A social entrepreneurship model for the mentorship of ‘at-risk’ youth in South Africa

Slade Hudson

A social entrepreneurship project report submitted to the Faculty of Commerce, Law and Management, at the University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration

Johannesburg, February 2017

ABSTRACT

The dawn of democracy in South Africa has brought about marked improvement in the lives of youth in the country, especially those that can be considered ‘at-risk’ youth. However, despite this improvement, these youth are still plagued by many challenges which have their root cause in the inadequate satisfaction of specific fundamental human needs. The failure to satisfy these fundamental needs results in ‘at-risk’ youth in impoverished communities not being exposed to adequate developmental mechanisms that enable a successful transition into adulthood.

The aim of this social entrepreneurship project was to develop a viable business and funding model for a social venture that would then go on to address some of the unmet fundamental human needs of ‘at-risk’ youth in South Africa. The project is housed within the framework of social entrepreneurship and applies the act of mentorship as the intervention mechanism.

In order to achieve its aims this project made use of predominantly secondary research principles; drawing from a vast library of literature on these topics; coupled with qualitative primary research to develop the models in question. The key outcome of the project was the development of an intermediary based business model that will result in the social venture acting as a ‘middle-man’ between a range of corporate entities and beneficiaries, in the South African corporate social responsibility space.

The project demonstrated that the field of social entrepreneurship has the potential to address many of the social challenges that South Africa currently faces. The researcher is of the opinion that more work must be done to ensure that the field of social entrepreneurship gains traction in the South African context.

DECLARATION

I, **Slade Patrick Hudson**, declare that this social entrepreneurship project report document is my own work, except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination at this or any other university.

Slade Patrick Hudson

Signed at ……………………………………………………………

On the …………………………….. day of ………………………… 20…..

DEDICATION

To my parents Patrick and Pauline Hudson. I am eternally grateful for the sense of discipline and hard work that you both have instilled in me over the years. These traits have held me in good stead in the pursuit of the MBA qualification and specifically this social entrepreneurship project.

ACKNOWLEDGEMENTS

I would like to express my sincere thanks and appreciation to:

- Mrs Charisse Drobis, my project supervisor, for her time, direction and overall support in breathing life into this social entrepreneurship project.
- Mr Kingsley Kipury, Chief Operations Officer at enke, for his time, assistance and direction in the primary research component of this project.
- Mr Solomon Simbarashe and Mr Mandla Kubeka, for their assistance in the proof reading and editing of this project document.
- The 2016/2017 Full Time MBA cohort at Wits Business School. It has been an amazing journey with all of you and I can safely say today that ***'I am'*** because ***'You are'***.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER 1. INTRODUCTION

1.1 Purpose of the project

The National Youth Policy Framework was passed by the National Parliament of South Africa in 2002 and it provided the guidelines that resulted in the National Youth Policy. The National Youth Policy has as its main outcome the goal of producing empowered youth who have the ability to realise their full potential whilst accepting their roles and responsibilities in making meaningful contributions to the development South Africa (The Government of the Republic of South Africa, 2008).

The outcome as stated above, however, is still a distant reality for many youth in South Africa, especially those that find themselves living in impoverished and/or underdeveloped communities. The gap between the desired and actual state of matters can be attributed to an underlying set of fundamental human needs that remain unsatisfied in a youth development context (The Government of the Republic of South Africa, 2015). It is necessary then that an additional mechanism must be sought as a means to satisfy the fundamental human needs in question.

The purpose of this social entrepreneurship project is to develop a viable and sustainable social venture rooted in the field of social entrepreneurship that can be implemented in impoverished communities across South Africa. The social venture would be geared towards developing critical skills and attributes amongst the targeted ‘at-risk’ youth within these communities, as a means of addressing development deficiencies as well as psycho-social maladaptations that have manifested.

1.2 Context of the project

Alvin Toffler, the well-known futurist, has been quoted as saying:

> *"The secret message communicated to most young people today by the society around them is that they are not needed, that the society will run itself quite nicely until they — at some distant point in the future — will take over the reigns. Yet the fact is that the society is not running itself nicely… because the rest of us need all the energy, brains, imagination and talent that young people can bring to bear down on our difficulties. For society to attempt to solve its desperate problems without the full participation of even very young people is imbecile"* (Toffler, 1974 : pg 15)

Toffler's quote clearly conveys the belief that the youth of today represent the future and the embodiment of the ability to overcome many of the challenges that the world currently faces. In that context it is important to appreciate that the period of transition from adolescence into adulthood is a critical period in the life of any young person, as it sets the stage for the rest of their life (Arnett, 2000).

One of the most significant points during this period of transition will normally take place at the end of their schooling career, where some youth will go on to pursue further studies at a tertiary learning institution. The remaining youth will pursue entering the job market, either because they have no means to study further or because the idea of studying further does not appeal to them (McWhirter, McWhirter, McWhirter, & McWhirter, 2012). The global trend is no different for youth based in South Africa (United Nations Population Fund, 2015). At the same time, however, there is a growing trend of South African youth that are falling victim to drug and alcohol related abuse, as well as an increasing trend of youth that are participating in a range of violent crimes in and around the communities that they reside, that results in them not completing their schooling careers (Theron & Theron, 2010).

Equally important is the growing trend of disillusionment and hopelessness amongst these youth (McWhirter et al., 2012). These trends are most prominent in impoverished communities across South Africa, and occur largely, for the following reasons (The Government of the Republic of South Africa, 2015):

- These youth have grown up in single parent homes or have grown up with no parents at all, thereby relying on other family members or their broader community to take care of them. At the same time there is a general lack of guidance and direction provided to these youth, even where both parents are in place in the household;
- These youth have no positive role models in their community on whom they can model their behaviour and/or base their aspirations; and
- Schooling systems in these impoverished communities are ill-placed to meet the developmental needs of the youth that they service.

The factors above represent a set of fundamental human needs (social needs) that have been deprived of adequate satisfaction in a South African societal context. The act of mentorship through formal and informal programmes presents a practical manner in which the shortcomings highlighted above could be addressed (Dubois, Portillo, Rhodes, Silverthorn, & Valentine, 2011). Consequently the objective of this social entrepreneurship project is to design an effective mentoring programme to provide a compensatory response to the unmet social needs that have been identified.

1.3 Problem statement

In summary, the unmet social need can be stated as follows:

> *'At-risk' youth in South African impoverished communities are not exposed to adequate guidance and development mechanisms from their*

families and/or other community structures to enable a successful transition from adolescence into adulthood.

In order to satisfy the unmet social need (as stated above) the following questions and/or functional problems need to be addressed i.e. what characteristics constitute an effective mentorship programme?; what type of business model will allow the mentorship programme to be sustainable?; and what type of funding model will be adequate for a venture of this nature?

These functional problems will be further discussed in Chapter 3.

1.4 Delimitations of the study

This social entrepreneurship project document has been written within the frame of reference that it will ultimately move into implementation. Implementation of the project, however, is not required for the purpose of this document. It is envisaged that this project will be implemented on a pilot scale, within a still to be identified impoverished community (in the Gauteng province). Learnings from the implementation of the pilot will then be used to first increase the scale of the project in the initial community and then, to roll it out to other impoverished communities across South Africa.

This social entrepreneurship project does not consider other intervention mechanisms beyond that of mentorship. The core goal of this project is the development of a viable business and funding model, on the back of mentorship as the desired intervention mechanism.

1.5 Assumptions

In this project document reference is made to the term *'at-risk'* youth, which is further defined below. It is assumed for this purpose of this document that all young people who reside within an impoverished community as defined, are by default *'at-risk'* youth.

1.6 Definition of terms

The following key terms are relevant to a proper reading and understanding of this project document and the project as a whole:

Youth: Any person that is between the age of 14 and 35 years (The Government of the Republic of South Africa, 2015). In the context of this project document a narrower concept will be applied and specifically the term *youth* will refer to any person that is between the age of 12 and 22, unless otherwise indicated.

'At-risk' youth: Any youth who is less likely to transition successfully into adulthood, where success in this instance includes academic success, work or career readiness, the ease of social interactions as well as the ability to be financially independent (The Glossary of Education Reform, 2016).

Impoverished community: Any geographical area or location, where a group of people reside, that lacks the basic set of infrastructural resources and/or has a significant number of its residents who reside below the national poverty line. This implied definition has been determined by combining the following two separate definitions:

- Community: A group of people with diverse characteristics who are linked by social ties, share common perspectives and engage in joint action in geographical locations or settings (MacQueen et al., 2001).
- Impoverished: Something that has become worse in quality or is without basic resources (Macmillan Publishers Limited, 2016).

Mentorship: The process whereby someone teaches or provides some form of help and advice to a less experienced and often younger person (Merriam-Webster, 2016).

Entrepreneurship: The capacity and willingness to develop, organise and manage a business venture along with any of the associated risks in order to create and capture positive value for those who operate the venture (Thompson, Alvy, & Lees, 2000).

Social entrepreneurship: The entrepreneurial practice of combining innovation, resourcefulness and available opportunities to address critical social challenges (Said Business School - University of Oxford, 2016).

CHAPTER 2. LITERATURE REVIEW

2.1 Introduction

The aim of this literature review is to further explore the social need as already highlighted, as well as evaluate both the concept of mentorship and the framework of social entrepreneurship as a means through which the social need can be adequately satisfied.

The literature review, as a result, will provide details of the current state of youth development in South Africa. It will outline the fundamental human needs that are at risk given the current state of matters. The literature review will then explore the concept and act of mentorship as a means of addressing the specified fundamental human needs, by specifically considering the process components of effective mentorship programmes. The concept of social entrepreneurship will then be considered as the overall enabling framework for a social venture. Specific attention will be given to the concepts of shared-value, social innovation, scalability and impact measurement as part of this broader review. Finally, the review will direct attention to what is an appropriate operating and funding model for social ventures and then conclude with a summation of what the literature has revealed.

2.2 Discussion

2.2.1 *The current state of matters*

The population of South Africa is constituted largely of young people (as defined by the National Youth Policy) with approximately 77% of the population below the age of 35. Approximately 18% are between the ages of 10 and 19, while 24% are between the ages of 15 and 24 (United Nations Population Fund, 2015). The overall living conditions of South African youth has improved since the dawn of democracy in 1994, however, despite these improvements, South African youth still face a significant amount of challenges (United Nations Population Fund, 2015).

Jonck, Goujon, Testa, & Kandala (2015) state that the South African youth population continues to be exposed to drug and/or alcohol related abuse, while also experiencing an increased prevalence and participation in criminal activities (Jonck et al., 2015). At the same time, the increase in structural unemployment and the general concept of un-employability (The Government of the Republic of South Africa, 2008), as well as increasing HIV Aids infection rates amongst South African youth (United Nations Population Fund, 2015) raises a number of concerns. The following facts and trends in relation to youth development are relevant to understanding the context in which these youth find themselves:

- Muntingh & Ballard (2012) highlight that the total number of children in the South African prison system had decreased from a high of 4500 children in the early 2000’s to roughly 840 at the end of 2010. Children for the purpose of this study were defined as any individual who was less than 18 years old.
- South African youth are exposed to acts of violence from an early age, where as much as 11% had seen family members hurt each other, while a further 11% has witnessed more aggressive forms of violence amongst family members (Burton & Leoschut, 2012).
- Burton & Leoschut (2012) contend that in the school environment roughly 22% of high school learners have experienced or have been exposed to some form of violence, while 4.7% fall victim to some form of sexual assault. The witnessing of violence in the home environment as well as in the school environment further increases the likelihood that these youth would participate in violent activities later on in their adult life.
- Harker-Burnhams (2016) concludes that substance abuse by youth in South Africa (including substances such as cannabis and cocaine)

has seen a marginal decline in 2011 when compared to 2002. The overall trends, however, are still alarmingly high, with Gauteng and the Western Cape experiencing significanlty higher averages than that of the national average.

- At the end of 2014 approximately 26.1% of all households in South Africa were youth-headed households (Seeth & Mapumalo, 2016).
- Roughly 55 percent of South African youth (who are actively looking for work) have education levels below Grade 12, while a further 36.4% only have a matric qualification (Merten, 2015).
- Merten (2015) further points out that Black South African youth are significantly impacted because as much as 40.3% were without work during the course of 2015. Youth in the Northern Cape, Eastern Cape and Kwa-Zulu Natal are worse off than their counterparts in the Western Cape and Gauteng, in so far as employment prospects are concerned (Merten, 2015).
- In the second quarter of 2016 the overall unemployment rate amongst South African youth amounted to 53.7% and had averaged in the region of 51.4% between 2013 and the first quarter of 2016 (Trading Economics, 2016).
- Govender (2016) highlights that the drop-out rate in South African schools is on the increase, evidenced by the fact that by the end of 2014 the number of learners enrolled in grades 10 to 12 only amounted to 20.6% of the total school population. The highest level of under-enrolment was noted in grade 12 where the enrolment level amounted to 54.5% of the appropriate school-age population at the end of 2014 (Govender, 2016). Furthermore, school drop-out rates have been noted to rise sharply after Grade 9 with the highest drop-out rates being experienced between the ages of 16 and 18 (The Human Sciences Research Council, 2008).

The broad range of statistics as presented above effectively represents an outward manifestation of the social need under consideration (as previously defined). Waller & Sansfacon (2000) as well as Newham (2005) highlight that drug and alcohol abuse, criminal behaviour and similar problems amongst the youth population can be traced back to their general up-bringing and their general living conditions. Involvement in these types of activities represent a form of 'acting out' against the sense of disillusionment, confusion and hopelessness that they feel, which can further be related to a wide range of issues that plague their environment (Waller & Sansfacon, 2000). There are, however, a specific set of root issues that this project aims to address which relate largely to the personal circumstances which these 'at-risk' youth continue to encounter and can be summed up as follows (The Government of the Republic of South Africa, 2015):

- Youth growing up in single parent homes or growing up with no parents at all, and thereby relying on extended family or community structures to guide their development process. In addition, there is a general lack of guidance and direction that is provided to those 'at-risk' youth that grow up with both their parents;
- A lack of positive role models in the impoverished communities on whom 'at-risk' youth can model their behaviour and/or base their future aspirations on; and
- The schooling system in impoverished communities is considered to be under-resourced and over-extended and, as such, is not able to adequately address the needs of these youth.

2.2.2 *Fundamental human needs*

Max-Neef, Elizalde, & Hopenhayn (1989) developed, or rather, gave prominence to the concept of fundamental human needs as part of a broader dialogue on human scale development. The concept refers to those needs that every human being seeks to satisfy at an elementary level. The notion of human scale development is based on the identification and satisfaction of fundamental human needs.

Max-Neef et al. (1989) theorised that fundamental human needs are finite, few and can be classified, and further stated that these needs are constant across all cultures and throughout the span of history. It is the mechanism through which these fundamental human needs will be satisfied that will change through time and across a range of cultures.

Max-Neef et al. (1989 : pg 21) go on to specifcally say:

> *"In fact, any fundamental human need that is not adequately satisfied, reveals a human poverty … But poverties are not only poverties. Much more than that, each poverty generates pathologies"*

The statement reinforces the view that the outward manifestation of the unmet social need (as already defined) and its inherent roots highlight a set of fundamental human needs that have not been adequately satisfied in a South African context. Please refer to the table below for a simplistic break-down of the Fundamental Human Needs Matrix as developed by Max-Neef et al. (1989).

Table 1: Fundamental Human Needs Matrix. Source: Max-Neef et al. (1989)

FUNDAMENTAL NEEDS	***SATISFIERS***			
	Being (qualities)	*Having (things)*	*Doing (actions)*	*Interacting (settings)*
Subsistence	physical and mental health	food, shelter, work	feed, clothes, rest, work	living environment, social setting
Protection	care, adaptability, autonomy	social security, health systems, work	co-operate, plan, take care of, help	social environment, dwelling

Affection	respect, sense of humour, generosity, sensuality	friendships, family, relationships with nature	share, take care of, make love, express emotions	privacy, intimate spaces of togetherness
Understanding	critical capacity, curiosity, intuition	literature, teachers, policies, educational	analyse, study, meditate, investigate	schools, families, universities, communities
Participation	receptiveness, dedication, sense of humour	responsibilities, duties, work, rights	cooperate, dissent, express opinions	associations, parties, churches, neighbourhoods
Leisure	imagination, tranquillity, spontaneity	games, parties, peace of mind	day-dream, remember, relax, have fun	landscapes, intimate spaces, places to be alone
Creation	imagination, boldness, inventiveness, curiosity	abilities, skills, work, techniques	invent, build, design, work, compose, interpret	spaces for expression, workshops, audiences
Identity	sense of belonging, self-esteem, consistency	language, religions, work, customs, values, norms	get to know oneself, grow, commit oneself	places one belongs to, everyday settings
Freedom	autonomy, passion, self-esteem, open-mindedness	equal rights	dissent, choose, run risks, develop awareness	anywhere

The matrix is made up of a vertical axis that outlines the nine axiological categories of needs ranging from subsistence up to and including freedom. The horizontal axis of the matrix represents the existential needs of *Being, Having, Doing* and *Interacting.* Simplistically, the combination of the axiological needs against the existential needs provides a possible range of satisfiers for the axiological needs represented vertically.

On analysing the unmet social need and then building on the concept of fundamental human needs, it can be argued that the most pertinent needs that have been deprived in the context of South African ‘at-risk’ youth, are those of *Subsistence*, *Protection*, *Identity* and *Understanding* and are specifically outlined as follows:

- *Subsistence*: The notion of supporting oneself and here the specific area that is lacking, is that of ‘Being’ and ‘Interacting’ which is further expressed as the need to build strong mental interactions and the desire to build a living environment where social interaction can take place.
- *Protection*: The concept describes the act of taking care of someone or something. The areas that are lacking are those of ‘Doing’ and ‘Interacting’ which are respectively expressed as the ability to be taken care of and the need for adequate dwelling and social environments.
- *Identity*: Refers to what a person or thing is, and who or what they associate themselves with. The specific areas that are lacking here is that of ‘Being’ and ‘Doing’ expressed as a sense of belonging, self-esteem and getting to know oneself.
- *Understanding*: The ability to comprehend or make sense of something and in this context the specific areas that are lacking is again that of ‘Being’ and ‘Doing’ further expressed as building intuition and the ability to study and investigate.

The work performed by Scales et al. (2016) supports the above assessment and concludes that developmental assets such as family support, the need to feel valued and the presence of positive role models are critical components (amongst others) to the overall development of a young adult. It is therefore paramount that an intervention strategy must be defined to develop these building blocks for those ‘at-risk’ youth who would not otherwise be exposed to them during their critical developmental stages.

2.2.3 *Mentorship as an intervention strategy to satisfy fundamental human needs*

The act of mentoring (mentorship) has been successfully utilised as a career developmental tool within major corporations and organisations for much of the latter part of the 20th century (Russell & Adams, 1997). Mentoring has also gained prominence as an intervention mechanism for addressing the development needs of young people in the last 15 years or so (Dubois et al., 2011). Rhodes, Spencer, Keller, Liang, & Noam (2006) state that mentoring in the context of youth development refers to the establishment of a supportive relationship between a young person and a non-parental adult. Mentoring can also be described as a relationship that extends over a lengthy period of time between two or more people where, often, there is an older, more experienced individual who provides guidance to a younger person as they progress through adolescence (Centre for Substance Abuse and Prevention, 2000). Bozeman & Feeney (2007) go on to specifically outline the following key factors that are critical to the effective functioning of a mentoring relationship:

- A relationship needs to be in place between at least two people, and specifically in the context of youth mentoring, the mentor is the older and more experienced of the two.
- For the relationship to be meaningful it needs to take place over a prolonged period of time, yet a specific benchmark is not provided.
- The aim of the relationship is to foster support for the younger individual, as that younger person navigates through various aspects of adolescent life.

Lapan, Gysbers, & Sun (1997); Brigman & Campbell (2003) and Johnson (2007) performed a range of studies on guidance programmes in high school environments in the United States of America to understand the overall impact that they had (at the time) on student academic performance. In all cases, students who participated in comprehensive guidance programmes showed a marked improvement in academic performance, strengthening the notion that these programmes had a positive impact on high school learners.

Rhodes et al. (2006) states, however, that mentoring is broader than what has been characterised in high school guidance programmes, as mentoring aims to foster positive development in more than just academic areas. Gay (1994); Bozeman & Feeney (2007) and Murrell (2007) further support this belief by illustrating that the mentor/mentee relationship covers a broad set of roles ranging from teacher, counsellor to protector, depending on the context of the relationship. Consequently, a sound foundation exists on which the case for mentoring, as an intervention strategy, can be built; in both a broader context but, also, specifically for 'at-risk' youth.

Levine (2014) established evidence that community-based mentorship programmes are likely to deliver better results in the lives of 'at-risk' youth when compared to school-based programmes. A specific reason for this can be attributed to the nature and the extent of the interaction between the mentor and mentee, as community-based programmes generally required more contact hours and were delivered over a longer period of time. In addition, these programmes covered broader aspects, not just academic performance (Levine, 2014).

Rhodes (2002) indicated that an effective mentoring relationship impacts on youth development through three interrelated processes. Firstly; through the enhancement of social relationships and emotional well-being. Mentorship provides opportunities for youth to engage in a range of social activities (Rhodes et al., 2006). A good example of how this could take place is by building sport and other forms of social activities into a programme, such that the targeted youth get to interact with a range of people from different cultures, ethnic backgrounds, etc. Secondly; through the improvement of cognitive skills, where the provision of intellectual challenges and support builds into the development of much needed cognitive skills (Rhodes et al., 2006). The mentoring relationship further contributes to the acquisition and refinement of general thinking skills. Finally; through positive identity development where mentors, by serving as role models, contribute to positive identity development, by shifting the youth's expectations of their 'possible' selves (Rhodes et al., 2006).

Anton & Temple (2007) worked on developing a framework to measure the social return of investment of youth mentoring programmes and also went on to specifically outline the following as the key benefits of implementing a youth mentoring programme in a local community:

- Improved school attendance and performance that ultimately leads to increased graduation rates, increased tertiary education enrolment, and higher lifetime earnings;
- Reduced absenteeism that results in reduced school costs and ultimately, reduced high school dropouts;
- Improved health outcomes that include reductions in teen pregnancy, reduced or delayed use of tobacco, alcohol, or other illicit drugs;
- Reduced juvenile crime that results in savings in victim related costs, court costs, and the costly treatment of juvenile offenders;
- Reduced costs of adult crime, taking into account both the losses of victims and the societal costs of prosecuting and incarcerating adult offenders; and
- The reduced need for social services, including both the near-term costs of counselling and long-term costs of public assistance.

Anton & Temple (2007) are of the view that these benefits can be quantified (whether indirectly or directly) and in so doing have built a strong case for youth mentoring programmes, by clearly establishing the societal and economic costs of not actively delivering intervention programmes to youth, especially 'at-risk' youth.

Scales, Benson, & Mannes (2006) and Lewin-Bizan, Bowers, & Lerner (2010) performed studies that further provided positive evidence for mentoring and mentorship as an intervention strategy within youth development. Dubois et al.

(2011) then went on to ascertain just how effective a wide range of mentoring programmes have been on youth. Meier (2008) and Wood & Mayo-Wilson (2012) established that mentoring can deliver positive outcomes in the lives of 'at-risk' youth, on the proviso that the mentorship sessions are held over a regular period of time and that the relationship between the mentor and mentee is a strong one. The overall conclusion was that mentoring can serve as a catalyst for developmental and interpersonal processes that, in turn, help young people to reach their full potential. The evidence provided by Dubois et al. (2011) and McWhirter et al. (2012) suggests that these positive development aspects can be extended to younger children. Hence, the sooner an 'at-risk' youth becomes enrolled in these types of programmes, the better it will be for their overall developmental journey.

2.2.4 *A process model for effective mentorship programmes*

Parra, DuBois, Neville, Pugh-Lilly, & Povinelli (2002) performed a set of studies with the aim of defining a process model that would guide the effective organisation of a mentorship programme. The process model that was defined can be represented as follows:

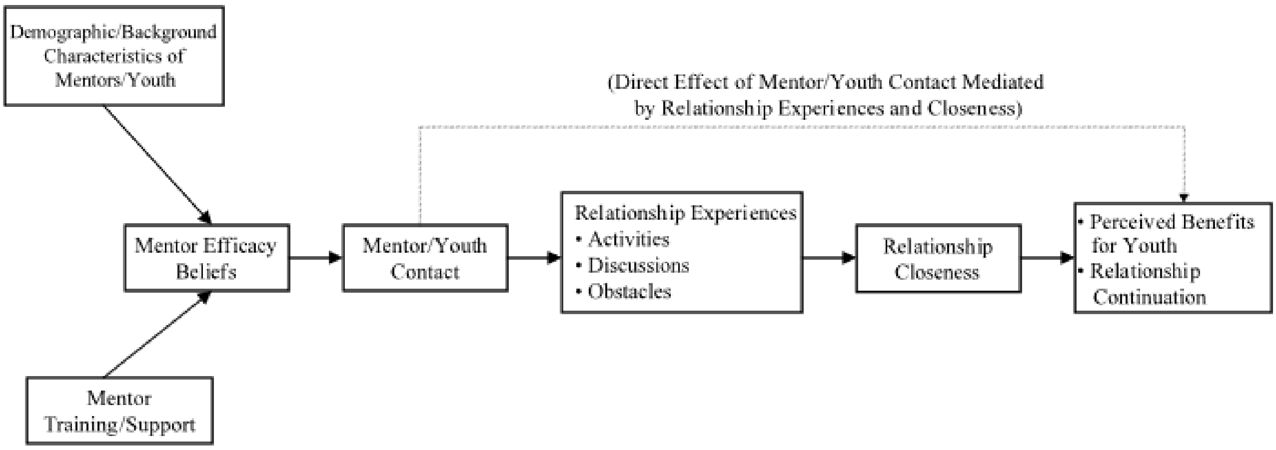


Figure 1: Conceptual model of factors influencing perceived benefits and continuation of mentoring relationships for youth. Source: Parra et al. (2002)

The diagrammatic representation above illustrates that the following building blocks are fundamental in the construction of an effective mentoring programme:

- Demographic Characteristics – The concept speaks to the age difference between the mentor and mentee, as well as other characteristics such as race or gender matches between the mentor and mentee.
- Mentor Training and Support – It is extremely important that the various volunteers and/or workers are adequately trained and provided the necessary support to ensure that the programme operates effectively (Herrera, Sipe, & McClanahan, 2000).
- Mentor Self Efficacy – The concept relates to the mentors confidence regarding his/her ability to perform the role of mentor and form the positive bond with the relevant youth (Rice & Brown, 1990).
- Mentor Youth Contact – A regular pattern in meeting has been proven to be very important in establishing the relationship because it provides the context for mentor and youth to develop the meaningful relationship that is required (Herrera et al., 2000).
- Relationship Experiences – Highlights the fact that the type of experiences or rather activities that the mentor and mentee engage in (apart from the actual mentorship discussions) go a long way in building positive ties with each other (Rhodes, 2002).
- Relationship Closeness – Building on relationship experiences, this aspect highlights the fact that where the mentor and mentee engaged in greater levels of social activities they then tended to consider their relationships as much closer and hence more effective (Herrera et al., 2000).

Hamlin & Sage (2011) expanded on the above work by examining behavioural criteria that would essentially underpin an effective mentoring relationship. They determined the criteria that a mentee would consider important about the mentor, briefly outlined as follows: the mentor organises meetings in mutually convenient and safe environments; the mentor shares their respective knowledge and experience and provides practical guidance; and the mentor encourages and supports the overall self-awareness and the self-esteem of the mentee by means of various methods. Similiarly, Hamlin & Sage (2011) also defined criteria that a mentor would consider important about a mentee and they are, briefly, as follows: the mentee provides feedback on the value of the mentoring relationship, the mentee shares their inner feelings and thoughts, the mentee on occasion challenges the mentoring guidance that they receive. Dubois et al., (2011) extended these factors by highlighting that the following aspects are also relevant to effective mentorship relationships i.e.

- Characteristics of the Youth – These programmes are more effective when they are targeted at youth who have exhibited behavioural difficulties such as discipline problems, etc.
- Mentor recruitment and selection – The greatest level of effectiveness was noticed when the educational and/or work backgrounds of the mentor matched that of the overall goal of the programme in question e.g. where business professionals where engaged to provide work readiness and career guidance.
- Expectations of the Mentor – Programmes where the mentor is designed to serve in a support type role have proven to be more succesfull and effective in the general realm of mentoring.

Scales et al. (2016) more recently outlined a set of dimensions that effectively set the stage for successful young adult development, which can be represented as follows (on the following page):

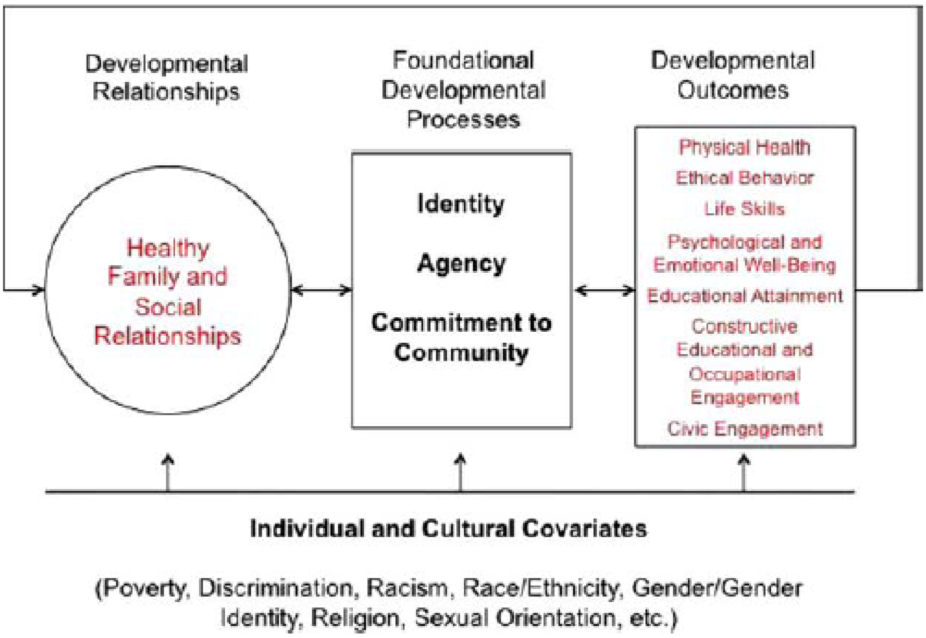


Figure 2: The links amongst the dimensions of successful youth development. Source: Scales et al. (2016)

The dimensions can also more specifically be described as follows:

- Physical health – The ability to live a relatively healthy lifestyle and persuing healthy behaviours, in so far as alcohol and tobacco consumption are concerned.
- Psychological and emotional well being – The ability to be content with the direction that their respective lives are taking, and if not then the display of mental character to make active changes to effect the life they do want.
- Life skills – The possession of a wide range of skills (emotional, social, critical thiking, etc) that allows the individual to navigate life as a whole.
- Ethical behaviour – The display of a set of behaviours that are underpinned by trustworthiness, responsibility and ethical thinking. Even if they are not always perfect, they are driven by a strong sense of these values.

- Healthy family and social relationships – The ability to build strong bonds within their family and/or with friends as a means of building intimacy that ultimately drives a general sense of well being.
- Educational attainment – The notion of performing well in educational environments and the drive to continuously expand their educational background.
- Constructive educational and occupational engagement – The ability to invest a significant amount of time in pursuing activities that provide a platform for future adult acheivements, whether it be in some form of work or even sporting activty.
- Civic engagement – The final dimension refers to the notion of ‘giving back’ as a means of improving the society that they have grown up in or improving society as a whole.

The dimensions as outlined above represent clear aspects that should be built into any youth development programme, as there is clear evidence that indicates these to be critical to succesful youth development and the ultimate transition into adulthood (Oesterle et al., 2010).

2.2.5 *International best practice*

Murrell (2007) and Sullivan (2010) indicate that a successful mentorship programme is a combination of three interdependent parties i.e. the mentors, the mentees, and the overall administrators of the programme. When one of these pieces is not operating effectively then it is most likley that further damage could be imposed on the lives of the mentees. The particular format of successful mentoring models tend to vary, but they generally share certain common characteristics i.e. the integration of the programme within a more comprehensive strategy for mentee development, a voluntary participation policy and participant involvement in the pairing process, to name but a few (Hanover Research, 2014).

A successful youth mentoring programme in the United States of America (USA) can be found in the Big Brother/Big Sister Program. Established in 1904, the Big Brother/Big Sister Program seeks to assist children to reach their full potential through supportive, one-to-one relationships with mentors. The programme operates in a number of cities across the USA (Tierney, Grossman, & Resch, 1995). The Big Brother/Big Sister Program has also been an extremely impactful means of reaching out to those youth who are considered to be ‘at-risk’. The studies performed by Tierney et al. (1995) inidcated that those youth that participated in the Big Brother/Big Sister Program were 46% less likely to begin illegal drug use, 27% less likely to begin consuming alcohol and were more than 50% less likely to stay away from school.

The Panyappi Aboriginal Youth Mentoring Program is another successful youth mentoring programme that operates in Adelaide, South Australia. The programme has noted significant success in turning around the lives of ‘at-risk’ Aboriginal youth since its formation in 2001. Haswell, Grand-Ortega, & Gaskin (2013) attribute the success of the programme to the following factors: providing a creative fun space; harnessing the power of mentoring and role modeling; building transformative relationships between mentor and mentee; creating a safe healing space for the mentees; and celebrating Aboriginality by building on key aspects of the Aboriginal culture. The diagram on the following page provides a clear summary of the process model applied by the Panyappi Aboriginal Youth Mentoring Program.

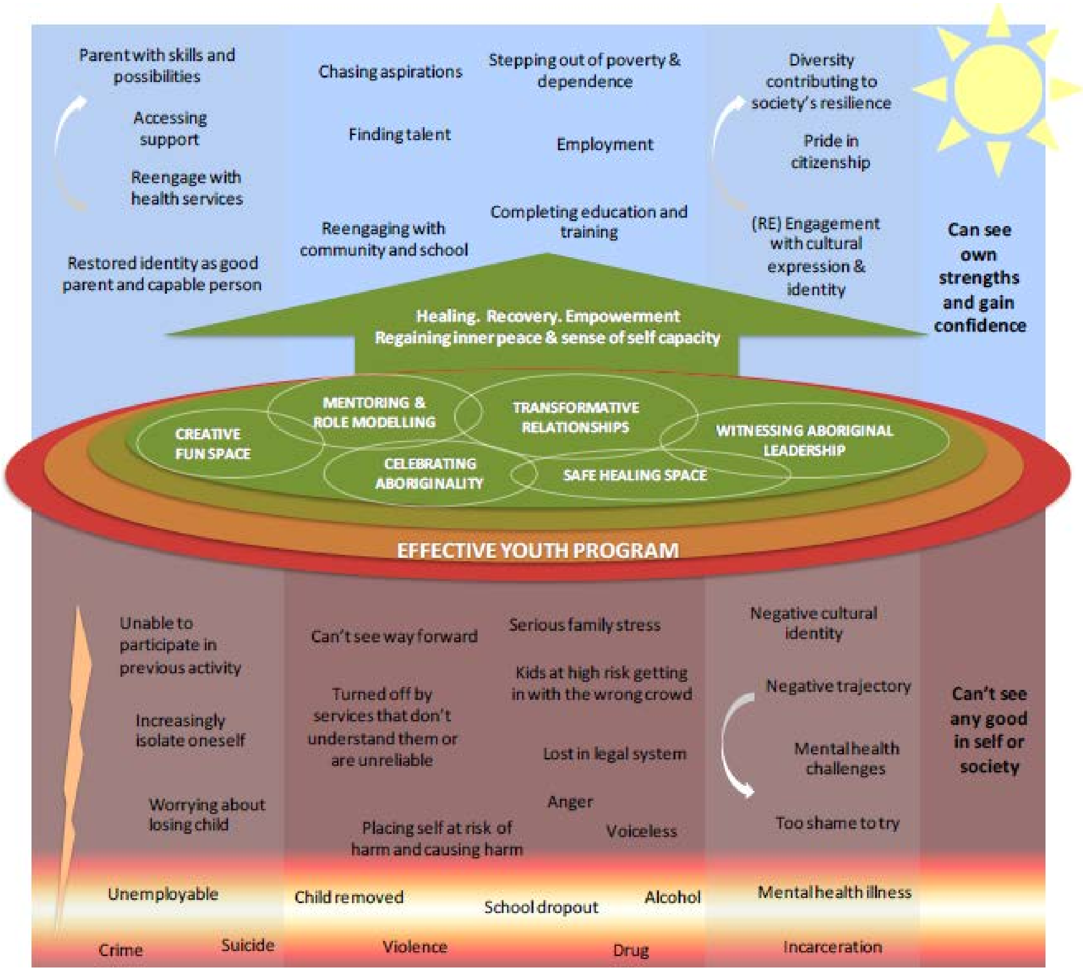


Figure 3: Panyappi Aboriginal Youth Mentoring Program Process Model. Source: Haswell et al., (2013)

The case study work performed by Haswell et al. (2013) on the Panyappi Aboriginal Youth Mentoring Program was part of a larger project that considered six programmes that focussed on youth mentoring. As part of this process a list of critical success factors was developed that were commom to all the programmes in some form or another. Refer to Appendix A for a concise list of these success factors.

Tierney et al. (1995) and Blazer & Glazebrook (2006) indicated that the following factors must be considered when designing and promoting mentorship programmes and this was further surported by the work performed by Haswell et al. (2013) and Levine (2014):

- Thorough screening of potential mentors to ‘weed’ out those that might pose a safety risk to the youth; are unlikely to honor their time commitment; or are unlikely to form positive relationships with the targeted youth.
- Thorough screening of potential mentees who will participate in the programme, by means of a home assessment as part of a formal needs analysis; as well as undergoing some form of aptitude or personality appraisal.
- Extensive training of mentors in the areas of youth development, communication skills, etc. It is also advised that training be provided to the mentees, so that expectations are clear from both parties from the onset.
- The need to build in cultural heritage into the programme, particuliarly for youth that suffer from some form of identity crisis. Doing so allows the youth to connect to their roots as a means of aiding their development.
- Matches between the mentor and the mentee should be made based on preferences and suitability. Gender, geographic proximity, and availability are common match factors. The social interests of both the mentor and mentee also provide a useful basis to determine a match.
- An element of supervision/monitoring of the mentor/mentee relationship must be present. ‘Case managers’ should be employed to follow-up with both the mentor and the mentee on a regular basis to evaluate the effectiveness of the relationship.

Blazer & Glazebrook (2006) also highlighted additional aspects that should be considered as part of an effective mentoring programme i.e. the development of a long term plan for the programme setting out the key goals and objectives against which all activities can be measured; a detailed recruitment plan of how to source prospective mentors into the programmes (who would still need to be screened); and the development of a fully immersive orientation programme for all new mentors and mentees as means of easing both parties into the mentorship process and the new relationship.

The above discussion has provided the basic grounding for a process model of an effective mentorship programme. It is now uselful to consider the aspect of social entrepreneurship as a framework through which a mentorship venture could take place.

2.2.6 *Social Entrepreneurship as an enabling framework*

Thompson et al. (2000) postulate that the concept of entrepreneurship is premised on three key elements i.e. a vision of a desired future state; an individual or group of individuals who make use of a dynamic set of leadership skills to operationalise this vision; and a desire to build the vision into something that will grow and sustain. Austin, Stevenson, & Wei-Skillern (2006) expand on this by highlighting that social entrepreneurship is effectively entrepreneurship with an embedded social purpose. Santos (2012) argues, however, that a clear distinction can be made between entrepreneurship and social entrepreneurship, in that entrepreneurship is concerned with value creation (and capture) in an economic sense, while social entrepreneurship is driven by value creation for a specific social goal or for society as a whole.

Chell (2007) and Du-Toit (2014) debate that social entrepreneurship should not be confused with generosity, as it is not charity. Rather, it is the organisation of ventures with social goals in a fashion that is commercially focused and efficient. Social enterprises are those that still generate profit and aim to produce a sufficient yield to be sustainable and advance their social goals (Santos, 2012). The pursuit of social goals does not repudiate the need to run these enterprises on commercial ideologies. Grassl (2012) clarifies that a social enterprise, as a result, must be constructed as a robust network of connections with the knowledge of who all the stakeholders of the business are and where they can find value individually and together as a whole.

Chell (2007) argues that the critical distinguishing factor of social entrepreneurship lies in the value proposition itself. Grassl (2012) then goes on to state that any business model for a social enterprise must fulfil the following minimum conditions: it must be driven by a social mission; it must generate positive value for its local community or society as a whole; it must recognise the centrality of the entrepreneurial function; and it must achieve competitiveness and effective utilisation of resources through effective planning and management.

A large number of the social entrepreneurship initiatives that have been created to date have been *proactively* geared at addressing a specific set of social needs, while other initiatives have been more *reactive* in addressing these needs. In either case, it is evident that the response is based on a realisation that the public sector is not in the best position to meet these stated social needs (Thompson et al., 2000; Santos, 2012). The question then arises as to whether social entrepreneurship represents a 'shifting of responsibility' from the public to the private sector. The private sector in this context is more appropriately represented by a wide range of organisations and their respective Corporate Social Responsibility (CSR) initiatives. Carroll (1991) defines CSR as those decisions and actions that a business takes for reasons that, to some extent, go beyond its direct economic or technical interests.

Phillips, Lee, Ghobadian, O'Regan, & James (2015) contend that social entrepreneurship in its current form has been borne out of the realisation that CSR programmes themselves have been ineffective in dealing with the underlying social needs. Furthermore, public spending by many governments tend not to reach the poorest of the poor, while in some cases the services that are ultimately provided by these public institutions are considered to be ineffective in addressing the respective social needs (The World Bank, 2003). The implication is that there is a set fundamental human needs that are left unsatisfied, which in-turn creates a gap in human sustainable development. Social entrepreneurship represents a mechanism through which this gap can be adequately serviced (United Nations Development Programme, 2003 ; Seelos & Mair, 2004).

2.2.7 *Shared value in social entrepreneurship*

Seelos & Mair (2005) summate that the ability to link social ventures and CSR activities of organisations can provide a unique model in which the underlying unmet social needs of society as a whole can be satisfied. The idea, in this instance, would be for organisations to build partnerships with local entrepreneurs and then engage them in specific social projects or initiatives. The main advantages for the social venture in this type of setup would be the ability to access capital and general funding from these organisations, as well as access to knowledge and managerial skill that can then be used in the implementation and management of the overall social venture. The concept is premised on the notion of turning individuals with basic social needs into indirect customers (beneficiaries) of these organisations, where the social venture acts as the intermediary through which the service is rendered or product delivered to the beneficiary (Seelos & Mair, 2005).

Porter & Kramer (2011) describe the notion of 'shared value' which refers to a situation where a company follows practices, policies, etc that enhance its competitiveness whilst also advancing the economic and social condition of the communities in which it operates. Social entrepreneurship is thus very much underpinned by the concept of 'shared value', because it seeks to derive positive social change that ultimately benefits the venture in question (Munshi, 2010). In fact, Porter & Kramer (2011) conclude that social ventures that generate 'shared value' have the ability to scale-up with much greater ease.

2.2.8 *Social Innovation as means to enable social entrepreneurship*

Tidd & Bessant (2009) define the concept of innovation as the process of taking available opportunities and converting them into ideas with the specific aim of implementing these ideas into practice. Innovation is thus the process of recognising and then capturing value out of ideas that have been formed. It is not enough for ideas to be created (invention), but rather these ideas need to be implemented. Entrepreneurship (and social entrepreneurship) at the core is all about capturing value within a business venture or otherwise, and it is here where the link between innovation and entrepreneurship is clearly established.

Ziegler (2010) puts forward the notion that social entrepreneurs are those that effectively harnesses innovation at a systemic level to bring about change in society, resulting in a modified form of innovation i.e social innovation. Social innovation is the concept that refers to all innovative activities and or services that are driven by a need to meet a social purpose (Phillips et al., 2015). Social innovation, like innovation, focuses attention on the ideas and solutions that create value (Ziegler, 2010), as well as the procedures through which they are generated and implemented (Mulgan, Tucker, Ali, & Sanders, 2007). There are three key mechanisms that drive social innovation in the world today i.e. the exchange of ideas and values aided by globalisation; the shifts in roles and relationships; and the integration of private capital with public support (Graduate School of Business - Stanford University, 2016). Phillips et al. (2015) settles that social innovation comes down to finding new ways of addressing the social issues that manifest within society and then taking these initiatives and implementing them to address the identified social issues.

Ziegler (2010) also highlights that the paradigm of social innovation is built on leveraging new combinations or hybrids of existing elements, rather than developing completely new elements in themselves. It therefore cuts across organisational, sectoral or disciplinary boundaries and in this process creates compelling new social relationships between previously separate individuals and groups. These new relationships contribute to the diffusion and embedding of the innovation and fuel a dynamism whereby each innovation opens up the possibility of other innovations.

Mulgan et al. (2007) and Phillips et al. (2015) conclude that the process of social innovation is thus underpinned by a collective way of sharing information and knowledge amongst relevant and interested parties with the aim of addressing the social need. It implies that one person or one social initiative is not able to sustainably solve the problem in isolation, but rather it is a collective effort that spans all the parties participating within the space where the social need exists.

2.2.9 *Achieving scale in social ventures*

van-Oudenhoven & Wazhir (1998) describe the notion of scalability or scaling-up as the ability to increase the scope of an initiative or a project with the aim of reaching a larger number of beneficiaries or increasing the awareness of a specific issue. The idea of replication is effectively a mirror concept of 'scaling-up' and entails implementing successful projects elsewhere in order to increase social impact. Bloom & Smith (2010) state further that the goal of replication is to achieve the same results as the original programme, but this does not imply simply copying them, but rather replicating those ideas and approaches that were successful in the initial programme in an appropriate manner.

Bloom & Smith (2010) argue, however, that not all interventions or programmes can or should be scaled-up. A decision to scale-up requires a careful analysis of what the optimal size of a programme should be. Diseconomies of scale, quality and quantity trade-offs and institutional barriers might put limits to an effective scaling-up strategy (Hartmann & Linn, 2008). Scaling-up should only take place after a pilot project has been evaluated and found to be effective and efficient in addressing the particular issue at hand. van-Oudenhoven & Wazhir (1998) and Hartmann & Linn (2008) provide specific guidance on the drivers and/or factors that can enable the successful scaling-up of a project:

- Ideas – Building on the theory that surrounds social innovation the idea that is being scaled can be new in an absolute sense or new in the local context where it is being applied. It can also be an old idea where the current conditions now allow for the concept to move forward.
- A vision of scale – A clear goal for implementing and scaling up the idea, or programme is critical. Defining the vision inherently ensures that key factors which will be necessary for scaling up have already been explored during the pilot phase (if not sooner). Pilot projects

should be designed in such a way that they could easily be scaled-up if the pilot proves successful.

- Leadership - The presence of a driver or champion of the idea and process is necessary for scaling-up efforts. A champion believes in the potential of an idea, is committed to promoting its scaling-up, sticks with the agenda and can convince others to follow their lead.
- Incentives and accountability – A system of incentives and accountability will encourage all role players in the process to look toward scaling-up as a key criterion of defining their own success. In the context of social ventures the incentives are more about moving from one new idea to the next, or from one programme to the next as opposed to more traditional profit orientated incentives in typical business ventures.

Tracey & Jarvis (2007) postulate that the commercial concept of franchising has become a popular expansion method, where the general benefits of franchising holistically include expansion with reduced capital and the ability to replicate a proven business system. Du-Toit (2014) further highlights that a relatively new concept has been born within the franchising arena, namely social franchising. Social franchising entails the franchising of goods and services for social rather than commercial goals (Berelowitz, 2012). Montagu (2002) defines a social franchise as a system managed by a non-governmental organisation which then uses the underlying structure of a commercial franchise to achieve social goals.

Tracey & Jarvis (2007) and Berelowitz (2012) both agree that social franchises pursue social goals through the franchise model as a means for replication and distribution of the products and services. An effective social franchise model (as depicted below) consists of a number of core elements i.e. a ‘prototype’ with its subsequent replication in other locations; a guideline which sets out all the recurring activities; a brand name for the entire programme; a contract that sets out the relationship and distribution of responsibilities between franchisor and franchisees; the provision of standardised training for all participants; and systematic and standardised methods of appraisal for all role players (Association of German Foundations, 2008).

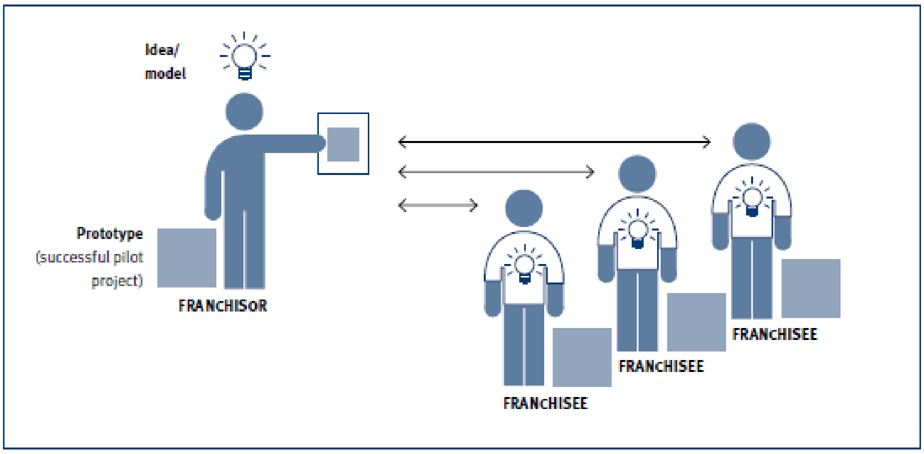


Figure 4: Typical Social Franchising Model. Source: Association of German Foundations (2008).

Smith (2002) defined the preconditions for successful social franchising as follows: a sustained or growing consumer demand, a pool of potential franchisees, a market that can sustain new entrants, and the existence of a sustainable franchisors to drive the process. The ability of the end-customer to pay is also a factor worth considering, but this may not always be possible for social services that are rendered, as social needs are often the greatest in poor urban and rural areas.

Westley & Antadze (2010) indicate that the process of scaling up a social innovation (and by virtue the social venture that houses it) does indeed have distinguishable steps, but allude further that this process is in fact a dynamic one that requires a mix of both opportunity and a deliberate strategy to do so. Mulgan, Ali, Halkett, & Sanders (2007) explain that the ability to scale-up lies in the interplay between the concepts of effective demand and effective supply, where demand refers to the need to solve the social problem as well as a base of those willing to pay to do so. Supply refers to the actual innovations that are available to address the social needs. The combination of these two aspects will provide financial sustainability and scalability of any social venture (Westley & Antadze, 2010).

Berelowitz (2012) is of the opinion that social franchising (and its underlying principles) has the potential to achieve a wide scope of application and consequently it offers a potential business model that can ensure the sustainability of social services.

2.2.10 *The concept of impact measurement*

One of the key issues that face many social ventures is that of impact measurement. Bagnoli & Megali (2011) and Hadad & Gauca (2014) put forward that the concept of impact measurement effectively asks the question: how does one assess whether the social venture is making a positive contribution towards the social need that it is aiming to address? Ormiston & Seymour (2011) contend that the challenge lies in that these ventures are not purely profit orientated and as such the increase in profit relative to a base cannot be the main driver. At the same time the social needs that are addressed by social ventures are often ‘soft issues’ that in themselves may be difficult to track and measure (Bagnoli & Megali, 2011). Hadad & Gauca (2014) further add that the matter of impact measurement is an important one because often investors in social ventures need to be able to justify their investment in a particular venture, similar to how investors measure the returns on more commercially orientated investments.

Clark, Rosenzweig, Long, & Olsen (2004) compiled a catalogue of various methods that could be applied by social ventures in defining and then ultimately measuring the impact of social ventures. The methods they highlighted range from the use of a balanced scorecard approach, a social return on investment approach to that of a poverty and social impact analysis approach.

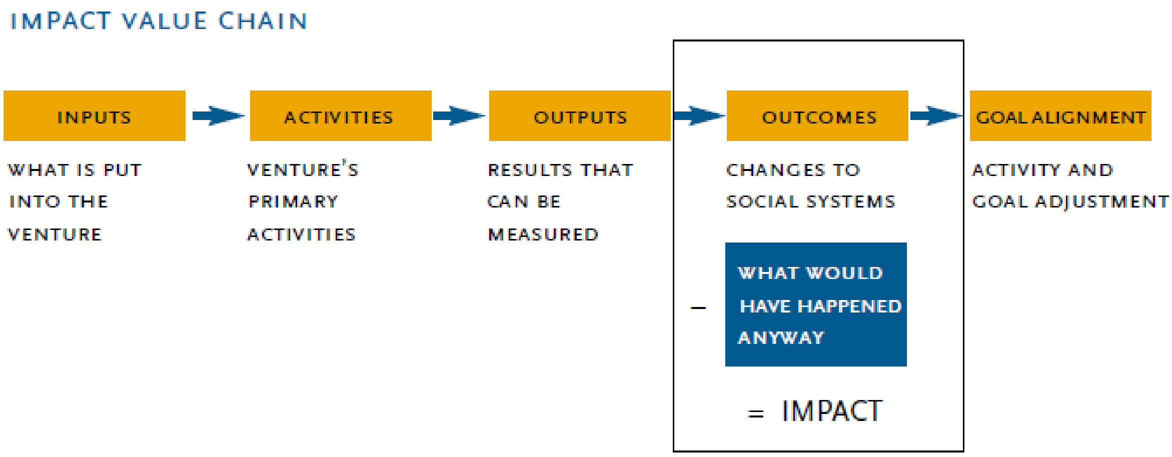


Figure 5: Social Impact Value Chain. Source: Clark et al., 2004

In defining the concept of social impact Clark et al. (2004) state specifically that the impact that is achieved is that portion of the total outcome that took place as a result of the social venture, that goes beyond what would have taken place anyway (as illustrated above). The context that the social venture finds itself in will dictate which approach is the most appropriate. Clark et al. (2004) state further that it is also possible that a range of measurement approaches could be applied over the lifetime of the social venture.

2.2.11 *Towards a viable operating/business model for social ventures*

Osterwalder & Pigneur (2010) contend that a business model defines how a business can create, deliver and capture value. Casadesus-Masanell & Ricart (2011) state further that a business model is a representation of the plan that is implemented by an organisation to generate income (with the ultimate goal of producing a profit) and thus provides a guideline of how to achieve that intention.

Alter (2007) outlined that there are indeed various operational models that a social enterprise could employ with the goal of maximising the social value that it creates. Furthermore these various models can be combined in a range of ways to maximise the social value and social impact that is created (Alter, 2007).

Cheng & Ludlow (2008) provide a summarised outline of the three most effective models through which a social enterprise could operate namely: engage in trading that has no direct social impact, generate a profit and then transfer a portion of that profit into some form of social initiative; engage in trading that has both a direct social impact and generates a financial return in correlation to the impact created; and finally engage in trading that has a social impact and then actively manage a trade-off between financial return and impact. Cheng & Ludlow (2008) states further that ultimately no one model is better than the other and what matters most is the actual social impact that is generated. Consequently the context that a social venture finds itself will largely dictate which model works best.

Rubio (2016) considers that the following elements will underpin the future of social entrepreneurship and related models and inherently social ventures:

- Appreciation of the Bigger Picture - a clear purpose and goal is a crucial element for any type of organisation. The bigger picture is ultimately a composition of people and ideas, all of whom come with different motivations and needs. Social entrepreneurs need to realise that providing opportunities for their teams to work together with a clear purpose, yet maintaining their individual motivations, will be critical for the overal effectiveness of the social venture.
- Fostering Collaboration - Collaboration not only internally within an organisation, but with external stakeholders is a fundamental component of effective social ventures. As an example, if the community of people that are meant to be benefitting from the process are not included in the process of design and implementation then it is likely that the proposed benefits won’t be generated at all and/or be sustainable.
- Innovation - Creativity and innovation are essential pieces in the puzzle of social enterprises. Social ventures are inherently looking to solve exisiting problems with new perspectives and points of view and these perspectives are fuelled by creative and innovative thinking.

- Alternative Funding – The issue of access to funding is no different for social enterprises. The funding is out there, but ever increasing competition makes these resources somewhat limited at best. In the same breath social enterprises need to employ innovative concepts to define alternative revenue generation models as means of remaining both sustainable and competitive.

Casadesus-Masanell & Ricart (2011) determine that an effective business model is underpinned by three critical criteria i.e. it is aligned with the relevant organisations goals; it is self-reinforcing in that strategic choices made complement the business model and vice versa; and it must be robust (evidenced by its ability to fend off threats of imitation, supplier and buyer bargaining power, organisational complacency and improved value propositions by competitors). Chesbrough (2010) adds to the discussion by stating that the core of an effective business model lies in its ability to find innovative ways to create and capture value.

The Business Model Canvas (BMC) was developed by Osterwalder & Pigneur (2010) as an aid to help entrepreneurs define, analyse and design business models for their respective ventures. The BMC is different from a traditional business plan in that it assists entrepreneurs to conduct structured and strategic conversations for new or existing businesses ventures (Osterwalder, 2013). At its core the BMC logically describes how a venture can generate and capture value by focusing on nine building blocks. The unique combination of these individual building blocks results in the creation of a robust business model that a venture could implement. A concise discussion of each building block now follows as outlined by Osterwalder & Pigneur (2010):

a. *Key Partnerships*

The key partnerships building block defines the supplier and partner network for any given business model. Partnerships are important as they can help optimise business processes, reduce operating risk and enable access to key resources.

Osterwalder & Pigneur (2010) specifically go on to distinguish between the following types of key partnerships:

- Strategic alliances: An alliance between non-competitors to work together towards a specific goal or objective.
- Co-opetition: Similar to that of a strategic alliance, but in this instance a strategic partnership is formed between competitors
- Joint ventures: A situation where two separate entities join forces to develop new business ventures under the auspices of a separate entity
- Buyer-supplier relationships: The establishment of a relationship between suppliers and buyers to ensure reliable supplies of goods and/or services, amongst other things.

b. *Key activities*

Key activities refers to the critical actions that a business must carry out to be successful and yield positive financial results, such as rendering a set of services or producing goods for sale.

c. *Key resources*

Barney (2001) defines a resource as an economic or productive element that is required to accomplish an activity, it is thus an enabler for an enterprise to achieve a desired outcome. Key resources are therefore those resources that are critical for a venture to be successful.

d. *Customer segments*

Kotler, Keller, Manceau & Hémonnet-Goujot (2015) outline that segmentation involves identifying distinct groups of buyers (in relation to the venture) who differ in their specific needs and wants. Customer segments therefore refer to the people, groups of people or organisations that the venture plans to reach and service. The customer segment building block forces the venture to consider the different type of customers, with the aim of then tailoring the value proposition to match their requirements. Dickson & Ginter (1987) argue that a venture cannot be all things to everybody, and as such it must choose which specific groups of customers it will focus its specific efforts on.

e. *Value propositions*

The value proposition building block describes the unique bundle (combination) of products and services that will create value for the intended customers of a venture. The venture in question will not be a viable one if the prospective customers do not identify value in the product/service that is being offered.

Each target customer segment (as identified above) inherently requires a unique value proposition, where the proposition per customer segment can be in the form of quantitative and/or qualitative benefits.

f. *Customer relationships*

Customer relationship management (CRM) refers to the mix of people, processes and technology used to gain further insight into a customer's needs and expectations. CRM, if successfully implemented, can generate long term benefits including customer loyalty, growth and profitability (Chen & Popovich, 2003).

g. *Channels*

Nevin (1995) defines channels (specifically distribution channels) as the structure of all the activities that are related to the transfer of goods and services between producers and consumers. Distribution channels are effectively the modes used to deliver the venture's value proposition to the customers in the different customer segments.

h. *Cost structures*

The concept of cost structures refers to all the costs and cost drivers that are necessary to be incurred (and how they are incurred) for a venture to operate in line with the stated business model.

i. *Revenue streams*

The concept of revenue streams refers to all those areas that will generate income for this social venture, which ultimately translates into residual earnings, after having consideration to the respective cost structure of the venture. The residual earnings in the context of social ventures are those that will either be reinvested and/or will be used to repay any form of debt funding. The exact amount levied as revenue is a function of what exactly the customers are paying for having cognisance to the value that they are receiving.

2.2.12 *Towards a sustainable funding model for social ventures*

The concept of a financial model is supplementary to the concept of a business model. The intention behind the creation of any entrepreneurial venture (including social entrepreneurship ventures) is to create value for a specified range of stakeholders (Teece, 2010). A financial model is the numerical expression of how exactly that stated value will be created. Firer, Ross, Westerfield, & Jordan (2012) explain that a financial model specifically covers two spheres i.e. the initial financial model and the ongoing/continuous financial model. Smith (2002) highlights that a key consideration regarding financial models for social ventures is the issue of financial sustainability, which is really about reducing reliance on donor funding and becoming more self-sufficient.

a. *Initial Financial Model*

Firer et al. (2012) state that the initial financial model concerns itself with funding the commencement of a specific venture, but in the same breath the initial funding model also provides a base from which continuous operations can be funded. Cosh, Cumming, & Hughes (2009) highlight that many new ventures tend to face a significant amount of difficulty in attracting the requisite funding for the initial stages of operation. Agrawal, Catalini, & Goldfarb (2010) expand on this by highlighting that this is no different for social ventures, in fact they argue that social ventures find it even harder to secure the requisite funding.

Simplistically, a venture has the choice of either making use of debt and/or equity finance. Debt finance represents a form of finance that needs to repaid to the lender, accompanied by interest payments at periodic intervals to compensate for the passage of time whilst these funds are outstanding (Firer et al., 2012). Equity finance represents the sale of a portion of the ownership stake in the business in exchange for a pre-defined amount of funds. These owners will now have a stake in any residual earnings of the venture once all expenses and other financial obligations have been settled (Firer et al., 2012).

Santos (2012) established that social ventures are built on the premise of reinvesting any residual earnings back into the business to further its social goals. Consequently the sources of financing at the disposal of a social venture may tend to be limited. Potential equity owners will have little to no residual earnings to share in, and hence may not be as keen to invest in a social venture. Traditional debt funders, on the other hand, are likely to charge social ventures excessive amounts of interest in relation to the amount borrowed, as a means of compensating for perceived higher risk, and in so doing restricting the ability of the social venture to generate sufficient residual earnings to plough back. Social ventures, consequently, have to consider a wider base of possible initial funding sources in addition to normal debt and equity capital (Agrawal, Catalini, & Goldfarb, 2010). The most popular of these additional funding sources will be discussed as follows:

- *Crowd Funding*

Belleflamme, Lambert, & Schwienbacher (2014) define the concept of crowd funding as a situation where the venture in question raises external financing from a large pool of investors (the crowd) wherein each investor provides a small amount of capital in relation to the total amount that is required. Schwienbacher & Larralde (2012) established that crowd funding today mainly takes place through web-based platforms on the internet where ventures and/or individuals pitch a range of ideas, etc and then invite the public to invest in them.

The first most common form of crowd funding that exists is a situation where the venture invites the public to pre-order and pay for a particuliar product/service and then utilises the funds generated from the pre-order stage to fund the actual start-up of the venture (Belleflamme et al., 2014). The second most common form is where the venture invites the public to invest small amounts of money to then either: share in a small percentage of the profits; take up a small equity stake in the business; have access to preferential rates when the product or service itself becomes available or simply for the recognition of having contributed to the venture (Belleflamme et al., 2014).

In relation to the second form of crowd funding there are three distinct models that can be identified. Firstly, the donation based model where the venture actually seeks donations using the crowd funding platform. Secondly, the passive investment model where those who invest are rewarded for the investment by either qualifying for a discount on the product/service that the venture in question will produce. Finally, the active investment model where the venture invites the members of the crowd to become active in the design and development of the product/service or active in some other capacity in relation to the venture (Schwienbacher & Larralde, 2012).

Schwienbacher & Larralde (2012) also highlight that there are a few factors that influence the use of crowdfunding i.e. the exact legal form of the venture in question (as non profits tend to be more succesfful in raising funds through crowd funding); the regulations and laws in the various jurisdictions that may limit the ability to raise finance for a venture through crowd funding platforms; and the ability of the crowd to play some role in directing the activities of the venture.

Crowd funding thus provides a unique alternative to traditional financing structures and in fact Lehner (2013) goes onto state that social ventures and crowd funding mechanisms should work well together, as the majority of the crowd are not really interested in forms of security or business plans, but rather the goals of the venture in question. Agrawal et al. (2010) conclude that crowd funding has the ability to have a much wider reach when compared to traditional forms of funding sources, because web-based platforms leverage the massive reach of globalisation

- *Angel Finance*

Gompers & Lerner (2001) define venture capital financing as a situation where investors provide new or start-up ventures, that have long term growth potential, with the necessary finance to commence operations. The risk associated with these new ventures is generally much higher than a typical venture that would already be in operation. Venture capital investors, as a result, tend to take a stake in the actual management and operation of the venture to compensate for this risk.

Wong, Bhatia, & Freeman (2009) debate that venture capital funding is not the most ideal form of funding for smaller ventures because major venture capitalists tend to focus their efforts on much larger deals. This, in-turn, has birthed a less formalised form of venture capital financing i.e. angel finance. Angel investors are those high-net worth individuals or the like who invest their own funds in ventures that they believe have the potential to deliver positive returns (Ibrahim, 2008).

Ibrahim (2008) summates that angel investors tend to have a specific preference regarding the industry that they invest in, usually based on industries that they understand and/or have previously worked in. Wong et al. (2009) further clarifies that angel investors do not rely on traditional forms of control; such as board involvement, contractual provisions, etc to protect their interests; but tend to make use of more informal methods such as investing in ventures that are situated in close proximity to them (so that they can play an informal oversight function), as well spreading the investment with other angel investors as a means of managing the associated risk of the venture. Falkena et al. (2002) postulate that angel finance provides a useful bridge between the internally generated funds of the venture and that which could potentially be obtained from a traditional venture capital financing setup. Angel finance is also considered to be cheaper and more accesible due to the fact that less stringent due-diligence requirements are often put in place by angel investors (Falkena et al., 2002).

Angel finance presents another unique mechanism that could be utilised to provide funding to a social venture particulairly because the requirements of angel investors are less stringent. These investors still require the funding to be repaid or require some form of equity stake in the venture. However, given the more informal nature of this mechanism, it is likely that more favourable terms around the funding could be negotiated that enables the social venture to achieve its ultimate social objective.

- *Donor Funding*

Parks (2008) notes that the concept of donor funding refers to a situation where the venture obtains a significant portion of it's initial or continious funding from organisations, corporate entities or even individuals that do not want an ownership stake in the business, nor do they expect the funds to be repaid i.e. it is received in the form of a donation. Inherently, this is likely to be the most preferred form of finance for a social venture as it allows the venture to focus solely on pursuing its respective social goals (Zietlow, 2001) and not having to be concerned about repaying the funds.

Parks (2008), however, raises a key concern in that funding of this nature is often directed according to a specific set of social needs and consequently it is easy for a venture to find itself in a position where no funding is available to fund its specific social objective. Zietlow (2001) raises an additional concern in that the availability of donor funding also has the tendency to be sporadic at times, depending on the donor organisation in question or market conditions at the time, which in-turn impacts the financial sustainability of the social venture in the long term.

Donor funding in itself represents a source of funding that should be considered, but social ventures must remain mindful and should limit their relaince on this form as part of the overall goal to achieve financial sustainability.

b. *Continuous Financial Model*

Firer et al. (2012) summates that the continuous financial model concerns itself with funding the day-to-day operations of the venture and is made up of internally generated funding (retained earnings) as well as short term debt related funding from time to time. The internally generated funding is a function of the revenue and cost structure of the venture, while the short term debt funding is made up of overdraft facilities from the venture’s local banking partner/s as well as delayed payment options (credit) from suppliers of goods and services (Firer et al., 2012).

The decisions relating to credit terms offered, the payment of creditors and expenses, etc. are often grouped together and termed working capital management (Firer et al., 2012). Gill, Biger, & Mathur (2010) define working capital management as the optimisation of current assets and current liabilities of a business. Gill, Biger, & Mathur (2010) state further that these decisions can have a definitive impact on the profitability of a business venture and consequently a business should continuously monitor the impact of these decisions and seek to take corrective action where necessary.

2.3 Conclusion of the Literature Review

The review of the current body of literature has provided sound evidence that a well-designed mentorship programme represents an effective medium through which deficient fundamental human needs can be satisfied in a youth development context. The literature has also provided evidence that the framework of social entrepreneurship (enabled by social innovation and shared value, amongst other things) is the ideal mechanism through which identified social needs can be satisfied sustainably. Finally, the literature has pointed towards a range of operating and financial model decisions that must be made by a social venture as part of it’s goal of creating value for it’s social objectives.

CHAPTER 3. RESEARCH METHODOLOGY

The preceding chapters have provided a clear foundation of the social need that this project aims to address, as well as how a well-structured mentorship programme within the social entrepreneurship framework would be the ideal medium through which satisfaction of the deficient fundamental human needs can be effected. There are, however, still a set of functional problems that need to be sufficiently addressed before this social venture would be at a stage where implementation of the project could commence.

This chapter provides a concise discussion of the paradigm and design that has been applied in the research process, as a means of addressing the functional problems relating to this social venture.

3.1 Research methodology/paradigm

The term research refers to the action or set of actions of obtaining information around a particular subject or topic (Strauss & Corbin, 1990). In light of the nature of this project, a qualitative approach will be followed in the research process. Qualitative research refers to any form of research that produces results not arrived at by statistical methods or other means of quantification. Furthermore, qualitative research is the process of examining and interpreting information in order to draw meaning and understanding while developing knowledge (Strauss & Corbin, 1990). The decision to perform a qualitative study is relevant to this project because the intention here is to examine available information with the goal of then synthesising it into knowledge that can be applied in the project itself.

The research that was undertaken took the shape of both primary research and secondary research. Primary analysis (research) refers to the analysis of original information sourced from a research process that is designed to address a specific set of questions (Glass, 1976). Glass (1976) further states that secondary analysis (research) is effectively the re-analysis of information with the aim of either answering the original set of questions with better statistical techniques, or answering new questions with old information. Simplistically, secondary research refers to the collating and processing of information that has already been collected by other parties.

3.2 Primary Research

The nature of this project has resulted in substantial dependence on secondary research methods. Charmaz (2014) states, however, that an element of primary research methodology may at times still be required to support and strengthen the information that has been obtained from secondary research. The primary research, as a result, has taken the form of a semi-structured questionnaire with a range of individuals that operate in the fields of youth development (mentorship) and social entrepreneurship within South Africa. The purpose behind specifically performing these interviews is to acquire an appreciation of the South African landscape in relation to these fields.

The need for a more detailed and extensive primary research process; in accordance with guidance from Creswell (2013); is negated for this social entrepreneurship project because the project does not aim to address a gap in the literature surrounding these concepts but rather it is used as a means of building a business case for the social venture.

3.2.1 *Population and sample*

a. *Population*

The primary research has been directed towards individuals and organisations that operate in the fields of youth development (mentorship) and social entrepreneurship within South Africa. However, for practical and logistical reasons the interviews were restricted to respondents in the Johannesburg and Pretoria metropolitan regions of the province of Gauteng. These metropolitan regions form a representative population for South Africa as a whole by virtue of the fact that the province of Gauteng is the economic hub of South Africa (The Human Sciences Research Council, 2015). Consequently, it is fair to assume that the state of youth mentoring and social entrepreneurship in Gauteng will paint a fairly accurate picture of the state of youth mentoring and social entrepreneurship in South Africa as whole.

b. *Sample and sampling method*

The researcher did not make use of statistical sampling methods to determine which individuals and/or organisations should be interviewed. A random internet-based search function was used as a means of obtaining a list of potential respondents that operate in the desired fields. The researcher, in addition, also had direct contacts that were leveraged as part of this process. The researcher communicated via email with the potential respondents, providing the project brief and project goals as part of the initial request. The potential respondents that responded positively to the initial request were ultimately the respondents that formed the basis of the primary research component of this project, as outlined below.

Table 2: Profile of respondents

Designation of Respondent	Organisation
Chief Operations Officer	enke
Chief Executive Officer	SpreadLuv
Managing Director	The Experience Factory
Branch Coordinator – Ebony Park	Ikamva Youth
Former Operations Intern	LoveLife South Africa
Founder	Bokamoso Youth Development

3.2.2 *The research instrument*

The research instrument that was utilised took the form of a semi-structured questionnaire that was used in the interviews/discussions with the respondents. The questionnaire was made up of specific questions that cover the two distinct themes as they relate to this project i.e. effective mentorship programme design and viable social entrepreneurship. The themes and questions were developed based on the learnings that had been framed from the literature review performed.

The main advantage of having used the semi-structured interview technique is that it allowed the researcher to build insight into the themes being researched (Creswell, 2013). At the same time, however, a major drawback of this methodology is that it allows the various respondents' own bias to be included as part of the information gathering process (Creswell, 2013). Refer to Appendix B for the actual research instrument that was utilised in the primary research component of this project.

3.2.3 *Procedure for data collection*

The interviews conducted with the respondents were done so at convenient locations, which normally included the office environment of the respondent and in some instances more informal environments such as coffee shops. All interviews and discussions were performed in the English language. In the interview sessions the researcher posed the questions to the respondent and during the course of the discussion the researcher then made notes of the responses given by the respondent.

3.2.4 *Data analysis and interpretation*

The responses received were then analysed and interpreted by means of content (thematic) analysis. Content analysis is a research method that has become more widely used as a qualitative research tool and specifically refers to the analytical process of breaking down and analysing text or written information (Hsieh & Shannon, 2005). The responses from each respondent were collated around the key questions and themes that the questionnaire covered. The responses to the questions were then analysed separately per theme, taking note specifically of common insights and opinions that were shared by the various respondents.

3.2.5 *Limitations of the study*

The key limitations associated with performing the primary research in the manner as stated above are as follows:

- The assumption that the Johannesburg and Pretoria metropolitan regions represent a good proxy for the current state of the identified fields in South Africa may be an unfounded assumption. In fact, there might be certain nuances that manifest in other provinces in South Africa that are not present in Gauteng.
- The final number of respondents that were interviewed amounted to 6 individuals and this was mainly a function of the ability to obtain positive responses to the initial request for an interview. Consequently, given the limited number of respondents, it can be argued that the information obtained from this process is not representative of the South African landscape.

3.2.6 *Validity and reliability*

The concept of validity refers to whether the research in question provides a true measure of the aspects that it intends to measure, or how truthful the final results are (Golafshani, 2003). The concept of reliability refers to whether the results are consistent over time and thus provide an accurate representation of the population under review (Golafshani, 2003). The use of a qualitative research approach that makes use of a semi-structured interview format introduces a reasonable expectation that the information obtained in the process will be subject to a level of interpretation by the researcher. Qualitative research is deemed to be inherently subjective (Wainwright, 1997) but it is still possible to ensure the validity and reliability of the data obtained.

a. ***External and Internal validity***

Appropriate respondent selection can play a large role in ensuring validity (Wainwright, 1997). In the context of this primary research interviews were performed with a range of respondents in the Johannesburg and Pretoria metropolitan regions. The final respondents; despite the use of a random internet based search for a list of potential respondents; that were contacted were chosen based on the size and nature of the specific initiatives that they participated in. The idea behind this selection method was to ensure that a broad range of respondents were included in the research process ensuring that the research performed was both externally and internally valid, having cognisance of the aim of this primary research element.

b. ***Reliability***

The use of qualitative research methodology through a semi-structured interview can result in a situation where the responses will be specific to the context of the various respondents. Consequently, it may not always be possible to deliver the same or similar set of results, as the context for future studies may very well be different from those performed in this research. In line with guidance from Wainwright (1997) a critical analysis of the information obtained can provide a measure of reliability to the work performed. The researcher, as a result, critically assessed the data collected, taking into consideration the environment of the respondents from which the data was gathered, as a means of ensuring reliability of the primary research performed.

3.3 Secondary Research

Secondary research was the most significant form of research methodology that was applied in this project document. Secondary research is the re-analysis of information that already exists (reports, journal articles, etc) with the aim of resolving a specific set of challenges (Glass, 1976). The researcher scanned the existing body of literature (as evidenced by the literature review) as part of the process of addressing the following set of functional problems for this project:

- The determination of the characteristics and components of an effective youth mentorship programme that can be easily implemented within South Africa.
- The determination of the exact business model that will be used for the social venture, having regard to the fact that the project will operate in the field of social entrepreneurship. A specific consideration in this regard is how to achieve scalability for the social venture.
- The determination of key funding sources for the initial capital requirements, specifically the estimated start-up capital that will be required and the possible sources that could be utilised to obtain this funding.

  A key consideration here includes the development of a viable revenue model that will ensure that the venture will be able to sustain itself without having to continuously rely on lump sum donations and the like.

CHAPTER 4. THE PRIMARY RESEARCH RESULTS

4.1 Presentation of the results

The responses obtained during the interview sessions, to the questions posed, were tabulated by the researcher according to the key themes that were identified in the discussions with the respondents. The key themes represent the common and/or significant perspectives, opinions and ideas that were provided by the respondents during these interview sessions. The summarised results are presented below:

Table 3: Outline of the key thematic responses relating to effective mentorship practices

Question Posed	Common and/or Significant Responses
In your opinion what are some of the major challenges that youth face in South Africa?	83% of all respondents indicated that a lack of access to information about career prospects, opportunities and related aspects as one of the serious hurdles that 'at-risk' youth face currently in South Africa. 50% of respondents also highlighted dysfunctional family structures that manifest in impoverished communities as a serious barrier to effective youth development e.g. youth-headed households. A further 50% of respondents highlighted rampant drug and alcohol use and abuse from a relatively early age as a growing threat to 'at-risk' youth and youth in general.

How effective do you believe a well-structured mentorship programme could be in addressing some of these challenges?	All the respondents agreed that a programme that is specifically designed and implemented to address identified gaps in the lives of 'at-risk' youth will go a long way in addressing the challenges that these 'at-risk' youth face.
What difference would it make if the programme was school-based compared to it being community-based?	All respondents were of the opinion that inherently both school-based and community-based approaches are effective mediums of mentoring. The end goal of the actual programme will dictate which method is more appropriate. The respondents further indicated that in light of this proposed project it would appear that a community-based model would most likely be more appropriate. 67% of all respondents specifically highlighted that partnering with a local school or schools can definitely be advantageous to the programme and should be considered as part of the design thereof.
Would the impact of the mentoring programme be different if it was specifically designed as peer mentoring versus that of adult mentoring?	All respondents agreed that both forms of mentoring are effective, having consideration to the context that the programme operates in, but specifically mentioned that in relation to this proposed project it is advised to consider a greater reliance on adult mentoring, as adult mentors will tend to carry more weight of authority and respect from prospective mentees.

What role (if any) should the local community leadership play in the management of the community-based mentorship programme?	All respondents stated that the local community should be actively involved in the programme, and further suggested that members from the community form part of the governance and oversight structure, not so much day-to-day operations management. Furthermore, 33% of respondents specifically indicated that it is important to work in communities that have not already had similar type of interventions take place, to avoid what could be termed as 'project fatigue'.
What elements are critical in your opinion for a mentorship programme to gain traction in a local impoverished community?	All respondents stated that the parents/guardians of the identified 'at-risk' youth need to buy-in to the programme and it was proposed that this buy-in is achieved via the local school partnerships that are ultimately formed. 33% of respondents stated that the programme should focus on a singular message/purpose/impact that is clear and easy to communicate within the identified community and amongst those who work for the programme.
What aspects do you believe hinder the ability of a mentorship programme to scale beyond the borders of the local community in which it is first established?	83% of respondents agreed that access to financial resources is as a key constraint. Furthermore, these respondents also agreed that the ability to secure competent and passionate mentors on a volunteer basis is a key issue in ensuring a successful mentorship

	programme.
In relation to the matching of potential mentees and mentors, what variables are the most relevant (in your opinion) to be able to determine the best match?	All respondents highlighted that variables relating to career aspirations, social interests (sports, arts, culture) appear to be the best to use when it comes to matching mentors and mentees. 33% of the respondents highlighted that it may also prove useful to match based on 'opposites' as means of exposing the 'at-risk' youth to a different range of people, and not simply mentors who have similar interests as they do.
What is the youngest age that a mentoring initiative of this nature should be targeted at, and similarly what is the maximum age that an initiative of this nature should be targeted at?	There was no right or wrong age-range provided by the respondents, but all respondents agreed that the earlier the intervention begins in the life of the youth in question the better. The respondents also acknowledged that the initial constraints of the programme may require a tighter focus at the onset of the programme and then move to increase the focus age group as the programme expands.
If sports and/or other social elements were designed as critical component to this programme then (in your opinion) what impact could that possibly have on the effectiveness of the holistic mentoring initiative?	All the respondents agreed that it will assist in building a 'fun' element into the programme, and would further encourage these youth to socialise with fellow and like-minded people, building a 'community' within the programme.

Table 4: Outline of the key thematic responses relating to viable social entrepreneurship

Question Posed	Common and/or Significant Responses
In relation to what you have been exposed to can you please provide details of the social entrepreneurship landscape within South Africa?	67% of the respondents believe that the social entrepreneurship space in South Africa is still somewhat in its 'infancy' stage and may require more time before it begins to gain full traction amongst entrepreneurs and investors in South Africa. 33% of the respondents felt that they were not in the best position to comment on the state of social entrepreneurship in South Africa. Furthermore, 33% also indicated that the framework of social entrepreneurship may require some adjustments before it could truly flourish in a South African context.
In a South African context, do you believe that the concept of social entrepreneurship has the ability to address many of the social challenges that the country currently faces?	67% respondents agreed that social entrepreneurship as a framework definitely has the potential to address many of the social challenges and needs in South Africa. The scope to grow is huge, and it will require the various entrepreneurs in this field to develop unique models as a means of satisfying the various social needs that exist.

What are some of the major challenges that social entrepreneurship ventures are currently facing within the South African landscape?	67% respondents agreed that the major challenges revolve around the ability to develop sustainable financial models so as to reduce reliance on donor funding and the like, as well as the ability to retain skilled professionals due to cost constraints that a venture of this nature faces.
What elements are critical to the success of a social entrepreneurship venture in your opinion?	67% of respondents highlighted that the ability to scale (expand) the venture accordingly given the context and construct of the specific venture in question is a critical success element. In addition, 50% of the respondents indicated that the ability to measure the impact of the venture, which specifically means the ability to define a set of metrics that can be tracked, measured and analysed is also critical to the success of this type of venture, because the ability to secure funding is often linked to the ability to measure the impact achieved.

4.2 Discussion of the results

In the section above the overall results from the primary research component were presented. The aim is now to provide a high level discussion of these results and their respective implications.

The overall trends that were identified relating to effective mentorship practices in South Africa were not materially different from the information that was identified when performing the literature review. The issue of 'access to information' on a range of matters, however, appears to be something that is specific to a South African context and clearly should be a key focus of any mentoring initiative that takes place in South Africa.

In addition, a key aspect noted here is the need to partner with a school/s in the local community where the programme would be set-up. International literature did not specifically highlight this as a factor critical to a mentorship initiative, but this has emerged as a critical factor in a South African context. The aim of such a partnership would be to provide legitimacy to the programme and venture, whilst also providing a base from which potential mentees could be identified.

In so far as viable social entrepreneurship is concerned, the key aspect identified related to the fact that the overall concept of social entrepreneurship, although not completely unknown, is still very much in an infancy stage in South Africa. Consequently, the range of possible operating models that have been explored to enable social entrepreneurship in South Africa is somewhat limited.

It became apparent in the discussions that the key challenges that social ventures face are in the form of sustainable financing and human-capital sourcing for critical roles. Despite these challenges, all respondents were of the opinion that social entrepreneurship represents a unique mechanism through which many of the social challenges that South Africa currently faces can be addressed.

In conclusion the primary research has provided a concise breakdown of the South African landscape, in so far as youth development (mentoring) and social entrepreneurship is concerned, and together with the secondary research performed (literature review) will now form the basis of the operating and funding model that will be developed for this social venture.

CHAPTER 5. INTERPRETATION OF THE SECONDARY RESEARCH

The aim now, taking cognisance of the primary research performed, is to take the learnings that have been established out of the literature review (secondary research), combine them with the results from the primary research and synthesise them into solutions to the key functional problems as already outlined.

5.1 Determination of the elements of an effective mentorship programme

The vision of this social entrepreneurship project is the creation of a social venture model that can be implemented in impoverished communities across South Africa. The social venture aims to realise a positive intervention in the lives of 'at-risk' youth that then enables them to successfully transition into adulthood.

	Beneficiary / Youth Age Groupings		
	12 - 15	16 -18	19 - 22
Service Offerings			
General Support, Guidance and Life Skills	X	X	X
Career Coaching and Guidance		X	X
Pre-Employment and Employment Readiness Coaching			X

Figure 6: Service Matrix for the Social Venture

The figure, on the previous, provides a diagrammatic representation of the three distinct service offerings that this social venture will offer to the three distinct youth age groups. It is envisaged that during the pilot phase focus will first be placed on the 16-18 year-old age group and the respective service offerings. As the venture gains scale within the community it will then be expanded to include the full suite of service offerings across all age groups.

Proper design of the mentorship programme is critical and consideration must be given to what characteristics and elements will enable the social venture to achieve its stated goal. The synthesis of all the information presented thus far has resulted in the determination of the following key elements that the researcher believes should be in place in order to establish an effective mentorship programme. Each of these elements will now be discussed individually as follows:

5.1.1 *Community-based programme*

A mentorship programme that covers a broad range of social needs is more likely to have a significant impact in the lives of the ‘at-risk’ youth that it aims to mentor. At this stage, the impoverished community where the project will be piloted has yet to be identified. It is, however, important to identify a community that does not have a similar intervention already taking place or having taken place in the recent past.

The social venture will partner with a school or schools in the identified community as a means of identifying potential mentees for the programme, but also as a means of legitimising the programme. The social venture will also include the local community leadership as part of the initial setup and continuous governance function of the programme. The programme is designed to have an impact in the community in which it operates, consequently input from local leadership in both the establishment and continuous operation of the programme is paramount to its success. The programme aims to specifically leverage existing infrastructure within the community (such as a nearby community centre) in the early stages, as the base of operations until such time that a lease for property has been finalised. The goal is ultimately to move into a custom fitted property that would better suit the needs of the programme.

5.1.2 *Programme administration*

The overall administration of the programme is a key building block to the overall success thereof, and specifically each community-based programme hub (and the programme as whole) will be administered as follows:

- Each mentor/mentee pair will be assigned a Case Manager, who will oversee and monitor the relationship between the two parties. Case Managers will be assigned multiple pairs, but will be limited to 15 pairs per Case Manager.
- Mentors are expected to provide feedback reports to their respective Case Managers at least once a month, in which they provide general feedback on the mentees progress in the sessions. The feedback will form the basis of determining whether amended intervention is required for the specific mentee.
- An Operations Manager will be responsible for the general facilities, etc. at the programme hub office.
- All Case Managers will report to the Programme Manager, who will be responsible for the overall management of the programme hub.
- The Programme Manager will also liaise with the local community leadership on a quarterly basis, as a means of providing feedback on the progress and performance of the relevant programme hub. These quarterly sessions will also allow the community leadership to raise any concerns, queries, etc. that they may have at the time regarding the programme hub or the social venture as a whole.
- Each Programme Manager will report to the Head of Programme, at the centralised co-ordination function, who in-turn will oversee all aspects relating to the management of each separate community hub.

- Functions such as Finance, Human Resources and Marketing will be coordinated centrally in conjunction with the Head of Programme. These functions will form the centralised co-ordination function (head office) for the social venture and will be housed in a separate office location from the onset of the project.
- A Systems Manager will report to the Finance Executive. The key function of this role is to manage all network infrastructure, as well as web-based platforms, such as the individual contribution platform component (the latter will be explained in more detail later in the document).
- A Finance Manager will also report to the Finance Executive. The key functions of this role will include day-to-day accounting, cash management and other related tasks.
- An Executive Assistant will provide administrative and related services to all the members of the centralised co-ordination function.

The aspects discussed above can be graphically illustrated as follows:

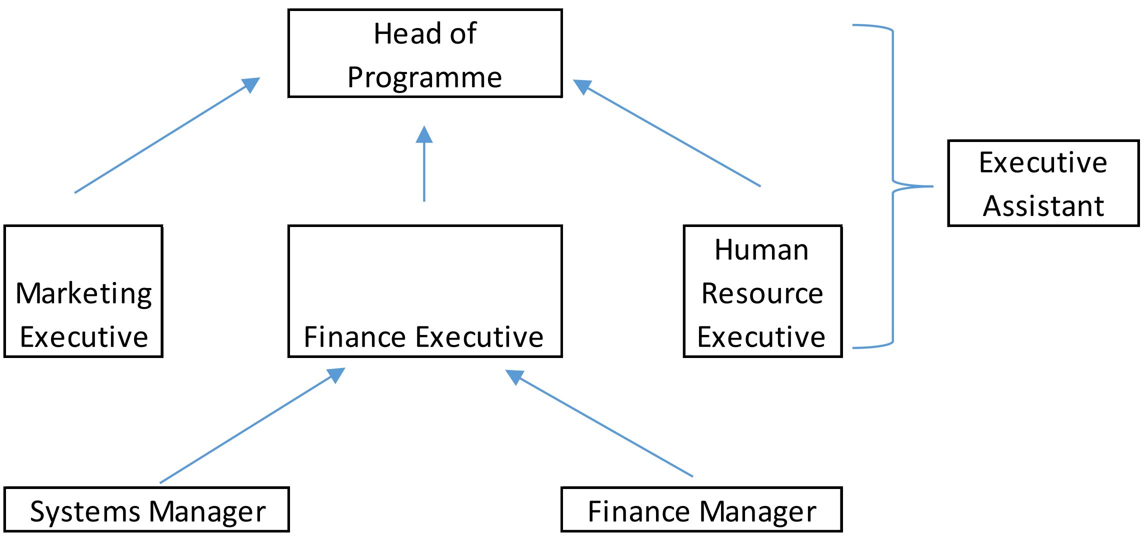


Figure 7: Organisational Structure for the Centralised Co-ordination Function of the Social Venture

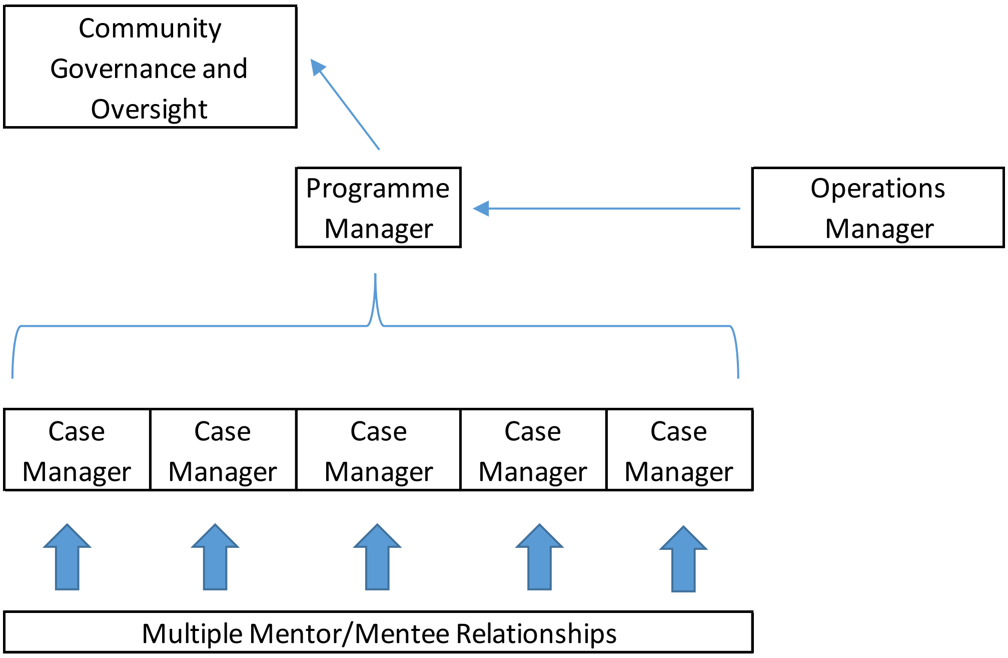


Figure 8: Organisational Structure of a generic Programme Hub within a targeted community

Once the venture expands in the initial community and/or scales into another community it is then expected that certain aspects of the structure above will need to be reconsidered, particularly that of the centralised co-ordination function. At the programme hub it is expected that additional support staff (such as case managers) will need to be recruited to handle any increase in the number of mentees.

5.1.3 *Mentor screening*

A large part of the success of any mentorship programme is dependent on the ability to recruit mentors. It does not imply, however, that simply any individual can become a mentor on this programme. It is important to screen potential mentors, with the aim of managing the risk associated with working with youth. In fact, this is probably the single largest risk that a programme of this nature faces and must be managed accordingly (legally and otherwise). The screening process also aims to 'weed out' any individuals who display characteristics that indicate a potential lack of commitment to a programme of this nature. The programme is built on developing a relationship with the mentee, consequently sporadic and inconsistent mentors will not assist in building a positive reinforcement in the lives of the selected ‘at-risk’ youth.

The following, taking the above into account, represents the basic mentor screening procedures that will be applied:

- Police clearance screening via the South African Police Services (SAPS) for any previous convictions against their name, specifically taking note of any sexual offences committed.
- Panel interviews will take place with prospective mentors, as a means of building a profile for each mentor to specifically determine if they would be a good fit for the programme. The panel will be made-up of at least two case managers from the respective programme hub. The interview will based on questions developed by the youth development consultants, as part of a broader range of services that these consultants will perform for the social venture.

The social venture will aim to leverage relationships with all the organisations that provide funding to it, as a means of sourcing potential mentors. The venture will also leverage relationships with local universities (and other institutions of higher learning) in relation to the specific community, as another means of sourcing potential mentors for the programme. It will also make use of social media channels; such as Facebook, Twitter, etc.; to make an open call for all interested individuals to volunteer in the programme (but always subject to the necessary screening taking place).

The selected mentors will be required to enter into a *Volunteer’s Agreement* with the programme hub at which they aim to volunteer. The agreement will govern their relationship with the programme, provide general guidelines (do’s and do not’s) as well as specifically detail the process to be followed when mentors are not able to honour their commitment to the programme. The agreement will also cover the disciplinary process to be followed in the case of any misdemeanours committed by the mentor. The agreement will go a long way in ensuring that all parties are clear that the mentoring of these ‘at-risk’ youth is a serious matter and should be treated as such.

5.1.4 *Mentee selection*

The mentees for the programme will be sourced from the community in which the programme is placed. The programme is designed to intervene in the lives of ‘at-risk’ youth and a key assumption for this project is that all the youth that reside in an impoverished community are by definition ‘at-risk’. The overall goal of the mentorship programme will be to focus specifically on the group of youth that fall between the ages of 12 and 22. Practically, however, the programme will need to direct its initial efforts on a tighter age-group i.e. 16 – 18 years of age. As the programme gains traction, the idea then would be then, to increase the scope of the programme in the community.

Similar to mentor selection, not all ‘at-risk’ youth within a particular community will automatically form part of the programme. The idea behind the screening process for mentees is to identify the needs of the various ‘at-risk’ youth, based on an initial interview with each prospective mentee and a panel of at least two case managers. In addition, the home-environment (the actual living conditions and family set-up) of the prospective mentees will be assessed by a case manager. The ‘at-risk’ youth who display the greatest need for intervention based on a set of pre-defined criteria (which are still to be determined) will then be placed into the programme.

The selected mentees and parents/guardians of these mentees will, similarly, enter into *Mentorship Agreements* with the respective programme hub. The aim of these agreements is to govern the mentee’s relationship with the programme hub, specifically providing guidance on what steps will be taken when the mentee does not honour their commitment to this programme. The agreement will also cover the disciplinary process to be followed in the case of any misdemeanours committed by the mentee.

5.1.5 *Matching of Mentors and Mentees*

The overall effectiveness of the programme is dependent on the relationship that is formed between the mentor and the mentee. The idea behind matching the mentor and the mentee is to create a platform that will enable the development of a strong relationship between the two parties. The information that will be obtained as part of the selection process (of both the mentor and mentee) will form the basis of the matching process. The social interests of both will specifically be used as a means of matching, taking into account common interests, hobbies, etc.

In the context of South Africa, the matter of race might be an important factor worth noting, as certain youth might not always feel comfortable to share aspects of their personal life with people of a racial group different from their own. This might become a limiting factor in the ability to source mentors for the programme, but is an aspect that will need to be considered as part of the overall matching process.

Each mentor will be assigned a single mentee to work with. A possible limitation might be the ability to source sufficient mentors to achieve this one-to-one ratio, hence this aspect will need to be reconsidered once the programme is operational. The relationship between mentor and mentee will be an on-going one provided that neither party terminates the relationship pre-maturely. The relationship between mentor and mentee will be officially terminated once the mentee reaches the age of 23. The mentor and mentee, however, are more than welcome to continue this relationship, but under the knowledge that it would no longer fall within the auspices of the programme.

5.1.6 *Training and Orientation*

It is critical that mentors that have been selected to participate in the programme undergo basic skills development in the act of mentoring, as it cannot be assumed that they have participated in such a process before. The training will also be the basis to establish clear rules of operation relating to the programme. The training will create a clear sense of expectations between the mentors and the programme administrators.

A joint orientation session will also be held for each new batch of mentors and mentees that come onto the programme. At this stage the matched pairs would have already been determined. The orientation session will form the basis of the first interaction between the mentor and mentee pair, with the goal of easing both parties into the relationship.

5.1.7 *Curriculum Content*

The curriculum of the programme will be designed to foster positive development within the lives of the ‘at-risk’ youth. The programme will employ the services of a subject matter experts in youth development (youth development consultants) to assist in the curriculum design for each respective programme hub. It is expected that as the programme scales into other communities it would then be necessary to make slight amendments to the curriculum, to cater for the specific needs of the community in question. The curriculum of the mentoring programme will cover three broad areas i.e. general support, guidance and life skills; career coaching and guidance; and pre-employment and employment readiness coaching.

The following factors, irrespective, will form the basis of the programme curriculum:

- Mentors and Mentees will meet regularly, initially twice a month. Once the relationship is clearly established it will then move to at least once a month. Mentors and mentees are welcome to meet more often, if so desired.
- Each session must be no less than one hour in duration, but limited to two hours. The idea is to facilitate a proper and full-on discussion between the mentor and mentee.
- Meetings can take place at either the programme hub office within the community, or any other location that is convenient to both the mentor

and the mentee. It will be a clear rule, however, that these sessions cannot take place at the home of the mentor. The programme hub office will have specially designed mentorship rooms or cubicles where these meetings can take place.

- The mentors will be provided with a brief history of each mentee, including a specifically catered curriculum programme. These catered programmes will be developed by the case managers based on the details obtained during the mentee screening process, taking into account the overall curriculum framework for the community in question.
- The catered curriculum will be specifically made up of a range of introductory questions that the mentor should be asking as part of the process, as a means of initiating and facilitating the discussion with the mentee.
- Sport and other fun activities will also form part of the programme. The programme hub will arrange a set of activities for the entire pool of mentors and mentees at least once a quarter. The mentors will also be encouraged to facilitate their own social sessions with their respective mentees, provided that these take place in public settings.

  The idea behind this aspect of the programme is to enhance the relationship between the mentor and the mentee, but also to develop the general social skills of the mentee, by creating a platform for them to interact with other youth on the programme from their own community, building social relationships in the process.

The pace of digital and internet-based technology continues to infiltrate most aspects of human interaction in the world today. It has been deliberately decided, however, to not make use of digital and internet-based technology in the provision of the mentorship intervention to the ‘at-risk’ youth. The main reason for this decision lies in the fact that this technology requires the use of computer equipment and/or smartphones, as well as reliable and cheap access to the internet. It cannot be expected that the identified ‘at-risk’ youth will have access to this, as such it could end up being more of a limiting factor as opposed to an enabler of the planned intervention.

The programme, however, plans to test the use of video-calling technology. Specifically, one of the mentoring cubicles at the programme hub office will be outfitted with a computer with video-calling software, while one of the mentor/mentee pairs will then be chosen to participate in this test over a period of time. Instead of the mentee and mentor meeting in person, this pair will communicate via video-calling technology. It is envisaged that the mentee will arrive at the programme hub office as if they were attending a meeting and instead will connect to their mentor making use of the dedicated computer. The mentor will connect from wherever they are, making use of the video-calling technology, assuming that the mentor will have easy access to a computer and a reliable internet connection. This means of communication will be monitored (and compared to conventional sessions) over a period of six months to determine how effective it is in providing the desired intervention. A decision will then be taken as to whether this method should be rolled out to the remaining mentor/mentee pairs or not.

5.1.8 *Designing Impact Measurement*

At this stage, it is too early to decide which impact measurement method will be applied and/or to define the specific social impact meaurement criteria that will be used. It is, however, a critical step that must take place in the formation of the venture. As such the social venture will work with the same youth development consultants that will assist in the design of the programme curriculum, to design and adopt an appropriate methodolgy and then formulate measurable objectives for the social venture. It is anticipated that this will take place at the same time of design of the programme curriculum.

5.1.9 *Conclusion*

The aspects discussed above represent the core principles and activities in so far as the actual design of the mentorship programme is concerned. They are by no means carved in stone, and it is anticipated that they will continue to be refined during the pilot phase of this project.

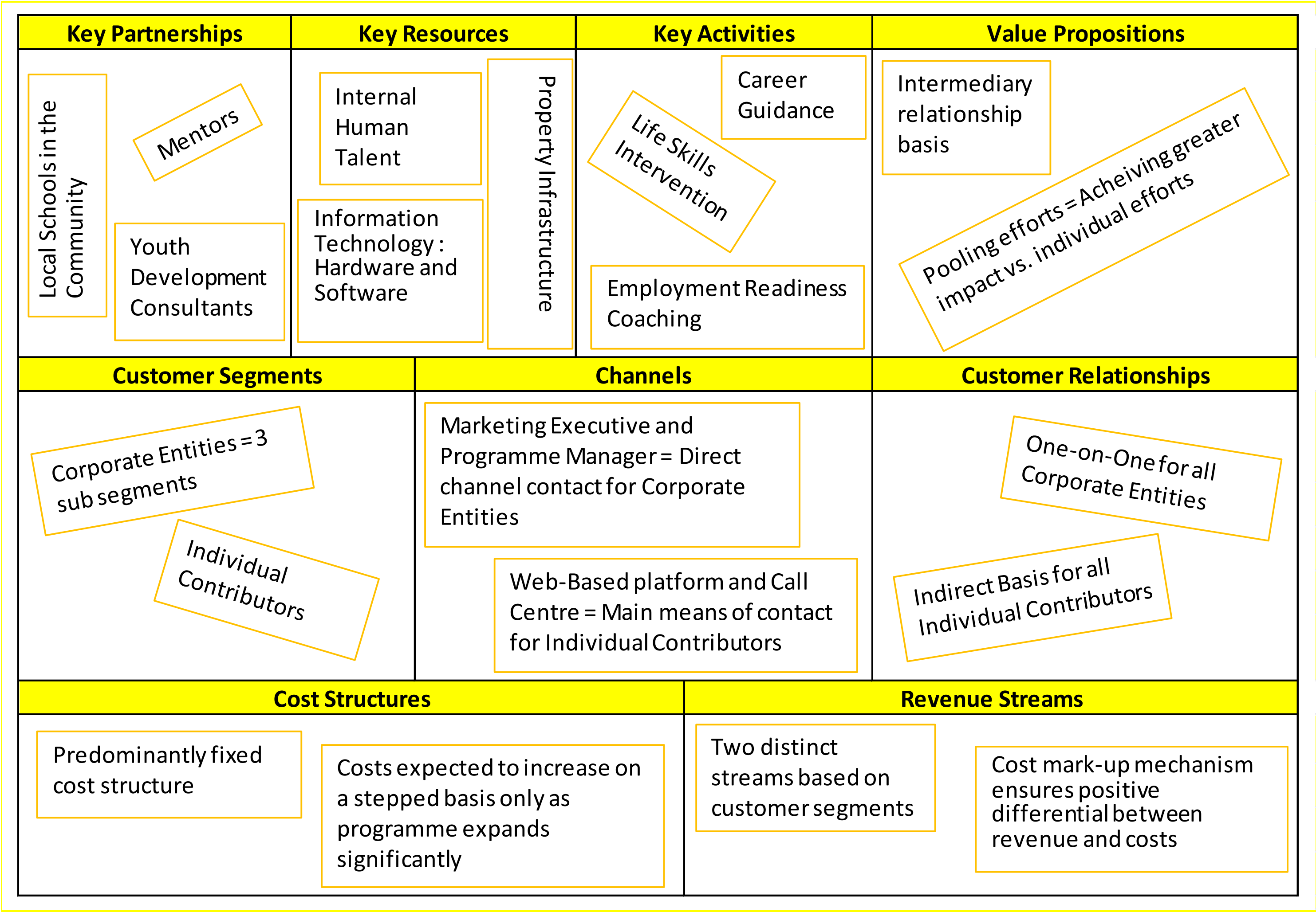
5.2 Determination of a viable business model for the mentoring programme

The social venture will be structured as a non-profit company in terms of the requirements of the Companies Act of South Africa (Act no. 71 of 2008). The venture, furthermore, is also expected to meet the requirements of being classified as a public benefit organisation, as per the Income Tax Act of South Africa (Act no. 58 of 1962). As a result the social venture will be exempt from paying normal tax on any profits that are generated. A more detailed examination of this and all other relevant legislation will need to take place, with a range of experts and consultants in the initial stages of forming this venture, so to ascertain the best legal and tax structure going forward.

The critical output of this project document is the development of a viable business model for the mentorship programme. In order to achieve this the concepts outlined by Osterwalder & Pigneur (2010) in the BMC have been applied as the basis to define and develop a viable business model, by focussing on each of the nine building blocks. The BMC framework was used because it provides a clear means of defining how a venture will not only create but also capture value.

The diagrammatic representation on the following page provides a concise outline of the BMC designed for this social venture. It is then followed by a detailed discussion of each building block as it relates to the social venture.

Figure 9: Diagrammatic representation of the social venture's Business Model based on the BMC



5.2.1 *Key Partnerships*

In the context of this social venture the following can be considered the key partners/partnerships:

- The mentors: The mentors effectively represent the ‘hands and feet’ of the programme, because without them the ‘at-risk’ youth in question would physically not be mentored. The ability to provide the mentoring initiative is premised on the ability to attract and retain competent mentors who are passionate about what they do in so far as youth development is concerned. The matter of sourcing mentors has already been discussed above.
- The community: The programme is community-based and as such will require the buy-in of the community in which it operates. The programme will also be reliant on and make use of community infrastructure, until such time that the programme can establish its own.
- Local schools in the community: The programme will partner with the local school/s in operating the programme. The relationship with the local schools is critical, because it will provide credibility to the social venture in the eyes of not only the community as whole, but also the parents and/or guardians of the ‘at-risk’ youth that the programme aims to address.
- Service providers: The programme, like any normal business venture, will require services to be rendered to it (such as information technology and cleaning services). These service providers are partners to the business because they ultimately enable the provision of the mentoring intervention.
- Youth development consultants: The social venture will make use of youth development consultants to formulate a curriculum that is tailored to meet the specific needs of the pilot community as well as subsequent communities once the project scales-up. The development of a tailored curriculum is a fundamental pillar of this

venture and hence the use of these consultants are key to the success of the programme and venture.

- Other CSR or social initiatives: It is expected that there will be other social initiatives (addressing other social needs) already taking place in the still to be identified community. The plan, as a result, is to build and leverage these relationships with other social initiatives, as a means of providing a holistic intervention to the community in question.

5.2.2 *Key activities*

In the context of this mentorship programme the critical activities all relate to the provision of the mentorship intervention, which for the sake of completeness includes: general support, guidance and life skills; career coaching and guidance; and pre-employment and employment readiness coaching. In section 5.1 above the critical elements of the intended mentorship programme were outlined, these critical elements represent the critical activities that need to be undertaken by a mentorship programme of this nature. Refer again to 5.1 for further details in this regard.

5.2.3 *Key resources*

In the context of this mentorship programme the key resources required are as follows:

- Property infrastructure: The programme hub is designed to operate from a central location (property) within the community that enables the mentors and mentees to have pro-active discussions for the tenure of their relationship. The central co-ordination function will be based in a separate property from the various programme hubs.
- Financial resources: A venture of any nature will require financial resources (funding) to start-up, but will also require financial resources to manage day-to-day operations. Aspects relating to funding are discussed in more detail in section 5.3 below.

- Intellectual resources: The literature review performed identified key characteristics of an effective mentorship programme. However, more design work will need to be performed in this regard as part of the pilot phase of this project. The social venture, as a result, will make use of youth development consultants to fine-tune the curriculum aspects for each programme hub in the initial and subsequent communities. The knowledge and the experience that these consultants bring to the process is critical to the success of the programme.
- Human resources: A key element to any venture is the ability to recruit talented employees who can operationalise the vision. In the case of this social venture a major constraint is the ability to adequately remunerate these employees given the implications to the cost structure. The social venture will endeavour to provide a fair and competitive salary package to all its employees within the constraints of the funding and revenue generation models. The current cost structure breakdown in section 5.3 below has factored this in the determination of the financial model.
- Information technology hardware and software: The mentorship programme will make use of computer based technology (email, internet, word processor and related functionality) as a means to facilitate the process of providing the mentorship intervention. Consequently the related hardware and software (basic in its design and specification) is necessary to the effective operation of the programme.

5.2.4 *Customer segments*

In order to appreciate the customer segments that have been identified for this venture it is useful to appreciate the paradigm in which these customers have been defined. The ‘at-risk’ youth that will be serviced by the programme do not form part of the customer base, but they are rather the beneficiaries of this programme. The programme will in fact act as an intermediary between the beneficiaries and the desired customers, by rendering the mentoring services on behalf of the customers. In other words the social venture is effectively a special purpose CSR vehicle that operates outside the realm of any one single organisation. In that context the following customer segments have been identified for the mentorship programme:

- **Corporate Entities**: The social venture will market itself as a CSR vehicle that will render a mentorship intervention to 'at-risk' youth in specified impoverished communities on behalf of the corporate entity in question. A fee will be levied to the corporate entity on an annual basis based on the number of 'at-risk' youth that they choose to 'sponsor'.

  The corporate entity segment can further be divided into sub-segments based on the premise that a different package will be created and marketed for each:

  - *Major corporates:* These are large entities that may or may not be listed on the Johannesburg Stock Exchange, that have in excess of 5000 employees in the organisation.
  - *Medium sized entities:* Medium sized businesses that may or may not have a national (or regional footprint) and are expected to have between 1000 and 4999 employees in the organisation.
  - *Small local businesses:* These represent all the small businesses that operate within the community where the programme operates and/or businesses that operate in the surrounding areas. They would normally have no more than a 1000 employees in the business.

- **Individual Contributors:** In the case of individuals, the social venture will build a web-based platform where individuals can contribute to the social venture, by committing to an automated debit order from their bank accounts on a monthly basis. This customer segment is very broad by design, but inherently the social venture will be targeting individuals who are inclined to sponsor these types of initiatives on a monthly basis. At this stage it is anticipated that this aspect of revenue generation will only be implemented once the pilot phase of the project is completed and the programme scales into additional communities.

Detail relating to the varying revenue structure will be presented in section 5.3 below.

5.2.5 *Value proposition*

The value proposition offered by this social venture can specifically be defined with reference to the customer segments defined above:

- Corporate Entities: The social venture inherently provides these entities a CSR vehicle that they can invest in and oversee (to an extent), without the need of having to be specifically involved in the day-to-day management thereof, or having a separate division of their business doing so. In addition, the social impact generated by this programme through this vehicle is expected to be far greater than what a single corporate entity could have achieved by implementing a similar initiative on its own. This is specifically based on the premise that the social venture will scale its operations into other communities once the pilot project is successfully implemented.
- Individual Contributors: In this context the social venture provides a simple and effective medium through which a concerned individual can make a significant impact in the lives of ‘at-risk’ youth in South Africa. The premise, again, is that the impact achieved through this programme would be far greater than what an individual could have achieved if they had tried to impact the lives of these youth directly.

The value proposition targeted to the ‘at-risk’ youth (the beneficiaries) is based on the fact that they will be receiving a structured and deliberate intervention in their lives that is aimed at ensuring their successful transition into adulthood; an intervention that they would likely not have received otherwise.

5.2.6 *Customer relationships*

The customer relationships for the social venture can therefore be more specifically defined in relation to the customer segments defined:

- Corporate Entities: The relationships that will be built with these customers will be direct relationships (one-on-one basis) because as much as they are customers of the social venture, they are also partners/collaborators with the programme. The programme acts as an extension of their desire to make meaningful contributions to society.
- Individual Contributors: The nature of the relationships with these customers will be indirect, in the sense that contact will not be on a one-on-one basis, but rather through a dedicated email and/or call centre platform where the individuals can log any queries, complaints, etc. related to the programme.

5.2.7 *Channels*

A basic outline of the distribution channels per customer segment is as follows:

- Corporate Entities: The Marketing Executive of the social venture will be tasked with maintaining the relationships with all the *Major corporates* and *Medium sized entities*. The Marketing Executive is thus the first point of contact when any of these customers have any queries, etc. in relation to the overall programme. The Marketing Executive will also be tasked with providing formalised feedback to these segments twice a year outlining the progress that the mentorship programme has made in the relevant communities.

The Programme Manager for each of the individual community programme hubs will be tasked with maintaining a direct relationship with the various *Small local businesses* that contribute to the programme. Similarly, they will also be tasked with providing formalised feedback to this sub-segment once a year outlining the progress that the mentorship programme has made in the specific community.

- Individual Contributors: The mentorship venture will make use of an online web-based platform (website) as the means of marketing and promoting the social venture to this segment. The platform will also form the basis through which these customers will create and register profiles for the automated debit orders, which will take place on a monthly basis. The email and call centre platform will complement the web-based platform as a channel of interaction with this segment. In addition, the social venture will also make use of advertising and social media channels to promote the programme and debit order functionality once this option is implemented.

The combination of the *customer segment*, *value proposition*, *customer relationships* and *channels* building blocks, as outlined above, effectively represents the marketing strategy that will be applied for this social venture. In the context of a social entrepreneurship venture it is still important to actively market not only the venture but also the services that are on offer. It is a critical element because it will provide the means with which the venture is able to grow customers in both the corporate entity and individual contributor customer segments. The ability to grow these customer networks will further enable the social venture to scale its impact beyond the initial pilot community. A more detailed marketing plan will be developed (as part of the overall business plan process) that will provide more specific detail on the marketing mechanisms that will be used.

5.2.8 *Cost structures*

A detailed breakdown outlining the proposed cost structure for this social venture is provided in section 5.3 below. The cost structure of the venture is anticipated to be predominantly fixed in nature, as a result costs are not expected to significantly increase as a marginal number of mentees are added to the programme. A stepped-up change in costs is, however, expected to take place i.e. once a certain threshold of mentees is reached the cost structure will then change, but remain fixed until the next threshold is reached. The fixed cost thresholds have yet to be determined.

A key point to note now is that mentors will be volunteering their service to the programme i.e. free of charge. A deliberate decision, however, has been taken to refund each mentor an amount of R3.25 for every kilometre travelled in a month to attend mentorship sessions, but limited to a maximum of 150 kilometres in any month. The idea behind this decision is to provide some form of incentive to the mentor to participate in the programme. As such this refund will be treated as a cost to the programme.

5.2.9 *Revenue streams*

A detailed breakdown outlining the proposed revenue streams (having consideration to the customer segments) is provided in section 5.3 below.

5.2.10 *Scaling-up the business model*

The concept of scalability (or the ability to achieve scale) has already been discussed in the literature review, but is discussed again as it is a concept that is critical to this and any other social venture. The building blocks of the BMC as outlined above, as well as the discussion relating to the elements of an effective mentorship model have been based on the premise that the project will in fact achieve scale (expand into other similar communities). It is expected that many of the aspects outlined for each of the building blocks will not vary much (if at all) once the project begins to achieve scale. In other words the current design of the programme already factors the desire to scale-up

It has already been established that not all social ventures warrant the need for scaling-up. In relation to this social venture a formalised review will take place once the pilot project has been implemented and in operation. It is envisaged that such a review will take place 12 months subsequent to the operations of the programme having commenced. The aim of this review is to take cognisance of what aspects of the venture have been working well and what aspects would need to be reconsidered, in so far as the design and operation of the programme, business model and financial models are concerned. At that stage a definitive decision will then need to be made as to whether the venture should in fact scale-up. If so, then a specific guideline as to how that expansion should take place will need to be developed i.e. which community sites and over what period of time.

The deliberate scaling strategy for this social venture will build on the concepts of social franchising as discussed earlier, but the strategy would take physical form through a 'holding company' concept. In this regard there will be the centralised co-ordination function (as already established) that will provide guidance and assistance to all the separate programme hubs that will operate in the various impoverished communities. Each programme hub will effectively operate as a branch of the centralised co-ordination function.

The CSR landscape in South Africa is an ever growing one as the need to participate or invest in CSR initiatives is becoming increasingly mandated through various articles of regulation such as the King Code on Corporate Governance, industry specific Broad Based Black Economic Empowerment codes and other similar documents that provide guidance on social aspects in South Africa (Visser, 2005). The demand, consequently, for a CSR vehicle as presented here does exist and it is expected to grow further as time passes. The combination of these aspects as stated by Westley & Antadze (2010) sets the stage for this social venture to scale-up, but the actual decision to do so can only be made once the intended review of the pilot phase warrants such a decision.

5.2.11 *Conclusion*

The idea of using a social entrepreneurship model to provide mentorship interventions to ‘at-risk’ youth represents an innovative method of addressing the social need as identified. The concepts are not new or unheard, instead, in this case it is the combination of these concepts that drives social innovation i.e. new ways of address existing problems.

In summation the overall business model as outlined above finds its premise in the concept of community-based enterprise. A community-based enterprise is one that seeks to drive positive change in the community for the ultimate benefit of the broader society in which the community finds itself in i.e. creating ‘shared value’.

5.3 Determination of a sustainable financial model for the mentoring programme

5.3.1 *Initial Financial Model*

The social venture will employ a combination strategy in securing the initial funding for the mentorship programme. Angel finance and donor funding will be pursued as the main forms of funding for the initial start-up costs (accounting for 65% and 30% of the funding requirement respectively). Crowd funding will also be utilised, but to a lessor extent (i.e. 5% of the funding requirement) because this form of financing is reliant on a large mass of people that are harder to canvass when compared to angel finance and donor funding.

The use of a combination strategy allows the social venture not to become too reliant on any one source of funding as part of its goal to become financially stable. The use of these forms of finance, as opposed to traditional debt and equity, is more relevant as the literature has highlighted that the providers of these funding sources are more aligned to the goals and objectives of social ventures. It is, however, expected that other forms of finance will be considered should these prove to be unsatisfactory in securing the required capital for the venture.

Once the venture is legally formed both the Head of Programme and Finance Executive will actively work to secure the required funding for the venture by applying the combination strategy as outlined above. The exact split achieved between the different forms of funding will largely be a factor of market and other related factors at the time of raising the finance. Please refer to Appendix C for an indicative list of potential funding sources having cognisance of the combined funding strategy. Table 5 overleaf provides a breakdown of the initial funding requirements for this social venture. The amounts that have been determined are the best estimates of the type and quantum of costs that would be required to form this venture. The amounts as stated are by no means final and have been inflated to account for a likely escalation in these costs.

Table 5: Initial start-up cost structure

Programme Hub		
Land and Buildings	R0,00	Not expected to acquire Land and Buildings in the Pilot Phase
Office Related Equipment	R15 000,00	Printers, Scanners and related equipment
Office Furniture & Fixtures	R24 500,00	Desks, Chairs and related aspects
Computer Equipment	R59 500,00	Basic Laptops for 7 Employees
Computer Software	R17 500,00	Basic Office Software for the above Laptops
Network Infrastructure	R24 500,00	
Leasehold Improvements	R75 000,00	Creation of Mentoring Cubicles, etc. on the Leased Premises
Lease Deposit	R30 000,00	
Office Consumables	R2 000,00	Pens, Pencils and related aspects
Youth Development Consultations - Curriculum Formation et al.	R95 000,00	
Petty Cash	R10 000,00	Basic Petty Cash for the Programme Hub
Costs associated with initial community meetings	R12 500,00	
	R365 500,00	**A**

Table 5: Initial start-up cost structure cont.

Central Co-ordination Function		
Office Related Equipment	R15 000,00	Printers, Scanners and related equipment
Office Furniture & Fixtures	R17 500,00	Desks, Chairs and related aspects
Computer Equipment	R42 500,00	Basic Laptops for 5 Employees
Computer Software	R12 500,00	Basic Office Software for the above Laptops
Network Infrastructure	R24 500,00	
Lease Deposit	R45 000,00	
Office Consumables	R2 500,00	Pens, Pencils and related aspects
Professional Services - Legal, Tax, Accounting and Venture Formation	R95 000,00	Costs associated with setting up Legal, Tax and Accounting Structure
Cash-On-Hand (Working Capital)	R45 000,00	Start Up Cash on Hand
Miscellaneous	R45 000,00	Contingency Fund
	R344 500,00	**B**
50% of First 12 Months Operating Costs as part of Initial Funding	**R2 831 550,00**	**C**

Total Up Front Funding Requirement (A+B+C)	**R3 541 550,00**	
Round Up To	**R3 550 000,00**	
Combination Funding Strategy		
Angel Finance	R2 307 500,00	65%
Donor Funding	R1 065 000,00	30%
Crowd Funding	R177 500,00	5%
	R3 550 000,00	

5.3.2 *Continuous Financial Model*

As part of the process of outlining the associated business model using the BMC it has been determined that the following revenue generation model is the most appropriate for this social venture:

- Corporate Entities

  The social venture will act as a CSR vehicle for these entities and as a result a service fee for providing that service will be levied to these customers. The respective entities will need to decide on the actual number of 'at-risk' youth that they would like to 'sponsor' on the programme, because the annual fee that will be levied will be linked to the number of youth that they sponsor. The fee levied will be an all-inclusive cost to mentor a single 'at-risk' youth (that will be determined up-front on an annual basis) plus a specified percentage mark-up. The aim of the mark-up is to build a reserve of funds within the social venture that can then be used to repay any debt funding, as well as to hold funds for any unexpected costs that might be incurred.

  The corporate entities will be invoiced on an annual basis in advance and payment of the invoice will be expected within 45 days from the invoice date. The relationship with these corporate entities will be governed by an agreement that commits them to the social venture for two years at a time. The entities will be provided the opportunity to cancel the agreement at the end of every two years, failing which they will then commit to another two-year cycle (automatic renewal).

  The exact package will differ across the three sub-segments as follows:

  - Major corporates – The annual fee levied will be the all-inclusive cost plus a 15% mark-up. In addition they will incur a once-off initiation fee to the amount of R100000, irrespective of how many youth they choose to sponsor.

- Medium sized entities – The annual fee levied will be the all-inclusive cost plus a 10% mark up and similarly they will also incur a once-off initiation fee to the amount of R35000.
- Small local businesses – The percentage mark-up applied in this instance will be 5% to the all-inclusive cost, but in this case no once-off initiation fee will be levied.

The once-off initiation fee that forms part of the package requirements will build into the funding structure of the social venture. These funds will be used first to repay any outstanding obligations (such as angel finance obligations, bank overdrafts or obligations to suppliers), and then to cover any unexpected costs incurred by the venture.

- Individual Contributors

  A web-based platform (website) will be created where ordinary individuals will be invited to sponsor the social venture by agreeing to commit to an automated debit order, starting from a minimum of R100 per month (with no upper limit to what can be contributed). The individual is allowed to cancel the debit order, provided that 30 days' notice is given in writing via email to the dedicated email platform. The monthly contributions will continue indefinitely until such time that a cancellation notice is received.

The social venture will apply a pooling of funds approach in the management of its income and cost structure. All the funds received from the above two revenue streams will be pooled together to cover the costs incurred in the operating the venture (for both the centralised co-ordination function and the programme hubs). The cash management function will be performed by the centralised co-ordination function. The individual programme hubs will not have their own bank accounts and consequently all supplier relationships, payment of expenses, etc. will be managed centrally.

Any shortfall in funds between the costs incurred and the revenue earned will first be covered by any reserve of funds that has accumulated (based on the percentage mark-up that has been charged over a period of time). If a reserve of funds is not available at the time, then the venture will draw on any overdraft facilities that it has negotiated with its banking partner/s and/or will borrow funds from any other institution for a short dated period based on the relevant terms put forward.

Table 6 overleaf provides a simplistic breakdown of the anticipated recurring cost structure, for the social venture, for a 12 month period. The amounts outlined are the best estimate of the type and the quantum of costs that the venture will incur once it commences operation. Conservative estimates have been used to factor possible inflationary changes, but they are still subject to change due to a range of other factors. Table 7 overleaf outlines the anticipated revenue-stream structure for the social venture.

5.4 Conclusion

The BMC for the social venture as described, in conjunction with the funding model previously discussed, will form the basis of a more detailed business plan document that will be used for the purpose of forming and securing funding for this venture.

Table 6: Anticipated ongoing/recurring cost structure

Programme Hub			
Cost Item	**# of Months**	**Monthly Cost**	**Total Annual Cost**
Employee Salaries "Cost to Company"	12	R168 000,00	R2 016 000,00
Lease Payments	12	R25 000,00	R300 000,00
Office Consumables	12	R350,00	R4 200,00
Communication/Internet/Network Infrastructure	12	R1 250,00	R15 000,00
Utilities	12	R1 250,00	R15 000,00
Cleaning Services	12	R5 000,00	R60 000,00
Maintenance Related Costs			R25 000,00
Mentor/Mentee Screening Related Costs			R35 000,00
Travel Reimbursement (Mentors)	12	R24 375,00	R292 500,00
Miscellaneous	12	R750,00	R9 000,00
			R2 771 700,00 **D**

Table 6: Anticipated ongoing/recurring cost structure cont.

Central Co-ordination Function				
Cost Item	**# of Months**	**Monthly Cost**	**Total Annual Cost**	
Employee Salaries "Cost to Company"	12	R185 500,00	R2 226 000,00	
Lease Payments	12	R30 000,00	R360 000,00	
Marketing Related Costs			R85 000,00	
Office Consumables	12	R350,00	R4 200,00	
Communication/Internet/Network Infrastructure	12	R1 850,00	R22 200,00	
Utilities	12	R1 500,00	R18 000,00	
Cleaning Services	12	R5 000,00	R60 000,00	
Business Insurance	12	R4 000,00	R48 000,00	
Bank Service Charges	12	R500,00	R6 000,00	
Maintenance Related Costs			R20 000,00	
Other Professional Services	12	R2 250,00	R27 000,00	
Miscellaneous	12	R1 250,00	R15 000,00	
			R2 891 400,00	**E**
			Grand Total (D+E)	**R5 663 100,00**
Total annualised cost per mentee (Base of 50 Mentees)				**R113 262,00**

Table 7: Anticipated revenue-stream structure

Revenue Streams (Base of 50 Mentees)

Corporate Entities		Cost Per Mentee	Mark Up	Total Fee Per Mentee	No of Mentees Funded	Total Revenue
	Major Corporates	R113 262,00	15%	R130 251,30	25	R3 256 282,50
	Medium Sized Entities	R113 262,00	10%	R124 588,20	15	R1 868 823,00
	Small Local Businesses	R113 262,00	5%	R118 925,10	10	R1 189 251,00
					Total Annual Anticipated Revenue	**R6 314 356,50**
					Total Annual Costs (recurring cost structure)	R5 663 100,00
					Residual Income	**R651 256,50**

Individual Contributors (Only expected to come into effect once the Pilot Phase has been successfully implemented)

Baseline assumption of 250 Initial Contributors and expected to grow as the programme gains traction	Contributors	250
Baseline assumption of R250 as an average contribution per contributor	Average Contribution	R250
		R62 500

NB: For the sake of simplicity the once-off initiation fee that is required from Corporate Entities has not been factored above.

CHAPTER 6. CONCLUSION

6.1 Introduction

The aim of this chapter is to provide a concise summary of the outcome of the work that was undertaken in relation to this social entrepreneurship project. The chapter also provides a clear outline of the next steps that should be followed, based on the body of work that has been presented herein.

6.2 Outcomes of the project

At the onset of this project, the researcher identified an unmet social need existing in South Africa. Specifically, 'at-risk' youth in impoverished communities are not being exposed to adequate guidance and developmental mechanisms; from their family and/or other community structures; that would enable them to successfully transition into adulthood. The researcher, through this social entrepreneurship project, then set out to identify and determine the following aspects i.e. the elements that would constitute an effective mentorship programme; the type of business model that would allow the mentorship programme to be viable and sustainable; and the type of funding model that would be adequate for a venture of this nature.

6.2.1 *The elements of an effective mentorship programme*

In the process of reviewing the literature on mentorship, as well as through the primary research process, the researcher synthesised and defined critical elements that need to be built into this mentorship programme. It is believed that these operational elements (without repeating them here) will enable this mentorship programme to achieve its stated objective i.e. delivering a direct intervention, that will enable the targeted 'at-risk' youth to successfully transition into adulthood.

6.2.2 *The determination of a viable business model*

The mentorship programme that was designed has been deliberately housed in the framework of social entrepreneurship. This framework, however, does not provide an underlying business model that the social venture could make use of in the process of operationalising the mentorship programme. The building blocks defined in the BMC ultimately fashioned the intermediary model that this social venture plans to makes use of. The venture is effectively a special purpose CSR vehicle that will render services on behalf of its customers to a range of beneficiaries in targeted communities. Operating in this manner will also provide a platform for the social venture to scale-up and expand the mentorship programme to other impoverished communities, provided that the defined guidelines (that are still to be determined) are in place for expansion at the time.

6.2.3 *The determination of a sustainable financial model*

In line with the process followed to determine an appropriate business model, equal consideration was given to the determination of a funding model. The venture plans to generate revenue by charging a fee for the services that it provides, on behalf of its customers, to beneficiaries. The fee charged is based on a 'cost plus mark-up' mechanism and ideally will allow the venture to recover all costs and earn a mark-up thereon. In addition, the social venture will implement a combination funding strategy wherein it will make use of angel finance, donor funding and crowd funding to fund the initial start-up costs. A greater reliance will be placed on the use of angel finance and donor funding, but the ultimate mix of funding sources will largely be a function of market and economic conditions at the time that the funding is raised.

6.3 Conclusion and next steps

The project has demonstrated that the field of social entrepreneurship has the potential to address many of the social challenges that South Africa currently faces. Furthermore, the researcher is of the opinion that more work must be done to ensure that the field of social entrepreneurship gains traction in the South African context.

The project has resulted in the creation of a robust operating, business and financial model that will enable the social venture to address the unmet social need in South Africa, and to do so in an effective, viable and sustainable manner.

The entire project document, as outlined herein, is only the first step in the process of operationalising this project. Furthermore, the guidelines as set out in this document are by no means final and will be subject to continuous revision throughout the implementation phase. Please refer to Appendix D for an indicative implementation plan, outlining the next steps for this project.

REFERENCES

Agrawal, A., Catalini, C., & Goldfarb, A. (2010). Entrepreneurial Finance and the Flat-World Hypothesis - Evidence from Crowd-Funding Entrepreneurs in the Arts. No. 10-08

Alter, K. (2007). *Social Enterprise Typology.* Virtue Ventures LLC.

Anton, P., & Temple, J. (2007). Analyzing the Social Return on Investment in Youth Mentoring Programs. Minnesota, United States of America: Wilder Research.

Arnett, J. (2000). Emerging Adulthood - A Theory of development from the late teens through to the twenties. *American Phychologist, 55*, 469-480.

Association of German Foundations. (2008). *Social Franchising - A way of Systematic Replication to increase Social Impact.* Berlin: Association of German Foundations.

Austin, J., Stevenson, H., & Wei-Skillern, J. (2006). Social and Commercial Entrepreneurship: Same, different or both? *Entrepreneurship: Theory and Practice, 30*(1), 1-22.

Bagnoli, L., & Megali, C. (2011). Meaursing Performance in Social Enterprises. *Nonprofit and Voluntary Sector Quarterly, 40*(1), 149-165.

Barney, J. (2001). Resource-based theories of Competitive Advantage : A ten year retrospective on the resource-based view. *Journal of Management, 27*(6), 643-650.

Belleflamme, P., Lambert, T., & Schwienbacher, A. (2014). Crowdfunding - Tapping the right Crowd. *Journal of Business Venturing, 29*(5), 585-609.

Berelowitz, D. (2012, April 17). *Social Franchising - Freedom within a Framework*. Retrieved September 23, 2016, from http://archive.skoll.org/2012/04/17/social-franchising-freedom-within-a-framework/

Blazer, D., & Glazebrook, D. (2006). A Guide to Effective Practice for Mentoring Young People. Victoria, Australia: Department for Victorian Communities - Office for Youth.

Bloom, P., & Smith, B. (2010). Identifying the Drivers of Social Entrepreneurial Impact : Theoretical Development and an Exploratory Empirical Test of SCALERS. *Journal of Social Entrepreneurship, 1*(1), 126-145.

Bozeman, B., & Feeney, M. (2007). Toward a useful theory of mentoring. *Administration & Society, 39*(6), 719-739.

Brigman, G., & Campbell, C. (2003). Helping Students Improve Academic Achievement and School Success Behavior. *Professional School Counselling*, 91-98.

Burton, P., & Leoschut, L. (2012). School Violence in South Africa - Results of the 2012 National School Violence Study. *Monograph Series - No 12*. Cape Town: Centre for Justice and Crime Prevention.

Carroll, A. (1991). The pyramid of corporate social responsibility: Toward the moral management of Organizational Stakeholders. *Business Horizons, 34*(4), 39-48.

Casadesus-Masanell, R., & Ricart, J. (2011). How to Design a Winning Business Model. *Harvard Business Review*, *89(1/2)*, 100-107.

Centre for Substance Abuse and Prevention. (2000). Mentoring Initiatives: An overview of Youth Mentoring. Rockville, Maryland: Substance Abuse and Mental Health Services Administration.

Charmaz, K. (2014). Chapter 3 - Crafting and Conducting Intensive Interviews. In *Constructing Grounded Theory* (2nd ed., pp. 55-82). California, United States of America: Sage Publications.

Chell, E. (2007). Social Enterprise and Entrepreneurship. *International Small Business Journal, 25*(1), 5-26.

Chen, I., & Popovich, K. (2003). Understanding customer relationship management - People, process and technology. *Business Process Management Journal, 9*(5), 672-688.

Cheng, P., & Ludlow, J. (2008). *The Three Models of Social Enterprise - Creating Social Impact through Trading Activties.* CAF Venturesome.

Chesbrough, H. (2010). Business Model Innovation - Opportunities and Barriers. *Long Range Planning, 43*(2), 354-363.

Clark, C., Rosenzweig, W., Long, D., & Olsen, S. (2004). *Double Bottom Line Project Report - Assessing Social Impact in Double Line Ventures.* California: University of California.

Cosh, A., Cumming, D., & Hughes, A. (2009). Outside Entrepreneurial Capital. *The Economic Journal, 119*(540), 1494-1533.

Creswell, J. (2013). Chapter 1 : The selection of a research approach. In *Research Design - Qualitative, Quantitative and Mixed Methods Approaches* (4th ed., pp. 3-24). California: Sage Publications.

Dickson, P., & Ginter, J. (1987). Market Segmentation, Product Differentiation, and Marketing Strategy. *Journal of Marketing*, 1-10.

Dubois, D., Portillo, N., Rhodes, J., Silverthorn, N., & Valentine, J. (2011). How effective are Mentoring Programs for Youth? A systematic assessment of evidence. *Psychological Science in the Public Interest, 12*(2), 57-91.

Du-Toit, A. (2014). Social Franchising as an Organisation Format - An Overview. Gauteng, South Africa: Franching Plus.

Falkena, H., Abedian, I., Blottnitz, M. v., Coovadia, C., Davel, G., Madungandaba, J., . . . Rees, S. (2002). *SME's access to Finance in*

South Africa - A Supply Side Regulatory Review. Pretoria: The Task Group of the Policy Board for Financial Services and Regulation.

Firer, C., Ross, S., Westerfield, R., & Jordan, B. (2012). Chapter 1 : Introduction. In *Fundamentals of Corporate Finance.* Berkshire: McGraw Hill Education.

Gay, B. (1994). What is Mentoring? *Education & Training, 36*(5), 4-7.

Gill, A., Biger, N., & Mathur, N. (2010). The relationship between Working Capital Management and Profitaility : Evidence from the United States. *Business and Economics Journal, 10*(1), 1-9.

Glass, G. (1976). Primary, Secondary and Meta-Analysis of Research. *Educational Researcher, 5*(10), 3-8.

Golafshani, N. (2003). Understanding Validity and Reliability in Qualitative Research. *The Qualitative Report, 8*(4), 597-606.

Gompers, P., & Lerner, J. (2001). The Venture Capital Revolution. *The Journal of Economic Perspectives, 15*(2), 145-168.

Govender, P. (2016, June 07). *School dropout numbers blamed on poor learning in early grades*. Retrieved October 21, 2016, from http://mg.co.za/article/2016-06-06-school-dropout-numbers-blamed-on-poor-learning-in-early-grades

Graduate School of Business - Stanford University. (2016). *Defining Social Innovation*. Retrieved September 26, 2016, from GSB.Stanford.edu: https://www.gsb.stanford.edu/faculty-research/centers-initiatives/csi/defining-social-innovation

Grassl, W. (2012). Business Models of Social Enterprise - A Design Approach to Hybridity. *Journal of Entrepreneurship Perspectives, 1*(1), 37-60.

Hadad, S., & Gauca, O. (2014). Social impact measurement in social entrepreneurial organizations. *Management & Marketing, 9*(2), 119-136.

Hamlin, R., & Sage, L. (2011). Behavioural criteria of perceived mentoring effectiveness - An empirical study of effectve and ineffective mentor and mentee behaviour within formal mentoring relationships. *Journal of European Industrial Training, 35*(8), 752-778.

Hanover Research. (2014). *Faculty Mentoring Models and Effective Practices.* Washington, DC: Hanover Research.

Harker-Burnhams, N. (2016). Statistical trends in substance use in South Africa with a focus on young people. *UNISA 2016 Youth Research Conference.* Pretoria. Retrieved October 19, 2016

Hartmann, A., & Linn, J. (2008). Scaling Up - A Framework and Lessons for Development Effectiveness from Literature and Practice. Washington DC, United States of America: Wolfensohn Centre for Development - Brookings Institute. Retrieved September 23, 2016

Haswell, M., Grand-Ortega, M., & Gaskin, S. (2013). *Case Study of The Panyappi Aboriginal Youth Mentoring Program - Strengths, challenges and implications for policy and practice.* Sydney: University of New South Wales - School of Public Health and Community Medicine.

Herrera, C., Sipe, C., & McClanahan, W. (2000). *Making mentoring relationships better : Program matching and activity factors that contribute to mentors' positive relationships with youth.* Philidelphia: Public/Private Ventures.

Hsieh, H., & Shannon, S. (2005). Three approaches to qualitative content analysis. *Qualitative Health Research, 15*(9), 1277-1288.

Ibrahim, D. (2008). The (not so) puzzling behavior of angel investors. *Vanderbilt Law Review, 61*, 1405-1452.

Johnson, K. (2007). Mentoring At-Risk Youth - A Case Study of an Intervention for Academic Achievement with Middle School aged students. Tennessee, United States of America: East Tennessee State University.

Jonck, P., Goujon, A., Testa, M., & Kandala, J. (2015). Education and Crime Engagement in South Africa: A national and provincial perspective. *International Journal of Educational Development, 45*, 141-151.

Kotler, P., Keller, K., Manceau, D., & Hémonnet-Goujot, A. (2015). Chapter 9 - Identifying Market Segments and Selecting Target Markets. In *Marketing Management.* New Jersey: Prentice Hall.

Lapan, R., Gysbers, N., & Sun, Y. (1997). The Impact of more fully Implemented Guidance Programs on the School Experiences of High School Students: A Statewide Evaluation Study. *Journal of Counseling and Development, 75*(4), 292-302.

Lehner, O. (2013). Crowdfunding social ventures - A model and research agenda. *Venture Capital, 15*(4), 289-311.

Levine, P. (2014). Proposal 4 : Designing Effective Mentoring Programs for Disadvantaged Youth. *Policies to Address Poverty in America*. Washington, D.C, United States of America: Brookings Institute.

Lewin-Bizan, S., Bowers, E., & Lerner, R. (2010). One good thing leads to another - Cascades of positive youth development among American adolescents. *Development & Psychopathology, 22*, 759-770.

Macmillan Publishers Limited. (2016). *Macmillan Dictionary*. Retrieved July 12, 2016, from http://www.macmillandictionary.com/dictionary/british/impoverished

MacQueen, K., McLellan, E., Metzger, D., Kegeles, S., Strauss, R., Scotti, R., . . . Trotter, R. (2001). What Is Community? An Evidence-Based Definition for Participatory Public Health. *American Journal of Public Health, 91*(12), 1929-1938.

Max-Neef, M., Elizalde, A., & Hopenhyn, M. (1989). Human Scale Development: An Option for the Future: Development Dialogue. Uppsala, Sweden: Dag Hammarskold Foundation.

McWhirter, J., McWhirter, B., McWhirter, E., & McWhirter, R. (2012). *At Risk Youth: A Comprehensive Response for Counselors, Teachers, Psychologists and Human Service Professionals.* Belmont, California: Brooks/Cole - Cengage Learning.

Meier, R. (2008). *Youth Mentoring - A Good Thing.* Surrey: Centre for Policy Studies.

Merriam-Webster. (2016). Retrieved July 05, 2016, from Merriam-Webster: http://www.merriam-webster.com/dictionary/

Merten, M. (2015, June 30). *The Grim Situation Facing SA's Youth*. Retrieved October 19, 2016, from IOL.co.za: http://www.iol.co.za/business/news/the-grim-situation-facing-sas-youth-1878239

Montagu, D. (2002). Franchising of Health Services in Low-Income Countries. *Health Policy and Planning, 17*, 121-130.

Mulgan, G., Ali, R., Halkett, R., & Sanders, B. (2007). *In and Out of Sync : The Challenge of Growing Social Innovations.* London: NESTA.

Mulgan, G., Tucker, S., Ali, R., & Sanders, B. (2007). Social Innovation - What is it, Why it Matters and How can it be Accelerated? Oxford, United Kingdom: Skoll Centre for Social Entrepreneurship.

Munshi, N. (2010). Value Creation, Social Innovation and Entrepreneurship in Global Economies. *Journal of Asia-Pacific Business, 11*(3), 160-165.

Muntingh, L., & Ballard, C. (2012). *Report on Children in Prison in South Africa.* Cape Town: Community Law Centre.

Murrell, A. (2007). Five Key Steps for Effective Mentoring Relationships. *The Kaitz Quarterly, 1*(1), 1-9.

Nevin, J. (1995). Relationship marketing and distribution channels - Exploring fundamental issues. *Journal of the Academy of Marketing Science, 23*(4), 327-334.

Newham, C. (2005). *A Decade of Crime Prevention in South Africa - From a National Strategy to a Local Challenge.* Johannesburg: Centre for the Study of Violence and Reconciliation.

Oesterle, S., Hawkins, J., Hill, K., & Bailey, J. (2010). Men's and Women's pathways to adulthood and their adolescent precursors. *Journal of Marriage and Family, 72*(5), 1436-1453.

Ormiston, J., & Seymour, R. (2011). Understanding value creation in social entrepreneurship - The importance of aligning mission, strategy and impact measurement. *Journal of Social Entrepreneurship, 2*(2), 125-150.

Osterwalder, A. (2013, May 06). *A Better Way to Think About Your Business Model*. Retrieved September 28, 2016, from HBR.org: https://hbr.org/2013/05/a-better-way-to-think-about-yo

Osterwalder, A., & Pigneur, Y. (2010). *Business Model Generation.* New Jersey: Wiley & Sons Inc.

Parks, T. (2008). The rise and fall of donor funding for advocacy NGO's : Understanding the impact. *Development in Practice, 18*(2), 213-222.

Parra, G., DuBois, D., Neville, H., Pugh-Lilly, A., & Povinelli, N. (2002). Mentoring Relationships for Youth: Investigation of a Process-Oriented Model. *Group & Organization Management, 40*(3), 428-461.

Peredo, A., & Chrisman, J. (2006). Toward a Theory of Community-Based Enterprise. *Academy of Management Journal, 31*(2), 309-328.

Phillips, W., Lee, H., Ghobadian, A., O'Regan, N., & James, P. (2015). Social Innovation and Social Entrepreneurship: A system review. *Group & Organization Management, 40*(3), 428-461.

Porter, M., & Kramer, M. (2011). Creating Shared Value - How to reinvent capatalism and unleash a wave of innovation and growth. *Harvard Business Review, 89*(1/2), 62-77.

Rhodes, J. (2002). *Stand By Me : The Risks and Rewards of Mentoring today's Youth.* Cambridge, Massachusetts: Harvard University Press.

Rhodes, J., Spencer, R., Keller, T., Liang, B., & Noam, G. (2006). A model for the influence of mentoring relationships on Youth Development. *Journal of Community Psychology, 34*(6), 691-707.

Rice, M., & Brown, R. (1990). Development factors associated with perceptions of mentoring competence and mentoring needs. *Journal of College Student Development*, 293-299.

Rubio, E. (2016, February 6). *Four Elements in the Future of Social Entrepreneurship*. Retrieved September 27, 2016, from Innovation for Development: http://www.innovationdev.org/4-elements-in-the-future-of-socialentrepreneurship-innovation/

Russell, J., & Adams, D. (1997). The Changing Nature of Mentoring in Organisations: An Introduction to the Special Issue on Mentoring in Organizations. *Journal of Vocational Behaviour, 51*(1), 1-14.

Said Business School - University of Oxford. (2016). *Skoll Centre for Social Entrepreneurship*. Retrieved July 06, 2016, from http://www.sbs.ox.ac.uk/faculty-research/skoll/what-social-entrepreneurship

Santos, F. (2012). A Positive Theory of Social Entrepreneurship. *Journal of Business Ethics, 111*(3), 335-351.

Scales, P., Benson, P., & Mannes, M. (2006). The contribution to adolescent well-being made by nonfamily adults - An examination of development assets as contexts and processes. *Journal of Community Psychology, 34*(4), 401-413.

Scales, P., Benson, P., Oesterle, S., Hill, K., Hawkins, J., & Pashak, T. (2016). The Dimensions of successful Young Adult Development - A conceptual and measurement framework. *Applied Developmental Science, 20*(3), 150-174.

Schwienbacher, A., & Larralde, B. (2012). Crowdfunding of Small Entrepreneurial Ventures. In *The Oxford Handbook of Entrepreneurial Finance* (pp. 369-391). Oxford University Press.

Seelos, C., & Mair, J. (2004). Social Entrepreneurship : The contribution of individual entrepreneurs to sustainable development. Barcelona, Spain: IESE Business School - Universidad de Navarra.

Seelos, C., & Mair, J. (2005). Social Entrepreneurship: Creating new business models to serve the poor. *Business Horizons, 48*(3), 241-246.

Seeth, A., & Mapumalo, Z. (2016, April 27). *Shocking Stats for SA Youth*. Retrieved October 19, 2016, from CityPress.co.za: http://city-press.news24.com/News/shocking-stats-for-sa-youth-20160427

Smith, E. (2002). Social Franchising of Reproductive Health Services - Can it Work? *Marie Stopes Working Papers (No.5)*.

Strauss, A., & Corbin, J. (1990). Chapter 1 - Introduction. In *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory* (pp. 3-14). Newbury Park, California: Sage.

Sullivan, J. (2010). *A look into Youth Mentoring - An Interactive Qualifying Project Report.* Worcester: Worcester Polytechnic Institute.

Teece, D. (2010). Business models, business strategy and innovation. *Long Range Planning, 43*(2), 172-194.

The Glossary of Education Reform. (2016). Retrieved July 05, 2016, from EdGlossary.org: http://edglossary.org/at-risk/

The Government of the Republic of South Africa. (2008). National Youth Policy (2009 - 2014). Pretoria, Gauteng, South Africa: The Government of the The Republic of South Africa.

The Government of the Republic of South Africa. (2015). National Youth Policy (2015 - 2020). Pretoria, Gauteng, South Africa: The Government of the Republic of South Africa.

The Human Sciences Research Council. (2008). Retrieved October 24, 2016, from HSRC.ac.za: http://www.hsrc.ac.za/en/review/March-2008/drop-outs

The Human Sciences Research Council. (2015). *State of Economy City of Johannesburg*. Retrieved October 14, 2016, from http://www.hsrc.ac.za/en/review/hsrc-review-january-2015/state-of-economy-city-of-jhb

The World Bank. (2003). *World Development Report 2004 : Making services work for poor people.* Washington, D.C.: Oxford Univeristy Press.

Theron, L., & Theron, A. (2010). A Critical Review of Studies of South African Youth Resilience - 1990-2008. *South African Journal of Science, 106*(7-8), 1-8.

Thompson, J., Alvy, G., & Lees, A. (2000). Social Entrepreneurship - A new look at the people and potential. *Management Decision*, 328-338.

Tidd, J., & Bessant, J. (2009). Chapter 1 Innovation - What it is and Why it Matters. In *Managing Innovation: Intergrating Technological, Market, and Organisational Change* (pp. 3-58). West Sussex: John Wiley & Sons Ltd.

Tierney, J., Grossman, J., & Resch, N. (1995). *Making a Difference - An Impact Study of Big Brothers/Big Sisters.* Philadelphia: Public/Private Ventures.

Toffler, A. (1974). The Psychology of the Future. *Law in American Society, 3*(4), 17-25.

Tracey, P., & Jarvis, O. (2007). Toward a Theory of Social Venture Franchising. *Entrepreneurship : Theory and Practice, 31*(5), 667-685.

Trading Economics. (2016). *South Africa Youth Unemployment Rate 2013 - 2016*. Retrieved October 20, 2016, from TradingEconomics.com: http://www.tradingeconomics.com/south-africa/youth-unemployment-rate

United Nations Development Programme. (2003). *Human Development Report 2003 : Millenium Development Goals - A Compact among nations to end human poverty.* New York: Oxford University Press.

United Nations Population Fund. (2015). *Young People Fact Sheet*. Retrieved July 04, 2016, from http://southafrica.unfpa.org/topics/young-people-1

van-Oudenhoven, N., & Wazhir, R. (1998). Replicating Social Programmes - Approaches, Strategies and Conceptual Issues. *Management of Social Transformations (MOST) Discussion Paper Series, No. 18.* Paris, France: UNESCO.

Visser, W. (2005). Corporate citizenship in South Africa - A review of progress since democracy. *The Journal of Corporate Citzenship, 18*, 29.

Wainwright, D. (1997). Can sociological research be qualitative, critical, and valid? *The Qualitative Report, 3*(2), 1-17.

Waller, L., & Sansfacon, D. (2000). *Investing Wisely in Crime Prevention: International Experiences.* Office of Justice Programs, Bureaus of Justice Monograph. Washington DC: United States Department of Justice.

Westley, F., & Antadze, N. (2010). Making a Difference : Strategies for Scaling Social Innovation for Greater Impact. *Innovation Journal, 15*(2).

Wong, A., Bhatia, M., & Freeman, Z. (2009). Angel Finance - The other venture capital. *Strategic Change, 18*(7-8), 221-230.

Wood, S., & Mayo-Wilson, E. (2012). School-based mentoring for adolescents: A systematic review and meta-analysis. *Research on Social Work Practice, 22*, 257-269.

Ziegler, R. (2010). Innovations in Doing and Being : Capability Innovations at the Intersection of Schumpeterian Political Economy and Human Development. *Journal of Social Entrepreneurship, 1*(2), 255-272.

Zietlow, J. (2001). Social Entrepreneurship: Managerial, Finance and Marketing Aspects. *Journal of Nonprofit & Public Sector Marketing, 9*(1-2), 19-43.

APPENDIX A

Critical success factors derived from the full project performed by Haswell et al., (2013): pg 82

I) Critical Effectiveness Factors: Common elements that make things happen at the Youth Program Interface

E1. Adopting full commitment to working from strengths, not seeking to correct deficits

E2. Being patient to develop the relationship bond first, then using the relationship to move towards positive change

E3. Modelling reliability and being consistent; staff doing what they say they will do to build and maintain trust and to show that they care

E4. Facilitating connection to culture, showing how to be a strong Aboriginal person through individual, group and community engagement

E5. Adopting a non-judgmental approach, using mistakes as a way to build new skills for better choices

E6. Setting rules and boundaries within the program around what is okay and what is not in a way directly applicable to everyday life; e.g. two-way reliability

E7. Modelling openness, honesty, hope and trust

E8. Maximizing opportunity for choice making, self-motivation, feeling safe to give new things a try

E9. Celebrating small achievements and positive changes and using these as a leverage towards autonomy

E10. Providing creative, enjoyable, inspiring interactions to generate positive feelings.

II) Critical Sustainability Factors: Common elements that make programs strong and sustainable

S1. Having inclusive and inspiring origin and establishment processes beginning in the community (key ideas driving these programs preceded searches for funding)

S2. Embedding Aboriginal ways of being and doing from leadership to management to staff to foster authenticity at the youth: program interface

S3. Having the time and space to find the right path with the community, able to experience trial and error and emerge with a stronger local knowledge base

S4. Sharing vision of program potential to guide and motivate program participants and staff through hard times

S5. Fostering innovation in tools and processes for recruitment and training, program delivery, service collaborations to meet challenges, widen support, show accountability

S6. Embedding meaningful accountability, monitoring and evaluation processes as part of everyday continuous improvement

S7. Having a mechanism to celebrate achievement, to emphasise the meaning and purpose of the work, to continuously reflect on 'what are we doing, why are we doing it, how can we do better?'

S8. Creating a working environment and structure where staff are safe to be open and honest, discuss their challenges and offer positive solutions to each other in order to support staff to deal with the emotionally challenging work, the flexibility and resourcefulness required and to preserve confidence

S9. Managing change respectfully but firmly for the good of the program where necessary

S10. Focussing on developing and sustaining good relationships with stakeholders through communication, reliability and collaboratively meeting youth needs.

III) Critical Growth Factors to enhance program reach and capacity to support more youth most effectively

G1. Having program expectations on an appropriate timeline according to the youth's circumstances, not expecting overnight change given the multiple and complex challenges they face but maintaining realistic and visible youth-defined goals. This is particularly important for Aboriginal youth who have experienced severe disadvantage and negative experiences in their upbringing but should not be interpreted as a reason for settling for less than the young person's full potential.

G2. Fostering skilful connection with other services and documenting otherwise hidden contributions to youth progress so they can be valued for their relatively low cost and high benefit

G3. Providing the space, respect, capacity and autonomy to Aboriginal programs, acknowledging their requirement to be embedded in the community and essentially 'serving two masters' if they are to be able to grow and have a broader impact

G4. Recognising that recruitment and training of the workforce for Indigenous youth SEWB is particularly challenging and providing essential support

G5. Enabling SEWB programs to continue to work at upstream levels - promotion, prevention and early intervention – to assist youth with the greater challenges earlier, when strengths are still intact and problems more easily addressed

G6. Rewarding programs that have stood the test of time to allow their practical knowledge in understanding processes that work to grow and reach farther to meet need – making sure that new programs are embedded within an environment that can provide experience, local and cultural knowledge and community engagement

G7. Dealing with accountability processes within the team and enabling a negotiation process with external agencies to ensure that these processes promote, rather than overburden, their service.

IV) Critical Societal Factors to facilitate these programs to reach their full potential to improve the lives of Aboriginal and Torres Strait Islander youth

SO1. A funding strategy that facilitates the growth of established and experienced programs and promotes their capacity to provide nurturing support to new programs for mutual gain

SO2. Avoiding competitive funding processes that place programs that are inexperienced, not connected to the community and unproven in competition with experienced proven programs

SO3. Funding programs at levels that enable growth to meet the increasing needs of youth at promotion, prevention, early intervention and when in secondary and tertiary care settings

SO4. Supporting innovative approaches to recruitment and training focussed on building a skilled pool for youth support

SO5. Requiring capacity within programs to demonstrate accountability but through a flexible and internally managed process that is meaningful and promotes, rather than threatens, the program's purpose and nurtures the youth-program interface

SO6. Recognising and protecting the critical role youth play in the future of the nation – and the need to allocate a greater share of resources towards these positive, effective programs to flourish and achieve their potential and help to avert the very high costs of tertiary approaches to the loss of social and emotional wellbeing

APPENDIX B

Actual Research Instrument

Social Entrepreneurship as a means to deliver mentorship to 'at-risk' youth in South Africa

Date of Interview: ______________

MBA Candidate: Slade Hudson

Respondent: ______________

Title/Position of Respondent: ______________

Take Note:

- The questions are designed to be open ended, consequently it is expected that the discussion between the respondent and the researcher will result in additional questions being posed that are not listed below.

A] Effective Mentorship

1. In your opinion what are some of the major challenges that youth face in South Africa?

   ………………………………………………………………………………………
   ………………………………………………………………………………………
   ………………………………………………………………………………………
   ………………………………………………………………………………………
   ……………………………………………

2. How effective do you believe a well-structured mentorship programme could be in addressing some of these challenges?

……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
…………………………………………

3. If a programme was based within or close to an impoverished community:
    a. What difference would it make if the programme was school-based compared to it being community-based?

……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
…………………………………………

    b. Would the impact of the mentoring programme be different if it was specifically designed as peer mentoring versus that of adult mentoring?

……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
…………………………………………

4. What role (if any) should the local community leadership play in the management of the community-based mentorship programme?

……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
………………………………………….

5. What elements are critical in your opinion for a mentorship programme to gain traction in a local impoverished community?

……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
………………………………………….

6. What aspects do you believe hinder the ability of a mentorship programme to scale beyond the borders of the local community in which it is first established?

……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
………………………………………….

7. In relation to the matching of potential mentees and mentors, what variables are the most relevant (in your opinion) to be able to determine the best match?

……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………

………………………………………………………………………………………
…………………………………………

8. What is the youngest age that a mentoring initiative of this nature should be targeted at, and similarly what is the maximum age that an initiative of this nature should be targeted at?
………………………………………………………………………………………
………………………………………………………………………………………
………………………………………………………………………………………
………………………………………………………………………………………
…………………………………………

9. If sports and/or other social elements were designed as critical component to this programme then (in your opinion) what impact could that possibly have on the effectiveness of the holistic mentoring initiative?
………………………………………………………………………………………
………………………………………………………………………………………
………………………………………………………………………………………
………………………………………………………………………………………
…………………………………………

B] Viable Social Entrepreneurship

1. In relation to what you have been exposed to, can you please provide details of the social entrepreneurship landscape within South Africa?
………………………………………………………………………………………
………………………………………………………………………………………
………………………………………………………………………………………

……………………………………………………………………………………
……………………………………..

2. In a South African context, do you believe that the concept of social entrepreneurship has the ability to address many of the social challenges that the country currently faces?
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
…………………………………………

3. What are some of the major challenges that social entrepreneurship ventures are currently facing within the South African landscape?
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
…………………………………………

4. What elements are critical to the success of a social entrepreneurship venture in your opinion?
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………
…………………………………………

APPENDIX C

Indicative List of Potential Funding Sources

The aim of the list below is to provide a rough indication of potential funding sources that could be canvassed for the purpose of this social venture. The list is by no means exhaustive. A more detailed search for funding will be performed as part of implementation phase of the project.

Crowd Funding Platforms

- Thunda Fund https://www.thundafund.com/
- Start Me http://www.startme.co.za/
- Changing Lives Now http://www.changelivesnow.co.za/
- Start Some Good https://startsomegood.com/
- Chuffed https://chuffed.org/
- Indiegogo https://www.indiegogo.com/

Angel Investors

- Angel Hub Ventures http://www.angelhubventures.com/
- Brief List of South African Angel Investors https://angel.co/south-africa/investors
- Investors Network http://www.investorsnetwork.co.za/
- Justin Stanford http://justinstanford.com/
- Gust https://gust.com/
- The UK Angel Investment Network https://www.angelinvestmentnetwork.co.uk/
- Keiretsu Forum http://www.keiretsuforum.com/

Donor Funding

- The DG Murray Trust http://dgmt.co.za/#the-dg-murray-trust
- The Anglo American Chairman's Fund http://www.tshikululu.org.za/funds/entry/anglo-american-chairmans-fund
- The Bill and Melinda Gates Foundation http://www.gatesfoundation.org/
- The Rockefeller Foundation https://www.rockefellerfoundation.org/
- The Global Fund for Children http://www.globalfundforchildren.org/
- The United States Agency for International Development https://www.usaid.gov/

APPENDIX D

Indicative Implementation Plan

The indicative implementation plan as outlined below represents the next steps that should be followed in the implementation of this social entrepreneurship project. The list is by no means exhaustive and will be subject to continuous revision during the implementation phase. The steps as outlined below follow in chronological order:

- Continuous discussion with a range of role players and stakeholders in the youth mentoring and social entrepreneurship space in South Africa, as a means of fine-tuning the concepts and ideas already outlined in this document.
- Preparation of a detailed business plan based on the concepts outlined in this document, including specifically the marketing and financial model for the venture.
- Recruit for the role of Finance Executive, who will play a key role in the process of forming and getting the venture into operation.
- Setup the legal, tax, and overall business structure for the social venture making use of a range of professional services where necessary.
- Commence the process of sourcing funding in line with the funding strategy and model already defined. The sourcing of funding is expected to be a continuous process through the life of this social venture.
- Scan a range of impoverished communities in the greater Gauteng province to identify a community that currently does not have a similar intervention taking place, with the goal of identifying a site where the pilot of this project can be implemented.
- Enter into discussions and/or negotiations with the identified community leadership and related structures as part of the process of establishing the pilot project.

- Define the holistic curriculum for the mentorship intervention as well as the programme specific elements for the programme hub by making use of youth development consultants.
- Identify a local school/s in the identified community with whom the social venture could partner with in the provision of the mentorship interventions. Enter into discussions with the management structures of the school/s in question.
- Define a clear set of goals and criteria for the programme hub in the pilot community, in line with the principles discussed around impact measurement and scaling-up.
- Commence the recruitment process for all the remaining employment positions at both the Central Co-ordination Function and the Programme Hub in the identified community.
- Enter into a range of business agreements (lease of property, acquisition of equipment, provision of services, etc.) that will enable the social venture to provide the mentorship intervention.
- Custom fit the leased premises to meet the requirements of the mentorship programme and then move into the premises.
- Commence the process of both mentor and mentee screening and selection, then based on information obtained establish the mentor/mentee pairs. Ensure that all mentors enter into the stated *Volunteer's Agreements*, and similarly ensure that all parents/guardians of the mentees (and the mentees themselves) enter into the stated *Mentorship Agreements* with the programme hub respectively.
- Selected mentors and mentees are now trained and invited to the orientation programme.
- Commence the actual mentorship intervention process.
- Implement video-calling mentorship basis with a single mentor/mentee pair, to test the viability and effectiveness of this means of communication.

- At the end of the first 6 months assess the effectiveness of the video-calling mentorship test and determine whether it should be rolled out to other mentor/mentee pairs at the programme hub. Determine the additional investment that will be required to enable this roll-out.
- Measure impact and progress of the mentorship intervention based on the previously established goals and objectives. Implement corrective action where necessary if the results are not as desired.
- At the end of the first 12 months of operation (starting from when the first mentorship session takes place) review the overall progress of the intervention. Determine, based on this progress (in line with identified metrics), whether there are grounds for the programme to be expanded in scope in the current community and/or scaled-up into another community.
- If there are no grounds to do so at this stage, then continue with operations at the current community and reassess at the end of a further 6 month period.
- If there are grounds to expand the programme, and/or scale-up as needs be, then the process of identifying the next community and all related aspects (similar to what has been mentioned above) will commence.