

A Key to Resolve Social Issues in Social Innovation : The Case Study of Social Enterprise “Open Closet”



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ABSTRACT

Social enterprise, one of the methods to actualize social innovation, has resolved emerging social issues and considered as an outstanding alternative to create social values. Consequently, social enterprises are actively resolving social problems in numerous fields; however, their social innovativeness must be examined to prove their qualification. One of the domestic social enterprises, “Open Closet”, is studied to observe whether social enterprise is applicable in social innovation and to discover a method to improve domestic social enterprises based on the observation. This research analyzed “Open Closet” by concerning 5P(problem, participation, platform, profit, policy) of social innovation and suggested a way to advance such social enterprises as “Open Closet” by implementing ideas from social innovation.

I. BACKGROUND

1. What is Social Entrepreneurship?

(1) Defining Social Entrepreneurship

“Social entrepreneurship is all about pursuing social innovations.”

- 1) Applying sustainable, innovative, practical method for generating benefits to society(esp. to social outcasts and low-income group)
- 2) Optimizing activity for creating fiscal value in order to produce more beneficiaries
- 3) Speculating an efficient system to counteract inappropriately satisfied or abruptly increased demands, clarifying and testing initial concept, expanding size of model by using necessary resources and partners
- 4) Focusing on such values as dignity, accessibility to opportunities, responsibility, fair price, improving capability/right of beneficiaries

(2) 5P of Social Entrepreneurship

- 1) Problem : jobless growth, intensified social polarization
- 2) Participation : participation of social outcasts
- 3) Platform : establishing mutual cooperative network system
- 4) Profit : pursuing advanced and diversified biz model
- 5) Policy : creating regulations related to SE

2. Why does Social Entrepreneurship matter?



II. AIMS OF STUDY

1. Discover a method to apply Social Innovation in Social Enterprises

(1) International Trends

1	Provide works to social outcasts	Pioneer Human Services(US)
2	Resolve poverty in underdeveloped country	Grameen Foundation
3	Educational/ Self-supportive Platform	Juma Ventures(US)
4	Train social entrepreneurs	Ashoka Foundation(US)

(2) Domestic Trends

Number of social enterprises in Korea is increasing gradually



2. Investigate a method to improve SE as a “significant” methodology of Social Innovation

III. METHODS

1. Case Study

(1) Case study is a chief methodology to answer research questions of this study.

- 1) Preferred in empirically examining contemporary events
- 2) “How” and “why” research questions can be answered
- 3) Unique strength of case study is its ability to deal with a full variety of evidence; documents, artifacts, interviews, and observations.
- 4) The case of “Open Close” was chosen among many SE cases in Korea based on self-administered 5P analysis
- 5) An interview with the CEO of Open Closet, Man-il Han, was conducted on November 15, 7-10pm



2. The Case of Open Closet

(1) Outline and Aims of Open Closet

- 1) Founded in July, 2012
- 2) Renting clothes abandoned inside closets to people with needs



(2) Operation Process



- ① Donate suits with personal stories to Open Closet
- ② Cleaned, repaired suits rented to lender with fairly low price
- ③ Return the suits with comments on them

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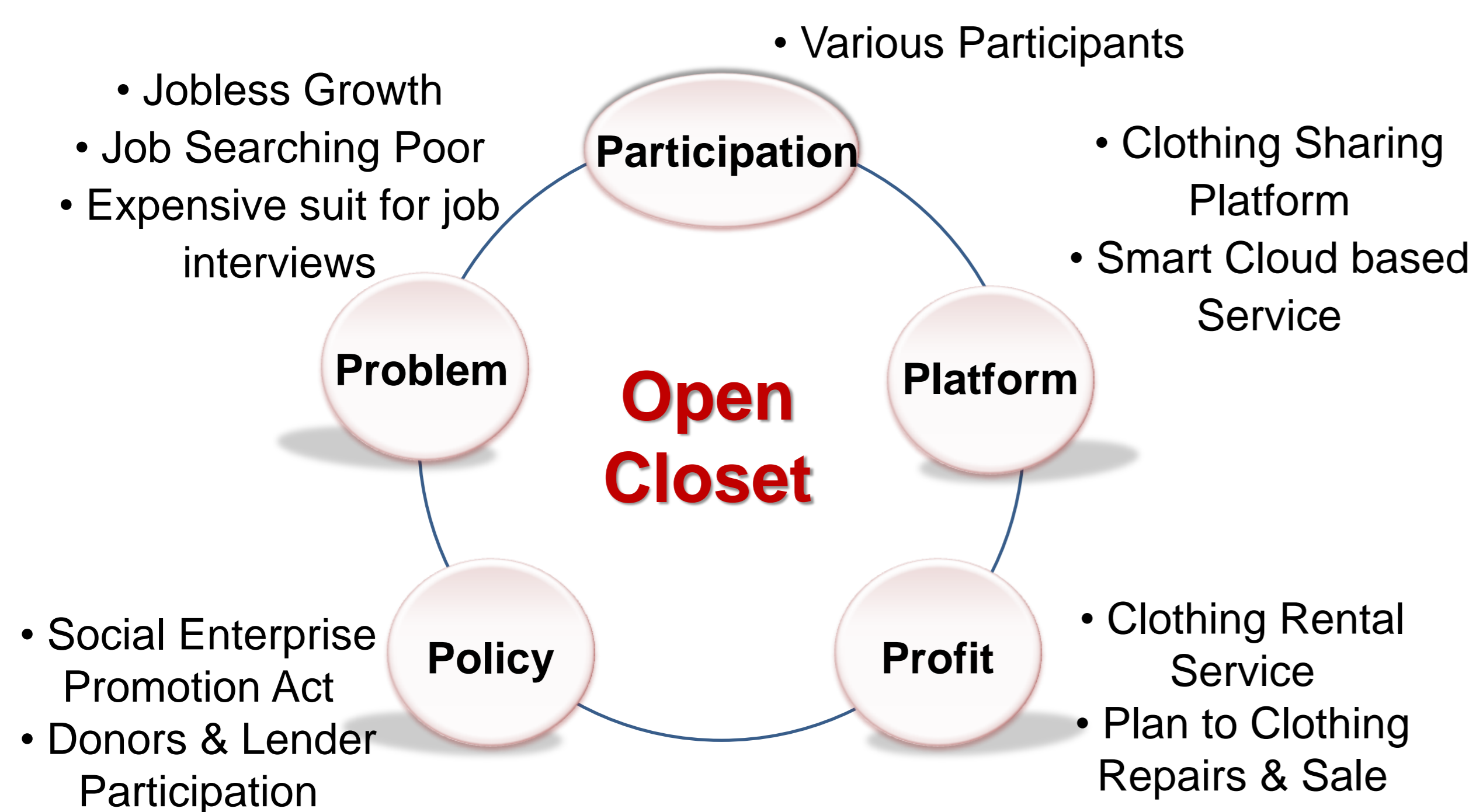
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IV. RESULT

1. Applying Social Innovation in Social Entrepreneurship: 5P of Open Closet

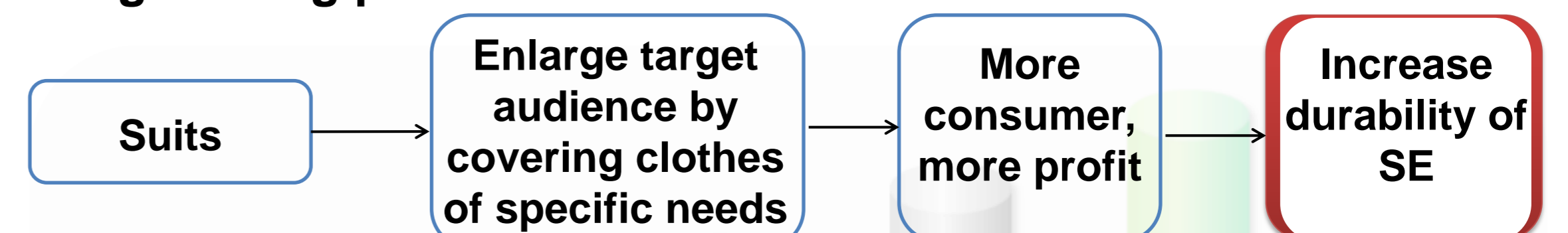


2. A method to improve SE as a “significant” Methodology of Social Innovation

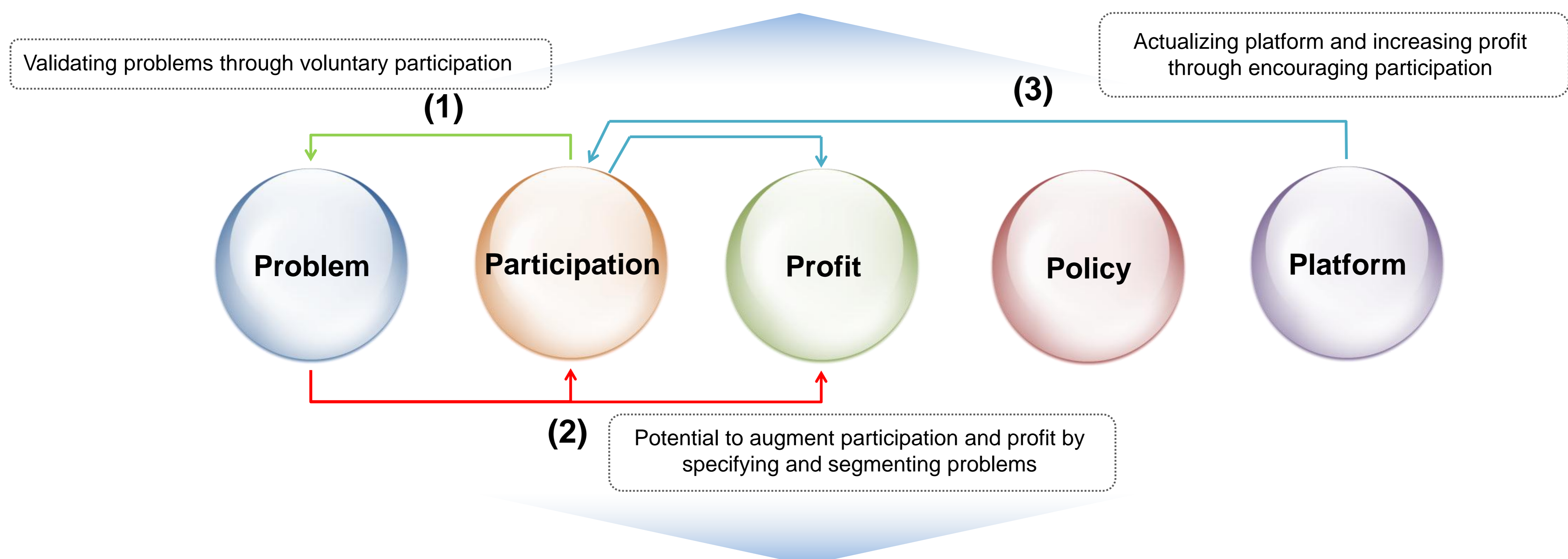
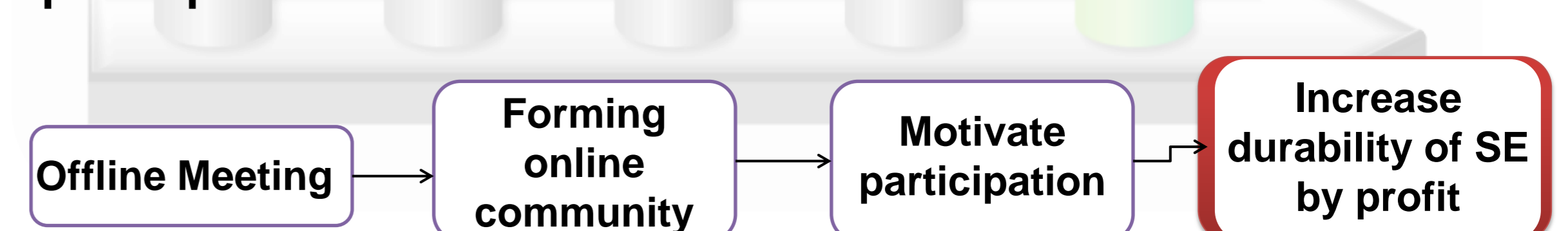
(1) Validating problems through voluntary participation

“Open Closet” was chosen to be one of the best 10 in Suwon Citizen Originality Contest

(2) Potential to augment participation and profit by specifying and segmenting problems



(3) Actualizing platform and increasing profit through encouraging participation



V. DISCUSSION

(1) Validating problems through voluntary participation

This implies ability to figure out ‘qualified target’ which social innovation or social enterprise should resolve
Also, this enables to identify a currently emerging social issues that its importance and necessity is proved by society

(2) Potential to augment participation and profit by specifying and segmenting problems

Continuously specifying and segmenting a problem is essential due to a possibility which enterprise will grow up into a sustainable one by augmenting profit through motivations. This is very important to social enterprises because this implies that social enterprises are more likely to resolve social issues than standard enterprises

(3) Actualizing platform and increasing profit through encouraging participation

Platform adapting diverse IT technology to amplify impacts of Social Innovation will encourage society to participate and will enable durability of the social enterprise through its own revenue structure. Furthermore, the enterprise with such a platform will be an ideal model of social enterprises, so eventually more profits and accompanying enterprises will be expected.

Conclusion

“Open Closet” attempts to lend clothes abandoned inside closets to people with appropriate needs and provides multiplatform to make various people involve actively. “Open Closet” has planned sustainable development through creating its own profit, and has supported activation of social enterprises through national SE training organization and certification policy of SE. “Open Closet” was thoroughly analyzed by 5Ps of SI and research questions. By discussing the analysis in depth, this research contributes to social enterprises actualizing Social Innovations in creating much more values and accomplishing it effectively.