



# VUKANI-UBUNTU: THE SUCCESS STORY OF A SOCIAL ENTREPRENEURIAL ORGANISATION

1987 - 2008

René van Wyk, Department of Business  
Management,  
Faculty of Economic Management Sciences,  
University of Pretoria, South Africa  
[rene.vanwyk@up.ac.za](mailto:rene.vanwyk@up.ac.za)

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# Underprivileged kids learn about crafting and jewellery



Jewellery design lecturer Nelson Gaopalangwe gets some pointers from Pretoria's award-winning designer Fred Tuck on how to finish off a unique brooch.

# A case study

- social entrepreneurial enterprise
- serve as a success story
  - entrepreneurial empowerment
  - economically independent



# Subject: social entrepreneurship

- An emerging discipline in management sciences
- Training courses at Harvard Business School, Stanford and Duke Universities, Columbia and Yale universities, and various universities in Europe
- An inescapable value evaluation of businesses (Porter)



# Different issues in South Africa and the rest of Africa cry for intervention in the form of social entrepreneurial programmes

- extreme poverty
- unemployment
- Aids epidemic
- 2010



- sub-Saharan Africa  $\pm$  18 million Aids orphans
- South Africa  $\pm$  2 million Aids orphans in child-headed households
- currently  $\pm$ 120 000 children in South Africa live in 67 000 homes, where children ages 8 - 18 are at the head of the household

Emeritus Archbishop Desmond Tutu  
expresses his concern about the  
dehumanising level of poverty in  
South Africa



He pleads that there is a need  
to restore the self-worth of  
'those with no voice'

# Dr Frederik van Zyl Slabbert



- Governments in Africa should commit to social engagement and re-construct families to sustain the thousands of AIDS orphans who are taken care of by older adolescents
- Proposes social conscription where the government, the corporate sector and civil society combine to give employment to youngsters between 12 - 20 who cannot afford school and food

# Vukani-Ubuntu



South African, Pretoria based,  
social entrepreneurial business



# Definition

The social entrepreneur manages to advance “economically sustainable solutions to social problems”

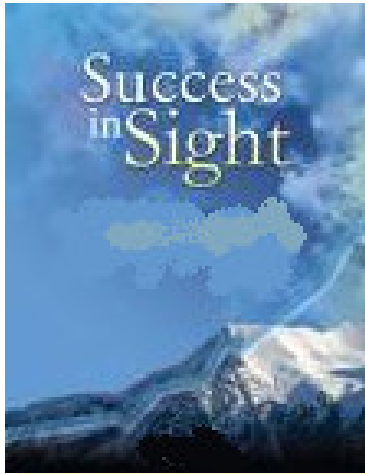
Tracey and Phillips (2007:264)





# Social Entrepreneurship ≠ Handouts

- Accountable management
  - Based on sound business strategies
- Double bottom line management
  - The conflict of interest between social and business objectives should be well balanced
  - Financial impact weighed against social purpose
- Identity management
  - Balance between for-profit and non-profit parties to advance social entrepreneurial activities



# Social Entrepreneurship

- It is a myth that social entrepreneurial organisations are non-innovative and non-entrepreneurial, involving large risks and delivering marginal results (Pulse, 2008:11)

## **BECAUSE**

- Social organisations can only truly be regarded as social entrepreneurial, when it accommodates successful business elements



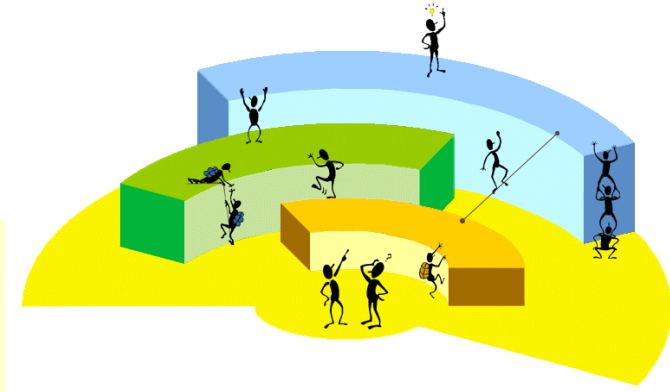
# AIM

- to investigate and identify the characteristics of a successful social entrepreneurial organisation in South Africa : **Vukani-Ubuntu**
- to encourage the perpetuation of similar social entrepreneurial organisations

# RESEARCH METHOD

## The case study

- qualitative design
- depth face-to-face semi-structured interview (Mr Demos Takoulas, founder & CEO of Vukani-Ubuntu)
- open-ended questions
- based on social entrepreneurial characteristics of founders of businesses identified by Venter (2008:85)
- transcript was coded to categorise concepts which explain the innovative processes of Vukani-Ubuntu



# RESEARCH QUESTIONS



**Question 1:** Vukani-Ubuntu culture?

**Question 2:** Mechanisms that ensure performance?

**Question 3:** The entrepreneurial and managerial competencies of the founder leading to performance?

**Question 4:** What makes your business an Ubuntu business?



# RESULTS

- The results of the interview are coded
- related to each of the research questions
  - five important entrepreneurial themes of social enterprise (Shaw & Carter, 2007:426)
    - opportunity recognition
    - networking
    - financial risk taking
    - social enterprise
    - creativity and innovation

## Question 1: How would you describe Vukani-Ubuntu's culture?

The rich Ubuntu-Vukani culture:

- developing the legacy of the mother of the of the founder
- passionate about social upliftment
- altruistic non-profit driven
- free training to underprivileged individuals
- dedicated to creating and developing opportunities of hope, trust and faith







## Question 2: Mechanisms to ensure continuous performance?

- Commercial and government funding
- Courses are extended
- HDI lecturers are developed
- Teach students entrepreneurial skills to become self-sustainable and marketable
- International marketing
- Function at an international accredited standard of jewellery manufacturing
  - formal national and international examination

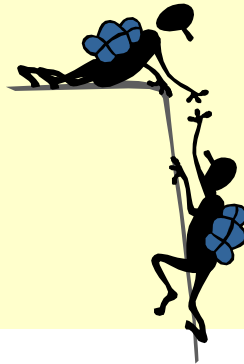
### Question 3: entrepreneurial and managerial competencies that contribute to the organisation's performance?



- by establishing Vukani-Ubuntu as an enterprise
- developing the entrepreneurial skills of the students
- strengthened through commercial partnerships
- take part in international exhibitions
- continuously expanding, currently 9 training sites
- continuously growing and developing into a generic model
- students are supported in basic needs, uplifting their poverty and training them to become self-sustainable

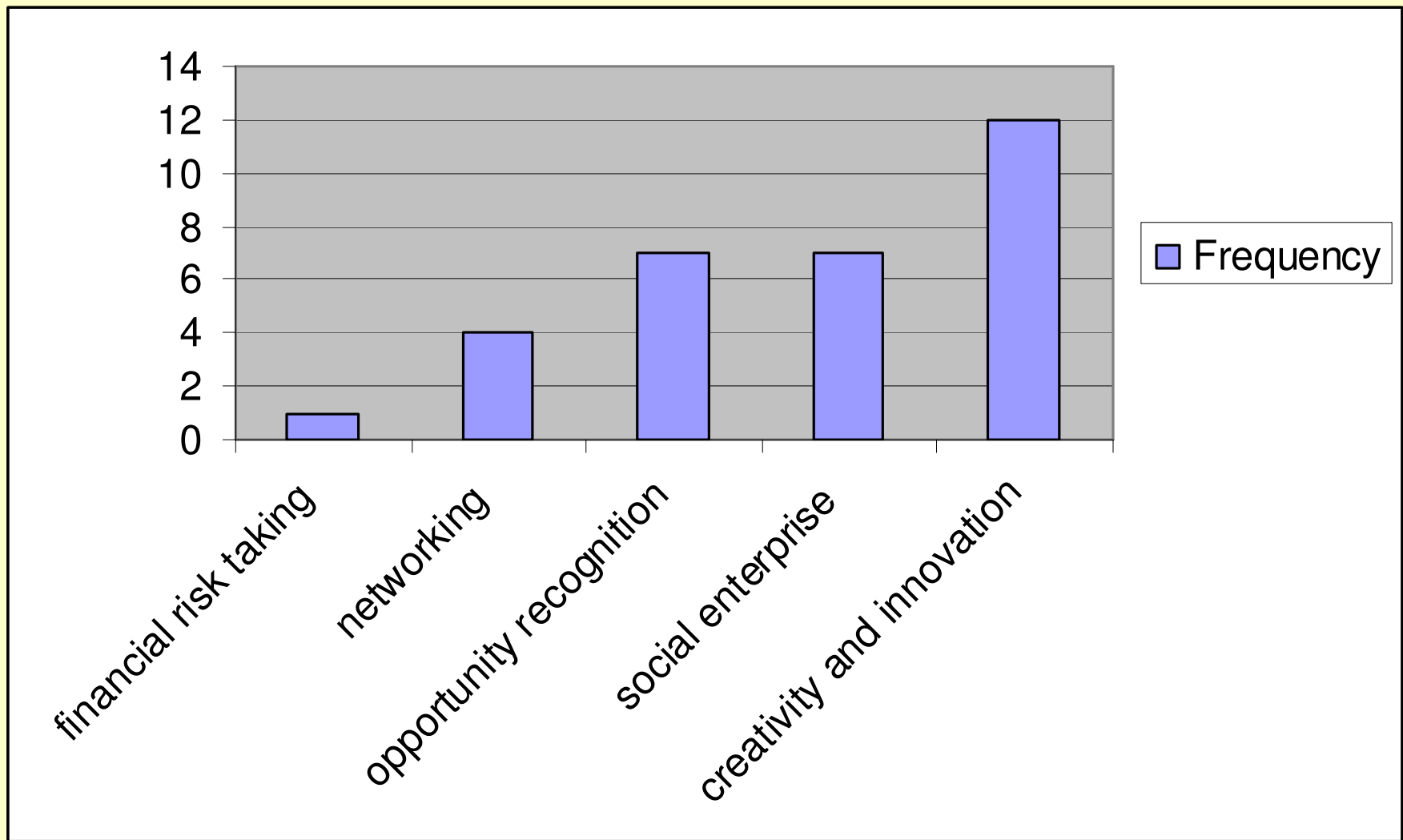
# Question 4: What makes your business an Ubuntu business?

- by being community orientated
- empowering individuals to wake up and take responsibility for their own personal growth
- empower individuals - dignity



# 5 Entrepreneurial Themes

(Shaw & Carter, 2007:426)



# Findings support:



- Success of 9 established Vukani-Ubuntu projects
- Leading to the qualification of over 200 HDIs
- Sponsored by 28 prominent national and international organisations

# Discussion



- trainees are empowered not to fall into the 'dependency syndrome'
- the Vukani-Ubuntu principles can certainly be applied in other social enterprises
- for-profit businesses with a lack of expertise in social entrepreneurial activities, could form a partnership with well established and successful non-profit social organisations



- The development of organisations similar to Vukani-Ubuntu could inject the much needed development of successful independent entrepreneurs
- Serve as support to the needs of the increasing number of Aids orphans and the poverty that accompanies it

# Limitations of the study



- The results of this single case study limit the generalisability of the findings. Future research should investigate larger samples of national & international social entrepreneurial organisations
- The current study is a qualitative investigation, with the limitation of subjectivity
- Future studies should aim at more objective forms of measurement



# Future Research



- Investigate social entrepreneurial activities in rural areas
- Possible collaboration between the business sector and government (as suggested by Dr Van Zyl Slabbert)
- Business creation opportunities
- Opportunities that can lead to self-employment
- Counteraction of the dangers of an informal modern underground economy
- A larger sample of social responsibility projects could lead to a clearer indication of success factors
- Quantitative methods of investigation

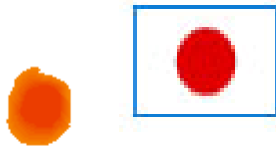
# CONCLUSION



The Vukan-Ubuntu - proved its success over a period of 9 years

- The success:
  - rich culture and Ubuntu character
  - continuous performance - entrepreneurial and managerial
- The duplication of the Vukani-Ubuntu project could
  - rescue many individuals → destruction & powerlessness of poverty
  - provide self-empowerment and basic business awareness
  - prevent them from falling into situations of hopelessness
- This is an opportunity to turn the snowballing of the destructiveness of poverty into an opportunity of growth

# Institutions funding Vukani-Ubuntu



THE ACKERMAN  
Pick'n Pay  
FOUNDATION



Nelson Mandela  
CHILDREN'S FUND  



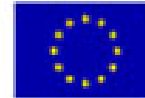

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