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6

ENTREPRENEUR AS AN INNOVATOR AND PROBLEM SOLVER

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In the previous lessons you studied about creativity and innovation. You are aware that entrepreneurship is a creative process which leads to innovation of new products, processes, discovery of new knowledge, improvement in existing products and services, and development of newer and better ways of manufacturing products with lesser resources.

When the above-mentioned outcomes of innovation solve social problems, it is known as Social Entrepreneurship. The entrepreneur who brings about such an innovation is called a Social Entrepreneur. They look for opportunities in problems being faced by society.

Social entrepreneurs work to improve the living standards of society. Their objective is to bring about social change, not just to earn profits. They work for the betterment of society and specifically for the underprivileged.

LEARNING OUTCOMES

After studying this lesson, the learner will be able to:

- assess the role of innovation in solving social problems; and

- interpret real life situations in various sectors.

In lessons 2 and 3, you have studied in detail about entrepreneurs and entrepreneurship. So, by now, you are also familiar with their qualities and role in society and the economy. Let us now study about the characteristics and importance of social entrepreneurs and how they are different from commercial entrepreneurs.

6.1 CHARACTERISTICS OF SOCIAL ENTREPRENEURS

Some qualities shared by social entrepreneurs are:

- Ambitious: Social entrepreneurs are highly ambitious and they do not accept *status quo* i.e. accepting the world as it is. They have the urge to find solutions to social problems and needs.

- Social Catalysts: Social entrepreneurs are aware of the problems of society and they look for opportunities to solve these problems. They act as change agents for society.

- Innovative: Innovation involves solving problems. Social entrepreneurs have contributed in numerous fields like education, health, environment and sanitation by finding valuable solutions for problems faced by the society.

- Focus on Creating Social Value: They are highly motivated to create social value and not work for personal monetary gains.

- Resourceful: They not only make use of readily available local skills, tools and resources to solve local issues, but also actively collaborate with others.

- Accountable: They are not satisfied with short-run solutions. They feel accountable towards their beneficiaries; therefore, through hard work, they provide long-term systematic solutions.

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6.2 COMPARISON BETWEEN SOCIAL ENTREPRENEUR AND TRADITIONAL/ COMMERCIAL ENTREPRENEUR

Social entrepreneurs are different from traditional/commercial entrepreneurs. For a social entrepreneur, profits are not the end result but a means to achieve social change and upliftment. Traditionally, as you have studied in lesson 2, entrepreneurs are opportunity seekers and are associated with establishing highly profitable business enterprises. The following table will help in understanding these differences.

Factors	Social Entrepreneur	Traditional/Commercial Entrepreneur
Objective	Identify and address long-term social issues	Identify and address unfulfilled market gaps
Driving force	Create social value and bring positive change in society	Create monetary value and increase personal wealth

Resources used	Use local resources, tools and skills to provide innovative solutions for social problems	Use all available resources and innovative ideas to establish business
Impact	Change agent and transformational leader	Transactional leader
Measurement of success	In terms of effect on improvement in social issues	In terms of financial indicators
Outcomes	Long term sustainable solutions for societal problems	Customer satisfaction, brand image and profit
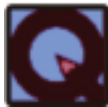
INTEXT QUESTIONS 6.1

A.   State whether True or False:

1.   Social entrepreneurs work for profits.

2.   Commercial entrepreneur is a transactional leader.

B.   Fill in the blanks:

1.   ………………… entrepreneurs create monetary value and increase personal wealth.

2.   ………………… entrepreneurs provide long-term solutions for social issues.

6.3 STEPS IN SOCIAL ENTREPRENEURSHIP

1.   Identify various problems and depending on the expertise and interest, select one.

2.   Look for techniques and resources both human and others for finding alternate solutions.

3.   Find as many different ways as possible for solving the problem.

4.   Select the most effective solution and develop it into a feasible business plan.

Social entrepreneurs use local resources, tools, techniques and skills to find solutions for social problems. They work towards maximising the society's well being by working to promote social interest. They measure success in terms of extent of improvement and they have succeeded to make in the life of the people, rather than in terms of extent of profit earned.

6.4 ROLE OF INNOVATION IN SOLVING SOCIAL PROBLEMS

Social problems can be solved by innovation, which is important for advancement of society. That is because it solves social problems by enhancing the society's capacity to act. It strengthens efficient and sustainable ways for resolving collective problems. New technology plays a vital role by developing new products and services that caters to the need of society while using resources efficiently . Some real life examples are mentioned in this chapter for better understating of how social problems are tackled in real life situations and how these problems lead to developing business ideas.

6.5 REAL LIFE EXAMPLES OF ENTREPRENEURS IN SOME SECTORS

India is a vast country with a large population which has diverse needs and requirements. It is a developing country which faces numerous problems in the areas of health, sanitation, education, agriculture, environment to name a few. The Government of India, through its policies and programmes, works in bringing about improvement in these sectors, but that is not sufficient. That is where social entrepreneurs play an important role, because they find creative solutions for some of these problems.

It is important for individuals to rise to the situation and look for ways in finding solutions for various social issues that have been hindering growth and development. This also helps in improving the economic well-being of the underprivileged sections of the society.

ACTIVITY FOR YOU

Identify five problems that you face in everyday life.

Select one which is causing the most problem.

Think of possible solutions for the problem.

Write down the steps towards the solution.

Share your answer with your friends.

The following section provides an insight into how entrepreneurs have addressed some of the problems being faced in different sectors with creative solutions. The sectors covered are, agriculture, health care, education, hygiene, transportation, information technology and textiles.

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Besides the case studies mentioned in this chapter, there are several other examples too that have impacted the society. The case studies selected are just for the purpose of giving examples from different sectors.

6.5.1 AGRICULTURE

eKutir

K.C. Mishra, a renowned social innovator, is the founder and CEO of eKutir,an enterprise based in Bengaluru. To provide a digital platform to farmers, eKutir has developed a website and an android application called Agri Suite that connects farmers with stakeholders such as soil-testing laboratories, suppliers of seeds and fertilisers, banks, exporters, branded retailers, insurance providers, micro-finance institutions and food-processing units. The main challenge was to create a simple, farmer-friendly user experience that would work both online and offline, given the poor internet connectivity in rural India.

Through a decentralised network of trained personnel called micro-entrepreneurs, eKutir has converted an exploitative and fragmented agricultural system into a collaborative and connected soil-to-sale model. They help farmers to use the App at the Gram Panchayat level. They assist right from creating a risk profile of a farmer to soil testing, crop planning, selection of quality and quantity of seeds and fertiers, and to finally selling the produce. These trained personnel earn around 10,000 per month for their services.

eKutir also provides data and information to farmers for sustainable land management, soil analysis, crop recommendation, nutrient management, avoiding crop diseases, promoting organic farming and precision agriculture, leading it towards a more sustainable model. This platform allows small farmers to make and receive payments, access loans, and also enables the government to provide targeted subsidies directly to the farmers.

By 2019, the App had impacted the lives of over 60,000 farmers in India, 12,000 in Cambodia and many in Nepal and Bangladesh and created numerous micro-entrepreneurs. This has led to an increase in the income of farmers by over 60 per cent, affected savings in cultivation costs by around 20 per cent and increased crop yields by upto120 per cent.

6.5.2 HEALTH CARE

Jaipur Foot

Jaipur Foot, Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS) was

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established in March 1975 by D.R. Mehta. Mehta met with a serious road accident that caused crush injury to his leg. Doctors advised to amputate the leg which saved both his life and limb. This incident caused Mehta to realise the problems that disabled face, especially the underprivileged. The idea of creating BMVSS, the Jaipur Foot organisation, was thus induced out of the pain which Mehta experienced for five months. He finally decided to set up BMVSS to provide artificial limbs, with a focus on rehabilitating the poor.

Even after first seven years after its development in 1968, hardly 50 limbs were fitted. Now, it provides for more than 16,000 prosthetic fittings every year.

With its headquarters in Jaipur, BMVSS has pan-India and international coverage. Besides its 23 branches across India, it also has two associate centres in Pakistan and three in Philippines, and a joint venture in Colombia. It has organised more than 50 fitment camps in 26 countries and helped in setting up of independent prosthetic fitment centres in Asia, Africa and Latin America.

Now, Jaipur Foot, (BMVSS), is the world's largest organisation providing rehabilitation to over 1.78 million disabled. It services include rubber-based prosthetic leg for people, artificial limbs, calipers and other aids and appliances free of charge. The prosthetic leg made of polyurethane, which is durable and convenient to use, worked out to be reasonably priced, waterproof and quick to fit and fabricate.

Besides providing various services to the disabled, BMVSS also focuses on research and development. It has collaborated with Stanford University, USA; Massachusetts Institute of Technology (MIT), USA; the Indian Space Research Organisation; and Indian Institute of Technology (IIT), Jodhpur, Manipal University Jaipur, for research and development. Malaviya National Institute of Technology, Jaipur; National Institute of Technology, Delhi. Along with having agreements with several private companies for research, BMVSS also receives funding support from corporates.

The Stanford-BMVSS Jaipur Knee, research product of BMVSS and Stanford University, was acknowledged by Time magazine USA (November 23, 2009 issue) as one of the world's 50 best inventions in 2009. BMVSS has also been given Special Consultative Status with the Economic and Social Council of the United Nations Organisation for the various services it offers. The government of India gives financial support to Bhagwan Mahavir Viklang Sahyata Samiti to carry out its services.

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INTEXT QUESTIONS 6.2

Choose the correct option :

1. Jaipur Foot provides :

    (a) Prosthetic by

    (b) Artificial limbs

    (c) Calipers

    (d) All of the above

2. eKutir provides a platform to:

    (a) Farmers

    (b) Women weavers

    (c) Street vendors

    (d) People below poverty line

6.5.3 EDUCATION

Ekal Vidyalaya

Ekal is a story of social dreamers who joined hands from different parts of the country, who believed that change is possible through active participation of local communities and education can be the medium to bring that change in the far-flung parts of the country.

Rakesh Kumar Popli (an Indian nuclear physicist), Rajneesh Arora, Mahesh Sharma from IIT and Ashok Bhagat from BHU visited Bishanpur in Gumla district (presently in Jharkhand) in the year 1983 and conducted a study to analyse the tribal area. The study concluded that certain issues such as education, health, gender and economic disparities were a matter of deep concern. Rakesh Popli along with Rajneesh Arora started working on addressing to educational needs of the area and finally came up with informal methods of teaching to local communities and children. Thus, the foundation of experiment of single teacher schools was laid.

On the other hand, in 1985 Shyam Ji Gupta, a social activist, initiated the night school concept in Fulbani district in Orissa to ensure literacy among local communities. 400 night schools were started in villages where children

accompanied adults. As part of the Vanyatra, Shri Shyam Ji Gupta inspired some affluent families from Kolkata to visit Fulbani district in groups to make them aware of the challenges faced by these tribal societies which later emerged as "Friends of Tribals Society". The dream of 'Ekal Vidyalaya Model' came true when Shyam Ji Gupta transformed an informal model of education into a selfless global cause, presently known as Ekal Abhiyan. Ekal Vidyalayas are controlled and managed by Gram Samitis.

The concept of One Teacher School evolved through the experience of imparting education in Gumla district in Jharkhand and night schools in Orissa. The concept was formally conceived in Gumla in June 1986 in a seminar that was organised to find out the way-out to illiteracy in tribal villages.

Besides education, Ekal's model for holistic development also strives for rural health, economic development, livelihoods and preservation of rich Indian cultural heritage. These Vidyalayas provide free, non-formal education to the children of 6 to 14 years of age operating for about 3 hours every day except Sundays.

Ekal's five-fold education model comprising of- Basic education, Health care education, Empowerment education, Development education and Ethics & Value education works with the primary objective of ensuring functional literacy among the children of the village. Ekal Vidyalaya also runs awareness campaigns on issues of national importance so as to aware village community about different government welfare schemes available with respect to RTI, Tree plantation, Bank Accounts, cleanness etc.

The school usually runs in a Chaupal or in a village courtyard or at teacher's home. The Acharya (teacher) preferably a female facilitates learning with the help of games, songs and dances. The curriculum covers reading, writing, arithmetic, general knowledge, basic science, health and hygiene awareness, moral education, local sports and crafts.

With several constraints and dearth of resources Ekal Vidyalayas were able to make a way through establishing around one lakh Ekal vidyalayas across the length and breadth of the country making the villages literate, aware, healthy, safe, self-sustained as well as united.

6.5.4 HYGIENE

Sulabh International

In 1973, Dr. Bindeshwar Pathak founded Sulabh International as a social service organiation which promotes human rights, environmental sanitation, non-conventional

sources of energy, waste management and social reforms through education.

Dr. Pathak grew up in a conservative Brahmin family in Bihar. As a child he once unknowingly touched a person from the community that cleans toilets. For this innocent act, his grandmother not only scolded him but also made him eat cow dung, drink cow urine and then poured Ganga Jal or water from the river Ganga to 'purify' him. The incident left a scar on the child's mind. He wondered why the community was treated inhumanly even though they have the same flesh and blood others do, and decided to do something for them.

When he grew up, Dr. Pathak studied the inhuman practice of manual scavenging and provided a solution in the form of low cost toilet technology. His technology is now popularly known as the Sulabh Shauchalaya System. By April 2019, Sulabh Shauchalaya had constructed 7,500 public toilets across the country that were used every day by over 10 million people. According to Dr. Pathak, "Nobody should go outside for defecation and every house in India should have a toilet."

Sulabh Shauchalya generates around Rs 500 crore every year. Sulabh International maintains around 8,500 public toilets with the help of 50,000 employees. Over 10 lakh manual scavengers have been connected to the mainstream by jobs at Sulabh Shauchalayas, and their children have been provided education for a better future.

He has also innovatived the production of biogas by linking Sulabh toilets to fermentation plants that he designed over three decades ago. His vision is now becoming a byword for sanitation in developing countries all over the world. One of the distinctive features of Dr. Pathak's project lies in the fact that besides producing odour-free bio-gas, it also releases clean water, rich in phosphorus and other ingredients which are important constituents of organic manure. His sanitation movement ensures cleanliness and prevents greenhouse gas emission.

He has also contributed to verticals like bio-energy and bio-fertiliser, liquid and solid waste management, poverty alleviation and integrated rehabilitation programme for liberated scavengers.

In 1996, the technology developed by Dr. Pathak was declared a global Urban Best Practice at the Habitat-II conference in Istanbul. The Economic and Social Council of the United Nations granted Special Consultative Status to Sulabh in recognition of its outstanding service.

A Padma Bhushan recipient, Dr. Pathak has won several domestic and international awards like the Legend of Planet Award from the French Senate in Paris, ahead of World Environment Day, 2013.

The UNDP Human Development Report, 2003 has recommended the use of Sulabh Technolology to 2.6 billion people in the world, especially in developing countries, who have no hygienic toilets in their houses. The technology is being used in countries like Afghanistan, Nepal, South East Asia, Africa and Latin America.

INTEXT QUESTIONS 6.3

I.   State whether the following statements are true or false:

1.   Ekal curriculum covers science and technology.

2.   D. R. Mehta innovated the production of biogas by linking Sulabh tilets to fermentation plants.

3.   Sulabh sanitation movement ensures cleanliness and prevents greenhouse gas emission.

II.   Fill in the blanks:

1.   _____Model is an informal model of education.

2.   Dr. Bindeshwar Pathak's technology is now known as the _____.

6.5.5 AUTOMOBILE

Ola Cabs

Bhavish Aggarwal, founder & CEO of India's most popular Cab Aggregator Ola Cabs started as an online cab aggregator in Mumbai and now resides in the Silicon Valley of India i.e. Bangalore. It has now started operating in United Kingdom, Australia and New Zealand.

As soon as he completed his Bachelors from IIT – B in 2008, he started working with Microsoft Research India. While he was in job, he often rented a car from Bangalore to Bandipur. Many a times, the driver of the car would stop on his way home and try re-negotiating the taxi fare threatening to abandon him midway his destination.

His entrepreneurial mind decided to solve the problem for common good at large. Besides having personal experience of the problem, he further researched and found that it was a genuine problem and a lot of passengers fall prey to such drivers and needed quality cab services. Despite lot of pressure from his parents, who saw it as a travel agent business, Bhavish could foresee the potential a cab booking service could have and made up his mind to launch Ola Cabs. Ola was the collective effort of Bhavish Aggarwal and Ankit Bhati,

owned by ANI Technologies Pvt. Ltd. His simply introduced a technology that connected the cab owners with the passengers through the smart phone.

He believed in "zero" inventory model and sticking to it, Ola didn't buy even a single car, instead rented them. Ola partnered with a range of taxi drivers for their services. Besides providing integration devices free of cost, he wooed them by paying 5000/day tips + no salary provided they must complete one trip per day. Drivers did anything to work with Ola. Soon after their purpose was solved, the payment was reduced to half i.e. 2500/day and subsequently 750/day tips + salary providing tips only if they covered minimum 10 trips in a day.

By 2014, the company had a vast network with more than 2,00,000 cars across 100 cities an average of more than 1,50,000 bookings per day with over 60% of the market share in India, Ola raised about more than 1 billion from investors. Currently valued at about $ 3.5 Billion, Ola continues to be one of the cheapest AC cab services.

6.5.6 INFORMATION TECHNOLOGY

Infosys

N.R. Narayana Murthy, the founder of Infosys, is often referred to as the father of Indian Information Technology. After completing M.Tech. in 1969 from Indian Institute of Technology, Kanpur, he worked with many organisations.

In 1981, Murthy founded Infosys along with five friends who were also software professionals like him. Today, Infosys is a leading global technology services company which provides end-to-end business solutions that leverage technology for clients across the entire software life cycle.

Infosys pioneered and perfected Global Design Model (GDM) for outsourcing Information Technology (IT) services from India and it changed the way traditional business models worked in the IT industry. This sparked an outsourcing revolution that brought billions of dollars of business into Indian economy and transformed the country into world's back office. GDM has become a global outsourcing standard and has helped in creating and perfecting the science of global project management.

GDM provides clearly defined process guidelines emphasising the importance of information flow and communication. It meets various business challenges and addresses key skill gaps. The robustness of the model combined with infrastructure and quality orientation reduces risk for a client compared to conventional delivery models. It is based on the principle of taking work where

it can be done best. Infosys serves clients worldwide and has presence in more than 45 countries.

Narayan Murthy is the recipient of India's most prestigious awards, Padma Vibhushan (2008) and Padma Shri (2000). According to him, honesty, transparency and moral integrity are the hallmarks of long-term success and the working of Infosys is based on this ideology. Infosys has also set new standards in good governance, corporate governance and morality.

6.5.7 TEXTILES

Khadi INDIA

Soon after Independence, the All India Khadi and Village Industries Board was established by the Government of India, which later in 1957 became the Khadi Village and Industries Commission (KVIC). Since then, KVIC has been working towards the development of khadi industry in India.

In the beginning of 90s, as we moved towards industrial fashion, khadi - the signature fabric of India, was marked as a fashion statement. In 1989, KVIC organised the first ever khadi fashion show in Bombay, showcasing over 80 styles of khadi. In 1990, Ritu Beri presented her first khadi collection at the prestigious Tree of Life show held at Delhi's craft museum. Beri, is now an advisor to KVIC working to take khadi to the global arena.

With the start of 21st century, leading Indian designers like Sabyasachi, Wendell Rodricks, Rajesh Pratap Singh and others began experimenting with this eco-friendly fabric, known for its rugged texture and comfortable feel and have accepted the challenge to reinvent it into a high- fashion wear.

Khadi, the fabric of freedom is recording increasing sales year after year, especially after 2014 with PM Narendra Modi's initiative of using 'Khadi for economic transformation'. Total average Khadi sale, which was Rs 914 crore during the year 2004 to 2014, jumped from Rs 1,081 crore in 2013-14 to Rs 2,510 crore in 2017-18, touching an all-time high of Rs 3,200 crore in FY19.

With the establishment of 375 new Khadi institutions after 2015, the average export of Khadi and village industries grew to Rs 2014.75 crore in 2015-2018 from Rs 87.77 crores in the 10 years' span between 2004 and 2014 reporting a huge growth of 133.28 percent. Besides a total of 18 sales outlets of KVIC, various Khadi institutions across states own 8,062 of them.

Companies like Raymond sourced 7.26 lakh metres of grey khadi fabric, whereas Arvind Mills procured around one million square metre of Khadi denim from Khadi institutions to manufacture and sell garments under their own brand names. KVICs, tapping the corporate gifting segment received orders of Rs 46 crore from ONGC, Rs 43 crore from Indian Oil Corporation and Rs 11-crore deal from Oil India in 2017-18 while tying up with several PSUs for gift coupons to their employees to shop at any Khadi store within a stipulated period. Also, 83,000 postmen across states will be given Khadi uniform as a collaborative effort with the department of posts.
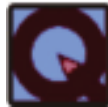
INTEXT QUESTIONS 6.4

I.   Fill in the blanks:

1.   _____ has now started operating in United Kingdom, Australia and New Zealand.

2.   _____ works towards the development of khadi industry in India.

3.   _____ is a leading global technology services company.

6.6 CONCLUSION

These case studies throw light on how entrepreneurs have worked hard to improve the lives of many people. They prefer action instead of passively observing problems. Thus, they make the world better.

WHAT YOU HAVE LEARNT

- Social entrepreneurs work not just work to earn profits but to bring about a social change and thus work to improve the living standard of the society.

- Social entrepreneurs have some special characteristics. They are ambitious, innovative, resourceful and accountable. The act as social catalysts with a focus on creating social value.

- Social entrepreneurs profit is not an end but a means to achieve social change and upliftment whilst traditional entrepreneurs create monetary value and increase their potential wealth.

- Social entrepreneurship identifies various problems and selects one. It looks for techniques and resources for finding alternate solutions and finds

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possible ways for solving the problem. It selects the most effective solution and develops into a feasible business plan.

- Entrepreneurs have addressed some of the problems faced by the society with creative solutions. These sections cover food, health care, education, hygiene, transportation, information technology and textiles.

TERMINAL QUESTIONS

1. Define social entrepreneur and explain their characteristics.

2. How are social entrepreneurs different from commercial entrepreneurs?

3. Name two entrepreneurs who have worked for a social cause. Give reasons for naming them. Explain how they have improved the lives of people.

4. Name any one entrepreneur and discuss their contribution in the field.

ANSWERS TO INTEXT QUESTIONS

6.1

A. 1) False

    2) True

B. 1) Commercial

    2) Social

6.2

1. (d) All of the above

2. (a) Farmers

6.3

I. 1. False 2. False 3.True

II. 1. Ekal Vidyalaya 2. Sulabh Shauchalaya System

6.4

I. 1. Ola Cabs

2.   Khadi Village and Industries Commission (KVIC)

3.   Infosys

DO AND LEARN

1.   You are now familiar with how many real-life problems were solved by different entrepreneurs. Identify atleast one social problem in your vicinity and suggest how you would solve it. Discuss with your friends and check if they have better/more solutions for the same.

2.   Collect articles from newspaper on latest innovations by entrepreneurs and prepare a presentation.

CONCEPT MAP