



**STRATHMORE INSTITUTE
DIPLOMA IN ENTREPRENEURSHIP
END OF SEMESTER EXAMINATION
DE 1207 - Social entrepreneurship**

DATE: 20th August 2019

Time: 2 Hours

Instructions

1. This examination consists of **FIVE** questions.
2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.
3. Do not write on the question paper.

QUESTION ONE (1) (30 MARKS)

Water & Sanitation for the Urban Poor (WSUP) was established in 2005. Their mission is to improve the lives of the urban poor in developing countries by strengthening the capacity of service providers and others to provide sustainable water and sanitation services, promote good hygiene, and raise the health and environmental standards of the community. WSUP's mission is aligned to SDG 6: Ensure availability and sustainable management of water and sanitation for all. According to the UNEP, in 2015, 4.5 billion people still lacked safely managed sanitation services (with adequately disposed or treated excreta) and 2.3 billion lacked even basic sanitation. Some issues that have agitated the situation include loss of wetlands, climate change and the lack of sanitation infrastructure due to rapid urbanization.

Their approach emphasizes planning to achieve sustainable change at scale. They do this by demonstrating financially viable approaches to serving bottom of the pyramid communities and using this as a basis for advocating for wider scale-up of such approaches by service providers, as well as local and national governments and their partners. WSUP partners include foundations, non-profits, governments and for-profit organizations.

WSUP Advisors work with governments, non-profits and providers (for profit businesses), with tools and guidance to enhance capacity and improve services, replicating the experience of communities in core countries where WSUP works directly. Income from business lines of work (WSUP Enterprise, WSUP Advisory) supplements development aid and philanthropy in support of WSUP programs.

So far WSUP has helped more than 2.05 million people access improved water services, provided more than 1.3 million with improved sanitation, and brought improved hygiene practices to more than 5.77 million. Some of the challenges in bringing about change in the sector includes difficulties of convincing communities to change how they access and use water. Water harvesting programs and water recycling programs have not been as quickly accepted as WSUP had hoped.

- a) Define the fourth sector providing an example of how WSUP fits into this sector **(2 Marks)**
- b) Discuss 3 ways in which WSUP can scale its impact. **(6 Marks)**
- c) There are five factors that WSUP needs to take into consideration when choosing what strategy to use for scaling. Discuss any three of the factors **(6 Marks)**
- d) Using the case study above, illustrate the difference between business and social enterprise **(2 Marks)**
- e) Using examples extracted from the case study, illustrate that WSUP adheres to the Four Elements of Social Entrepreneurship **(8 Marks)**
- f) Define the bottom of the pyramid population, identifying three characteristics of this population **(4 Marks)**
- g) Compare social entrepreneurship to social activism **(2 Marks)**

QUESTION TWO (2) 15 Marks

Vanessa was truly bothered by an article in the local daily that highlighted the extremely high numbers of infant mortality and maternal mortality. The article indicated that simple approaches such as basic nutrition, first aid and sanitation education could reduce infant mortality numbers. Simple approaches such as teaching expectant mothers to identify signs of pregnancy risk and complications could reduce maternal mortality by getting mothers to visit the clinic when signs of complications were obvious.

Vanessa is not sure how she will fund the organization. She is considering if she can get some grant money to get her organization started and then maybe after that she can get donations from well-wishers.

Vanessa is eager to solve the crisis in marginalized communities. Vanessa is aware of the current trends in the field of healthcare and has spent time reading up on trends in the social, political, legal and economic areas. As a social entrepreneurship consultant, you need to guide Vanessa through this process.

- a) Define social impact and explain what kind of impact Vanessa would like to achieve with her organization. **(2 Marks)**
- b) In the planning cycle, the processes start and ends with the mission. Describe this process of mission driven planning cycle **(7 Marks)**
- c) Define the “earned income” school of thought and suggest two actions that Vanessa can take to make her organization fit the description of this school of thought. **(3 Marks)**

- d) What two characteristics of good mission statement, should Vanessa should consider in developing her organizations mission statement **(2 Marks)**
- e) Draft a mission statement for Vanessa's Organization **(1 Mark)**

QUESTION THREE (3) 15 Marks

About 50% of businesses fail within the first 5 years. This is also true for social enterprises. The cost on business failure can be high to the social entrepreneur.

- a) Identify two signs that a social enterprise is not working out. **(2 Marks)**
- b) Discuss the three sequences to exit the business. **(6 Marks)**
- c) When considering the magnitude of our potential loss, identify three potential outcomes the entrepreneur wants to avoid. **(3 Marks)**
- d) Discuss two considerations of rewards you should have when thinking about risk **(4 Marks)**

QUESTION FOUR (4) 15 Marks

Accountability is defined as being answerable to both internal and external stakeholders. Kevin is an early stage social entrepreneur has fallen into the accountability trap. He is currently overwhelmed by inquiries and complaints from different stakeholders.

- a) Walk Kevin through the process of creating an accountability action plan. **(10 Marks)**
- b) There are four principles of holist ethical management. Discuss any two **(4 Marks)**
- c) Define Ethics **(1 marks)**

QUESTION FIVE (5) 15 Marks

Fundi is a social enterprise that was started by a group of Strathmore University students. The enterprise uses physically challenged people to manufacture wooden furniture. The enterprise has decided to open its own retail outlets.

- a) Discuss three common ways in which a market can be segmented. **(6 Marks)**
- b) Identify one direct beneficiary and one indirect beneficiaries of Fundi **(1Marks)**
- c) Explore to ways of overcoming the dilemma of meeting market-driven demand with mission-driven supply **(4 Marks)**
- d) Jiwezeshe is considering charging program applicants an application fee of 2500 Ksh. Cite two reason for and two reasons against this approach. **(4 Marks)**