

# A TAXONOMY OF "IMPACT" SOCIAL VENTURES

(The SocEnt Challenge prioritizes enterprises described in the first three categories)

Type of Impact Venture	Definition	Characteristics
1. Scaleable Social Enterprise	ventures that address a social or environmental problem using a for-profit business model	can be B Certified and operate as a sustainable business; ability to scale impact and financial returns together without a trade-off; often global in reach and apply technology to scale ie. Revolution Foods; Goodwill
2. Lifestyle Social Enterprise	mom and pop business created to make impact first and foremost	can be B Certified and operate as a sustainable business; often more impact driven than profit driven; not large opportunity to scale aside from creating social franchises; often localized ie. Hub LA
3. Non-profit Social Enterprise	for-profit ventures launched and owned by non-profits to support their social mission	often launched using grant dollars until sustainable; can have other owners alongside non-profit. ie. Chrysalis
4. Sustainable Business	a business that operates in an environmentally and socially responsible fashion	can be B Certified; often in a traditional vertical; product/service isn't seen as creating direct social/environmental impact in and of itself ie. an organic denim company that manufacturers locally
5. Cause Brands	a business that uses its' product/services and profits to give back to charitable causes	1-for-1 models are an example; often are similar to corporate philanthropy models; best ones have their products/services integrated into their cause. ie. Toms Shoes; Warby Parker

Source: Staff at The HUB LA and Profit+Impact Partners, which both specialize in partnering with entrepreneurs, businesses and non-profit organizations to create sustainable solutions to social and environmental problems using for-profit, market-driven business models .