

# Revenue Generating Strategies For Technology Social Enterprises

Every social entrepreneur seeks financial sustainability regardless of their mission. In looking to create a bigger demand for green products, Ashoka Fellow S. Rajagopalan figured out how to generate almost half of his organization's annual budget from entrepreneur-commissioned sales. Here's how he did it.

## 1) TRAIN ENTREPRENEURS

Through his organization, TIDE (Technology Informatics Design Endeavor), Rajagopalan aims to adapt technologies such as stoves, pottery kilns and food processing tools used for production in at-home industries to a more environmentally-friendly and efficient state. As an alternative to an expensive centralized sales staff, Rajagopalan trained entrepreneurs who brought TIDE's products to market and customized these products to meet local demand. And because these entrepreneurs are from the local villages they understand local needs and are able to provide appropriate customization to the products so that they can be quickly adopted.

Some of TIDE's profit comes from direct sales. The majority, however, comes from the entrepreneurial middlemen who pay TIDE a 5% commission on each sale. This low-cost technique allows TIDE to simultaneously spread its technology, increase its client base, generate revenue and stimulate environmental entrepreneurialism in new sectors.

## 2) PROVIDE INCENTIVES

The critical success factors for this model are: the TIDE brand recognition, product customization, and the monetary incentives to pay the entrepreneurial workforce.

TIDE encourages entrepreneurs to take risks in adapting its technology, while keeping the integrity of TIDE-branded designs. It offers seed loans to help the entrepreneurs launch their own businesses, training them in production design and the business skills necessary to market TIDE's technology and make sure it fits its rural customers' needs. As an added bonus, TIDE accrues 5% of earned income in a corpus account, available to either its producers or entrepreneurs, for emergency funds.

## 3) PARTNER WITH SUPPLIERS

TIDE minimizes costs by partnering with local institutions to provide raw materials at a subsidized cost. In making these deals across the production chain, TIDE increases the affordability of its products. This approach ensures that the consumer purchases a quality product at market price while the entrepreneur retains her/his profit margin. At the same time, this process builds relationships that engage the broader community in TIDE's work and mission.

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