

## **A Business Model Design Process for Social Enterprises: The Critical Role of the Environment**

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**Abstract :** Business models are shaped by their design space or the environment they are designed to be implemented in. The rapidly changing economic, technological, political, regulatory and market external environment severely affects business logic. This is particularly true for social enterprises whose core mission is to transform their environments, and thus, their whole business logic revolves around the interchange between the enterprise and the environment. The context in which social business operates imposes different business design constraints while at the same time, open up new design opportunities. It is also affected to a great extent by the impact that successful enterprises generate; a continuous loop of interaction that needs to be managed through a dynamic capability in order to generate a lasting powerful impact. This conceptual research synthesizes and analyzes literature on social enterprise, social enterprise business models, business model innovation, business model design, and the open system view theory to propose a new business model design process for social enterprises that takes into account the critical role of environmental factors. This process would help the social enterprise develop a dynamic capability that ensures the alignment of its business model to its environmental context, thus, maximizing its probability of success.

**Keywords :** social enterprise, business model, business model design, business model environment

**Conference Title :** ICIIM 2016 : International Conference on Innovation and Information Management

**Conference Location :** London, United Kingdom

**Conference Dates :** May 23-24, 2016