

Meaningful Business: Understanding Social Entrepreneurs

Royal Bank of Canada (RBC®) commissioned a study of Canadian entrepreneurs in 2013 to understand the extent to which businesses are going beyond financial returns to pursue social goals. The study also examined their ability to successfully balance the pursuit of social and business goals. The following five key themes emerged from the research.

Extending the Bottom Line

Social businesses have double or triple bottom line philosophies, with leadership decisions guided as much by social goals as by the pursuit of profit. These businesses are a rare breed — only 9% of entrepreneurs surveyed could be characterized as social entrepreneurs, using formal social or environmental goals to gauge their performance. Despite their relative scarcity, social businesses are emerging across sectors and regions.

Social Goals and Success Work in Tandem

Social businesses can achieve financial success while pursuing important social goals. They are just as likely to experience high revenue growth as other businesses. They also tend to measure success in several ways, resulting in a meaningful impact on social and environmental conditions.

Their Passion Fuels Success

The motivation of social entrepreneurs extends beyond profit. The ultimate goal is to help the company achieve leadership's deep-rooted personal goals. Pursuing these goals in tandem with financial objectives does not impede their chance of success. Rather, it helps to support their position in the market and fuel their passion to succeed.

Creativity Abounds

Social entrepreneurs are applying creative solutions to address business challenges. They are innovating to overcome financial hurdles, and applying creative marketing to target niche customers with premium social products and services.

Banks as Valued Advisors

Successful social entrepreneurs tend to view external advisors as important to their businesses. Banks are seen as value-added advisors to successful social entrepreneurs, going beyond financial products and services to provide needed business support and guidance. Beyond traditional requisites, alignment with social goals is important to the banking relationship.

About the RBC Social Finance Initiative

The RBC Social Finance initiative is a multi-million dollar commitment to help ignite social and environmental change through investment activity. This commitment includes the \$10 million RBC Generator, a pool of RBC capital designed to finance social enterprises; a \$10 million investment of RBC Foundation assets into socially responsible investment funds; and strategic partnerships to catalyze the growth of social finance in Canada. RBC is also supporting start-up incubators and accelerators across Canada that help social enterprises achieve their full business potential.

The Anatomy of a Social Entrepreneur

