

## RESEARCH ARTICLE

# A Platform for Social Business Incubation in the Philippines: The Case of Gawad Kalinga Enchanted Farm

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**Abstract:** Our study examined the business model of Gawad Kalinga Enchanted Farm (GKEF) and described how it creates, delivers, and captures value as a social business incubator. Using the case study research design, we saw that GKEF's social business incubation program has adopted a multilever ecosystem approach by (1) harnessing the human and natural resources of its host community, (2) leveraging the compassion and entrepreneurial talent of its selected incubatees, (3) tapping the knowledge and skills of interns and volunteers, (4) leveraging the expertise and experiences of other more established social enterprises, and (5) taking advantage of its network of partners and donors.

**Keywords:** social enterprise, social business incubation, business model

**JEL Classifications:** L3, L31

Social enterprises are business entities that seek to simultaneously create economic value and social impact (Galera & Borzaga, 2009) by combining business methods and management practices employed in both the private and public sectors (Peattie & Morley, 2008). These "hybrid" businesses have grown rapidly over the past decade or so because they "have created models for efficiently catering to basic human needs that existing markets and institutions have failed to satisfy" (Seelos & Mair, 2005, p. 241).

In many countries, particularly in the Third World, governments have fallen short in terms of delivering basic social services because of either lack of resources

or weak governance (Austin, Stevenson, & Wei-Skillern, 2006). This situation prompted the business sector to engage in socially responsible programs and activities to help address societal problems, and non-profit organizations (NGOs) to provide services to vulnerable groups and poor communities. However, the philanthropic efforts of big corporations have largely been fragmented due to a variety of causes that individual firms support. Many NGOs, on the other hand, find it difficult to scale up their programs to benefit more communities due to their dependence on donations and grants. Clearly, by setting up business models with a strong social component, social enterprises are "filling a void" (Austin et al.,

2006) that traditional businesses, governments, and non-profit organizations could not adequately fill.

For social enterprises to succeed, however, they must overcome unique challenges resulting from having dual objectives (i.e., economic and social). Some cave in to market pressures to compromise on social value, while others succumb to social and political pressures to compromise on financial performance (Dees & Anderson, 2003). Wanting to make a difference, aside from making money, makes life doubly difficult for social entrepreneurs.

In the Philippines, social enterprises are typically mission-driven organizations that seek to benefit the poor and marginalized sectors such as farmers, fisher folks, persons with disabilities, and indigenous peoples. It is estimated that around 20% of enterprises in the country pursue economic and social value creation (Dacanay, 2013, as cited in British Council, 2015), providing support to 2.5 million poor Filipinos (Basa, 2014). Some of these social enterprises have grown into well-known and firmly established businesses. Among these are Human Nature, which produces natural, eco-friendly, and ethically-made beauty and personal care products; ECHOstore, a retail store carrying green, fair trade products created by marginalized community groups from all over the Philippines; and Hapinoy, a micro-enterprise development program focused on small neighborhood convenience stores or *sari-sari* stores. However, only a handful of Philippine social enterprises, mostly based in Metro Manila, have made it big nationally (British Council, 2015).

### Efforts to Support Social Enterprises

In the Philippines, there is a pending bill in Congress that seeks to provide support for social enterprises. The proposed law, more popularly known as “Poverty Reduction through Social Entrepreneurship (PRESENT)” bill, primarily aims to speed up the poverty eradication efforts of the government. Among the support mechanisms proposed by the bill include loans, funds for research and development, training and capacity building activities, preferential procurement for social enterprises, facilitation of market access and linkage to the value chain, and insurance for social enterprises in times of disaster (Ong, 2016).

Recognizing that social enterprises require a great deal of support at the start-up phase, some groups have

set up social business incubators, which are meant to create an environment favorable for the growth of social ventures as they attempt to scale their innovative, market-oriented solutions (Pereira, 2016). One social business incubator in the country is the Gawad Kalinga Enchanted Farm (GKEF), which is located in Bulacan, a province in the north of the Philippine capital of Manila.

Over the years, GKEF has been helping social enterprises—mostly set up by young individuals—address the unique challenges resulting from their desire to balance their financial and social bottom lines. Among the social enterprises that are incubating at the farm are the following: Ambension Silk Enterprise, Apicuria, AuralNatura, Bayani Brew, The Bee Empire, Calaboo, First Harvest, Free Birds, Golden Duck, Grassroots Kitchen, Hamlet, Karabella, Kayumanggi Organics, MAD Travel, Make Peace Bakery, Palamigan Co, and Plush and Play.

### Research Questions

For this study, we attempted to answer the following questions: (a) How does GKEF create, deliver, and capture value as a social business incubator? (b) How responsive is GKEF to the needs of its incubatees? (c) What insights can we generate from the social business incubation model of GKEF?

### Research Framework

Utilizing the single case study research design, we determined how GKEF creates, delivers, and captures value by examining the following building blocks of the business model canvas, as conceptualized by Osterwalder and Pigneur (2010): (a) value proposition, (b) key activities, (c) key resources, (d) key partners, (e) customer segments, (f) customer relationships, (g) channels, (h) cost structure, and (i) revenue streams (see Table 1).

Scholars and practitioners have used the business model concept to understand the following aspects of an organization: (a) its value creation logic (Amit & Zott, 2001); (b) the business processes involved in creating and delivering value (Osterwalder, Pigneur, & Tucci, 2005); (c) the interactions of stakeholders in the firm’s value network (Magretta, 2002); and

**Table 1.** *Description of the Building Blocks of the Business Model Canvas*

<b>Building blocks</b>	<b>Description (based on Osterwalder &amp; Pigneur, 2010)</b>
Value proposition	Refers to the bundle of products and services that create value for a specific customer segment
Customer segments	Refers to the different groups of people or organizations that an enterprise aims to reach and serve
Customer relationships	Describes the type of relationships a company establishes with specific customer segments
Channels	Describes how a company communicates with and reaches its customer segments to deliver a value proposition
Key activities	Describes the most important things a company must do to make its business model work
Key resources	Describes the most important assets required to make a business model work
Key partners	Describes the network of suppliers and partners that make the business model work
Cost structure	Describes all costs incurred to operate a business model
Revenue streams	Represents the cash a company generates from each customer segment

(d) the resource base and the longitudinal evolution of business (Hedman & Kalling, 2003). As a unit of analysis, the business model is distinct from the product, firm, industry, or network. While it is centered on a focal firm, its boundaries are wider than those of the firm. Business models, therefore, allows for a holistic and system-level approach to explaining how firms “do business” (Zott, Amit, & Massa, 2011).

The increasing interest in the business model concept could have been brought about by the advent of the digital economy, during which time firms began to experiment with new forms of creating value that involved a plethora of partners and targeted multiple users. This prompted management scholars to utilize the business model concept in their attempts to make sense of value creation in networked markets (Zott & Amit, 2009).

Later, the business model concept was also used to make sense of commercial activity in the social sector. Seelos and Mair (2007), for instance, saw the business model as a “set of capabilities that is configured to enable value creation consistent with either economic or social strategic objectives” (p. 53). Thompson and MacMillan (2010), on the other hand, proposed a framework for coming up with new business models that could reduce poverty and human suffering.

## Research Methodology

Given the qualitative and exploratory nature of our research, we depended on both primary and secondary data sources. This allowed us to triangulate our data. To facilitate our in-depth interviews, we developed semi-structured interview guides that were based on the components of the business model canvas and a list of incubation services derived from the literature. Before proceeding with the interviews, we collected data from the websites of GKEF and of our target social enterprises, and from other published sources online. This allowed members of our research team, given their prior knowledge, to conduct more focused interviews with our respondents. Shortly after the interviews, a member of our research team transcribed the audio recording of the interviews, which formed part of our case study database.

Aside from interviewing key individuals involved in the management of GKEF, we also decided to interview the owners of social enterprises based in the farm so that we can get qualitative data about how responsive GKEF had been to their needs. We made sure that the enterprises are at least two years old and have undergone at least one business cycle. We also decided that the social enterprises must be at different stages of the business life cycle, given that social ventures have different needs at various phases of their existence and, therefore, require different types of support (Shanmugalingam, Graham,

Tucker, & Mulgan, 2011). Thus, we chose Karabella (early stage), Plush and Play (middle-growth stage), and Bayani Brew (scale stage).

Our research team conducted interviews with the following individuals: Shannon Khadka, Head of GKEF, who is also a co-owner of Bayani Brew; Fabien Courteille, GKEF Social Enterprise Incubation Head, who is also the founder and owner of Plush and Play; Sophie Lacaze and Josepha Poret, two French interns who currently constitute the GKEF Business Development Team; Ron Dizon, co-owner of Bayani Brew; and Erika Ng Wong, founder and co-owner of Karabella.

Included in our research team are four undergraduate students, who were supervised by one of the authors. They closely hewed to the research design developed by the co-authors, and accompanied two of the co-authors during one of their visits to GKEF. Some of their findings are cited in this paper.

## Results

This section begins with a description of the business model of GKEF, which answers our first research question. To answer our second research question, we proceed with a discussion of GKEF's responsiveness as a social business incubator, as perceived by the three aforementioned social enterprises.

### *GKEF's Business Model – How Does It Create, Deliver, and Capture Value?*

Based on published accounts, it is apparent that GKEF seeks to create value for different groups. This is evident in how it brands itself: (a) as a farm village university, (b) as a Disneyland for social tourism, and (c) as a Silicon Valley for social entrepreneurship ([www.gklworld.com/gkenchantedfarm](http://www.gklworld.com/gkenchantedfarm)). Briefly, it seeks to provide employment and livelihood opportunities for the community members, mostly farmers, based in the farm and nearby areas; to serve as a destination for individuals and groups who seek a novel tourism experience; and to provide support for budding social entrepreneurs.

While we focus on GKEF as a social business incubator, we observed that there is a symbiotic relationship among GKEF's major programs and activities. For example, GKEF's tourism activities augment the support it gives to the social enterprises

incubating in the farm. That is because the social enterprises can sell their products to the farm's visitors and guests. On the other hand, GKEF's social incubation program has attracted social entrepreneurs—both from the Philippines and abroad—who have provided employment and livelihood opportunities to community members through their social ventures. The social enterprises themselves serve as a major attraction for GKEF visitors who are interested to hear the inspiring stories of the social entrepreneurs, many of whom left their comfort zones to help realize Gawad Kalinga's mission.

**Value proposition.** Social entrepreneurs who are accepted into GKEF's business incubation program get a good deal. For those engaged in agriculture-related businesses, they are offered a parcel of land on which they can grow raw materials or raise poultry or livestock. For other social enterprises, they are given space where they can set up their production facilities, rent-free. For these nascent entrepreneurs, GKEF also serves as a platform for them to establish a relationship with the farm community, from which they source their raw materials and the labor requirements of their enterprises. In addition, the social entrepreneurs get access to a network of individuals, groups, and organizations that they could tap for their operating, investing, and financing requirements.

Courteille shared how GKEF helped Golden Duck (formerly Golden Eggs), one of the first social enterprises that were set up in the farm. Driven by a desire to help develop the duck industry, Golden Duck founder Alvie Benitez ventured into a business in which he had no knowledge at all. “[GKEF] assisted him in making recipes, in standardizing his production processes, and in finding a market,” F. Courteille (personal communication, December 6, 2016) said. Through the help of GKEF, Golden Duck was able to sell its salted eggs in various branches of Human Nature, a more established social enterprise likewise inspired by Gawad Kalinga.

It could be argued, though, that GKEF's major value proposition is the opportunity it provides individuals with meaningful alternatives to full-time corporate jobs. The following experiences of Courteille (Plush and Play) and Ng Wong (Karabella) illustrate this:

- In 2011, Courteille was pursuing his Master's degree in entrepreneurship in a university in France. After hearing about *Gawad Kalinga*,

a non-government organization that has been recognized for adopting novel approaches in solving poverty, he decided to fly to the Philippines. Driven by his curiosity, he underwent a three-month internship and immersion program in GKEF. However, three months proved to be insufficient for Courteille, who was moved by what he experienced. “I ended up extending my stay for six months, and I kept on extending it for social enterprise work until I eventually stayed” (F. Courteille, personal communication, December 6, 2016).

- Ng Wong finished her Applied Corporate Management course from a leading private university in the Philippines. After graduation, she worked for a multinational company in the fast-moving consumer goods sector for three years, during which she underwent an extensive management development program. However, Ng Wong’s desire to do good for society led her to think about setting up her own social enterprise. Inspired by social enterprise leaders and aspiring social entrepreneurs that she encountered in GKEF during the first Social Business Summit, she visited the farm regularly and participated in its various activities. Ng Wong eventually decided to engage in social entrepreneurship full-time. “I just really wanted to become a social entrepreneur,” she recounts, “so when they said they needed someone for ice cream, I said yes” (E. Ng Wong, personal communication, February 1, 2017).

**Value creation and delivery.** Given that GKEF offers a service rather than a physical product, the value creation and value delivery processes are practically indistinguishable. To deliver the value it promises to the social entrepreneurs, GKEF mobilizes both internal and external resources to sustain its various programs and activities. Among its key resource are the land and the buildings that were built on it over the years. Khadka recounted how GKEF focused on infrastructure development during its first three years. “It was about the actual physical structure being built. We had a vision. We know that the pieces of the puzzle had to be put together from the ground up, in one place – and that was the farm” (S. Khadka, personal communication, February 23, 2017). With the physical facilities in place, Khadka added, “we were able to

attract people from all over the world to be part of our movement.”

Thanks to the generosity of several corporate donors, GKEF now has the following structures: (a) Arch Angel – GK Center for Arts and Culture, which is used for community gatherings and celebrations, values formation, education, training, and mentoring activities; (b) Bamboo Palace Center for Development Design, which is used for design camps for students and practitioners of architecture, interior design, engineering, landscaping, and industrial design. The Center also serves as a venue for conventions, trainings, corporate team building sessions, and special events such as yoga camps and weddings; (c) Berjaya Garden Restaurant and Culinary Center, which cultivates the culinary talents of community members and caters to the partners, entrepreneurs, and students who visit the farm; (d) Hyundai Center for Green Innovation, which is “envisioned to be the epicenter of ideas, talents, and resources committed to growing a sustainable green economy and community for the Filipino”; and (e) LifeBank Center for Bayanihan Economics, which serves as the innovation, development, and commercialization hub for advancing social enterprises and “bayanihan economics” as a key strategy in breaking the chains of poverty (<http://gklworld.com/enchanted-farm-faqs#SocialTourism>).

These physical structures, combined with GKEF’s human resources—15 full-time office employees, over 50 staff members composed of farmers and kitchen workers, plus interns and volunteers—allow GKEF to conduct farm tours, operate the kitchen and restaurant, maintain the farm’s physical facilities including dormitories, conduct education and training activities for SEED scholars, and handle logistical preparations for the Social Business Summit.

Particularly for the social entrepreneurs, GKEF conducts monthly business camps and organizes countryside fairs. It also facilitates the access of social entrepreneurs to outsourced services, such as legal services and delivery services. GKEF, for example, has a partnership with the Integrated Bar of the Philippines (IBP) – Bulacan Chapter, which assists social enterprises with some of their legal concerns; and with LBC, which provide delivery services. Likewise, GKEF links up the social entrepreneurs with potential investors. According to S. Lacaze (personal communication, November 26, 2016), a member of the GKEF Business Development Team, there are impact

investors that visit the farm. One of these individuals encountered Ambension Silk Enterprise while participating in a farm tour. He liked the business idea (i.e., making fabric out of silk) and decided to invest. Many of these investors, Lacaze added, attend the countryside fairs that GKEF organizes because they can talk directly to the entrepreneurs, as well as see and taste the products that are showcased in the fair.

While they are at the farm, the social entrepreneurs have easy access to Khadka, Courteille, and the farm's management team, who provide them with mentorship in various areas of their operations. There are also community managers who assist the social entrepreneurs with their concerns regarding

community members that are employed by the social enterprises.

To reach out to potential social entrepreneurs, the GKEF team conducts talks in colleges and universities in addition to the Social Business Summit and the monthly business camps. Aside from the coverage that they can generate from the traditional mass media, they also utilize social media to promote the farm's activities. Needless to say, many of the social enterprises manage their own social media accounts, including Facebook and Instagram.

**Value capture.** GKEF incurs several operating costs and expenses. These include salaries for its full-time personnel, administrative costs, and payment for water and electricity bills. It also carries the cost of

**Table 2.** *How Gawad Kalinga Enchanted Farm Creates and Delivers Value*

Building blocks	Description
Value proposition	Provides individuals with meaningful alternatives to full-time corporate jobs Provides land for agriculture-based ventures Provides space for production facilities Provides a platform for community relations Provides access to potential investors, markets/customers, experts, and volunteers
Key activities	Processing applications of potential social entrepreneurs Organizing monthly business camps for potential social entrepreneurs Offering education and training activities for SEED scholars Providing support related to branding, graphic design, and the production of collaterals Linking up social entrepreneurs with potential investors Facilitating access to outsourced services (e.g., legal services, delivery services) Maintaining physical facilities Preparing logistical requirements for the Social Business Summit Generating sponsorships for programs and activities
Key resources	Land, buildings, and other physical facilities Full-time employees Interns and volunteers Community members Gawad Kalinga brand
Key partners	Colleges and universities Corporate donors and sponsors Social impact investors Other social enterprises
Customer relationships	Direct interaction of mentors with social entrepreneurs Efforts of community managers
Channels	Social Business Summit and monthly business camps Talks in colleges and universities Social media (e.g., Facebook) Word-of-mouth

**Table 3.** *How Gawad Kalinga Enchanted Farm Captures Value*

Building blocks	Description
Cost structure	Administrative costs Cost of maintaining facilities Kitchen and restaurant supplies and expenses Personnel expenses Utilities
Revenue streams	Share from social enterprises' net income from their participation in countryside fairs Food service revenue Accommodations revenue Tours revenue Revenue from rental of facilities for team building and events Sponsorships Donations

maintaining its various facilities, including its kitchen and restaurant. To cover these costs, GKEF depends on the revenue it generates from its tours, food service, accommodations, and rental of its facilities for team building activities and other events. It also generates funds from its share of the net income of social enterprises that participate in countryside fairs, and from sponsorships and donations (see Table 3).

### ***GKEF as a Social Business Incubator – How Responsive is It?***

To determine how responsive GKEF is to the needs of its incubatees, we surveyed three social enterprises about the services they have availed of from a list that we prepared, and asked if these services “fully satisfied,” “partially satisfied,” or “not satisfied” their needs. As a social business incubator, GKEF provides the following services among others: business planning, market research, product development, access to distribution channels, press and media exposure, access to financial capital, training and mentoring to develop business skills, space for production, and use of incubator facilities (e.g., furniture, equipment, vehicles).

Given that the social enterprises were at different stages of the business life cycle, we asked those at the middle-growth and scale stage to give their assessment of the services also for the earlier stages of their respective businesses. A summary of the results is shown in Table 4.

For all three enterprises, they indicated that, on the average, 80.72% of their needs had either been fully satisfied or partially satisfied at the early stage. For the two enterprises that have reached at least the middle-

growth stage (i.e., Bayani Brew and Plush and Play), the average score is 70.59%. For the sole enterprise that has reached the scale stage, the average score is 58.82% (see Table 4). While the responsiveness of GKEF to the needs of the social enterprises have gone down as they reach later stages of the business life cycle, this can also be an indicator that the social enterprises have become less dependent on GKEF over time.

To make more sense of the aforementioned numbers, we draw additional insights from our in-depth interviews. For all three businesses, it would seem that GKEF had been especially helpful when they were at the early stage.

The case of Bayani Brew, the oldest among the three social enterprises, is illustrative. The business produces iced tea drinks that trace their origins from the brews of native leaves such as *tanglad* (lemongrass), *pandan* (fragrant screwpine), and *talbos ng kamote* (sweet potato leaves) that are found in the GK community. Dizon, one of its founders, appreciated how GKEF opened up opportunities for him and his partners even if they started with limited capital, did not know much about how to run a business, and were not “well-connected.” He recounted how GKEF introduced them to people who eventually became their suppliers, their mentors, and their business partners. For example, being in GKEF helped Bayani Brew source its local ingredients and undertook its prototyping quickly. Dizon recounted [Note: This is an English paraphrasing of the original]:

I tried to source from one farmer and checked the quality of his crops. When the quality did

**Table 4.** *Social Enterprises' Perception of Business Incubator's Services*

	Number of Needs		Fully Satisfied Needs		Partially Satisfied Needs		Total Satisfied Needs	
	Freq.		Freq.	%	Freq.	%	Freq.	%
<b>Early Stage</b>								
Bayani Brew	17		11	64.71	2	11.76	13	76.47
Plush and Play	17		12	70.59	2	11.76	14	82.35
Karabella	18		11	61.11	4	22.22	15	83.33
Average	17.33		11.33	<b>65.47</b>	2.67	<b>15.25</b>	14.00	<b>80.72</b>
<b>Middle Stage</b>								
Bayani Brew	17		9	52.94	2	11.76	11	64.71
Plush and Play	17		7	41.18	6	35.29	13	76.47
Average	17		8.00	<b>47.06</b>	4.00	<b>23.53</b>	12.00	<b>70.59</b>
<b>Scaling Stage</b>								
Bayani Brew	17		5	<b>29.41</b>	5	<b>29.41</b>	10	<b>58.82</b>

Source: Baguilod, Fernando, Laqui, and Matti (2017)

not meet the standards, GKEF introduced me to another farmer. Because they [GKEF] can link me up to the resources I needed, I was able to do prototyping very quickly, something I could not have done if I did not know anyone in the area.

Aside from sourcing within the GKEF, the prototype of our manufacturing facility was also inside the Farm. We were using it without having to pay for any rent. That is because when one is in the countryside, there is an abundance of land. If we had to do it in Metro Manila, we would have had to pay rent even if we were not yet generating revenue.

For people who are not yet fully sold on social entrepreneurship, like I was then, it is possible to try it inside GKEF without having to invest too much at an early stage. In our case, we received support in terms of sourcing raw materials, and also had space for our initial manufacturing activities. (R. Dizon, personal communications, March 7, 2017)

In the case of Plush and Play, GKEF had been helpful in terms of providing ready access to highly-skilled sewers. According to F. Courteille (personal communications, December 6, 2016), “Thousands of mothers lost their jobs over the past decade due to the weakening of Bulacan’s textile and garments industry, so this [working for Plush and Play] is a big opportunity for the mothers.” Taking advantage

of the skills of these sewers, Plush and Play now manufactures stuffed toys patterned after fruits and vegetables. These toys are named after famous Filipino personalities, and typically carry witty names like *Buko* Martin, *Anne Kamatis*, and *Manny Pakwan* – a reference to Filipino actor Coco Martin, actress and host Anne Curtis, and boxing champ Manny Pacquiao, respectively. [Note: *Buko* is the Filipino term for “coconut”; *Kamatis* is the Filipino term for “tomato”; and *Pakwan* is the Filipino term for “watermelon”] (Habaradas & Aure, 2018).

In the case of Karabella, a social enterprise that sells ice cream and other products made from carabao milk, GKEF had been helpful in several ways. First, GKEF provided the business access to physical space where it produces its ice cream mixture. GKEF also provided Karabella with access to human resources. Today, Karabella employs young women from the GKEF community. They help manage Karabella booths in the farm and assist in producing the carabao’s milk mixture for Karabella’s dairy products.

It was also in GKEF that Karabella’s owner Ng Wong met Jesse Divinagracia, a manager working for a major telecommunications company, who happened to visit the farm. Interested in tasting carabao’s milk ice cream, Jesse met with Erika. Jesse began working with Erika on the social enterprise’s unique selling proposition, branding, and image. This led to the renaming of the social enterprise (formerly Kara and Beau) to “Karabella” —a term derived from the term “caraballa” or a female carabao. The name aimed to communicate a fresh, healthy, nutritious and exciting



dairy brand appealing to Karabella's primary target market—mothers and their children.

It is interesting to note that GKEF acknowledges how social enterprises at different stages of the business life cycle require different types of intervention. These stages are as follows: (a) ideation stage, (b) start-up stage, (c) operating stage, and (d) scaling stage. According to F. Courteille (personal communications, December 6, 2016), “we don't deal with them the same way” in terms of access to capital, services, volunteers, and potential markets. When incubatees meet certain criteria and score at least 80% in the matrix that GKEF developed, they move to the next category, allowing them to avail of a different set of services.

## Conclusion

After looking closely at GKEF's programs and services and how these have benefitted selected incubatees, we found out that GKEF's business model can be characterized as utilizing a multilever ecosystem approach. First, it harnesses the human and natural resources of its host community. Second, it leverages the compassion and entrepreneurial talent of its selected incubatees (Bøllingtoft & Ulhøi, 2005). Third, it taps the knowledge and skills of interns and volunteers. Fourth, it leverages the expertise and experiences of other more established social enterprises. Finally, it takes advantage of its network of partners and donors, and leverages the collaboration that takes place within this network.

### ***Harnessing Human and Natural Resources of the Host Community***

For all three social enterprises, utilizing the resources of the host community is integral to its social mission. This is something that GKEF allows them to do, given that Gawad Kalinga has established a close relationship with members of the local community. It is not lost on these business owners, though, how these resources must create value for their businesses. This is evident in the case of Bayani Brew, which took advantage of the quality and abundance of raw materials (e.g., lemongrass) for its iced tea formulation; and also in the case of Plush and Play, which harnessed the excellent sewing skills of community members in coming up with stuffed toys with innovative designs.

### ***Leveraging Compassion and Entrepreneurial Talent of Incubatees***

Given the previous success of Gawad Kalinga in helping communities throughout the country and the goodwill it has built over the years, GKEF was able to attract a lot of individuals to start their social enterprises in the farm. Many of these individuals previously worked in the corporate world. This is true for the owners of Human Nature, Bayani Brew, Plush and Play, and Karabella, who brought along with them their business knowledge and industry experience when they decided to set up their social enterprises because of their desire for meaningful alternatives to corporate employment.

### ***Tapping the Knowledge and Skills of Interns and Volunteers***

Some of the owners of the aforementioned social enterprises started as GKEF volunteers before they decided to take on social entrepreneurship full time. Today, GKEF utilizes the talents of these individuals in helping run the farm, as in the case of Courteille and Khadka. In addition, GKEF has interns and volunteers coming from different countries, including Japan, France, and the USA. These individuals provide various types of assistance to the social enterprises based on the farm, especially with their marketing and promotion activities.

### ***Leveraging Expertise and Experiences of Other Social Enterprises***

As GKEF expanded its services even though a few of the social enterprises reached the scaling stage, it was a natural development for the more mature social enterprises to provide support and assistance for the start-ups. Unlike traditional business incubators that provide for the exit of its incubatees after they reach the scaling stage, GKEF utilizes a different strategy. F. Courteille (personal communications, December 6, 2016) explained that social enterprises that reach the scaling stage are tapped to be “part of the movement” by serving as a big brother for the younger social enterprises. For example, Human Nature, which has several retail outlets throughout the country has helped other social enterprises by carrying the latter's products in their stores.

Even social enterprises at the start-up stage can support other social enterprises by sourcing raw materials from their counterparts. Karabella, for

example, sources some of its ingredients from social enterprises based in the GKEF community. Ng Wong gets ingredients for its salted duck caramel flavored ice cream from Golden Duck, which sells a range of high-value duck products from premium salted eggs to award-winning burgers; and its peanut butter from First Harvest, which sells delectable spreads and jams made with nutritious ingredients with no extenders. It sources its other ingredients (e.g., cookies) from Make Peace Bakery, which aims to empower the youth through baking with a French touch. “It’s not about the success of one ... it’s about the success of an army. So if Karabella can use peanut butter for its enterprise, that’s great. Every time you can get your raw material from another enterprise, it will make the money flow between the enterprises and make all of them grow” (F. Courteille, personal communications, December 6, 2016).

### ***Taking Advantage of its Network of Partners and Donors***

Among the most obvious manifestations of external support for GKEF are the different structures built with the support of corporate donors. These have allowed GKEF to provide its various facilities and services for its incubatees. Equally important is Gawad Kalinga’s partnerships with various government agencies like the Department of Trade and Industry, with various academic institutions (local or abroad), and even with local institutions (e.g., Integrated Bar of Bulacan). These partnerships allow GKEF to provide a comprehensive set of services for the social enterprises incubating in the farm.

Clearly, GKEF has been reasonably successful in being a platform for social business incubation. S. Khadka (personal communications, February 23, 2017) captured this well when he said that GKEF is an ecosystem that is interconnected and interrelated. It is not only a farm, a village, or a university. It is all three. According to him:

It’s a whole different scale of managing synergistic institutions, or building blocks all together.... Ecosystems are different because it is a mix of control and of letting go, of letting things flourish on their own, and letting them innovate organically; and then, there’s a side of it that you push it inorganically by force.

That balance of pushing and pulling, of organic growth and inorganic growth, of innovation and institutionalization, is the skill of ecosystem management or ecosystem building.

As stated in its website, GKEF creates an ecosystem that is “forgiving enough for social entrepreneurs to make mistakes while testing prototypes and new business models... and demanding enough for them to build global Filipino brands that have real social and environmental impact” ([https://www.devex.com/ organizations/gawad-kalinga-gk-47275](https://www.devex.com/organizations/gawad-kalinga-gk-47275)).

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