How to Develop a Strong Social Business Idea?

SOCIAL ENTREPRENEURSHIP IDEA GENERATION WORKBOOK

The purpose of this workbook is to support the development of a social business idea.
The process begins with identifying a problem, because impactful social entrepreneurship is built around a real need. When you understand the root causes of the problem and the situation of the target group, it becomes easier to develop a solution that addresses genuine challenges and creates lasting change.

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Identifying the Problem

Social problems come in many forms: they can be global challenges, societal inequalities, environmental issues, or everyday needs and pain points.

In social entrepreneurship, the process begins with identifying a problem, not with jumping straight to a business idea. Impactful solutions are built around real needs. Reflect:

• What problems or challenges do you see in your own life or in the lives of people close to you, in your studies, work, or free time?
• What issues stand out in society more broadly?
• Which of the major global challenges feels most relevant or personal to you?

Try to narrow down the problem. For example, "climate change" is a vast topic. Instead, focus on a specific **consequence** (e.g. "climate change threatens food production") or a **cause** (e.g. fossil fuel use, deforestation, or industrial livestock farming).

You can explore global challenges through resources like the United Nations Sustainable Development Goals (SDGs), which offer a useful framework for identifying pressing issues.

UN Sustainable Development Goals

1. End poverty in all its forms everywhere.
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
3. Ensure healthy lives and promote well-being for all at all ages.
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5. Achieve gender equality and empower all women and girls.
6. Ensure availability and sustainable management of water and sanitation for all.
7. Ensure access to affordable, reliable, sustainable and modern energy for all.
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
10. Reduce inequality within and among countries.
11. Make cities and human settlements inclusive, safe, resilient and sustainable.
12. Ensure sustainable consumption and production patterns.
13. Take urgent action to combat climate change and its impacts.
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development.

1. Write down 2–3 social or environmental problems (frustrations, needs, pain points...)

2. Select the problem that you find most interesting or meaningful

Defining the Target Group

Who benefits most from solving the problem you chose in the previous exercise? Who would be willing to pay for the solution? Whose life could be made ten times better by the solution? Your answers to these questions will help define your target group, that is, your potential customers.

For this exercise, choose one target group and define it as precisely as possible.
A clear and specific definition will help you identify your first customers and guide the development of both your product and your business.

In some cases, the person paying for the solution may be different from the one using it. For example: who might be willing to pay for reducing loneliness among the elderly?

Not all questions may be relevant to every target group, feel free to skip any that don't apply.

Answer the following questions to help define your target group:

Who experiences the problem? Whose life would be significantly improved or made easier by the solution? Does the problem affect individuals, companies, or other types of organizations?

How is the target group currently trying to solve this problem (if at all)?

What are some key characteristics of the target group? (e.g. age, gender, profession, financial situation, location, lifestyle)

Do members of the target group pay for the solution (product or service) themselves, or is the payer a different group than the user? If the payer is someone else, who could they be and why would they be willing to pay for the solution?

Analyzing the Problem

Once you have selected the problem, the next step is to analyze its root causes. The better you understand the problem, the more, and better, alternative solutions you will be able to identify. One effective method for brainstorming and analyzing root causes is the *Problem-Solution Tree (PST)*.

The PST is a visual tool that helps break down a complex issue into smaller, more manageable components. This method is based on the principle that problems are driven by underlying factors, and by understanding these root causes, you can develop more effective and targeted solutions. These solutions can then be transformed into business ideas or social enterprises.

Example:

Core problem: Food waste

Primary cause: Why is there food waste, what are the reasons?
• Overproduction

Secondary causes: Why is there overproduction, what are the reasons?
• Inaccurate demand forecasting
• Limited access to real-time sales data
• Rapidly changing consumer preferences

Root causes: Why do these secondary causes exist, what are the reasons?
• Insufficient investment in digital infrastructure and analytics
• Inadequate understanding of consumer behaviour and market trends
• Inefficient supply chain coordination

1. Create a problem tree
Fill in the core problem, then identify primary causes, secondary causes, and root causes.

2. Select the branch on your problem tree that you want to develop solutions for, and explain your choice
You might choose:

• The most urgent issue
• The most feasible or realistic to solve
• The one with the greatest potential for innovation

Consider: what makes this branch important, promising, or relevant to you?

CORE PROBLEM

PRIMARY CAUSE

SECONDARY CAUSE

ROOT CAUSE
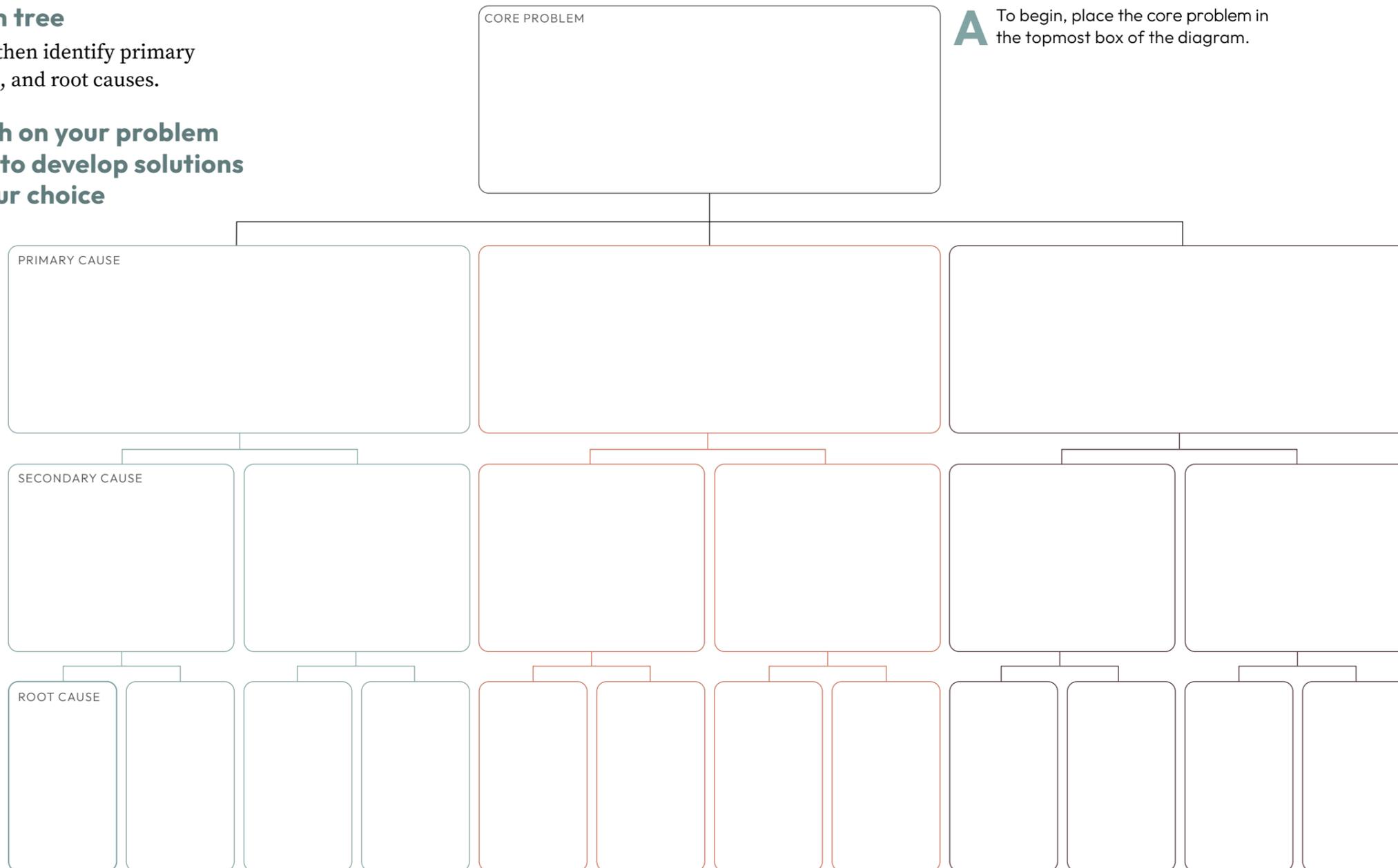
A To begin, place the core problem in the topmost box of the diagram.

B Then, identify 3 **primary causes** by asking: "Why does this core problem exist?". Write each primary cause in a separate box.

C For each primary cause, define 2 **secondary causes** by asking: "Why does this primary cause exist?" Write each secondary cause in its own box branching from the corresponding primary cause.

D For each secondary cause, identify 1 to 2 **root causes** by continuing to ask: "Why does this secondary cause exist?" Again, write each root cause in a separate box.

Developing a Solution Idea

Now it's time to develop an initial solution idea for the problem you've chosen. Your first idea doesn't have to be perfect, but it should be realistic enough to test with your target group and ask: Does this work?

To help develop your solution, refer back to the root causes of the problem you found in the previous exercise:

• What are the root causes?
• How would you solve these root causes?

A deep understanding of the problem is essential for creating an effective solution. Ideally, this involves exploring the causes and consequences of the problem, reading relevant research, and interviewing people affected by it.

Try to describe your solution idea as concretely as possible. For example, saying "an app that helps students focus" is too vague. A more helpful description would be:

• "An app that sets reading goals and rewards users for staying focused. It might guide users to read for 15 minutes, do a 2-minute relaxation exercise, read for an hour, take a snack break, and move for 15 minutes. The app could also play focus-enhancing music or ambient sounds."

1. Use your completed Problem Tree and focus on the branch you selected. List the causes at each level:

Core problem:

Primary causes:

Secondary causes:

Root causes:

2. Develop a solution by answering the following questions:

What can be done about these causes? How would you solve them?

Can the solution be turned into a product or service, e.g. an app or website, training, or a combination of these (see examples in the solution ideas list below)? Describe the solution as concretely as possible.

Is the target group or any other party willing to pay for this solution? If yes, explain why and how. If no, explore: Why not? How they could be motivated to implement or pay for the solution?

Examples of Possible Solutions

• A mobile app or website
• A training session, workshop, or other event
• A book, guide, or other informational material
• Personal guidance/support (in-person or online)
• An intermediary or matchmaking service
• A physical product (e.g. a tool, measuring device)
• A physical or digital game
• A subscription-based service
• A community platform or peer support network
• A pop-up service or mobile unit (e.g. mobile library)
• A social media campaign or awareness initiative
• A co-creation or participatory model involving the target group
• A hybrid model combining digital and physical elements
• A circular economy solution (e.g. reuse, repair, recycling service)

Testing Your Solution Idea with the Target Group

It's a good idea to present your solution concept to the target group, your potential customers, as early as possible. This helps avoid spending time and money developing a product or service that no one actually wants.

Start thinking about how you will test your solution idea with your target group.

You can develop your testing approach gradually, beginning with a verbal explanation or slide show, then moving on to a simple prototype, and eventually refining it further. At this stage, don't aim for perfection. The key is to give your target group a clear and concrete understanding of your idea. This helps you gather valuable feedback on its usefulness and functionality, which you can then use to improve the solution.

As part of the testing, it's also important to find out whether your target group is willing to pay for the solution. Ask questions or design your test in a way that reveals how much value they place on it. If they're not willing to pay, try to understand why. This insight can help you adjust your concept, pricing model, or even identify a different paying customer (e.g. organization or municipality).

Once you've made improvements, test the updated version again with the target group. Continue this feedback loop until you find a solution that fits well.

If the target group doesn't respond positively, but you're still committed to solving the problem, you can return to the drawing board, now better informed by the feedback, and develop a new solution to test.

Answer the following questions:

Where can you find people from your target group, and how will you contact them?
If the paying customer is a different party (e.g. an organization or municipality), how will you reach out to them?

How can you present and test your solution with the target group as early as possible and with minimal investment? What is the simplest version of your solution that you can test?

Remember, you can start by simply describing your idea. If you receive positive feedback, you can move on to testing the solution, for example, with a prototype. (A prototype is the first tangible version of your product. It allows you to examine and test its design and functionality. It doesn't need to be perfect, it just needs to help you and your target group understand how the solution works.)

Sustainable Business Model

A business model explains how a company operates and generates revenue. It outlines how the company solves problems, who its customers are, how it reaches them, and what costs and expenses are involved.

When designing a sustainable business model, you can use the Sustainable Business Model Canvas (SBMC). This tool helps you explore how different parts of your business connect and how your operations can be sustainable economically, socially, and environmentally.

On this page, you will find instructions for completing the Sustainable Business Model Canvas. On the next page, you'll find an empty template for you to fill out. Use the solution and target group you chose in the previous exercises as the basis for your work.

Value Proposition

START HERE!

- What problems do you solve for your customers? What needs do you meet?
- What positive change does your business create for your customers, society or the environment? What is your mission (= why does the business exist)?

Sustainability tip: How does your solution help customers live according to sustainable development principles?

Key Activities

- What activities are essential to deliver your solution effectively and consistently from day to day?
- What activities are needed to maintain relationships, channels, partnerships, resources, and financial health?
- How these tasks or activities incorporate sustainability and circularity?

Sustainability tip: How can technology make your activities more efficient?

Key Resources

- What resources are needed to deliver your solution?
- What are the tangible and intangible things you need? (E.g., people, knowledge, skills, technology, materials.)

Sustainability tip: Are your resources environmentally friendly and responsibly sourced?

Key Partners

- Which partners should you work with?
- What activities do partners handle?
- What resources do you get from partners?
- How will you use sustainability criteria in building partnerships?

Sustainability tip: Could you collaborate with suppliers of recycled materials?

Customer Relationships

- How do you build and maintain relationships with customers?
- How do you learn about your customers (e.g., through data)?

Sustainability tip: Are your channels accessible for people with visual or hearing impairments?

Channels

- How do customers learn about your product?
- How can they evaluate the solution before buying?
- How do they purchase it?
- How do they get support after purchase?
- How can they share experiences or give feedback?

Sustainability tip: Are your channels sustainable for people, society, and the environment?

Customer Segments

- Who are your customers or beneficiaries? **If you have different customer groups, create separate SBMCs for each** (they may require different approaches).

Sustainability tip: Are there specific groups that value sustainability?

Cost Structure

- What costs do your activities and resources generate? (E.g. materials, tools, salaries, marketing).
- Which activities and resources are most expensive? Can you reduce these costs?
- Consider fixed and variable costs. (Fixed costs are expenses that stay the same no matter how much you produce or sell, e.g. rent, salaries, insurance. Variable costs change depending on how much you produce or sell, e.g. raw materials, packaging, shipping.)

Sustainability tip: Could you invest in renewable energy? Initial costs may be high, but long-term savings are possible.

Revenue Streams

- What are your sources of income? Estimate pricing and expected sales (e.g., product sales, subscriptions, rentals, advertising)
- How much are customers willing to pay?
- How is your product priced? (Fixed price or dynamic pricing based on e.g. timing or demand)
- How will your revenue exceed costs?

Sustainability tip: Could you rent products instead of selling them?

Environmental and Social Harms

- What negative impacts does your business have on society or the environment?

Sustainability tip: How can you reduce these harms?

Environmental and Social Benefits

- How and what positive impacts does your business create for society and the environment?
- How do you track and measure your social and environmental impact?

Sustainability tip: How can you promote renewable energy or other sustainable practices?

Sustainable Business Model Canvas

1. Fill the SBMC

Use the solution and target group you selected in the previous exercises as the basis for your work. For each section of the canvas, answer the guiding questions on the previous page and remember to consider the sustainability perspective! You can download another version of the SBMC here: https://www.case-ka.eu/wp/wp-content/uploads/2017/05/SustainableBusinessModelCanvas_highresolution.jpg. It includes more detailed instructions if you need extra guidance.

Value Proposition **START HERE!**	Key Activities	Key Partners	Customer Relationships	Customer Segments
	Key Resources		Channels	

Cost Structure	Revenue Streams
Environmental and Social Harms	**Environmental and Social Benefits**

RYHTi

Support structures for social entrepreneurship in Lapland

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