

**trampoline**  
by CURRIMJEE

**REVENUE ENGINES**  
**for**  
**SOCIAL ENTERPRISES**

trampoline.mu



# Building a financially sustainable social enterprise

Social enterprises strive to find their sweet spot, balancing social and environmental impact with financial sustainability. Choosing the right revenue engine is crucial for founders embarking on their social entrepreneurship journey.

## Exploring Revenue Engines:

This resource material highlights common revenue engines used by successful social enterprises, offering guidance for sustainable growth.

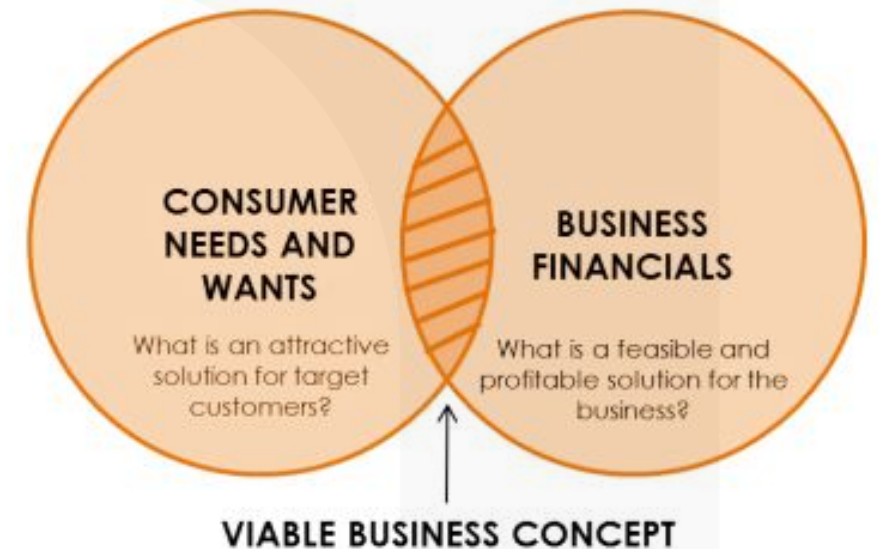
**Keep in mind that this is not an exhaustive list!**

## Finding the Perfect Fit:

Remember, **there's no one-size-fits-all solution**. Each enterprise must find a business model that aligns with their unique mission. Consider which revenue engines resonate with your vision for your social enterprise.

Discover the revenue engines that will drive your social impact journey. Empower your enterprise with sustainable growth and meaningful change.

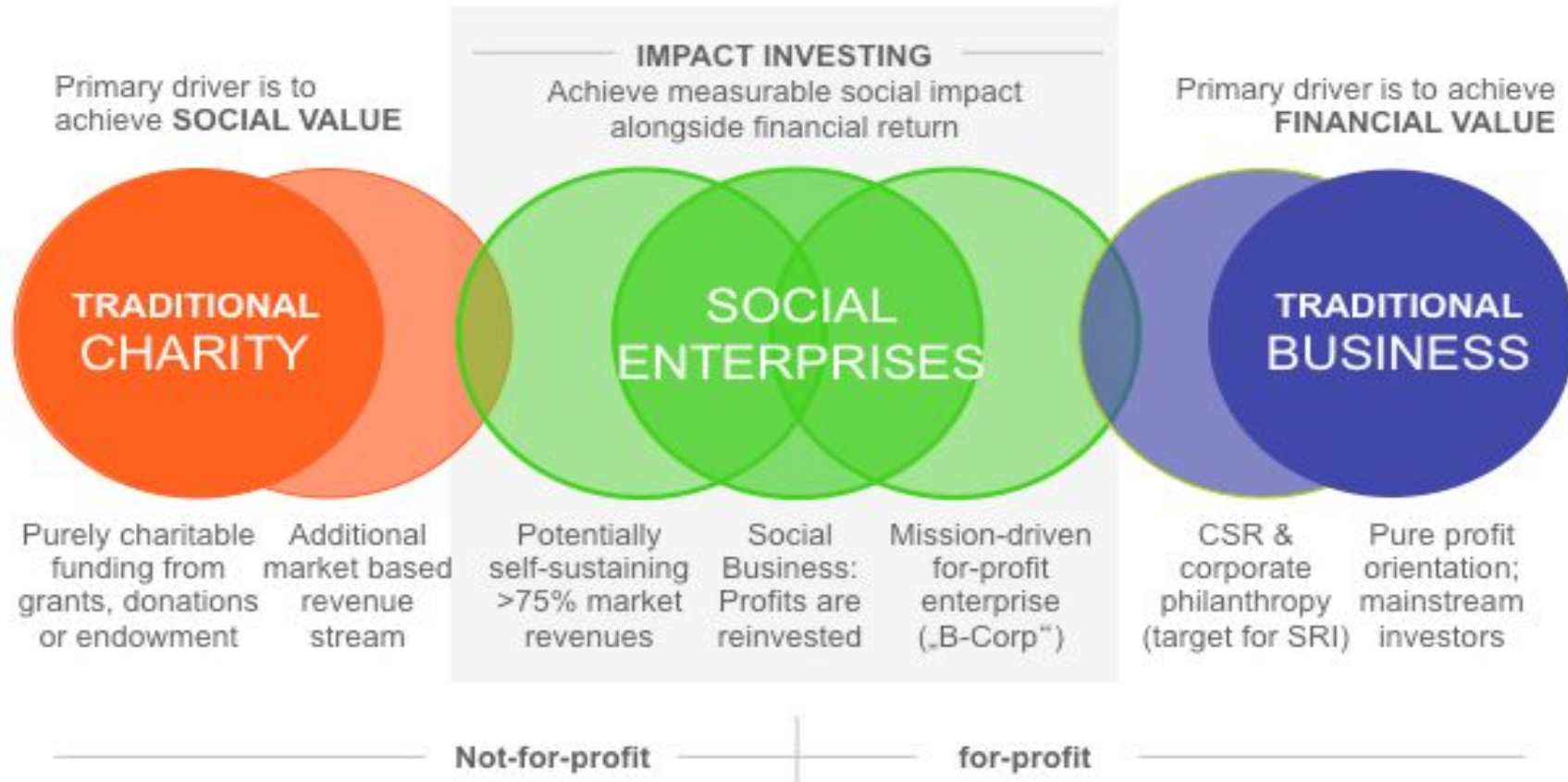
## FIND THE SWEET SPOT



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Social enterprises face a spectrum of choices in balancing impact and sustainability. Different business models and strategies exist, each with its unique position. It's important to find the ideal spot considering mission, values, and outcomes to create a sustainable, impactful model.

## The business model spectrum revisited



# TYPES OF REVENUE ENGINES

1

**Sales,  
Fee-for-Service, or  
Earned Income**

2

**Microfranchising**

3

**Cross-Subsidisation**

4

**Market Linkage**

5

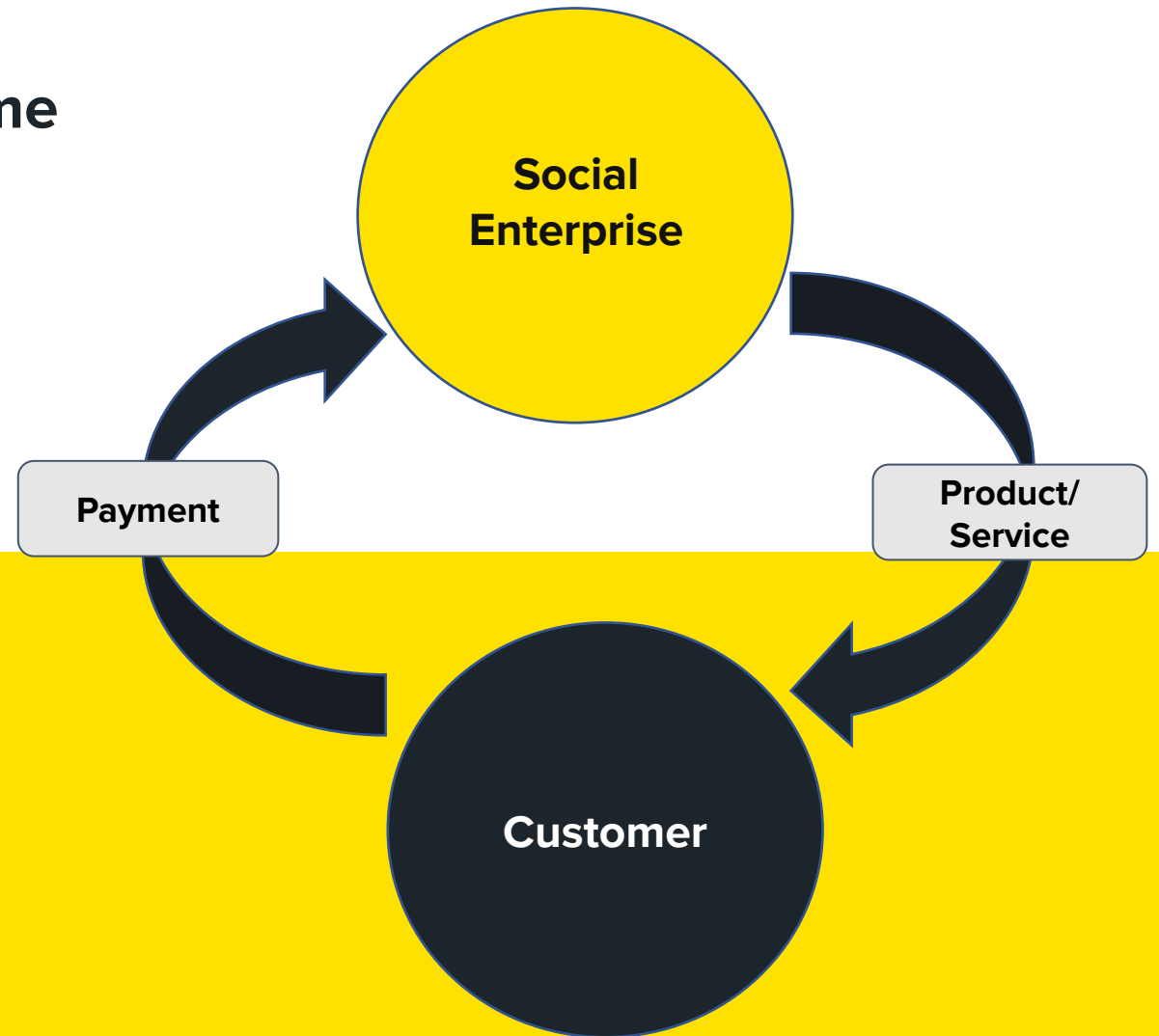
**Microphilanthropy**

6

**Employment Generation**

# 1. Sales, Fee-for-Service, Earned Income

In this model, social enterprises package their products or services and sell them to either their beneficiaries or to an organisation willing to pay for them.



## HOW?

These enterprises identified a market need that was not being met, and then developed corresponding services or products that people are willing to pay for.

By successfully earning money from these products or services, they ensure they have the financial means to consistently provide their impactful services.

# Examples of Sales, Fee-for-Service, Earned Income

## Burn Manufacturing



Burn Manufacturing is a social enterprise based in Kenya. They noticed that charcoal production for household cooking was causing widespread deforestation in Sub-Saharan Africa. The charcoal fumes were also causing health problems to the users.

To address this issue, they created the Jikoko cookstove - a safe, fuel-efficient, and designed for low-income communities.

Burn Manufacturing sells these cookstoves at affordable prices to generate revenue.

3. [Burn Stoves- The Future of Clean Cooking](#)

## d.light design Inc.



d.light is a social enterprise tackling the limited access to electricity in developing countries by providing affordable solar-powered products such as solar lanterns.

They generate revenue by selling these products directly to consumers, and by providing after-sales services.

The revenue generated covers the costs of production, distribution, marketing, and is also invested in the research & development of new products and technologies.

4. Acumen Social Entrepreneurship 101 Module 1 Readings

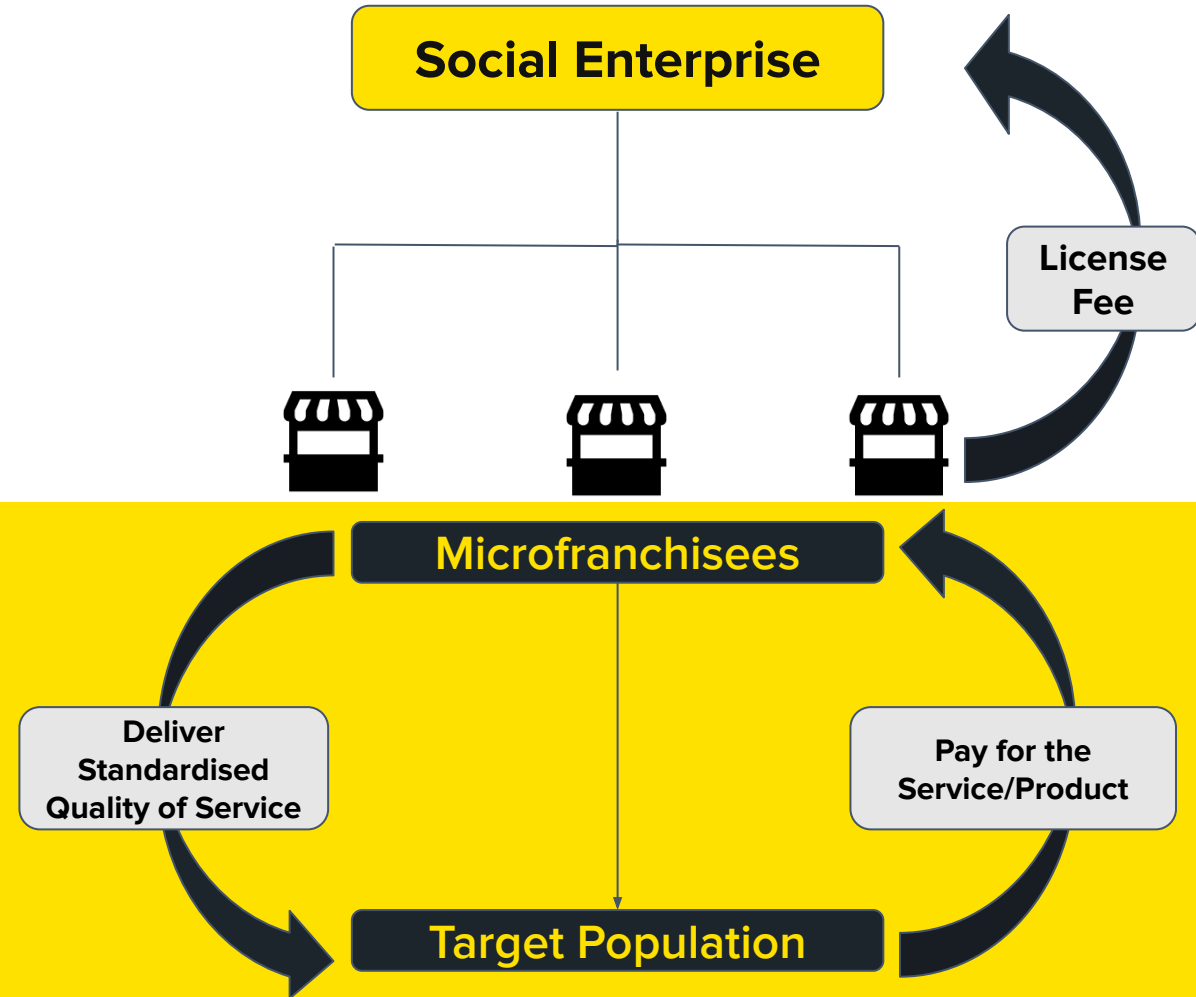
5. [d.light social impact](#)

## 2. Microfranchising

These social enterprises allow members of the local community to operate a small franchise. They usually handle administrative tasks to make operations more efficient and offer local individuals financial support and supplies to start their own business.

### HOW?

The social enterprise generates revenue and impact by receiving a percentage of franchisee sales, contributing to the success of local businesses and fostering community development.



# Examples of Microfranchising

## Kidogo



Kidogo is a social enterprise in East Africa that aims to improve access to affordable and high-quality childcare in low-income areas.

They train and support women in these communities to provide excellent childcare services through the microfranchise model. Kidogo provides the training, supplies, and ongoing support to the franchisees.

The enterprise generates revenue by allowing franchisees to use their brand, curriculum, and support, against a fee.

6. [Kidogo at work](#)

## Ecofiltro



EcoFiltro is a social enterprise addressing the limited access to clean drinking water in rural areas of Guatemala. They train and support local entrepreneurs to sell and distribute their water filtration systems as microfranchisees.

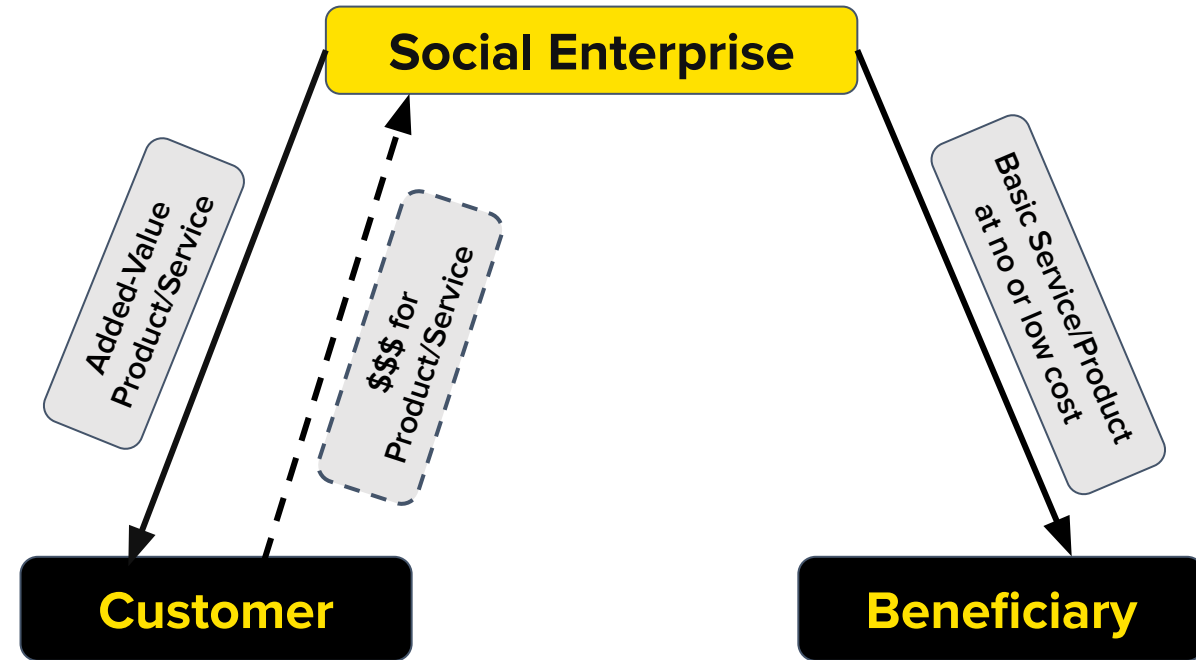
EcoFiltro generates revenue by charging a franchise fee for the start-up kit and by collecting royalties based on the microfranchisee's sales. The revenue generated is reinvested in expanding the reach of their solution and supporting the growth of their microfranchisees.

7. [EcoFiltro- About us](#)



### 3. Cross-Subsidisation

In this model, the revenues generated from some customers are used to subsidize the goods or services provided to other customers. Cross-subsidisation can help address market inefficiencies, bridge financial gaps, and achieve social objectives by redistributing resources within an organization or industry.



#### HOW?

It involves charging higher prices or generating greater profits from one group of customers or product/service offerings, which helps subsidize lower prices or support unprofitable services for another group of customers or offerings.

# Examples of Cross-Subsidisation

## Aravind Eyecare



There are 12 million Indians who are blind, mostly because they cannot afford treatment. Aravind Eye Hospital created a unique model to provide high-quality eye care to everyone, regardless of their ability to pay.

They use a cross-financing method where wealthier patients pay a fee for top-quality care, and the revenue generated is used to provide the same level of care to those who cannot afford it. The fees collected also go towards building more eye hospitals and training staff.

1. Acumen Social Entrepreneurship 101 Module 4 Readings  
8. [A Hospital Network with a Vision](#)

## Sanergy



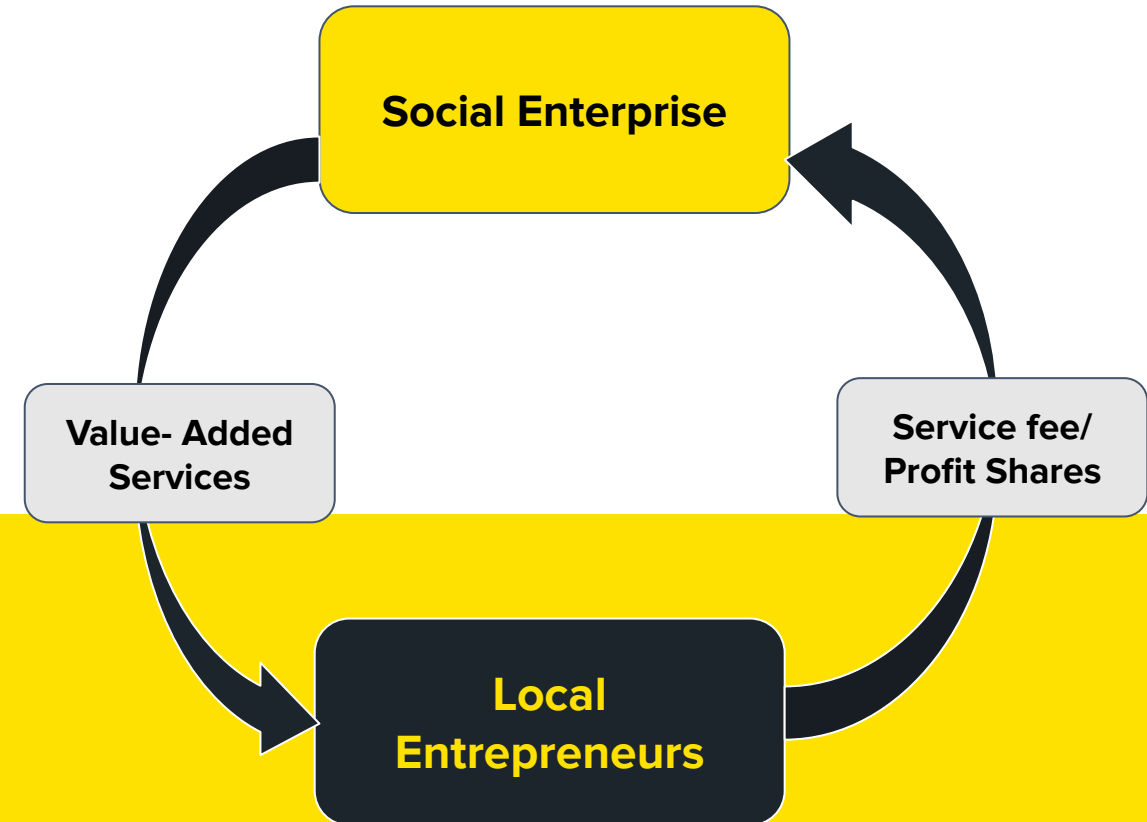
Sanergy is a social enterprise in Kenya tackling poor sanitation and waste management in low-income urban areas through their network of high-quality sanitation facilities called Fresh Life Toilets.

Sanergy generates revenue by charging users for toilet usage and waste collection. The collected waste is transformed into valuable products like organic fertilizers and insect-based animal feed, which are sold to commercial farmers. These sales help subsidize toilet costs for low-income communities.

9. [The Sanergy Collaborative](#)  
10. [Fresh Life Toilets: A small business project and social initiative](#)

## 4. Market Linkage

Market Linkage revenue engines empower social enterprises to connect marginalized producers with larger markets, creating partnerships and facilitating access to buyers. This strategy drives economic growth, fosters inclusivity, and enables sustainable change.



### HOW?

Social enterprises connect entrepreneurs to markets by purchasing products at local prices and selling them internationally, or by providing value-added services and connecting entrepreneurs to expanded markets.

The social enterprise will typically take a share of the profits when the product is sold or charge the local entrepreneurs a fee for their services.

# Examples of Market Linkage

## Shea Yeleen



Shea Yeleen generates revenue by producing and selling high-quality shea butter products sourced from women-owned cooperatives in West Africa.

They process the shea butter into various products and sell them through online marketplaces, retail stores, and wholesale partnerships.

The revenue earned supports operational costs and fair wages for the women involved in harvesting and providing the shea butter.

[11. Ghanaian Social Enterprise Founder Provides Economic Empowerment for Women in Shea Butter Market](#)

## My Pop Up Store



My Pop Up Store empowers local artisans and small businesses by connecting them to a wider market.

Through pop-up events, they provide a platform for showcasing products and offer marketing and logistical support.

Revenue earned covers the costs of organising events and providing product development support to participating entrepreneurs.

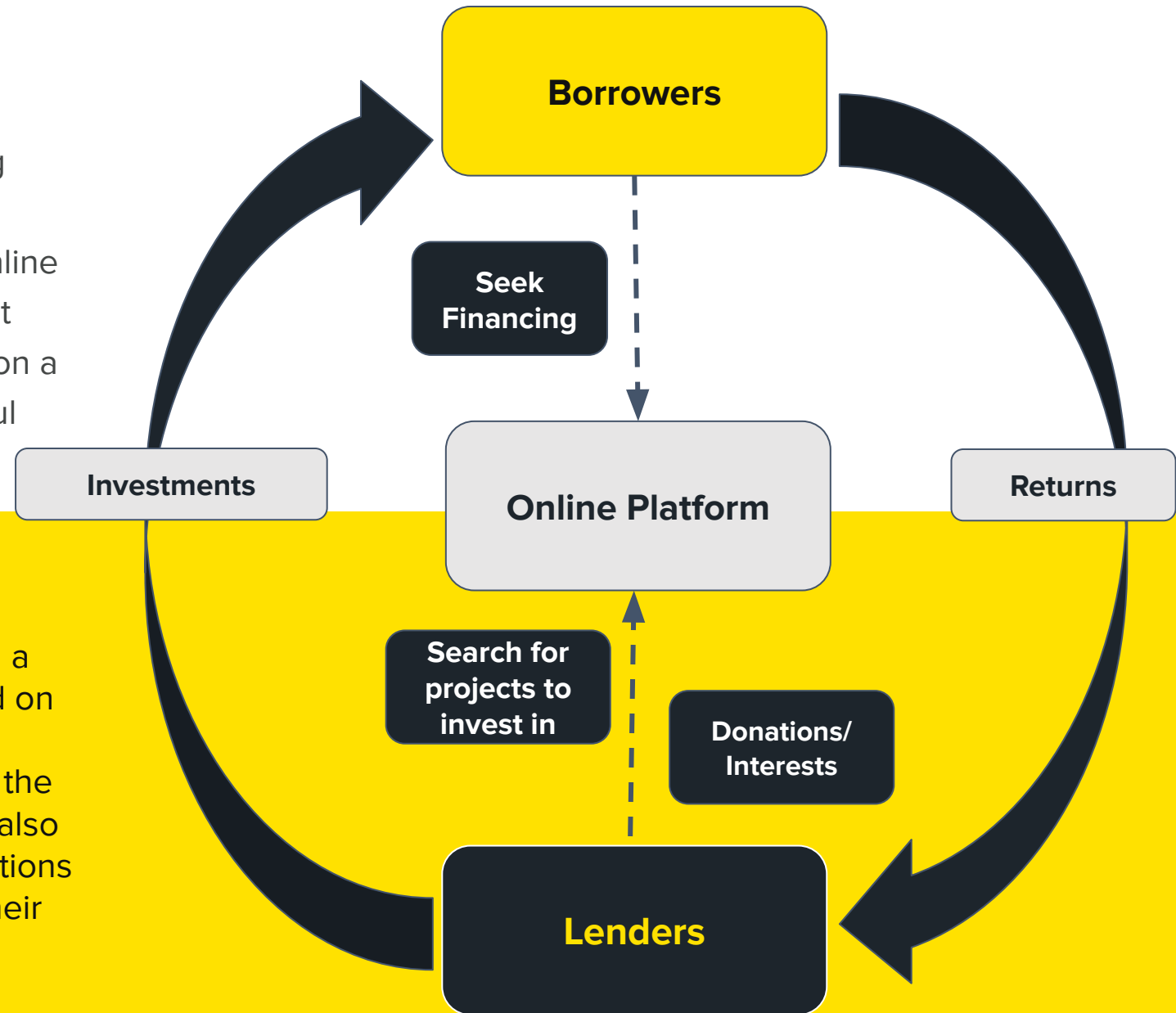
[12. My Pop Up Store](#)

## 5. Microphilanthropy

Microphilanthropy refers to the practice of making small-scale financial contributions or donations to support social causes, often facilitated through online platforms or digital channels. It is an approach that empowers individuals to become philanthropists on a smaller scale, enabling them to make a meaningful impact with modest resources.

### HOW?

Social enterprises may generate revenue through a variety of channels. These include interest earned on microcredit loans, offering savings and deposit services, and donations. This practice recognises the need to cover not only project-specific costs, but also the essential operational needs of these organisations to ensure sustainable operations and maximize their social impact.



# Examples of Microphilanthropy

## Small Step Matters



The mission of Small Step Matters is to democratise access to donations in Mauritius.

Their online donation platform is the showcase for project holders and a one-stop-shop for citizens who want to help their neighbours or country.

Small Step Matters generates revenue by taking a 10% cut from the funds raised to cover its operating costs.

[13. Small Step Matters- About Us](#)

## Grameen Bank



Grameen Bank is a microfinance social enterprise in Bangladesh that provides small loans to low-income individuals, primarily women, to support their entrepreneurial ventures and alleviate poverty. The unique feature of the Grameen Bank is that no collateral is required to get the credit.

The bank generates revenue through the interests paid on the microloans, which is used to sustain its operations and expand its services.

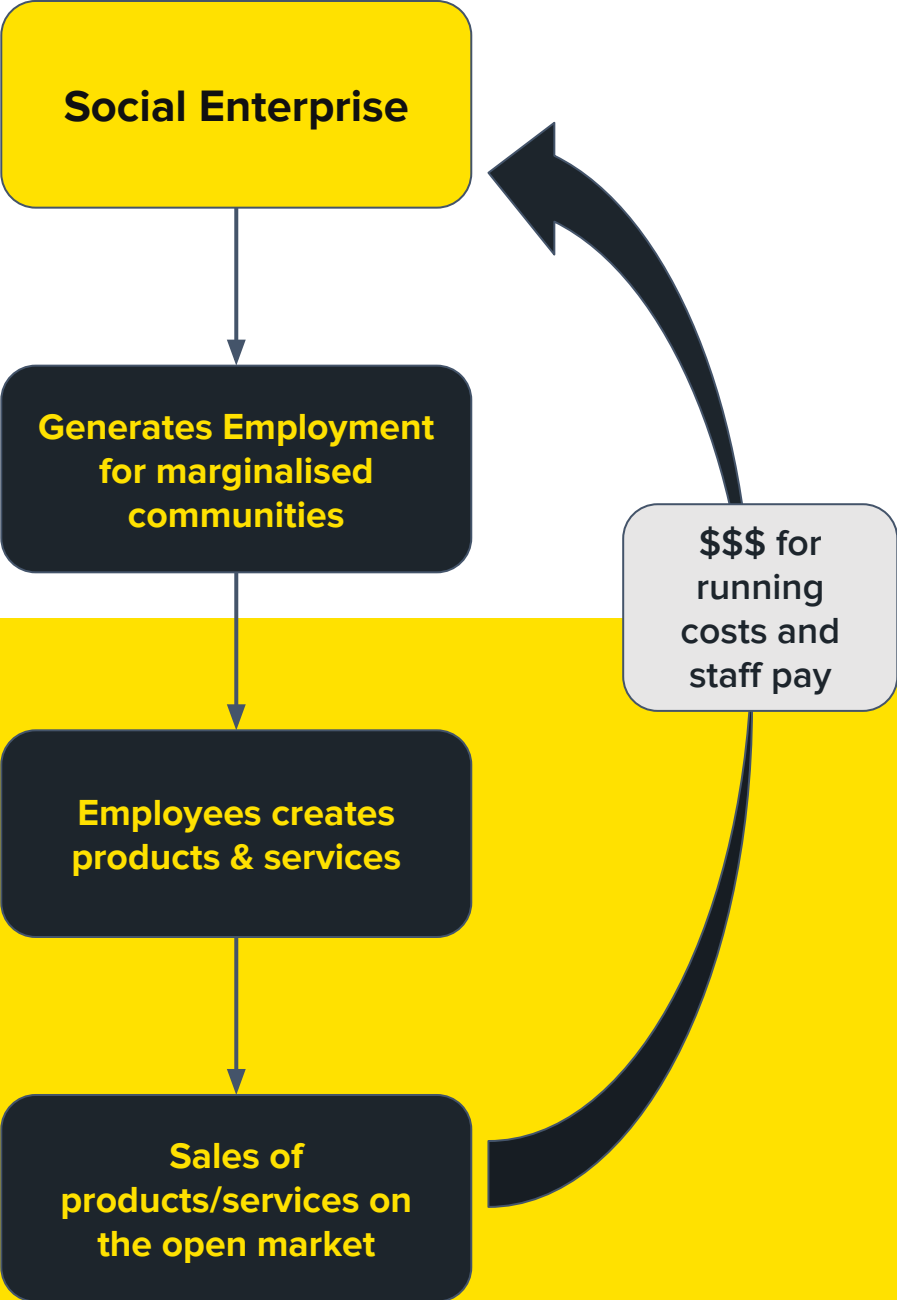
[14. Grameen Bank- About](#)

# 6. Employment Generation

This model creates job opportunities for a target population such as women, youth, people with disabilities, the homeless, or formerly incarcerated individuals. These employees are engaged in an enterprise that sells products or services on the open market.

## HOW?

Goods and services are sold at market rate so that the employees can be paid, and the business can be self-funded.



# Examples of Employment Generation

## Rubicon Bakery



Rubicon Bakery is a Californian social enterprise that hires and trains people who have faced unemployment due to prior incarceration.

They employ former inmates to work in their bakeries, thereby transforming their lives. To generate revenue, Rubicon Bakery sells more than 25 types of baked goods through 2500 retail outlets in the USA. The revenue is then used to cover running costs and staff salaries.

[15. Rubicon Bakers](#)

## The Good Shop



The Good Shop is a social enterprise in Mauritius that collects and resells used household goods and clothes. This helps to extend the life of these items and reduce waste, hence contributing to a positive environmental impact.

Also, they hire and train individuals and communities facing barriers to employment. The revenue from the sale of the repaired and recycled items is used to cover the running costs and staff salaries.

[16. The Good Shop Mauritius](#)



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THANK YOU

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