SOCIAL ENTERPRISE AS A SUSTAINABLE BUSINESS MODEL FOR WECARE

Changing from aid to a social business model

HAMK

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VISAMÄKI
Liiketoiminnan kehittäminen

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Työn nimi   Sosiaalinen yritys kestävän kehityksen liiketoimintamallina WeCare-organisaatiolle

TIIVISTELMÄ

Opinnäytetyön lähtökohtana oli omakohtainen kokemus hyväntekeväisyystyöstä Nairobissa, Keniassa. Työ perustuu materiaaleihin, jotka kerättiin Nairobissa olon aikana käsittäen WeCaren toiminnot ja viiteryhmät.

WeCare on 2011 Australiassa perustettu pieni hyväntekeväisyysjärjestö, jolla on koulu-projekti Nairobissa.

Työn tarkoitus oli selvittää, millainen toimintamalli palvelisi WeCaren tarkoitusta parhainen, ja mitä konkreettisia muutoksia tämä toisi organisaation toimintatapoihin toteutuakseen.

Tutkimuksen teoria käsittelee liiketoimintamallien kehittämistä ja arvopohjaisen toiminnan edistämistä hyväntekeväisyys ja kehitysapasektorilla.

Tutkimusmenetelmäksi valittiin tapaustutkimus, joka edustaa kvalitatiivista tutkimusta. Päämetodeina käytettiin havannointia, haastetteluita ja useisiin eri materiaaleihin perehtyviä analyysejä, kuten PESTEL- ja SWOT-analyysi.

Materiaaleista voidaan mainita tapauskohtaiset muistiot, videot ja päiväkirjaotteet.

Tutkimusuloksien avulla määriteltin, että sosiaalinen liiketoimintasuunnitlma on paras toimintamalli WeCarelle, ja että jatkotutkimuksia tulisi suorittaa suoritustason ja pitkäaikaisen kehityksen kartoittamisen kannalta.

Avainsanat   Sosiaalinen liiketoimintamalli, hyväntekeväisyys, arvoihin perustuva liiketoiminta, liiketoiminta, sosiaalinen yritys

Sivut   53 s. + liitteet 6 s.

ABSTRACT

The starting point for the thesis study was a first-hand experience of charity work in Nairobi, Kenya. The study is based on materials collected during the stay in Nairobi.

WeCare is an Australian charity organization founded privately in 2011 to support a children's home and later also a private primary school in Kahawa West, Nairobi.

The study objective was to find out what type of an operational model would best serve WeCare's goals and what changes this would require regarding the operational model.

The theory deals with the definition of the right type of a business model and value-based business development in charities and social projects.

The research method chosen was a qualitative case study conducted via observation, interviews and document analyses, as well as other analytical tools like PESTEL- and SWOT-analysis. The materials analysed varied from field and interview notes to project diary entries, issue logs and videos.

The results of the study stated that the social business model fits the purposes of WeCare the best and that continuing studies should be conducted to test the performance of the business model and the sustainable development of the organization and the community.

Keywords

Social business model, value-based business, charity, development work, social enterprise, social business

Pages　　53 p. + appendices 6 p.

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1   INTRODUCTION

Imagine an organization that has endless capital and no need or goals for making profit. Imagine the impact it would have on the economy and on the other companies within the same industry. It would destroy any healthy competition and hence the economy around it. The employees of the company would be wasteful and indifferent about their work and the organization itself. This is exactly what aid organizations have done to Africa's economy and working population.

Nearly 60 years and 1 trillion dollars spent in excessive charity programs with little impact on poverty in Africa, have made us think that no matter how much money and programs we pour into Africa, we can never fix it (Moyo 2009, 49). Financial aid is crucial during crisis, like natural catastrophe or war, to cover basic needs quickly for people in need. However, it is not a sustainable way of helping. Africa does not need Western handouts that destroy its economy. Africa needs to learn to stand on its own feet and support itself through healthy business.

An organization needs to create added value (Maxwell & Robbie 2004, 60). The red line throughout the thesis is testing in theory and practice how a social enterprise as business model provides true added value to its beneficiaries without compromising the absolute pivotal rules of sustainable development.

More and more organizations are starting to realize this. A shift towards social enterprises can be detected in the private charity scene. Social enterprises focus on enabling the people through business opportunities rather than donations.

Since 2015 I have been volunteering for a private charity organization called WeCare, and as a family we conducted an 8-month project in Nairobi to develop the organization. It became apparent that the current charity model was not serving the community in the long run. In my role as strategy consultant at WeCare, I identified that WeCare was lacking a model to run its operations. Activities were mainly spontaneous in nature and the goals and scope of operations were not clearly defined.

In order for WeCare to add to sustainable development and to truly create lasting value in the community, it is now urgent to define clear strategy and business model to reach the set goals. This shift needs to be strategic in nature and requires a proper business approach from the start.

Combining the current trend from charity organizations towards social enterprises with the strategic alignment project at WeCare, this thesis researches and defines the most suitable business model for WeCare in order to align its vision, strategy and operations.

1.1   The context of development work and aid-based financing

In year 2000 UN defined Millenium goals that represent the main directions of most charitable and social organizations. These are presented in the table below (Table 1), as summarized by the World Health Organization.

Table 1   UN Millenium Development Goals (WHO 2000)

Goal 1	Eradicate extreme poverty and hunger
Goal 2	Achieve universal primary education
Goal 3	Promote gender equality and empower women
Goal 4	Reduce child mortality
Goal 5	Improve maternal health
Goal 6	Combat HIV/AIDS, malaria and other diseases
Goal 7	Ensure environmental sustainability
Goal 8	Develop a global partnership for development

As it can be seen in the first three goals, education is a priority for the development programs. All other goals also rely on proper education on these matters. Without a proper educational infrastructure, the other goals also cannot be reached. For example, goals 4-6 deal with health matters. Especially regarding topics of health care, people first need to be educated on the severity and consequences of these topics. Without a general public understanding on these matters first, any other measures will be fruitless.

Further on in 2015 United Nations continued by forming the following statements by which to guide the sustainable development until 2030 (Table 2).

Table 2   Transforming our world: the 2030 Agenda for Sustainable Development (UN 2015)

People
We are determined to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment.
Planet
We are determined to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations.
Prosperity
We are determined to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.
Peace
We are determined to foster peaceful, just and inclusive societies which are free from fear and violence. There can be no sustainable development without peace and no peace without sustainable development.
Partnership
We are determined to mobilize the means required to implement this Agenda

> through a revitalized Global Partnership for Sustainable Development, based on a spirit of strengthened global solidarity, focused in particular on the needs of the poorest and most vulnerable and with the participation of all countries, all stakeholders and all people.

The sustainable development goals bring the people together with environmental and economical sustainability goals. This way the external environment enables opportunities and room for more development. Sometimes reaching the goal may even make the organization obsolete.

An NPO is usually tightly cooperating or in close interaction with the government and the market surroundings (Helmig & Boenigk 2012, 74). Since an NPO does not operate on revenue coming in, it is dependent on outside financing. This type of financial support that NPOs use to finance their operations is called charity-based aid. The other types of aid are called emergency aid and systemic aid. (Moyo, 21-23).

Usually aid does not come for free. In most cases aid is a low interest loan, and very often governmental aid is conditionalized with restrictions on how to use the aid (Moyo 2009, 39). In the thesis I will be mainly discussing the charity-based aid, which is commonly carried out through NGOs and CBOs.

For a non-profit organization the mission is a priority over all other topics, whereas the driving logic behind a for-profit company is to generate revenue and make profit. The management of a non-profit organization will involve an explicit and intentional convergence between the social and economic goals. (Helmig & Boenigk 2012, 72)

As stated before, a business model in the aid context needs to be financially sustainable, but it also needs to be in accordance with sustainable development. Before we can inspect the new business model, it is crucial to understand why the current charitable NPO model is no longer considered as a suitable model for helping the beneficiaries.

In the following chapters three reasons are presented explaining why aid based NPOs do not provide long term solutions.

1.2   Reasons for switching from a non-profit model to a for-profit business model

The NPO-model relies on donations and government subventions to run its operations. (Schneider et al. 2007, 87). The output of the NPO-organizations is usually either financial aid towards development projects or free services or other deliverables to the beneficiaries, which can also be defined as aid (Moyo 2009, 67-68).

Aid is a fitting model for crisis help in case of a war or natural disaster. With financial aid and other forms of aid, people can quickly be provided with their basic needs and help them on their way to rebuild the community and economy. However, aid in the form of long term charities does not provide a solution for sustainable development of a country or people

groups. Aid is both a relief during crisis and also the means for rehabilitation that begins as soon as the immediate crisis is over to recover the state that was there before the crisis. Development however is a process of an on- going change for sustainable goals. Development work is highly relational and requires a long-term commitment. (Corbett and Fikkert 2009, 213).

Years of studies in the Christian charities and help programs show that we need to realize that free money is not the solution for the poverty of a people group or individual. The real solution is much harder. It contains investment in relationships, understanding of brokenness and finally help through enabling the local community to do the helping themselves. (Corbett and Fikkert 2009, 112.)

Dambisa Moyo (2009) summarizes in her book Dead Aid that the aid in its current form of free charity is not working and is destroying Africa's economy. For most countries the aid-driven interventions have an undeniable impact on a dramatic increase in poverty. When the amounts of financial aid to Africa were at their peak between 1970-1998, poverty in Africa increased from 11 per cent to 66 per cent. Even the leading aid provider IMF has warned charity organizations about this impact. (Moyo 2009, 47.)

The negative impact can be explained through local businesses going out of business since they are not able to compete against free or subsidized material donations from abroad. Another impact on economy is the suppressing of the entrepreneurial mind set. Why work when aid can be received for free?

Another alarming direct correlation has been detected between the amount of aid and corruption (Moyo 2009, 49). The corruption takes place both in the governmental as well as in the private organizations.

Charity workers around the world can confirm that even the beneficiaries will try to make the charity organizations benefit their own family in first place, rather than the whole community. Stealing from the charity organizations is not condemned in the community, which leads to increasing distrust between the aid organizations and the local employees and beneficiaries.

The statistics and the current state of Africa show that charity work is not bringing long term help. A new model for the organizations that wish to make a social impact is required.

Sadly, other projects have also shown, that donation-based charities will distort the reality and create dependent individuals, who have not learned real life skills, when they grow too old for the program and faced with the challenges of having to support themselves. The model carries the children only until they finish high school, and after that the statistics show a very alarming rate of unsuccessful integration to the society.

In an interview a consultant of over 20 years of experience with aid and charity work it was stated that a charity can have a long-term impact only, if it manages to change the beneficiaries' mind set and transfer values such as hard work, honesty and entrepreneurship. Otherwise the successes will be only short lived, and the individuals will fall into the learned dependent and helpless mindset or try to exploit the charity for own short-lived purposes.

The beneficiaries need to get help in the work of employment or at least be benefiting from businesses that are creating profit. This way seeds for a new mind set and values can be sown. Businesses teach entrepreneurship and taking matters into your own hands. It creates an active and gratifying environment, rather than a passive and crippling one.

The charities need to make the same journey as the individuals. They also need to become self-sustaining and locally run. Instead of just stopping development programs, we can gear them to drive a positive change in the micro economies that they exist in (Laitinen 2002, 41).

2   OBJECTIVES AND CONTENT OF THE STUDY

2.1   Objectives of the study

During our family's 8-month voluntary work period supporting the children's home and school, we started to question the concept of charity work and challenge WeCare' model of operation. At the same time the management team of WeCare also expressed interest to assess its operations to make sure their work was truly helpful und sustainable. After our intensive time at WeCare in Kenya, we have continued to be involved with the organization and to guide them as advisors. This thesis serves as a recommendation for the future development of WeCare in Nairobi.

Currently the WeCare-team believes that the organization's operating model, based on a pure sponsorship model, is wrong and therefore the organization is not bringing lasting value. Social business as an operating model is believed to meet the goal of WeCare. WeCare wants its operating model to be value based and sustainable.

Both charity and social enterprises can bring value to the community.
The objective of the study is to define what is the value that WeCare wants to create and which operating model, charity or social business, meets the value requirements and enables WeCare to meet its goals.

WeCare sees a benefit in finding out how to model its operations to best meet its vision to reach out to the youth of Nairobi. With the help of the study the WeCare team wishes to make a decision on whether to continue as a charity financed purely by donations or whether to transform into a social business that relies on revenue streams and investments.

The topics of the Thesis are described in the following research questions:
1. What is a social enterprise and how can WeCare meet its goals by turning into a social enterprise?
2. How is a business model defined and what does WeCare′s future business model look like?

The aim of a research carried out in an organization may be to explain the current situation, to improve existing ways of working or create new processes (Thompson 2014). The empirical part of the thesis will first define the current situation, explain how the current charity model is performing and then create a new business model, to meet the expectations of a value based and socially relevant model.

2.2   Structure of the thesis

The thesis starts by defining the terminology and introducing the essential concepts. The theory builds on these concepts and serves as a basis for the empirical part of the study.

The theory covers the definition of business models and explore value-based business model as a basis for choosing the right model for the organization. Further on both charity and social business models are explained.

The qualitative method of observation is then explained and WeCare is analyzed in the context of a value based and social enterprise model.

In the empirical part WeCare's vision and strategic goals are first determined. The social business model is assessed for WeCare in terms of how this model may fit WeCare's vision and mission. The considered business model can then be reflected to the goals to see how it performs in meeting the strategic goals of the organization.

Finally, conclusions are made from the results in order to meet the objectives of the study; analysis of the social enterprise model for WeCare and future measures to better match the organizational goals are presented.

The empirical part of the study will focus on mapping the impact of the charity organization in comparison to planned social enterprise model. It is important to map, if the current help, though elementary, match the goals that WeCare aims to reach with its work in the community, or whether the social business model would serve the interests better.

2.3   Definitions

To understand the underlying matters and the theoretical framework, it is necessary to start with defining the key concepts.

Business model
Business model defines the means of making money or making the wished impact. Business model is the operational framework in which strategy can be implemented. A business model focuses on the customer and the customer needs, and how to make money with your product or services (Ovans 2015).

Strategy
In this thesis strategy is inspected as part of the business model, as per Hoque's definition of a business model (2013). Strategy is defining actions to achieve a goal within an organization (Boundless 2016). Strategy can also be defined as detection of challenges and a plan to overcome these obstacles (Rumelt 2011, 2-3). Strategy is often mistaken as mere vision or goal setting. It is important to realize that strategy is a plan of

action. The core of all strategic work, however, needs to be the goal of creating added value to the target group (Alahuhta 2015).

NGO
Non-governmental (private) organizations act to help the poor, develop social services and communities and protect the environment (World Bank 2002). NGOs fall under the Non-Profit Organizations (NPO), which are elaborated in the next definition.

NPO
As the name implies, non-profit organizations mainly finance their operations from financial aid or donations from governments or individuals. The aid is then passed on in form of financial donations or no cost services. In the thesis this term will be used to compare the traditional charity based NPO model to the model of social enterprises.

A non-profit organization has a social or humanitarian goal that it works towards. These goals are the basis of the mission and the strategic plan of the organization (Helmig & Boenigk 2012, 78). A charity based NPO does not have economic goals, it serves a different kind of purpose than a traditional business.

NPOs do not pay taxes and operate only for charitable purposes. All its resources are used for charitable activities and no part of the revenue will be distributed for any other instance than the receivers of the charity aid. (Business Dictionary 2017.)

Social business model
Social enterprise or business can be challenging to define since the concept has been evolving greatly in recent years and blurring the lines of traditional businesses and the non-profit sector (Social Enterprise Alliance 2017).

Social enterprises, also called social businesses, differ from charitable organizations in being revenue seeking. Social businesses remove or decrease social problems by developing revenue streams (MacMillan & Thompson 2013,17). Their principles are based on common business principles and free market economy. However, in social business the practicer is working for the benefit of others, yet it is a business, as it is a self-sustaining in financing the social activities through profits (Yunus 2010, 18, 21).

A social enterprise can be a for profit or non-profit organization (Social Enterprise Alliance 2017.). If any financial surpluses are reinvested back into reaching the objectives of the operations, a social enterprise can be called a non-profit organization (Maxwell & Robbie 2004, 63).

Beneficiary
The term beneficiary describes the group of people receiving the services or the product of an organization. Traditionally in business the term customer is used for the same. As in the aid context also non/paying groups

can be receiving a benefit, consumers of the services or products can be called beneficiaries. Also, people who receive employment benefit from the organization's work. If the organization's goal is also to create employment for a certain group of people, this group can also be defined as beneficiaries.

Sustainable development
The term sustainable development is often used in terms of nature protection. However, this is a very important aspect also economically and sociologically. Sustainability means that the economic, social and environmental areas of our lives connect with the society in a long-lasting way. Sustainable development meets the needs of the current generation without compromising the future for the following generations to be independent and successful. (Maxwell & Robbie 2006, 65)

3   DEFINING A SOCIAL BUSINESS MODEL

A social enterprise is driven by two types of goals. Similar to an NPO, a social enterprise aims to address a social issue. In addition to this, it also has an economic goal to make profit. Therefore, social enterprises are usually categorized as for-profit organizations. The way a social enterprise and an NPO differ, is the way they want to reach these ultimate goals.

3.1   Business approach

As the introduction implies, a social organization wishing to reach a long-term value to a community needs to follow the same basic principles as a business. The social economy is made up of social enterprises and voluntary organizations that use a business-like approach to deliver added value in form of goods and services (Maxwell & Robbie 2006, 6). The organization must respond to a need by offering a service or a product that creates value for the interest group.

Survival of a charity or social organization should rest on the same principle of demand and supply as any market economy. Otherwise is it vulnerable to exploitation and social irrelevance or in worst case it can be counterproductive and create more harm for the beneficiaries.

3.2   Business model

As per Faisal Hoque's (2013) business blueprint model, a business model defines elements in the context of four areas: the overall identity of the enterprisee, the strategy, the internal assets, the external environment of the enterprise.
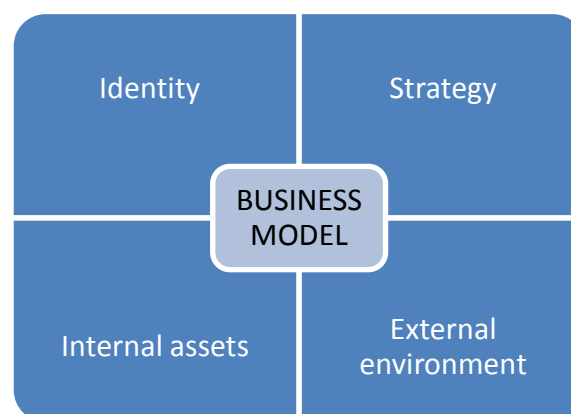

Figure 1   Four areas of a business blueprint model (Hogue 2013)

The four elements of the business model are shown in the Figure 1 above and explained in the following subchapters.

3.2.1   Identity

The first area of business model is the identity of the company. The overall identity of an enterprise describes the mission, the image and the culture of the organization. (Hogue 2013)

The identity of an organization is described in its vision and mission. These describe the purpose of the organization and what the company aims to do. The corporate identity tells what kind of value the organization is creating to whom (Leinwand & Mainardi 2014).

Corporate identity discloses a complex strategic concept, which defines all company activities contextually and formally. This carries out to give the company an unchangeable personality, which increases the acceptance and performance. (Pohlmann 2018.)
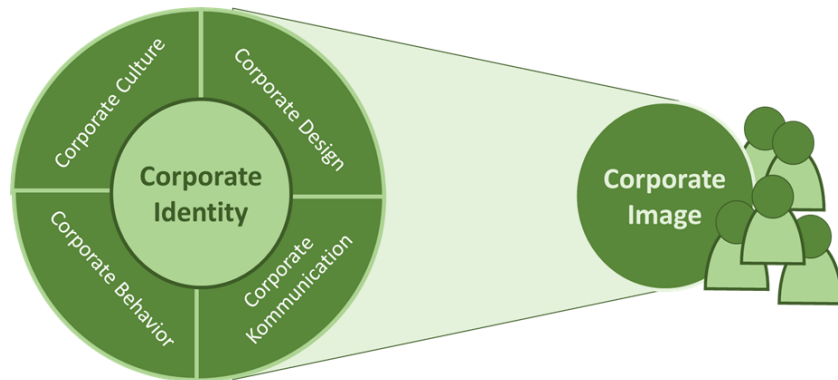
Figure 3   Corporate Identity vs. Corporate Image. (Pohlmann 2018)

A company's or organization's identity is also captured in its culture, behaviour, communication and design (Figure 3). The culture of an organization reflects the values and beliefs the organization operates on. Culture is entailed in guidelines and practices. (Coleman 2013).

The corporate identity also affects the ideology, which again affects the vision of the company. Especially during change, vision is crucial. It enhances the performance by providing a road map to facilitate the transformation and inspiring people to action. (Pohlmann 2018).

Vision also leads to focusing on decision making. However, vision can also hinder change, if the organization gets too focused on future and is not dealing with the present. Vision needs to turn into the company's ideology, core values and purpose, which represent the identity of the company. (Akin et al 2009. 275-277).

A crucial part of the business model is the strategy for the enterprise, which turns the mission and values into an action plan including means,

timeframe, resources and performance indicators relevant to reaching the defined goals.

The strategy tells in what way the organization will be creating value to its customers and interest groups (Leinwand & Mainardi 2014).

In order to thoroughly inspect a new business model, it is relevant to begin with defining a general direction for the organization and its operations. In order to guarantee a model that penetrates all areas of the organization and has a goal and defined way to get to the goal, it is crucial to be strategic about the venture.

In essence, strategy work should always focus on finding the critical factors and then on defining operations to manage the factors. The factors can be defined as challenges, and the operations can be designed accordingly to overcome the challenges. Strategy is not simply a vision or the big picture. Strategy always needs to be about implementation and defining the actions for reaching the goals. (Rumelt 2011, 2-4.)

Discovering and defining the strengths, weaknesses, opportunities and threats still remains a key task of the strategy. But even more so, strategy needs to define how we deal with these factors.

A strategy needs to define resources and coordinate actions and policies to get to the goal. A strategy will also rule out some actions and interests (Rumelt 2011, 20). It creates focus on the essential. A good strategy sets aside some goals to prioritize others (Rumelt 2011, 59).

For any strategy to make sense, there first needs to be a goal. The organization needs to have a common goal that the members are working towards. The goal should always be to create added value to the beneficiaries (Alahuhta 2015). A goal orientated strategy will define how the company creates added value and how this valued can be monitored. In aid work it is important to keep asking: Are the set goals creating real value to the beneficiaries? Is what we are doing truly fulfilling the set goals?

However, setting goals is not yet being strategic. Richard Rumelt states in his book Good Strategy / Bad Strategy (2011, 31) that a feature of bad strategy is mistaking goals for strategy. Instead of statements a strategy needs to define a plan. After goal setting it is the strategy that defines how to get to that goal (Rumelt 2011, 4).

As defined earlier, a strategy identifies the challenges for the organization and defines the means to cope with them (Boundless 2016). Michael Porter (2004) defines this as competitive strategy that guides the company to take actions to defend its position in its surroundings (Porter 2004, 3).

In the context of aid work, competition may at first come across as a wrong approach. However, charities, but especially social enterprises

need to assess how to best compete for attention and importance among millions of ideas where people can spend their money on. A charity needs peoples' attention for awareness and donations, a social enterprise competes for the consumer's interest just like any other company. In order to survive, both charitable and social enterprises must be competitive.

Porter (2004) defines three generic strategies:
1) overall cost leadership
2) differentiation and
3) focus.
(Porter 2004, 34-40.)

For aid work the first one is hardly ever an option. A charity will not win over people by drawing attention to costs, as people usually get to define the amount, or at least the duration of their donation themselves. Also, as social enterprise will not be aiming for the cost leadership, as they will lack size, scalability and the target group for low cost products. Traditionally social enterprises will address well educated and purpose driven consumers. Differentiation and focus, however, are very valid strategies for both operational models.

Differentiation aims to create a product or service that is unique to the industry. The cost is important, but not as important as quality and images aspects. Differentiation fights against rivalry and substitute products by creating brand loyalty. (Porter 2004, 38.)

Focus as a strategy aims to serve a particular target group. In focusing on the target group and their specific needs, the organization will usually end up gaining differentiation or even cost leadership (Porter 2004, 38-39).

A strategy, however, does not define the products or services, nor the model that is used for delivering the added value. A strategy is therefore a part of the business or operational model (Hoque 2013).

3.2.2   Internal assets and external environment

The third area of a business model is the internal assets. Internal assets can be described as the means to do the aspired work and to reach the wished impact.

The internal assets help the enterprise achieve its strategic goals. This area covers all structures relevant for putting the strategy in place: the actual products and services, organizational assets & resources and reporting structures. (Hoque 2013).

From the financial and legal perspective internal assets also include agreements, publications, licenses, trademarks and any other assets linked to the product and services (Pipers 2017).

The external environment covers the whole external set up in which the organization operates. This includes target group activities, supplier and partner network model and management, as well as responding to competitors and any external influencers relevant to the market the organization is active in. (Hoque 2013.)

George Root (2016) defines customers, government, economy, competition and public opinion as the five major components of the external environment of a company (Root 2016).

External environment concludes the definition of a business model that itself describes the purpose and the essence of the company.

3.3   The value model as a basis of the business model

The core of any organizational activities needs to be creating value to its beneficiaries. A business needs create value to its customers. A non-profit organization needs to bring value to its beneficiaries. Even a book club needs to create value to its members, or it will cease to exist.

Whatever the model used for the organization is, it needs to create value. Beneficiary value is fundamentally linked to the profit and growth level of an organization (Burenius & Lindstedt 2003, 83.)

The value model is based on the concept of customers always going after the maximum purchasing value (Burenius & Lindstedt 2003, 14.). In the concept customer can also be replaced with an investor or other beneficiaries. Any interest group will continually seek to reap the maximum benefit. Interestingly this applies also to charities.

The customer value concept can be used to define value as follows (Figure 4):

$$\text{Customer value} \quad = \quad \frac{\text{Perceived benefits}}{\substack{\text{Total expenditure} \\ \text{(Time, money, effort)}}}$$

Figure 4   Customer value concept (Burenius & Lindstedt 2003, 15)

The definition entails that customer value consists of the ratio between the perceived benefits and the total cost or effort of receiving the benefits. The value can be improved by cutting the cost & effort or offering better benefits.

This is where innovation comes in picture. Successful organizations use innovative methods to create a stronger value case. These companies are not comparing themselves with the competition but have a constant drive

to continuous development and improvement. (Burenius & Lindstedt 2003, 30)

Another aspect of innovation, in particular lean innovation, is to create a stronger value proposition and a stronger business model by removing waste in the processes and the operating model. Waste is anything that takes up resources but does not create added value to the beneficiaries (Rikula 2016). The business value needs to support the social value that is provided to the beneficiaries. The social value needs to be of sustainable nature.

The creation of a value model is broken into five steps:

1. Defining the beneficiary group
2. Identifying benefits of the product for the beneficiaries
3. Translating benefits into a quantitative (fiscal) or qualitative value
4. Building the value model
5. Testing and verifying the model

The process ensures that correct issues come into focus, and that real demand will create the pull for your services. (Burenius & Lindstedt 2003, 30, 69.)

The steps are explained in the context of the social enterprise in the next subchapter.

3.4   Requirements for a business model in social context

As requirements for a business model in social context, four fundamental characteristics are required (see Figure 5). A business model should guarantee that the organization can be or become 1) self-sustaining, 2) based on beneficiary value, 3) capable to draw from innovation and 4) supporting sustainable development (Ries 2014, 81-82; Maxwell & Robbie 2006, 64; Burenius & Lindstedt 2003, 82-83). The requirements that the empirical part of the study also later in this thesis refers to are shown in the Figure 5 below.
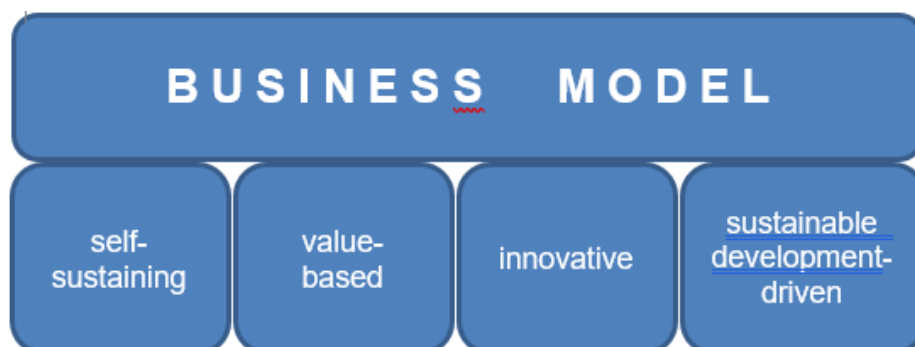

Figure 5   The four basic requirements for a social business model (Ries 2014, 81-82; Maxwell & Robbie 2006, 64; Burenius & Lindestedt 2003, 82-83).

A healthy organization needs to be self-sustaining and hence have revenue streams that are generated by offering services or products that create value. This is the basic principle for any organization to survive.

A business model should always be value based. It needs to create value to the beneficiaries in order to fulfil a purpose and hence have the chance to be successful (Burenius & Lindstedt 2003, 82-83). When an organization provides benefits in terms of its social and environmental impact it is called social added value, which further defines the value as business value for the stake holders and beneficiaries, but also as social value to the society (Maxwell & Robbie 2004, 64).

A business model should also be innovative and offer a possibility to constant development. According to the Build-Measure-Learn cycle (Figure 6) ideas are used to build a product or a service. The product or service is measured by gathering and analyzing data. With the help of the information the organization learns more about the beneficiaries, the expected value and the market. This learning leads to new ideas that can be used to develop and build the organization and its services. (Ries 2014 81-82.)
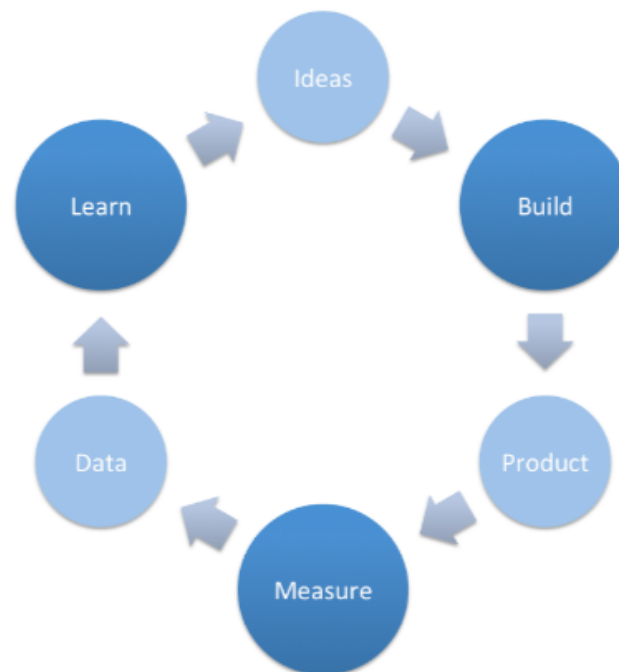

Figure 6   Lean Innovation Model (Ries 2014, 81)

This type of innovation guarantees that the organization is constantly adapting to provide a solution or service for a real need and that the operations are measured based on the value it creates.

In the social context it is crucial to make sure that the business model supports sustainable development. The company can not be about the quick wins for one generation. It needs to guarantee a healthy growth of the society and economy in the long term, for generations to come without compromising other people groups or the environment (Maxwell & Robbie 2006, 65). As the previous decades of heavily funded charity work have left Africa in a worse state than before (Moyo 2009, 64), it is obvious that charity work as known today cannot be seen as sustainable development.

3.5   Social enterprise as a business model

The fundamental principle behind a social enterprise model is to address a social problem with revenue-generating solutions. (MacMillan & Thompson 2013, 21).

Many help organizations have realized that the charity model is not fulfilling the long-term goals of offering lasting help. In most cases they are creating an imbalance of the economy and an unhealthy economic, political and sociological dependency of the beneficiaries towards the organizations and their countries of origin.

The new innovative idea among the help organizations is changing from charity to a social enterprise. Social enterprises operate very much like a normal business, hence not interfering with the economic, political and sociological development of the country and its people.

The main thougtht of the social enterprise is that is models a normal business teaching the correct business values. However, it has a safety network of investors covering the losses, where profitability cannot be reached as quickly or effectively as in a normal business.

Very seldom do social enterprises end up being profitable. Often social ventures will also enter the business with unrealistic optimism. However, it is possible to launch a successful social enterprise. (MacMillan & Thompson 2013, 18).

The primary objective behind a social business model and its core difference to charity organizations is to generate revenue streams which will increase independency and self-sufficiency, as well as make the organization more sustainable. As the revenue of the social enterprise grows, so does its impact in the community to alleviate social problems. This will bring more people into the reach of the social enterprise through economic improvements and the direct help offered by the organization. (Wharton Social Entrepreneurship 2017.)

Social enterprise needs to be planned and tested particularly well due to the external circumstances; creating wealth where poverty is ruling, is extremely difficult. The high level of uncertainty can be traced back to three main origins:

1) Social enterprises are closely connected to social problems, as this is the very thing they are there to address. These problems are hard to control.
2) Due to the social problems there is usually no flourishing business environment existing in the area. Social entrepreneurs don't enter existing markets, they have to create one. And usually the environment can be quite harsh for this.
3) As the markets are non-existing or very new, they entrepreneurs are also missing some basic structures required for the business, like knowledge or experience on pricing, proper infrastructure, consistently administrated governance, tested & working technologies or predictable competition.

(MacMillan & Thompson 2013, 20.)

In comparison to usual companies, social enterprises must do considerably more pre-work, keep experimenting and doing reality checks and comprehensive planning. (MacMillan & Thompson 2013, 24).

This, however, is often and unfortunately not the case when Western organizations enter an area of social development. Many companies start tackling the social and business challenge very unprepared and with very little planning. This leads to exploitation of the organization by the local community and only short-term relief with no sustainable change in the community.

Unless the company's vision and operations are well planned and implemented, the employees will go after the quick-wins and abandon any sustainable measures that will require hard work. This usually leads to fast economic and moral ruin of the organization.

In order to keep the value as the driver for all planning and actions, the focus should be on the social problem addressed. This is the difference to a normal business that is mainly focused on generating profit. A social enterprise can also generate profit, but the profit will stay within the organization to expand the social benefits and the value to the beneficiaries (Yunus 2010, 47). The red line through the business idea and the business model is to achieve a change in the community.

However, at the same time, a social enterprise clearly differentiates itself from charities by having a clear vision to bring in revenue. A social enterprise must be based on the belief that making money with the poor is the highest form of help we can give (Lupton 2015, 191).

This balance of bringing in revenue and offering help to the beneficiaries is the essence of the social enterprise. The motivation behind the operations needs to be defined strongly in concurrence to the value for the beneficiaries (Forth Sector 2013, 17).

In Bash's (2010) model we can see the interconnection of these elements (Figure 7). The social need is in the middle of the model. The way social need is addressed creates the value for the beneficiary. The value is

created by offering a service or a product to the community. The revenue from the services will create profit, which is used to develop the organization to better address the social need and reach out to the community. Investors are a crucial part of the social business model, as the businesses are usually not easily profitable. Outside funding is needed to start and operate the company in order to meet the social needs.
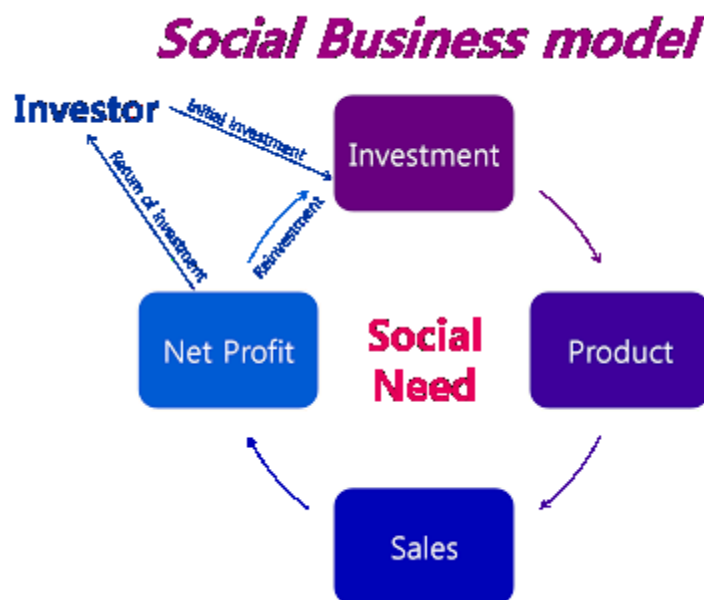
Figure 7   Social Business model (Bash 2010)

An example of a social enterprise could be a bakery that is buying grain from local farmers to create a porridge mix to sell at a reasonable price to the community schools. The bakery is helping the local farmers to stay in business and the schools to offer a nutritious meal to the school children. Investors are approached to fund building of the facilities of the bakery and a logistic chain for the farmers. The revenue from selling the products will go to pay the investors their dividends and to reinvest in the company to reach more farmers and more schools.

3.6   Defining the social enterprise idea and concept

The value model creation process described by Burenius and Lindstendt (2003) is very similar to the process of defining the social enterprise business idea introduced in this sub chapter. This shows that the fairly new social enterprise model builds on the basics of the value model. The social enterprise model adds the sociological aspects to the value model.

The idea behind the social enterprise and how it will tackle the social problem can be defined following these seven steps from the Social Entrepreneur's Playbook by McMillan & Thompson (2013, 30-31).

In the first it is defined who is suffering and why and how they can be helped. (McMillan & Thompson 2013, 30-31). The scope of the problem will be modelled in this step.

In the second step it is specified how the benefits to the target group will be measured. In this step the actual product or the unit of revenue is defined that is used to bring in finances to fuel the operations. Not only is it important to define how the performance of the product and the organization will be monitored, but also, what kind of a social impact is wished to achieve. (McMillan & Thompson 2013, 47-48.)

Thirdly the target group will be defined. For a social enterprise the target group can mean two things. Firstly, the beneficiaries of the organization in terms of people who are being helped. Secondly the customers who are buying the products and services created to bring in revenue. At times this groups can mix. The beneficiary may at the same time be a customer who is willing to pay to receive the help. In addition to these two groups, the people or instances that could be granting finances need to be defined.

As emphasized in the previous chapter, the operations need to be based on the value being created to the beneficiaries. In the fourth step the beneficiary value is summarized in terms of segmenting the group according to the willingness to adopt the concept or to buy the product. The urgency and visibility of the benefit is analyzed in terms of the beneficiaries' perception (McMillan & Thompson 2013, 55). How much do the beneficiaries really need or want what the organization is offering them?

After this, the alternative offer to the beneficiary in terms of competition is analyzed. What else does the external environment offer to the beneficiary as help or as a product or service to render? What will enterprise be competing against when trying to get the beneficiary's attention? For a social enterprise this will often mean comparing the organization to the charities that are offering subsidies, food or education for no cost at all. The services offered must somehow differ from this offer, as otherwise the business cannot compete against the current offer, which has also been defined as harmful to the beneficiaries in the long term.

The sixth step introduces the sociopolitical aspect of the social enterprise, now modifying the business model from a typical profit-focused business. This is the core environmental challenge of any social enterprise. The very reason the business is coming about is the sociopolitical environment and its consequences to the beneficiaries.

Finally, a concept needs to be developed   that now defines what will be done about all the information gathered in the previous steps. This can be done for example with the help of social business model canvas (Tandem 2013). Social business model canvas can be seen as a remodeled balance score card that sums up the goals and the operations of the organization.

4   METHODOLOGY AND CONDUCTION OF THE STUDY

The research method and methodology refer to how a scoped study on a defined topic will be conducted in terms of collection and analysis of the gathered material, and in a wider sense, what the research strategy (methodology) behind the data collection entails as methods. A method can for example cover observation, interviews and thematic analysis (Henttonen 2008.)

The choice of methodology and methods used is based on the wished approach towards the research topic (Henttonen 2008). As the thesis topic is social and relational in nature, the qualitative method was chosen to cover the empirical part of the thesis. The following chapters describe the methods and concepts used in detail.

The research part of the thesis was empirical and qualitative. In an empirical study the results are generated by making observation of the research object and analyzing it (Koppa 2015). The type of information collected further defines the study to be qualitative. In my study the information was retrieved by means of qualitative research by observation of WeCare in its organizational and local context and thematic interviews on WeCare. Therefore, the study can also be described as a case study that typically uses interviewing, observing and document analysis as its methods of inquiry (Norman et. al 2008, 34).

4.1   Research methods

Qualitative research emphasizes the qualities and processes of a certain entity that are not examined in terms of quantity, intensity or frequency. Instead it emphasizes the socially constructed research situation and the relationship between the researcher and the topic (Norman et al, 2008, 28).

The scope of the empirical research is a case study focusing on WeCare only and in terms of defining its future operations as a social business.

Case study
A case study deals with a defined unit, a case, such as a company, which is analysed to develop as full an understanding of that case, as possible. A case has boundaries that are identified in the early stage on the research. Case studies seek to preserve the wholeness and integrity of the case. However, in order to achieve focus, the research problem must be limited and defined early on (Silverman 2005, 126-127).

The WeCare case study is further defined as an intrinsic and well as instrumental case study. Intrinsic case study is solely interested in this one case, and not seeking to generalize between other cases. In an instrumental a case is analysed for thorough insight into an issue or to correct current generalizations. This way the case itself becomes secondary, and the focus is on creating understanding on a prevailing issue. (Stake 2000, 437-438.)

Though the aim is to analyze the case WeCare and provide a solution specifically for this organization, the study also carries a general interest in the topic of social entrepreneurships as a solution to the malfunctioning charity landscape in the developing countries and communities.

Further on the study can be see as a normative case analysis. One of the principal criteria for normative analysis is evaluate usefulness and the final aim of the study is not only to find the best solution for the current case, but also to improve it or similar objects later on (Routio 2006).

This case study is also an observative case study, as the aim is to gather first-hand information about social processes in a naturally occurring context (Silvermann 2005, 259). The observations were recorded in different types of notes and documents and backed up with interviews and secondary sources.

A case study follows the intuition of the researcher on what to test and which topics to cover (Koppa 2015). However, the theoretical framework and observation were used to guide the research and give it direction.

Finally, a case study should serve as a mutual stimulation for both, the researcher as the object of the research (Silvermann 2000, 324). This development can be read upon in particular in the final conclusions and reflections of this study.

Document and video analysis
Qualitative analysis comes in form of words rather than numbers, as in quantitative analysis. These texts are presented in various documents. Analysing this literal data consists of three phases: data reduction, data display and conclusion drawing & verification. (Miles and Huberman 1984, 21.)

The data analysed in this study was in form of issue logs, field notes, information directories, diaries, videos and interview notes. Even the visual material of videos consisted mostly on analysis of spoken text, which naturally is backed up with the visuals of the video, bringing a stronger emotional impression on the words.

Though the material types varied, they were all analysed according to the same activity flow as suggested by Miles and Huberman above. First the relevant documents were chosen from the material collected. The data was then displayed in form of tables or summaries of notes. After that the materials were used to support one another in analysis by comparing them and drawing conclusions from the similarities and differences.

In terms of scope, the text and video materials were analysed regarding the items in the Social Business Model Canvas and Business Blueprint-Model.

The amount of the material and interviews is defined by the saturation point; when new materials do not add more or different kind of information anymore, the interview material can be seen as sufficient (Henttonen 2008). The interviews conducted reached the saturation point very quickly as the issues in the field are very common and very much alike. Same could be observed from the field notes and project diary.

SWOT-analysis

The SWOT- analysis, though a traditional tool, still fits the purposes of a basis evaluation of an entity. The definition of strengths, weaknesses, opportunities and threats provides a powerful snapshot and health check for the operations and their relevance in the external environment and the internal organizational set up. The Table 3 below presents how to organize the SWOT-analysis and which questions find answers to.

Table 3   Organizing your SWOT-Analysis (Berry 2017)

	Opportunities (external, positive)	Threats (external, negative)
Strengths (internal, positive)	Strength-Opportunity strategies Which of the company's strengths can be used to maximize the opportunities you identified?	Strength-Threats strategies How can you use the company's strengths to minimize the threats you identified?
Weaknesses (internal, negative)	Weakness-Opportunity strategies What action(s) can you take to minimize the company's weaknesses using the opportunities you identified?	Weakness-Threats strategies How can you minimize the company's weaknesses to avoid the threats you identified?

The areas of the analysis can be categorized into a matrix of internal an external and positive and negative attributes or items. As Table 3 suggests the outcomes of the matrix can then be turned into a strategy.

The SWOT-analysis is used to provide an insight into the strategic and practical positioning of WeCare and to check how the organization could improve by drawing from its strengths, working on its weaknesses, grasping the opportunities available and avoiding the threats within and outside the organization.

PESTEL analysis

For a charity organization it is recommendable to include a wider analysis on the external matters, as these are crucial for the work the organizations do. The external environment is often described with the help of PESTEL-analysis that includes political, economic, social, technological, environmental and legal aspects of the surroundings (Rothaermel 2012, 56-61).

The materials research for the PESTEL analysis included:
- Online sources on Kenya
- Business and Economy portals
- World Bank and UN directories¨

- Interviews and diaries
- Issue log

The PESTEL analysis was mainly conducted based on online materials on Kenya. These materials, however, were official in nature and were handled in the same way as literature sources in the theory part. The online sources are supported by WeCare materials that confirm the online research results.

4.2 Materials analysed

As mentioned in the previous chapter, several types of materials were analysed to provide an authentic, yet scientific access to the topic. The materials were qualitative, as consisting of texts and visuals, such as videos and pictures.

Field notes
Field notes describe the momentary situation captured or reports heard from people during one specific event (Silvermann 2005, 254). The field notes during from visits were written while visiting various locations, such as the children's home, the school, other charities and local venues like slums or community centres.

When writing the text, impression management was practiced in the sense that the impression documented was described in a way that it is appropriate to the situation, not judging people (Silvermann 2005, 255). Due to security and practical reasons no devices were carried during the field observation. Notes were written in three note books over a period of 8 months. The meaningful information was then stored digitally in pictures or written out text.

Project diary
The project diary entries were stored in a similar way to field notes. However, the majority of the entries were directly written in digital form and hence easier to manage. A personal diary was kept on a nearly daily basis. Out of these notes the parts relevant to the research on WeCare were captured in the project diary entries. The purpose of a diary is to rewrite the history without forgetting the important things and concentrating on matters relevant to the study (Silvermann 2015, 249)

Interview notes
Interviews were documented in two ways. Four interviews were conducted with an interview template. These were conducted in a closed interview setting, with questions from the templates being placed and then answers documented in the template (Appendices 3 and 4).

In addition to this, two development work consultants were interviewed during field trips. These interviews were open in nature and the notes regarding these were covered in field notes.

The interview questions were formed as open questions to receive an authentic picture of the situation as well as to be able to recognize patterns in the answers, as advised in the qualitative study guide from Business Research Methods –group (Henttonen 2008). This way the interview situation was kept open and responsive to the surroundings that brought up valuable topics to consider, things that could only be seen on site.

Issue Log is a way to capture the burning issues and topics that need action. The WeCare issue log was carried out throughout the time in Kenya and continued after that until May 2017. It gives a quick view into the typical topics that arise in the operational routine, but also flags bigger matters that threaten the organization. Issue log is typically a project tool, especially used in the innovative SCRUM-method.

Online materials are publications and postings than can be found in the Web. When researching the internet on WeCare the following materials can be found: WeCare web page, WeCare blog and several videos. The online materials create a mix of official information from the organization, but also authentic material from outside the organization, which gives a very realistic view of the state of the organization, when analysed carefully. From the web page we can find the mission and vision statements, the blog again describes the everyday ups and downs, but also thoughts and conclusion on topics related to charities and the state of Africa. The four videos posted on YouTube are posted by WeCare staff and one visitor from another voluntary project. There are also videos posted by WeCare staff, but this channel was never really used effectively. The material is rather for friends than to be used to push WeCare's operations. Simple notes were made of the videos to back up the image and values conveyed in them. The conclusions are directly written into the thesis text.

Each type of material is used for the study in a different way, which creates a set of different research methods and analytical tools. The research methods were analytical and also used to present the results in the reporting form typical to them.

4.3   Modelling of the results

The research results were modelled in three business model tools that were introduced in the theory part of the thesis. Business Plan Blueprint, Social Business model Canvas and Requirements for a Business Model – matrices were chosen to present the results in the context of business, to fit the purpose of the thesis. This is to bring the charity and social incentives into a business model.

Business Plan Blueprint was used to describe the current business model of WeCare. The business plan blueprint served as an analysis tool to present the results of the research regarding the topics of identity, strategy, internal assets and external environment.

Social Business Model Canvas was used to gather and present information on the organization's future business plan. The function of a canvas is to describe the planning, documentation and the future development steps to control the current business model and define a new one (Schmeisser 2015, 17). The planning of the social enterprise covers scoping of the business, defining the value and the key activities & products as well as establishing performance measurement. These can be best defined in the social business model canvas by Tandem (2013) as seen in Table 4.

Table 4   Social Business Model Canvas (Tandem, 2013)

The canvas explains in detail, what key resources are needed, what are the key activities, what will be reached by the activities and how. The channels for offering services or reaching revenue are listed, as well as the relations to the partner and key stakeholders. The social aspect of the business model is highlighted by explaining the social intervention that the organization practices to reach the social goals of the entity. In addition, it will deal with the financial part by defining the cost and revenue structure of the organization as well as plans for usage of surplus. Throughout the canvas the value for the beneficiaries is kept in focus. (Tandem 2013.)

The canvas helps the social enterprise to pinpoint its activities and make sure that the organization is creating the value it wishes to offer in an efficient way. The canvas perfectly covers both business and social elements, making it a good tool to later in this study to define the social enterprise as a business model for the case organization.

4.4   Conduction of the study

The study was conducted as a 6-month observation and case analysis during the WeCare strategy project in Nairobi. The observations were doc-

umented in various tools and via a number of methods, as presented previously in this thesis.

The following project plan (Table 5) was conducted in the beginning of the project, adjusted along the way, and conclusively carried out through in this form.

Table 5   Project Plan and Timeline

Stage	Tasks	Timing
1.	Goal setting	Jan 2016
2.	Planning of the study	Jan 2016
3.	Studying references and gathering material (Field Study in Nairobi, Kenya)	Jan 2016 – April 2017
4.	Studying references and gathering material (Online and documented sources)	May 2017 – July 2017
5.	Forming the theoretical framework	April-May 2017
6.	Analyzing material and stating results	Aug 2017 – Nov 2017
7.	Modelling the results	Jan 2018- Feb 2018
8.	Conclusions and reflections	Feb -April 2018

The empirical part of the thesis started by defining WeCare as an organization and presenting their vision and mission for the future. The major part of the empirical study was conducted on site in Kenya.

In the initial discussions with the leadership of WeCare, the growing idea was to turn the primary school into a revenue stream and add vocational training as a paid service. The revenue income would need to finance part of the operations.

First the current business model was analysed in terms of identity, strategy, internal assets and external environment.

Consequently, the wished goals and operations of the company were defined via the Social Business Model Canvas. These definitions were then reflected on the social enterprise model in terms of identity, strategy, internal assets and external environment, as well as the concept of the value model to see if the social enterprise as business model matches the aspired goals and operations of the company.

Finally, the operations were defined based on the social enterprise model to give WeCare a direction for the next development phase of the organization.

5   RESULTS OF THE STUDY

When studying the current state of WeCare, the analysis needs to cover both internal and external factors. The external factors can be further grouped into micro and macro external factors.

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First the history of the company are shortly explained, followed by PESTEL-analysis of the macro-external environment that WeCare is situated and positioned in.

The internal aspects regarding identity, strategy and assets are presented thereafter with the help of the Business Plan Blueprint model. The Blueprint then covers the WeCare-specific external factors which round up the business model.

Finally, the current perceived business model is shown in the social business model canvas, as received in the interviews with the WeCare leadership team.

5.1   WeCare's historical background

WeCare is a small NGO that was founded in 2011 by an Australian marketeer, Brendan Lewis. The organization is registered in Australia but runs its operations in Nairobi, Kenya.

Originally WeCare supported a children's home called Victorious Joy Children's Home, short V-Joy, with ca. 30 children and 4 staff members. Support was paid directly to the home's administrator from the donations from private people and companies, reached by fund-raising by the WeCare team of 4 volunteers located in Dubai.

In August 2015 WeCare founded a private school mainly for the children of V-Joy and started a sponsorship program to sponsor the students of the school as well as a one-time donations program to sponsor aid projects within the school. Direct donations to V-Joy home were discontinued, as the finances were now managed by WeCare's administrative team as much as possible directly to the suppliers and linked to defined costs. (WeCare Sponsorship Program Documents 2016.)

Currently the children receive education, food and accommodation, financed purely by donations from sponsors to the WeCare, that distributes the money to the home and school.

In the beginning of 2017 ca. 40 visited the WeCare primary school, and the school employed 5 teachers.

5.2   WeCare's national and international environment as per PESTEL-analysis

With the help of the PESTEL-analysis the greater external environment in terms WeCare's of country of operations and its nation will be analyzed especially considering the impact on WeCare's line of work. Both domestic and international environment that WeCare operates in will be analyzed. This is very important as social work is greatly influenced by many external factors.

The following PESTEL-analysis has been conducted by studying online-resources describing Kenya and Nairobi in terms of political, economic, social, technological, environmental and legal surroundings.

Various online sources are quoted in the PESTEL-analysis and the Kenya Demographics Profile 2017 can be found in Appendix 2, which offers more statistical data to render further details.

The Republic of Kenya, located in East Africa, neighbors to many distressed countries; Somalia, Tanzania, Uganda, Ethiopia, Sudan and South Sudan. Kenya has the largest economy by GDP in the East and Central Africa. Nairobi is considered a growth center and a logistic, commercial and technological hub to existing and new businesses. (UKessays 2015)

Kenya has a population of 48 million and GDP of 1.143,00 USD per capita, characteristically high population and low GDP for development countries and emerging markets, compared to Finland's 5.4 million population and a well-established GDP of 43.090,00 USD per capita (World Bank 2016).

5.2.1   Political

Kenya's political scenery in the past years or decades can be described as unstable. Widespread corruption is crippling the political system and eroding the public trust. Another internal political matter is the distinction of social standing regarding the tribal background. (Council on Foreign Relations, 2017)

Kenyans do not identify themselves as an ethnic group, but still turn to their tribal distinctions when faced the choice to choose between their national identity and their local ethnic group or the tribe. For economic growth it would be urgent to distribute the power better among the ethnic groups. However, politically this could currently cause even more unrest, unemployment being the biggest election topic, and a cause for heated conflicts.

Last elections were held in August 2017 bringing long ruling President Uhury Kenyatta in for the second term. However, the election result was nullified a month later by the Supreme Court, having the country go through another restless election in October, Kenyatta still remaining in power. Unfortunately, the instabilities in the political environment slow down also the economics of the country. Not only internal economic activities are stalled, but also import and export trade in the ports suffer losses.

Due to Kenya's central location and relative stability since its independence 1963 has made it popular among refugees and immigrants. Kenya currently shelters more than 300 000 Somali refugees (Indexmundi 2017). Kenya's ties to Somalia are complicated due to the refugee situation and some severe terrorist attacks by Somali muslin extremists in the recent years.

5.2.2   Economic

The GDP growth has been at a solid 5.5 % for the recent years, forecasted to reach 6 % and higher in 2018 and 2019. (Worldbank 2017).

As the table 6 below (FocusEconomic 2017) shows, the key economic indicators showing the variation to the previous years is positively increasing for economic growth, consumption and production. However, the alarming part is the decrease in investment and the negative trade balance. These are signs for dependency towards the Western world. Kenya should easily be self-sustaining by now, considering the vast investments and loans granted to the country over the last 20-30 years. Clearly these have only been adding to the dependency, rather than providing sustainable solutions for the country to take care of itself. Also, the External debt ratio to GDP keeps rising by 3.3 % per year, having reached now over 33 %, a further sign of unhealthy one-sided dependency.

Table 6   Kenya Economic outlook (FocusEconomic 2017)

Kenya Economy Data	2017
Population (million)	45.5
GDP per capita (USD)	1,558
GDP (USD bn)	70.8
Economic Growth (GDP, annual variation in %)	5.8
Consumption (annual variation in %)	4.8
Investment (annual variation in %)	-9.3
Industrial Production (annual variation in %)	6.0
Fiscal Balance (% of GDP)	-8.1
Public Debt (% of GDP)	53.5
Trade Balance (USD billion)	-7.9
Exports (USD billion)	5.7
Imports (USD billion)	13.6
External Debt (% of GDP)	33.3

Many core industries are run by state owned entities, covering industries like energy and mining. However, in the past years the government has opened doors for the investors to cover business projects in the country, which has increased competition (UKessays 2015). Still it seems that money is flowing out of Kenya, as the investors are claiming the capital wins and in the meanwhile, taking ownership of Kenyan industries.

Officially Kenya's unemployment rate is currently at 11 %. However, this rate only considers the people actively looking for jobs. (Trading Economics 2017.) Sadly, large part of Kenya's young population is not

actively looking for jobs, but rely on Western handouts, as they are unable to organize themselves to keep jobs or even want to have one.

According the United Nations Kenyan's effective unemployment rate is nearly 40 % (see Table 7). The labor market is characterized by inadequate employment opportunities for the growing young population. There is a significant mismatch of skills acquired and expectations from the industry (Faki 2017)

Table 7   Unemployment rates in East Africa. (The East African. BD Graphic 2017)

Kenya	39.1
Tanzania	24
Ethiopia	21.6
Uganda	18.1
Rwanda	17.1

Kenya's higher unemployment rate compared to the neighboring countries (Table 7) is due to the economic and population growth in cities, without having been able to create matching job opportunities (The East African 2017).

5.2.3   Economic

Kenya is mainly Christian (66%), however there is a significant number of animists (26 %) and muslims (7 %). The annual growth rate of the population is at 2 %, placing 42 % of the population in the age group between 0-14 years and 55 % between 15-64 years. Nearly 70 % of population in working age creates a vast work force that needs to be enabled to drive economic growth. However, the health statistics bring a sad reality of 5,4 % of the adult population being HIV-positive and the life expectancy still under 65 years for the total population. Also, the average age at first birth for the mothers is at 20 years, which reflects high amount of teenage pregnancies and lack of family planning.

Tribes and social classes are still very much in practice in Kenya. (UKessays 2015). This shows particularly in the distribution of wealth and higher work positions. Nepotism is frequently practice. Hence the division remains despite more and more people receiving qualified degrees. Every year 500 000 youth graduate from tertiary institutions looking for employment, but 75 % of them remain unemployed (Thuo 2017).

The major problems in the cities are drug and alcohol addiction and crime (UKessays 2015). Violent crime is driven by interpersonal disputes and also due to robbery attempts, often connected to drug and alcohol abuse.

The schooling system is heavily subsidized, but still the safety and social conduct in the schools does not reach international standards (UKessays 2015).

According to the previously mentioned Millenium Development Goals Kenya as aiming to reach better maternal, prenatal and pediatric care and an overall improvement of the public healthcare (World bank 2017)

The world bank states, however, that "Addressing poverty, inequality, governance, and the skills gap (between market requirements and the education curriculum) will be major goals, as well as problems of climate change, low investment, and low productivity. Only when these have been addressed can sustained growth rates transform lives of ordinary Kenyan citizens. "(World Bank 2017)

5.2.4   Technological

Technology has also been introduced in the Kenyan schools to reach an international standard in use of technological aids in teaching and learning (UKessays 2015). However, in reality, not many school get to benefit from the advances due to budgetary limits.

The UNESCO Regional Office for Science and Technology for Africa and numerous institutes and centers for coffee and tea research, grasslands and plant breeding, as well as medical and veterinary research are located in Nairobi offering great opportunities for cooperation (The Guardian 2017).

5.2.5   Environmental

Due to Kenya's diverse landscapes from mountains to highlands, plateaus and coastal areas, the climate varies greatly. The equatorial climate, however, always offers great conditions to farming and the varieties of farmed products are very rich. (UKessays 2015)

Due to the heavy rainfall in the mountains, valleys and coastal areas, Kenya usually does not suffer from nationwide droughts, unlike its neighboring countries, making it a stable location for agricultural production.

Kenya has massive environmental problems caused by pollution. The country is lacking a proper environmental plan to become sustainable and is purely governed in environmental matters. Especially poor waste management is causing the cities and towns to get pollute the environment heavily and deteriorate the water, earth and air quality. (Softkenya 2017.)

Poor infrastructure especially in the slums is also frequently a cause for cholera outbreaks and other health issues.

Another main environmental problem is deforestation due to illegal logging and excisions. Deforestation is causing increased flooding as well as droughts, and soil erosion. (Ministry of Environment and Forestry 2017.)

5.2.6 Legal

As a legacy from the colonial times Kenya has a common law system very similar to that of Britain. The three press laws in use are the Statutory Law, the Common Law and the Constitution of Kenya. At times still tribal and muslim sharia-law is also unofficially practiced. The legal framework, though in place, is described to be weak, irresponsible and inadequate. (UKessays 2015.)

The new constitution was placed in 2010 introducing tenured judiciary and bicameral legislative entity increasing service delivery in isolated and rural areas.

As corruption is the most prevalent problem in Kenya, there is a vast framework of anti-corruption legislations varying from Finance Act, Anti-Corruption and Economic Crimes Act to Penal Code and Bribery Act and on to Public Offices Ethics Act ad (GAN Business Anti-Corruption Portal 2017).

The problem is not the lack of laws, but the lack of law enforcement. Especially in the areas of economic fraud, sexual abuse and violent crime, the legal system fails, as the authorities lack enforcing the law, and give in for arrangements or completely ignore the crimes committed due to corruption and lethargy. (Haugen & Boutros 2014, 73.)

5.3 Current business model analysis as per Business Blueprint -model

The Business Blueprint model in Fiqure 8 is used for describing the current business model of WeCare. Other tools, like video, document and interview analysis, are used for analysing the different parts of the business model.

Figure 8   Four areas of a business blueprint model for WeCare (Adjusted from Hogue 2013)

The following subchapters will present WeCare in the context of the Business Blueprint areas of Identity, Strategy, Internal assets and External environment.

5.3.1   Identity

The materials used to analyse WeCare's identity are the issue and idea log, diary entries, field notes as well and the interview contents. Four videos were analyzed to support the other materials:

1) Castleberry, H. 2012. A visit to Victorious Joy Orphanage. (Emotional video on the impact on the voluntary workers)
2) Lewis, B 2012. Video Victorious Joy Home - Kahawa West, Kenya. (Introducng the community and children)
3) WeCare Generation 2013. Victorious Joy Home and Education (Introducing the home)
4) Mwiti, N, 2012. Video: Victorious Joy Children's home (Interview with Sarah, one of the local workers in the home)

WeCare sees its identity in the value that it brings to the community. The identity is closely tied to the beneficiaries and defined by the relationships that enable the social intervention.

The value proposition of WeCare has remained the same from the beginning until the recent remodelling phase. The organization wishes to offer its beneficiaries a sustainable perspective out of poverty through education and other means of a functioning community. This is conveyed via the staff interviews as well as the Social Business Model Canvas.

There are also videos circulating that offer a deeper insight into the hearts and minds of the founders and supporters of WeCare.

The videos express a yearning for authentic serving of the community, true change and willingness to sacrifice for the common good (Castleberry 2012, Lewis 2012). Lewis' video starts with an appeal for justice, quoting Amos (5:21-24):

"I want justice, oceans of it. I want fairness, rivers of it."

Messages like this serve not only for branding the organization for external interest groups, but also indicate internal strong values that should turn in to action in the community and reach change for the people.

Local involvement is another value that the interviews in the videos with the local staff convey. WeCare does not want people in the community just to be waiting for justice to happen from the outside. They want to

encourage the people to take matters in their own hands and start improving their lives themselves.

A further video by WeCare Generation (2013) featuring a WeCare voluntary worker states that WeCare wants to build relationships to the beneficiaries. Another volunteer continues in the same video, that their wish is for the children to realize how great they are. In the same video children are stating the future wishes, any thing from aerospace engineers, to doctors and teachers.

From the observations collected from various documents, including the project diaries, issue and idea log and field notes, as well as interview notes, the core identity of WeCare can be described as authentic, sustainable and caring. This displays in the definition of organizational goals, and the way issues are dealt with.

Though the videos enfold a world of hope and dreams, at the same time we know that most of the children will not be able to afford or maintain studies in these disciplines, let alone find employment in highly academic occupations. Many end up without purpose or capability to cope with the normal everyday life, as they have not learned basic family skills and independence. Many suffer from affection disorder, that in the videos simply look like very affectionate children. When considered carefully, this is not normal child behaviour and tells about yet another problem in the society: lack of a core family and a sustainable social unit to grow up with.

The videos also show other issues, commonly known among the charity workers. The people seem to be on a poverty tourism trip. Pictures and videos with the children are made, but the people never come back with tool to achieve change. At the most money is sent, but no structural difference is approached.

The videos, even the one conducted by the local volunteers (Mwiti 2012) talk about orphans, though 70 % of the children in the home are not true orphans. They sill have relatives left but are presented to the foreigners as orphans to receive more donations.

The video from a visitor (Castleberry 2012) states that the home does not have land to build on. Later on, we found out that the school property was owned by the leader of the children's home, who had corruptively collected also money from the school board, run by WeCare, to cover rental cost, which did no exist. The organization calls for authenticity, but the daily operations send a different story. Somewhere along the way the good founding purposes turned into a vehicle of corruption, as so often in Africa.

5.3.2   Strategy

The Social Business Model Canvas (Appendix 1) and the interviews state that the main operational goal is to offer educational programs as the an-

swer to poverty. This is to be done among the local community with local teachers.

However, it is not possible to really recognize a clear strategy. The videos, to representing WeCare, are vague and offer no information on what the plan is. This remained a challenge in the current context, as WeCare was also highly dependent on Victorious Joy Home in terms of access to the direct beneficiaries.

Towards the end the strategy started to crystallize more towards shaping teenagers through vocational training and mentoring through business professionals, which also would close the ties to the children's home and create an easier interest group to operate with.

5.3.3   Internal assets

Current business model is defined as a non-profit organization based on donations. Donations are given through a sponsorship program or as one-off gifts. The money from the sponsorship program is used to provide housing, clothing, food and schooling for the children of the Kahawa West area. This way the children are guaranteed schooling and essentials for free. The one-off donations are used for projects to improve the home or the school, such as building projects or community events.

Currently WeCare is receiving two kinds of support, awareness and donations. The individuals affiliated to churches or the churches as entities are showing support with creating awareness for WeCare through posting videos on social media or giving inspirational talks in their community and the organizations within. However, the awareness is not supporting WeCare's values. It is mainly being channelled into pity and emotional attachment, driving people to make donations or go visit the site in Kenya. Both of these actions create more dependency and decrease the self-worth of the local community and the children and co-workers of WeCare. The visits are supposed to show support and bring help from the Western world. Many times, the real reasons behind the visits could be described as social or poverty tourism that is driven more by the personal short term aspirations of the people visiting rather than really being ready to commit to make a lasting change in the community. In other words, when posting a picture or video of WeCare activities or stories from the orphanage, this is done to drive the persons own cause of wanting to be or to be seen as a socially aware and passionate person, rather than being ready to commit in the sidelines and push the people from the community to the front.

Another reason for visits or posting for awareness, is that often people are very struck by seeing poverty so close and in such magnitudes, that they simply want to do something to help, but do not know what else to do than ask others for donations and awareness. WeCare needs to learn to manage its affiliates by teaching them the correct values and actions that lead to long lasting, structured and productive support. Otherwise this type of random actions of compassion without being aligned with

the strategic and operational goals of WeCare end up worsening the local situation by increasing dependency and decreasing self-worth and sustainable, local development in the community.

5.3.4   External environment

External environment can be divided into the larger surroundings, as presented in chapter 5.2 under the PESTEL-analysis, and into the direct external interest groups. As the political, economical, social, technical, environmental and legal aspects create the place for the organization to exist in, the direct external environment defines the network that the organization functions in.

The following illustration (Figur 9) on the next page describes the WeCare external network of dependencies and cooperations.

Support from sponsors and partners

Schenker, Citylights Dubai, Gateway Church AD, Christ Church LuvWay, Young Life Nairobi

Donations from private people and companies

WeCare private school

WeCare charity project

Developing Kahawa West community,

providing education and a safe home for children.

Local cooperation with Victorious Joy children's home
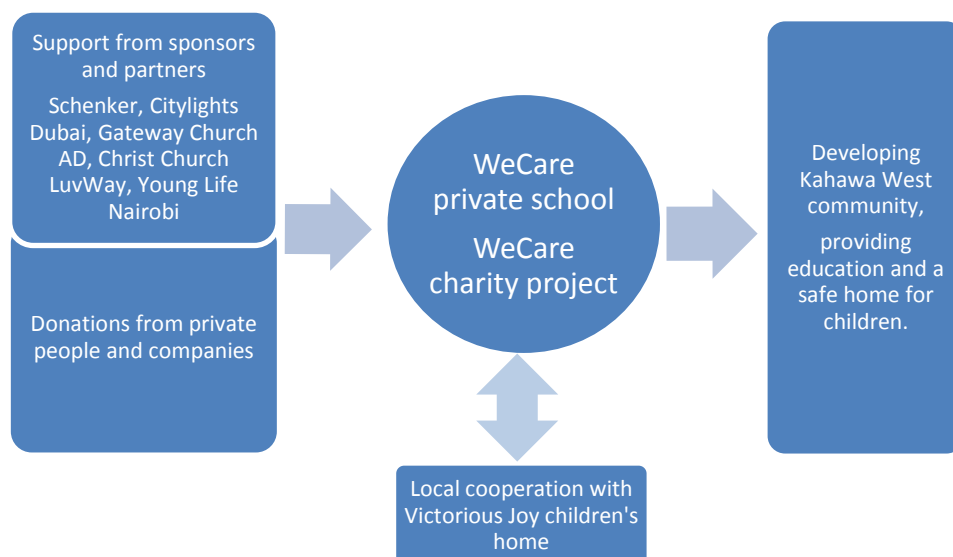
Figure 9   WeCare dependencies to, cooperation with and impact on external environment

A social organization is first and foremost financially linked to its sponsors or other revenue streams. WeCare receives food and monetary donations from companies. The current company sponsor is Schenker Nairobi. The main incomes source for the organization is the sponsorship network. This consists of friends or people who are somehow personally connected to the organization founders or other volunteers in the project. Additionally, WeCare has gained sponsors over the social media activities.

Support in terms of temporary teaching resources and financial support has been received from local and international Christian help organizations and churches, again due to personal connections.

The biggest cooperation partner locally is naturally the V-Joy children's home. With the help of the external network WeCare has been able to run the local primary school, and through this support the children attending the school, as well as the people in the community of Kahawa West.

5.4   SWOT- Analysis

The current model comes with advantages and disadvantages. In order to map these, the SWOT-model (Figure 10) was conducted during interviews with the WeCare leadership.

Materials used in the analysis were the issue and idea log, videos, field notes and project diary entries.

Strengths
- secure sponsor and donator base
- strong local network
- close relationship to the children's home

Weeknesses
-risk of manipulation
- little room for scalability
- dependency of V-Joy home

Opportunities
- networking with local businesses
- well educated students
-possibility to build capital for investements

Threats
- corruption
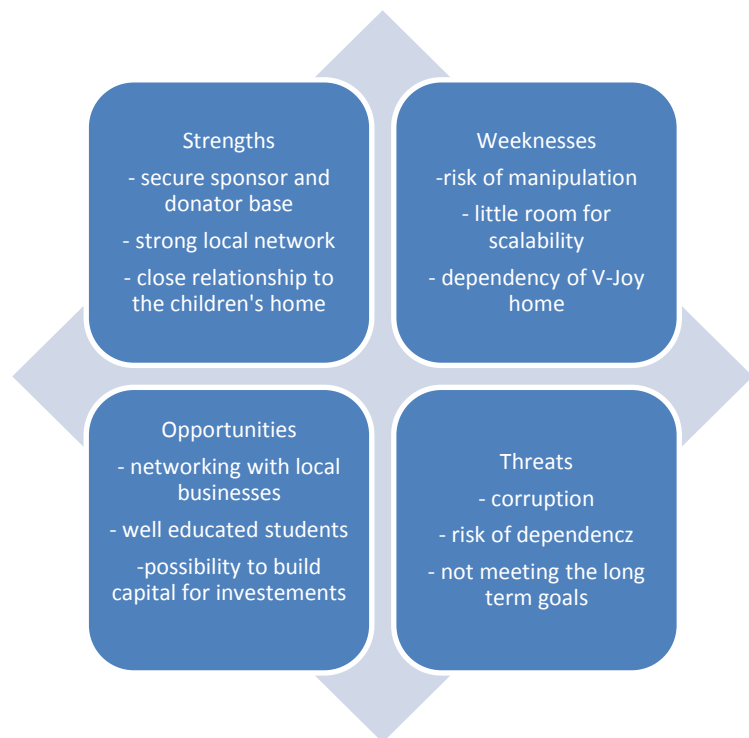- risk of dependencz
- not meeting the long term goals

Figure 10   WeCare SWOT -analysis

Strengths:

The current operating model has an established donation flow that keeps the school and children's home running. When money for new children or projects, like building or renting facilities or organizing events, are required, can this easily be acquired via the existing network of supporters in Dubai, Australia, Europe and North-America. WeCare, as well as people volunteering for WeCare are extremely well connected with a vast sponsorship base.

Also, locally WeCare has been able to gather strong cooperation partners, such us building agencies, partnership schools and youth organizations. Many businesses and private people have been interested in a well-run social cause, that is run in their home town. The strongest cooperation partner has naturally been V-Joy children's home. The management of WeCare and V-Joy are working very closely to address the needs of the children and the community.

Weaknesses
However, the close cooperation with V-Joy is also a weakness, as it leads to dependency. As the school is mainly occupied with children from V-Joy, there is a lot of pressure from the V-Joy management to run things as they would like, which has in the past lead to manipulation. In the issue log we can point several occasions when the leader of the V-Joy home has tried to manipulate the way the school is run and threatened to remove the children from the school, if certain wishes are not met.

Often the V-Joy leadership has tried to practice nepotism and push certain families or tribes to receive teaching positions at the school, or also wanted to place themselves on the managing board of WeCare to receive a stronger position in the community. This leads to frequent conflicts between WeCare and V-Joy leadership.

The current model also foresees helping the children and offering very basic care. This does not really create organizational scalability that would enable WeCare to reach the community in different ways and even more so, enable the community to help itself.

Another weakness is exposed through the videos (Castleberry 2012, Lewis 2012, Mwiti 2012, WeCare Generation 2013). As mentioned under 5.3.1 Identity, the organization is lacking planning and strategic direction. Videos that are presenting the organization are emotional and good for awareness, but do not pose a solution or show a plan for the operational activities. This also reflects some of the current issues and weaknesses.

Some of the videos are posted by people that are not affiliated with WeCare. An example of this is the video from Castleberry (2012). The people present themselves as supporters of the school and the home, but they do not even know about WeCare. This speaks for several donation

channels, with little or no transparency, which very quickly leads to cor-ruptive double donations, for example that high school fees may be paid to the care takers twice though different affiliates, without them knowing of one another.

Many times also people will show up on these charity trips with the in-tention to help during the trip, but do not continue support the cause af-terwards. They enjoy the projects abroad but are really there to see something for themselves. This is called social and poverty tourism, that is usually driven by a need to experience something rather than making a commitment to help and truly bring a cause forward. Unfortunately this type of coming and going in social projects is very harmful to the bene-ficiaries, who develop emotional disabilities due to the everchanging people in their lives that also usually have very little understanding on sustainable development of a person.

Opportunities
The enabling opportunities are very strong. The children that have re-ceived a good basic education, are able to continue into the vocational school after high school with no further academic challenges. The cur-rent business network of individual professionals and companies offer a strong a set up for internships and mentoring for value and knowledge transfer. The current sponsor network is also a strong base for investors and an interest group to provide members for board and staff functions.

As labor and facility costs are low in Kenya, and the economy is grow-ing, there are business opportunities that can be linked to the vocational school and to its business programs.

The videos communicate as strong yearning for values and change. They show people who are passionate to help. This type of willingness with a strategic commitment and action plan can be very powerful.

Threats
These topics also lead to the threats within the organization. There is a constant concern about corruption, money being used and reported wrongly for own needs. Fortunately, so far the cases have been minor and easily solvable. However, working in Africa comes with high risk of corruption also externally.

As pointed out in the theory part, the charity model has many downfalls and does not correspond with the goals of the organization. The current charity model has a significant amount of waste in it.

The donations are not a sustainable way to finance the operations of WeCare. When donators pull their finances, the whole organization be-comes endangered. Donations also mostly lead to corruption as benefi-ciaries try to create exaggerated needs in order receive more funding.

Donations bring in finances without people having to work, which leads the workers to a low working moral. All efforts go in receiving more funding with least work, which also in WeCare's case has led to corruption, especially with school and children's home staff. Several matters of seeking own benefit before the one of the organization, like cases of stealing and cheating money were listed in the idea and issue log.

5.5   Definition of future business model as per Social Business Model Canvas

Now that the current business model and the state of WeCare has been carefully inspected, it is time to move on to the future aspired business model. This will be defined with the help of the Social Business Model Canvas.

The following results are from the interviews with the leadership team and from analyzing the staff meeting idea log when defining the new direction for WeCare.

The results were recorded in the Social Business Model Canvas, the detailed filled-out version of which can be found in Appendix 1. The main findings are presented below.

5.5.1   Value proposition

WeCare's vision is to empower Kenyans for self-sustainability. The target group can be defined as beneficiaries and customers, depending whether the services are paid for or received for free. However, the service remains the same, which makes WeCare a very good example for a social enterprise. The focus stays very strong, as the organization provides same services for both groups.

When the product of the organizations creates value to both customer and the beneficiary as a target group (see Figure 11), it is easy to both have the customer be willing to pay for the product, but also for the beneficiary to commit to the program, as it responds to need or want defined by the target group.
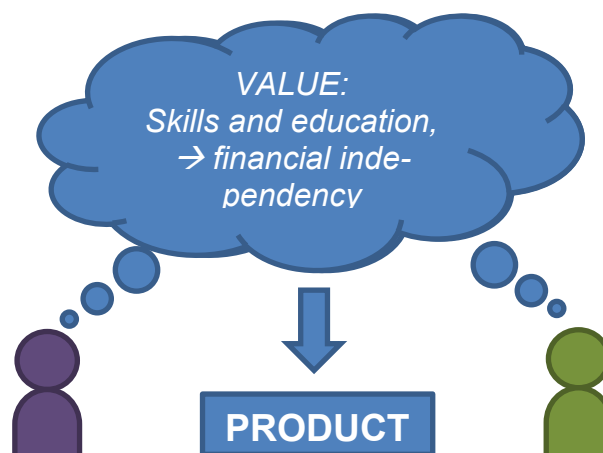
Customer   Beneficiary

Figure 11   WeCare's product serves both customers and beneficiaries

As further recommendations it is recommended to clearly define the business model and value stream and to communicate the business plan throughout the whole organization. The product needs to respond to a demand defined by the beneficiaries and the benefits need to be communicated to the beneficiaries.

5.5.2   Key activities and service offering to the community

The key activities of the new WeCare operations will be vocational education programs. The primary education will stay as a supportive function for the community in providing a safe set up for primary and secondary school. However, the real added value will come from the vocational side, as these types of schools are currently not being offered in the context of social projects in Nairobi.

During the WeCare staff meetings the future vocational school plans were discussed frequently. The ideas were collected into a house model that was used to present the different educational streams (see Figure 12 below). The practical streams would cover sowing, carpentering, hospitality, restaurant management, and finances & accounting. The general studies would also cover the learning of domestic skills and ethics and morals.
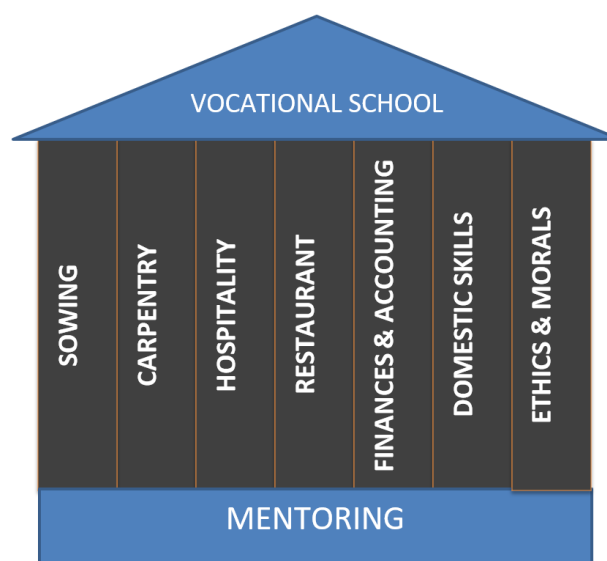

Figure 12   The House-model of the WeCare service offering

The last two are specifically important for youth with a children's home background, as they have been raised in an institutional setting that has not encouraged them to decision making or independency. The morals and ethics are vital for any of the educational or life skills to have sustainable effect.

From the staff meeting memos it was further verified that both mentoring for both staff and children very necessary. Leadership trainings and moral conduct must be included for teacher training and for the youth. The youth also must be taught in running the family, cooking, shopping and how to save money. The basic life skill teaching should also include family planning and personal financial planning or all these basic skills there must be a program, as presented in the house-model (Figure 13.)

For the primary school the vision is to become more of a community centre (see Figure 13) that offers schooling, but also after school activities to gather the community together. The school was defined to cover following focus areas: offer ICT as well as creative arts education and library services via educated Kenyan staff and to provide a healthy meal each school day.

The other branch of the community center will offer after school activities and offer a place to go during their free time. This will include a café and IT courses in cooperation with the vocational school explained above. It will also have medical unit in it to provide for the schools, but also for the community.
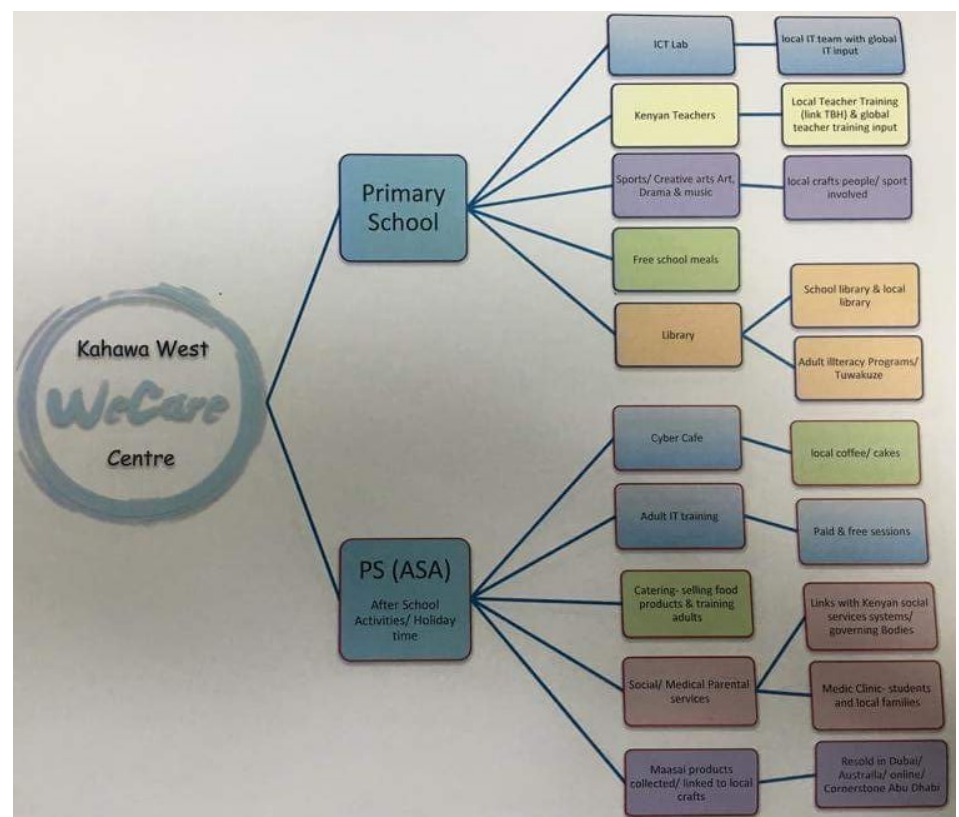

Figure 13   The extended model of the WeCare Centre service offering

The key resources needed to run the primary and vocation education streams will consist mainly on the work force, facilities, voluntary people and of course also the finances to support the operations. The work force will consist of teachers, the school principal, cook, as well as program and financial manager. The facilities in use would be the primary school building and the vocational school building.

5.5.3 Revenue as the differentiator between current and future models

The most significant difference between the two business models, the current and the future model, is the aspect of creating revenue.

The revenue streams come from the private school fees for paying students and also from the revenue created at the cafe and other services offered via the vocational school. In the beginning the programs will still heavily rely on outside financing, but these will be now seen as investments, rather than give-aways and the sponsors will serve as corresponding shareholders providing the means to get started and to grow. Any surplus from the operations will be also invested back into the vocational school. The primary school will still keep the sponsoring program to create a safe transition where the children in the primary education are not left without means and don't loose their contact people suddenly. Further on in the transition to a social business the foreign sponsors will be replaced with local mentors and international and local investors.

5.6 Testing of future business model as per requirements of a social business model

To test the aspired model against the requirements defined earlier in the theoretical part of the thesis, the following business model is inspected regarding the following four attributes: self-sustaining, value-based, innovative, driven by sustainable development (Figure14).
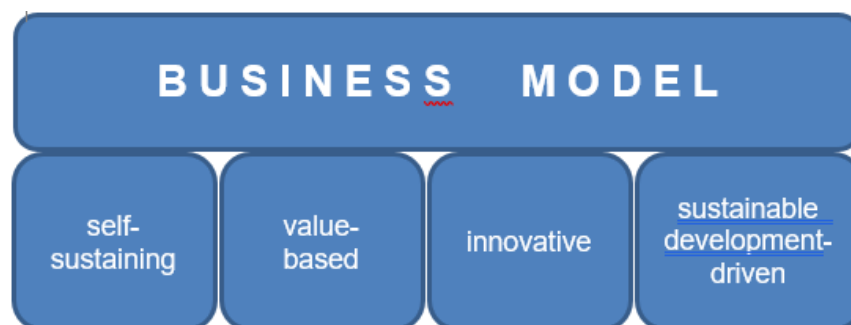
Figure 14   The four basic requirements for a social business model

Through the new revenue streams and local emphasis on resources the new business model considers self-sustainability and clearly reflects a value-based model though the value proposition to the beneficiaries. The model addresses the needs of the beneficiaries. This is also fulfilling the

requirements of driving sustainable development. The involvement of the local community and the focus on teaching values can bring real change.

Combining the vocational school with mentoring and work placements a new kind of value model for operations is created to meet the needs and addressing the risks of this of this specific community and its external environment. Also, the concept of critically assessing the current model and changing it is an innovative measure and the created tools like issue and idea log will remain to steer the organization towards staying innovative.

6   CONCLUSIONS

The foremost goal of the thesis was to bring value to WeCare and other organizations seeking to bring sustainable change in social and humanitarian matters. The thesis inspected how to carry this out by defining a business model to guide the organization to define and manage its operations both in strategic and operational way.

The thesis critically analyses the current model and offers a clear guideline for WeCare on how to continue. The current charity model was stated to be unfitting to meet the vision and goals of the organization. A new model was presented and tested against requirements to not bring a practical solution in a form of social business model.

In the beginning of the thesis process the research questions to steer the study were defined in the following way:

1. What is a social business and how can WeCare meet its goals by turning into a social enterprise?
2. How is a business model defined and what does WeCare′s future business model look like?

The thesis answers the research questions by offering a vast explanation of the concept of social business and a practical model how to adjust the current model to meet the goals. The definition process for the business model is covered both widely and through detailed explanation of different areas of the model and what they look like for WeCare in the current and in the future model.

First through the theory and later through the empirical part it becomes clear that the solution lies in the value-based business model that has proven itself already in the business world. Through social businesses the model has also been proven to work in the charity and social context.

The thesis writing process also came with challenges. The challenges of the study varied from keeping the research and results practice orientated to offer immediate real value to the organization to making sure the empirical findings were tied to the theory according the presented framework.

Perhaps the biggest challenge, however, lied in the subjective hopelessness of the topic. The more the topic was studied, the deeper the understanding of the fundamental downfalls of the society and social projects in Africa became. Yet it is important to find a way forward.

At the same time, through the interactive nature of the qualitative study, the change can at times be felt and observed right before one's eyes. For the people involved in the initiative the change will matter and that is what keeps charity and social workers around the world looking for new ways to reach a nation, a group of people, or at times, just one person.

The recommendation for future studies within WeCare is to analyze how to further improve the business model to increase the revenue streams and profitability. In addition to this, the placement of the students in the social setting and the turnover of the internships as well as work placements should be studied to measure the impact of the new business model on the youth and the community. This way the goal of sustainability would carry on in a proper way.

The thesis offers a much needed framework for charities to go through the process of analyzing their purposefulness and then finding the right way of applying the strategy in practice. It also encourages the social project workers and volunteers to keep searching for the value and let their actions and decisions be driven by the sustainable effects, rather than short term fixes. In times of trouble and disappointments, which are a natural part of social work, the defined values help us all to stay focused on what matters and keep running the extra mile.

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APPENDIX 1   Social business model canvas for WeCare

Social Business Model Canvas

Key Resources
What resources will you need to run your activities? People, finance, access?

Teachers, Principal
Trainers
Cook
Program manager
Financial manager
Primary School building
Vocational School building
Investors

Partners + Key Stakeholders
Who are the essential groups you will need to involve to deliver your programme? Do you need special access or permissions?

Community leaders
Childrens home leaders
Young Life Nairobi leaders
Local government
Educational board
Local businesses
International businesses

Key Activities
What programme and non-programme activities will your organisation be carrying out?

Primary education
Vocational education programs
Computer classes
Language courses
Internship programs
Mentoring programs for entrepreneurs and people in employment
Networking with businesses

Type of Intervention
What is the format of your intervention? Is it a workshop? A service? A product?

Educational programs
Vocational courses
Mentoring

Channels
How are you reaching your beneficiaries and customers?

Networking in the community
- Childrens' homes
- Local churches
Contacting large local employers

Segments
Who are the people or organisations who will pay to address this issue?

Beneficiary

Children of the community

Youth returning to the community after high school

Customer

Employed parents

Professionals seeking further development

Value Proposition
What do your customers want to get out of this initiative?

Offering a sustainable perspective to get out of poverty through occupational skills and ability to get and maintain

Social Value Proposition

Impact Measures

Rate of employment among vocational school graduates and members of mentoring programs

Lower unemployment and crime rate in the community

Customer Value Proposition

Education

Skils

Internships & work

Cost Structure
What are your biggest expenditure areas?
How do they change as you scale up?

Salaries
Property rent & investments
School supplies, materials, equipment

Surplus
Where do you plan to invest your profits?

School buildings
Training facilities
Small business units connected to the school

Revenue
Break down your revenue sources by %

Primary school, First 80%, later 65 %)
Vocational school programs 5 %
Vocational school courses 10 %
Revenue from business units first 5 %, later 20 %

Social Innovation Lab

APPENDIX 2   Kenya Demographics Profile 2017

Kenya Demographics Profile 2017

Population	47,615,739 **note:** estimates for this country explicitly take into account the effects of excess mortality due to AIDS; this can result in lower life expectancy, higher infant mortality, higher death rates, lower population growth rates, and changes in the distribution of population by age and sex than would otherwise be expected (July 2017 est.)
Age structure	**0-14 years:** 40.02% (male 9,557,274/female 9,497,870) **15-24 years:** 19.15% (male 4,552,448/female 4,567,894) **25-54 years:** 33.91% (male 8,170,264/female 7,976,751) **55-64 years:** 3.92% (male 856,092/female 1,009,075) **65 years and over:** 3% (male 614,751/female 813,320) (2017 est.)
Dependency ratios	**total dependency ratio:** 78.3 **youth dependency ratio:** 73.7 **elderly dependency ratio:** 4.6 **potential support ratio:** 21.7 (2015 est.)
Median age	**total:** 19.7 years **male:** 19.6 years **female:** 19.9 years (2017 est.)
Population growth rate	1.69% (2017 est.)
Birth rate	23.9 births/1,000 population (2017 est.)
Death rate	6.7 deaths/1,000 population (2017 est.)
Net migration rate	-0.2 migrant(s)/1,000 population (2017 est.)
Urbanization	**urban population:** 26.5% of total population (2017) **rate of urbanization:** 4.15% annual rate of change (2015-20 est.)
Major cities - population	NAIROBI (capital) 3.915 million; Mombassa 1.104 million (2015)
Sex ratio	**at birth:** 1.02 male(s)/female **0-14 years:** 1.01 male(s)/female **15-24 years:** 1 male(s)/female **25-54 years:** 1.02 male(s)/female **55-64 years:** 0.84 male(s)/female **65 years and over:** 0.77 male(s)/female **total population:** 1 male(s)/female (2016 est.)

Mother's mean age at first birth	20.3 years **note:** median age at first birth among women 25-29 (2014 est.)
Infant mortality rate	**total:** 37.1 deaths/1,000 live births **male:** 41.5 deaths/1,000 live births **female:** 32.7 deaths/1,000 live births (2017 est.)
Life expectancy at birth	**total population:** 64.3 years **male:** 62.8 years **female:** 65.8 years (2017 est.)
Total fertility rate	2.98 children born/woman (2017 est.)
Contraceptive prevalence rate	66.3% (2015)
HIV/AIDS - adult prevalence rate	5.4% (2016 est.)
HIV/AIDS - people living with HIV/AIDS	1.6 million (2016 est.)
HIV/AIDS - deaths	36,000 (2016 est.)
Drinking water source	**improved:** urban: 81.6% of population rural: 56.8% of population total: 63.2% of population **unimproved:** urban: 18.4% of population rural: 43.2% of population total: 36.8% of population (2015 est.)
Sanitation facility access	**improved:** urban: 31.2% of population rural: 29.7% of population total: 30.1% of population **unimproved:** urban: 68.8% of population rural: 70.3% of population total: 69.9% of population (2015 est.)
Major infectious diseases	**degree of risk:** very high **food or waterborne diseases:** bacterial and protozoal diarrhea, hepatitis A, and typhoid fever **vectorborne disease:** malaria, dengue fever, and Rift Valley fever **water contact disease:** schistosomiasis **animal contact disease:** rabies (2016)

Nationality	**noun:** Kenyan(s) **adjective:** Kenyan
Ethnic groups	Kikuyu 22%, Luhya 14%, Luo 13%, Kalenjin 12%, Kamba 11%, Kisii 6%, Meru 6%, other African 15%, non-African (Asian, European, and Arab) 1%
Religions	Christian 83% (Protestant 47.7%, Catholic 23.4%, other Christian 11.9%), Muslim 11.2%, Traditionalists 1.7%, other 1.6%, none 2.4%, unspecified 0.2% (2009 est.)
Languages	English (official), Kiswahili (official), numerous indigenous languages
Literacy	**definition:** age 15 and over can read and write **total population:** 78% **male:** 81.1% **female:** 74.9% (2015 est.)
School life expectancy (primary to tertiary education)	**total:** 11 years **male:** 11 years **female:** 11 years (2009)
Education expenditures	5.3% of GDP (2015)
Maternal mortality rate	510 deaths/100,000 live births (2015 est.)
Children under the age of 5 years underweight	11% (2014)
Health expenditures	5.7% of GDP (2014)
Physicians density	0.2 physicians/1,000 population (2013)
Hospital bed density	1.4 beds/1,000 population (2010)
Obesity - adult prevalence rate	7.1% (2016)

https://www.indexmundi.com/kenya/demographics_profile.html

INTERVIEW WITH WECARE LEADERSHIP

Interview with

How would you define the vision and mission of your organization?

In value model, the purpose of any organization is defined to be creating added value to the beneficiaries.: What is the current added value that your organization creates to it beneficiaries?

Who are your beneficiaries?

How would you define the future aspired added value of your organization to its beneficiaries?

How would you define this value in quantitative or qualitative terms?

How would you measure success of your organization?

How would you use the surplus created to adress a social problem?

Does the added value answer a demand or articulated need of the beneficiaries? How do you know?

What would your beneficiaries define as their need or want that should to be addressed?

Is the current model sufficient, effective and purposeful for creating this value?

In your opinion, what are the pros and contras of the current charity model and the prospected social business model?

APPENDIX 4   Interview template for Volunteer Workers

INTERVIEWS WITH CHARITY WORKERS

Results from:

How many children from the children's home are currently in the high school program?

How many children have graduated already from high school in the last 5 years?

How would you estimate the prospects of the children after graduating the high school program, jobwise and regarding life skills?

What type of a program would be beneficial for the children after graduating high school? Why?

What would be your ideas for a vocational program?