

Love social enterprise

[Business](#)



***love* Social Enterprise**

Overview Social enterprises offer a lot of services to various people with a purpose of offering social or environmental services. Unlike other enterprises, social enterprises offer services under double or triple bottom line strategy. Using this strategy social enterprises offer services to the society for the sole purpose of fulfilling a need. Unlike other enterprises, all the profits made by these enterprises are reinvested into offering more services to the society (Noya 12). As a result, social enterprises face several challenges in undertaking their activities and delivering their services to the society (Bull 66). The biggest challenge that social enterprises face is securing finances to undertake their activities. Since social enterprises are guided by provision of services, most of the time they lack funds to commence planned activities. In addition to lack of finances, these organizations face the problem of limited funds to undertake their activities (Kerlin 82). Since social enterprises cater services for the society and this makes their duties a bit difficult due to the huge population in the society. Social enterprises also face competition from pure profit financial institutions which have huge finances to market and promote their goods and services. Social enterprises also face the challenge of recruiting and maintaining talented employees since they do not have the capability of properly compensating/remunerating these people unlike profit oriented institutions (Foster 55). Moreover, social enterprises face the challenge of innovation since these organizations do not have disposal income to conduct research or come up with smart strategies of remaining competitive. Social enterprises in most instances undertake huge projects which they fail to

complete due to lack of funding or as a result of strategic stakeholders pulling out (Elliott 42). Legislation and regulation governing on the management of social enterprises differ around the world and as a result, social enterprises find it difficult in harmonizing their activities (Sladovich 29). For instance, some countries levy taxes on the work undertaken by NGO's while other countries don't and this presents challenges to different social enterprise. Moreover, meeting these set standards and regulations prove costly for social enterprises and this presents challenges not anticipated by many social enterprises (Sood 25).

Management of social enterprises is challenging due to the set up of these organizations. Social enterprises face the problem of excessive bureaucracy since these organizations are governmental based and management in an effective manner. In terms of expansion of their businesses and services, social enterprises face the challenge of expanding their business due to their business model (Smith 45). Social enterprises usually rely on grants to develop and provide their services since they experience the problem of getting loans or raising funds through different markets. Many investors shy away from engaging in social enterprise since the social enterprise business model does not allow investors to make gains from social enterprises (Hinrichs 87-88). In the context of commercial business, social enterprises such as NGO's undergo the problem of finding markets and creating demand. This is because most social enterprises who offer goods and services have no budgets geared towards marketing or advertising their services or goods (Paton 51). When social enterprises exhaust their funds due to unexpected changes in the market of business environment they experience the difficulty of offering their services and in most instances they

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end up winding up their operations (Borzaga 64).

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