

Technology Social Venture and Community Empowerment

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Abstract

This article elaborates the case of Elevyn.com, a technology social venture linking the deprived rural artisans of Sabah directly with the socially-conscious consumers through online shopping portal by eliminating the middlemen in between for the sole intent of revitalizing an area of disinvestment and poverty. In the process, the founders of Elevyn.com also provided the visionary, strategic and operational leadership often associated with the actions and responsibilities of a social entrepreneur. The limited research to date has investigated technology social venture and community empowerment as separate concepts. In this study, the sustained and intensive involvement and continuous leadership provided by elevyn.com focused on the community empowerment of the poor rural artisans of Sabah villages has been analyzed.

Keywords: Technology social venture, community empowerment, technological innovation.

1. Introduction

Technology social venture (TSV) and social entrepreneurial venture (SEV) are relatively new concepts and have only begun to be examined in the entrepreneurship literatures. SEV's aim for bringing positive social change through creating social value following a sustainable business model (Drayton, 2006; Nicholls, 2006). TSV is a new genre of social entrepreneurship, falls at the intersection of

social entrepreneurship and technology innovation (Ismail, Sohel, & Ayuniza, 2012).

The paper attempts to analyze the activities of elevyn.com which linked the rural artisans directly with the socially-conscious consumers worldwide eliminating the middlemen to mitigate social problems based on a theory of economic development, community empowerment and comprehensive community support services such as education, job training and other social services. Elevyn's social theory of impact was based on a hypothesis that community empowerment could not be ensured without the other components in place which would contribute to sustainability over the long run.

To understand how technology social ventures can contribute to community empowerment, the case of elevyn.com was deliberately chosen as it is one of the pioneer technology social ventures in Malaysia. The firm has been the recipient of MDEC (Multimedia Development Corporation) preseed grant (the only social venture to get the grant) and received the Youth Social Enterprise Initiative (YSEI) fellowship of 2008-2009 programs. Elevyn.com is considered to be an exemplar entrepreneurial organization utilizing technology for social purposes and can thereby serve as the role model for new firms aspiring for similar outcomes. In other words, it represents a revelatory

case (Yin, 2009). The case study draws extensively on interviews with Mike Tee, founder of the organization who is the most knowledgeable about planning and implementation of the revitalization of the rural craftspeople of Sabah. The analysis has implications for social entrepreneurial leaders and scholars, specifically with respect to understanding the context and dynamics of this case. This study is one of the first analyses to uphold the positive relationship between technology social venture and community empowerment.

2. Background literature

Technology social ventures represent a unique genre of social ventures which attempts to satisfy a social need through technological innovation in a financially sustainable manner (Geoffrey Desa & Kotha, 2006). Basically it is the merger of social and technology entrepreneurship which uses knowledge bridging mechanism (Geoffrey Desa & Kotha, 2006) for technological innovation to serve social needs. Like social entrepreneurship, TSV's also address the double keystones of social value creation (Austin, Stevenson, & Wei-Skillern, 2006) and financial return (Peredo & McLean, 2006), but they do so using advanced technology.

TSV's differ from social ventures in some unique ways. Traditional social ventures are driven by human-power and rely on volunteers and employed social workers as human resource. The growth of the social venture requires more human resources which demands more funding for the hiring and training of additional human resources to ensure the growth. Although TSV's often requires more initial funding than traditional social ventures but they can be replicated

across regions or projects with less expense and at a faster rate (G. Desa & Kotha, 2005). They also argued that this quality of replication helps the TSV's to maximize the social impact as well as achieving principle of scale and reaching sustainability.

Several philanthropic organizations e.g. The Melinda and Bill Gates Foundation, The MacArthur Foundation etc. have started to address social problems using technological innovation. Recently, academicians have also highlighted the transformative and innovative power of the TSV's. As for example, Prahalad, in his article '*The fortune at the bottom of the pyramid*' (Prahalad, 2005), has shown the capability of the technology to cure social ills through several case studies.

3. The case of Elevyn.com

Puah Sze Ning, while working in the villages of Sabah (East Malaysia) during 2005, witnessed the crippling effects of poverty amongst the marginalized communities. The old women who relied on weaving as an income generating activity; requested her help to sell the crafts in Kuala Lumpur. Touched by the situation, she shared her experience with friends Mike and Devan and requested them to find a way to make it happen. The objective was to provide the artisans with better income; introduce their culture to the world and leave the buyer with a one kind of souvenir to cherish. Mike Tee and Devan Singaram who were running their own IT business felt that their skills and knowledge in the field could be put to doing something more meaningful rather than just 'make money'. As firm believers of fair trade, they took up the challenge of building a trading website based on the concept of social entrepreneurship. Out of this chance encounter came the

first technology social venture in Malaysia – Elevyn.com.

3.1 How does Elevyn works

The objective of Elevyn is to link up the community based sellers through a web-based platform to a socially-conscious market. Artisans produce crafts for the socially conscious buyers and in due course, Elevyn train the artisans to handle orders, packaging and delivery. The learning of such skills continues to benefit them for a long time. Elevyn utilizes the local partners' assistance to help them connect poor craftspeople to the world-wide customers. The producers get 85% of the final sales price by cutting out the middlemen and their bottom lines.

The unique factor of Elevyn is the inclusion of 'causes fund'. For every item sold, elevyn charges 5% as commission and a small portion goes to PayPal as transaction fee and a further 5% is allocated to a special 'cause fund' chosen by the community. The 'causes' can be any small community-based project that runs in collaboration with the community and field partners or NGOs e.g. Raise USD200.00 to buy books for the local school. Every time a product is sold by elevyn, 5% of the price automatically channeled towards a cause. In other words, when buyers purchase any product at elevyn.com, they not only support the artisan but a percentage of the sale of every item goes directly to fund a local community project.

In addition to promoting fair trade, Elevyn also practices complete transparency in doing business where customers have the knowledge of how much each artisan earned from the sale. In traditional models, buyers usually pay the end price charged by the sales store after going through multiple stages of the market process where a percentage of price cut

already took place where producers usually earn a little of the final sales price. Elevyn changed the concept by cutting through all the stages and bringing the producers direct to the buyers. When buyers make a purchase, they are able to identify where all the money goes to the exact cent. They will also be able to see how much money any particular artisan has made in real time and the impact their purchase has had on the artisan's life.

Much of the work done by Elevyn can't be seen on the web portal. Elevyn emphasizes on working with the communities to understand the idea, getting them organized and producing crafts that will sell. It also organizes artisans so they can get together to achieve greater economies of scale and specialization, as well as raise awareness about the value of the goods they produce. Elevyn is also committed to capacity building in terms of electricity and internet access via satellite in the villages so that the field partners can do the jobs of order receiving and dealings on the internet properly.

Since their launching in 2008, Elevyn has been working with nearly 400 artisans and 9 field partners across Malaysia, Cambodia and Philippines. Although the sales are not yet at a scalable phase, Elevyn is determined to achieve their objective of helping the artisans. As Elevyn continues to work closely with some of the artisans, they have helped to motivate many artisans who have taken a new sense of pride in their craft. This change of perception towards their products has encouraged other artisans into producing crafts.

Elevyn has also managed to empower women in helping them to grant economic support for their families. The women have managed to earn an income and improve the living conditions of their family, acquire a sense of purpose, self worth and

dignity, as well as skills they can continue using to earn income.

Apart from helping the artisans to earn income they also inspire the communities regarding the importance of reviving the crafts because of their cultural significance. Above and beyond helping the indigenous artisans to improve their lives, Elevyn has also gained publicity for the artisans in order to market their craftwork to a bigger market.

4. Conclusion

The success of Elevyn.com indicates that a concentrated effort sustained over a long period of time with a clear vision linked to a set of strategic goals and involving the community people and the external stakeholders can bring positive results even in a complex process such as community empowerment. This exploratory study has implications for social entrepreneurs and philanthropists as it is one model of technology oriented entrepreneurship coupled with entrepreneurial vision and action directed towards social need, community change and poverty reduction. A next step for research in this area would be to undertake a longer term, mixed methods, comprehensive analysis of several cases in which technology entrepreneurs have teamed with social entrepreneurs and cases in which individuals have worn both hats, and to examine the actions, processes and results of their engagement.

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