

BY LAXMAN MOHANTY ('81 EEE)

## WANTED SOCIAL ENTREPRENEURS

*The answer to meeting India's challenges in the social sector might lie a new breed of entrepreneurship – one that takes the vision of the non governmental organization and couples it with the principles of management and strategic planning prevalent in private sector for-profit enterprises*

**MOST** countries in the world today are grappling with a plethora of social challenges. In countries like India large percentages of the population have little to no access to basic education, health care or other primal needs. In India's case, even after 50 years of independence the government has been unable to find an adequate solution to this problem. But over the past decade or so the country has clearly emerged as an economic superpower thanks to contributions from technology, pharmaceuticals and other industrial sectors. While on the one hand processes leading to unprecedented wealth creation are unfolding before us, on the other end stark poverty, malnourished children and illiteracy are widespread too.

This anomaly raises a fundamental question. Entrepreneurs and the forces of privatization have taken charge of economic activities of the country and led to a reduction in responsibilities of government in this arena. Similarly, can there be another set of entrepreneurs who can complement the

government's efforts in social sector? Can such entrepreneurs induce the government to maximize the utilization of its resources and provide better services those provided today?

To realize such a scenario, there is a need to evaluate different and more innovative genres of enterprises and entrepreneurs. This objective of this article is to present an appraisal of this theme.

Entrepreneurs create wealth not only for themselves but also for the society at large. Not only do they create their self-employment but also create employment for many others within the community. They also bring about recognition for the nation as Indian IT entrepreneurs have done. Some years ago, entrepreneurship was looked down upon except in some parts of the country. While in a state like Gujarat, most people are expected to engage in business activities besides seeking regular forms of employment, in Orissa opting to run a business is often seen as a last resort. The rationale of this social perception has often perplexed me given that the

intellectual demands of running a business surely meet, or arguably exceed, those of a regular job. But the truth is that entrepreneurs are exactly the sort of people who seek opportunities in the face of adversity and dare to go off the beaten path. A commercial enterprise by definition is more focused on top and bottom line growth and



tries to maximize shareholder value. Though today management literature advocates that an enterprise must also look at other stakeholders and care for society, still, it is the profit motive that drives most of the decision making within the enterprise. On the other hand, there exists a large volunteer sector which works on various social issues like health, education, gender equity, support for disadvantaged groups etc. This sector depends on corporations, government and other sources for the



requisite resources. Though lately some Non Governmental Organizations (NGOs) have initiated income generation schemes to take care of a part of their expenses, most NGOs are by and large dependent upon charitable contributions. Thus, NGOs contrast with commercial enterprises in terms of end goals and resource generation mechanisms. Though some NGOs are managed professionally with clarity in mission, structure, and accountability most depend on the individual notions of their founders. They also do not possess the highly desirable property of scalability as do commercial enterprises. In general, the longevity of NGOs is suspect due to improper succession planning and the absence of other management procedures and systems.

For an enterprise to make a difference in the social sector, it has to have the best of commercial enterprises and NGOs. It has to be a social enterprise that adheres to the end goals of NGOs and retains the passion of their founders but also acquires systems,

procedures, resource generation and strategy formulation practices of commercial enterprises. In essence, the organization must function as an enterprise with social goals. The promoter behind such enterprise has to be a social entrepreneur who does not look for personal wealth creation but intends to make a difference in social sector. She must not shy away from using all the tools that corporations use to manage and achieve their end goals.

I have always felt that BITS is a cradle for entrepreneurship. Though specific courses on “Entrepreneurship” have not been typical of academic curriculum, many BITSians have been bitten by the entrepreneurship bug at some stage in their lives. This phenomenon can perhaps be explained by the system that BITS follows where each student is on his/her own from day one in terms of flexibility forcing good decision making. It may be the wide range of courses that a BITSian is forced to undergo and/or various clubs/activities that one learns to manage. While my conclusions

are certainly not rooted in sound research, I do wonder if the way many BITSians have become entrepreneurs and have created wealth, can we promote BITSian social entrepreneurship too to use our skills and understanding to establish enterprises that can handle some of the social problems that we have today in our country. I am sure then we can have the India that we dream of.

*Laxman Mohanty (EEE'81) is pursuing a PhD at BITS Pilani. His area of interest is resource mobilization strategies of engineering colleges in India. He's been an entrepreneur for the last 18 years and has set up a computer organization, Oricom Systems Pvt Ltd and an engineering college, Silicon Institute of Technology, in Bhubaneswar. He's now working to develop a social enterprise in education – the Future Focus Foundation (3F). 3F aims to set up a network of rural and urban schools with coupling of micro-industries in rural schools. Laxman can be reached for comment at: [laxman\\_mohanty@yahoo.co.in](mailto:laxman_mohanty@yahoo.co.in)*



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