Gdańsk, 6 December 2017

Book Review

Title: Social Enterprise Model

Author: Małgorzata Halszka-Kurleto (Ph.D.); Difin (Polish publisher); 2016.

The book consists of an introduction, four substantive chapters, a summary, and references. In the introduction, the author outlines her research problem which is aimed at the recognition of the most effective business models for social enterprise (SE). Throughout this recognition, the author aims to identify a social enterprise model for the Polish context and believes that this aim can increase the effectiveness of social enterprises in a competitive environment. The way these aims are formulated encompasses both theoretical and practical issues, which can be considered as particularly beneficial for the field of management research.

The first chapter includes a theoretical basis for social enterprise. Here, the author overviews the existing literature (from Australian, British and American contexts) but also refers to the domestic literature on the SE subject. The very core of social enterprise is adequately framed through pointing out that this is an enterprise that mainly pursues social aims, and reinvests generated profits to achieve these social aims, which in the end does not increase shareholders' incomes. In the next part of the book, the social enterprise construct evolution is presented, and the author uses here a system approach here, as well as providing comparative research between social and commercial enterprise (see table 5). As part of this research, the author outlines the main characteristics of a legal framework for social enterprise in British, American, Australian, Polish and European Union contexts. This is complemented by the provision of features of a social enterprise environment and SE commercialization process.

What should be acknowledged as a particularly valuable achievement in Chapter 1 is a clear formulation of definition and attributes of a theoretical social enterprise model. The essence of social enterprise is the realization of social mission and achievement of related social goals thanks to received revenues and other streams from SE activity as well as donors. In the discussed theoretical model of social enterprise, the author includes social goals, moderating variable, outcome variable, particular social enterprise attributes, structure, innovation, as well as economic goals (Figure 4).

In the next chapter, the author considers how different models: business, processual, marketing and financial support; can be applied in designing the model for a social enterprise. This model outlines how: a) SE operates in the market, b) SE designs customer and beneficiary relationships, c) SE generates surplus from business activity, and d) SE captures the value offered to customers and beneficiaries. In the model, the following components are included: key partners, key resources and key relationships with clients (and beneficiaries). The driving forces for social enterprise are individual social entrepreneur features, human resources, and innovations. Among the innovations process, product and organizational innovations deserve particular emphasis. For the purpose of her research, the author proposes eight business models: fundraising-entrepreneurial, intermediary, support, complex, philanthropy, and patented.

The theoretical research presented in chapter two is very clear. Among the weaknesses of this effort, the application of Business Model Canvas (BMC) proposed by A. Osterwalder and Y. Pigneur without any earlier critical discussion should be highlighted.

BMC is characterized by too many components. The argumentation for this view is as follows:
- Customer segments, customer relationships, value proposition are, actually, one component of a business model that encompasses value proposition and generation for the client,
- Income streams and cost structure refer to the mechanism of capturing the value by the enterprise, and this value is only an economic one (whereas in business other value types are also generated – emotional, technical ones)
- Key resources and key partners are, in fact, only one business model component
- Channel(s) for value proposition can be considered as a separate business model component.

Such aggregation of components shows that a business model is constituted by only four main elements, and some of the existing ones are too broad. This analysis also helps to conclude that the discussed business models have some flaws, as it does not include any competition-related and risk-

related components. Nowadays, it is common knowledge that competition is a key activity in every enterprise. Therefore exclusion of competition in a business model should be considered as a significant flaw. It is also important, that the authors of a business model (canvas) do not recognize relations between individual components and with the environment.

The setting of a Polish social enterprise model is discussed in Chapter 3. Different social enterprise models throughout the EU are presented here. The social enterprise models from EU, the UK, and the USA are compared. Emerging differences in existing solutions are proposed together with flexicurity. The Danish 'golden triangle' on flexicurity is a configuration of a flexible job market, a generous social welfare system and active policies in the job market. The qualitative research results that are presented are backed up by quantitative data on social enterprise operations.

As a summary, the idea: *"The end of charity: time for social enterprise"* [N. Frances, 2008] is referred to. Also, the author posits that the Polish social enterprise model is represented by different local hybrid forms of social activity.

The results of empirical research are presented in the last chapter. The main task of this research was to validate the applicability of the theoretical propositions on how a business model can be used in a social enterprise description. The research objectives are put forward to meet cognitive, methodological as well as utilitarian purposes. A research social enterprise model in Poland is introduced here (Figure 10). This model includes environment, social enterprise (organizational and legal form, business model and economic activity type), effectiveness (social and economic). The Figure is accompanied by the relevant hypotheses, which leads to understanding them in a better way.

According to Polish Statistical Office data from 2014, the population in the author's study encompassed more than 134234 enterprises, and 899 social enterprises were randomly selected from this population. In the end, the response rate equaled 79.87% meaning that 718 social enterprises participated in the research. The questionnaire designed by the author helped to gather respondents' opinions about the research problem. Respondents were asked about legal-organizational form, business model, statutory goals, type of activity, economic and statutory activities, employment size, scope of statutory activity, and financial situation.

The results show that among social enterprises there is a diversity of economic activity, their financial condition is poor, their organization is weak, and a fundraising-entrepreneurial model is the most common one. It is also possible for a social enterprise, to implement more than one business model at a time.

The research undertaken by the author leads to the creation of a holistic social enterprise model (Figure 11). The purpose of the support and reasons for the support for subjects in need are mentioned here, which deserves particular attention from the reader. Further, a conceptual social enterprise model is presented (Figure 12) where a business model and a social enterprise body of knowledge are combined. The author's achievements, allow the reviewer to recommend this book to other readers, as reference that adds to the understanding of business model concepts. The author justifies the employment of a business model concept in the analysis and a description of social enterprise activity.

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