

## **No small dreams . . .**

*During the spring of 1965, I became editor of a suburban Minneapolis newspaper and began writing a weekly column. A few months later I decided to feature my three youngest siblings. I asked them what they would do if I gave them \$100 and told them they had to spend it.*

*Here's what they said:*

- *Laya, a third grader, decided to "get a color TV (and) a radio...rent a hotel...buy a tiny, tiny house...get to be a fancy lady...buy a shop...get a husband...get a speedboat...get to be a teacher or a nurse...get a trailer house...get a convertible."*
- *Her twin sister Marg displayed a more economical bent with plans to "buy some wood to make a house, buy some land, buy some food, get some clothes," but she shared Laya's wish for a color TV and a radio, then admitted she'd also "get a trailer house for me and my dog" and "get a wedding doll."*
- *Bob, a second grader, needed a few suggestions to get him started, but he finally settled on "a trip around the world, a speedboat, a trailer house, a new car, a dog, a bike," and then finished with, "I'd put it in the bank."*

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I think about that column every time I talk with somebody planning to launch a social enterprise, and it happened again this morning. I spent 45 minutes on the phone with a woman who wants to simultaneously start four different social enterprises employing recovering substance abusers: An incentives business, a coffee shop, a sales rep company, and a sustainability project.

"Don't do it!" I implored her, at least a dozen times, in a dozen different ways, and I finally asked her: "What gets you up in the morning? What *excites* you? What do you *really* want to do?"

Her answer came quickly and her passion for one of the four businesses leaped across the miles.

"Then just do *that* one," I begged, "and make it world class!"

Oh . . . she was also working 30 hours a week to support herself while trying to start the four businesses.

Don't laugh. I hear the same soaring ambitions from almost everybody who calls me or stops me at a conference for advice . . .

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And I hear them at the beginning of each semester when the graduate students in my incubator course start planning their own social enterprises. I ask them to send me the answers to three questions before our first class: "What social need will you be addressing? What product or service will you provide? Who will buy your product or service?"

Here are three of the 15 responses I received at the beginning of the current semester at Pepperdine University:

- Young people (ages 18-24) transitioning out of the foster care system are struggling with independence. They are at tremendous risk of becoming homeless. They lack jobs, skills, career direction, relationships, and a quality support network. For foster youth, we will provide housing, job training, life skills, mentoring, a referral center, college access, and job placement; for companies in the hospitality and pet care industries, we will provide qualified, trained employees who can be put to work immediately. The companies hiring our people will pay a rebate based on wages; temporary staffing companies who place our people will pay us a fee; and our people will pay us a portion of their earnings.
- Lighting the Ethiopian Path (LEP) is a nonprofit that assists Ethiopians living in extreme poverty, especially at-risk women and out-of-school teens, through remedial education leading to college enrollment and/or skills training that fosters enterprise development and sustainable livelihoods. We are opening community centers in low-income housing neighborhoods of Addis Ababa and we are also creating a subsidiary to help fund the work of the centers: EduTour includes a bed-and-breakfast and trip coordination service targeting university students, mission groups, adopting families, and other social tourists seeking an educational and cultural immersion that has an impact.
- My goal is to develop a microbrewery with a triple-bottom line. The brewery will offer creative, quality beer and become a vehicle encouraging community development. Using appreciative inquiry and a sustainable community development framework, we hope to help opinion and action leaders make positive changes in their communities. The brewery will offer community stakeholders cultural, financial, and social capital needed to create effective change. Our products and services are generally targeted at craft beer drinkers, change-makers, and individuals willing to engage in community action.

No small dreams, eh?

*I love the ambition!*

But author Om Malik reminded us of something important a few years ago during his blog for *Inc.* about the sad downfall of Joost, a much-ballyhooed online video startup: "Remember what your mom used to say when you took too big a bite? If you're not careful, you're going to choke. Startups are just like that. Unless you focus, you're going to choke."

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Each of the three students I've quoted had a different type of "focusing" issue. One was trying to do too much, one was letting the tail wag the dog, and one needed to merge two conflicting forces into a coherent financing strategy.

However, completing feasibility studies during the next few weeks gave them a better grip on what might be possible. There's a long way to go before they present their business plans to a group of judges this April, but they've already met some difficult challenges:

- Amy Bawden realized she was trying to start seven different businesses at the same time. Now she's narrowed her focus to "job training and placement" for current and former foster children -- and she's also limited her target market to a single industry.
- Mindi Aleme, who lives in Addis Ababa, is moving ahead with her subsidiary, but she's turned its management over to another staff member and is focusing more of her own energies on developing one of LEP's core programs which has greater revenue potential and addresses a more pressing social need: Remedial tutoring in English, math and science for sixth- and seventh- grade students (using approaches and technologies already field-tested by others in Kenya and India).
- Juan Carrillo had a stomach-churning problem deciding how to pitch his business idea to both traditional and social investors. His ultimate goal is to turn his microbrewery and tasting room into a hub for community development. But if traditional investors believed his "corporate social responsibility" (CSR) efforts would bleed the bottom line, they'd back away. And if he emphasized profitability at the expense of community development, he'd lose the social investors. After finishing his feasibility study, he realized his core business and his CSR ambitions could actually be combined -- and he's now created a business model in which the brewery's community development work drops revenue directly to the company's bottom line, thus satisfying both traditional and social investors.

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I eventually reminded the woman on the phone this morning that building a successful social enterprise is a seven- to ten-year, full-time job, with no guarantee of success, and requires an enormous amount of bootstrapping. Anything that distracts from doing what the enterprise needs done will slow or kill the process.

But I also told her what I tell my students: If you stay focused on one business at a time, get a few breaks, pour in a ton of sweat equity -- and if the wood don't warp and the creek don't rise -- you just might create something great . . .

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*My siblings? Well, Laya got more than "a tiny, tiny house" -- she has two daughters and a son and is vice president of a real estate development company. Marg spent 16 years managing medical clinics, then got the "land" she wanted, is a home-based medical transcriptionist, and raised three sons (plus a few chickens on the side). And Bob, now the father of two sons? The kid who wanted to put his \$100 in the bank? He grew up to be a financial advisor.*