



# Eight Questions for a Social Venture

BY KIM STARKEY AND WILLIAM F. MEEHAN III

1. A social venture—whether nonprofit or social business or some hybrid—is by definition “mission-driven.” What is your venture’s mission? Is it clear and focused? Is your default position mission- or profit-driven?
2. A social venture must have a “theory of change” to describe in logical terms how your strategy and business plan will achieve its mission. What is your “theory of change”? Key logical linkages? Any empirical evidence to support it?
3. What is your product/service? Start by being clear about where you are: have you identified a market/customer need, but not product/service offering? A product/service offering without a deep understanding of underlying market/customer need? Who and why would anybody care that your product/service exists?
4. What is your TAM—total addressable market? Size, growth, competitive structure, etc.? Based on your “map of the world,” develop a first-cut issue analysis—what issues will be critical to resolve in testing the viability of your idea? Do you have a specific enough product/service value proposition? What market/customer needs does it address, i.e., what specific market segment/niche? Have you established “Product/market fit”?
5. What is your competitive advantage/value proposition? IP? Brand? Core skill like manufacturing or distribution? Is the market clearly “ready”?
6. What is your business/economic model/value chain? In broad terms, what is your profit/capital model? E.g., high margin, low capital? What is your “go-to market” model? Are there operations/manufacturing issues? Do you have the skill set and resources you will need?
7. What are your financial projections? When do you break even on a cash flow basis? How much investment will you need before then? When does your business hit equilibrium—i.e. match your proposed economic model? When do investors get their money back and how much more?
8. Why you?