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Social Entrepreneurship - The Next Big Thing

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Social entrepreneurship is trendy. It's buzz-worthy. It's what my kids would call "rel" (short for "relevant" in text speak). And it's based on a shifting trend in corporate America (and beyond) as the business community becomes less focused on bottom lines and more intentional about benefiting the greater common good.

The modern social entrepreneurship model is proving that consumers are willing to pay a premium price for goods or services they can feel good about. Consider the now-iconic model of Tom's Shoes where the buy-one-give-one model resulted in over one million pairs of shoes being sold (and one million pairs donated) in only five years.

Leading social entrepreneurs are creating organizations that are neither businesses nor charities, but rather hybrid entities that both generate revenue and pursue social or global or environmental goals. The blending of social purpose with profit has been formalized with the creation of "benefit corporations" (known as B Corps) – legal corporate entities required to create benefit for society as well as shareholders.

In 32 states and the District of Columbia where B Corps are state-recognized legal entities, the benefits have included increased investment in entrepreneurship, business growth and increased recruiting ability as employers are finding that employees – especially millennials – want to work for companies that act and feel like nonprofits.

In 2016, lawmakers in Michigan introduced benefit corporation legislation (HB 5710 – 5713) to legally recognize these types of hybrid entities. The House Fiscal Agency Analysis on the bill – which has bipartisan support - was completed in the fall. While the future of B Corps in Michigan is yet to play out, proponents hope this can be the next big thing to bring entrepreneurship and investment opportunities to our state.