Seminar Administrative Development I Building Social Business

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This is a superb book on all counts. The author, Mohammed Yunus, is the 2006 Nobel Peace Prize winning economist for his work in micro-credit to end poverty in Bangladesh. Over the years he realized that his micro-lending work resulted in the creation of a very different kind of business, one whose focus is social good rather than profit. He calls it "Social Business". It addresses some of the fundamental shortcomings of capitalism which we are all too familiar with when profits come before people and when the success of the world's economy is predicated on unsustainable growth (e.g. environmental damage, labor abuses). Capitalism also provides no answers for poverty there is not enough profit there. Indeed, it is part of the cause. Capitalism misrepresents human nature as being mono-dimensional, seeking only to maximize profits.

Yunus takes great pains to explain the concept, addressing many questions he frequently gets. It is different from a regular business in that all profits are rolled back into the business to create more social benefit, rather than paid out as dividends to investors or owners. He compares Social Business to many other efforts and kinds of organizations devoted to creating social good. For example, unlike a charity, Social Business is financially self-
sustaining, not having to devote major resources to getting donations. It is attractive for people who wish to support social causes because the money they invest in a social business comes back to them, and can be re-invested to get further social returns. He also discusses NGOs, Social Marketing, Social Entrepreneurism Corporate Social Responsibility and various new kinds of organizations that are popping up. This book on social business draws a lot from Yunis' other two books Banker to the poor Micro-Lending and the battle against world Poverty Creating a world Without poverty Social business and the Future of Capitalism with the exception that it goes a little farther in-depth on the Dannon project and other corporations that are taking notice of the social business phenomenon and producing new ventures. The book also goes further into encouraging people to start their own social business. Yunus describes various Grameen businesses, though he does not make the distinction which ones are social businesses and which are for profit. The context leaves one to believe that they are all socially structured and the only way one would know to the contrary is to have an on the ground knowledge of Grameen operations. What could have been interesting would be to instead embrace the truth and launch a chapter on why some Grameen companies
became for-profit. He would have done well to tackle this ambiguity head on.

The ideas contained in this book could be applicable to both poor and rich countries since virtually every country on this earth has poor people in every walk of life. Yunus has spent his whole adult life thinking about these things, and it shows. He even talks about a separate stock market for social businesses. This book on social business draws with the exception that it goes a little farther in-depth on the Dannon project and other corporations that are taking notice of the social business phenomenon and producing new ventures. The book also goes further into encouraging people to start their own social business,

This is undoubtedly Yunus’ best and most useful book for it gives detailed advice to the interested reader how to create and run a social business. This doesn’t mean his first two books were simply anecdotic; they are fascinating reading and highly instructive as to how this man himself started out and landed one of the greatest social businesses so far created on the globe: Grameen Bank.

I think that without knowing ‘the story’ one would simply be short of believing that it can be done, that we can really erase poverty by the novel
institution of ‘social business.’ In fact, this extraordinary man was facing multiple obstacles, and while some of them were to be expected, the main obstacle was always and repeatedly lack of faith, lack of insight that the poor are trustworthy loan takers, and business partners. He didn’t want to establish a bank, he started out with working with banks, standing as a guarantor, and increasingly the banks were unwilling to cooperate with the argument that the poor ‘do not qualify for loans.’ As there was no real cooperation thus with banks, he simply resorted to the ultimate solution: to start a bank all by himself.

I agree with Mr. Yunus that something is not working well in our "systems", there is poverty all around the world and crisis episodes, such as the one we are still getting out, only exacerbate this and other social problems.

Entrepreneurship has been a key element in our world's transformation. It brings together creativity, will, needs and dreamers to find a new way to address new or existing markets in a way actual enterprises do not do it. If you are a person who wish to start out a project, if you are involved right now in the Social Sector or if you just want to help improve the community you live in, this book is just meant to be yours.

In its pages, Mr. Yunus describes in depth his concept of "Social Business", the building brick of
a new kind of capitalism, a more social, more human and more environmental friendly type. "Social Capitalism" Theory will re-define the "Homo Economics" person to a new agent which looks out for generating Social Value and not only individual profits. His concept is a squared and sounding theory and, most amazingly, has proved to be working in the distant country of Bangladesh. More than communicating an economic theory with a new approach, he's trying to open our eyes and show us that poverty can be alleviated and, with it so much human suffering. At the end, it is all about Hope of giving us back Hope that a better world can be created... and Bangladesh is leading the way, for the first time, a Developing Country is leading the race! A New World can be built, a world without poverty. What is needed is sharing new ideas and inspiring examples to move "dreamers" to take a more active role in their society's transformation.

Great concepts, and well-explained with real-life examples. It's inspiring, and gives me hope for the future. Could we really eliminate poverty in a couple generations, as Yunus suggests? Yes, although I still doubt that we will.

Yunus' own story is incredible (only bits and pieces in this book, but it inspired me to dig deeper). It is really something for one man to create the means
that lift millions of people out of poverty (Grameen bank). I hope more people read Yunus' books and more people adopt his ideas. This may be the solution to serving the needs of under privileged humanity, while reducing those endless requests for non-profit donations, grants and gifts. Social business companies make profits where ever possible and provide quality services that are cost effective, ethical, professional, and timely. Profits are spent doing for those in need, including many who can't pay. Investors get 100% of their contributions back, but not dividends or interest.

Muhammad Yunus' proven theories about Social Business. Yunus' writings should be a must read to anyone who owns millions of dollars as well as Students in Universities in order for them to help those who had less opportunities than them in life. I consider this book very important to think about a different way to develop a social initiative. Muhammad Yunis is one of the truly great social business heroes of our times. His achievements on behalf of the world's hungry poor are indeed remarkable. This book is a must read for all economic development specialists. Mohammad Yunus is amazing. This book (and his previous book about ending world poverty) is such a simple, clear and yet profoundly insightful description of "Social Business" and how to build one. When I read it, it seems so obvious. I wonder why major
Capitalists aren't going. I think Social Business is the answer (yes, of course along side Profit based business).

Social business is an oxymoron as business in this country is for making money first, foremost and as much as you can suck out of the customer. Yunus has banks that make a profit for the investors. Great idea and a book that takes time to read because of the repetitiveness of the material, but the soul of the author comes through. Mr. Yunus gives an unambiguous & digestible explanation of his definition of "social business". Notwithstanding this is a well written book, which many will glean powerful business & humanistic lessons, Mr. Yunus tends to place his philosophy in a "holier than thou" light more often than not. While the heart of the book is about poverty, a running theme is the constant ridicule of traditionally formed businesses, with an overriding assumption that most are profit-obsessed, blood-thirsty, winner-takes-all enterprises; he uses the term "profit-maximizing" companies ubiquitously. What of the hundreds of thousands of businesses around the world that create products & services that improve the quality of life, at very fair prices? What of the local diner owner who serves the best pancakes around, What of larger corporations, who offer fantastic products at affordable prices that allow the average person to improve their quality
of life at reasonable cost, just like what Mr. Yunus does in Bangladesh? My point is there are a large number of businesses that are foregoing richer profits to, as he suggests only social businesses can do, "help human beings live better, fuller lives. Regardless of the tone suggested here, I am a humanist and support the eradication of poverty, and the improvement of life. Overall, I enjoyed this book, as it facilitated deep introspection. I believe in value for value. I believe in choice. I am not of the social business mindset as he strictly defines it. I believe that profit is a way of saying "thank you" for a job well done. I do not aim to simply survive. I can forgo a 60% profit margin for a 40% one in the best interest of humanity, as I believe many business people would also do without much thought. What I will NOT do is pretend that I do not have a right to define & improve the quality of life sought for myself and my family, simply because I already have electricity.

Social business is not a donation-dependent NGO nor a corporation which maximizes shareholder wealth. Its measure of success is determined by the amelioration of a targeted social cause. Yunus presents an excellent introduction to the concept of social business, highlighting the successes and lessons learned from initial endeavours with Grameen Bank. He makes the bold claim that capitalism in its current form is not fully developed
because it does not address humankind's altruistic nature. In this book he admits the growing pains that have taken place since Grameen's birth. He argues that a society less dependent on government to target certain social issues inefficiently, could lead to a more efficient private sector to ameliorate those same issues.

Yunus shows the successes and failures and raises important questions for persons considering using business to address social issues. At the end of the day, the social business still must make a profit as it is a business. The book should be read critically as Yunus interjects European welfare governance as a desirable model not yet able to be developed in many countries, thus the need for social business. His worldview somehow separates government from the people rather than the American model of government of the people, by the people, for the people. However, Yunus rightly shows how business can be run for the benefit of the people, by the people. Yunus could make the book a better read by eliminating some broad assertions on governance and references to issues caused by [the myth of] global warming and instead write that social issues can be solved by social businesses, regardless of the cause or perceived cause. I highly recommend the book for practitioners as well as for people desiring to better understand how to create sustainability.
which by itself eliminates poverty. Yunus dreamed of helping others and to end poverty. He created a micro-credit system to help poor woman establish a business in Bangladesh. This system is also known as Social Business. Some of his stories that he shares in the book are from some amazing people that are all trying to make a living. This second chance has made that happen. This book covers all that is needed in order to start-up a small business.

In the 1980’s Muhammad Yunus set up micro-banking in Bangladesh for poor people to start small businesses. He had an accountability method and found the almost every person repaid the money. These businesses helped families escape from poverty. Yunus realized that children needed proper nutrition to grow up with good minds capable of remaining outside of poverty. Along with a French company he devised a plan to sell supplement-enhanced yogurt to poor children at a price families could afford. To do so the company agreed to receive back their investment but not to be given any extra profits. Soon Yunus worked with another company to provide clean drinking water to poor people, using the same business plan--return of investment, but no profit.

This author set up a nine-point plan for his own business and now is working toward many other
ideas to reduce world poverty. His next venture may be low-cost shoes to keep children’s feet from picking up diseases and parasites from the soil.

This man has a host of ideas that can truly help poor people find better lives. Building Social Business will inspire other caring entrepreneurs to find the same satisfaction this author experiences. Anyone who cares about poor people will find this book encouraging and helpful.

Yunus proved something about poor people that no one believed. You can lend poor people money and they will pay you back, if you give them the support they need to run a business. Yunus proved this 30 years ago with the invention of micro lending. Now he is suggesting something about rich people that no one believes which is that they are not solely motivated to make money and can be, instead, motivated to create businesses that solve problems. Muhammad Yunus is the man who saved the lives of millions of people around the world by introducing micro loans to poor people, giving them a chance to build businesses and give them a chance to thrive. This feat won him the Nobel Prize. It all started when he was teaching economy at a university in Bangladesh. Looking out the window though he felt it was superfluous to teach the young students about economy when outside their brothers and sisters
where living on the verge of death.

One day he ventured out into a neighboring village and started talking to the people who lived there. He spoke to a woman who made the most beautiful furniture out of bamboo sticks. He asked her where she sold them; She told him that to get the first bamboo sticks to start her business she had been forced to take a loan from a loan shark, the banks had refused her a loan.

The terms were both a high interest but also that she could only sell her chairs to him, at the price he requested. In other words, her loan had made her into slave labor. He asked her how much she had borrowed; it turned out to be about 7 U.S. cents. He went around the village and found 42 people who were in similar situations, he counted how much money they owed, it turned out that they were all turned to slave labor for a total of 27 dollars. He gave them the money himself! A start of a new kind of bank, After a lot of trouble he started the bank Grameen Bank in Bangladesh which loans money to poor people at a reasonable interest and gives them the chance to build themselves a future. The start of a new kind of company With the start of Grameen bank men and women over all of Bangladesh got the chance to start companies and get themselves out of poverty.
What Mohammad did afterward was to found a completely new type of company, a cross between the traditional profit based companies and the non-profit institutions. The companies are called social companies. A social company is the same as a traditional profit based company with the only difference that they don’t create a profit and that they work for a cause. The point of a social company is to solve a problem, for example poverty in an area. The company is to be completely self-sustaining. Meaning it has to make enough profit to cover its expenses, it doesn't live off of charity, the money the company makes isn't given to stock owners, instead the money goes to expansion or to the The power to change the world
This new type of company has the potential to change the world. All of us want to make a difference, but often we don’t know how. We end up giving money to a charitable institution, the problem is that the institution needs us to keep giving them money if they are to survive. The money you give to an institution gets used up and then they need more. It follows the same principle as the analogy about giving a man a fish, which would feed him for a day, or teaching him to fish which will feed him for life. Charitable institutions work a lot on "teaching people to fish" the problem is that they themselves need others to "give them fish" to survive.
A Social company is a charitable institution that "knows how to fish". Social companies can accept your money to start the company, but after that they don't need more, they are self sustaining meaning you can put your money into a new social company spreading even more good to the world. You have to charge for your services. This is a notion that scares many, if you offer healthcare to the poor they can’t afford to pay much which is why you would need to get donations to run the institution. A social company will instead create a system that charges different amounts to different people. One example is the cooperation between Care2Children and Grameen healthcare for curing Thalassemia.

Thalassemia is a horrible disease that kills children all over the world but is curable. Read more about it on Wikipedia, The company will open centers that can take care of three children at a time. 2 of the beds will go to richer families that can afford to pay for the expensive costs of the operations; the profit from those operations will go to making the third bed available for less fortunate families. This way they can offer the service to poor families whilst giving the richer families a reason to pay more.
There are many ways to make a company profitable. Another example is Grameen Veolia Water which provides quality drinking water for people both in cities and in villages in Bangladesh. By charging more in towns they can charge lower rates in the poorer villages. By using this technique everyone in Bangladesh will have the chance to get good water at an affordable price. I see this as a potential for the future, I haven't done it justice in this article but Muhammad Yunus has explained it incredibly in his book.