

Social Entrepreneurs Benefit From Better Business Fluency

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A new generation of entrepreneurial incubators and accelerators focused specifically on social ventures has emerged across the United States. Programs such as the Halcyon Incubator in Washington, D.C., reSET in Hartford, CT, and Impact Hub in Seattle, WA, are examples. These incubators serve as entry points to the broader entrepreneurial ecosystem, offering social entrepreneurs access to financial support, mentorship, training and community partnerships.

Social venture incubators invite social entrepreneurs from diverse backgrounds to engage in structured programming to develop their social ventures, culminating with pitching their ventures to a range of stakeholders. While social entrepreneurship has grown and these incubator/accelerator models have spread, we don't know for sure how or whether they affect critical outcomes for social entrepreneurs, such as self-efficacy and entrepreneurial orientation. Our recent study sought to understand this better, and we discovered that teaching social entrepreneurs the language, norms, and rules of business helped them be more confident and effective.

Three Important Definitions

Before continuing let's begin by providing three definitions.

Social Ventures are organizations or businesses created to address a specific social or environmental problem through market-based or entrepreneurial approaches. Unlike traditional businesses that focus

solely on profit, social ventures aim to achieve a "double bottom line":

- Social impact – improving lives, communities, or the environment
- Financial sustainability – generating enough revenue to fund operations and growth

Social ventures can take many legal forms, including for-profit companies with a social mission; nonprofits using earned income strategies; or hybrid models (e.g., benefit corporations or L3Cs). What distinguishes a social venture is not its legal status but its core intent: to use entrepreneurial tools to create scalable, lasting solutions to social issues such as education access, healthcare, poverty, inequality, or environmental degradation.

Social Entrepreneurship is the practice of identifying, starting, and growing ventures that aim to solve social or environmental problems using market-based strategies. Unlike traditional entrepreneurship, which primarily focuses on financial profit, social entrepreneurship seeks to create "double bottom line" outcomes achieving both social impact and financial sustainability.

A Social Entrepreneur is an individual who creates and leads a venture with the primary goal of solving a social or environmental problem, rather than simply maximizing profit. They are driven by a mission to make a positive impact on society, but they also recognize the importance of financial viability and sustainability. They act as changemakers who combine compassion with entrepreneurial thinking, building ventures that tackle the root causes of complex challenges.

Social entrepreneurs apply business tools and innovation to address pressing issues such as poverty, education, healthcare, or climate change.



What We Studied

In our recent study (Noh, Deeds et al., 2025), we interviewed 54 social entrepreneurs who had participated in one of seven social venture incubators or accelerators located in Hartford and New Haven, CT; Providence, RI; and Boston, MA. Our goal was to understand how these programs influenced entrepreneurs' development, especially in their ability to engage with business norms and build relationships with investors and partners.

Social venture incubators are designed to enhance the quality of entrepreneurship by improving participants' skills, such as the ability to pitch effectively, understanding of the entrepreneurial process, and familiarity with the norms, expectations, and language of business and investors. These programs often include workshops on business modeling, accounting, marketing, and other core topics, and resources that are especially valuable for social entrepreneurs, who often lack formal business education.

This lack of business background puts social entrepreneurs at a disadvantage. They often struggle to understand the language and expectations of potential investors or mentors. Even when paired with experienced business professionals through the program, they may feel uncomfortable or unsure of how to communicate their venture's value in business terms.

We found that many participants had low entrepreneurial self-efficacy, which manifested itself as a lack of confidence in their ability to succeed in business-related settings. This gap posed a significant barrier to forming meaningful partnerships or pursuing commercialization strategies that could help sustain and scale their social impact.

Given this context, we hypothesized that social venture incubators would have the greatest impact when they teach entrepreneurs to understand and apply the language, norms, and rules of business.

What We Found

Our findings supported this hypothesis. Social entrepreneurs who gained exposure to key operational concepts like value propositions, financial models, business strategy, and investor expectations, showed significant increases in self-efficacy. They told us they became more confident about engaging with mentors and partners, and more comfortable navigating

business conversations.

This new understanding enabled participants to “speak the language” of business stakeholders, anticipate their concerns, and frame their ventures in terms that resonate with commercial logic, without sacrificing their social mission.

As participants grew more confident in their business knowledge and communication skills, they were more likely to behave entrepreneurially. They took more strategic risks, pursued innovation, and developed more ambitious plans for their ventures. These behaviors are hallmarks of entrepreneurial orientation (a firm's or individual's tendency to be innovative, take risks, and act proactively in pursuing new opportunities) and are often associated with stronger venture performance and impact.

Takeaways

The most consistent takeaway from our research was this: The greatest value incubators can offer social entrepreneurs is training in the language and logic of business. Courses and coaching that cover concepts like value proposition development, target market identification, gross margin analysis, and elevator pitch refinement equipped participants not only with technical skills, but also with the confidence to lead their ventures toward double bottom-line success (both financial and social impact).

Our study offers clear and actionable recommendations for incubator leaders and policy designers:

1. **Teach Business First:** Social venture incubators should start by teaching the rules, language, and expectations of business. This gives participants the tools they need to form lasting partnerships, communicate with funders, and make informed strategic decisions.
2. **Use a Two-Step Model:** We recommend a two-phase approach. Phase One: Focus on building business fluency, including what investors care about, how to construct a financial model, how to position a venture for sustainability. Phase Two: Leverage that fluency by connecting entrepreneurs to the broader ecosystem, including mentors, funders, service providers once they are prepared to engage confidently.
3. **Build Confidence as a Key Performance Indicator:** Self-efficacy -- entrepreneurs' belief

in their own ability to succeed -- should be treated as a key performance metric for incubators. Confidence unlocks action, risk-taking, and growth.

4. **Train for Relationships:** When entrepreneurs understand the norms of business, they are better able to build meaningful, durable partnerships with commercial actors. These relationships can help generate revenue, expand reach, and improve operational resilience.

For policymakers seeking to increase the impact of social ventures in their region, our findings suggest that supporting strong, business-oriented incubator programs is a powerful strategy. Specifically, programs that prioritize business fluency early in the curriculum, offer hands-on experiences that mirror real-world investor and customer interactions, and cultivate cross-sector partnerships will be better positioned to produce entrepreneurs who are mission-driven and market-ready.

For incubator directors, the message is clear: Review and refine your training content to ensure it includes practical instruction in core business tools and communication strategies. Passion is what brings social entrepreneurs into the space, but it's fluency in business that helps them succeed and scale.

Explore the Research

[Interorganisational Citizenship Behaviour, Social Entrepreneurial Self-Efficacy, and Entrepreneurial Orientation of Social Entrepreneurs](https://www.tandfonline.com/doi/full/10.1080/19420676.2025.2476946)
(<https://www.tandfonline.com/doi/full/10.1080/19420676.2025.2476946>) . *Journal of Social Entrepreneurship*, March 2025.