

The Effectiveness of Social Entrepreneurship Models in Port-au-Prince, Haiti

by
Hannah Triplett

A THESIS

submitted to
Oregon State University
Honors College

in partial fulfillment of
the requirements for the
degree of

Honors Baccalaureate of Science in Management
(Honors Scholar)

Presented June 2, 2020
Commencement June 2020

AN ABSTRACT OF THE THESIS OF

Hannah Triplett for the degree of Honors Baccalaureate of Science in Management presented on June 2, 2020. Title: The Effectiveness of Social Entrepreneurship Models in Port-au-Prince, Haiti.

Abstract approved: _____

Inara Scott

Researchers have studied social entrepreneurship and offered detailed road maps of the process of becoming a successful social entrepreneur. However, these processes are not universal and will not function sustainably in every community. The idea that we do not know if a process will work within a community until tested is the motivation behind this study. Written by Ian C. MacMillan and James D. Thompson, The Social Entrepreneur's Playbook illustrates one process of social entrepreneurship, which is to reduce a plan with high levels of uncertainty to one with acceptable levels of risk. Through a series of interviews and in-depth analyses of business processes, this study will compare the process described in The Social Entrepreneur's Playbook and supported in various sources of literature to the actual process taken by one social entrepreneur. Aslan Noakes started her journey in Haiti as a nurse following the earthquake in 2010. Through her initial experiences, she saw an opportunity for sustainable aid, which led to the founding of her guesthouse, Lakay Poze. This study puts the processes provided throughout common social entrepreneurship models to the test in order to inform future social entrepreneurs how to best navigate their own businesses in Port-au-Prince, Haiti.

Key Words: Social Entrepreneurship, Ideation, Start-Up, Sustainability, Economic Growth

Corresponding e-mail address: tripleth@oregonstate.edu

©Copyright by Hannah Triplett
June 2, 2020

The Effectiveness of Social Entrepreneurship Models in Port-au-Prince, Haiti

by
Hannah Triplett

A THESIS

submitted to
Oregon State University
Honors College

in partial fulfillment of
the requirements for the
degree of

Honors Baccalaureate of Science in Management
(Honors Scholar)

Presented June 2, 2020
Commencement June 2020

Honors Baccalaureate of Science in Management project of Hannah Triplett presented on June 2, 2020.

APPROVED:

Inara Scott, Mentor, representing College of Business

Lauren Caruso, Committee Member, representing College of Business

Manuela Hoehn-Weiss, Committee Member, representing College of Business

Toni Doolen, Dean, Oregon State University Honors College

I understand that my project will become part of the permanent collection of Oregon State University, Honors College. My signature below authorizes release of my project to any reader upon request.

Hannah Triplett, Author

INTRODUCTION

While Haiti is often portrayed as a “failed state,” (Fatton, 2014) in which the economy can only survive with international aid, there is significant potential for wealth in its agricultural and business capacities. One definition of Haiti’s economy can be summed up with the term *outer periphery* (Fatton, 2014). Outer periphery refers to the way an economy ties to the world economy. Becoming a globalized economy that can build from international partnerships is a goal for many countries, but the difference with a country in the outer periphery is the way a country integrates. Rather than finding strength in these partnerships, the country becomes a subordinate to the power of the globalized economy.

States like Haiti that are within the outer periphery are stuck in a pattern of dependency on international organizations to keep up the basic functions of their economic system. Ironically, they would have the capability to do so on their own if they weren’t suffering from economic instability caused by the very countries that intend to support them. What results from this spiral of deregulation and dependency is a gap between the country's wealthiest and poorest citizens, in which the wealthy benefit greatly from international partnerships and the poorest are unable to gain power in an overwhelming economic system.

Haiti’s economy was described as being “stagnant” due to the relationship between its economic, physical, and political systems (Lundahl, 1983). Physically, Haiti struggled to maintain fruitful land due to the lack of regulation and support for farmers. Agriculture was at one point a strong source of income for many Haitian citizens, but now, most farmers have turned to other revenue streams because the land is no longer healthy enough to support agriculture. In addition to the pressure farmers face while losing their crops, politicians have historically seen farmers as a source of profit, rather than a basis of their economy, and have taxed the agricultural sector. This relationship exemplifies why the Haitian economy remains relatively stagnant when there is significant potential for economic success.

Social entrepreneurship can be defined as a form of entrepreneurship fueled by a social mission. Social entrepreneurs create business models that operate in order to reach their socially focused goals, and therefore the organization’s strategy and operations are guided by their social mission (Weerawardena, 2006). Social entrepreneurs often first identify their social mission when observing the needs of a certain population. Then, in order to satisfy these needs, a business model is created (Seelos & Mair, 2005).

Another common definition is social entrepreneurs create social value through their innovation. Entrepreneurial practices are traditionally innovative, so by adding a social mission, entrepreneurs are creating social value. Rametse explains that social value is created through key entrepreneurial activities such as proactiveness, risk management, and innovation, which exist within the boundaries of the environment, sustainability, and the organization’s social mission (Rametse, 2012).

Social entrepreneurs operating in Haiti have a unique opportunity to create social value and unlock the economic potential of the country’s inhabitants. Researchers have studied successful social entrepreneurs to create models for their processes and to inform future similar efforts.

However, these processes are not universal and will not function sustainably in every community. In this study, I compare the process used by one social entrepreneur, Aslan Noakes, to the recommendations made by a comprehensive, research-based treatise: The Social Entrepreneur's Playbook (2013) ("Playbook"). This case study puts the processes provided in this treatise and supported in other studies to the test in order to inform future social entrepreneurs how to best navigate their own business ventures in Port-au-Prince, Haiti.

LITERATURE REVIEW

In this section, I outline the process described in the Playbook and supported in the social entrepreneurship literature. This section is broken into three parts, including Ideation, The Start-Up, and Lifetime which roughly mirrors the steps provided by the Playbook. Each of these three parts is then broken into three subcategories which are common themes throughout the literature reviewed for this study. Part I focuses on identifying the problem and finding a solution, identifying a target market, and forming business partnerships. Part II considers financing, building a network, and evaluating and managing risk. Finally, Part III includes developing economic stability, measuring performance, and managing and retaining employees.

Part I: Ideation

Identifying the problem and finding a solution

One of the most agreed-upon first steps in starting an entrepreneurial venture is identifying the problem to be solved and finding a solution through a business model. This unique process enables both entrepreneurs and social entrepreneurs to visualize changes required to improve systems, create solutions, and invent new approaches, all of which require entrepreneurial strategy and tactics (Seelos & Mair, 2005).

As stated in the Playbook, one of the biggest mistakes social entrepreneurs make is to move forward with an idea without having a thorough understanding of the problem they plan to address. Rather than taking the time to build knowledge around the community in which people are suffering from the problem they identified, they charge forward in order to identify a solution. The Playbook recommends social entrepreneurs ask themselves three questions to create an adequate plan to address the problem they identified. These questions include: "What is the social problem I wish to address?" "What is my solution?" and "What will beneficiaries have to do differently for my proposed solution to work?" By following these steps, social entrepreneurs can not only identify the correct problem to address, but create an effective and functional plan within the desired community.

The Playbook then defines two types of criteria to guide entrepreneurs through their solution-finding process. This criteria is composed of both *screen-in* and *screen-out* guidelines, which will both support social entrepreneurs as they decide if their idea is plausible. Social entrepreneurs should start with the screen-out criteria, which are institutional disqualifiers. Should an idea fail one of these disqualifiers, the social entrepreneur should pivot from that solution or find a completely new idea. Reversely, the screen-in criteria includes conditions that increase the attractiveness of an idea (MacMillan & Thompson, 2013). Social entrepreneurs can

use these conditions to subjectively gauge the attractiveness of their idea to determine if they should pursue said solution.

Identifying a target market

Social entrepreneurs then need to consider who will be the fuel of their revenue streams: their target market. The Social Entrepreneur's Playbook emphasizes the importance of identifying a specific subset of a target market, which includes beneficiaries who will be more likely to accept a business model quickly. By doing so, MacMillan and Thompson are setting up social entrepreneurs to be more likely to have early traction, which can be crucial in any start-up. In order to determine this segment of the target market, they recommend social entrepreneurs use the Ten Attractiveness Features Increasing Willingness to Adopt. These features include:

- 1) Their perception of the need to benefit: Are they aware of their need for your proposed benefit?
- 2) Connectedness of actions to positive outcome: Do they clearly recognize the link between the actions you propose and the expected positive outcomes?
- 3) Salience to customer: How much does the need matter to them?
- 4) Urgency to customer: How long might they postpone having the need satisfied?
- 5) Visibility of benefit: How easy is it for them to see the benefit?
- 6) Timeliness of effect: How quickly is the effect of the benefit observable?
- 7) Credibility of the benefactor: How much do they believe your solution will help?
- 8) Performance contingency: How sure is the solution to work?
- 9) Reversibility of the effect: If the benefit stops, does the problem return?
- 10) Fundability of the benefit by or for them: Can they afford the solution, or will someone else pay for it on their behalf?

Forming business partnerships

Once social entrepreneurs identify their target market and are sure their business model includes a set of beneficiaries to support their planned revenue streams, The Social Entrepreneur's Playbook recommends creating a sociopolitical strategy. This strategy is useful because it can help social entrepreneurs who are planning to do business in a market with unreliable and unregulated political figures or groups. Having a sociopolitical strategy ensures social entrepreneurs will have a basic understanding of the environment in which they plan to enter so they can limit the risk they face of being blindsided by their stakeholders. Additionally, not only do social entrepreneurs face uncertainty due to political factors, they are also aiming to create wealth where it does not currently exist. The Playbook outlines a three-step approach to creating a sociopolitical strategy, which includes identifying stakeholders and considering the positive and negative implications of each, categorizing these stakeholders, and then finally creating a sociopolitical strategy. Within the second step, *potential allies* are individuals who will either benefit directly or will provide support to the business, *primary opponents* are those who will be negatively affected by the business operations or functions, and *needed indifferents* can be both people and/or groups from which a social entrepreneur will most likely require support or coordination throughout the duration of the business (MacMillan & Thompson, 2013).

Beyond the step-by-step process outlined by MacMillan and Thompson, social entrepreneurs face the challenge of addressing problems both traditional and social entrepreneurs might face in

the market they operate. Dacin (2011) states that since social entrepreneurs utilize traditional entrepreneurial practices while also being socially-focused, they must be prepared to overcome obstacles from both business environments. This supports the Playbook's discussion of sociopolitics, that while a variety of obstacles might exist for any entrepreneur in a certain market, a social entrepreneur will require more preparation to face said obstacles if they are more economically and structurally vulnerable. Social entrepreneurs need to consider the struggles normal entrepreneurs encounter, as well as how these struggles will appear in more extreme conditions.

Part II: The Start-Up

Financing

When approaching the start-up of any entrepreneurial venture, it is crucial that entrepreneurs identify their revenue streams and cost structures. The Social Entrepreneur's Playbook breaks this process down into calculating what they call *minimum performance requirements*, including required revenues, maximum allowable costs, and maximum allowable assets. They specify that this is necessary if a social entrepreneur wants financial support from investors and non-financial stakeholders because these calculations will lead to a return on sales and return on assets that instill confidence in the reliability of the social enterprise (MacMillan & Thompson, 2013). This concept is reinforced in *Social Entrepreneurship in Developing Nations*, which warns social entrepreneurs that venture capitalists and other sources of funding are often less likely to support a social enterprise because they are not completely profit-driven. Venture capitalists are often less experienced with funding social enterprises and can be put off by the uncertainty social entrepreneurs face (Foryt, 2003). A recommendation made in both of these texts is to identify more non-traditional investors, such as government grants or loans, privatized foundations better acquainted with socially-focused businesses, and angel investors.

Certo and Miller (2008) reinforce the importance of identifying financial backers and other less traditional funding sources by adding that not only should social entrepreneurs look for investors who are more acquainted with social enterprises, they should pursue investors primarily interested in supporting social missions. Because social entrepreneurs are driven by creating social value, investors who are more interested in creating social (rather than economic) value will be more willing to invest in social enterprises and adapt to the uncertainty these enterprises face.

One key to successfully gain support from investors that MacMillan and Thompson identify is to create a financial plan that results in a surplus. Naturally, an entrepreneur is aiming to result with a positive bottom line, but the authors emphasize the importance of being able to make the promise of a sufficient, reliable surplus. This is especially important when entrepreneurs are looking to find financial backing while other entrepreneurs are competing for the same support.

Building a network

Beyond financial backers, literature recommends social entrepreneurs create a network of individuals who will provide support in less tangible or financial ways. One of the most critical pieces of this process is to build relationships based on trust and transparency, especially when someone is promising to deliver something of value. Additionally, should entrepreneurs be

looking for support within the community in which they plan to function, it is recommended they first ensure they can trust each individual before allowing them into their network (Foryt, 2003). With all of the uncertainty that social entrepreneurs are forced to adapt to, this step will lower the risk they face.

The Social Entrepreneur's Playbook takes the idea of building a network a step further by describing the importance of having an advisor. Not only should advisors be a sounding board for ideas, but they also should be individuals who can validate a social entrepreneur's assumptions and provide market insight as they face the uncertainty of the venture they plan to pursue. The Playbook recommends social entrepreneurs start with one or two advisors at the beginning of the business's lifetime, and then mold their network to fit what support they require as the business changes.

A perspective not seen in the Playbook but elsewhere in literature is that conveying social value and the meaning of the social impact a social entrepreneur plans to make requires the use of cultural tactics (Dacin, 2011). Specifically, social entrepreneurs should be prepared to tell the narrative of their business, including a description of the population they plan to support and how their social enterprise will better the experiences the individuals in this community are living.

Evaluating and managing risk

As discussed previously in this literature review, social entrepreneurs face a certain level of risk that can be associated with the nature of their businesses. MacMillan and Thompson make an important distinction between risk and uncertainty by emphasizing while risk is "measurable," uncertainty is "unknowable." This requires social entrepreneurs be prepared to adapt in ways which they might be unable to prepare adequately for. The Playbook lists three causes of uncertainty, the first one being that social entrepreneurs are addressing intractable problems. Second, social entrepreneurs are often creating a market for themselves rather than trying to fill a gap in a market that already exists, as most traditional entrepreneurs aim to do. The third and final cause of the uncertainty social entrepreneurs face is needing to work in new environments. Some of the implied challenges within this third cause include undeveloped markets, uncertain pricing, the absence of consistently administered governance, unreliable infrastructure, untested technology, and unpredictable competitive responses (MacMillan & Thompson, 2013).

Social entrepreneurs also need to consider how they are planning for failure. While uncertainty is harder to plan for, social entrepreneurs still face the risk of failing. The Playbook provides five steps social entrepreneurs can take to mitigate not only the possibility of ultimately failing, but all of the risks they will face throughout the business lifetime. These five steps include: have a clear definition of failure from the start, regularly monitor your sociopolitical situation, preplan for disengagement should things go wrong, monitor for the second-order/unintended effects of your venture's success or failure, and finally to redirect your venture to where true opportunity lies, or launch a less sustainable enterprise which still accomplishes humanitarian good (MacMillan & Thompson, 2013).

A compelling reason for social entrepreneurs to identify and prepare for the risk they face is they will need to make commitments as a part of starting and running their business. *Investigating Social Entrepreneurship: A multidimensional model* explains that since social entrepreneurs are

required to make commitments, they need to assess the risk involved with each of these commitments. When they are committing financial support or physical resources to someone in their network, there will always be risk associated with these promises due to the nature of their social enterprise. Social entrepreneurs need to think outside of their own business to consider who all could be negatively affected due to the risk they face internally (Weerawardena, 2006).

Part III: Lifetime

Developing economic stability

After achieving a successful start-up, social entrepreneurs will experience a period in which economic development will make or break their business. The Social Entrepreneur's Playbook describes this time in the life cycle of a business as the transition from striving to earn early sales to working to identify and support a variety of market segments. Economic development in this stage comes from a social entrepreneur's ability to segment the market and then expand into segments that make the most sense for their business. As time goes on in a business, this idea of scaling becomes a higher priority for social entrepreneurs because their commitments to their beneficiaries will increase as well. The financial struggle for social entrepreneurs then shifts from trying to create initial revenue to having to stay balanced between supporting beneficiaries and harvesting financial growth in order to ultimately create a sustainable business model. Then, as social enterprises grow and become more prominent in certain markets, social entrepreneurs should be prepared to take on more risk and uncertainty as competition for resources increases (Dacin, 2011). In order to mitigate some of this risk and be as prepared as possible for the uncertainty they face, it is crucial for social entrepreneurs to build their revenue streams. Therefore, creating economic value is not only something social entrepreneurs need to balance with social value, it is vital to the sustainability of the business. Since social entrepreneurs need to balance both creating social and economic value, Dacin recommends they find a way to obtain both simultaneously. While this often happens naturally, social entrepreneurs should look to build this positive relationship into their business model so they can ensure the needs for both their economic and social requirements are met.

Another approach to the idea that firms create social and economic value is entrepreneurs can either create value or appropriate value (Mizik & Jacobson, 2003). Mizik and Jacobson describe creating value as innovating and producing, while appropriating value occurs when profits are made. With the understanding that entrepreneurs will have scarce resources, they will ultimately be forced to find a balance between creating and appropriating value. Additionally, social entrepreneurs have the freedom to determine what the ratio will be of how they allocate their resources to either creating or appropriating value, as long as they continue to do both.

Social entrepreneurs also need to be able to protect themselves from competition by creating strong isolating mechanisms. These will function as a way to ensure profits while facing competition through maintaining customer interest and loyalty. Beyond being useful when facing competition, creating a competitive market position for a social enterprise and therefore creating economic value is pointless without a sustainable way to then appropriate value from those actions (Mizik & Jacobson, 2003).

Measuring performance

As social entrepreneurs begin to grow their business, they will need to start measuring success. While these metrics should be determined before the start-up, being able to apply them as the business grows is important as well. The Social Entrepreneur's Playbook uses a diagram called the Aspirations Cascade, which social entrepreneurs can use to determine if they are creating enough of a social impact compared to the revenue they are creating. Once they've made this determination, the diagram can be used to identify how social entrepreneurs can either ascend or descend the Aspirations Cascade. Should a social entrepreneur wish to ascend the model and make more of a social impact, they would need to create more sustainable revenue streams in order to provide resources for the new market segment they plan to support. Reversely, if a social entrepreneur's business is not creating the sustainable economic value needed to support their social initiatives, they can descend the Aspirations Cascade by shifting to a model which promises less sustainable social impact.

In support of what MacMillan and Thompson recommend above, *Social Entrepreneurship: Key Issues and Concepts* makes a distinction between traditional, or "commercial," entrepreneurship and social entrepreneurship. While traditional entrepreneurship is primarily based on financial metrics like profitability and revenue, social entrepreneurship is less of a standardized metrics system. There is more of a focus for social entrepreneurs to find their own balance between social and economic metrics when measuring the success of their business because there is naturally more variability in the needs of the business model. So, even though social entrepreneurs have less of a structured process to follow, this step of measuring performance is even more important because it is on the social entrepreneur to define how they will measure the success of the business.

Managing and retaining employees

The final area I will focus on for this case study is employee management and retention. According to MacMillan and Thompson, the most significant challenge in managing employees is finding one or more middle managers who can be trusted and relied on when a social entrepreneur needs to step back and hand off some responsibility. As the business scales, social entrepreneurs will be required to shift certain responsibilities to other individuals. The challenge many social entrepreneurs face at this point in running the business is knowing who can be trusted to not only support business operations, but do so in a manner the social entrepreneur would appreciate. The Playbook emphasizes additional obstacles that exist for social entrepreneurs who are new to the community they are working in or are not closely familiar with the culture. Both cultural and logistical (ie. communication, scheduling, etc.) barriers can be placed as social entrepreneurs try to earn an employee's trust, so they need to be prepared to take their time in identifying trustworthy individuals (MacMillan and Thompson).

An area of employee management and retention discussed in *Social Entrepreneurship: Key Issues and Concepts* is compensation. This text explains how social entrepreneurs and their ventures are often not able to pay employee wages as the market rate, so compensation in the form of volunteer hours might be necessary. These employees are therefore more concerned about the creation of social value through their actions than economic value, so this form of compensation would be sustainable. However, recruiting employees who are socially-motivated can be more challenging than those who are financially-motivated (Certo & Miller, 2008).

METHODOLOGY

The goal of this study was to have a better understanding of how the Playbook and related literature can both be extremely useful for social entrepreneurs and also miss the mark for certain realities that social entrepreneurs face in a business environment like Port-au-Prince. To begin this study, I considered what The Social Entrepreneur's Playbook recommends social entrepreneurs do to successfully start and grow a social enterprise, and compared these recommendations to additional research about social entrepreneurship. Next, I interviewed Aslan Noakes about her time in Haiti and how she started her social business. The first interview took place in person, where I asked a series of open-ended questions that aligned with the topics discussed in the Playbook. Additionally, I collected follow-up data through a single email exchange which included clarifying questions. I then analyzed similarities and differences between Aslan's experience and the Playbook, and considered why there were differences and how those differences impacted Aslan's success. Finally, I reached conclusions about the limitations and strengths of the Playbook model as applied to a social entrepreneur in Haiti.

A CASE STUDY IN HAITI: LAKAY POZE

As a nurse traveling to Haiti in 2010, Aslan Noakes was inspired to assist the Haitian population in the best way she thought possible, which involved working with a medical mission group. Aslan was a certified Registered Nurse and knew her medical skills could be useful in aiding Haitians after the catastrophic earthquake of 2010. However, after returning to Haiti multiple times to check on patients, resupply medications, and treat new patients, she quickly realized not only was this process not sustainable, uncertainties engulfed the support provided to communities across the business market. Aslan observed how this process would always require international groups to return with continued support and would never allow for the Haitian community to regain its own autonomy.

Fast forward to 2016, and Aslan faced the challenge of finding accommodations for student groups in Port-au-Prince. These student groups travelled to Haiti, with Aslan as their guide, to learn about Haitian culture, the medical care programs Aslan participated in and started, and the business environment in the country's capital. The market for safe, reliable places to stay, which primarily consisted of guesthouses in the city, was almost non-existent, so Aslan knew she had to find her own solution. Ultimately, this solution was a guesthouse property available for rent, which was close to the airport, a gated property, and included a large backyard space with a unique, guitar-shaped swimming pool. Aslan was attracted to this property because its proximity to the airport would allow for an easy transport of guests to and from the guesthouse, especially with the frequency of manifestations and street blockades, and the safety of the property itself.

In June of 2016, Aslan began a five-year lease with a plan. She would house student groups that summer and open a guesthouse to provide accommodations for individuals who, like Aslan, travelled to the country often. The guesthouse, called Lakay Poze (meaning "The Chill House" in Haitian Creole), was an opportunity for Aslan to provide a safe, comfortable place to stay for individuals and groups who were travelling in Haiti, which did not exist in the market at that

time. In order to provide a quality experience for her guests, Aslan began building a team of employees who would manage the guesthouse when she was not in-country. The process of building trusting relationships was difficult at first, but Aslan was able to build a team of trusted individuals. Beyond her internal business relationships, she also created a network of individuals both within and outside of Haiti who provided her support as needed. In the local community surrounding Lakay Poze, Aslan created partnerships based on trading resources and knowledge. An example of this is the partnership she formed with a local business down the street from the guesthouse, where the owners sold bottles of soda and collected the empty bottles to be reused. Aslan learned about the market for beverages in the local area through this partnership, and created an ally within her local network. Additionally, partnerships like this allowed Aslan to better understand how resources were traded in the Port-au-Prince business market. A primary medium of connecting with her network was the use of social media to communicate with individuals who had similar interests and were in similar situations.

As Lakay Poze opened and became a fully-functioning guesthouse, Aslan identified an opportunity to make an additional social impact with the property. Since the guesthouse has both a large living/gathering space and a spacious backyard, Aslan decided to open the property to her peers and groups within her network who needed a space to host events. This was a great opportunity for Aslan to market the beautiful property to potential future customers while also providing a reliable space for groups to host a variety of events to support the local community. Some of these events included financial literacy training for Haitian locals, blood drives, pool days for kids from the local orphanages, potlucks for expats in Haiti and programming put on by a variety of groups. Overall, the property became more than just a guesthouse - it became a place for connection within the community.

In order to financially support this business model, Aslan generated revenue from a few sources. Primarily, Aslan was earning a profit from the payments students made to stay at the guesthouse, travel within Haiti, and be guided by Aslan and her employees throughout their experience in Haiti. Aslan created a packaged deal for all of these costs to be paid in advance of each trip, and the income was used directly for the costs incurred by the business. Beyond student payments, Aslan ran crowdsourcing campaigns to fund large purchases during the start-up phase of the business and as she aspired to expand the services Lakay Poze offered.

While Aslan still engages in medical care programs and supports mission groups at her guesthouse, her focus shifted to the development of Lakay Poze as a self-sustaining business she hopes to step away from in the future. Her long-term goals at this point are to create sustainable revenue streams to support the day-to-day operations of the guesthouse, purchase the property, and eventually pass on the business to one of her local Haitian employees.

ANALYSIS

In alignment with the purpose of this study, I will now compare the recommendations within the literature review above with the process Aslan followed. From the start-up of Lakay Poze to what she now sees as her future goals, her experience will showcase an entrepreneurial process that withstood trials and challenges an entrepreneur faces in Port-au-Prince, Haiti.

Part I: Ideation

Identifying the problem and finding a solution

During her initial travels throughout Haiti, Aslan observed the cycle of unsustainable aid that created dependability on the return of outside support described by Fatton (2014). This cycle was a result of combining an unstable business environment, political restrictions and unrest to follow, and a lack of financial resources or education. Seeing how all of these factors contributed to creating a cycle of dependability, Aslan believed something needed to change. It is standard for entrepreneurs to follow a process of problem identification and then finding a solution to address said problem. However, Aslan's experience was unique because she already had a functioning solution: Lakay Poze. At the start of the business, when the guesthouse was not yet a functioning business and only a space Aslan was renting, she realized the potential for the property to be more. Aslan's experience in this instance shows how social entrepreneurs are not always given the time to determine the screen-in and screen-out criteria of a business opportunity, which is recommended in The Social Entrepreneur's Playbook. This process could take months when a solution is often needed immediately, so social entrepreneurs should be ready to take short-term risks in order to find what long-term solutions would be sustainable.

Finding a solution in a business environment such as Port-au-Prince might require entrepreneurs to work with what they currently have available to them and make the best of it. Aslan surveyed the resources she had which constituted a rental property close to the airport, groups of students and volunteers travelling to and from Haiti, and a network of connections who needed a place to stay in order to provide continuous aid. She combined these resources into a solution to fit the problem. Creating a guesthouse business was not what she initially intended when renting the property in order to house student groups. However, she saw the opportunity it provided to house a variety of groups, independent travellers, and locals. Aslan identified the guesthouse as a solution because it created a stable way for people to travel to Haiti and continue to provide aid. The guesthouse could play an important role in executing the commitments groups made to locals, who were often unable to receive continued aid due to the travel complications groups faced. While this solution might only work on a short-term basis, Aslan was ready to go through a period of trial and error, shaping the business into what it needed to be long-term.

It was not until Aslan began this period of trial and error that she realized the future potential of Lakay Poze. Aslan saw the long-term solution to the unsustainable aid problem she identified after starting the business and creating a network of partnerships. This solution was rooted in the stable, dignified employment Aslan offered to her Haitian employees. When asked what dignified employment meant from her perspective, Aslan said:

“I think having dignified employment is not just someone that does the dishes and sweeps the floor. It's someone that says, ‘I know I'm going to have enough money to feed my family and for me to be able to take a kid in off the street, and I can do this consistently each month’ or ‘I know I'm going to be able to pay for school for myself and my sister.’ ... And through this employment I'm helping ensure that at least these people have education and access to food and medicine and things like that.”

This future solution was not as deliberate, but became a significant driver of her motivation for creating a successful business. Aslan saw a lack of reliable, fair jobs in Port-au-Prince, and knew she could offer improved employment through Lakay Poze. However, offering employment goes beyond providing a paycheck to employees. The standards for employment varied significantly in Port-au-Prince, including being completely underpaid to being overpaid and promised unrealistic compensation in such an unstable market. Lakay Poze gave a chance to set a standard for how employees should be compensated, and how sustainable job creation and management can support poverty alleviation. With the realization that Lakay Poze would serve both its guests and its employees, Aslan had to focus on serving both of these populations.

Identifying a target market

Having travelled to and from Haiti many times, Aslan knew the value of having a comfortable, safe place to stay. When identifying her target market, she knew that herself, her peers who also worked with students, medical teams, and missions groups could see value in a safe location that was located within a mile of the airport. Additionally, the guesthouse would be managed by staff who were flexible with scheduling and the different financial situations of their customers. Through her own experiences and relationship building in the community, she was able to identify these peers as her primary beneficiaries and target market.

It is important to note here that while Aslan's primary target market and her ability to generate revenue was based on her peers' experiences, she found a second set of beneficiaries of the business. These individuals were all of her employees, their families, and any community members that benefited from the presence of Lakay Poze in Port-au-Prince. While she continued to market towards her primary target market, she also balanced generating social value for her employees and the Haitian community.

In terms of her primary target market, there were two important elements of Lakay Poze that would attract her target market: 1) The location of Lakay Poze was central to Port-au-Prince and close to the airport (which provides convenience when street blockades are created by protesters and guests can only travel by motorcycle, or "moto"), and 2) The flexibility of the staff and management who would understand that nothing can be planned to perfection, and adaptability is crucial when facing adversity.

As a reference to The Social Entrepreneur's Playbook, there are ten attractiveness features which measure the willingness of beneficiaries to adopt the solution proposed by the entrepreneur. While Aslan did not utilize these measurements when identifying her primary target market, her analysis of said target market aligns well with these ten factors.

- 1) Their perception of the need to benefit: International aid groups and expats create the basis of her target market, and these individuals are aware of their need for a safe and comfortable place to stay every time they travel within Haiti. Before Lakay Poze, there was a gap in the market for guesthouses such as this, and Aslan herself knew this because she had been in their positions many times.
- 2) Connectedness of actions to positive outcome: Since Aslan was filling a gap in the market with the guesthouse, there was a clear connection between what she would pursue

and what the benefit would be. She was actively and deliberately creating a business that would support groups trying to travel and work within Haiti.

- 3) **Salience to customer:** Filling this gap in the market goes beyond just a space to stay for travel groups. Having safe, reliable accommodations is meaningful to groups because this allows them to continue their efforts to support and empower Haitians. Aslan's guesthouse was the bridge between people who wanted to empower others and those who wanted to be empowered, so the importance of her guesthouse was exponential.
- 4) **Urgency to customer:** The guesthouse often became important to guests at a variety of times. Some groups would plan trips months before travelling, and others would call Lakay Poze after landing in country and finding out their other plan for accommodations fell through. Knowing this, Aslan made sure to be flexible and adapt to individual levels of urgency with each guest.
- 5) **Visibility of benefit:** Similar to "Connectedness of actions to positive outcome," the relief that a safe and reliable place to stay is clear to the target market because this is about their ease in planning to travel and the safety of their groups. Aslan was able to communicate and advertise this connection because she herself knew the value it would offer to her guests.
- 6) **Timeliness of effect:** The effects of Lakay Poze would be observable both instantly, when a guest needed the relief of somewhere to stay, and over a longer period of time for her employees who would benefit having stable employment.
- 7) **Credibility of the benefactor:** The guests at Lakay Poze believed in Aslan's solution because they were able to identify the gap in the market themselves. There was a barrier to them being able to support their peers in Haiti, and the guesthouse was their way to overcome this barrier.
- 8) **Performance contingency:** Of the ten measures for attractiveness, performance contingency was the most undetermined feature as Aslan started the business. With the instability in Haiti due to social unrest, Aslan was unable to prove to her clients that her solution would "work." To mitigate this uncertainty as best as possible, Aslan planned to adapt as needed during times of unrest.
- 9) **Reversibility of the effect:** If the guesthouse were to close, the guests would be forced to continue with their travels as they would have before the convenience of Lakay Poze entered the market for accommodations in Port-au-Prince.
- 10) **Fundability of the benefit by or for them:** Aslan set up her guesthouse to be both affordable and convenient, meaning that her prices were fair for the services she offered, but she also would be flexible with guests if protests or shutdowns forced them to find last minute accommodations.

Something unique to Aslan's target market identification process was that she lived the experience of her target market. Aslan's ability to connect a problem and a solution was significantly based on her ability to empathize with her target market. While not having seen the ten features of attractiveness, she was applying them when trying to understand her target market and how they would perceive the guesthouse.

Forming business partnerships

As Aslan was considering opening Lakay Poze as a guesthouse to provide accommodations to travellers, she saw some potential for the property to be a place for partnership between

organizations. Beyond being a guesthouse, the property was a place for community members and organizations to connect. Aslan the new value in a community meeting area and would later allow groups to host educational meetings, events, and fundraisers. These groups were a major segment of her stakeholders because these partners would provide marketing and future business for Aslan in return. The idea of stakeholders being partnerships between people who had something to trade was a key realization in Aslan's business development. There was valuable potential for her to specialize in providing quality, comfortable accommodations and her partners to specialize in providing word-of-mouth marketing to their connections in Haiti and abroad.

In the scope of the local Port-au-Prince community, neighbors who lived on the same street as Lakay Poze were stakeholders as well. Aslan emphasized how a community can become stronger through challenges when she said:

“So I feel like we all look out for each other if something is going down. Even when there were like protests going down our street, or the side street, people in our community like put up some branches and things to keep the bad guys from coming into our street. They're willing to defend our street. So I feel really good about our neighbors and just our bond through all the difficulties. And that we're trying to still give them business as we get last minute people coming. ... I think that it's just strengthened even through the challenges.”

While this was more of an informal business relationship, Aslan created relationships with local residents to identify what their connection could offer both parties. For instance, Aslan's partnership with a local family who collects, fills, and resells bottles of soda allows her to supply beverages for her guests from a convenient location while being a significant customer for a local business. It was these smaller-scale businesses and relationships that made up what Aslan defined as her allies and partners.

Part of what The Social Entrepreneur's Playbook instructs entrepreneurs to do is categorize their stakeholders in order to identify who is an ally, opponent, or a needed indifferent. As stated in the above paragraph, Aslan was able to name her allies based on partnerships created in her community. However, when considering opponents, it is more difficult to identify certain individuals in advance of starting the business. Rather, Aslan identified the inconveniences and delays caused by protestors in general who are creating barriers for the business. Their actions were not a direct attack against Lakay Poze, but their protests often involved creating road blockades (ie. burning tires in the middle of the road) which would not allow Lakay Poze staff to get food for guests, fuel up vehicles, or transport guests to and from the airport. Aslan identified these groups as opponents to the business because of the impact they have on the day-to-day business functions.

The third category within the Playbook, a social entrepreneur's needed indifferents, are again difficult to identify in Haiti. This is primarily due to the fact that Aslan's needed indifferents were unreliable and often involved in some form of corruption. As an international business owner renting property, there are hoops set up in place to create a sense of structured regulation, but these hoops are often misleading and unpredictable. When starting the business, Aslan

recognized this and prepared herself to jump through these unreliable hoops of her needed indifferents as they became necessary.

Part II: The Start-Up

Financing

As discussed in the literature review, financing a social venture can have added difficulty due to a shift in focus from solely revenue-generating activities to a focus on creating revenue for the purpose of social value creation (Dacin, 2011). Aslan found that the most tangible and reasonable way to fund her start-up was a combination of crowdsourcing through a GoFundMe campaign and by contributing her own personal capital. For her initial start-up funding, Aslan set one-time goals that would allow her to open for business and provide a comfortable guest experience. Once these goals were met and Aslan created more stability within the business, she shifted her focus to finding more sustainable revenue streams, which will be discussed further in Part III. In our interview, she discussed the importance of being able to believe in a business enough to invest one's own capital, because if they do not, they should not be starting the business. Beyond her own investment, Aslan created a series of crowdsourcing campaigns that would fund necessary large purchases as the business developed.

When considering what the text *Social Entrepreneurship: Key Issues and Concepts* states about the need for social entrepreneurs to find funding sources that are interested in financially supporting social value creation as opposed to economic value creation, Aslan's process shows that these sources often end up being those who know a social entrepreneur or their past experiences personally. Rather than reaching out to outside investors and working to win them over on a plan to create social value, social entrepreneurs might find more success by looking within their own networks. Crowdsourcing allows for a social entrepreneur to collect funding from investors who are not necessarily looking for a return, as they understand their contribution is meant for social value creation. Additionally, with the risks that are associated with the guesthouse business and other for-profit social enterprises, venture capitalists are less likely to bargain a large sum of capital. Crowdsourcing offers a large amount of people the opportunity to take a small risk via a smaller investment.

Building a network

One of the most common threads among advice given to social entrepreneurs is the importance of creating a network of people who are trustworthy and knowledgeable. The importance of this is not lost in Aslan's experience, which consisted of a significant time investment in order to create such a network. However, the difference between The Social Entrepreneur's Playbook and what Aslan experienced is the timing of building a network. The Playbook recommends that social entrepreneurs identify their key advisors at the start of their business and prepare to adapt who they have on their advisory board as the business changes. Aslan found that the process of building a network can coincide with the process of learning about a community, their culture, and the problems they face. Rather than going into this research phase with an idea of who can be an on-the-ground advisor, these relationships can develop naturally as a social entrepreneur explores a community. This natural process allows for social entrepreneurs to take the necessary time to learn who can be trusted and who has the most applicable knowledge to be accessed throughout the start of their business. Additionally, this is relatable to what The Social

Entrepreneur's Playbook describes in their process of building a network which is that once a social entrepreneur begins building the business, they should look to mold their chosen advisors to fit what they need - such as an expert in stakeholder management - because their needs will change. If they build their network naturally throughout their time in a community at the start of the business, their advisors will change based on their needs.

An interesting aspect to understand about Aslan's experience as a social entrepreneur is being a foreigner in Haiti. When building a network is so important in the business start-up phase, overcoming biases and judgement within the community is an important consideration. When asked what her experience was like as a woman from the U.S., this was Aslan's response:

"I think honestly I got more critique and skepticism in regards to me running a business in Haiti from the other Americans living in Haiti than from any locals. Unfortunately it's a bit of a dog eat dog world in Haiti and I've found that people are more prone to want to work separately than to collaborate. It's really a shame that more people don't want to support each other as supposedly many of us are all working in Haiti for the same reasons. Despite this, I have formed many good connections/relationships with other individuals/businesses in Haiti (both locals and expats), and we all tend to refer others to each other;s services to support each other."

Another necessary highlight to be taken from Aslan's process is her ability to draw on her past knowledge of owning and running a business, and realizing that as an individual without a formal education in business, she would need to learn as she went. While Aslan learned about business management in terms of marketability and customer service through her family's business, there were some areas such as financial management that she learned throughout her experience of starting the business. This showcases that a social entrepreneur can benefit from both being able to apply business skills to new, unique ventures and also understanding that there will be areas of business development that can be learned through experience. Literature might recommend building an advisory board before starting a venture (MacMillan & Thompson, 2013), but Aslan's experience is an example of how important it is for a social entrepreneur to be adaptable and open to learning new ways to do business in a diverse and often unstable business environment.

A valuable tool that Aslan relied on to connect with a vast network of advisors and supporters is social media. Not only can social media be a medium for funding campaigns, it can also be a point of connection between a social entrepreneur and an array of helpful experts. Aslan utilized social media to connect with business owners - both local to Port-au-Prince and in the United States - and access resources from those who are already in her network. In an effort to cut start-up and expansion costs, Aslan uses social media to make requests of her current community to donate items or supplies that she needs and which they are willing to give up for free. Her *sounding board* (MacMillan & Thompson, 2013) is often those who she connected with via social media and are willing to share their own experiences. Her use of social media shows how it can be a catalyst for finding new connections, accessing resources in communities around the world, and identifying new ideas for business development.

Evaluating and managing risk

The textbook social entrepreneurship process might require social entrepreneurs to define the risks they face and create a plan to mitigate them (MacMillan & Thompson, 2013), but Aslan contradicts this by saying that planning for failure and forecasting possible loss is not as effective as building an understanding of the uncertainty one might face. This is more along the lines of what The Social Entrepreneur's Playbook outlines when creating the distinction between risk, which is measurable, and uncertainty, which is unknown. The three reasons for uncertainty, which are outlined in the Playbook, all apply to Aslan's guesthouse: 1) Addressing the intractable problem of finding a sustainable business solution that alleviate poverty and empower Haitians, 2) Creating and defining the market for for-profit social businesses in Port-au-Prince, and 3) Navigating an uncharted business environment via a guesthouse business that offers a unique value proposition.

Instead of assuming a risk evaluation is manageable in an unstable business market such as Port-au-Prince, it might be more worthwhile and effective for a social entrepreneur to consider the uncertainty they face throughout their business plan - both within the relationships they form and across their network externalities. Aslan's experience as a business owner is an example of how risk can often be embedded in the relationships and the trust given within a business. While it might be recommended to evaluate the financial risks to be faced, there is even more risk involved when trust is handed to managers and employees. Aslan's focus during the start of her business was on getting to know her employees and members of the community in order to feel more secure in the trust she had to give when delegating tasks and shifting responsibilities from herself to her guesthouse managers. In order to mitigate the risks associated with giving this trust, Aslan invested time in developing strong relationships in which trust and respect was given in both directions. The importance of both trust and respect will be further discussed in Part III of the analysis.

While Aslan did not mitigate the risks she faced with all five steps listed in the Playbook, she did utilize one step throughout the start of the business to maintain an understanding of the uncertainty she faced, which was to regularly monitor her sociopolitical situation. As described in the literature review, creating a sociopolitical strategy requires critical judgement (MacMillan & Thompson, 2013). In the case of Lakay Poze, the sociopolitical position that Aslan and her staff are in is often changing as the business environment changes, so being able to monitor and adapt to these changes is crucial. With every change in the key players of a social enterprise - whether that be allies, opponents, or needed indifferents - a social entrepreneur needs to reevaluate the uncertainty that they face within each of these relationships.

Part III: Lifetime

Developing economic stability

As stated in The Social Entrepreneur's Playbook, economic development can be a way of gaining freedom and stability within a social enterprise. Aslan expressed a similar sentiment when providing her long-term goals, which included having stability in her various revenue streams. She explained that having stability in financial contributions to the business can keep them afloat when there are instances of instability in necessary resources, such as electricity, water, and gasoline. With a stable income, her overhead costs, including employee wages, would

be covered without worry. This is a milestone for social enterprises that work with employees who are put in vulnerable positions. The role of a paycheck appears uniquely in each employee's life, but it is often that they plan to spread their earnings among their family and members of their extended community who might be in need of support.

To counteract the instability that the business faces within Port-au-Prince, Aslan identifies both people and organizations that wish to supply financial contributions on a consistent basis. This allows for any income made via her other revenue streams, including guesthouse reservations and capital campaigns, to be used for development within the guesthouse property and the external opportunities in the community. Aslan found a creative way to track her progress and give thanks to her monthly donors, which she describes here:

“I designed a ‘wall of love’ mural that has been painted on one of the guesthouse walls. Each heart will have the name of a new monthly donor in it. Some hearts are worth \$50, others \$25, others \$10. Once complete, we should have enough funding to keep our doors open/services going even if we have zero guests that month.”

This creative funding plan grew out of Aslan's experience running a business in Haiti for almost four years. When starting the business, she had not yet experienced what running a business during political turmoil or in a country on lock-down would be like. Having lived through these experiences at this point, Aslan knows that her next long-term goal needs to be finding financial stability in order to keep the business open at all times.

While it is a long-term goal for Aslan, she realizes that it might require adapting to market needs and following what the Playbook recommends, which is that a social entrepreneur should reevaluate when they are not making the revenue required for the social value they intend to create (MacMillan & Thompson, 2013). An example of this is the opportunity that Aslan pursued to use the guesthouse as a space to host groups for trainings and events. Using the guesthouse to host events is an effective way for Aslan to pivot from her initial intentions because she realized that there was a gap in the market for space to host trainings and events. By offering such a space, Aslan was able to create value in her property beyond her initial value proposition which was centered around the guest experience. Aslan leveraged the beautiful Lakay Poze property to host events, as described previously, and used these events as opportunities to support the community and create a reputation for her business. Specifically, she offered the property for free to nonprofits and social programs to host events and trainings in order to show her customers that Lakay Poze is a collaborative community partner. While her intentions when doing so were not financially-driven, this led to repeat customers and future referrals.

As discussed in *Trading Off Between Value Creation and Value Appropriation: The Financial Implications of Shifts in Strategic Emphasis*, social enterprises must balance the extent to which they focus on value creation and appropriation. At Lakay Poze, value creation occurs in the way that Aslan uses the guesthouse to support the work of both international groups and organizations working within Port-au-Prince. Not only does she provide safe, reliable accommodations, but she creates a welcoming environment to promote sustainable support to the Haitian community. Reversely, Aslan appropriates value from the market via her reservation fees and the pricing

structure she created for the variety of accommodations the guesthouse offers. To tie this concept into what is stated in *The Social Entrepreneur's Playbook*, another area for economic development is market expansion. This is a strategy that worked well for Aslan as she pursued economic stability for Lakay Poze by adding diverse revenue streams. While it might seem counterproductive to expand within an unstable market, the strategy of creating a diverse assortment of revenue streams can actually provide stability. Just as discussed in Part II, deciding to ascend or descend the Aspirations Cascade is something social entrepreneurs are hesitant to do, but doing so might result in a business being in a more competitive position.

Another recommendation made within *Trading Off Between Value Creation and Value Appropriation: The Financial Implications of Shifts in Strategic Emphasis*, that enterprises need to identify their isolating mechanisms in order to appropriate the value they create within the market, is something Aslan did as she adapted to the market. These processes can happen simultaneously, which is shown in the way that Aslan adapted when using Lakay Poze as an event space, which also became an isolating mechanism for the business. Social entrepreneurs should look for strategic opportunities to both create a competitive advantage for their businesses and fill gaps that they identified in the market, because the opportunities they are given can often do both.

Measuring performance

In alignment with what *Social Entrepreneurship: Key Issues and Concepts* states about measuring performance, which is that social entrepreneurs often need to find a balance between social and financial metrics, Aslan created a set of milestones that indicate her success with both financial and social means. Financially, she sees stability in her revenue streams as a main milestone. The importance of this milestone is outlined in the previous section, however, there is also significance in financial stability as a metric for Lakay Poze. While Lakay Poze is a social business, Aslan faced the realization that her success is based on the income she makes. As the Aspirations Cascade diagram demonstrates, Lakay Poze is positioned in the market to be a for-profit social business with a stable revenue stream. Therefore, having a milestone of financial stability is an adequate metric for success in this instance.

Two socially-focused milestones that Aslan identified include: 1) having stable electricity to support the guesthouse operations by purchasing a generator, and 2) being in the position to one day own the property and pass on the business to a Haitian employee in Port-au-Prince. While stable electricity is not related to people directly, it symbolizes the success of a business because electricity can be a scarce resource for businesses in Haiti. This is primarily because the electrical system is set up as a grid where only a certain number of areas in the country can be supported at the same time. Therefore, each area is set to have power at a certain time each day. Business owners in Haiti can only have sustainable power by purchasing and maintaining a generator on their property. Generators allow business owners to supply electricity to their property when the electrical grid is set to provide electricity to a different region. So, once Aslan purchased a generator and was able to support power on the property all day, every day, she put herself in a competitive position above other substitutes in the market and provided a better experience for her guests.

The second goal, to hand off Lakay Poze to a manager local to Haiti, is a milestone not often recommended to social entrepreneurs. It is common for entrepreneurs to spend a majority of their planning and goal-setting thinking about growth in the business, justifiably so, but an important consideration is when to take a step back and let a financially stable, socially impactful business continue to grow without the support of an international owner. While Aslan has yet to do this, she created a long-term plan to prepare her manager for this milestone. Part of her employee management strategy is creating a pipeline for the next owner, manager, host, and so on through the entire guesthouse staff. By doing this, Aslan is creating a plan to reach the milestone she identified.

Aslan's experience of defining milestones in the business's history reflects what is recommended within the literature review, where she realizes that financially-focused milestones are just as important as socially-focused milestones, but she also emphasizes the importance of staying open. This is often an overlooked milestone, as it might be taken for granted, but she sees the value in celebrating survival of the first year in business and more currently making it to the third year.

Managing and retaining employees

A notable difference between what MacMillan and Thompson describe in their playbook and what Aslan experienced is found in the timing of organized labor. The Playbook states that this will happen during the business's growth stage, after a labor force was grateful for a period of time, but Aslan's managerial experience shows that this can happen early on when the labor force is still small. Aslan expressed that there were times when newly hired employees worked at the guesthouse with certain expectations and without showing their gratitude for the opportunity. Once Aslan made a name for herself in Port-au-Prince, and information was spread about the fair wages she paid and the quality employment she offered, community members were able to make assumptions and approach the business with certain expectations, whether they were accurate or not. This is where the biggest difference lies, in that even during the start of the business, a social entrepreneur's labor force can look for opportunities to gain power and take advantage. Aslan was forced to learn to trust the right employees with the right responsibilities in order to lessen the risk she faced with each new employee.

One way that Aslan differentiated herself as an employer in Port-au-Prince is through the commitment she made to pay a fair wage. It is often for entrepreneurs, both social and traditional, to jump to the conclusion that they should pay wages at a rate that they are used to from their home country, but Aslan realized the way that an inflated wage (compared to what is normal in Haiti) could impact the lifestyle of her employees. Employees who are paid significantly higher than what is normal in their own life and among their family are then going to adjust their lifestyle to match their pay. This might seem like a positive, but in the long-term scope of their career, should they lose the high-paying position, they will struggle to adjust back to the normal wage rate. Aslan set up an employee compensation system which supports them both short- and long-term. On a short-term basis, Aslan pays a wage that allows them to support their families, which they are often forced to do due to the instability in the market and the scarce opportunities for employment. However, thinking about their future financial success, Aslan focuses on improving their financial literacy and teaching them about the importance of both saving and investing when possible. For example, Aslan paid for her guest house manager to

attend a workshop on saving and investing. The workshop was set up to “train the trainer” so her manager could then teach his peers and fellow employees what he learned. By taking these steps to mentor and educate her employees, she is also showing her commitment to them as people, beyond employees of the guesthouse, which is taking away some of the risk she faces of employees taking advantage of the trust she gives them. As evidence that Aslan’s process was successful, she expressed her gratitude when hearing her employees say they feel lucky to be employed at Lakay Poze and to be a part of a business making a positive impact in the community.

Employees at Lakay Poze are given a sense of security and respect that is not always present in a traditional enterprise. The vulnerability that employees face in such an unstable business environment is counteracted at Lakay Poze with the respect that Aslan gives to and expects from employees. Part of how Aslan gives respect is through her flexible management style, which is an important trait when managing a business with such uncertainty. Aslan works to build a trusting relationship with each of her employees because she realizes that this is the key to earning their trust back. In Aslan’s experience, there is an additional layer of uncertainty when gaining an employee’s trust because trust must be given in order for it to be returned. Since a relationship might take time to reach an adequate level of trust, social entrepreneurs need to be ready to face some uncertainty and take a risk in doing so. Additionally, having a trusting relationship is critical due to the unique situation Aslan is in by not being present full time.

As a resident in the United States, Aslan must trust her guesthouse manager and host to act without her consultation at times, and this requires not only training on the logistics of running the guesthouse but also a relationship that fosters employees feeling they can act autonomously when needed. This is where another difference lies between Aslan’s experience and The Social Entrepreneur’s Playbook. Rather than considering finding middle managers once the business grows, it might be required of a social entrepreneur to identify a middle manager or create a pipeline for one early on if they are not planning on living in country. While this is unique to each social entrepreneur’s situation, it might be a consideration that needs to be made in the planning stages of the business.

CONCLUSION

It is important to note the limitations of this study and the following conclusions because this analysis is a comparison of a single business. While there is much to learn from one social entrepreneur’s experience, these conclusions should be considered with the understanding that they are derived from the analysis of a single business, at a specific point in time. Further research and analyses would provide more experiences to compare and an opportunity to form deeper conclusions.

In Part I of this analysis, I broke down the processes of identifying the problem and finding a solution; identifying a target market; and forming business partnerships. After comparing these subcategories to Aslan’s experience, I conclude:

1. The process of finding a solution to an identified problem might require social entrepreneurs to work within their current means and with the resources they currently

have. While this is a common understanding among both traditional and social entrepreneurs, a social entrepreneur in a business environment like Port-au-Prince should realize that they might not be able to imagine the perfect solution at the start of their entrepreneurial endeavour. In an environment like Port-au-Prince, imagining the perfect solution is helpful in identifying long-term goals, but will not always be feasible when a solution is needed right away. Social entrepreneurs should evaluate their current resources and use creativity and innovation to address the problem they are trying to solve.

2. By applying the ten attractiveness features from the Playbook, it can be concluded that each feature effectively evaluates the attractiveness of a solution in Port-au-Prince. Additionally, from analyzing Aslan's experience as a travelling nurse before opening Lakay Poze, social entrepreneurs should look to connect with their potential beneficiaries, in this instance being the guests of the guesthouse, through their shared experiences.. Social entrepreneurs that have experienced what their potential beneficiaries are experiencing can better connect a problem to a solution because they are able to understand their priorities and the challenges they face.
3. Business partnerships can be informal connections made within a local community. These partnerships might start out as simple acquaintances down the street, but they are just as valuable as formal financial stakeholders because they can become partners who trade resources, provide advice, support word-of-mouth marketing and create credibility around a business's reputation. In a community like Port-au-Prince, social entrepreneurs should look to rely on these informal connections in ways that might not be possible in a traditional stakeholder relationship.

In Part II, I examined financing, building a network, and evaluating and managing risk. After comparing these subcategories to Aslan's experience, I conclude:

1. Crowdsourcing is a practical and effective way to find quick funding for the start-up of a social business like Lakay Poze because social entrepreneurs will be able to reach investors who are more socially-motivated. Specifically, social entrepreneurs can create short-term, individual campaigns to fund each of the large purchases they are required to make as they start their social enterprise. By using crowdsourcing platforms, they can reach more individuals within their own network who have the means to contribute small donations. With the uncertainty that social entrepreneurs face in Port-au-Prince, asking for smaller contributions can be a more efficient and successful way of funding large purchases, such as generators to supply stable electricity.
2. While it is recommended to take steps like finding an advisor and setting long term goals before starting the business, these steps often have to happen as a social entrepreneur learns about the community and culture they plan to operate in. This is more of a natural process rather than a strategic one, because social entrepreneurs will find that they need to experience running their business in the unique environment that is Port-au-Prince before determining what they need from their network and what goals are tangible in the scope of their capabilities.
3. Social media is an important tool for social entrepreneurs to use when connecting with their network. With the instability that social entrepreneurs face on a daily basis, many are forced to move throughout the country or internationally to adapt to changes in their businesses and personal lives. Therefore, partners and allies of social entrepreneurs

working in Haiti are often located internationally or traveling often, so social media can ensure that a connection is maintained and that social entrepreneurs can conveniently pull from the knowledge within their network.

4. It is crucial that social entrepreneurs monitor and adapt to changes within their sociopolitical situation in markets like Port-au-Prince because elements of their sociopolitical strategy may change frequently and unpredictably. Social entrepreneurs should create a strategy initially, but they should also understand that what they envisioned happening in the sociopolitical context of their business and the community might not be what actually occurs over time.

Finally, in Part III of the Analysis, I explored subcategories including developing economic stability, measuring performance, and managing and retaining employees. From these three subcategories, I conclude:

1. With the instability of a market like Port-au-Prince, finding stable revenue streams can be the difference between thriving and failing when political or economic conditions change. Social entrepreneurs should look beyond their initial business model to find funding that will be present when their traditional revenue streams are unable to provide for the business.
2. Social entrepreneurs should consider when to step back from the successful, stable business that they grew in order to allow for a local manager or employee to take over and continue growing the business on their own. The end-goal of a social entrepreneur working in Haiti is often to create a sustainable business model that can exist on its own. This is a consideration that should be made early on in order for social entrepreneurs to make a long-term plan and start a pipeline within their businesses.
3. Organized labor can occur early on in a business's lifetime as employees look for opportunities to gain power and take advantage of what a social entrepreneur offers. With the quality of employment varying so drastically in Port-au-Prince, social entrepreneurs will naturally create a reputation for themselves when offering fair wages and mentorship through their employment. Therefore, they should be cautious of their workforce taking advantage of these benefits with no intention to remain loyal to their business.
4. Social entrepreneurs can maximize the impact they make through their employment by strategically offering both fair wages and opportunities for financial education. Employees will often struggle with adjusting to the lifestyle that comes with a fair and stable income, so social entrepreneurs should pair their fair wages with education around saving and investing. Then, social entrepreneurs can create more of an impact in their community by training their employees to teach their fellow employees and peers as well.

REFERENCES

Certo, S. T., & Miller, T. (2008). Social entrepreneurship: Key issues and concepts.

Business Horizons, 51(4), 267–271. <https://doi.org/10.1016/j.bushor.2008.02.009>

- Dacin, M. T., Dacin, P. A., & Tracey, P. (2011). Social Entrepreneurship: A Critique and Future Directions. *Organization Science*, 22(5), 1203–1213.
<https://doi.org/10.1287/orsc.1100.0620>
- Fatton, R. Jr. (2014). *Haiti: Trapped in the Outer Periphery*. Lynne Rienner Publishers.
<http://ebookcentral.proquest.com/lib/osu/detail.action?docID=4352982>
- Foryt, S. (2002). Social Entrepreneurship in Developing Nations. *Social Entrepreneurship*, 27.
- Lundahl, M. (2015). *The Haitian Economy (Routledge Revivals): Man, Land and Markets*. Routledge.
- MacMillan, I., & Thompson, J. (2013). *The Social Entrepreneur's Playbook*. Wharton School Press. <https://wsp.wharton.upenn.edu/book/the-social-entrepreneurs-playbook-2/>
- Mizik, N., & Jacobson, R. (2003). Trading off between Value Creation and Value Appropriation: The Financial Implications of Shifts in Strategic Emphasis. *Journal of Marketing*, 67(1), 63–76. <https://doi.org/10.1509/jmkg.67.1.63.18595>
- Rametse, N. M., & Shah, H. (2012). Investigating Social Entrepreneurship in Developing Countries. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.2176557>
- Seelos, C., & Mair, J. (2005). Social entrepreneurship: Creating new business models to serve the poor. *Business Horizons*, 48(3), 241–246.
<https://doi.org/10.1016/j.bushor.2004.11.006>
- Weerawardena, J., & Mort, G. S. (2006). Investigating social entrepreneurship: A multidimensional model. *Journal of World Business*, 41(1), 21–35.
<https://doi.org/10.1016/j.jwb.2005.09.001>

