

## THE USE OF ICT FOR ACHIEVING THE OBJECTIVES OF THE BUSINESS MODEL – SOCIAL ENTERPRISE PERSPECTIVE

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**Abstract:** The modern business model means that, regardless whether for-profit or non-profit, an organization should use ICTs in their activities. Nowadays social enterprise has emerged as a key actor in efforts to address the many complex issues facing the world today. Its focus on providing a benefit to society as a whole rather than just the owners of the enterprise makes it ideal for addressing the global concerns of the environment, healthcare, education, economic growth, and poverty alleviation. This article demonstrates specific examples on how Information and Communication Technologies (ICT) can help social enterprises and other organizations to achieve their goals.

**Key words:** information and communication technologies (ICT), social enterprise, innovation, non-profit, social entrepreneurship

### Introduction

Social entrepreneurship is becoming more and more often the subject of detailed researches and analysis, which gives hope for its rapid development. The need for social economy and social entrepreneurship arises from the fact, that traditional political and economic solutions are no longer good enough to guarantee a minimal quality of life to a rising number of people. Therefore, social economy appears as an answer to the increasing disproportions between the rich and the poor and a response to the exclusion of large social groups from mainstream social life. Its goal is to create social enterprises, as well as new social entrepreneurship culture, oriented primarily at inclusion of marginalized groups through active participation in it. The specificity of this sector of the economy derives from the fact, that it associates economic activities with social objectives (Perrini and Vurro, 2006; Rymcza, 2005; Thompson et al., 2000). One of the objectives of social entrepreneurship is job creation, which, as well as being a key component of economic growth, is an essential tool for poverty alleviation. Social entrepreneurship can thus address two important aspects of the UN Millennium goals: economic development and poverty alleviation. It also refers to the objectives of the Europe 2020 strategy, which sets out a vision of Europe's social market economy for the 21st century and puts forward three mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation;
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy;

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- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion (European Commission, 2010).

Smart growth based on knowledge and innovation requires an increase in use of it in the system of management of organizations operating in various sectors, including social sector, as well as improving the quality of education, and above all of research and development.

The characteristic organisational forms that social enterprises adopt depend on the existing legal frameworks, on the political economy of welfare provision, and on both cultural and historical traditions of non-profit development in each country. As a consequence, the social enterprise sector nowadays may comprise both new typologies of organisations, as well as traditional third sector organisations (Wronka and Bajek, 2013). Social enterprises in general engage in delivery of social services and work integration services for disadvantaged groups and communities. As a key actor in efforts to address the many complex issues facing the world today, it also focuses on providing a benefit to society as a whole rather than just the owners of the enterprise makes it ideal for addressing the global concerns of the environment, healthcare, education, culture, economic growth, and poverty alleviation. Social enterprises take up different forms, such as: voluntary organisations, non-profits, associations, co-operatives, mutual aid societies, foundations and trusts (OECD, 2003). No matter the form, their principal purpose is not to generate commercial profit, but above all, to create workplaces for people at risk of social exclusion and professional marginalization (Safustowicz, 2007).

#### **Application of ICT's for achieving social objectives**

Since the past few years much has been written on the potential impact of ICTs on developing economies, its role in enhancing sustainable development and a driver for economic growth in the small to medium enterprises (SME) sectors in developing countries (Osterwalder, 2004; Ongori, 2010). Similarly to for-profit business, social enterprises are one form of enterprises that are likely to benefit from the application and use of Information and Communication Technologies. Various ICTs – ranging from radio and television to smartphones – have fundamentally transformed how we interact with other individuals and organizations. Hence, both these devices and their applications enable users to find new ways of collaboration, new and sustainable business models, and cost-effective modes of scaling social innovation (Draca et al., 2007). Yunus emphasizes that “the new ICT can allow poor economies to abandon past economic development trends and integrate instead into the world economy much faster than anyone could have supposed” (Yunus, 2007). Looking from that perspective ICT can be used as a tool, employed to achieve a specific goal such as tackling the disadvantage, poverty and inequality. In their paper Fisac-Garcia et al. (2013) refers to Desa and Koch (2010), who differentiate between two ways of scaling impact of social enterprises, and explore the effects ICTs can have on it. According to them, ICT can enable to increase the social value proposition already delivered

to a given number of beneficiaries by including new features and benefits (so-called depth scaling). What is more, ICT can also influence the scope of activities by increasing the number of beneficiaries reached by the organization (so-called breadth scaling) (Desa and Koch, 2010). The following section provides interesting ideas and examples on how ICTs can help social enterprises and other organizations to achieve their goals.

### **Access to resources**

One of the ever-present challenges that most social enterprises have to face, is the capturing of new resources, including voluntary work and economic funds. Crowdfunding is a new and emerging type of funding, with very little academic literature available on it. Larralde and Schwienbacher in their book claim that crowdfunding “can be viewed as combining concepts of crowdsourcing (i.e. seeking financing from the crowd) and microfinance (small amounts contributed; no collateral)” (Larralde and Schwienbacher, 2010). Crowdfunding is basically pitching a business idea to the general public and asking for donations to help bring an idea into reality. An entrepreneur can bypass the venture capitalists and angel investors and get directly in contact with the regular Internet users asking for small amounts of capital from many of them (Steinberg, 2012). For social-cause entrepreneurs, who venture to create a positive change in the world, crowdfunding sites can also provide financing and resources. Some of existing sites focus on funding creative projects, others sites focus on meeting specific needs in the marketplace or community. For example Kiva is a non-profit organization that lets individuals make charitable, interest-free micro-loans to entrepreneurs in developing countries (typically from \$25–\$50). Other examples may include 33needs, Advert Activist, Buzzbnk, CauseVox, Give.fm, IndieGoGo, ioby, Start Some Good, OpenIDEO or MicroPlace. Therefore, in fundraising efforts, ICT is enabling the crowdfunding movement to create significant impact. ICT can also be used in order to facilitate voluntary work through e-volunteering (often called online or virtual volunteering). Examples of such initiatives include UNV Online Volunteering service, World Volunteer Web, Microvoluntarios, Sparked or Help from Home, all of which promote micro-volunteer work online to help non-profits increase capacity by giving them a low-maintenance way to get free work done from a huge pool of talented professionals, as well as helps companies engage their employees, to make an impact. These platforms make possible expertise outsourcing from different fields and offer thousands of different volunteer projects and roles such as (1) e-mentoring a young person or small entrepreneurs, (2) creating a blog, podcast, video, or social networking profile for a non-profit organization or grassroots movement, (3) assisting with research, analysis, writing, translating, or editing, (4) sending emails and making phone calls to current or potential donors, (5) developing, updating, or managing the website for an organization or social, environmental, or political effort (Peña-López, 2007).

### **Using ICT for creating apps**

The range of apps for people with disabilities is quite extensive. There are some general ones, but obviously there are apps targeted at people with specific mental and physical challenges. One of the many challenges people with intellectual disabilities faces is entering the job market. This arises from the fact that people suffering from intellectual limitations often suffer from problems related to difficulties in learning the tasks, bad control of time, lack of independence and orientation, incorrect work habits or poor interpersonal communication. One of the ways of helping individuals entering the workplace through technology with software systems designed for people with special needs. Tutor-Dis is an app for Android phones designed specifically for people with intellectual disabilities containing features as checklists, work instructions or tutorials, alarms and appointments, tracking of the activity performed by the user<sup>1</sup>. Therefore, Tutor-Dis helps in improving the adaptation of intellectually disabled people into work environments and enhance their employability.

Another interesting example is Ushahidi, the Swahili word for “testimony” or “witness,” being a not-for-profit software company that develops free and open-source software for information collection, visualization, and interactive mapping. Initially Ushahidi was a website developed in order to map reports of violence in Kenya after the post-election fallout at the beginning of 2008. Today Ushahidi allows people around the world to report and map incidents of violence via SMS or the web, and therefore to create a more accurate picture of the violence occurring.

### **The role of ICT in performance measurement**

Nowadays many non-profits are measuring and reporting on created social and environmental value using quantitative assessment methods and frameworks such as Social Return on Investment (SROI) (London Business School and the NEF, 2004). With the appreciation of the need for dialogue with stakeholders, SROI helps to effectively manage relationships with them, explore their needs and expectations, build appropriate channels of communication, assess the results of operations and reduce conflicts founded on misinformation and misunderstanding (Ryan and Lyne, 2010; Arvidson et al., 2010). As transparency and honesty about how social enterprises invest funds generates trust, ICT can provide low-cost, high quality visibility and advocacy leading to attraction of new capital investment and collaborators. In that sense ICTs are rather economical and effective tools for offering credible information to various stakeholders such as beneficiaries, clients, suppliers, employees, donors, and society in general.

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<sup>1</sup> The Institute of Biomechanics of Valencia (IBV) and the Association have developed tutor-Dis in Spain for the Employment of People with Intellectual Disabilities (AFEM).

### Creation of networks

The basic assumption of network relationships is that one party is dependent on resources controlled by another, and that there are gains to be had by the pooling of resources. In essence, the parties for a network agree to forego the right to pursue their own interests at the expense of others. Thus, network forms of organization represent a particular form of collective action, one in which norm of reciprocity, trust, reputation, and normative rather than legal sanctions maintains the spirit of collaborative goodwill within the lateral or horizontal modes of collaboration. Social networking websites, defined as online communities of people who share interests and activities or who are interested in exploring the interests and activities of others (Jothi Sri et al., 2011), are impossible to be avoided in Information Era (Castells, 2006). Social networking websites have a significant role in the following scenarios and therefore could be used to directly benefit excluded groups and individuals:

- supporting and liberating vulnerable groups by providing them with a voice and by enabling access to people with similar issues or challenges;
- organising for political action, legislative improvement and legal rights/protection;
- enabling minority groups to have a further means of organising and supporting each other, and presenting themselves and their views to a wider society;
- linking to public and third sector services to provide a more collaborative approach by involving citizens in the process;
- supporting special interest groups (Online Social Networks, 2008).

The significance of social media and the viral effects of messages through Web 2.0 tools make possible broad dissemination of initiatives and messages that can rapidly reach an unexpected scale. Social media (e.g., Facebook, Twitter, etc.) played a crucial role both in the recent Euromaidan protests or in the propagation of the “Arab Spring” that commenced in 2010. In that sense, ICT can play a role of megaphone as it enables organizations to communicate their messages more clearly, tell human stories, as well as to connect better with stakeholders like donors or funders. Fortunately, the fact that human beings need to build beneficial relationships with others and have a strong need to feel connected (Brewer, 2004), speaks in favour of social entrepreneurs. The fact that ICT helps to create collaborative networks, leads in turn to facilitation of information sharing, coordination of activities and more effective communication, all of which has an impact on the performance of social enterprise. There exist some examples of how social networks are used to support social entrepreneurs. Ashoka Foundation is the largest international network of social entrepreneurs, strategic partners (enterprises), experts, and volunteers. Another example is the world community of social entrepreneurs i-genius, providing a popular community website, media profile, training and events, as well as social business marketing and strategic consultancy agency with direct market access. Through social networking ICT

enables building and coordinating relationships, in different spatial and time zones, with different stakeholders, such as donors, enterprises, NGOs, governments, technology companies, etc.

#### **Access to markets**

The belief that traders and entrepreneurs benefit from ICTs through the opportunities created by promoting their businesses nationally, regionally and globally is one that has been embraced by many in development agencies (WSIS, 2005). As social enterprises offer a wide arrange of solutions focusing on solving social problems through a market approach (i.e., the sale of goods and services), application of ICT enables to access new markets that they previously would have been excluded from. A good example of that is well-known database Wybieram.es, which gathers and presents goods and services provided by the best Polish social enterprises. Among many others you can find extraordinary baubles produces by social cooperative "Szkłany Świat", accessories inspired by Polish folk art offered by MaM (the first in Poland social cooperative for mothers), or souvenirs handcrafted by autistic members of Synapsis occupational therapy's workshop. Database Wybieram.es gathers also social enterprises offering catering services. Another example is an online shop, Granny's treasures, belonging to the foundation Domy Wspólnoty "Chleb Życia", sells goods which are produced by unemployed people learning new skills as they take part in provided craft, sewing, carpentering and fruit processing workshops. Hence, ICT can be perceived as a tool for trade leading to income generation in the future.

#### **New access channels to beneficiaries**

Lack of access to information, healthcare, credit, or basic services may lead to social exclusion and professional marginalization in the developing world. As Fisac-Garcia et al. notices, sometimes the lack of a physical channel excludes provision of the goods and services that would mitigate some exclusion and poverty problems (Fisac-Garcia et al., 2013). ICT can provide two-way help. Firstly, provide access to markets for people living in isolated areas, and secondly provide access to isolated communities for enterprises that provide goods and services. An interesting example here is a project "Internet Village - distance education in rural areas". Its main objective was to create 470 Centres for Distance Learning located all over Poland in isolated rural areas. Centres, equipped with modern computers and access to the Internet, have provided residents with an opportunity to increase their knowledge and skills through the use of online education. Therefore centres, equipped with modern computers and access to the Internet, had huge impact on people's lifestyles and on their community as well as on their individual rights and aspirations.

Another instance is the Takes All Types, a not-for-profit organization that uses online social networks like Facebook to recruit and mobilize volunteer blood

donors, launched at <http://apps.facebook.com/takesalltypes> and <http://www.takesalltypes.org>. Blood collection organizations nationwide will benefit from Takes All Types from the ability to reach local donors who have the specific blood types they need. This approach promotes more regular and reliable blood donation, and allows for fast, targeted mobilization of local donors for immediate action in cases of emergency. When blood reserves are low, the collection organization can use Takes All Types to call for donations by SMS text message, e-mail, phone, fax and private Facebook message. I-Blood.com, which operates mainly in Bangladesh, has a similar range of activities. I-Blood is a blood social networking platform, which is solely dedicated to save human lives. This network facilitates anyone, who needs blood, by providing an extensive source of blood donor in Bangladesh as well as in abroad. The network is connected with Facebook and Twitter.

### Summary

The modern business model means that, regardless whether for-profit or non-profit, an organization should use ICTs in their activities as it supports entrepreneurship and innovation. In the right hands effective ICT is a powerful tool for empowering people and delivering change, by increasing the effectiveness of the efforts of staff, volunteers, other stakeholders, delivering better quality services and making better use of scarce resources through more efficient working methods. Therefore, it is necessary to equip social entrepreneurs with tools and techniques to effectively accomplish their goals related to serving more of their target beneficiaries (Koch et al., 2004; Wronka, 2013). ICTs as such can improve communications with stakeholders, enable higher quality performance at a lower cost, or can be used as a key tool to promote transparency. Hence, activities aimed at enhancing the practical use of ICTs are essential for the economic results of social enterprises, and undertaking research on the contribution of ICT to the success of the social enterprises is an interesting and promising field for future research. However, different perspective should also be taken into consideration, as the role of ICT in social initiatives can be easily overestimated. Hearn, Kimber, Lennie and Simpson argue that the 'equation that ICTs equals productivity is misleading' and call for more research into the field (Hearn et al., 2005). Therefore, it should be bared in mind that ICT is not solution to every problem, rather a set of tools that opens new possibilities for activities (Frączkiewicz-Wronka et al., 2008).

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## WYKORZYSTANIE TECHNOLOGII INFORMACYJNO KOMUNIKACYJNEJ DLA OSIĄGNIĘCIA CELÓW MODELU BIZNESOWEGO – PERSPEKTYWA PRZEDSIĘBIORSTWA SPOŁECZNEGO

**Streszczenie:** Współcześnie przyjęcie przez organizację modelu biznesowego (niezależnie czy jest to organizacja for-profit czy non-profit) oznacza dla niej konieczność uwzględnienia w swoich działaniach ICT. Obecnie przedsiębiorstwa społeczne stały się kluczowymi podmiotami działającymi na rzecz rozwiązywania wielu złożonych problemów dzisiejszego świata. Działania przez nie realizowane przyczyniają się do rozwiązywania problemów z zakresu opieki zdrowotnej, edukacji, rozwoju gospodarczego, walki z ubóstwem, marginalizacji zawodowej czy środowiska naturalnego. W niniejszym artykule autorki przedstawiają konkretne przykłady ilustrujące w jaki sposób technologie informacyjne i komunikacyjne (ICT) mogą pomóc przedsiębiorstwom społecznym i innym organizacjom w realizowaniu i osiągnięciu ich celów.

**Słowa kluczowe:** Technologie informacyjne i komunikacyjne (ICT), przedsiębiorstwa społeczne, innowacje, non-profit, przedsiębiorczość społeczna

## 使用信息和通信技术来实现目标的通信业务模型 — 社会企业的未来前景

**文摘：**今天通过该组织的业务模型（是否它是一个以营利为目的的组织或非牟）需要考虑到在其信息和通信技术的活动中为她的手段。目前，社会企业已经成为主要的行动者解决当今世界的许多复杂的问题。有助于解决有关卫生保健、教育、经济发展、战胜贫困、边缘化或专业的环境问题而开展的活动。在这篇文章作者提供信息和通信技术(信通技术)可以如何帮助企业和其他组织在执行和实现其目标的具体的例子。

**關鍵字：**信息和通信技术 (ICT)，社会企业、非盈利的社会的创业、创新