

DSOF CASE STUDY

SOCIAL ENTREPRENEURSHIP AND THE DIRECT SELLING CHANNEL: A CASE STUDY ON TRADES OF HOPE



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TRADES of HOPE

ABSTRACT

Two homeschooled Florida teenagers meet in a homeschool group arranged by their moms, start community college at 14 years of age and discover a shared passion for social entrepreneurship. The result of that passion was the global jewelry and accessories start-up called Trades of Hope, founded in 2010. The company utilizes the direct selling distribution channel to create a supply chain of fair trade artisans in developing countries and a U.S. salesforce of more than 7,000 compassionate entrepreneurs who build businesses of their own. This case reveals the journey from passion to profit is not unique from other successful entrepreneurs on Main Street or in Silicon Valley. The common framework is the effectuation mindset and the process by which they innovate. This case study introduces students of entrepreneurship, marketing, social enterprise, or organizational development to the effectuation methodology, also known as the entrepreneurial mindset, using social entrepreneurship in the context of ethical direct selling and the movement to go beyond social responsibility to social value creation.

KEY WORDS

Direct Selling, Effectuation, Entrepreneurship, Fair Trade, Social Enterprise, Social Entrepreneurship

LEARNING OUTCOMES

By the end of this case study, the student should be able to:

1. Conceptualize the unique nature of a social enterprise and characterize the key elements of a social enterprise through the co-creation of social value.
2. Define ethical direct selling and be able to describe the differences between traditional retailing, direct marketing, and the direct selling distribution channel.
3. Describe the effectuation worldview in the social entrepreneurship context.
4. Describe the principles of the effectuation method, including means, co-creation, affordable loss, and leveraging contingencies (also known as the entrepreneurial method) and recognize them in other social ventures.



INTRODUCTION

Social entrepreneurship is a phenomenon by which a profit-seeking individual or entity enters into commerce with a mission to specifically create and sustain value to society beyond their private gain (Dees, 2001). The entrepreneurial mindset in firm formation has largely been viewed as different from that of traditional profit-seeking ventures. This paper examines the formation of one social entrepreneurship company, Trades of Hope, through the lens of effectuation theory, a scientific process by which expert entrepreneurs approach problem solving and innovation (Sarasvathy, 2001). This company is also part of a new population of social entrepreneurship firms that are employing the direct selling methodology as a distribution channel to further their social mission. Little is known about this new segment of the direct selling channel beyond their formation story as described through company marketing resources. This paper focuses on the formation of Trades of Hope through the worldview and five principles of effectuation including:

1. Control vs. predict—how entrepreneurs view the world from a perspective of control—what they can control versus prediction of what will be;
2. Means—how entrepreneurs identify and utilize the means at their disposal;
3. Co-creation—how entrepreneurs co-create value with other individuals and organizations to form partnerships;
4. Affordable loss—how entrepreneurs manage risk by examining the affordable loss they are willing to accept; and
5. Leverage contingencies—how failures or uncertain situations uncover surprises that generate new ways of thinking or doing.

This case study of Trades of Hope adds to the understanding of social entrepreneurs, social purpose businesses, and the new segment of firms operating in the direct selling channel.

DEFINING SOCIAL ENTREPRENEURSHIP

Social entrepreneurship is described as a wide umbrella of activities that at their core include both entrepreneurship and social value co-creation. As a result, it is challenging to find a single definition of social entrepreneurship that definitively describes what a social entrepreneurship firm looks like or how it operates. The history of social entrepreneurship gives us clues as to why this broad definition emerged and why the definition differs globally and across differing organization types.

Historically, social entrepreneurship emerged in the late 1960's in a youth artisan project in Pittsburgh, Pennsylvania, called the Manchester Craftsman's Guild, which not only provided after-school art activities to urban youth that would normally be considered in the realm of the nonprofit organization, it also sustained its operations through the sales of its craftsmen's artwork to sustain the activities (Perrini, 2006). This concept of sustainability of nonprofit organizations through capitalistic ventures blurred the lines between the traditional definitions of business and nonprofit organizations. And yet, the organizations engaging in this social enterprise still considered themselves social service organizations and not businesses, they operated as nonprofit organizations, and their enterprise activities were viewed as secondary to the benefit created by the programming of the organization.

By the late 1970's the global entrepreneurship landscape was fueled by increased micro-financing options developed by organizations like the Grameen Bank where women in impoverished villages in Bangladesh were availed to very small loans to start their own businesses (Mair & Marti, 2005). These entrepreneurs were so poor and their businesses so small, they were not considered legitimate customers for commercial banking and were left outside of the entrepreneurial ecosystem. Grameen's founder Muhammad Yunis and

Ashoka's founder Bill Drayton demonstrated the existence of a larger entrepreneurial community that included individuals from a variety of means and experiences that when capitalized could contribute to an economy through their own profit-seeking ventures. In the 1980's Ashoka, established as a global non-governmental organization, began funding research and programming for entrepreneurial ventures that generated global social change (Ashoka.org, n.d.). At this point, the field of social entrepreneurship was still very grounded in the nonprofit or non-governmental organizational sphere and the activities generated were pushing the definition of an entrepreneur beyond the traditional profit-minded, capitalist.

In the 1990's, John Elkington described social entrepreneurs an emerging class of capitalists who instead of focusing solely on profit as their measure of value, embraced a 'triple bottom-line' strategy of measuring organizational return on investment in terms of economic prosperity (profit), social justice (people) and environmental quality (planet). He described this new breed of business as moving away from a perspective of

business as a zero-sum game where profits are gained at the expense of another party, whether that is the customer, the competition, or the environment (Elkington, 1996). Social entrepreneurship in this context is a collaborative experience where entrepreneurs can come from any sector (private, nonprofit, or public) to create innovative answers to society's challenges and because it is grounded in capitalism, it is designed to generate wealth both financially and socially.

In the current context, social entrepreneurship is defined through its historical development under an umbrella of concepts containing properties including social value creation, the social entrepreneur, the social enterprise organization, market orientation, and social innovation (Choi & Majumdar, 2014; Hoogendoorn, 2016). Any or all of these defining properties and the degree of each may vary in a venture in the 21st Century and will still be considered social entrepreneurship. For the purposes of this case, the focus is on a social entrepreneurship venture that includes social value creation, one or more social entrepreneurs, a market orientation, and social innovation.





DIRECT SELLING AS A DISTRIBUTION CHANNEL

Direct selling is one of the oldest forms of commerce, originating in the bartering of commodities and evolving into a network of trade characterized by the direct-to-consumer distribution channel in the 18th Century and formalized through the first direct selling company established by Reverend James Robinson Graves in 1855 where young men sold products door-to-door (Emmert, 2014).

Over time the channel has become increasingly sophisticated and is today defined as a retail channel used by top global brands and smaller, entrepreneurial companies to market products and services to consumers. Companies market all types of goods and services, including jewelry, cookware, nutritionals, cosmetics, housewares, energy and insurance, and much more. The direct selling channel differs from broader retail in an important way. It isn't only about getting great products and services into consumers' hands. It's also an avenue where entrepreneurial-minded

Americans can work independently to build a business with low start-up and overhead costs (Direct Selling Association, 2018).

Direct selling and direct marketing are different and often confused. Direct selling is characterized specifically by its person-to-person nature with a representative of a company meeting the potential consumer directly, often in their home or through online forms of communication. They demonstrate the product or service and then if deemed beneficial a purchase is completed. The product or service is then transferred to the buyer through some systematic process. Direct marketing, by contrast, is a sales transaction conducted through the use of mail-order catalogs, e-tailing websites, telemarketing, or television infomercials or shopping channels (Peterson & Wotruba, 1996).

This form of personal selling has grown exponentially through technology and the establishment of distribution networks. Companies have formed complex organizations of distributors who are independent contractors (also called

consultants, distributors, independent business owners, or representatives) that affiliate with a company to sell their product or service line in return for a commission and/or product discount for personal consumption. The company provides its salesforce with marketing materials and campaigns, product education and sales support through the company headquarters and a network of sales leaders, who recruit and train new consultants to grow their own business and in turn, recruit and train their own downline of sales consultants. These companies are most notably known by the brands that represent the distribution channel such as AdvoCare, Amway, Avon, Kirby, Nu Skin and Mary Kay.

The direct selling industry has been largely self-regulated since 1970, through the Direct Selling Association (DSA), which has developed a strict code of ethics for its member companies (DSA, 2018). These DSA member companies commit to the code (2018) and are subjected a thorough vetting process and annual review that focuses on the following key areas:

- Transparent and accurate information for independent contractors about the products, services, sales and marketing methods, and compensation plans.
- Documentation of claims and representations made including the opportunity to become a representative of that company.
- Repurchase of unused inventory at 90% of its wholesale value.
- Provision of sufficient training to sales representatives on ethics, marketing practices, and field interactions.
- A reasonable entry fee to become a sales representative and encouraging representatives to purchase only reasonable levels of inventory.

For this case, we define the direct selling industry only as companies that are operating under the DSA Code of Ethics.

Direct selling is often a preferred mode of distribution for a company because it requires less capitalization as compared to in-store retail and it also offers a low-barrier entry for individual sales representatives seeking to own their own business (Peterson & Wotruba, 1996). With a large and diversified salesforce, the direct selling company spends less on traditional mass media marketing and takes fewer risks in geographic targeting, often because their salesforce is also a dedicated consumer of the company's products or services. The personal passion of the sales representative for the products or services and for the opportunity to start one's own business is critical to the company's business strategy.

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Direct selling companies rarely define themselves as social entrepreneurs and yet there is a long history of social responsibility in the distribution channel and many companies have contributed to social change by encouraging women to start their own businesses as independent sales representatives. Mary Kay Cosmetics reports a salesforce of more than 3.5 million individuals internationally, many of whom are women, and their founder, Mary Kay Ash, was a trailblazer for women entrepreneurs in the 1960's when she formed the company with \$5,000 and nine sales consultants (Mary Kay Corporate, 2018). The direct selling industry challenged historical social norms of women's roles as homemakers and professionals and in part paved a path for women to provide

an income for their families. This legacy of social change and the industry's commitment to women is noted as inspiration for new direct selling companies, including Trades of Hope.

EFFECTUATION

"Entrepreneurship has two parts: opportunities and those who want to take advantage of them" (Andersson, 2011, p.629). Effectuation theory calls upon the human logic that entrepreneurs employ in problem-solving or what "makes entrepreneurs entrepreneurial" (Sarasvathy, 2001). The effectuation or entrepreneurial mindset is built on a worldview that focuses on controlling the future instead of trying to predict it. By comparison, causal logic is grounded in predicting the future because we study what has happened in the past. As a result, businesses spend considerable resources on the development of artificial intelligence and predictive models to suggest what will happen next. Effectual entrepreneurs (and organizations) believe their future is developed through a set of strategic actions. The effectual mindset results in a reduced need to consider the aspects of their environment outside their control and instead funnel their creative energy to those areas where opportunities for change exist.

Effectual thinking is relatable to the entrepreneur choosing direct selling as their distribution channel because it is people dependent as compared to effect dependent (Sarasvathy, 2001). In direct selling companies, the focus is on the sales representatives, their network and passionate outreach to new consumers rather than the causal logic of tapping pre-existing markets and capturing market share from the competition.

The process of effectuation begins with the entrepreneur, who they are, what they know, and who is in their network both social and professional. This, along with the tangible means of money, materials, and other assets at their immediate disposal. The formation of a new

venture or the solution to a problem will involve applying those means along with the means of others in a partnership or what is called the principle of co-creation. The resulting outcome is something different than what each would have devised on their own. The idea of partnering from the beginning instead of investing resources into competitive analysis leads to strategic partnerships and creates efficiency by preserving limited resources for the venture.

Co-creators work together with an eye on the downside or what is known as affordable loss. Traditional business planning suggests that new ventures estimate the highest potential gain or return on investment and move in that direction. Effectual reasoning suggests a pathway that allows for the testing of the concept early on and the minimal investment at each stage until the concept is proven successful. Along with affordable loss, the entrepreneur expects that certain aspects of the innovation will be unsuccessful, but from those failures will come surprises that provide essential information on a new direction that will prove profitable. This principle, known as leveraging contingencies is the opposite of what most businesses do in causal thinking where they try to reduce the number of errors and seek to eliminate surprises.

In total, the worldview of the effectual entrepreneur and the five principles do not necessarily mean that a concept will be a guaranteed success—no methodology has this power. What effectuation does provide is the ability to live to fight another day in the event the concept is unsuccessful and to return to the co-creation process for another concept to be tested. The effectual approach to entrepreneurship or new venture creation does not eliminate the need for causal thinking, rather it recommends that effectuation is most useful in the ideation and early-stage development and causal thinking be employed at the point of operationalizing the venture (Sarasvathy, 2001).

TRADES OF HOPE: THE CASE

WORLDVIEW: A NEW PERSPECTIVE ON SOCIAL CHANGE

Trades of Hope LLC is a Florida-based company founded in 2010 by entrepreneurs Chelsie Antos and Elisabeth Huijskens, and their mothers Gretchen Huijskens and Holly Wehde. These women didn't set out to be the direct selling industry's new generation of socially responsible leaders, they saw the struggles of women in their local community and globally and recognized a fundamental need to innovate how to effect social change. Founder Elisabeth Huijskens says "charity is for crises, but not for sustainability" when asked why they simply didn't form a non-profit organization, roll up their sleeves and get to work (personal communication, October 2017).

Elisabeth's mother Gretchen Huijskens co-founded a faith-based nonprofit organization in Haiti called Three Angels, that included an orphanage, adoption services, a medical clinic, a school, a guesthouse and a jewelry program that not only served children but helped improve economic opportunities for women who, due to poverty, were forced to give up their children. Beginning at age five, Elisabeth's exposure to the field of nonprofits and global poverty had a tremendous impact, but even as a young child experiencing such dire economic and human conditions outside the United States, she understood there was more need than could be met and bigger problems that needed to be solved. It is this conflict between motivation to seek change and the feeling of helplessness that fueled the quest for sustainability and a systematic and replicable solution to social change that resulted in a social entrepreneurship as Elisabeth's future vision.

The 2008 hurricane season in Haiti devastated the already impoverished island and Gretchen traveled frequently between Florida and Haiti to render aid to their nonprofit and the families they served. Elisabeth, already viewing herself as a humanitarian and a missionary, was disappointed to learn that her age and lack of critical skills (e.g. medical training, construction experience) left her behind in Florida. Recognizing that she was not going to get any older or skilled in those critical trades, she focused her attention on the means at her disposal and how she could achieve impact within her sphere of influence. Elisabeth describes developing and leading a communications campaign to connect adoptive parents in the U.S. with the families in Haiti for updates during the relief efforts as enlightening, because despite the huge need, one person with a mission could have impact and it inspired thought as to what could be done if she empowered others around a common social mission.

In the same Florida community, another young girl, the daughter of an entrepreneur and pastor named Chelsie Wehde (married name Antos) was on a similar journey of discovery in her community. When Chelsie was 12, her family relocated from the east coast to Florida as missionaries to start a new church. As a home-schooled teen, she was often able to accompany her parents on a multitude of entrepreneurial opportunities as part of her education. The business concepts of marketing and salesmanship, risk, investment and sweat equity in combination with a focus on mission were cultivated through experiential learning from an early age. Holly Wehde, in addition to her role as a church planting

missionary and homeschool educator to her five children, focused her missionary work on numerous projects that helped empower local women in need (Antos personal communication, 2018).

By age 15, Chelsie Antos was developing her worldview both through community college courses and Holly Wehde's homeschool curriculum. Holly taught each of her children about business and challenged them to form their own small businesses. The seeds of female empowerment were sown in the development of a fitness business Chelsie started. This experience taught her to utilize the resources at her disposal, including her time, motivation, and assets already owned. This business, while very small, returned a profit that funded a college trip to Italy, one she took along with Elisabeth Huijskens. The teens traveled overseas, and while it was not Elisabeth's first experience outside the United States, Chelsie realized that while she had benefited financially from her entrepreneurial venture and felt the

empowerment that came from the "realization of power," she learned that internationally, this was not true for all women (Antos personal communication, October 2017). Chelsie became acutely aware that there was potential for global social change if women could be empowered to control their environment, to the extent possible, and that business, not charity, could be the vehicle to find that empowerment.

WHEN MEANS AND MISSION COLLIDE: CO-CREATION

The friendship between Chelsie and Elisabeth emerged as an unanticipated opportunity for co-creation. But Trades of Hope was not founded on a college trip or by a single individual with a vision. The two teen social entrepreneurs united in their perspective on the challenges of women and the need for sustainable solutions rather than the use of charity channels for social change. Each teen had separate life experiences and brought different means to the solution they would form—Trades of Hope.



In the early stages of concept ideation, the means were largely the human capital from Chelsie and Elisabeth, the network, skills and experience their mothers brought to the table, and a strong mission-driven purpose fueled by their mutual commitment to their faith. While their daughters traveled in Italy, Holly Wehde and Gretchen Huijskens met to discuss ideas for their daughters' future. Gretchen brought her nonprofit experience in organizational development and operations assisting poor women and children in Haiti through Three Angels. Holly and her husband brought extensive experience starting new business ventures and had become interested in a new movement called fair trade. Their daughters studied the movement in their college courses along with other sustainability topics and this emerged as an opportunity to "do better and create something lasting" (Antos, personal communication, October 2017). The mission of this enterprise would be to make poverty history and no longer a current reality.

Utilizing the artisans from developing countries was a win-win opportunity for because the artisans' cost of production was low and the fair trade pricing allowed them to improve their economic conditions and make their products affordable to a business that could charge premium pricing for a specialty product and return a portion of the profit back into the social mission of the business in addition to the benefit created for the artisans.

THE CONCEPT: CONSCIOUS CONSUMERISM

The idea to sell jewelry, accessories and other artisan-produced items from women in developing countries and sell them to American consumers was a natural fit with the four women's interest in an emerging trend called conscious consumerism. This concept, described by Žabkar et al (2018), is the "customers' willingness to consider the long-term consequences and the impact of their consumption on society, as well as their consideration for ethical issues when making a consumption decision." The conscious consumer would support a higher price for the product than the mainstream competition as the business shared the stories of the women artisans with whom they partnered, and in turn, the business could pay the artisans up to six times what they were being paid through traditional wholesale channels in their countries (Dicks & Nanton, 2016).

As a result, the company has adopted the following nine principles for fair trade.

- Create opportunities for economically and socially-marginalized producers.
- Develop transparent and accountable relationships.
- Pay promptly and fairly.
- Ensure the rights of children.
- Support safe and empowering working conditions.
- Respect cultural identity.
- Build capacity.
- Cultivate environmental stewardship.
- Promote fair trade.

(Trades of Hope Impact Report, 2017)

The founders' missionary organization connections provided the initial sourcing for the supply chain, and the connection to Three Angels and similar organizations connected them to women artisans and ethical cooperatives who were only

selling in their own countries or unable to find an American outlet committed to fair trade. Utilizing the artisans from developing countries was a win-win opportunity because the artisans' cost of production was low. The fair trade pricing allowed the artisans to improve their economic conditions and make their products affordable to Trades of Hope, which could charge premium pricing for a specialty product and return a portion of the profit back into the social mission of the business, in addition to the benefit created for the artisans.

FROM CONCEPT TO LAUNCH: DIRECT SELLING AS A GO-TO- MARKET STRATEGY

The inspiration for direct selling as their distribution channel came from the founders attending a home party for a direct selling company retailing candles. Watching the direct selling consultant engage in selling a product that she believed in and observing the excitement of the hostess and the attendees suggested direct selling as a go-to-market strategy. Through the channel, Trades of Hope created economic empowerment for the women artisans in developing countries and also impacted U.S. women by helping them start their own businesses selling the company's products. Antos described direct selling as capitalizing on increasing technology in retail and empowering women as entrepreneurs by "giving them the power of choices" (personal communication, October 2017).

AFFORDABLE LOSS: LEVERAGING WITH CAUTION

The idea of a collective of compassionate entrepreneurs helping women internationally through their own independent enterprise became a key part of the business plan and the Trades of Hope brand messaging. Chelsie and Elisabeth developed their first website and marketing materials from their previous experiences in micro-entrepreneurial and nonprofit ventures. They tested

the direct selling concept with homemade sales kits, testing them by inviting friends and family to their home for sales demonstrations. "We (the four of us) used our own money, about \$2,000 and had no outside investors. We couldn't afford to pay others to work for us and so we asked friends, we Googled a lot, and were fueled by a great deal of passion." (Huijskens, E. personal communication, October 2017).

Initially, the Trades of Hope compassionate entrepreneurs (independent sales consultants) were friends, but then the low-barrier opportunity to start their own business and to exercise their interest in global service grew to friends of friends, similar to what is seen in the development of traditional direct selling businesses. The initial target market for new compassionate entrepreneurs was stay-at-home moms who could earn additional income with a purpose. The stories of the artisans and the struggles of women in their countries connected with women in the U.S., which also drove growth in the distribution network. Quickly, the company recognized a natural affinity between women who had adopted children internationally and a desire to become involved in something that could have a greater impact.

In this context, both the Trades of Hope founders and its salesforce didn't focus on the predicted financial return on investment, but got excited by the product line and the potential for social value creation, then experimented, tested, and leveraged their resources, being careful not to extend themselves beyond their means. As the company grew, Antos described how they calculated the sales commissions for their distributors by hand rather than investing in complex and expensive software packages until they more accurately knew the needs of the organization and could absorb the expenses without sacrificing the rewards for their suppliers or

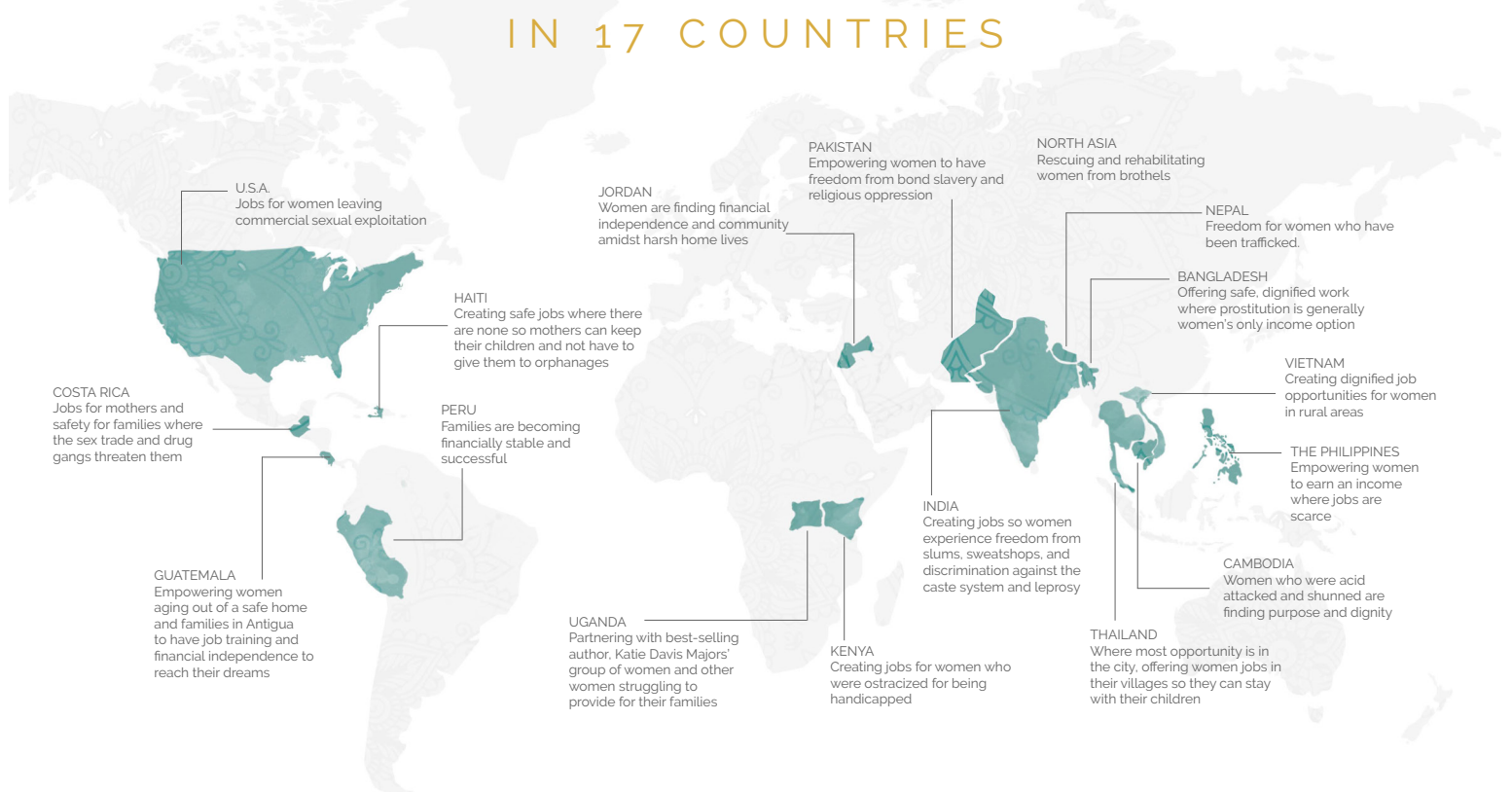
distributors (personal communication, October 2017). Decision-making by the founders was done collectively, leveraging their personal and familial connections. The organizational culture developed and established a group identity as a “sisterhood” among the artisan suppliers, the compassionate entrepreneur salesforce, and the customer base (Dicks & Nanton, 2016). Antos describes this relationship as a “sustained, dignified partnership” between makers and marketers that is facilitated by Trades of Hope, and they serve as the stewards of the social value created through the enterprise (personal communication, October 2017).

GROWTH & REACH

The founders were confident in their social entrepreneurship model, including a

binary supply chain that connected women entrepreneurs and channeled the product to other women entrepreneurs, but the product remained the variable in the equation. They found a challenge in establishing a balance between money and the commitment of the makers to supply product that also honored the women artisans’ culture.” It was easy at the beginning managing the artisans, but it gets tougher when you get bigger and start to deal with many more people be those employees or artisans/suppliers.” In 2017, the company was doing business with artisans in 17 countries globally and employed 44 individuals at their Bunnell, Florida headquarters and the Kissimmee, Florida, distribution center (Huijskens, E., personal communication, October 2017).

CHANGING THOUSANDS OF LIVES IN 17 COUNTRIES



(Trades of Hope Impact Report, 2017)



(Trades of Hope Impact Report, 2017)

They also learned from the initial rollout of the product line that the American consumer not only connected with the stories of the makers and their struggles, but there was also a strong connection to the opportunity to change the personal economic situation of the individuals who would sell the products. Women possess a strong desire to help other women and children globally, however, their level of engagement would wane as financial strain increased. This dynamic between finances and altruistic behavior has been documented across the

nonprofit sector as a psychological phenomenon, not a constraint of resources (Son & Wilson, 2015) which Trades of Hope saw as an opportunity to fundamentally change through social entrepreneurship. Empower the woman to feel a great sense of economic control and, in return, she will be psychologically motivated to engage more fully in the social mission of the company, sell more product, support more compassionate entrepreneurs, and ultimately increase her own economic stability in a sustainable loop of social value creation.

The empowerment message is delivered woman to woman through word of mouth and through social media. The founders, especially Chelsie and Elisabeth, connect frequently and intimately with their salesforce and treat them as an extended family in much the same way nonprofit organizations connect with their donors and constituents. The result was a viral expansion of the opportunity across the U.S. which rapidly accelerated the salesforce growth beyond friends and family. Trades of Hope “grew by 300% in the first few years” according to Elisabeth (personal communication, October 2017). By 2015, they engaged a salesforce of more than 1,500 (Dicks & Nanton, 2016, p.2141) and today Trades of Hope reports more than 7,000 compassionate entrepreneurs (Antos personal communication, November 2018).

SOCIAL VALUE CREATION

Trades of Hope views itself as a social enterprise and its mission and core values reflect this.

- We honor God and others.
- We value scrappy determination.
- We value each other’s differences.
- We strive to always get better.
- We value collaboration.
- We believe the best about people and the future.
- We celebrate people.

To quantify the social value created from the model, the company published a 2017 impact report. This report shows global reach including:

People in full-time employment	9,440
People in part-time employment	3,906
People helped in artisans’ communities	42,890
People receiving health aid	14,541
Children being educated	16,525

[T]he company also periodically offers its employees and high performing compassionate entrepreneurs the opportunity to participate in vision trips where they travel internationally to meet the artisans, work with them to make the product, and see the impact of social entrepreneurship first hand in the schools, orphanages, and medical clinics.

The company further calculated and promoted the multiplier impact from their salesforce as 7:1, meaning seven women are empowered by the work of a single compassionate entrepreneur (Trades of Hope Impact Report, 2017). In addition to impact reporting, the company also periodically offers its employees and high performing compassionate entrepreneurs the opportunity to participate in vision trips where they travel internationally to meet the artisans, work with them to make the product, and see the impact of social entrepreneurship first hand in the schools, orphanages, and medical clinics. According to Chelsie, “on the vision trip, our compassionate entrepreneurs share with the artisans how the work they are doing is helping women in the U.S. to thrive and that empowers the artisans as well.” (personal communication, October 2017).

The vision trips are just one facet of the founders’ long-term vision to revolutionize social enterprise through direct selling. “There is still a big learning curve with the business skills of our artisans.” (Antos personal communication, October 2017). The company has created an Artisan Development sub-sector within their organizational structure to help develop their artisans. This has resulted in the establishment of Trades of Hope schools in the

communities in which their artisans work and to encourage them to become more financially aware, get involved in community building efforts, invest in purchasing land and assets, and to grow their own enterprises to facilitate more micro-entrepreneurship start-ups. “We recognize that while we have a level of business standards needed to work with us, the business standards in developing countries may not always be the same cross-culturally” (Antos, personal communication, November 2018).

Women in developing countries are not just helping themselves, they are taking control of their families’ futures, keeping their families intact, educating their children, and becoming self-sufficient. The company frequently uses the phrase “women are the heroes of their own stories.” The Trades of Hope story and business model, which integrates social entrepreneurship, along with the direct selling channel, is an example worth examination and replication.



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