical detail of why the organization started.

In each case, organization individuals displaying the characteristics of social entrepreneurs were identified (Dees, 2018; Lyons, 2003; Saebi et al., 2019). These were individuals able to recruit and employ resources to deliver on the twin hurdle of economic and social value creation (Abebe et al., 2020; Social Enterprise Alliance, 2015). They were also demonstrably able to balance the inherent tensions (Sharma & Bansal, 2017) and deliver on the social and economic value propositions over time without Mission drift (Ebrahim et al., 2014; Jones et al., 2021; Ramus & Vaccaro, 2017). The case studies of this article show how key individuals can play a strong role in incorporating social value creation as part of core business rather than an expensive “add on” that diverts from core business. They create a business model with a nexus that helps avoid a trade-off between social value and economic value (Bradley et al., 2020; Levitt, 1958; Mendy, 2019; Schaltegger et al., 2011). In identifying social issues to address those that directly intersect with the processes of the firm they create shared value (Porter & Kramer, 2006). Additionally, they illustrate authentic, intelligent systems approaches to addressing social and economic aspects of sustainable development, and in so doing are important contributions (Everard, 2019).

The organizational forms employed by the entrepreneurs to exploit resources to create social and economic value to benefit the community (Borzaga & Santuari, 2001) differed significantly, and included nonprofit foundation, a charity, for profit-retailers, and non-departmental government for profit organization (Battilana & Lee, 2014). Classifying the organizations against the Saebi et al. (2019) typology of social entrepreneurship organizations, in all cases the economic mission, or value creation activities can be classified as “differentiated.” All the organizations commercial offers create economic value that cross-subsidizes and enables the continued social value creation work. Examining their “Social Mission,” Delancey Street, Greggs, Timpson, and Emmaus are classified as “With Beneficiaries” as they all include the ex-offender beneficiaries as an active part of the value creation processes, working within their commercial offerings. Despite the significant difference in the organizational forms, in the Saebi et al. (2019) typology for SE, these organizations all represent a “Market-oriented work model.” All were using their successful economic ventures to invest in social value creation (Hagedoorn et al., 2023). While this was 1g of Network Rail, classifying their offer against the typology, the Social Mission matches the “For beneficiaries” category as the ex-offenders are solely recipients of their immediate value offering. They are not part of immediate revenue generating activities of Network Rail, and going forwards, they are unlikely to be as Network Rail does not employ rail workers directly; that is done by the firms that it manages as part of the UK rail ecosystem. Network Rail is creating a resource that provide an indirect and deferred benefit; a pool of trained people for its partner organizations to employ who will become part of the value creating process of the rail ecosystem. Network Rail's SE activities are therefore classified as a “Two-sided value model.”

Some scholars argue that Greggs, Timpson, and Network Rail are not SEs as they are for profit, their Mission is not SE (Alter, 2007; Elkington & Hartigan, 2008). However, the individuals working there

exhibit the characteristics of social entrepreneurs and use economic value created by the organization to enable social value creation, regardless of Mission statement. Most classifications we examine would include these organizations as SE, or acknowledge they undertake SE activities (Boyd et al., 2018; Dees, 2018; Saebi et al., 2019). That the varied organizational forms can be classified as SE demonstrates the broad reach of the definition. Defining whole organizations as an SE perhaps misses the final aim of social entrepreneurs, which is social value creation. The business model enables SE. In these case examples, we propose that the agency of social entrepreneurs within the organizations to create social value is the essence of an SE.

When specifying the value propositions (Bradley et al., 2020), we captured both the social and financial proposition and with interviewees, classifying them as primary and secondary in Table 1. Through interviews all the organizations recognized the requirement of economic value creation for survival, they also revealed the moral and ethical motivation of the work undertaken (Bornstein, 2004; Nicholls & Dees, 2015). None of the social entrepreneurs within the organizations welcomed a strict primary and secondary classification split. Only Delancey Street and Emmaus were created explicitly with social value creation as an existential element (Borzaga & Santuari, 2001). Emmaus states that “SEs are an integral part of community life and help us to generate the income.”<sup>2</sup> They suggest that SE is something they do (using business activities to support social value creation), as opposed to something they are, which is a commune supporting disenfranchised people. Timpson, Greggs, and Network Rail were created as economic entities and though ex-offender support is part of their operations, we labeled it as a secondary value proposition. However, SE can equally be for-profit (Mair & Marti, 2006), where social entrepreneurs co-create social and economic value with a social welfare logic (Pullman et al., 2018). In trying to separate the value proposition into primary and secondary, such as is done in the SE typology employing a spectrum of hybrid organizations forms academics are perhaps too reductionist (Agarwal et al., 2018; Alter, 2007; Vassallo et al., 2019). The social entrepreneurs see value creation as purely an integrative proposition, with the challenge lying in appropriately balancing the social and economic elements to create this integrative value within their given business model (Sharma & Bansal, 2017). In essence, they take an intelligent systems approach and avoid siloing. These case studies generate substantial practical learning and inspiration on “how to do.” The work illustrates the value of doing in-depth case studies, generally scarce in the literature (Bradley et al., 2020).

Specific to economic value, grant income was perceived by all the organizations as a hindrance due to bureaucracy, uncertainty of future funding and potential interference by funders. Only Network Rail had a partial dependency on grants for their in-prison training offer and they had to pause activities when grants were not available. Delancey Street held no grants and were most vocally negative towards them. In extending our examination of this work into charities, we found empirical quantitative evidence that organizational vulnerability is associated with dependence on grant funding (Green et al., 2021), our case studies led us to this investigation. That work found charities with greatest probability of survival had stable high levels of income

from their own activities and donations. Even those with high but stable grant income were still more likely to fail, as if and when grant funding is lost they were unable to meet costs.

Literature finds that organizations are feeling pressure from funders to account for their social returns (Kickul & Lyons, 2021) but actually measuring social value has been identified in literature as problematic (Mair & Marti, 2006; Qian-Khoo et al., 2022), if not impossible (Emerson, 2003). We had expected some quantification of the social benefits brought by each organization, particularly given that some were large retail chains who would have extensive operational KPIs and financial reporting of economic performance. All of the organizations were aware of the benefits in terms of how their work helped individuals, which they could have captured in social effectiveness measures (Longoni et al., 2024; Pullman et al., 2018). However, none of the organizations chose to keep such information, neither did they seek to keep records of the progress of their ex-offender colleagues. The organizations were focused on individuals immediate wellbeing, which provided the social entrepreneurs their sense of mission and service (Kanter & Summers, 1994). The social entrepreneur's actions conformed with their desired identity; signally that they were genuine in their actions (Mazutis & Slawinski, 2015; McShane & Cunningham, 2012; Skilton & Purdy, 2017). Barriers to social value measurement have focused on what is measured, who measures and how that is paid for (Harji & Jackson, 2018), but not that measurement itself may be antithetical to social entrepreneurs and the value they co-create with those they seek to support.

## 6 | CONCLUSIONS

The research has shown how SEs simultaneously address the social challenge of reforming prisoners for society, and the economic challenge of developing skilled and committed employees. The work employed a modified business model framework (Bradley et al., 2020) to reveal how organizations were able to support ex-offenders and create business benefit (Evans et al., 2017). These case studies generate substantial practical learning and inspiration on “how to,” illustrating the value of in-depth case studies, which are generally scarce in the literature. Analysis showed how under-valued human resource (Ranjatoelina, 2018) was deployed to achieve economic and social value, creating work and training that gave the ex-offenders agency. The cases examples were of successful SE that delivered hybrid social and economic value creation (Battilana & Lee, 2014; Chen & Wang, 2024; Saebi et al., 2019). The analysis was found useful by a group of social entrepreneurs trying to create an SE in the United Kingdom.

The analysis provided a structured approach to discovery and reporting of different forms of organizing that can all be classified as SE (Borzaga & Santuari, 2001; Dees, 2018; Saebi et al., 2019). The model helps explain to third parties the mission, proposition and means of delivery of the simultaneous social and economic value propositions. The concept of Mission is found to overlap significantly with the value propositions both in literature (David, 2011; Dees, 2018; Pearce & David, 1987; Stevens et al., 2015). However, in

practice, Mission was found to be important in explaining why the organizations existed when presenting the findings to third parties. Mission would likely be important in addressing potential funders or partner organizations. Each case organizations SE activities were led by individuals displaying the characteristics of social entrepreneurs (Dees, 2018; Lyons, 2003; Saebi et al., 2019). They created hybrid value propositions, ensuring social and economic value were mutually beneficial to the organization. Academic researcher's separation of economic and social value does not taken into account the social entrepreneurs focus on the integration of these two constructs.

We show those skilled in social entrepreneurship are able to utilize suitable business logics (Pullman et al., 2018) to motivate others to engage in delivery of social and economic value creation (Abebe et al., 2020; Social Enterprise Alliance, 2015), no matter how the organizational form is classified (Agarwal et al., 2018; Alter, 2007; Battilana & Lee, 2014; Boyd et al., 2018; Dees, 2018; Saebi et al., 2019). We found that social entrepreneurs are resistant to measurement of social value due to the questionable accuracy of such a measure (Mair & Martí, 2006; Qian-Khoo et al., 2022), and exactly who it would serve (Harji & Jackson, 2018). The measurement of social value creation may be necessary to justify activities and report to funders (Kickul & Lyons, 2021). However, the case organizations were not reliant on external funders. External grant income was seen as both unreliable, and subject to change outside of an organizations control. In other research, we found a reluctance to accept grant income was well-founded, as grant dependency made charities more likely to fail (Green et al., 2021).

Future work should examine social entrepreneur's capabilities in developing forms of SE that support the disenfranchised. Research can explore how social and economic value are integrative propositions for social entrepreneurs. More detailed examination of the role of Mission, its use and meaning in relation to value may help provide needed clarity in SE scholarship. Study of organizational and entrepreneur values may also add to understanding. The types and value of metrics merits further analysis, particularly with regards the barriers to their adoption that are routed within the values of the social entrepreneurs themselves.

## ACKNOWLEDGMENTS

The authors would like to gratefully acknowledge the input from the advisory board and company managers who assisted in creation and critique of this work. The authors thank the reviewers for their insights in revising the paper. The authors acknowledge the funding contribution of the British Academy Leverhulme Small Research Grant "Beyond the Gate" project grant SG142923, which contributed substantially to the research conducted and the writing of this article. All authors contributed equally to the creation of this article.

## CONFLICT OF INTEREST STATEMENT

The authors declare no conflicts of interest.

## DATA AVAILABILITY STATEMENT

Research data are not shared.

## ORCID

Glenn Parry  <https://orcid.org/0000-0002-6432-2055>

## ENDNOTES

<sup>1</sup> Greater detail beyond the scope of this article was captured: Parry, G. and Green, E., 2017. Co-creating value: Through the gate and beyond. Project Report. UWE. Available from: <http://eprints.uwe.ac.uk/30910>.

<sup>2</sup> <https://emmaus.org.uk/what-we-do/social-enterprise/>.

## REFERENCES

- Abebe, M. A., Kimakwa, S., & Redd, T. (2020). Toward a typology of social entrepreneurs: The interplay between passionate activism and entrepreneurial expertise. *Journal of Small Business and Enterprise Development*, 27(4), 509–530. <https://doi.org/10.1108/JSBED-08-2019-0279>
- Agarwal, N., Chakrabarti, R., Brem, A., & Bocken, N. (2018). Market driving at bottom of the pyramid (BoP): An analysis of social enterprises from the healthcare sector. *Journal of Business Research*, 86(June 2017), 234–244. <https://doi.org/10.1016/j.jbusres.2017.07.001>
- Alter, K. (2007). *Social enterprise typology*. Virtue Ventures LLC.
- Amit, R., & Zott, C. (2001). Value creation in e-business. *Strategic Management Journal*, 22(6–7), 493–520. <https://doi.org/10.1002/smj.187>
- Baden-Fuller, C., & Mangematin, V. (2013). Business models: A challenging agenda. *Strategic Organization*, 11(4), 418–427. <https://doi.org/10.1177/1476127013510112>
- Baden-Fuller, C., & Morgan, M. S. (2010). Business models as models. *Long Range Planning*, 43(2–3), 156–171. <https://doi.org/10.1016/j.lrp.2010.02.005>
- Bart, C. K., Bontis, N., & Taggar, S. (2001). A model of the impact of mission statements on firm performance. *Management Decision*, 39(1), 19–35. <https://doi.org/10.1108/EUM0000000005404>
- Battilana, J., Leca, B., & Boxenbaum, E. (2009). 2 how actors change institutions: Towards a theory of institutional entrepreneurship. *The Academy of Management Annals*, 3(1), 65–107. <https://doi.org/10.1080/19416520903053598>
- Battilana, J., & Lee, M. (2014). Advancing research on hybrid organizing—Insights from the study of social enterprises. *Academy of Management Annals*, 8(1), 397–441. <https://doi.org/10.1080/19416520.2014.893615>
- Biloslavo, R., Bagnoli, C., & Edgar, D. (2018). An eco-critical perspective on business models: The value triangle as an approach to closing the sustainability gap. *Journal of Cleaner Production*, 174, 746–762. <https://doi.org/10.1016/j.jclepro.2017.10.281>
- Boons, F., & Lüdeke-Freund, F. (2013). Business models for sustainable innovation: State-of-the-art and steps towards a research agenda. *Journal of Cleaner Production*, 45, 9–19. <https://doi.org/10.1016/j.jclepro.2012.07.007>
- Bornstein, D. (2004). *How to change the world: Social entrepreneurship and the power of ideas*. Oxford University Press.
- Borzaga, C., & Santuari, A. (2001). Italy: From traditional co-operatives to innovative social enterprises. In C. Borzaga & J. Defourny (Eds.), *The emergence of social enterprise* (pp. 166–181). Routledge. <https://doi.org/10.4324/9780203164679>
- Boyd, B., Henning, N., Reyna, E., Wang, D. E., Welch, M. D., & Hoffman, A. (2018). Why hybrid organizations? In *Hybrid organizations* (pp. 5–10). Routledge. <https://doi.org/10.4324/9781351279246-2/hybrid-organizations-brewster-boyd-nina-henning-emily-reyna-daniel-wang-matthew-welch-andrew-hoffman>
- Bradley, P., Parry, G., & O'Regan, N. (2020). A framework to explore the functioning and sustainability of business models. *Sustainable Production and Consumption*, 21, 57–77. <https://doi.org/10.1016/j.spc.2019.10.007>
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101. <https://doi.org/10.1191/1478088706QP0630A>

- Braun, V., & Clarke, V. (2022). Thematic analysis: A practical guide to understanding and doing. In *Thematic analysis: A practical guide*. SAGE Publications Ltd.
- Certo, S. T., & Miller, T. (2008). Social entrepreneurship: Key issues and concepts. *Business Horizons*, 51, 267–271. <https://doi.org/10.1016/j.bushor.2008.02.009>
- Cetina, K. K. (1997). Sociality with objects: Social relations in postsocial knowledge societies. *Theory, Culture & Society*, 14, 1–30. <https://doi.org/10.1177/026327697014004001>
- Chen, M., & Wang, C. (2024). How business model innovation facilitates microcredit in balancing social mission with commercial performance—Evidence from local commercial banks. *Technological Forecasting and Social Change*, 202(1139), 123287. <https://doi.org/10.1016/j.techfore.2024.123287>
- David, F. R. (2011). *Strategic management concepts and cases* (13th ed.). Pearson Education.
- Dean, T. J., & McMullen, J. S. (2007). Toward a theory of sustainable entrepreneurship: Reducing environmental degradation through entrepreneurial action. *Journal of Business Venturing*, 22(1), 50–76. <https://doi.org/10.1016/j.jbusvent.2005.09.003>
- Dees, J. G. (2018). The meaning of social entrepreneurship. In J. Hamschmidt & M. Pirson (Eds.), *Case studies in social entrepreneurship and sustainability; the oikos collection* (Vol. 2, 1st ed., pp. 22–30). Routledge. <https://doi.org/10.4324/9781351278560-5>
- Ebrahim, A., Battilana, J., & Mair, J. (2014). The governance of social enterprises: Mission drift and accountability challenges in hybrid organizations. *Research in Organizational Behavior*, 34, 81–100. <https://doi.org/10.1016/j.riob.2014.09.001>
- Elkington, J., & Hartigan, P. (2008). The power of unreasonable people: How social entrepreneurs create markets that change the world. Retrieved from <https://store.hbr.org/product/the-power-of-unreasonable-people-how-social-entrepreneurs-create-markets-that-change-the-world/4060?sku=4060-HBK-ENG>
- Elvy, J. (2014). Public participation in transport planning amongst the socially excluded: An analysis of 3rd generation local transport plans. *Case Studies on Transport Policy*, 2, 41–49. <https://doi.org/10.1016/j.cstp.2014.06.004>
- Emerson, J. (2003). The blended value proposition: Integrating social and financial returns. *California Management Review*, 45, 35–51.
- Evans, S., Vladimirova, D., Holgado, M., Van Fossen, K., Yang, M., Silva, E. A., & Barlow, C. Y. (2017). Business model innovation for sustainability: Towards a unified perspective for creation of sustainable business models. *Business Strategy and the Environment*, 26(5), 597–608. <https://doi.org/10.1002/bse.1939>
- Everard, M. (2019). *Rebuilding the earth: Regenerating our planet's life support systems for a sustainable future*. Springer. <https://doi.org/10.1007/978-3-030-33024-8>
- Farquhar, J. D. (2012). *Case study research for business*. SAGE.
- Finley, S. (2018). Critical arts-based inquiry. In N. K. Denzin & Y. S. Lincoln (Eds.), *The SAGE handbook of qualitative research* (5th ed.). SAGE Publishing.
- Green, E., Ritchie, F., Bradley, P., & Parry, G. (2021). Financial resilience, income dependence and organisational survival in UK charities. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 32(5), 992–1008. <https://doi.org/10.1007/s11266-020-00311-9>
- Green, E., Ritchie, F., Parry, G., & Bradley, P. (2016). Financial resilience in charities v. 2.
- Haase, D., Kabisch, S., Haase, A., Andersson, E., Banzhaf, E., Baró, F., Brenck, M., Fischer, L. K., Frantzeskaki, N., Kabisch, N., Krellenberg, K., Kremer, P., Kronenberg, J., Larondelle, N., Mathey, J., Pauleit, S., Ring, I., Rink, D., Schwarz, N., & Wolff, M. (2017). Greening cities—To be socially inclusive? About the alleged paradox of society and ecology in cities. *Habitat International*, 64, 41–48. <https://doi.org/10.1016/j.habitatint.2017.04.005>
- Hagedoorn, J., Haugh, H., Robson, P., & Sugar, K. (2023). Social innovation, goal orientation, and openness: Insights from social enterprise hybrids. *Small Business Economics*, 60(1), 173–198. <https://doi.org/10.1007/s11187-022-00643-4>
- Halme, M., Lindeman, S., & Linna, P. (2012). Innovation for inclusive business: Intrapreneurial bricolage in multinational corporations. *Journal of Management Studies*, 49(4), 743–784. <https://doi.org/10.1111/j.1467-6486.2012.01045.x>
- Harji, K., & Jackson, E. T. (2018). Facing challenges, building the field: Improving the measurement of the social impact of market-based approaches. *American Journal of Evaluation*, 39(3), 396–401. <https://doi.org/10.1177/1098214018778817>
- Jones, J. A., Krasynska, S., & Donmoyer, R. (2021). Mission-first social enterprises: A case study of how three nonprofit organizations avoided mission drift when forming and operating social enterprises. *Journal of Philanthropy and Marketing*, 26(4), 1–7. <https://doi.org/10.1002/nvsm.1701>
- Kanter, R. M., & Summers, D. V. (1994). Doing well while doing good: Dilemmas of performance measurement in nonprofit organizations and the need for a multiple-constituency approach. In *Public sector management: Theory, critique and practice*. Yale University Press.
- Kickul, J., & Lyons, T. S. (2021). Measuring social impact. In *Understanding social entrepreneurship*. Routledge. <https://doi.org/10.4324/978131569576-17>
- Levitt, T. (1958). The dangers of social responsibility. *Harvard Business Review*, 36, 41–50.
- Longoni, A., Luzzini, D., Pullman, M., Seuring, S., & van Donk, D. P. (2024). Social enterprises in supply chains: Driving systemic change through social impact. *International Journal of Operations & Production Management*, ahead-of-print. 44(10), 1814–1830. <https://doi.org/10.1108/IJOPM-10-2023-0835>
- Lüdeke-Freund, F., & Musango, B. B. (2016). Business models for shared value—Main report. Retrieved from <https://www.nbs.net/articles/main-report-business-models-for-shared-value>
- Lyons, M. (2003). The emergence of social enterprise (book). *Voluntas*, 14(2), 241–243.
- Magretta, J. (2002). Why business models matter. *Harvard Business Review*, 80(5), 86–92.
- Mair, J., & Martí, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41(1), 36–44. <https://doi.org/10.1016/j.jwb.2005.09.002>
- Marrow, J. J. (1957). American Negroes—A wasted resource. *Harvard Business Review*, 35(1), 65–74. Retrieved from <http://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=6770325&site=ehost-live>
- Mazutis, D. D., & Slawinski, N. (2015). Reconnecting business and society: Perceptions of authenticity in corporate social responsibility. *Journal of Business Ethics*, 131, 137–150. <https://doi.org/10.1007/s10551-014-2253-1>
- McMullen, J. S. (2011). Delineating the domain of development entrepreneurship: A market-based approach to facilitating inclusive economic growth. *Entrepreneurship: Theory and Practice*, 35(1), 185–215. <https://doi.org/10.1111/j.1540-6520.2010.00428.x>
- McShane, L., & Cunningham, P. (2012). To thine own self be true? Employees' judgments of the authenticity of their organization's corporate social responsibility program. *Journal of Business Ethics*, 108, 81–100. <https://doi.org/10.1007/s10551-011-1064-x>
- McWilliams, A., & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of Management Review*, 26, 117. <https://doi.org/10.5465/AMR.2001.4011987>
- Mendy, J. (2019). Supporting the creation of shared value. *Strategic Change*, 28, 157–161. <https://doi.org/10.1002/jsc.2257>
- Nair, P. B. (2022). Embracing hybridity: A business model innovation for sustainable social enterprises. *International Journal of Business and Society*, 23(3), 1600–1617. <https://doi.org/10.33736/ijbs.5186.2022>
- Ng, I. C. L., & Smith, A. (2012). An integrative framework of value. *Review of Marketing Research*, 9, 207–243. [https://doi.org/10.1108/S1548-6435\(2012\)0000009011](https://doi.org/10.1108/S1548-6435(2012)0000009011)



- Nicholls, A., & Dees, J. G. (2015). Social innovation. In *International encyclopedia of the social & behavioral sciences* (2nd ed., pp. 355–361). Elsevier. <https://doi.org/10.1016/B978-0-08-097086-8.73105-9>
- Osterwalder, A., & Pigneur, Y. (2010). *Business model generation—Canvas*. Wiley.
- Osterwalder, A., Pigneur, Y., Bernarda, G., & Smith, A. (2014). *Value proposition design: How to create products and services customers want*. Wiley.
- Parry, G., & Tasker, P. (2014). Value and servitization: Creating complex deployed responsive services. *Strategic Change*, 23(5–6), 303–315. <https://doi.org/10.1002/jsc.1978>
- Pearce, J. A., & David, F. (1987). Corporate mission statements: The bottom line. *Academy of Management Perspectives*, 1(2), 109–115. <https://doi.org/10.5465/ame.1987.4275821>
- Porter, M. E., & Kramer, M. R. (2006). Strategy and society: The link between competitive advantage and corporate social responsibility (HBR spotlight: Making a real difference). *Harvard Business Review*, 84(12), 78.
- Pullman, M., Longoni, A., & Luzzini, D. (2018). Emerging discourse incubator: The roles of institutional complexity and hybridity in social impact supply chain management. *Journal of Supply Chain Management*, 54(2), 3–20. <https://doi.org/10.1111/jscm.12163>
- Qastharin, A. R. (2016). Business model canvas for social enterprise. *Journal of Business and Economics*, 7(4), 627–637. [https://doi.org/10.15341/jbe\(2155-7950\)/04.07.2016/008](https://doi.org/10.15341/jbe(2155-7950)/04.07.2016/008)
- Qian-Khoo, J. X., Hiruy, K., Hutton, R. W.-A., & Barraket, J. (2022). A systematic review of meta-evaluations: Lessons for evaluation and impact analysis. *American Journal of Evaluation*, 43(3), 394–411. <https://doi.org/10.1177/10982140211018276>
- Ramus, T., & Vaccaro, A. (2017). Stakeholders matter: How social enterprises address mission drift. *Journal of Business Ethics*, 143(2), 307–322. <https://doi.org/10.1007/s10551-014-2353-y>
- Ranjatoelina, J. T. (2018). The inclusive business model revisited: An “extended resource-based theory” (re)definition built on the investigation of three diversified inclusive enterprises in France. *Strategic Change*, 27(6), 587–597. <https://doi.org/10.1002/jsc.2241>
- Ranjatoelina, J. T., & Zaoual, A.-R. (2016). Inclure des ressources délaissées. *Revue Française de Gestion*, 42(255), 121–138. <https://doi.org/10.3166/rfg.2016.00031>
- Rawhouser, H., Cummings, M., & Newbert, S. L. (2019). Social impact measurement: Current approaches and future directions for social entrepreneurship research. *Entrepreneurship Theory and Practice*, 43(1), 82–115. <https://doi.org/10.1177/1042258717727718>
- Saebi, T., Foss, N. J., & Linder, S. (2019). Social entrepreneurship research: Past achievements and future promises. *Journal of Management*, 45(1), 70–95. <https://doi.org/10.1177/0149206318793196>
- Schaltegger, S., Lüdeke-Freund, F., & Hansen, E. G. (2011). Business cases for sustainability and the role of business model innovation: Developing a conceptual framework. *SSRN Electronic Journal*, 1–32. <https://doi.org/10.2139/ssrn.2010506>
- Sharma, G., & Bansal, P. (2017). Partners for good: How business and NGOs engage the commercial-social paradox. *Organization Studies*, 38(3–4), 341–364. <https://doi.org/10.1177/0170840616683739>
- Skilton, P. F., & Purdy, J. M. (2017). Authenticity, power, and pluralism: A framework for understanding stakeholder evaluations of corporate social responsibility activities. *Business Ethics Quarterly*, 27(1), 99–123. <https://doi.org/10.1017/beq.2016.60>
- Smith, S. (2020). Social business model canvas. Retrieved from <https://socialimpactarchitects.com/social-business-model-canvas/>
- Smith, W. K., & Lewis, M. W. (2011). Toward a theory of paradox: A dynamic equilibrium model of organizing. *Academy of Management Review*, 36(2), 381–403.
- Social Enterprise Alliance. (2015). What is social enterprise. Retrieved from <https://www.socialenterprise.us/>
- Stevens, R., Moray, N., & Bruneel, J. (2015). The social and economic mission of social enterprises: Dimensions, measurement, validation, and relation. *Entrepreneurship Theory and Practice*, 39(5), 1051–1082. <https://doi.org/10.1111/etap.12091>
- Teece, D. J. (2010). Business models, business strategy and innovation. *Long Range Planning*, 43, 172–194. <https://doi.org/10.1016/j.lrp.2009.07.003>
- Vassallo, J. P., Prabhu, J. C., Banerjee, S., & Voola, R. (2019). The role of hybrid organizations in scaling social innovations in bottom-of-the-pyramid markets: Insights from microfinance in India. *Journal of Product Innovation Management*, 36(6), 744–763. <https://doi.org/10.1111/jpim.12504>
- Vendrell-Herrero, F., Parry, G., Bustinza, O. F., & Gomes, E. (2018). Digital business models: Taxonomy and future research avenues. *Strategic Change*, 27(2), 87–90. <https://doi.org/10.1002/jsc.2183>
- Vial, V. (2016). A business model canvas for social enterprises. *Sains Humana*, 8(1–2), 1–8.
- Yeoman, R., & Moskovitz, D. (2013). The canvas: Social lean canvas. Retrieved from <https://socialleancanvas.com/>
- Yin, R. K. (2009). *Case study research: Design and methods* (4th Ed.). Sage.
- Yunus, M., Moingeon, B., & Lehmann-Ortega, L. (2010). Building social business models: Lessons from the Grameen experience. *Long Range Planning*, 43(2–3), 308–325. <https://doi.org/10.1016/j.lrp.2009.12.005>
- Zahra, S. A., Gedajlovic, E., Neubaum, D. O., & Shulman, J. M. (2009). A typology of social entrepreneurs: Motives, search processes and ethical challenges. *Journal of Business Venturing*, 24(5), 519–532. <https://doi.org/10.1016/j.jbusvent.2008.04.007>

## AUTHOR BIOGRAPHIES

**Elizabeth Green** is a senior lecturer in Economics at Bristol Business School, University of the West of England. She works with both governments and third sectors advising them on integration of organizational strategies to enable effective data sharing and also financial sustainability. Her interest is in the management of data access and applications of microdata in decision-making.

**Peter Bradley** is a professor of Sustainable Economy, leader of the Sustainable Economies Research Group at Bristol Business School, University of the West of England. His research explores environmental and energy governance challenges using empirical evidence-based research as well as conceptual and theory-based research to bring about economies that embody greater levels of environmental sustainability at local and global levels.

**Glenn Parry** is a professor of Digital Transformation and Associate Dean of Research for the Faculty of Arts, Business and Social Science, University of Surrey. He is co-Director of the EPSRC funded Centre for Decentralized Digital Economy [DECADE]. Glenn is interested in what “Good” means for an organization, where value is measure of goodness, but has many meanings. He works with organizations, both for-profit and charities, to help develop understanding of value through business model development, often focusing on the digital space.

**How to cite this article:** Green, E., Bradley, P., & Parry, G. (2024). Exploring production of social and economic value in social enterprises through a business model framework. *Strategic Change*, 1–13. <https://doi.org/10.1002/jsc.2602>