

"A man is
great by
deeds, not by
birth"

-Chanakya

Welcome to IIMK



INDIAN INSTITUTE OF MANAGEMENT KOZHIKODE



Working Paper

IIMK/WPS/567/SM/2023/03

March 2023

**Value Creation and Value Capture in Social
Enterprises – A Business Model Perspective**

M.K. Nandakumar ¹
Ashish Malik ²

©

All rights belong to their respective authors.

Please contact the corresponding authors if you would like to access the full paper.

¹Professor, Strategic Management Area, Indian Institute of Management Kozhikode, IIMK Campus PO, Kunnamangalam, Kozhikode, Kerala 673 570, India; Email - nandakumarmk@iimk.ac.in, Phone Number - 0495-2809256

²Associate Professor, University of Newcastle, Australia, Ourimbah 10 Chittaway Road, Ourimbah, NSW 2258, Australia; Email - ashish.malik@newcastle.edu.au

Value Creation and Value Capture in Social Enterprises - A Business Model Perspective

Abstract

Scholars have extended the stream of research on business models (BMs) to the domain of social enterprises (SEs). The nature of the value creation process in SEs is different from the value creation in commercial enterprises (CEs), and hence the BM configuration becomes quite challenging. Some SEs function as not-for-profit organizations and rely entirely on grants and donations. However, some SEs have a completely for-profit model, and others have revenue streams based on profits generated and other channels like grants and donations. The business model configurations of the above three categories of SEs vary due to the significant differences in their revenue streams. A good understanding of the business model configuration of SEs is necessary to critically assess value creation and value capture. In this study, we thoroughly examine the business model configurations of SEs operating in various domains in India and discuss their value creation and value capture. We have done interview-based qualitative research by interviewing the founders/CEOs of 43 SEs located in various parts of India. We have thoroughly analyzed the interview transcripts using the NVivo software package. Our study is one of the few research studies that have examined these crucial aspects relating to SEs, and hence, it substantially contributes to the existing body of knowledge. In addition, social entrepreneurs and the other stakeholders associated with SEs will find our study immensely useful.

Research Office
Indian Institute of Management Kozhikode
IIMK Campus P. O.,
Kozhikode, Kerala, India,
PIN - 673 570
Phone: +91-495-2809238
Email: research@iimk.ac.in
Web: <https://iimk.ac.in/publications>

