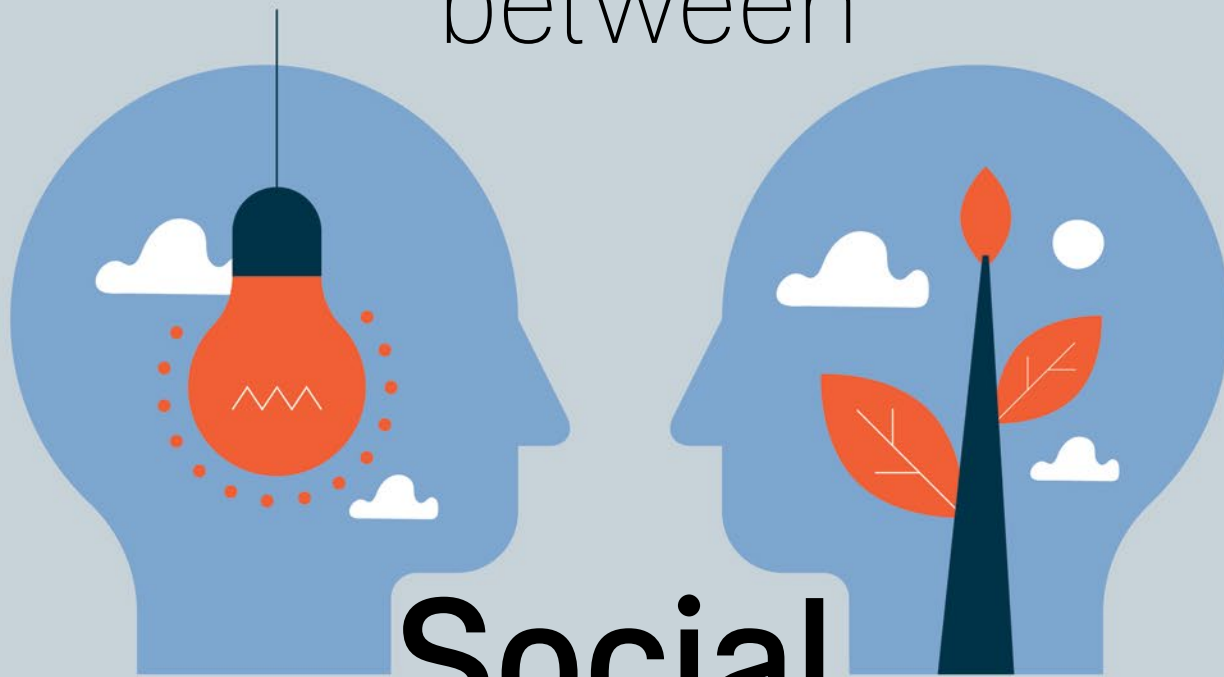


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BEN HOYER

The Common Ground between



Social Entrepreneurship and Sustainability

ANA CRISTINA DAHIK LOOR

Historically, the sustainability discourse has dealt with critical issues like poverty. But we must recognize that it is not always clear how different sectors of society can contribute to addressing such issues.

When looking at the challenges facing social entrepreneurs in today's world, Ben Hoyer suggests considering the following question: how is each social entrepreneur connected to the problem he is trying to solve? When people think about pursuing a social entrepreneurship endeavor, the more closely they can align it with areas of passion for themselves, the more likely they are to succeed. In the context of social entrepreneurship, Ben is a firm believer that if we paid attention to supply chains, small things like our morning cup of coffee could become a way to positively impact the world. That is a very significant way in which entrepreneurship and sustainability may be connected. We had a conversation with Ben Hoyer and asked him about the challenges facing social entrepreneurs and how they are related to sustainability efforts worldwide.

Ben Hoyer is President and COO of Rally, an international hub where social entrepreneurs can get access to the knowledge, resources, and people they need to transform their ideas into sustainable ventures that can create positive social change. Ben is also the co-owner of Downtown Credo, a social enterprise benefit corporation that operates two name-your-price coffee shops, a co-working society, and a non-profit focused on undermining racial divisions. Through these undertakings, Ben has consistently shown a personal commitment to improving the quality of people's lives by cultivating networks of meaning, impact, and community.

ON OWNING OUR PLACE IN THE SUPPLY CHAIN

Based in Orlando, Florida, Downtown CREDO grew amid an effort to get as closely connected to various small-scale growers of coffee as it could, starting in Guatemala and then in Chiapas, Mexico. The idea was to have its coffee shops source their coffee directly in order to get as much money into the growers' hands as possible, and then let customers name their price. The intention of allowing them to name their price was for them to think about and own their place in the supply chain and realize that every purchase has the potential to make a positive impact in the world.

Downtown Credo created an opportunity to learn about the potential to have an impact through market-facing, profit-generating businesses. That is what later motivated Ben to help other people start businesses that would leave a positive impact on the world. And that is what Rally does. Rally's mission is to support early-stage social entrepreneurs with the kind of mentorship and strategy that positions them for their next step, whether it is a strategic investment, a partnership, their first customer, or growth scaling.

ON RELYING ON ENTREPRENEURSHIP TO RESPOND TO POVERTY CHALLENGES

Historically, the sustainability discourse has dealt with critical issues like poverty. But we must recognize that it is not always clear how

different sectors of society can contribute to addressing such issues. It is thus relevant to ask ourselves what kinds of roles each sector can play. Considering the possibility that around 150 million people in developing countries could return to extreme poverty this year, according to data from the World Economic Forum, we first asked Ben whether he believes there are ways in which we could rely more on entrepreneurship to respond to these challenges.

«The first thing, when I think about entrepreneurial thinking addressing the issue of global poverty, is how can we collaborate with the poor, how can we create things that the poor need to advance themselves.» Ben explained that his approach to the issue of poverty is one where relationships are based on cooperation, rather than an approach that revolves around ready-made solutions that must be delivered to others by actors like NGOs. According to Ben, there may be a trap in NGOs delivering solutions, as they usually turn into solutions for people in poverty that will not work in developing countries or in situations of extreme poverty. «The beauty of addressing challenges of poverty with entrepreneurial thinking is that it forces you to deliver something of value to the customer. In the direct outreach to the poor, anywhere in the world, entrepreneurial thinking is powerful because it forces you to understand your beneficiary».

«There are a lot of ways in which entrepreneurial thinking can address global poverty», Ben explained, citing an example he read about subsistence-level farmers, where some people came up with the idea of developing wells and water-irrigation systems that can be produced cheaply enough that people living on a dollar a day can afford to buy them, thereby increasing their productivity.

There are, indeed, symptoms that the business arena is becoming more conducive to a broader set of actions. Ben referred to the fact that «consumers are becoming more and more aware of the societal, cultural, economic, and environmental footprint of the companies that they are buying from» and that «entrepreneurs in more developed areas are taking ownership of their footprint, their corporate footprint, or the footprint of their supply chain». Ultimately,

Ben believes that there is a real economic benefit to paying attention to how each business is impacting the world. «You will be able to sell better, and not only to be more satisfied with the work that you are doing», he said.

ON HAVING THE GRIT TO TURN OBSTACLES INTO OPPORTUNITIES

Ben has gained considerable experience both as an entrepreneur and as someone who mentors other entrepreneurs. He is well aware of the mindset that is required to transform challenging contexts into opportunities instead of looking at them as obstacles. When asked about this mindset, he referred to a kind of grit, resiliency, or tenacity that entrepreneurs need to not let the challenges of a given context deter them from pursuing their entrepreneurial mission. According to him, there comes a point where entrepreneurs will face a major challenge that will require them to have that grit or tenacity to keep on going, the determination to turn an obstacle into an opportunity and ultimately succeed in their mission. But that tenacity does not come out of thin air. «It is harder to get there», he said, «if you just had a cool idea or a quick way to make money [...]. If you want to start something that you believe in, or if you are able to connect the quick way to make money to something that you believe in, then you are able to generate that grit or resiliency to really try to solve the problem».

Thus, a key ingredient in finding what it takes to pursue a social enterprise is a direct connection to a passion. Ben shared his own experience in this regard:

«I can remember that point for me. I had decided that the way I could make an impact was through the coffee supply chain, and in order to do that, I needed to open a coffee shop. I had done a little bit of market analysis and realized that Orlando was ready for this kind of coffee shop. I had found a building that I thought would work really great. And I had found a lease structure that made sense. But then, our local municipality didn't like the way I wanted to use the building and was talking about how I would have to build new bathrooms, and there were these challenges coming up that I knew



Ben Hoyer
President and COO
of Rally, and
co-owner of
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Entrepreneurial thinking is powerful because it forces you to understand your beneficiary

I didn't have the dollars for. It was presenting itself as an obstacle. But I can remember very clearly the point in my head where I decided, even if they tell me that I have to build these bathrooms, I don't know how I am going to solve the problem, but I will solve the problem. They can't put a roadblock in front of me that I won't climb over. And it is interesting, in working with entrepreneurs through Rally, it is hard to know whether you can teach that kind of mindset. What we try to do when we are working with entrepreneurs is connect them deeply to an area of passion. We are working with social entrepreneurs specifically. And part of our intake is: how are you connected to the problem that you are trying to solve?».

Thus, Ben believes that when people are thinking about starting something in social entrepreneurship, the more closely they can align it with an area of passion for themselves, the more likely they are to succeed.

DRIVING A SHIFT IN THE SUSTAINABILITY DISCOURSE

Looking at how this mindset could help advance sustainability efforts, we can see a very interesting overlap between social entrepreneurship and sustainability. And we could say that the growing efforts and discourse around sustainability and social entrepreneurship have given rise to new approaches, new courses of action, and even new terminology and theory. But we could arguably claim that the sustainability discussion has largely been confined to its technical aspects. There is so much jargon in place that sometimes we forget to go back to basics. However, some may argue that a shift is taking place in the sustainability discourse, and Ben agrees with that observation.

«Ten years ago» said Ben, «I started Downtown Credo, and there was not an industry term for direct trade. There was fair trade in coffee, but the notion that you would not only pay a living wage but get connected to cut out the middleman and move dollars down the supply chain was not a recognized term in the industry, and now it is».

Indeed, the investment criteria now referred to as ESG (the Environmental, Social, and Governance investment criteria) are becoming more and more important, and they are a clear reflection of an effort to connect discourse and practice. «What that means for me» said Ben, «is that companies are recognizing not only customers but their employees [...]. Companies need to embrace their social and environmental footprint and work to improve the areas that they touch, to take responsibility for the footprint of their company, for the scope of their supply chain, for the environmental impact of their product development and their distribution strategies, and even for their equity and governance structures and systems. Increasingly, that is becoming the norm. And I think we will continue to grow that way».

If we all take responsibility for the spheres of influence that we have, then, collectively, the whole thing gets better

ON ADDRESSING THE AFFORDABILITY OF SUSTAINABILITY INITIATIVES ACROSS THE BOARD

Concerning the relationship between social entrepreneurship and sustainability, there has been a growing discussion around the question of who will actually be able to afford to undertake the sustainability efforts and initiatives. Many social enterprises are directly connected with a sustainability initiative, but there is an essential question about whether only big business organizations can actually afford to include such initiatives in their business model. In Mexico, where 95% of companies are small and medium-sized enterprises, we are starting to see this conversation take a more prominent place in the business community. But one of the challenges that are frequently brought up in discussions among the business community is that this is not a conversation to which every type of organization can relate.

According to Ben, «it is a reality that not every company can adapt or adopt every strategy. And when we start talking about ESG goals inside of corporations, that is a language and a strategy that works for large companies, and that doesn't work for small businesses».

«But I think», he emphasized, «it is a misconception that all environmental sustainability strategies or social entrepreneurial strategies cost more money. If I had small businesses that were challenging me, saying 'I can't afford it,' I would challenge them back and say that when we understand it appropriately, you can't afford to not find the right pieces for you to take responsibility for. It might be in your employment strategy, it might be in your product development, it might be in your distribution strategy, but there are ways where it will make you more efficient as a company and give you a competitive edge when you understand how to do it well. It does take more thought because it is a new way of thinking. But all the best ideas take more thought.»

This conversation has earned a place in key forums, such as the UN's Climate Change Conference, and it may thus be also relevant to ask

about the role these kinds of forums have in getting the conversation going forward. According to Ben, regardless of the importance of those large-scale efforts and events, actual change must come from business communities on a smaller scale.

«Larger-scale stuff is hard for me», he said. «I am a very grassroots person. But I have become convinced that if we are going to see wholesale change, it will be because the business community understands that they have more responsibility to each other and the world than making money and that the environment is the most pressing problem that we have globally. So, if we want to act with integrity and live with compelling and lasting legacies, we ought to be thinking about what sphere of influence we have as professionals to leave a positive impact in the world. I think that every business owner ought to think about what is the sphere of influence, who is impacted, and what is impacted by the work that they do, and then realize that, because they are causing that impact, they have the potential for positive impact in the world. If we all take responsibility for the spheres of influence that we have, then, collectively, the whole thing gets better».

More specifically concerning social entrepreneurship, Ben explained that entrepreneurs must realize that their approach cannot rely on waiting for government regulations to create a highly conducive environment. According to him, entrepreneurs should have a mindset that says, «I cannot wait for this domino to fall in order for me to take my next step. I have to figure out how to get there on my own. I have to do what I can. Movement begets movement. When we are thinking about how to create agencies or effect change, we have to think about what is within our sphere of influence, our scope of responsibility where we can make the changes. When you make one move, it opens the door for a second move. If you are waiting for regulations, you are thinking about it wrong. There are spaces inside of your scope of responsibility that you can take right now». </>

The interviewer is professor at the Social and Political Environment Department at IPADE Business School.

