

**Social Innovation in Industry 4.0**  
**Professor J. Ramkumar**  
**Professor Amandeep Singh**  
**Department of Mechanical Engineering and Design**  
**Indian Institute of Technology, Kanpur**  
**Lecture 17**

**Social Innovations Case Studies, Entrepreneurship and Social Innovation (Part-2)**

Welcome to the new lecture on Social Innovation. Here, we are going to see some Case Studies.

**Some Successful Social Enterprises**

**Homeboy Industries**  
Founder: Greg Boyle  
Founded: 1992  
A non-profit organization in Los Angeles that provides job training and support to formerly gang-involved and previously incarcerated individuals.  
Programs and Services:

- Employment and Job Training:
- Education and Skill Development
- Mental Health and Wellness \*
- Community Engagement: \*\*

*Exemplifies the power of social innovation in providing a second chance to former prisoners*  
*\* Counseling, therapy + support groups*  
*\*\* Outreach events + partnership.*

Dr. J. Ramkumar  
Dr. Amandeep Singh  
MedTech  
IIT KANPUR

So, let us see some of the most successful social entrepreneurs. The first example is Homeboy Industry, which was founded by Greek boys. It was founded in the year 1992. So, why am I trying to tell you this year also? I am trying to impress you.

Social Innovation is not new, it has been there for a long time. And, one of the examples you will see, in the 1970s, they also started it. So, now it has become talk of the town, but some of the companies have been doing it in the past also.

So, here, it is a non-profit organization in Los Angeles that provides job training and support. To whom? To formerly gang-involved and previously incarcerated individuals. What is the program or service? The program or services, they are given employment and job training, they give a job training, and then they try to find an employment, they train them very well.

For example, we also try to take the women folks, give them lot of training in tailoring and then try to involve them with some industry in producing their output. Then, after some point of time we give the option to the women folk, asking her whether she want to become an entrepreneur or she would like to go join a job.

So, moment she decides that she wants to go for a job, we get her a corporate job for whatever skill she has. If she decides that she would like to go for a start-up, then we hand-hold her, take her to a bank, and then at that point of time we also try to explain the concept of micro financing to her, then we also try to explain the normal loan pattern.

She gets the loan, we help her in establishing a boutique, then we also try to get some business for that women folk so that she starts running it. So, employment is of two ways. One way is pushing to the corporate, two is establishing her own start-up.

Today, what is happening is, we are trying to push more and more women in becoming entrepreneurship, so that they can try to manage their own livelihood, and they are now empowered to take decisions and do financial transactions.

So, that is what it is. So, moment women starts making money, then she starts sending her kids to school, moment the kids goes to school, the family overall knowledge, overall ambience enhances.

So, employment and job training is very important. That is the service which this company has been doing. Education and skill development which I have discussed, then mental health and well-being.

So, here what they do is, they try to give lot of counseling, therapy and support group they try to give them, such that their mental health and well-being or wellness is enhanced. So, then the community engagement is, they try to conduct lot of outreach events, so that they get connected with the rest of the world and we also try to find out partnership.

Finally, the entire exercise, it exemplifies the power of Social Innovation in providing a second chance, and foster positive change to community, that is all. That is the focus of this enterprise, very simple. So, now, first of the positive change, for whom, for the marginalized community, that is all.

### Some Successful Social Enterprises

**Etsy**  
 Founded- 2005  
 An e-commerce platform that focuses on handmade, vintage, and unique goods.

**Impact:**

- Empowers artists to earn income - sustains
- Provides opportunities for creative enterprises to turn their passion into sustainable business.

Supports cross-border trade and cultural exchange.

Next one is Etsy, Etsy is founded in 2005. It is a commercial platform for the handmade. India is very famous for handmade goods. It can be from wood, it can be from stone, it can be from herbs, it can be from textile, it can be from pottery, it can be drawings or paintings, it can be food. So, here there are so many things which are made out of hand.

There are a cluster of people who are experts in this, and now what you are trying to do is, connect these cluster of people to rest of the world. Now, you identify their skill, and if their skill is not proper, you try to hone their skills, such that they can produce repeatable, high standard, reliable products, which can find them an international market.

So, the focus is on picking up clusters, giving them training, teaching them the latest techniques using IOT techniques and the data connect, then trying to make them individualistic by allowing them to put whatever they have made into the public domain, such that it reaches out to people.

So, handmade, vintage, and then you also have unique goods. See unique goods, vintage means it is one of its kind, may be two of its kind, or five of its kind.

Unique goods means it is especially only for that particular domain. For example, in Uttar Pradesh, in this particular region, they only make this part product across the globe. Handmade can be some place in Uttar Pradesh, some place in Rajasthan, some place in Gujarat, some place in Karnataka, some place in Tamil Nadu, all six of them try to make one kind of wood carving or whatever it is, the carving style is the same, but the ideal is different. So, those people are put under handmade.

So, you try to connect the artisans with rest of the world. So, now what are you doing? You are trying to empower the artist, so that they try to earn. And, what is the innings this platform makes?

For every transaction it can make some percentage profit or whatever it is, such that this also can be used for further sustenance and other things. Because this e-commerce platform to maintain, also you need so many people to work at the backend, there can be language transaction, then after this they should also be banks which are attached to it.

So, for every transaction they can make a small bit of money, and this money again can be put into the business, such that this gets sustained. So, empowering the artist is to allow them to earn an income, such that they sustain.

Next is, provide opportunity is, took for creative entrepreneur to turn their passion into sustainable business. Provide opportunity is to create an entrepreneur. So, finally, what are you doing?

You are trying to take your product cross-border and cultural exchange. So, cultural exchange is, these artisans can be taken to another country, ask them to demonstrate in front of the foreign people, so that can be one, and the culture of one particular community through this craft is getting exchanged.

Then, the trading is not done within a close confined boundary, it is done across the globe. This is a very successful social enterprise.

**Some Successful Social Enterprises**


**Patagonia**  
Founded: 1973  
A renowned outdoor clothing and gear company.

Key points about Patagonia and its business model:

- Purpose-driven Mission
- Product Sustainability
- Supply Chain Transparency
- Corporate Philanthropy

*Handwritten notes:*

- \* Commitment to environmental and social responsibility - in the core business
- \* promote repair, re-use & recycle to extend the life cycle of their product, reduce waste.
- \* priority working with partners who share their values.



The next one is Patagonia, which was in 1973 found. So, it is a renowned outdoor clothing and a gear company. So, here the key points about Patagonia and its business model are purpose-driven mission. So, here what they do is, they try to take commitment to environmental sustainability and social responsibility in the core of the business.

So, that can be, ok, I will not use lot of water in dyeing, or I will use natural color in dyeing or from recycled textile, I would like to develop a cloth whatever it is. So, they try to have a commitment to the environmental sustainability and social responsibility.

The next one there is, they used to promote product sustainability, they used to promote repair, reuse and recycle to extend the life cycle of their product and thereby reduce waste. So, this is another thing which is there, promoting sustainability is, they promote repair, reuse, recycle, that is what I was covering in the first point.

Then, the supply chain transparency what they do is, they try to prioritize working with partners who shares their values. So, they try to connect with the shop vendor or they try to connect with the transporter, who also overlaps with the supply chain transparency. And finally, what is corporate philanthropy, they donate 1 percent of their annual profit to environmental costs.

This is the company model. So, you see there, they try to repair, reuse, recycle to a large extent the product, such that it is sustainable, and they also try to give 1 percent of their profit whatever they make for environmental cost. For example, they can give money for plantation.

So, like this there are lot of corporate world will give their CSR for plantation, for providing clean drinking water, for cleaning up the railway stations, for cleaning up the bathrooms across the city, for providing food for needy people.

In Kanpur, we have a very successful model called as Chapati Bank. So, I wish you get impressed and I would express my request to all of you to go through that. See, these all are some of the models which people have done very locally and which could be easily copied at your place.

## Business Model for Social Innovation



In the context of social innovation, the business model focuses on generating both social and financial value.

Key Components of a Business Model for Social Innovation:

- Social Purpose
- Stakeholder Engagement
- Value Creation
- Sustainable Revenue Streams
- Scalability and Replicability
- Measurement and Evaluation
- Systems Change and Advocacy

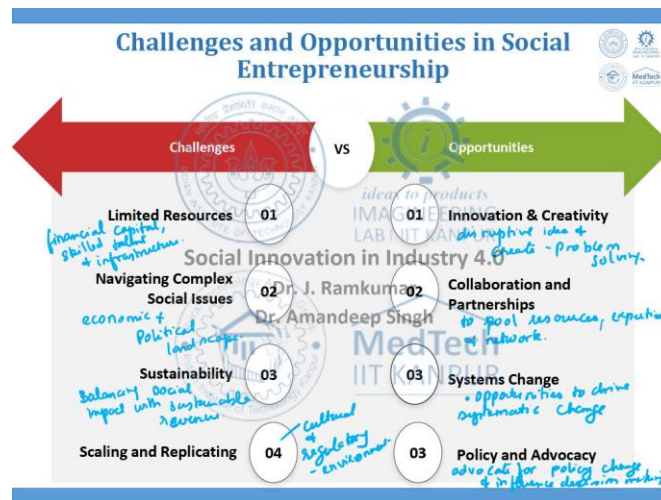
A robust business model for social innovation integrates social and financial aspects, enabling organizations to create sustainable impact.

Business Model for Social Innovation. In the context of Social Innovation, the business model focuses on generating both social and financial values. It is not only social cost, please do not put only social cost, if you put only social cost you become non-profit organization, but there is a business where in which it focuses on generating both social and financial values.

The key components of a business model for Social Innovation are social purpose, stakeholder engagement, value creation, sustainable revenue stream, scalability and replicability, measurement and evaluation, systems change and advocacy. So, these are the key components of Social Innovation. I have been time and again reinforcing this point.

So, this is very important social purpose, stakeholder engagement, value creation, sustainability, scalability, measurement and evaluation, and system change and advocacy. So, these point are very important. You should know what is to be measured, and you should measure, and then you should evaluate your performance.

The robust business model for sustainable innovation integrates social and financial aspects together, which enabling organizations to create sustainable impact. So, this is very important, integrate social and financial aspects together to create a sustainable impact.



So, Challenges and Opportunities in Social Entrepreneurship, challenges versus opportunities, you should know this. If you know this, then you will try to understand whether you will be best fit there. So, limited resources is a challenge. So, here financial capital, then skilled talents, that is also very important. This is also a limited resource, skilled talent, then you have infrastructure.

For example, even today the road transportation in India is very high as compared to that of your rail transportation because the rail connects, though it has become wonderful now, it still has a major difficulty in reaching out to the person at a proper location. We need to have a road transportation attached with rail transportation.

So, infrastructure even today is a limitation. The other thing is good roads, good high speed trains, all these things are limited. So, the biggest challenge in limited resources are going to be financial, capital and skilled talent infrastructure.

The next one is, navigating complex social issues. So, here it will be based on economic and political landscape. It is a biggest challenge. Navigating through complex social issues are, one is economy, the other one is political landscapes.

The other thing, sustainability is balancing social impact with sustainable revenue. Balancing social impact is the biggest challenge in front of us. Scaling and replicating, this is stuck because of cultural and regulatory body which is for basically environment. So, these are the challenges.

You see, limited resources, navigating complex social issues, sustainability, and scaling and replication. So, these are some of the challenges. What are the opportunities?

Suppose you are an innovator or a creator. So, here innovation and creating. You will always use innovative approach in coming up with disruptive ideas, and create problem solving skills. This is an opportunity for you.

If you are a person who is always a problem solver, who is always a go-getter then, this gives you an opportunity of being innovative and creative.

Then, collaboration and partnership is, to pool resources, expertise and network. So, all these things are the bigger opportunity, you will try to talk to people. Today, the biggest asset is only personal relationship where in which you try to pull up resources, expertise, and do a great networking to solve the social entrepreneur problem.

The next one is system changes. So, there are lot of opportunities to drive systematic change. So, change is something constant. So, you will always have an opportunity to change, and then keep going. Policy and advocacy is, you will always advocate for policy change. So, you will be policy change and influence decision making. So, these are some of the things which are the opportunities in the field of social entrepreneurship.

**Scaling Social Innovation**

Strategies for Scaling Social Innovation:

- Strategic Partnerships: *collaboration, organization, government, investors, etc.*
- Replication and Localization: *involve local society who help in adapting your solution*
- Technology and Digital Platforms (Industry 4.0): *reach of problem social innovation.*
- Franchising and Licensing: *model to expand the*

*ideas to products*  
*IMAGINEERING LAB IIT KANPUR*  
*Social Innovation in Industry 4.0*  
*Dr. Amandeep Singh*  
*MedTech IIT KANPUR*

So, when we talk about Strategies Scaling Social Innovation, there are several Strategies for Scaling Social Innovation. One is strategic partnership. Here, you will look for collaboration with organization, government and investors, etcetera. So, it is strategic partnership you do, such that you try to use the resources, expertise, everything. Replication and localization, new location adapt. Here the thing is, like you involve local society who can help in adapting your solution.

So, that is replication and localization. You try to adapt your solution such that the local society can involve it. Technology and digital platform, it utilizes to reach out to wider audience, it tries to reach out to wider audience. The strategy is, you have to use technology. So, this is why we are talking about Industry 4.0.



Why we are talking about because you can have so many things. When you think of scalability, replicability, then it is only IoT can come in your big way. So, this model, franchising and licensing model has to be established to expand the reach of proven Social Innovation. So, you have to have a strategic partner, you should have a replication and localization, you should use technology, you should have a franchisee and licensing, such that your product can go across the globe.

**Challenges and Considerations in Scaling Social Impact**

- Resource Mobilization  
*Securing additional finance, talent & infrastructure support*
- Maintaining Social Mission  
*Preserve Your Core social mission & values*
- Adaptability and Localization  
*Social Innovation & effective new*
- Monitoring and Evaluation  
*Dr. J. Ramkumar  
- track & measure*
- Scaling Responsibly  
*potential unintended consequences of scaling*

IMAGINEERING LAB | IIT KANPUR  
MedTech  
III KANPUR

So, the challenges and consideration in scaling social impact is resource mobilization. You will try to securing additional finance, then talent and infrastructure support. So, this consideration is, you have to have resource mobilization. Then, maintaining social mission is preserve your core social mission and values in your organization. These are the challenges and consideration. Adaptability and localization is to ensure relevance and effectiveness.

Then, monitoring and evaluation. It is track and measure whatever is your success rate. Scaling responsibility is to consider the potential unintended consequences of scaling. So, these are the scaling responsibilities.

So, the 5 important points which are the challenges and considerations to be done is resource mobilization, maintaining the social mission, adaptability and localization, monitoring and evaluation, and then scaling responsibilities.

---

## Summary

Combining entrepreneurship with a strong social mission, social entrepreneurs create sustainable and impactful solutions.

social entrepreneurs possess key characteristics such as

- passion
- creativity
- resilience
- commitment to making a positive impact.

Social entrepreneurship has the potential to create a better future by

- empowering communities
- promoting sustainability
- addressing social inequalities.



Assignment:  
① Try to identify local successful social entrepreneur - study his model & make a write up for 5 pages

---

Summary, in this lecture combining entrepreneurship with a strong social mission, social entrepreneurship create sustainability and impactful solutions have been discussed.

The social entrepreneur possesses key characteristics such as passion, creativity, resilience and commitment to making a positive impact. Social entrepreneurship has the potential to create a better future by empowering community, promoting sustainability and addressing social inequality.

As part of this lecture, the assignment which is given to you is, one, try to identify local successful social entrepreneur, study his model and make a write up for 5 pages. You do not write it English connects, just write point by point, and later you will see, what is your learning after doing this assignment.

Thank you very much.