

ASSESSMENT 2

PRESENTATION BY:

JAMILA SEEDAT

STUDENT No.: 1706982

**Assessment Due: 23.59 GMT Sunday 7th January 2018
(Turnitin)**

ENTREPRENEUR CHOICE

The entrepreneur that I have chosen is Mr. Chaba Josias Molele from Gauteng in South Africa and his business is in the IT (Information Technology) sector.

ECONOMIC DEVELOPMENT

**The process in which
an economy grows or changes and becomes
more advanced, especially when
both economic and social conditions are improved
as defined in the Cambridge Business English
Dictionary.**

<https://dictionary.cambridge.org/dictionary/english/economic-development>

CREATING PARTNERSHIP : GOVERNMENT AND LOCAL BUSINESS

PROGRAMME 1: ADMINISTRATION

Purpose: Provide strategic leadership, management and support services to the Department.

PROGRAMME 2: GROWTH PATH AND SOCIAL DIALOGUE

Purpose: Strengthen the economic development capacity of government. Review and develop the alignment of economic development policies aimed at broadening participation in the economy to create decent work opportunities.

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Purpose: Provide support for the coordination of infrastructure development. Provide oversight and coordinate policy of identified development finance institutions and economic regulatory bodies.

<http://www.economic.gov.za/communications/annual-reports/678-edd-annual-report-2016--2017>

ECONOMIC, SOCIAL AND CULTURAL DEVELOPMENT

Chapter 18 of Naudé, W. A. (Ed.). (2010).
Entrepreneurship and economic development.
Palgrave Macmillan, Naude 2010, in which he
makes a case for entrepreneurs not only
concerned with business success but also with
subjective welfare and non-economic well being.

ECONOMIC, SOCIAL AND CULTURAL DEVELOPMENT, cont..

Wikipedia defines 2 types of entrepreneurs:-

Profit entrepreneurs - For-profit entrepreneurs typically measure performance using business metrics like profit, revenues and increases in stock prices

Social Entrepreneurs - social entrepreneurs are either non-profits or blend for-profit goals with generating a positive "return to society" and therefore must use different metrics. Social entrepreneurship typically attempts to further broad social, cultural, and environmental goals often associated with the voluntary sector in areas such as poverty alleviation, health_care and community development.

SUSTAINABLE AND SOCIAL BUSINESS

KEY PRINCIPLES

The following are 7 key principles as per "Conscious Connection Digital Magazine":

- Cause-driven.
- Financial and economic sustainability.
- Investor returns.
- The profit generated stays in the company.
- Gender sensitive and environmentally conscious..
- Workforce will receive market wage and better working conditions.
- Joy in their work

SUSTAINABLE AND SOCIAL BUSINESS, cont..

The following are 5 principles of a sustainable business:-

- Diversity.
- Modularity.
- Openness.
- Slack resources.
- Matching cycles.

<https://nbs.net/p/five-principles-of-a-sustainable-business-model-e4d05473-39e3-4e02-b7d7-436f97bc9314>

Social enterprises may or may not be profit orientated and focus their efforts into contributing toward social upliftment projects.

Sustainable businesses are generally profit and investor focused and contribute very little or nothing toward social upliftment projects.

DIFFERENCES : SOCIAL AND OTHER ENTREPRENEURS

Some of the differences are discussed below as per James Austin, Howard Stevenson and Jane Wei-Skillern in their article "Social and Commercial Entrepreneurship: Same, Different or Both? :-

Market Failure. *One theory behind the existence of social-purpose organizations is that they emerge when there is social-market failure.*

Mission. *The fundamental purpose of social entrepreneurship is creating social value for the public good, whereas commercial entrepreneurship aims at creating profitable operations resulting in private gain.*

Resource Mobilization. *The non-distributive restriction on surpluses generated by nonprofit organizations and the embedded social purpose of for-profit or hybrid forms of social enterprise limits social entrepreneurs from tapping into the same capital markets as commercial entrepreneurs..*

Performance Measurement. *The social purpose of the social entrepreneur creates greater challenges for measuring performance than the commercial entrepreneur who can rely on relatively tangible and quantifiable measures of performance such as financial indicators, market share, customer satisfaction, and quality..*

<http://onlinelibrary.wiley.com/doi/10.1111/j.1540-6520.2006.00107.x/full>

SOCIAL ENTREPRENEURSHIP

Forbes magazine, OCT 13, 2015, " How Social Entrepreneurs Change The World"

Their formal definition of social entrepreneur has three components:

- ❖ The identification of a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity— a group that lacks the financial means or political clout to effect transformational change on its own.
- ❖ The development, testing, refining, and scaling of an equilibrium-shifting solution, deploying a social value proposition that has the potential to challenge the stable state.
- ❖ The forging of a new stable equilibrium that unleashes new value for society, releases trapped potential, or alleviates suffering. In this new state, an ecosystem is created around the new equilibrium that sustains and grows it, extending the benefit across society.

MOLELE : ENTERPRISE OPPORTUNITIES - ECONOMIC / SOCIAL CHANGE

As his primary business vision, profit orientated, Molele wanted to become the leading provider of Electronic Content Management (ECM) solutions in South Africa. His secondary vision was that of Social Responsibility where he wanted to train nurture and grow underprivileged individuals, from the townships, who showed interest in Information Technology (IT) and contribute financially to the upliftment of the poor through the Miriam Makeba Foundation.

MOLELE : ENTERPRISE OPPORTUNITIES - ECONOMIC / SOCIAL CHANGE, cont..

As his primary business vision, profit orientated, Molele wanted to become the leading provider of Electronic Content Management (ECM) solutions in South Africa. His secondary vision was that of Social Responsibility where he wanted to train nurture and grow underprivileged individuals, from the townships, who showed interest in Information Technology (IT) and contribute financially to the upliftment of the poor through the Miriam Makeba Foundation.

MOLELE : ENTERPRISE OPPORTUNITIES - ECONOMIC / SOCIAL CHANGE, cont..

During the interview conducted with Molele he mentions that the growth and success of the company has a total reliance on both the local market needs as well as the social needs of the local populace and that only if these 2 conditions are met will the business succeed and flourish.

MOLELE : ENTERPRISE OPPORTUNITIES - ECONOMIC / SOCIAL CHANGE, cont..

MOLELE ALIGNS WITH GOVERNMENT OBJECTIVES

In the first instance, as Molele's business started to win new business, he began recruiting local under-privileged individuals and started to train and mentor them in the applications of Electronic Content Management (ECM). These individuals were then placed on projects, to gain on-site and practical exposure under the supervision of more experienced and specialist individuals that were already engaged on the projects. This proved to be a quick-win for both the company as well as in line with what government wanted to achieve via the following programme:-

PROGRAMME 2: GROWTH PATH AND SOCIAL DIALOGUE

Purpose: Strengthen the economic development capacity of government. Review and develop the alignment of economic development policies aimed at broadening participation in the economy to create decent work opportunities.

<http://www.economic.gov.za/communications/annual-reports/678-edd-annual-report-2016--2017>

MOLELE : ENTERPRISE OPPORTUNITIES - ECONOMIC / SOCIAL CHANGE, cont..

MOLELE ALIGNS WITH GOVERNMENT OBJECTIVES

In the second instance, Molele contributed financially to the Miriam Makeba Foundation and these contributions he believed led to the improvement of many under-privileged lives in the township. This again was in keeping with what government wanted to achieve via the following programme:-

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Purpose: Provide support for the coordination of infrastructure development. Provide oversight and coordinate policy of identified development finance institutions and economic regulatory bodies.

<http://www.economic.gov.za/communications/annual-reports/678-edd-annual-report-2016--2017>

MOLELE : ENTERPRISE OPPORTUNITIES - ECONOMIC / SOCIAL CHANGE, cont..

In keeping with Molele's vision to be a profit-orientated business his company made a fair profit on the ECM solutions that were sold and his company used some of the profit for the training of new under-privileged employees as well as for the contributions his company made to social upliftment projects. This holds true as stated by SVBIC (Salmon Valley Business & Innovation Center):-

"Economic development is the development of economic wealth of countries, regions or communities for the well-being of their inhabitants. From a policy perspective, economic development can be defined as efforts that seek to improve the economic well-being and quality of life for a community by creating and/or retaining jobs and supporting or growing incomes and the tax base".

MOLELE : ENTERPRISE OPPORTUNITIES - ECONOMIC / SOCIAL CHANGE, cont..

In keeping with Molele's vision to be a profit-orientated business his company made a fair profit on the ECM solutions that were sold and his company used some of the profit for the training of new under-privileged employees as well as for the contributions his company made to social upliftment projects. This holds true as stated by SVBIC (Salmon Valley Business & Innovation Center):-

"Economic development is the development of economic wealth of countries, regions or communities for the well-being of their inhabitants. From a policy perspective, economic development can be defined as efforts that seek to improve the economic well-being and quality of life for a community by creating and/or retaining jobs and supporting or growing incomes and the tax base".

MOLELE : ENTERPRISE OPPORTUNITIES - ECONOMIC / SOCIAL CHANGE, cont..

It is quite likely that one may even consider describing Molele to be "Cause Driven" as per The "Conscious Connection Digital Magazine" which states:-

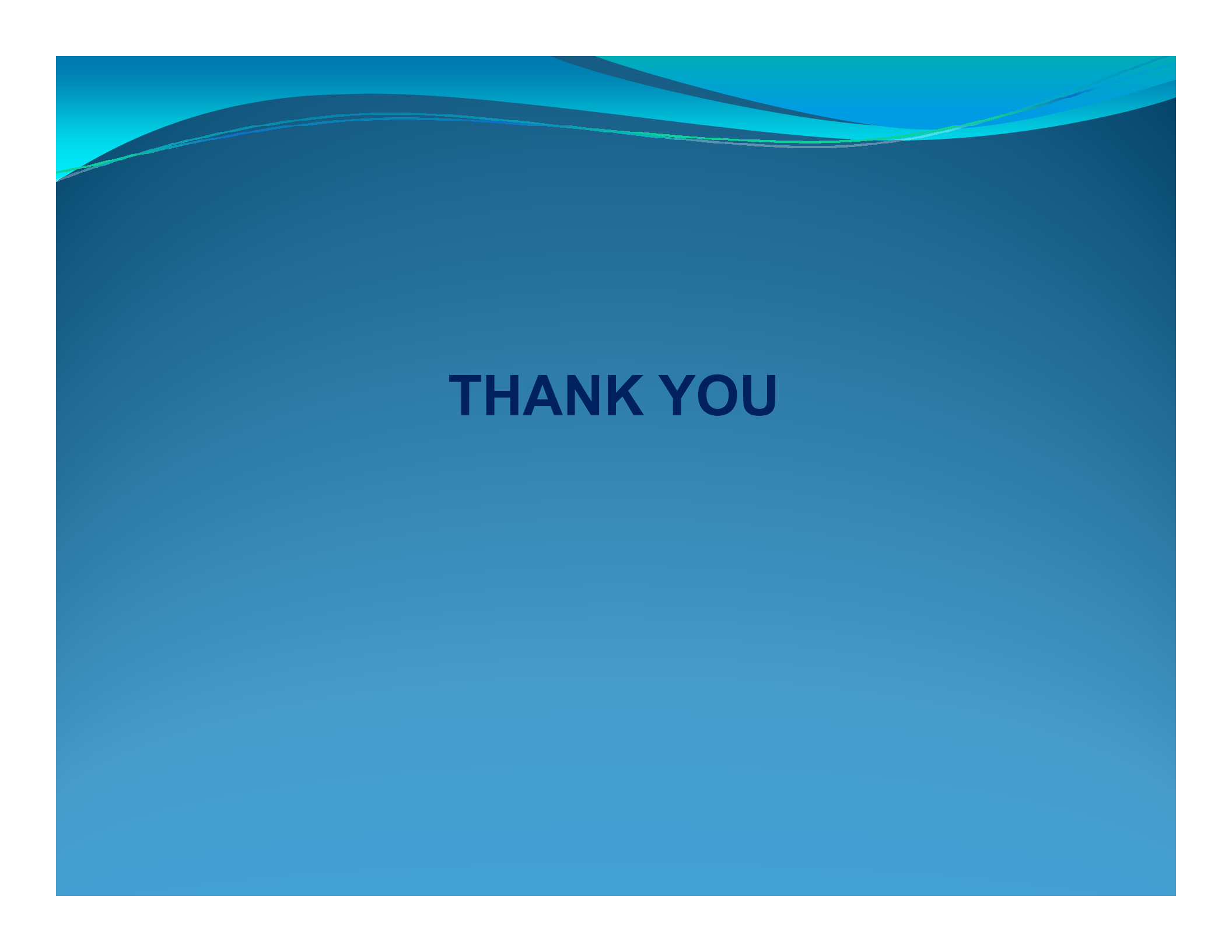
"Cause-driven: A social enterprise is a businesses without a profit maximization purpose where the objective and purpose is to overcome or alleviate a global or local issue such as poverty, education, health, technology access or the environment".

CONCLUSION

Molele feels that he is meeting his vision of making a profit in business as well as getting the satisfaction of fulfilling his obligation by contributing to the social upliftment of the underprivileged in the community. It is important to note that although he is not totally a "Social Entrepreneur", he displays much of the characteristics as eluded to in an article run in the Forbes magazine, OCT 13, 2015, " How Social Entrepreneurs Change The World", the following makes for some interesting thought provoking reading:-

"The forging of a new stable equilibrium that unleashes new value for society, releases trapped potential, or alleviates suffering. In this new state, an ecosystem is created around the new equilibrium that sustains and grows it, extending the benefit across society".

<https://www.forbes.com/sites/stevedenning/2015/10/13/how-social-entrepreneurs-change-the-world/#379f39576133>

The background of the slide is a solid blue color. At the top, there are several wavy, horizontal lines in shades of blue and teal, creating a layered, water-like effect. The lines are smooth and flow across the width of the slide.

THANK YOU