

Making way for a new generation of Social Entrepreneurs

As we approach the 25th anniversary of WE and prepare to launch the WE Social Entrepreneurship Centre, we've been taking stock of our journey.

It's hard to believe it's been a quarter of a century since we began as a ragtag group of 12-year-olds setting out to change the world from our parents' converted garage. When we look back, we're grateful for the countless lessons we've learned and the many people who helped us along the way. We had no idea we would find mentors and champions in thought leaders like Jeff Skoll, Richard Branson, June Callwood, Muhammad Yunus and Oprah Winfrey.

Even more, we had no idea how much their mentorship (and sometimes tough love) would shape our journey from a small charity to a global movement. We are truly standing on the shoulders of giants as we celebrate landmark achievements like the [WE Schools program](#) annually engaging 4.2 million young change-makers through service learning, or [WE Villages](#) building 1,500 schools and schoolrooms in developing communities and providing one million people with health care, clean water and sanitation.

Our life's passion has always been making the biggest social impact possible. As we reflect on 25 years of lessons, and turn our gaze to the future of the non-profit sector as a whole, we're deeply concerned by economic trends.

From 1985 to present day, Canadians' tax filings show a 22 per cent drop in the percentage of the population giving charitable donors. With declining giving via religious institutions, aging participation in neighbourhood service associations, and an economically squeezed middle class, many non-profits are only being kept afloat by baby-boomer bequests that will reach a natural point of decline.

When we look at the short-term financial data, the situation is even more bleak. Another recession seems inevitable. Economists debate when it's coming, but what gets discussed less is the devastating impact on charities and the people they serve when discretionary funding gets cut. We saw this first-hand in 2008. Many directors at the helms of Canadian charities haven't had to navigate economic austerity before, and for those that have, our industry has not developed many new tools for staying afloat.

A more nuanced challenge facing the sector is the inherent limit on traditional charity to solve the complex challenges facing our time. A charity can advocate for eco-friendly solutions but cannot massively scale products that revolutionize our daily choices. We have a friend who runs a non-profit providing free job training, but she cannot create the jobs for the people she is serving.

When we reflect on 25 years of lessons in making and measuring social impact, we see incredible potential for social enterprises to provide a new model for doing good. The world needs innovative, scalable solutions to match the scale of the problems it faces. Enterprises can pivot faster and take more chances to innovate and disrupt traditional models of daily life. And with the pace that technology is driving change, social enterprises can scale models at a pace that charities simply haven't been able to reach.

We had been running a charity for 15 years when first saw the opportunities of the social enterprise model. We were in the depths of the 2008 recession and donations for WE Villages, our sustainable development model, were drying up before our projects could reach the end of their five-year life cycle to achieve community-led self-sufficiency.

We sought the advice of our mentor Jeff Skoll—eBay’s founding president and a leading voice in the world of social enterprise through the Skoll World Forum on Social Enterprise. He helped us make a major mindset shift and overhaul our needs-based approach to development, where we looked at our programs in terms of problems to be solved. He taught us to think like entrepreneurs and use an assets-based business model to harness all the opportunities we weren’t embracing within the communities.

In our WE Villages locations we had thousands of unemployed and underemployed women eager to take charge of their financial futures. So we started ME to WE Social Enterprise, and Maasai women were able to empower themselves to earn four times their previous income by crafting jewellery with traditional techniques passed down for generations.

ME to WE changed their lives and opened up a new revenue stream for WE Villages when we needed it most. Like the Maasai mamas we were employing, we had established our own income for charitable purposes and taken control of our financial future instead of always depending on donations. ME to WE expanded to include a line of volunteer trips and ecolodges in developing regions, fair trade chocolate and coffee, leadership camps and programs, and a technology division that provides a tracking mechanism for you to pinpoint on a map where the products you buy are changing lives.

ME to WE was a game-changer for us for a number of reasons.

First, it brought in the right kind of funding. Not big peaks and valleys dependent on the whims of donors, but stable income we could bank on. We started forecasting international development project budgets with greater confidence and making smarter long-term investments in our programs for greatest impact. We were also able to cover admin and technology costs so donors could put their dollars toward programs with an immediate social impact. Over the past five years approximately 90 per cent of ME to WE’s profits go to WE Charity, with the balance reinvested to grow the next division of the social enterprise.

Second, ME to WE created 2,000 economically empowering jobs in marginalized communities in Narok County, Kenya, and Ecuador’s Amazon basin. This not only helped families lift themselves out poverty, but [enhanced the WE Villages](#) model by empowering communities to become economically self-sufficient faster.

Finally, ME to WE gave us an entirely new platform for growing our social movement. We didn’t have to spend our precious donor dollars on Sunday morning commercials, telemarketers or street canvassers because our logo was on our social enterprise products. People were bringing ME to WE into their homes and seeing our message of social change in their closets and cupboards, giving WE Charity the chance to allocate 90 per cent of donations to youth-serving projects instead of traditional fundraising costs.

The social enterprise path wasn't easy. It still isn't, especially in Canada where clear legal structures for social enterprises don't exist the way they do in other countries. We had to enlist two top legal firms—Miller-Thompson LLC and Torys LLP—to help us develop clear protocols for governance and financial oversight. We [invited extensive reviews](#) by a [Justice \(retired\) of the Supreme Court](#), and the Office of the Public Guardian and Trustee.

A series of delicate truths recognized by anyone with extensive experience in the non-profit sector is that our sector is slow to change, hesitant to invite creative disruption, and sceptical when it comes embracing the help of enterprise to solve the world's problems. Our sector shares a vision of a better world, but often operates from a place of scarcity, with learned behaviour to fight over the few scraps that fall from the table.

There is a space for every type of organization in this movement. The world is changed through actions large and small. There is, and will always be, an important place for traditional charities and grassroots movements. Yet we need to also welcome new models. Alone, the traditional charitable model won't reverse climate change. Charity alone won't feed the growing world population. Charity alone won't end poverty. Embracing innovation and operating with a mindset of abundance allow us to unlock new models of resources, scale, and impact.

The WE Social Entrepreneurship Centre is our way of paying forward 25-years of mentorship we've received on how to make change. As the WE Movement approaches its quarter century anniversary, we increasingly believe that social enterprise is a critical element to how we'll solve the world's problems over the next 25 years.

The Centre seeks to foster a social innovation in Canadians under the age of 35. This charitable venture will provide the vast majority of its program and resources at no cost to all change-makers.

When developing our plans for the Centre, we listened deeply to many stakeholders and communities. Boston Consulting Group generously provided a three-month pro bono analysis process, including conducting more than 50 interviews with charities and social enterprises to understand the challenges and opportunities of system change via social enterprise.

We're excited to collaborate with so many incredible groups—especially through our world-class advisory board, which includes Abdullah Snobar, executive director of Ryerson University's tech accelerator DMZ; Dean Hopkins, chief executive officer of technology scaleup hub OneEleven; Tania Carnegie, chief innovation officer of KPMG; and other thought leaders from the field of social innovation. Their vision has helped shape two key programs that will empower Canada's young entrepreneurs to solve the world's most pressing challenges.

The Movement program, in partnership with groups such as Ryerson's DMZ, will bring social entrepreneurship curriculum, resources and mentorship into our 7,000 WE Schools across Canada, giving tens of thousands of young leaders the chance to launch micro-social enterprises of their own. This won't just broaden understanding of the social power of business, but raise up and expand the whole sector of social enterprise in Canada.

The Scale Up program, working with partners such as OneEleven, will incubate and accelerate a small number of social enterprises with the greatest potential to make a sweeping social impact. Offering support over a two- to seven-year timeframe, Scale Up bets deeply on a small number of social entrepreneurs and social intrapreneurs by connecting them with free and comprehensive backend business support (human resources, productization, finance, legal, accounting, etc.) and backend social impact support (systems of employing at-risk populations, eco-design, impact verification and measurement, etc.). We want to build scalable models for innovation that spark a national boom in social enterprises spearheaded by young Canadians.

We see the WE Social Entrepreneurship Centre as a crucial next step for the WE Movement. In 25 years, we've had the chance to grow through five major stages of our evolution.

In the first, we started out as a traditional charity, kicking down doors to free child slaves. But time and time again we saw them returned to the same conditions as before because of lack of opportunity and infrastructure. So in the second stage, we realized tackled the root causes of poverty and founded our five-pillar holistic development WE Villages model. In the third stage, we brought our social mission home to North America and engaged a generation to accelerate these efforts. In the fourth stage, we harnessed the power of social enterprise to create sustainable funding and scaled impact for our charitable programs.

As we approach the 25th anniversary, many of our international communities are self-sustaining, service-learning is part of classroom curriculum in multiple countries, and our social enterprise continues to flourish.

We believe we now have the opportunity to enter the fifth stage in the evolution of the WE Movement: supporting the next generation of young innovators with world-changing ideas. We're placing our bets on the potential of the social enterprise sector and the ingenuity and drive of Canadians under 35 to lead it. We want to step-back and empower a new wave of social entrepreneurs to collaborate and see their dreams achieve scale.

We're so excited for what the future holds, and grateful to our staff, board of directors, supporters and mentors for embracing the journey with us. The WE Movement seeks to "make doing good, doable." The WE Social Entrepreneurship Centre is betting on these young innovators as the greatest force for good.