Abstract
Taking advantage of entrepreneurial talent seems to be of paramount importance for economic development and all over the world plans have been designed to achieve this endeavour. Research involving students at various levels of education and in various courses has been performed by academics worldwide. Empirical studies however have been mostly concentrated on undergraduate students’ intents. Postgraduate student analyses are rare but needed given the widespread fears of unemployment and increasing dissatisfaction with employment at this level.
Social entrepreneurship in particular is an area of inquiry which is still in its infancy. Based upon Weerawardena and Mort’s (2006) multidimensional model of social entrepreneurship:

\[ \text{SVC} = f (I, P, RM) \text{ subject to S, SM, E} \]

Where SVC: social value creation; I: innovativeness; P: proactiveness; RM: risk management; S: Sustainability; SM – social mission; E: environment

We provide a rationale for guiding social entrepreneur coaching along the social business development process at the postgraduate level.

Keywords: Social entrepreneurship, postgraduate students, role of universities, business development process

1. Introduction - The growing trend of entrepreneurship
Several trends - the growing discontent with the path that large businesses in Europe are taking (e.g. major restructurings rendering job security a thing of the past) (Oakey et al., 2002) and the public recognition by the European Commission that entrepreneur types are engines of economic growth (Teixeira, 2007) - have recently brought more attention to the field of entrepreneurship.
Entrepreneurial individuals, such as Richard Branson and Bill Gates are highly regarded and their companies have been contributing to wealth creation, employment and long run regional
development through important spillover effects (van Praag and Versloot, 2007). Recent research demonstrates that entrepreneurs produce and commercialize high quality innovations, and are at the same time more satisfied than employees (van Praag and Versloot, 2008). In general, however, young adults are not aware of who entrepreneurs are and what they actually do, and this may be also explained by the inconsistence of media messages on the subject (Henderson and Robertson, 1999; Oakey et al., 2002). Considering entrepreneurs or entrepreneurial firms “as small firms, young firms, entrants or self-employed” (van Praag and Versloot, 2008: 134) certain qualities are seen to be essential, such as drive, motivation and passion (MacCormack, 2008).

There are several prejudices that exist which play against the growth of entrepreneurial activity, such as the belief that formal training does not impact small businesses for the better (Gorman et al., 1997). This is further aggravated by the little consistency in entrepreneurship courses despite (or maybe even due to) the considerable growth that has occurred in recent years in this segment of the education sector (Chell and Allman, 2003). Notwithstanding, there is evidence that educational programs can have a positive effect on entrepreneurial attributes (Gorman et al., 1997; Kolvereid and Moen, 1997; Henderson and Robertson, 1999; Peterman and Kennedy, 2003).

We are firm believers that postgraduate entrepreneurial education can make a difference especially if students are coached along the business development process by a mix of lecturers who possess a solid theoretical background as well as extensive experience as practitioners. It is also instrumental that the course Director possesses a very clear vision and is active in networks at both the national and international level, to provide the necessary contact with the desired stakeholders.

This article focuses specifically upon the development of a social entrepreneur who attended a Master's degree in Innovation and Technological Entrepreneurship (MIETE) at the University of Porto, in Portugal. The article also draws upon experiences of the authors since this 2nd cycle course commenced in 2004 as well as from another entrepreneurship course at the postgraduate level.

MIETE in particular is a Master's Degree which focuses on “classic” profit oriented projects but also on projects with a social character, as is the case of Projecto Construir.

2. Social entrepreneurship as a multidimensional construct

Social entrepreneurship is an area of inquiry which is still in its infancy. Enterprises of a social nature seek not to benefit the professionals who manage and operate them but seek instead to benefit the target audience and society in general (Andreasen and Kotler, 2003). Weerawardena and Mort's (2006) findings suggest that social entrepreneurship can be conceptualized in the following terms (in agreement with Mort et al. (2003) that social entrepreneurship is a multidimensional construct):

\[ \text{SVC} = f (I, P, RM) \text{ subject to } S, SM, E \]

Where SVC stands for social value creation (the outcome of social entrepreneurship); which is driven by I – innovativeness – defined as having a focus on innovation/ innovating and the search for “new ways of delivering service and of achieving outcomes” (Weerawardena and Mort, 2006: 28); P - proactiveness – defined as thinking ahead, trying to have a feel for what is going to happen in the future, and relying on strategic planning; and RM – risk management – in order to ensure the sustainability of the organisation, a concern especially for social entrepreneurs who face certain limitations for the generation of funds for their enterprises, as share issues and bank borrowings are not options as they are in the case of for-profits; and subject to S – sustainability – or the need for survival, which requires a solid business foundation with growth and development described in a full business plan; SM – the social mission – the primary goal of the social enterprise and which guides overall strategy; however, it must be financially viable; and E – environment – environmental constraints in particular.

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1 Information gathered by one of the authors in a personal interview with Alan MacCormack (Harvard Business School), on January 9th 2008.
2 MIETE is a Master's degree in innovation and technological entrepreneurship, running at FEUP (University of Porto, Portugal) with a collaboration from FEP (University of Porto) & ESAD (Escola Superior Arte e Design de Matosinhos).
3 Namely of the University of Trás-Os-Montes-E-Alto-Douro (UTAD), also in Portugal.
Building on this model and on our experience with a social entrepreneur we derive a rationale (figure 1 below) that should guide social entrepreneur coaching along the social business development process.

Innovativeness (I) and social mission (SM), as our rationale shows, involve stimulating the social entrepreneur by brainstorming in class until a mature concept for a non-profit organization is reached. This process is especially important given the increasingly competitive environment and the need for innovation in order to inspire interest and capture funds. Innovation has been linked to entrepreneurship since Schumpeter’s (1934, 1942) seminal work on the subject and is central also to our concept of social entrepreneurship. The process involves stimulating and encouraging self-confidence in the leader/entrepreneur and is an iterative process until the possibilities are exhausted.

Figure 1 - Based upon Weerawardena and Mort (2006) we provide a rationale for guiding social entrepreneur coaching along the social business development process

Proactiveness (P) involves Talent – the Leader’s/Entrepreneur’s personality being inclined to help others is essential; previous experience in activities with a social character serve as a base (previous voluntary work such as training the elderly in the use of computers or giving classes in religion to children – see also Spear (2006) who discusses that “in each of the voluntary cases [of social entrepreneurship] there was a clear transition from hobby or self-employment or previous work in the same line of work, to a new formal enterprise” (Spear, 2006: 404)); but proactiveness also involves Motivation – the Leader/Entrepreneur must be very motivated to see the project through and must respond in a positive manner (e.g. humbly) to the lecturers’ suggestions concerning for example the essential aspect of strategic planning (a business plan to be operationalised in an environmental context).

Risk management (RM) and the sustainability (S) of the enterprise given environmental complexities (E) (in looking at social problems and social ventures one cannot but notice the complexities of the surrounding context – fundraising, corporate governance and accountability, for example – in addition to the fact that “the whole industry is becoming competitive” (Weerawardena and Mort, 2006: 27)) require that lecturers must help in order to: 1) Develop a Business Model; 2) Provide specialized legal counseling so that the most appropriate type of company/association can be founded; 3) Develop a professional corporate image; 4) Encourage and facilitate local and international contacts (ensure contact with the desired stakeholders). The University in turn can help provide: 5) Physical space where the company/association can be developed.
Shrestha and Appanah\textsuperscript{4} also provide a comprehensive framework within which to operate which is depicted in figure 2 below.

**Figure 2 - Social enterprise planning process (Shrestha and Appanah)**

![Social enterprise planning process diagram](image)

Projecto Construir, focused upon in this paper, is in the final phase – “Feedback and adjustment”. The path from “Understanding social enterprise plan” up to this final phase has by no means been a linear process, as the planning process in figure 2 may lead one to believe. The monitoring and control of the social enterprise process is very much a cycle being continually adjusted (Andreasen and Kotler, 2003), back and forth, in view of new developments within the university environment.

3. The social entrepreneur experience: Some first-hand views of the process

3.1 Social entrepreneurship coaching: From initial business concept to the implementation of the business plan

One of the main concerns in developing the business idea to its present state was to inspire the student to see the difficulties inherent in initial impractical business concepts. In sum, the aim was to give the student a market-driven mindset (Day, 1994), an orientation towards a given market (Day, 1994), and to capitalize on natural talents that the student had showed during the Master's degree MIETE - a Master's in Innovation and Technological Entrepreneurship (mentioned above). A proactive market orientation (Slater and Narver, 1998) leads rather than answers clients but a responsive market orientation (Deshpandé and Farley, 1998), which identifies the needs of a market segment in order to satisfy them, is necessary also. Both orientations have in our view to be developed in students and are required in setting up and assuring the success of a novel social enterprise. For example, we recall how the social entrepreneur showed, in the beginning of the Business Construction Project\textsuperscript{5} syllabus, an interest in building a LEGO replica of the Batalha Monastery in Portugal, a project which would have had difficulty in finding financial backing, as the project lacked a unifying vision. This business idea then evolved into a desire to perform “place marketing” namely of the Batalha Monastery. There seemed to be an emotional link to Batalha which the entrepreneur couldn’t explain. We “deconstructed” this desire in class in order for the student to “move on”. Then certain key stakeholders were focused upon and a strategy of attracting their backing was brought to the fore, stakeholders such as IPPAR, Câmara de Comércio da Batalha, Gespar, New 7 Wonders, Região de Turismo, among others. Indeed the concept of networking gained hold, the object to be recreated with LEGO losing its importance. The Batalha Monastery idea was dropped. The business project gained in sophistication when it was transformed into a desire to manage various “webs” for example including ACRECITAR- Associação de Pais e Amigos de Crianças com Cancro – an association created to help children and their families overcome the hardships of cancer treatment (an involvement developed below). Other more fragile social groups were also considered, such as prison inmates and old-age subjects, each target group having its own stakeholders.

The lecturers feel that the Business Construction Project sessions were crucial, in which the student was exposed and came into contact with a variety of other more and less advanced student projects. Indeed making each student present his or her own ideas to class is critical, we believe, in the development of a market-driven business on a course such as MIETE (Day, 1994). Students also converse with each other and this has its many benefits. Projects might advance very slowly but then unexpectedly gain momentum as if various pieces of a vision had


\textsuperscript{5} A subject lectured during the second year of MIETE.
finally come together. Students might finally be able to conceptualize an organization using the method adopted in class, a method applied to each project in a somewhat trying process of endless challenging and verification. In MIETE it is seen to be important to be a school in which one can help in the acquiring of knowledge, but also to be able to transmit how to apply that knowledge, in sum to gain a business base. It isn’t enough to have talent, that talent must be channeled in the right direction, towards a realizable business concept. And it is here that experienced lecturers can contribute to the development of students. Helping to give a problem resolution mindset in view of concrete problems is paramount. How can one measure the market, its revenue attractiveness? Who will determine the statutes of the enterprise? Should I set up a company or an association? Is it more important to first find funding or to first develop the need for that funding? Entrepreneurs can be guided and coached along a business development process.

Figure 3 below sums up the final direction which Projecto Construir evolved into. An identity was defined (via a specific product – Step 1), the entrepreneur finally knew who and what he wanted to be. Then meaning was given to the enterprise which is functional and performance related (Step 2). Furthermore, stakeholders are led to respond in a positive manner (Step 3), each providing aid in a unique fashion. Then relationships are developed (Step 4) which involves expectations, involvement and an experience judged to be positive. So, the enterprise progresses along a branding ladder (Keller, 2001; Kuhn et al., 2008) and the focus is on building value for the enterprise which is, in this case, a brand in the social enterprise sphere.

3.2 The “Projecto Construir” experience - A social initiative developed in Portugal for helping children with cancer endure their treatment successfully

As will be discussed below, it is important that university lecturers are a part of a wider network as compared to younger subjects studying to become entrepreneurs as this brings additional resources to the disposal of entrepreneurs taking a Master’s Degree. One of the lecturers of MIETE, seeing how the entrepreneurial project Projecto Construir was evolving, suggested a contact with ACREDITAR through one of their voluntary workers, Clara Pinto, a close friend of the Director of ACREDITAR, Maria Antonieta Reis. ACREDITAR has proven to be a crucial stakeholder due to its contact with children with cancer and influence within IPO (IPO is the main hospital in Porto for the treatment of children with cancer), and so we asked Director Maria
Antonieta Reis to describe why she decided to help Projecto Construir (a social entrepreneurship project to help children with cancer build large LEGO constructions/monuments) in its initial phase of development back in 2008. The answer below was also written with the help of Filomena Maia, an educator of children working with IPO:

“The treatment against cancer amongst children implies permanent contact with the hospital during a long period of time. Some difficulties in the accompaniment and scholarly re-insertion of these children/adolescents result from the oncologic disease and its treatment as they establish physical and psychosocial restrictions which though not interrupting the child development process, can delay it. The importance for these children of support relative to play and also for pedagogical purposes assumes huge importance, in so far as they stimulate facilitating competences of learning and socialization. The Projecto Construir may constitute an effective answer in these surroundings and we await its implementation with much enthusiasm. Projecto Construir is not only innovative within IPOFG (http://www.ipporto.min-saude.pt/) but also as it capitalizes on the proximity which children and adolescents have established with LEGO since an early age.

We do think however that we have to be cautious relative to the communication of this project in the pediatric section of the hospital in order to, especially with the younger children, not create too much anxiety until the start-up is confirmed.

Projecto Construir will make the development of a set of competencies in different areas possible namely children and adolescents using the Pediatric Service of IPOFG will be able to develop mathematics (notions of numbers, quantity, form, size, etc.) but also of aesthetics, creative capacity, imagination and how to work in a group towards a common objective – in the first instance to build a LEGO replica of the Porto Football Stadium Dragão. On the other hand, the possibility that the construction can be conceived in modules allows children/adolescents who are interned but in an isolation regime the possibility to participate, thus integrating them in this way in a common activity.

Independently of all which has been said, we value the entertainment component which LEGO represents so well. Without this the huge success of the project would be doomed.”

(Maria Antonieta Reis - Director of ACREDITAR – and Filomena Maia – an educator of children collaborating with IPO – 23-06-2009).

3.3 Projecto Construir and the entrepreneurial drive

The entrepreneurial drive has a lot to do with the entrepreneur's own values, natural gifts and talents, and the human inherent quest for self actualization. All of these were present in Projecto Construir. The entrepreneur had a background in church-related social activities and in the training of disadvantaged children and older citizens in computer related skills, thus one cannot be surprised with the willingness to help others that was clearly imprinted in his attitude. Furthermore, the entrepreneur has a strong personal interest and a remarkable talent in LEGO constructions; in fact, his skills had already granted him a history of success and a strong relationship with the LEGO Group. Coupling the "calling" to make himself useful to the community with his talent and personal interest, and matching it against a business case that would support a non-profit/life-style venture, is the recipe for our entrepreneur’s self actualization.

3.4 Having access to the right expertise and networking  Key Success Factor

The sustainability of the project is of high importance. Creating the framework for that S is a shared mission of the lecturers as they tend to be more experienced and better networked than the entrepreneur himself. Given the market pressure and increasing competition in the nonprofit sector, being able to correctly plan the legal framework of the project becomes paramount in the quest for the project's sustainability.

Accordingly, one of the lecturers introduced the project to a lawyers firm specializing in operations fiscal planning and corporate law. The Firm’s partners assessed the Projecto Construir executive presentation and were very interested in meeting with the entrepreneur. Therefore the entrepreneur had his chance to meet the lawyers and convince them of his ability to lead Projecto Construir to become a success story. After an introductory discussion to assess the entrepreneur’s ambitions, the venture strategy and the goals laid down in the business plan, a due diligence was made in order to select the most appropriate legal structure for Projecto Construir. Given that the not-for-profit characteristic was easily agreed upon, different options
were on the table for discussion: a Foundation, an Association, an IPSS (Private Institution of Social Solidarity). These structures have different advantages and drawbacks. Matching them against the desired characteristics of the project – tax efficiency, ability to receive subsidies and tax exempt donations, eligibility to apply for the special regimen of tax deductibility donations (Estatuto do Mecenato) – the conclusion was that the most appropriate structure would be that of an Association.

After creating the association (formal registry) the important milestones are: apply for the special regimen of tax deductibility donations (Estatuto do Mecenato); in order to benefit from political recognition, apply for the Public Utility Status; and actively manage a “Committee of Founding Partners” that are able to pay annual fees, thus securing a predictable yearly income.

4. Empresa Global – Consultoria e Treinamento, Lda. – Another case of helping people in need

Empresa Global – Consultoria e Treinamento, Lda. is a company in Brazil which is specialized in training, consulting and technical business advisory services. Its main values are related to transmitting knowledge with conscience and responsibility, including with social responsibility, in order to build a future with more quality of life for customers and collaborators.

Global was set up by a former Master’s Degree student in Entrepreneurship who took this course at the Portuguese University of Trás-Os-Montes-E-Alto-Douro (UTAD).

Global uses some social action campaigns:
1. When writing themselves down for courses (the act of joining) students have to give in 1Kg of food (such as rice); this food will then be distributed to those in need by the army or other state-run entities;
2. Students have to help those in need for example by rebuilding their houses as a part of teams of students.

Thus Global gains credibility with the population (social marketing), and furthermore these social actions gain the media’s attention free of charge. The strengthening and communication of the Global brand is the main objective to attract and gain the loyalty of customers, increasing the number of students inscribed in its courses.

Students are given the possibility to take training courses at a very low price and furthermore are given the opportunity to help others by joining, students thus feeling that they are important especially when they see on TV where their food has gone and being sure that they are a part of a company which keeps its promises and adheres to its objectives.

5. Conclusions and suggestions for further research

So we believe that Master’s degrees in entrepreneurship in Portugal can result in the development of social entrepreneurs. We believe that “entrepreneurship starts with a good business idea” (Locke and Baum, 2007: 95) and it is here that universities can help the most – with the basics. As Romão Santos, a social entrepreneur who is currently on a personal change journey and who admittedly has “found his calling” by attending a Master’s Degree (MIETE), recently stated: “I was exposed to the methodologies and advice/ counseling provided by MIETE which have proven to be precious, allowing the progressive refining of the business concept, until it reached its present state... MIETE permitted me to overcome, especially through the endless support of its lecturers and collaborators, certain boundaries and comfort zones in the business creation process, multiplying my perseverance, determination and an honest, just and balanced feeling of self-criticism.”

Equally important to having talents is knowing how and where to channel them. Further research is needed however to determine exactly how social entrepreneurs can be encouraged by capitalizing first on their natural talent to help others, then on their motivation (“without motivation nothing happens” (Locke and Baum, 2007: 93)), innate and developed on the academic or professional course which they are attending, and by providing the necessary infrastructure in which they may flourish.

We believe that entrepreneurship leads not only to economic development as Cromie (2000) suggests but also to added social well-being in society, namely through the actions of social entrepreneurs. Thus we need to focus upon the inherent personal traits of those disposed to become entrepreneurs but in particular a focus upon social entrepreneurial acts is called for.

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6 The full testimony of social entrepreneur Romão Santos can be found in Annex I.
Social entrepreneurship is seen to be of particular interest and the role of university leadership seen to be crucial.

ANNEX I

A testimony from a social entrepreneur: A personal change journey

“The initial signing up to do the MIETE\footnote{MIETE is a Master’s degree in innovation and technological entrepreneurship, running at FEUP (University of Porto, Portugal) with a collaboration from FEP (University of Porto) & ESAD (Escola Superior Arte e Design of Matosinhos).} course was owed to a desire to reconvert myself professionally in a way to permit me to align personal tastes/preferences and personal talents with a commercially sustainable activity. As I had no significant professional experience (previous experience only including a year working for the LEGO Company in London) I lacked a clear notion of which thematic course to take. Due to the above various potential ideas were tested, exhaustively, having in mind the creation of a business. The process with the greatest benefit has proven to be that which was connected to the learning of the validation method, more so than connected to the sustainability of those same ideas.

Despite my initial intentions, it was almost in a “fearful” manner in which I decided to propose business ideas [in class] which would involve, in one way or another, the construction of LEGO elements, an activity which would involve, much more than any other, my preferences and personal talents. And given this premise, even though conceptually very vague, I was exposed to the methodologies and advice/counseling provided by MIETE which have proven to be precious, allowing the progressive refining of the business concept, until it reached its present state, which would never have been achieved without the failures of the previous business ideas, even those which were related to the base concept of the current project.

MIETE permitted me to overcome, especially through the endless support of its lecturers and collaborators, certain boundaries and comfort zones in the business creation process, multiplying my perseverance, determination and an honest, just and balanced feeling of self-criticism.

Projecto Construir is also a project for life but it is also the result of a profound collaboration process, in which a group of people made me deeply believe in my own business concept. And any merit which in future is attributed to Projecto Construir will always be divided with those same people and due to their unconditional support which they have given, in the MIETE environment.”

(Romão Santos, Social Entrepreneur and student of MIETE, 24-06-2009)

Bibliography


