



## Social Enterprise Institute @ Elizabethtown College

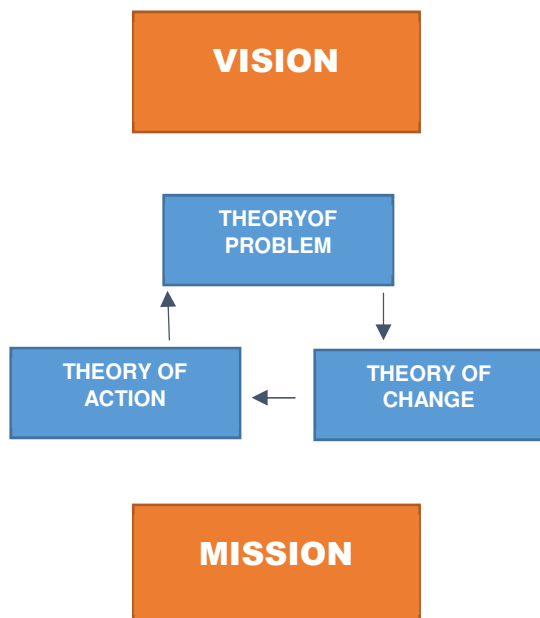
### Defining The Problem & Your Solution

As your plans emerge from initial ideas and thinking towards a more complete project concept and potentially on to a fully operational social enterprise, you will increasingly need to think about your social model, also known as, social enterprise typology. Your social model forms an essential component of your business model and helps link your mission, *what we do*, to your vision, *why we do it*.

The social model is the key element that differentiates a social enterprise from a commercial business. Although many social entrepreneurs recognize the importance of their social model, many fail to successfully define and articulate its key components.

The social change model is a useful framework for understanding and communicating your social model. The framework separates the social model into three core components:

- **The theory of the problem:** The problem that you are setting out to alleviate or solve altogether. In document format, this is known as a social narrative and should be roughly two to three pages in length. This document should include an introduction to the organization and problem, background information, conclusion, and references. Where applicable, include a compelling story of the founder to demonstrate authenticity.
- **The theory of change:** The solution strategy for addressing the problem defined above. In document format, this is known as an impact statement and should one page in length. This document should include an issue or problem statement, action statement, impact or benefit statement, collaborators, and organizational contact information.
- **The theory of action:** The key interventions, actions and operations, which will enable the organization to deliver the theory of change solution. In document format, this is known as a concept paper and should be roughly two to three pages in length. This document highlights the business and social strategy, outlining both the business model (organization, operating, and financial components) and social enterprise typology at a high level.



The diagram illustrates the fundamental role of your social model in bridging the gap between your organization's vision and mission. The vision is the future the organization seeks to create. The triad captures the organization's view of the problem, identifies the engine of change that will best connect the vision to the mission, and determines the best method of action to solve the problem. The mission is what the organization intends to do; it's reason for being.