To Invest or Not to Invest? The Decision Making on Social Enterprise Investment

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Abstract: The rise of social enterprise investment and its thriving development grant entrepreneurs opportunities to create both social and commercial values. There are still barriers for investment, nevertheless. This paper attempts to identify the factors behind decision making of social enterprise investment. For data collection, we use semi-structured interview. As for the text analysis, software MAXQDA 10 is employed for the task. The result shows that the hybrid structure of social enterprise makes the business model appear to be more innovative, but at the same time increases transaction cost as well. It is close to pipedream for investors to seek both high engagement and risk aversion. Hence, an evaluation model is proposed: (1) In the first scenario, both parties with higher cost and risks in investment, better human resource, goods and services have to spend time establishing their relationships. (2) In the second scenario, investors tend to back out owing to the high cost, risk and poor business model. (3) The third scenario is the ideal type with business model full of potential; very little cost for the investors to take, and no high risks involved, which is uncommon. (4) In the fourth scenario, based on the social goals, the investors may choose non-financial engagement strategy instead. All of the results suggest investors that the current logical approach is to uphold the principle of locking on a single target, which means to focus on either the social impact or the financial return. As for the investors that seek a hybrid return, they may have to face a higher transaction cost.

Keywords: social enterprise, double bottom line, multiple stakeholders, hybrid, social impact.

I. INTRODUCTION

While the development of social enterprise (SE) investment grows rapidly, and new values are being created, the related literature is, however, relatively in short supply (Nicholls, 2010). A SE has double bottom line
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(DBL) and multiple stakeholder (MS) structure (OECD, 1999: 11). The ideal scenario for SE investors and social entrepreneurs will be a mutual beneficial relationship to obtain a win-win situation (Pepin, 2005). However, few literatures suggest the means for SE investors to strike a balance in between or the influencing factors for evaluation. Let us take it further. In the sole regard to economic concern, SE investors do not need to enter a market with limits on profit share; if we invest based on social achievement, most literatures consider it hard to measure (Seclos, and Mair, 2005; Wilson, 2014). In the face of unforeseeable return, what are the influencing factors for the decision-making of SE investors toward the DBL? This shall be the first research subject of this paper. Next, instead of stockholders’ interests, SE stresses on the values for MS, especially the rights of the vulnerable groups and the targeted clients (Evers, 2003; Galaskiewicz and Barringer, 2012). In the process of SE investment, what factors are at play in the decision-making and the strategy of investment shall be the second research subject for this paper. This paper shall, based on the viewpoint of SE investors, review and analyze the influencing factors of decision-making for investors to invest an SE with a hybrid nature.

II. LITERATURE REVIEW

2.1. Characteristics of SE investment

SE investment is an investor provides funds to social enterprise(s) and demands specifically the return socially or financially. The core concept of SE investment lies in that investors employ financial tools to create social and economical returns (Nicholls, 2010). This is different from that of traditional investment, which is the complexity of its return, especially in long-term social performance (Scarciata and Alemany, 2010; VanSant, Sud, and Marmé, 2009). SE investment has several traits in common (Varga and Hayday, 2016): (1) the nominal return at least; (2) in pursuit of a social, cultural, or environmental goal with accountability; (3) an autonomous action; (4) its investors have a sense of mission; (5) the measurement of the social impact and the emphasis on financial disclosure; (6) tangible capacity building in finance, organization, or community; (7) inclusiveness. SE investment expands its innovation solution via capital and service delivery. It develops rigorously, but faces challenges as well, including high transaction cost, information asymmetry, and efficiency assessment needed (Wilson, 2014).

2.2. Influencing Factor on SE investment—DBL

The hybrid characteristic of an SE bestows itself a DBL structure (OECD, 1999: 11). SE investors prefer the external effect of the investment, mostly related to environment and sustainability (Berry and Junkus, 2013). According to a research by J.P. Morgan and Global Impact Investing Network (GIIN) in 2013, two thirds of the investors still care for their return on investment rather than targets with social impact and low profitability (OECD net FWD, 2014). Investors lack interest in sacrificing return and the trust in SE investment market (Glac, 2008; Nilsson, 2008). The lack of products, lack of trust, and lack of investment information, all have influence on the evaluation of investment (Eurosif, 2012). On the other hand, investors may deem SE’s potential in business model and development, but the major barriers are short investment time horizon, financial loss, and investment advisors withholding required information (Piaetzold and Busch, 2014). Therefore, if the investors cannot measure the social impact accurately, the performance as well as the accountability of the investment shall be undermined (Grossman, Appleby and Reimers, 2013).
2.3. Influencing Factor on SE investment—MS
In the theory of governance, a corporate is owned by all the investors, while SE is concerned with MS. The influence of MS on SE is just like a double-edged sword. Although it can lower the transaction cost (Laville and Nyssens, 2001), it would inevitably have to deal with multiple expectations and complex social network (OECD, 1999: 17). First of all, on decision-making and execution, should MS have conflicts on the goal or the execution strategies or hold a negative attitude, managerial challenges might present (Pache and Santos, 2010). Second, more seasoned investors will be more focused on the solidarity of the team (Franke et al, 2008). Nevertheless, the characteristics of SE MS can easily give birth to the challenge in professional integration. Issue such as how to integrate managers is in need of further investigation (Liu and Ko, 2012). Thirdly, the heterogeneity that MS require may also increase challenges for the training by SE (OECD, 1999: 16).

III. METHODOLOGY
Semi-structured interview was employed as the primary approach to collect our data. In order to gather data that represents the respective populations and truly reflect the reality, this paper select interview participants with purposive sampling. There were 6 organizations interviewed for this study. The participants are mostly the investors and financial experts in SE. They are (in chronological order): ILH, HS, SHTS, AHJY, ANANEDU, HADH. The represented populations of the interview participants are as followed:

(1) ILH aims to facilitate the innovation and development of agriculture and SE, providing capital and consulting services to disadvantaged small-and-medium-sized, non-profit organizations, farmers, and SEs.

(2) HS is the pioneer in SE in Taiwan with rich experiences that invests the SEs for vulnerable employment, education, long-term care, environmental protection, food-crop farmers, and community development.

(3) SHTS is an investment company with a team specializing venture capital that encourages innovative entrepreneurship. It invests organizations in ICT industry, C&C industry, tourism industry, high growth markets, and innovative social/environmental solutions in their early stage and expansion stage.

(4) AHJY has been dedicated itself to the environment creation for SE in Taiwan in recent years, and provide professional financial accounting consulting service. The participant has seasoned experience in CSR development and knowledge of business and NPO financial operations.

(5) ANANEDU has been engaged in the development of SEs. With financial accounting background, it specializes in the innovation investment of CSR and is familiar with the related policies.

(6) The chairperson of HADH has SE investment experience and is a founder of an SE as well.

Software MAXQDA 10 is used in this study to analyze the acquired data from the semi-structured interviews. Code Relations Browser is utilized to probe into the codes as well as the concept of texts in order to find an overview of the influencing factors on SE investment (Kuckartz, 2010). This thesis puts emphasis on the stability, accuracy, and cross-reliability (Campbell et al, 2013), and guarantee the reliability and validity in data processing and coding (Creswell, 2014: 183-185). On reliability, (1) the interviewees in
this study were informed about the research purpose and the interview questions through phone call and email, so that the participants have full understanding of the questions; (2) all of the audio recordings are preserved intact, and the copies of transcripts were sent to the interviewees after the interview; (3) the reliability between the text content and coding was verified with an external auditor invited to this research. The external auditor was a professor, specializing in SE, nonprofit organization (NPO) and management, and public administration. As for the validity, this paper employed team-coding strategy to ensure the quality of codes. A codebook was compiled based on literature, and codes were denoted with specific scope and definitions. Second, a coding team was recruited to cross-check the text and meetings were organized to find consensus if necessary in case that any conflict or disagreement arose. Finally, for the parts that failed to reach agreement, they would be marked, which would not be used in the research, nonetheless.

### Table 1
**Interview participants**

<table>
<thead>
<tr>
<th>SE investor</th>
<th>position</th>
<th>background</th>
<th>goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>ILH</td>
<td>founder</td>
<td>IT</td>
<td>social and environment impact, SE capacity building</td>
</tr>
<tr>
<td>HS</td>
<td>founder</td>
<td>VC</td>
<td>social impact , SE investment and scale up, social and environment impact, SE scale up</td>
</tr>
<tr>
<td>SHTS</td>
<td>founder and manager VC</td>
<td>accountancy</td>
<td>SE registration and accountability</td>
</tr>
<tr>
<td>AHJY</td>
<td>accountant</td>
<td>accountancy</td>
<td>social impact, philanthropy, SE capacity building</td>
</tr>
<tr>
<td>ANANEDU</td>
<td>founder and director CSR foundation和社会福利基金会</td>
<td>social welfare foundation and SE founder</td>
<td>social impact and Vulnerable employment</td>
</tr>
<tr>
<td>HADH</td>
<td>founder and director</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**IV. RESEARCH FINDINGS**

There are 353 codes in this study. In terms of selective coding, the top five are: business model (11.6%), information (9.1%), accountability (9.1%), financial return (8.7%), and social goal (8.5%). The most correlated concept is “business model”. The second most correlated concept is “social goal”. The concept path structure is depicted in Figure 1.

![Figure 1: Concept path structure](image)

**Figure 1: Concept path structure**
4.1. Investment Information and Investment Period

Information cost has always been an issue to SE investors (Euroif, 2012; Wilson, 2014), which lengthens the investment period indirectly as well. From the interview path, we can learn that information issue involves three codes: business model, accountability, and relationship, which consists of the factors influencing SE investors respectively. The coding reveals that business model receives the most attention from SE investors. Since SEs are usually situated in market failure and mostly are new ventures, the investors have to mindful of the background of the social entrepreneurs, and maybe the feasibility of the business model and the potential to scale up.

*It takes at least 2 to 3 years for me to know him before going through the (investment) journey. It may be shortened or longer, but this is the way it should be. That means whether I believe in your idea or if you are truly a SE... it will need data collection and building trustworthy relationship.* (HS: 71)

Aside from learning about the background of social entrepreneurs, an SE investor will also need to take another step forward to communicate and adjust the business model, which turns out to be a pressure. Without a transaction manager, an SE investor will have to suffer the transaction cost due to the uncertainty of environment and behavior, which may in fact offset the expected benefits or extend the time of waiting to say the least.

*The most exhausting part, right? I'd say it's the communication and adjustment of the business model with the team.* (SHTS: 139)

Of course, some mechanisms exist to reduce the information cost, such as financial disclosure. Yet in fact, SE start-ups can hardly afford the accounting fee, and worry about that ill financial status may affect the willingness of investors. Under low financial transparency, the investors may be intimidated.

*A lot of philanthropic start-up companies...they don't have the manpower or capability to compile a benefit report.* (AHJY: 9)

*It's actually not that hard to go public. It's just afraid of losing my face. I'm afraid that after learning about it, people would say 'So this is SE, a waste of money.'* (ILH: 206)

*If the financial transparency is poor, by then I'd say, that investment target is a question mark to me.* (HADH: 297)

In the face of new type of business model, SE investors would adopt a more conservative and cautious strategy due to the lack of information and relevant structures to refer to. From the perspective of information, SE investment falls into the category of high-risk investment. However, SE investors do not have risk premium as the compensation in practice. e.g. the limit on profit distribution for example (Defourny and Nyssens, 2010; OECD, 1999). In Taiwan, the companies registered as SEs should reserve 30% of the distributable surplus for philanthropic purpose, which may lower the attractiveness to investors.

4.2. Lack of Trust

Lack of trust appears on the path between relationship and information. SE’s hybrid nature and business model increase the difficulty in information retrieval, which causes mission drift and may undermine the
balance of DBL. Yet, during the interview, we found that part of the reason to the lack of trust might derive from bias, which cause the information gap.

They (SE investors) have been doing business with traditional companies, so when they encounter a SE, even though everybody say “I am prepared,” the preparation, however, might be far less than it should have been. (AHJF: 35)

Furthermore, the DBL also increases the difference in information, so the expectation of social entrepreneurs will be different from that of investors, which raises concerns about the cooperation. The social entrepreneurs may focus on the social goals and the privilege of the vulnerable group; the investors stress instead on the financial return, so there is no agreement in terms of investment.

It may be profitable, but aside from its social value, it seems not profitable for the time being. So, polarization is quite normal today, like everyone is seeing the same thing from their respective point of view. (HS: 128)

Due to the high cost of information disclosure, a solid sense of trust can hardly exist between SE investors and social entrepreneurs. Particularly, as far as the social entrepreneurs with strong sense of mission are concerned, financial resource is not the absolute incentive. Instead, the identity of mission and partnership may be closer to the social entrepreneurs’ need. That being said, some social entrepreneurs might change their mission in order to secure investment, nevertheless.

Social enterprises seek the right guy. And the right guy, in addition to the money invested, has to have a sense of mission in this. To me, that’s the right investor that SEs need. (ILH: 307)

The reason, I think, that lots of social enterprises, including the ones abroad, will change in the end is that along the way, they have to face the tempting environment that ordinary enterprise does, so they change. (HADH: 13)

The goal of DBL brings about high information cost to SE investment. The misunderstanding between the investors and social entrepreneurs may become a trust crisis. Sadly to say, there is no mechanism to ensure a long-term cooperation between the two parties so far. Hence, with limited time and manpower, the investors follow the conventional evaluation criteria. Even though it may fail the investors in truly comprehending the hybrid nature of SE, it is still a logical choice of strategy in the face of high information cost. However, the investors may miss the opportunity to invest owing to this.

4.3. Sacrifice of the Financial Return

On the concept path, financial returns are associated with social goals, business model, and accountability. SE investment based primarily on market gap. Without a feasible business model, social goals are nothing but pipe dreams. Business model guarantees the sustainability of the DBL goals, and establishes the accountability foundation for SE. We learned from the interview that SE investors appear to be quite concerned about the social goals and impact.

I can support it. Let’s say, the report I see doesn’t mean it’s profitable. Yah, it may not be profitable, but I could see the impact to the society as a whole. (ANANEDU: 223)

The major concerns for investors to choose a SE are social goals and its impact instead of pure financial return. Yet, although in reality, the investors do not ask for maximum profit, financial return is nevertheless an important concern.
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After all, I'm convinced that there are many other ways of making money apart from venture philanthropy. So, the focus of venture philanthropy is to get their principal back for starters. (HS: 21)

That is, if you don't talk about the return, don't talk about the dividend distribution to the investors, honestly speaking. I think there is going to be one cycle, and one cycle only. (SHTS: 14)

The main reason SE investors ask for financial return is to form an investment cycle with the revenue. Therefore, it is better to sacrifice the financial return. The investors can set the DBL via corporation by-laws or shareholder agreement. The registration of a SE in Taiwan requires that the mission statement must include its social purpose. However, the key is whether its business model has profit potential or other influencing factors.

Like this jelly. I don't like to make processed food. You have to make plastic and get eco-friendly if you want to make this jelly. But if I don't make this stuff, it is hard for me to find something that can make my ends meet. That would be like a double-edged sword. (IH: 99)

Normally it is hard for SE start-ups to gain rich profit in short-term. Besides, some SE will suffer from high operating cost and profit erosion in order to achieve their social goals. In addition, SEs may want to earn the acknowledgement due to the pressure of community expectation, so the profit is sacrificed, which affect the willingness of investors as a result.

The development of the SEs in Taiwan will run into a glass ceiling of profit somehow. So, nobody wants to pursue a higher profit, right? After all, whether people can accept such a thing remains a question mark, right? Maybe you can accept iPhone earns 100% from you and you will still buy it. Now, can you accept an SE earns 100% from you still? I don't think so. (ANANE: 199-201)

In face of innovative market and entrepreneurs, it is a tough task to evaluate the business model. In order to secure the investment cycle, investors are reluctant to sacrifice the financial return. A SE, different from all the other corporations the investors have invested, derives its legitimacy from the expectation of its social purpose, and the hybrid nature is deemed as the foundation of legitimacy (Dart, 2004). Hence, SEs are regarded as the solutions to various problems, or at the very least takes the enterprises with social goals into consideration first. SEs may therefore have no choice but to accept profit sacrifice. SE's concern of the reputation perceived by others may somehow affect the willingness of investors.

4.4. Social Impact Measurement

Social impact mostly involves with social goals, which is greatly emphasized by the SE investors and social entrepreneurs. Social impact has always been hard to assess, but the social investment market still exists. That means social impact is not the factor influencing the investment directly. Investors take social impact quite seriously, especially in its efficiency and scale. They expect a balance between the social impact and the financial return. In order to obtain SE accountability, social impact must be disclosed.

Certification from a certified accountant, transparency, and benefit report, that is, to report what impact you have created. (HS: 232)

Social impact is the vital concern of the investors. In practice, however, it is hard to assess social impact (Grossman et al., 2013). To a certain degree, social impact possesses asset specificity. Apart from expertise
and measurement tool, the challenge in social impact measurement is that the social goal is directly associated with the MS, so the identity will be confusing or that there is no specific beneficiary (Dees, 1998).

Let’s say a SE that claims increasing disadvantaged employment by a certain degree… But what we want to hear is perhaps he can elaborate more on the impact of such employment onto the families behind? We can actually talk about a more profound impact it should be. (KMPG: 116)

In terms of calculation criteria, economically speaking, there are a lot of things haven’t been quantified. Take firefly for example, how much natural resource is it worth? (ILH: 182)

The remarkable uncertainty of social impact makes investment return unpredictable. A market contract simply cannot keep anything in check, increasing the risk of speculation. Due to the difficulty in measuring the social impact, some investor try to put to the by-laws to avoid mission drift, while other investors choose SEs that align with the missions of their own to achieve internalization.

When it comes to impact, we want to get things right, so we would ask you not to change the social mission in the by-laws. (SHTY: 34)

It is very clear. It is the SE we invest, not the target, that expand the scope of our mission. (HADH: 105)

Social impact have two important meanings to SE investors. One is to allow investors to see the degree of impact from the investment, measure the achievement rate of the fixed goals, and determine the investment performance as well as the investment strategy that follows, while making it accountable to the external investors. The other is to vividly demonstrate the competence and vision of the investors with a complete report, so as to attract more investors and sponsors to partake in the future. Nonetheless, since the measurement of social impact is a tough job, investors have to spend time to reach a consensus with SEs, and the difficulty of measurement increases information cost. Thus, investors can adapt resource allocation strategies to meet the impact requirement from the investment of their own. Under such circumstances, the financial return is a secondary concern.

4.5. Insufficient Goods and Services

Goods and services is associated with stakeholders and business model on the concept path. Even though SEs have the DBL, they are not conventional charity organization. They have to constantly provide goods and services instead of charity sale to meet the expectation of the consumers (Defourny and Nyssens, 2010).

Let me be blunt. What if you get your car washed in a SE, and the problem you encounter is that you spend the same amount of money or more and get a worse result, what do you get in the end? Do you still want to spend the money? To do the charity? (ANANEDU: 39)

You can’t expect consumers to purchase purely out of charity. It’s too brief! Perhaps once or twice, and it’s over. (AHFY: 41)

Why the goods and services of SEs do not have advantage is that the identity of producer is overlapped with that of the disadvantaged, which leads to a conflict between productivity and social goal. The disadvantaged employees are the social goal and the major force of production. Hence, when a disadvantaged employee falls short the employment standard of a SE, should the SE refuse or accept no matter what? It will lead to a dilemma that may affect the operation due to the unstable productivity.
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We're never fall short in orders, only in productivity. But if the quantity is not enough, the production is not enough, we will not be able to scale up the market. How can I solve issue then? I am stuck. (ILH: 87)

However, whether the goods and services of a SE can profit is the concern for the SE investors that are reluctant to sacrifice their financial return, which may be in conflict with the goal of the SE.

I'm telling you three things. One is that your goods and services have to succeed. The second is able to scale up. And the third is you have to make it sustainable. (SHTS: 47)

From the issues in goods and services, one can see the conflict in a hybrid nature. The consideration from SEs to the stakeholders may lead to an unstable supply of goods and services, and fails to meet the demand of the market. Instead, if SEs overly stresses on the economic goal, the social goal is easily ignored, and the controversy of accountability arises. If the priority of the disadvantaged received excessive attention, the revenue may fall short and jeopardize the operation. Clearly, the hybrid nature of SEs does not guarantee more advantages. Once the quality of goods and services is unstable and that investors consider only the financial risk, the investors are unlikely to invest, unless the social goal is aligned with their own special needs.

4.6. Human Resource

Human resource is not particularly significant on the concept path. Nevertheless, based on the distribution of codes, we learn that it is associated with business model and stakeholders. In addition to production factors, SEs often struggle with not enough professionals, especially managers rich in experience. The main reason is the inability to provide a wage that meet the standard of the market, though, theoretically, SEs could attract talents with their missions or non-monetary wage as compensation (Bacchiche and Borzaga, 2001; Letee, 2006: 165-166).

Your salary is stuck because the salary of the people recruited (managers) may be higher than that of the SE CEO. (HS: 156)

You will have insufficient human resource. Why? Because you don’t have enough money to find the ones you need. That simple. One is I don’t have enough money to hire that many I need; the other is I don’t have the resources to recruit the champion I desire. (HADH: 9)

Apart from unable to afford the salaries of professionals, SEs lack resources to keep talents as well, such as administrative support or profit distribution, which limits the human resource development of SEs. When SEs fall short in human resources, the investors play a vital role in providing related supportive services and build the capacity of the SEs (Grossman et al., 2013) to ensure the SEs invested can run sustainably.

If I invest a project, they will think, apart from money, I will be able to provide them other resources and help grow the company, so that I can ensure the return of this investment. (AHJY: 47)

Even if SEs find support from the investors, they have to consider the issue of professional integration (OECD, 1999: 17). After all, investors cannot highly engaged in the management of SEs, and the structure of MS is not some issue investors can handle single-handedly.

We have invested some 100 SEs, so how could we involved since we don’t have some 100 people. Besides, there are already too many stakeholders with interests involved in the existing organizations. If a new stakeholder
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wants to break it... It's going to be a great cost because everyone involved will have to reach consensus. (SHTS: 221)

A social venture capital firm is usually small sized (Martin and John, 2007). Nonetheless, based on the principle of risk distribution of investment, investors is unwilling to spend too much time and effort in engagement. Besides, social venture capital firms are usually not huge in size with limited manpower. Even though high engagement helps in SE's capacity building, in practice it is resource consuming and interfering perhaps, affecting the cooperation in between. Further, usually a consensus needs to be reached before investors get involved in the SE's operation, so as to lower the concerns of all parties. Apparently, the investment in SE is not purely of investor's concern, social entrepreneurs will have to examine themselves to see if they have the capability to integrate MS as well.

V. CONCLUSION

Among the influencing factors to SE investors, the key is the influence from the hybrid structure to the business model. The hybrid structure of SE makes the business model appear to be more innovative. It has to achieve DBL, but at the same time increases the difficulty as well. As far as SE is concerned, the hybrid nature, though giving it legitimacy, may bring about instability in goods and services when it tries to enlarge the scope of the social goal and to take care the rights of the MS. Should the human resource fall short, management crisis would come along. To investors, the hybrid nature and the innovative business model would increase transaction cost insidiously, such as those in information, time, and trust building. High engagement is quite a tough task, it's a long shot for investors to take both engagement and risk aversion. Furthermore, if financial return and social impact's risk are taken into consideration, the targets available will be limited, which will be hard for investors to distribute the investment risk. The hybrid nature will make SE investment more complicated in most of the cases.

<table>
<thead>
<tr>
<th>Table 2</th>
<th>SE investment evaluation model</th>
</tr>
</thead>
<tbody>
<tr>
<td>cost and risks</td>
<td>business model</td>
</tr>
<tr>
<td>high</td>
<td>low</td>
</tr>
<tr>
<td>human resource</td>
<td>high goods and service low social impact</td>
</tr>
<tr>
<td>investment exit (2)</td>
<td>nonfinancial resource (4)</td>
</tr>
</tbody>
</table>

This study proposes an investment evaluation model (Table 2) after sorting out the influencing factors to investor and the reasons behind. In the first scenario, with higher cost and risks in investment and better human resource, goods and services, both parties will have to spend time to establish relationship, see the needs as well as expectations of the other. In the second scenario, due to the high cost and risk and poor business model, investors will not choose such investment target. The third scenario is the ideal type due to SE's business model with potential, not much cost for the investors and no high risks involved, which is uncommon. As for the fourth scenario, the investors, based on the social goals, may choose non-financial engagement strategy instead, like company, consulting, or advisory service. This paper suggests SE investors that the current logical investment approach is to employ the investment principle of locking on a single
target, meaning to focus on either the social impact or the financial return. The investors that focus on social impact may adopt a long-term, non-standardized bilateral contract to lower the transaction costs and speculations. As for the investors that is in pursuit of a hybrid return, they may have to face a higher transaction cost.

Further, SE investment is a younger emerging industry either in cases or experience. The research participants selected in this paper are social entrepreneurs to a certain degree, and therefore also encounter the challenges in the evaluation of social goals and social impact, meeting the expectation toward the DBL, and the interpretation limitation arising from the transformation on strategies. Nonetheless, this paper is at least able to capture the dynamic characteristics of investors as well as the vital influencing factors of investment.

REFERENCE


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