ABSTRACT

In current context, social business, acting as one of the most promising form of social economy, is presenting advantages and possibilities to build a better society, where new ways of generating business innovations with social responsibilities are necessary. Since design have shown its capabilities and impacts on business innovation, what and how design will be able to contribute to the new ways of thinking, living and behaving have attracted a number of scholars in different backgrounds. This paper aims at understanding how design provides new ways of interpretation in social business and how its capabilities change in different social business contexts and organizational patterns according to their specific characteristics. The paper includes, firstly, theoretical researches and definitions on the term "social enterprise". Afterwards, the paper describes a conceptual framework to present four types of social business according to their relational patterns and different purposes: (1) feeding for problem solving (2) feeding for sense making (3) collaborative for problem solving (4) collaborative for sense making. During this phrase, examples of cases will be conducted to explain the four frames. And the classification also addresses the different design strategies for intervening four different social business frames on the dimensions of organization according to certain basic factors, which promote design processes and innovation, relating to information flow, participatory engagement processes and social business models generation. Finally, the analysis of two main findings will be presented. And these findings also indicate new research directions, deeper analysis and related applications in certain fields.

Keywords: social business, design knowledge, design intervention, design-driven classification

1 INTRODUCTION

The way designers think and act, which is able to present a better understanding and interpretation on both internal and external organizational issues, and its management ability in business, society, culture and the environment, has a rich and active history (Best, 2006). And "the important aspects of design management involve understanding the strategic objectives of an organization and how design can play a role, and effectively implement the ways and means, the tools and methods, teams and planning requirements, as well as passion and enthusiasm to achieve these goals as a result of success" (Best, 2006). Even though, the design’s capabilities in organizational management has been developing over decades, there have been rarely deep-overlapping researches with the new growing field of social business, a non-loss and non-dividend company designed to address a social objective within the highly regulated marketplace of today (Muhammad Yunus 2009), promoting innovation process
to reach social missions, as well as, generating a modest profit for sustainment and improvement, where design is considered to be situated at organizational strategic level and to have huge spaces and possibilities to contribute.

2 THE HYBRID ORGANIZATION: SOCIAL BUSINESS

Social business, also known as social enterprise and social firm, is being defined from a large number of perspectives. All the definitions are not only sharing and spreading common understanding and introductive knowledge but are also providing inspirations and potential directions for deeper and further explorations in this research field. The meaning of “social enterprise” potentially covers everything; it’s everything but clear. Thus, the exploration of definitions, which is of huge significance, enables researchers to position themselves within the “galaxy” of social enterprises (EMES 2012). In the definition of Muhammad Yunus (2007) in his book, social business can be understood as a non-loss and non-dividend company, which is designed to address a social objective within the highly regulated marketplace of today. Other definitions from Social Enterprise UK, EMES research network and Social Enterprise Alliance are all highlighting the priority of social mission, meaning the originality of the business is driven by improving the social situations including: environmental, cultural and ethical issues. Obviously, the main features of social enterprises can be summarized from three different dimensions: social dimension, economic dimension and organizational dimension.

The prime mission of social business is to fulfill social improvement. Compared with conventional business, social business presents a disruptive change of mindset: moving priority from exploring maximum of economic profit to making the “local” benefit from the business to realize social “well-being”, which enables people to look at problems from a new perspective. The social mission is also stated as “social objects” (Yunus, 2008), as “common good” by Social Enterprise Alliance, or as “social needs” by Social Enterprise UK. No matter what it is called, the social priority is definitely addressed in any definitions. Secondly, social business, which can’t be sustainable without mentioning the business activities, generally derives revenue from good solutions (products and service systems) supported by innovative business models to achieve social mission. The motivation for “business” is shifting from market-driven (satisfying the market needs of certain groups of consumers) to self-sufficiency (rethinking about the problems of themselves and trying to solve them). A social enterprise is created when a founding group sharing a specific and well-defined social goal succeeds in translating it into an institutional arrangement showing specific characteristics (Giulia & Borzaga, 2009). There are two types of “profits”: 1) material revenue for maintaining and balancing the business; 2) immaterial profit related to self-sufficiency, make meaning of life in the society. Finally, another change is about organizational governances in social enterprise: Ownership change. There will be no end-users but cooperators, instead. Social enterprise is about to develop new patterns of production and consumption, within which the ownership of the business/enterprise becomes to be shared, to meet specific social needs. A participative dynamic is obviously proposed to show high degree of autonomy in social business in Europe (Defourny & Nyssens, 2012). The nature of this socio-economy activity is living with the participatory nature indicated both from the priority of social mission and economic dimension. The co-operation approach is born to be the method to coherently merge the two aspects of social enterprise.
The characteristics of social business that included in this research paper are summarized as following:

- The social mission is the original motivation to launch the activities, and is always considered as the primary consideration whenever there are contradictions within the business.

- The social activities and business activities should not be separated but integrated. The business aspect is used to promote and to guarantee the process of realizing its social mission. And an open understanding of “business” and "profit" is implied.

- The social missions are focusing more on humanistic aspect instead of material aspect. This will be presented in empirical cases.

3 DESIGN KNOWLEDGE FOR SOCIAL BUSINESS

The definitions of social business are extremely blur and diverse, meanwhile the practical cases are dealing with different topics, happening in different regions and contexts, underlining different aspects, presenting diverse working formats and processes, the organizational types in which social enterprise is conducted are diverse according to different outcome emphasis, program area focus (Kerlin 2010), actors’ composition, and economic models. There have been a large number of literatures in the field of social business presenting the diversity on geographical dimension by comparing social enterprises across different countries and regions (Kerlin, 2009; Defourny, & Nyssens, 2010). There are also literatures exploring the different typologies of social enterprise from its attributions and characteristics in economic performance and organizational structures (Alter, 2007).

Based on the different definitions and the discussions, there are spaces and processes where design can contribute as catalyst and communicator to facilitate the spreading and innovatively development of social business. From organizational side to observe design, even though theories and concepts are borrowed from management (Erichsen & Christensen, 2013) and social science studies to adapt to design contexts, the recognition about relevance of design for business and social changes is catching more awareness. The assertion of design can be considered in different aspects according to the background, specific needs and final objectives.

3.1 KNOWLEDGE BUILDING PROCESSES WITH DESIGN INVOLVEMENT

One of the characteristics of social business is the shared social ownership, meaning the organizational governance is normally shared among participants, like clients, users, employees, local communities. However, there are different performances of shared ownership based on different types of social businesses. In some social business activities, the projects are motivated at helping solve specific problems for target groups, which are relatively weak and venerable in the society. Usually these groups of people are regionally close to each other and normally separated with the main social mainstream, like remote villagers in developing countries and people with physical or mental diseases or disabilities. These activities of social business are generally planned with motivations and strategies from organizations that normally possess better resources and are more experienced. From practical cases, they are the international or national organizations, experts and professional persons in the social issues, and
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successful companies with good social reputation. During the whole process, social business is provided as an offering from organizations and experts to the final users, meaning the business has its clear vision and understanding on the social needs of final users, and has a top-down strategy and linear creation process on how to organize existing resources to meet the needs and wants through enterprise behaviours. The origins of solutions come from the insights of specific individuals or a small group of actors, who have the resources and rights to explore possible solutions. One famous example is the social business set up by Nobel Peace Prize winner Yunus, Grameen Group (Yunus, 2010). Grameen Group have been noticing the problems related to poverty in Bangladeshi, and they have formed a business group with experts in economics to provide solutions and experiences to local people for making them out of poverty. And Grameen benefits itself from the products, services and experiences for achieving its social goals. Thus, observing the actions and strategy from the perspective of design, we can summarize that the central groups are more active and dominant during the solution developing process.

Oppositely, there are social business cases, which are raised, at the beginning, by organizations with the motivation of social inclusion or sometimes by a group of people who intends to find solutions for specific social issues they have already encountered. The process of facing the social issues is totally diverse with the previous one. The difference lies in the “role” of the people who need better solutions to solve their problems. They are those who intend to or are engage in the process of creating and providing possible solutions with social impact and economical sustainability. Afterwards, more actors, designers included, will continuously participate and will actively seek for more and more possible actors and experts to involve in the process of generating solutions together in order to form better social impacts and economic profit to maintain the initiatives. At the same time, they enable “people” more spaces and possibilities to act effectively. Following these steps, the people end up with two types of results: they are playing a role in benefiting themselves with others; or they create new values for other target customer through solving their own problems. These activities can be seen in a lot of services projects with citizens’ involvement in communities and local development projects. The design involvement in these activities, in some cases, is to transform initiatives into real services and to facilitate the transformation process with design knowledge and practices experiences; in some cases, is to generate income and revenue by a new form of creative economy. The relationship between people who need help and social business is collaborative, cooperative and interactive. The perspective of design in both offering and co-creating processes are all go through three essential phrases: inspiration, ideation and implementation (Brown & Wyatt, 2010) to achieve better results for improving existing social issues with revenues. By comparing two extreme types of social business, we can synthesize the two poles of one polarity as: “feeding” and “collaborative”.

3.2 THE NATURE OF DESIGN KNOWLEDGE

It’s obvious that in some innovative solutions, social and environmental interests converge to the economic model (Manzini, 2013), implying an emerging synthesized concept of aesthetic, where intangible and ethical aspects of aesthetic are increasingly playing more important roles. This is obviously presented in some cases of social business. The performances of social business and the processes of operating to achieve social mission along with possible economic feedback are what social business do and the scenarios they are
spreading to the society. In the past, even though some researchers are starting to observe and study in the field of qualities and social aesthetic dimension of “what design brings to the society”, they are more focusing on the exploration and evaluation of solutions rather than the organization itself. As Guillén (1997) stated we have long neglected the aesthetic context of organizational behaviour. The organizational behaviour in this research refers to what social business provides as final “offerings” and the approaches and processes to offer. The results can be a solution for solving different kinds of problems; on the other hand, the results can also be new interpretation about thinking and meaning about social issues regarding to the perspective and role of social organizations.

“The underlying assumption of the aesthetic approach to the study of organizations is that although an organization is indeed a social and collective construct, it is not an exclusively cognitive one, but derives from the knowledge-creating faculties of all the human senses” (Strati, 2000). It seems necessary to integrated design into the study of social business organization, which has been spreading this emerging organizational performance. And design knowledge seems to be capable to provide directions and references to explore possibilities in interpreting and understanding social business on its own way. For long time, what design can do is often believed as a creative approach to solve problems, for examples, design thinking is accepted by a number of domains as an effective and valuable tools to solve business problems with innovative solutions. What design is possible to bring and to create, however, is more than functional solutions, a number of scholars have claimed and underlined the semantic dimension of design, and some even postulate that in essence design is aimed at ”making sense of things” (Verganti, 2003). Thus, the alternative interpretation of design is presented: it (design) collaborates actively and proactively in the social construction of meaning (Margolin and Margolin, 2002). The definition highlights design’s role in the areas of culture dimension and of language and meaning. Also, Therefore, as discussed above, exploring social business from the two motivations of ”design”, it’s able to come up with two poles of the other polarity as “problem solving” and ”sense making”.

When crossing the two polarities: actors’ relations and design motivations, it’s possible to propose a map (figure 1) that provides a new illustration of understanding social business and builds a platform to analyse and to guide design in following research steps. The four categories of social businesses are: (1) feeding for problem solving (F4PS); (2) feeding for sense making (F4SM); (3) collaborative for problem solving (C4PS); (4) collaborative for sense making (C4SM).

Figure 1- four categories of social business (elaborated by the author).
4  DESIGNING IN DIFFERENT SOCIAL BUSINESSES

Based on the analysis of social business and the design knowledge oriented principles of classification, there are different approaches, focuses and implementations of design involvement in the four types of social business. Design offers implications and guidance along the solution creation process (Archer, 1970): (1) the motivation and sources, where the intention comes from and where to explore deep analysis on previous outcomes; (2) knowledge building approach, which are the useful tools, methods, ways and activities to obtain knowledge; (3) the essential capabilities related to design, which contribute to the creation process. An analysis of the three elements, presented in different types of social business, effects how design and design involvement, as a tool, can contribute to creation processes from organizational perspective.

In the first type of social business: feeding for problem solving (F4PS) type, the solution creation process is relatively in charge by the problem finder(s), who will intentionally take the leader position and follow a relatively linear approach, where design knowledge has to communicate its values in different levels of intervention and has to convince other actors in order to exhibit and to provide disruptive solutions to actively solve specific social problems and get profits. The barrier of designers is the lack of the "mind-set of design" in the brains of decision-makers in organizations, who often doesn't consider design and designers as an effective factor to come up with promising and radical solutions for social problems. Designing in this context means to understand the social needs and wants better and to find proper business channel to reach the target costumers with the products and services systems. Typical examples are social businesses that are set up for improving living conditions in developing and less-developed countries. The social mission is mainly on the humanity level to eliminate poverty and to accelerate civilization. Many famous designers and design studios have a specific focus on social issues and social responsibility to provide numbers of practical evidences.

During the solutions creation process, there is always a need for social business to "be local", meaning physically and emotionally experiencing the real situations and take ethnographical research to collect useful data and insights as the basic knowledge for creating solutions. Design thinkers and designers are able to fill the gap by providing the research tools, methods and approaches to capture promising data as inspirations. Based on the data from field research, they need also to be able to come up with ideas and concepts, which will involve end-users to take part in the prototype and to physically offer feedbacks to improve the results. The results are not only the solutions for end-users, but also solution about the profit issue, meaning the price should be affordable for the end-users, who are relatively poor to pay, or a new channel of making the business economically sustainable will be launched. One successful case is a project led by IDEO.org and Evotech, and aims to a low-cost portable endoscope and to develop a business model that would sustain it. The final solution is made affordable enough for low-income communities and able to manufacture at small scale. The results have been spread in 60 clinical settings in Uganda and India (IDSA, 2013).

The motivation and purpose of the second type of social enterprise: feeding for sense making (F4SM), come from some pioneers and professionals, who have more knowledge and better views on certain social issues and phenomena, which are no longer specific problems to solve, but those, which need to be well
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re-identified and re-thought about or spread to broader audiences to catch more attentions. And at the same time, the process rebuilds the social business model to declare the social value propositions and to make profits circulation. One of the examples of this social business is the self-sufficient innovation creation spaces and organizations, known as FabLabs and Impact Hubs. These social businesses provide physical environments and high-tech equipment to creative individuals and groups to build new knowledge, and the founders charge a mount of money of the usage to make the business sustainable. In this category, the objective is not to solve problems, but to create a culture of making and being creative, which is to present a new logic of production and manufacture with new technologies. Nowadays, this new co-working spaces are rapidly spreading all over the world and are playing more and more important role in customized manufacturing and social innovation.

Design and design thinking, which are important for physical, experience and systematic needs in this type, are not applied to better understand end-users’ needs, instead, they are more crucial in creating a new platform and access with new meanings, which are deeply locked and hidden inside society and people. The contributions include organizing the process of activities, providing best design for spaces and environments to provide convenience, to facilitate inspirations and to accelerate the formation of new culture and thinking. The capabilities include capturing insights of new trend; visualizing trends into tangible and understandable evidences and also creating proper business models to promote and highlight the necessary, which make people actively participate in the process and willing to pay for the services at the same time.

The third type of social business is collaborative for problem solving (C4PS) type. In this type, even though, the motivations vary according to different projects and objectives, the process of new solutions and knowledge generation is a collaborative intelligence among all participants in different steps, at diverse levels and with distinctive efforts. There is no standard working model to co-create final solutions together, but all the activities are for solving their specific social problems and for making business sustainably function well based on the solutions. From the empirical cases of social business in this type, the social problems include a number of topics: from local industrial development in developing countries to food quality improvement; from creating social inclusion of disabled people to public safety in communities; from solving natural resources to basic self-protection knowledge in disaster. The end-users are the one who needs solutions for social problems, at the same time, they are also creator and providers in contributing to generate new solutions and to delivery the solutions to the “group” of people that they belong to. They are part of the social business.

People, who are in organizations with social missions, active citizens or in less developed areas, often don’t have clear ideas about what design and design thinking can do and how it can provide helps. Therefore, designers and design thinkers should put more efforts to communicate the basic knowledge to the co-creation process with people, who have the intention to participate but without knowledge and capabilities. Designers are responsible to introduce design tools to involve them to fulfill their expectation by “making” the solutions themselves: understanding theirs own advantages and disadvantages; presenting their opinions and experiences with help of some design tools (like mind map); telling their specific backgrounds and contexts as an important element for generating final solutions; testing the possibilities and feasibilities of the ideas and
concepts. When necessary, designers also need to redesign some tools, like customer journey map and social business model canvas, according to different contexts and to visualize the process to make the collaborative process smoothly. In this way, the "people" who built the collaborative social business will understand better and obtain the capabilities to maintain the business well. For instance, a project named DEEP–Development of Ethnic Product, cooperated between Giulio Vinaccia, an Italian designer, and UNIDO (United Nation Industrial Development Program) for solving development problems with designed products. During the social business generation process, design and designers act as the catalyst and educator to equip local people with new knowledge of making “valuable” products with their cultural and aesthetic identity and of managing the small industrial (business) for long-term (Vinaccia, 2013).

Figure 2 – the DEEP project (Vinaccia, 2013).

The collaborative for sense making (C4SM) is the fourth type of social business. This type is an open platform, which contains a huge space for different possibilities to enter and to actually participate in the process. Like the second type, there are no specific problems to solve and the motivation comes from new proposals on cultural and social thinking about society and all relationships within the future social scenarios. In the society, more and more individuals and communities want to realize the goals through presenting their social impacts, benefiting themselves and others who have similar needs, and simultaneously making the activities economically sustainable. It’s possible to define this type as “explorative” social business, which will go through different social negotiations and interactions to build the pioneering interpretations of social business, for example, new "meaning” of profit and business of organizations in society.

Thus highly collaboration between participants and designers are necessary. Designers can contribute more on managing the collaborative process and better on defining the social mission in a visualized way in order to create the basic platform for conversations. The adopted design knowledge will also help with the scenario of the whole working system, where different actors presented, different material and immaterial flows presented and also the potential social business model formed in an understandable way. Afterward, the designers also present a set of systematic outcomes, which are more than a solution. The innovative online community Open IDEO, launched by Design studio IDEO, is providing an initiative on this type of social business. The online platform is for collaborating with different people in thinking about the better society by exploring specific social issues (IDSA, 2012). It implies a direction in making sense of social business through collaboration in practice.
CONCLUSION

This paper aims to define the variety of social business from the perspective of design knowledge in order to offer better understanding on how design can acts within these diverse categories of social business. In the current social context dominated by innovative competitions and social responsibilities, social enterprise and business present more advantages compared with traditional companies. The analysis of relationship between design and social business convinces the finding: (1) design and design thinking is a useful and effective tool to create and manage competitive advantages for organizations. The competitive advantages are not only presented in traditional profit business, but also as social solutions and social values, which not only solve social problems, but also propose new thinking and new behaviours to accelerate social civilizations. At the same time, design involves or facilitates end-users to actively fulfil their goals. (2) The role of design in social business is changing and expanding through different ways and in different contexts, which will lead more thinking about the future of design and design management in linking with both problem solving and sense making in organizational dimension. The new interpretation of categories also creates more possibilities to look deeply into every category in order to prove that design is able to manage and flexibly balance the different needs and diversity goals through strategically participate in the process with proper tools. Thus design has the resilience to be used as both an exploitive tool to assist and an explorative tool to innovate actively in social business.

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