

Social entrepreneurship and its new challenges for sport

Authors: Gerco van Dalftsen, Chris Kubbinga

Institution: Hanze University of Applied Sciences Groningen, Netherlands

E-mails: g.van.dalftsen@pl.hanze.nl

Keywords: social entrepreneurship, business models, sport clubs

Aim of abstract/paper - research question

Sport is of significant importance for society. The management of sport can be defined as 'the coordination of resources, technologies, processes, personnel, and situational contingencies for the efficient production and exchange of sport services' (Chelladurai, 1994), p. 15). The services sport organisations produce have a positive influence on social cohesion, safety and welfare in local environments.

Entrepreneurship is an integral part of sports management and creates a competitive advantage for those involved in sport (Ratten, 2011). Radical changes in both national and internal environments with a receding government created a gap at which private and individual public initiatives were present. Therefore a demand arose for new ways of organising sustainable services that were able to support themselves on a longer term. Social enterprises fill in this gap as a new way of organising. As every company nowadays focusses on corporate social responsibility the distinction between organisations defined as social entrepreneurs and other organisations with a focus on society is unclear. The research question therefore is twofold: "How to define the field of social entrepreneurship in sport in the Netherlands?" and "What can sport organisations in The Netherlands learn from social enterprises?". The aim of this paper is to provide a framework of social entrepreneurship in sport in The Netherlands and to provide sport organisations in The Netherlands options of how to incorporate and strengthen their social entrepreneurship activities.

Theoretical background or literature review

Social entrepreneurship has gained attention also in the area of sport (Ratten, 2011). A social enterprise is defined as an organisation with a business approach that has the aim to solve problems in society, without expectations of profits or publicity (Cohen & Peachey, 2015). Like traditional enterprises a social enterprise makes use of a profit model. While traditional enterprises close down unprofitable activities in favour of maximising returns, social enterprises value its contribution to society. Activities with a profit therefore are used to compensate activities that are not cost-effective. To measure the outcome of social enterprises it makes use of the sum of social impact. Historically and depending on country social enterprises are defined differently (EC, 2014). The foundation for social enterprises (<http://www.social-enterprise.nl>) defines a social entrepreneur as: "A social entrepreneur deals with problems in society with a business approach arranging large scale changes in society. Societal impact is the main objective, while financial profit is used to have a right of existence". The European Commission (next to entrepreneurship, social aim first and independency) also makes use of two other elements to distinct social entrepreneurship: the limitation of possibilities of paying profits and good governance (democratic and participation of stakeholders). Hoogendoorn, et al. (2010) makes a distinction in four different perspectives of social

entrepreneurship: two perspectives with a more American tradition; social innovation school and social enterprise school, and two perspectives with a more European perspective; 'the Emerge of Social Enterprise in Europe' (EMES) approach and UK approach. In general the difference between the American and European approach is the focus on multiple stakeholder involvement and commitment in Europe.

New business models (NBM) originate with a central focus on sustainability. These NBM create multiple values; next to economical values, also social and ecological values are created. Three ways of exchanging values can be recognized: to share, to create and to exchange. Values such as time, care for each other, money, protection of nature, attention, creating safety, attention, mobility, knowledge, goods and waste, etc. are exchanged. NBM according to Jonker (2012) have the following characteristics:

1. New ways of cooperation as central principle,
2. Creation of some multiple values (accepting that sometimes there are more important values than money),
3. Money is not the only way of exchanging value,
4. Economy on bases of need and utilize (now and later),
5. Ownership of products is replaced by allow access to,
6. Encourage long term commitments (people or organizations do not become members of communities or platforms for a single transaction)
7. Alternative money can be used to such as time or points.

Social entrepreneurship in sport delivers new challenges for managers in the domain of sport. Remaining question is: "How can sport respond to these new challenges?".

Methodology, research design and data analysis

This paper is a literature review of social entrepreneurship in The Netherlands. Online documents are used in order to trace practices of social entrepreneurship in the Netherlands.

Results, discussion and implications/conclusions

A theoretical framework of social entrepreneurship in The Netherlands will be presented in Warsaw.

Results, discussion and implications are currently not finished. This will be finalized in due time before the conference.

References

- Chelladurai, P. Sport management: Defining the field. *European Journal for Sport Management*, 1994, 1 (1): pp.7-21.
- Cohen, A. & Peachey, J.W. (2015) The making of a social entrepreneur: From participant to cause champion within a sport-for-development context. *Sport Management Review*, 18(1), 111-125.
- European Commission (2014). A map of social enterprises and their ecosystem in Europe. Brussel: European Commission.
- Jonker, J. (2012) A research in the changing transaction that create multiple values. The Seven characteristic of New Business Models. *Management Executive/September*. www.kluwermanagement.nl
- Ratten, V. (2011) Sport-based entrepreneurship: towards a new theory of entrepreneurship and sport management. *International Entrepreneurship and Management Journal*, 7(1), 57-69