Getting started on a social enterprise journey

The Bridgespan Group

FÒS FEMINISTA

CIES, BOLIVIA, 2025

Many nonprofit organizations facing uncertain funding cycles are seeking greater financial stability through the exploration of social enterprise as a potential path forward to diversify revenue streams. To better understand the impact of Fòs Feminista's support offered to civil society organizations working in the sexual and reproductive health (SRH) space across different stages of the social enterprise journey, Fòs Feminista engaged The Bridgespan Group to assess the value created through its social innovation work. Drawing on this analysis, this memo distills key lessons into four practical questions to guide that exploration:

1. What are your key strengths?
2. Is there real demand for what you offer?
3. What mindset shifts are needed to align revenue with your mission?
4. What capacities and resources are required to make this work feasible?

Together, these questions provide a practical roadmap for organizations to begin testing, learning, and building toward a sustainable, mission-aligned earned revenue model.

This work was supported in part by the Ford Foundation Mission Investments Program.

Written and compiled by the Bridgespan Group based on research with Fòs Feminista

PLAFAM, VENEZUELA, 2026

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What are your key strengths?

Before exploring new revenue opportunities, organizations should start by taking stock of what they already do well. An organization's key strengths—whether in service delivery, product development and distribution, technical expertise, or anything else—form the foundation of any viable earned revenue model. Building from existing capabilities and core competencies ensures that social enterprise is grounded in an organization's operational reality, reducing risk, shortening the path to implementation, and increasing the likelihood of success.

Rather than creating an entirely new model, this step helps identify where existing assets and experience can be adapted into offerings that deliver value to paying customers.

FUNDACIÓN HALÜ, COLOMBIA, 2022

2 Is there a demand?

Before investing significant time and resources into a new idea, organizations need to assess whether there is real demand for what they plan to offer. This requires moving beyond assumptions and engaging directly with potential customers to understand their needs, preferences, and willingness to pay. Grounding early decisions in real demand helps avoid costly missteps and increases the likelihood of building a viable model.

Organizations should start by clarifying a few core questions about their potential customers:

- Who are your target customers (not just beneficiaries)? **Who is the decision maker when it comes to purchasing?**
- What problems or pains are **they experiencing, for which your solution could address?**
- How are they solving or **addressing these problems today** (think substitute solutions or offerings)?
- Are they **willing and able to pay** for a solution to their problem, and/or are they already paying for a solution?

To answer these questions, organizations can use practical, low-cost approaches to gather insights:

- **Customer discovery:**
  Conduct interviews with potential users to understand their needs, behaviors, motivations, and current alternatives. Look for patterns across responses rather than relying on individual experiences.

- **Define customer segments:**
  Group users into distinct segments with shared characteristics. Ensure segments are specific enough to design targeted offerings, but large enough to represent a viable market opportunity.

- **Test willingness to pay:**
  Explore if and how much customers currently pay for similar solutions and what price points feel acceptable. Focus on directional insights rather than precise pricing at this stage.

In the table below, you'll find links to open-source guidance on each of these areas. Once there is a clear understanding of customer needs and demand, organizations can begin testing solutions. This involves developing simple, low-cost prototypes of the offering and refining them based on user feedback and observed behavior before scaling.

WINGS, GUATEMALA, 2025

3

What mindset shifts are needed?

When designed intentionally, social enterprise models can expand access, improve sustainability, and deepen impact. However, many organizations face key barriers and apprehensions at this stage. These often include fears of mission drift, concerns about placing a financial burden on beneficiaries (or assumptions that they cannot pay), and internal resistance or lack of buy-in from leadership and staff.

Reframing how organizations think about revenue is one of the most critical steps in this journey. Without it, organizations struggle to commit the time, resources, and experimentation required to build a sustainable model. Social enterprise rarely delivers immediate returns—it requires patience, and iteration. Taking time to reflect on the following questions can help surface assumptions, align teams, and build the foundation for meaningful engagement with earned revenue:

When we reject the idea of earned revenue, **what assumptions are we making?**	**Are there any small steps we could take** to test this approach without risking our core programs?	**For what would we use the additional revenue?** Could it help us expand access or reach of our program through expansion or cross-subsidization?

MANO VUELTA, MEXICO, 2022

4

What capacities and resources are required to make this work feasible?

Early-stage success in social enterprise depends on building the right capabilities to support a social enterprise approach. Technical accompaniment can be helpful in this process, and it can take multiple forms – some organizations benefit from hands-on support and structured incubation, while others may prefer peer learning and knowledge exchange with other organizations. The specific approach matters less than the outcome: building the internal capacities needed to design, test, and sustain an earned revenue model.

Below are five core capabilities that are essential to building and sustaining an earned revenue model over time:

CAPABILITY	DESCRIPTION	WHY IT MATTERS
Financial modeling	Ability to understand unit economics, expenses, revenue streams, pricing, and break-even, and to test out different financial scenarios	Determines whether the model is viable and informs key decisions on pricing and investment
Market orientation	Ability to engage customers, gather feedback, and iterate product offerings accordingly	Ensures the model remains relevant and responsive to demand
Internal operations	Clear processes for delivering services, managing staff (including professional development), and tracking data	Enables consistent, scalable implementation
Narrative creation	Ability to articulate a clear, compelling value proposition of your social enterprise model across stakeholder audiences	Aligns stakeholders and attracts customers and funding, building momentum behind social enterprise
Leadership alignment	Ability to build shared understanding across leadership and staff on decisions related to the earned revenue model	Prevents internal resistance and ensures sustained commitment to social enterprise

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