

**SPIRITUAL RESOURCES FOR CHANGE IN HARD PLACES:  
A VALUES-DRIVEN SOCIAL ENTREPRENEURSHIP  
THEORY OF CHANGE**

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## CHAPTER 25

# SPIRITUAL RESOURCES FOR CHANGE IN HARD PLACES: A VALUES-DRIVEN SOCIAL ENTREPRENEURSHIP THEORY OF CHANGE

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David L. Haskell, Janice Hayashi Haskell &  
Jennifer W. Kwong

**Social entrepreneurship can catalyze positive social change in poverty-stricken regions of the world. However, the systemic dynamics of social entrepreneurship are not well understood. Complexity theory offers insight into leadership in disorderly circumstances and could provide a theoretical basis for social entrepreneurship. This chapter explores how one organization fosters leadership in the midst of disorder. Dreams InDeed International’s theory of change is that the right people with the right values and the right vision are strategically positioned to lead positive social transformation in hard places; all they need is the right support to bring it to viability. Dreams InDeed recognizes, accompanies, equips, invests in, buffers, and networks social entrepreneurs. Dreams InDeed’s assumption is that *values* facilitate social change at the edge of chaos: specifically, the values of passion, humility, faith, wisdom and integrity as exemplified in the life of Jesus. Values alignment is at the heart of Dreams InDeed’s evaluative process and operating strategy.**

### Introduction

**S**ocial entrepreneurship is an emerging framework for achieving significant impact with and for the poor in circumstances where international development has arguably returned dismal results (Dichter, 2003; Easterly, 2006). The standard programmatic responses have been inadequate to address the complex causes of systemic poverty: inadequate natural resources, geographic isolation, and disease-prone climates; a legacy of colonial exploitation, racial oppression, or discrimination by class or caste; market failures such as environmental externalities, inequitable trade relations, crushing debt burdens, and capital flight; and the disintegration of social order due to political instability, endemic corruption, and compromised rule of law.

“Social entrepreneurship” has taken on multiple meanings in scholarly and popular contexts, but the term ordinarily describes innovative action that, if successful, creates a new, just social equilibrium. It is distinct from social services, which redistribute resources while leaving existing systems in place,

and social activism, which seeks to leverage change indirectly through advocacy (Martin & Osberg, 2007). It also tends to be collaborative rather than individualistic, often emerging among groups, teams, organizations, networks and communities rather than as the result of one “hero” individual’s efforts (Light, 2006). According to Dees, “social entrepreneurs play the role of change agents in the social sector by adopting a mission to create and sustain social value (not just private value); recognizing and relentlessly pursuing new opportunities to serve that mission; engaging in a process of innovation, adaptation, and learning; acting boldly without being limited by resources currently at hand; and exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created” (1998: 4).

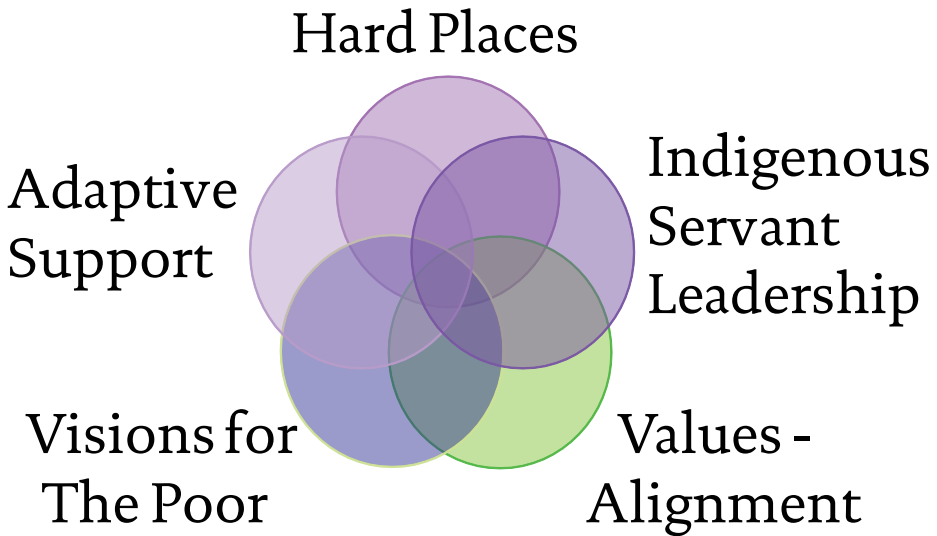
Although a few high-profile examples of social entrepreneurship have drawn the world’s attention, “there is a noticeable lack of conceptual/theoretical framework for understanding the dynamics of social entrepreneurship... there is no clear-cut explicit general understanding of the *systemic* dynamics in how social entrepreneurial ventures come into being, develop, and succeed (or not)” (Goldstein, Hazy & Silberstang, 2008: 10, emphasis theirs). Complexity theory, which attempts to address chaotic circumstances in a non-reductionistic way, could make a key contribution to social entrepreneurship’s conceptual/theoretical underpinnings.

In this article, the authors propose one such framework by drawing on complex systems leadership theory and two decades of field experience in international development and social entrepreneurship. The article explores both the theory of change and operating model of a social entrepreneurship-based organization that currently works in the Middle East and Southeast Asia.

## The Theory of Change

**T**hrough their experience in mentoring social entrepreneurs in chaotic contexts, the authors have identified four key ingredients conducive to innovation for positive social change: the right people (indigenous servant leaders), the right values, and the right vision in a hard place.

First, “*hard places*” (defined as contexts with chronic poverty, violent conflict, human rights abuses, and compromised rule of law) are ideal contexts for generating social innovation, but require systemic changes of vision and/or core values rather than superficial interventions. Second, *indigenous servant leaders* are most likely to effect such changes: those indigenous to the hard place are strategically positioned to innovate and are motivated to succeed, but only leaders who are “servants first” will apply influence and resources for the common good. Third, individually-held *values* and communally-held cultural norms have a significant impact on human development; such particularistic norms do have a place in a pluralistic world and should be engaged through deep conversation across diversity lines. Finally, the legitimacy of the *visions* that motivate indigenous servant leaders turns on whether the process for arriving at the visions is inclusive and whether the substance of the vision is relevant; good news to the poorest members of society. Each of these elements is explored in greater detail below.



**Figure 1** *Dreams InDeed International: Theory of Change*

**The Context: Hard Places**

The authors’ first observation is that turbulent, hard places are particularly fertile ground for generating innovation for the benefit of the marginalized poor. “Hard places” in this theory of change are defined as contexts with two or more of these four characteristics: chronic poverty, violent conflict, human rights abuses, and compromised rule of law. Each of the increasingly interconnected fields of practice in international development seeks to address one of these four characteristics: socio-economic development aims to lift societies out of chronic poverty, conflict resolution seeks to end violent conflict, rights advocacy brings pressure to bear to end human rights abuse, and good governance catalyzes grassroots initiatives to foster the rule of law. Of course, human suffering is not limited to hard places, but hard places are contexts of *systemic* human suffering. In some cases, hard places as defined here could refer to entire countries or regions; in others, to specific pockets of countries or cities that otherwise enjoy some degree of human and social development.

Complexity theory tends to support the proposition that hard places are optimal contexts for the emergence of social innovation. It postulates that innovation emerges at “the edge of chaos,” a condition that has also been called “dynamics with requisite complexity” in the context of social entrepreneurship (Goldstein, Hazy & Silberstang, 2008). This implies that the most likely context for emergent order is at the point of creative tension between stable and unstable states. The “edge of chaos” concept has counterparts in mainstream business literature’s discussion of strategic inflection points (Grove, 1996), leadership practices in complex organizations (Marion, 1999), and strategic adaptation (Pascale, Millemann & Gioja, 2000). High levels of complexity are the norm in hard places, on the one hand propelling brain drains and capital flight, but on the other hand stimulating creativity among the poor to adapt and thrive.

The turbulence of hard places requires and rewards indigenous innovation with survival. Social entrepreneurship in a hard place drives what is usually a painful learning curve at the edge of chaos.

The complexity of hard places also means that cosmetic or surface-level initiatives will have little or no effect. Lasting, adaptive change in hard places only occurs when root causes are addressed. The need for deep, systemic change is implicit in complex systems leadership theory, which defines “leadership” in complex systems as interactions that affect changes in desired ends and/or the perception of acceptable means: “*leadership* in complex systems takes place during interactions among agents when those interactions lead to changes in the way agents expect to relate to one another in the future. This change can be due to changes in perceived purpose, strategy or objective, or to changes in perceived norms as to acceptable choices, behaviors or communications” (Hazy, Goldstein & Lichtenstein, 2007: 7, emphasis theirs). Changes in “purpose, strategy, or objective” are teleological, affecting a change of desired *ends* or *vision*. Changes in “choices, behaviors or communications” are changes in acceptable latitudes of *means* or *core values*.

The simple logic of supply and demand propels assistance to hard places, but often in the form of short-term relief or development initiatives that address symptoms rather than causes. Although such “solutions” may yield short-term results, they may also perpetuate the status quo and lead to dependency. Sustainable development practitioners selecting sites for longer-term engagement tend to gravitate away from hard places and toward less challenging contexts where they can generate the statistics and concrete gains that donors seek. But the moral imperative, left unsatisfied by human suffering in hard places, all the more demands a humane and innovative response. The remaining components of the authors’ theory of change combine to counter-balance disorder while defining and enlarging the zone for innovation in hard places.

### **The People: Indigenous Servant Leaders**

Complex systems leadership theory provides insight into the way that people can catalyze systemic change in hard places. Building on their observation that “leadership” in complex systems catalyzes changes in desired ends and/or the perception of acceptable means, Hazy, Goldstein and Lichtenstein remark that “[e]ffective leadership occurs when the changes observed in one or more agents (i.e., leadership) leads to increased fitness for that system in its environment.... Of course, how effective leadership is depends on what metric of sustainable performance is chosen, which itself depends on *who* does the choosing. Note that effective leadership is always defined with respect to a particular complex system and its particular fitness metric(s)” (2007: 7, emphasis theirs).

In the experience of the authors of the present study, the individuals and communities leading positive social change in hard places need two key characteristics to succeed: first, they must be indigenous to the hard place, and second, they must be servant leaders. Indigenous social entrepreneurs are strategically positioned to promote and innovate social development in their native contexts. To address complex challenges, they can leverage their insider cultural finesse,

extensive networks, credible reputations, and first-hand grasps of local needs and priorities. Rooted in their context for the long haul, they are also strongly motivated to achieve sustainable outcomes: they may stumble repeatedly as they pursue their dream, but they cannot afford to quit.

Although international development agencies often hire local staff and work through local organizations, local participants in international development projects are seldom in a position to exercise *leadership* according to Hazy, Goldstein and Lichtenstein's definition of the term—that is, in shaping *vision* and *core values*. Sadly, the bureaucratic leadership paradigm in the corporate sector (Marion & Uhl-Bien, 2007) is equally prevalent in international development agencies, placing outsiders (who are often also foreigners) at the top of a hierarchical management structure.

Still, international development theorists and practitioners increasingly recognize the value of indigenous leadership, following business and management theory's paradigm shift from bureaucratic to emergent leadership and systems discourse (Schwandt & Szabla, 2007). Freire (1970) called for equal-footing dialogue with indigenous peoples through popular education. Schumacher (1973) proposed an economics of "enough" to prioritize people over production, debunking the notion that Gross National Product (GNP) measures human well being and inspiring what became the appropriate technology and environmental movements. Chambers galvanized the field of international development to affirm indigenous insiders as the local experts of their contexts by "putting the last, first" (Chambers, 1983). Chambers' *Participatory Rapid Appraisal* methodology, now commonly accepted as a developmental best practice initiative, enables indigenous communities to tap their latent ability to self-organize to research their own needs, establish their own priorities, and design their own solutions. Participatory approaches recognize the poor as experts in their context and assign the development professional the role of outside learner, thereby "putting the first, last" and generating effective alternatives to top-down, outside-in social engineering (Chambers, 1997).

Indigenous leaders must also be servant leaders. Not all transformations of vision and core values ameliorate human suffering in hard places: the track record of international development is tragically rife with examples of empowered indigenous leadership degenerating into corruption and conflict, abandoning those they were to serve and sometimes leaving them worse off than before. Instead, successful social entrepreneurs are indigenous leaders who effectively apply influence and resources *for the common good* in hard places—according to Greenleaf's definition (1977), they are "servant leaders" because they serve first rather than lead first. Greenleaf posits that leaders fall along a spectrum between those who wish to "serve first" and those who wish to "[lead] first, perhaps because of an unusual power drive or to acquire material possessions" (1977: 13-14). The difference between the two ends of the spectrum "manifests itself in the care taken by the servant-first to make sure that other people's highest priority needs are being served" (1977: 13-14).

The first challenge for those who seek to equip and empower indigenous social entrepreneurs is to identify servant leaders. Assessment of motive is a dif-

difficult task, because the desires to serve first and to lead first may both be present, mixing as an impure alloy in an individual's experience. However, as Greenleaf recognizes, one can assess the *effects* of an individual's leadership as a proxy for motive:

*[T]he best test, and difficult to administer, is: Do those served grow as persons? Do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? And, what is the effect on the least privileged in society? Will they benefit, or, at least, not be further deprived? (1977: 13-14, emphasis his).*

Such an evaluation is necessarily value laden, as leadership outcomes must be measured against a substantive standard. The terms "social value" and "inherently unjust" in the prominent definitions of social entrepreneurship are too vague to be a basis for evaluation, and as Dees acknowledges, "[i]t is inherently difficult to measure social value creation. How much social value is created by reducing pollution in a given stream, by saving the spotted owl, or by providing companionship to the elderly?" (1998: 4). The calculations are "not only hard, but also contentious" (Dees, 1998: 4), particularly in hard places where differing worldviews contend and pluralism degenerates into pandemonium. The next section addresses the conundrum of identifying particularistic values that will guide the process of evaluation.

## **The Core Values: Stability at the Edge of Chaos**

### *The Case for Values*

A growing body of research indicates that cultural values, and the worldviews in which they are ontologically rooted, play a significant role in human development. Hofstede pioneered an exhaustive survey of values in over fifty countries, theorizing that people develop "mental programs" during early childhood, reinforced by cultural context. This mental "software" is programmed with values, defined by Hofstede as "a broad tendency to prefer certain states of affairs over others" (2001: 5). Values have both intensity (degree of relevance) and direction (good/bad orientation), and are invisible until expressed in behavioral choices.

Values are held or adopted by individuals; when collectivized, they become cultural norms. Hofstede defines culture as "the collective programming of the mind that distinguishes the members of one group or category of people from another...the 'mind' stands for the head, heart, hands, that is, for thinking, feeling, and acting...systems of values are a core element of culture" (2001: 10). According to Hofstede, values are at the core of culture, surrounded by rituals, heroes, and symbols, all of which are expressed in observable practices.

The idea that values and cultural norms play a significant role in human development is implicit in seminal works of political theory and sociology (de Toqueville, 1835; Weber, 1930) and is increasingly gaining credence in contemporary scholarship as well. In his book *Underdevelopment is a State*

*of Mind*, Harrison theorized that cultural mindsets and values are a significant factor in underdevelopment (1985). He applied a development-prone versus development-resistant cultural typology to explain economic success in Brazil, Spain, Taiwan, Korea, Japan, and a few U.S. immigrant communities (1992). The notion that cultural values shape progress (Harrison and Huntington, 2000) quickly took hold in academic, development and popular commentary, prompting positive and negative responses in addition to case studies and surveys around the globe (Harrison & Kagan, 2006; Harrison & Berger, 2006).

One such survey, the World Values Survey, consists of data collected from eighty countries in five “waves” from 1990 to the present. Inglehart, Chair of the World Values Survey and a University of Michigan Professor of Political Science, mapped correlated national data into cultural/religious blocs by traditional versus secular/rational values; by survival versus self-expression values; and by interpersonal trust and per capita gross national product (2000). Inglehart’s research indicates that cultural values—and in particular, religious values—significantly impact human behavior and development, confounding predictions by Marx and Freud that religion would fade away with the rise of industrial economies. Norris and Inglehart concluded that “traditional secularization theory needs updating. It is obvious that religion has not disappeared from the world, nor does it seem likely to do so” (2004: 4).

Although the link between values and human development has only recently been re-introduced into scholarly circles, business and management literature has long recognized that core values are a critical factor in corporate outcomes (Drucker, 1946; De Pree, 1987; O’Toole, 1995; Pollard, 1996; Hesselbein, 2002; Blanchard, 2003; George, 2003, 2007). Peters and Waterman’s study of 62 U.S. companies known for innovation and excellent financial results found them to be “hands-on” and “values-driven” with a core of “shared values,” and concluded that “excellent companies seem to have developed cultures that have incorporated the values and practices of the great leaders” (1982: 26). Similarly, Collins and Porras found that eighteen visionary U.S. companies that far outstripped their peers in shareholder returns each practiced an ideology of uncompromised core values and perpetual purpose that did not revolve around profit (1994: 55).

In a sequel study, Collins found that the permeating practice of shared core values could propel companies from “good to great” (2001). The eleven U.S. companies surveyed had jumped from fifteen years of returns at or below market to sustained returns of at least three times market. Contrary to expectations, all of the executives in the “good-to-great” companies were marked by personal humility and were highly motivated to fulfill the company’s core values and purpose rather than to achieve personal fame or fortune. Shared values were also prioritized over typical criteria like “vision” in recruiting management teams. As a result of values permeation, the good-to-great companies had the integrity to face brutal facts and the faith to take major risks to address them. They wisely focused solely on the overlapping fit between their passions, their talents, and market response and maintained discipline through inner values alignment rather than external controls.

Business and management research has also explored the effects of integrating spiritual values and practices into organizational behavior (Neal & Biberman, 2003; Howard and Welbourn, 2004). In *A Spiritual Audit of Corporate America: A Hard Look at Spirituality, Religion, and Values in the Workplace*, 92% of the 230 U.S. West and East Coast executives and managers surveyed viewed spirituality or religion positively; most wanted it integrated into lives and work of meaning and purpose and believed that spiritual development leads to better results and profitability. The sample also reported a perception that spirituality was privatized as a public taboo; a paradoxical strong fear of and desire to discuss and practice spirituality at work; and a hunger for but dearth of responsible and inoffensive models of spirituality in business. Mitroff and Denton (1999) proposed five organizational models to fill this spiritual vacuum, ranging from religion-based to values-based (without religious reference), with each model trading off values potency against the risk of exclusivity. They conclude that in spite of the risks, institutional integration of spirituality is vital to provide motivation, wholeness, meaning, and purpose to enable people to contribute their full potential to work results.

### *Values in a Pluralistic World*

Even if one accepts that values and culture are inextricably linked to human development, the question of how to engage and incorporate values into social entrepreneurship and other development initiatives is a daunting one. The very conflicts that characterize hard places often emanate from and are expressed in the idiom of worldviews, both secular and religious (Huntington, 1996; Gills, 2000; Tétreault & Denmark, 2004; Hurd, 2008). Some would argue that there is no place for particularistic values in the context of global pluralism and cross-cultural engagement.

Political theorists have advanced different approaches to the role of values in pluralistic societies. Political liberalism defines “justice” as reasonable fairness and establishes *tolerance* as the operating principle of the public square (Rawls, 1971, 1993, 2001). In the interests of stability, political liberalism excludes public debate of irreconcilable religious, philosophical, and moral positions, hoping that tolerance will generate an overlapping consensus. However, the privatization of deeply rooted identity and beliefs from public life undermines the very tolerance and inclusivity that political liberalism seeks. It sacrifices global engagement with deep diversity in favor of stability, achieving shallow uniformity rather than authentic unity.

Agonistic or post-Nietzschean political theory, on the other hand, advocates *respect* (as opposed to tolerance) for diversity and identity differences (Corlett, 1989; Honig, 1993; Mouffe, 2000; Connolly, 1991, 2005). Agonistic theory recognizes the inevitability of the marginalization or exclusion of remainders from any body politic, but calls for respect of their differences. Conflicts inevitably arise over these differences, but agonistic theory hopes that an ethos of critical responsiveness—that is, entering into a struggle that affirms differences—can ameliorate culture wars and foster respect. However, it is unlikely that agonistic respect will lead to less conflict rather than more, particu-

larly in a post 9/11 world where both majorities' and minorities' use of power often undermines ethical mores and erodes rule of law. Without a compelling reason to honor the dignity of others when their differences collide with one's own, power is likely to be exploited for self-interest rather than the common good.

The authors have chosen to adopt a third approach that offers an alternative to this polarization of unity against diversity. Johnson (2007) proposes a *theology of public conversation* inspired by the theology and socio-political theory of Augustine of Hippo. Augustine's understanding of creation affirms both unity (humanity sharing a common ancestor), as well as a celebration of diversity (variety in nature and in human culture). The eschatological hope of perfect unity in diversity in the City of God, in Augustine's thought, can inspire and sustain service of the truest needs of others and respect for their differences within Augustine's flawed City of Man without imposing expectations for an earthly utopia (Johnson, 2007: 140-173). Johnson proposes rich and deep conversation within a pluralistic public that:

*...involves both the exchange of words and interaction between different manners of life. As people converse, they are to speak from within the particularity and fullness of their identities, beliefs, and practices, for it is as identities are embodied, as narratives are incarnated, and as people live together and engage one another from within the embodiment of their differing narratives, that true conversation occurs. Such conversation operates with a trust in what can be learned and accomplished through interaction, debate, and deliberation. This means each party in the conversation is open to being persuaded by the other, to changing its convictions and practices (2007: 258).*

The foregoing discussion has two implications for the practice of social entrepreneurship in a milieu of global pluralism that is too often marred by exclusionary rhetoric and violent conflict. First, the practice of deep conversation across diversity lines should be inherent in the process of social entrepreneurship. Complexity theorists are discovering the power of narrative in complex adaptive systems (Boje & Baskin, 2005). Similarly, social development best practice confirms that participatory approaches build the capabilities of the marginalized, with emphasis on transparency, inclusion, equality, and power-sharing to address imbalances in power dynamics (Duraiappah, Roddy & Perry, 2005).

Second, core values and vision, as well as their ontological roots, should be identified and explored in conversation, rather than glossed over. Conversation must explore differences in depth rather than superficially discussing commonalities alone. Deep conversation and incarnated narrative produce mutual learning and trust that, in turn, propel the social networks and mutual collaboration needed for social entrepreneurship (Fukuyama, 1995). Building and sustaining relationships across deep differences is costly, but there are no short cuts to enriching the networks required for change to emerge. Examples of the potential of such costly commitment are the remarkable achievements of the Vel-

vet Revolution in then-Czechoslovakia (Havel, 1990) and the Truth and Reconciliation Commission in South Africa (Tutu, 1999). To truly achieve unity in diversity, communities must be able to share and process deeply-rooted core values and visions as well as their failures and successes in living up to them.

### *Values for Promoting Development*

If there is a role for particularistic values in international development and social entrepreneurship, the question follows: what values? Charters of global ethics bridging religion and culture (Küng, 1996: 12-26) and global survey trends (Inglehart & Welzel, 2005) catalogue the universe of values, but do not identify specific values tailored for social entrepreneurship. Management research has made more progress in identifying values that are conducive to success: for example, while Collins and Porras found no single value to be consistent across all eighteen visionary companies surveyed, some values did showed up repeatedly (1994: 67-76). Analysis of recurring themes in the companies' core ideologies reveal five value clusters: (a) passion/service/hard work, (b) service/dignity/people, (c) innovation/risk-taking, (d) excellence/quality, and (e) integrity/honesty.

The challenge is to identify value clusters for social entrepreneurship in hard places and root them in a concrete, historical model for ontological stability while engaging diverse stakeholders in the context of global cultural and religious pluralism. The authors sought to achieve these aims in selecting the core values of Dreams InDeed International, a private, nonprofit development organization currently active in the Middle East and Southeast Asia. The organization's mission is to "strengthen indigenous social entrepreneurs in hard places to enable the poor to thrive as God intended." Its charge, as stated in its legal charter, is to "initiate and support various charitable, humanitarian and educational projects and initiatives to help meet the needs of the poor, hungry, thirsty, unclothed, sick, disabled, homeless, marginalized, imprisoned, orphaned, widowed, aged, vulnerable and disadvantaged persons throughout the world, as a tangible demonstration of the love of Jesus Christ without discrimination on the basis of religious heritage, race, color, gender, or ethnicity."

The values of the organization are those exemplified by "the life of Jesus," meaning narratives of the life of Jesus preserved in historical tradition as well as beliefs about his enduring presence that identify the community of his followers. The life of Jesus is thus the historical model that provides ontological stability or concreteness to Dreams InDeed's values: passion (enduring sacrifice), humility (serving with respect), faith (embracing risk), wisdom (applying insight), and integrity (deeds equal words), each of which is explained in further detail below.

*Passion: enduring sacrifice.* Passion is unflagging zeal for the mission, springing from an inner well of unconditional love, willingly choosing to pay the price of suffering and sacrifice for others. Blind to self-interest and committed to ensuring that successors succeed, this passion is similar to what Collins labels "Level 5 Leadership": "intense professional will...ferocious resolve, an almost stoic de-

termination to do whatever needs to be done... fanatically driven, infected with an incurable need to produce results” (2001: 21, 30). Passion answers “yes” to Ashoka’s social entrepreneur test question: “Are they possessed, *really possessed* by an idea? Is this an idea that you see growing out of their whole life?” (Bornstein, 2004: 122). On display throughout the life of Jesus, this passion came into bold relief in his final pre-meditated decisions. As an adaptive leader facing complexity at the edge of chaos, he provoked a transformative crisis (by clearing the temple of opportunistic hawkers); groomed emerging leadership in transition (by preparing his followers for his departure); modeled steady values alignment under duress (by forgiving his crucifiers); and focused solely on mission over self-interest (by sacrificing self to inaugurate change).

*Humility: serving with respect.* Humility takes the genuine attitude and active role of a servant and perpetual learner; content with shadows, not limelight; preoccupied by the mission, not self. This value permeates Greenleaf’s classic concept of servant leadership (1977). Similarly, Collins identifies “personal humility” and “compelling modesty” as the second distinguishing mark of Level 5 Leadership, seen “where extraordinary results exist but where no individual steps forth to claim excess credit” (2001: 37). The followers of Jesus incessantly quarreled over top leadership positions; he invariably changed the topic to elevate little children or field hands. Jesus’ washing of his followers’ dirty feet during their last evening together undoubtedly served as a riveting illustration for them of the value of humility displayed not in words, but deeds.

*Faith: embracing risk.* Faith is the unshakable confidence and raw courage to take bold risks—after weighing available information—and then keep taking further risks. Collins calls it “unwavering faith amid facing the brutal facts” (2001: 80). Faith is not at all blind, although it may seem so to those unwilling to recognize it as opportunity. Its nurture requires “rich support networks so pioneers will flourish” with “substantial tolerance for failure” (Peters and Waterman, 1982: 211, 223). Faith is the entrepreneurial spirit that invests in innovation and re-invests despite setbacks, certain of future returns. The life of Jesus exemplified one step of risk-taking faith after another. Confident that future outcomes warranted costs, he traversed hostile territory, challenging establishment and revolutionaries alike. He delegated the mission’s future to doubting ex-deserters, evoking their potential with unwavering acceptance and uncompromised demands. Most telling, even after total abandonment by his God in his darkest hour, he entrusted himself to that same God again. Faith endures.

*Wisdom: applying insight.* Wisdom is the application of profound truth in complexity. Perceiving what is really at stake when dilemmas defy answers, wisdom points the way forward under pressure. Wisdom manages “ambiguity and paradox” (Peters and Waterman, 1982: 89). Wisdom guides decisions that “get the right people on and the wrong people off the bus” and discerns the profoundly simple truth at the heart of numbingly complex conditions (Collins, 2001: 54, 90-119). Wisdom permeated the life of Jesus. He discerned the motivations

of others, held himself steady amid tension, and side-stepped distractions with uncanny timing. Greenleaf recounts the story of legal experts cornering Jesus to apply the law to condemn a woman caught in adultery:

*Jesus must make a decision; he must give the right answer, right in the situation, and one that sustains his leadership toward his goal...to bring more compassion into the lives of people...He chose instead to withdraw to open his awareness to creative insight. And a great one came, one that has kept the story of the incident alive for two thousand years... 'Let him that is without sin among you cast the first stone.'* (1977: 28-29, emphasis his).

Hard places generate lose-lose conundrums; wisdom illumines ways to transform and transcend them.

*Integrity: deeds equal words.* Integrity is the foundation of character with purity of motive, sincerity of intention, and unalloyed truthfulness. Integrity upholds the “my word is my bond” standard when it exacts a dear price: words and deeds match. Integrity is the anchor of Fukuyama’s construct of trust, the bedrock of social capital (1995:36-37, 151-152). Drayton calls it the “ethical fiber” of social entrepreneurs, critical to win and sustain the trust of followers to be changed themselves and act for fundamental social change (Bornstein, 2004:123-5). Expressed metaphorically as purity of heart and singleness of eye, the life of Jesus consistently demonstrated integrity: deeds matching words. He advocated radical non-discrimination by a story elevating a Samaritan, a despised minority, as the archetypical good neighbor. Beyond rhetoric, his behavior modeled his principle of non-discrimination by publicly befriending Samaritans and other outcasts, comfortable with the despised reputation as a friend of the marginalized.

### **The Visions: Dreams for the Poor**

If, as Hazy, Goldstein and Lichtenstein propose, leadership in complex systems consists of transformations in *core values* and/or *vision*, what are the visions that will inspire the social entrepreneurs of this generation? What are the dreams that will propel the transformation demanded in this century, already marked by war crimes and genocides, crushing poverty and pandemics, mass terror and masked torture, systemic slavery and environmental collapse? The authors propose three litmus tests for visions and dreams worthy of support in the field of social entrepreneurship.

*Inspired and Inspiring:  
Does the Vision Inspire Sacrifice in the Face of Chaos?*

The etymology of the word “inspired” is “to breathe into”, sharing the same root as “spirit” (American Heritage Dictionary, 2006). References too numerous to cite in both the social entrepreneurship and organizational development literature alike affirm that vision is essential. The spirit in the social entrepreneur

sparks vision, providing perspective to illuminate a direction that leads into the unknown. The moment of truth arrives when the cost of the vision comes due in a hard place. The profound nature of the inspiration compels the visionary to obey the vision, in spite of the costs and with no human assurance of success. In the crucible of hard places, such moments of truth come time and again.

Saint-Exupéry, a French reconnaissance pilot, faced such a moment when flying a sortie over occupied France in May 1940. Of his group, seventeen of twenty-three had already perished. His airplane riddled by tracer bullets, he recounted his soul-searching struggle of whether this mission was worth his death. At the edge of chaos, his vision became crystal clear:

*This morning France was a shattered army and a chaotic population. But if in a chaotic population there is a single consciousness animated by a sense of responsibility, the chaos vanishes. A rock pile ceases to be a rock pile the moment a single man contemplates it, bearing within him the image of a cathedral... He who bears in his heart a cathedral to be built is already victorious. He who seeks to become a sexton of a finished cathedral is already defeated. Victory is the fruit of love. (Saint-Exupéry, 2007: 218-220).*

The inspiration of the vision gives birth to love that willingly pays the price to bring that vision to life, whether or not its ultimate fulfillment is seen in one's lifetime.

The inspiration of the vision of an invisible future must be more tangible and compelling than the challenges of the present chaos. Such a vision, is at a minimum, what Collins and Porras name "the big, hairy, audacious goal" (1994: 91-114), or what Greenleaf describes as "the overarching purpose, the big dream, the visionary concept, the ultimate consummation of which one approaches but never really achieves" (1977: 15-16).

Although the celebration of innovation in the literature is warranted, a vision or a dream is more than a new or good idea—it calls for and insists on sacrifice. The vision must also transcend and outlive the visionary. At the height of the civil rights movement in 1963 at the Lincoln Memorial, for example, Martin Luther King, Jr. did more than announce an innovative idea or an audacious goal. His integrity validated by a track record of costly decisions, King's proclamation, "I have a dream!" galvanized a generation to embrace transformative sacrifice.

*Good News to the Last and Least:  
Do the Last and Least in Hard Places Recognize the Vision as  
Relevant, Good News?*

All social entrepreneurship definitions agree that the mission or vision must offer a social value proposition that advances social justice, but it is less clear how to determine whether a vision expresses a legitimate social value proposition. The authors propose two tests: one that evaluates the process by which a social value proposition emerges, and another that evaluates the substantive legitimacy of the proposition.

The process of crafting the social value proposition should include and feature the last to be served, the least privileged, those in greatest need. Commitment to a bottom-up participatory process ensures that the voices, and therefore the aspirations and capabilities of those in greatest need are reflected in the social value propositions that emerge. Complex systems leadership theory's insight that adaptive solutions emerge in the space between people is borne out in the empirical studies of the efficacy of participatory methodologies (Duraiappah, Roddy & Parry, 2005). Just as market forces in the business sector generate market failures when muting the voices of those with the least economic leverage, so also donor agendas in the voluntary sector, however well-meaning, tend to overshadow the perspectives of those they seek to serve. While affirmed in social development and political theory as necessary, achieving this standard of participation is costly, messy, and complex: there is no short-cut to bottom-up relevance.

Nobel Prize winner Pearl S. Buck once articulated the reference point that tests the vision's substantive legitimacy: "the test of a civilization is in the way that it cares for its helpless members" (1954: 337). People as diverse as Aristotle, Mahatma Gandhi, Pope John Paul II, Dietrich Bonhoeffer, and Hubert H. Humphrey have proposed variants of this litmus test. Scholars have also introduced this norm in their various fields of study. Economics Nobel Prize winner Amartya Sen defined poverty as capability deprivation, thereby changing the measuring stick of human quality of life from economic wealth to human freedom and agency (1999). Sen identifies five essential freedoms that the "helpless members" of society ordinarily lack: economic opportunity, political freedom, social facilities, transparency guarantees, and protective security (1999). Alkire and her colleagues translate Sen's theory into rigorously quantifiable metrics informed by and derived from data collected from the least privileged (Alkire, 2002; Comim, Qizilbash & Alkire, 2008). Nussbaum raises the bar further, calling for empathy and benevolence on behalf of those unable to advocate for themselves, namely the disabled and mentally impaired, the dispossessed alien and refugee, and nonhuman animals (2006). These sources suggest that a legitimate social value proposition must accurately reflect the aspirations and best interests of those in greatest need and least able to advocate for themselves, not the assumptions or agendas of those who are seeking to assist them.

*The Pursuit of Unity in Diversity:*

*Does the Vision Invite All to Participate and Call All to Change?*

To achieve lasting positive change, visions in the field of social entrepreneurship need to support the struggle to preserve unity while respecting diversity. Because social value propositions offer good news relevant to the marginalized or dispossessed, social entrepreneurship initiatives will inevitably be positioned at the fault lines of society, addressing the underlying causes of those divisions. The new social value proposition aiming at "the creation of a stable ecosystem around the new equilibrium ensuring a better future for the targeted group and even society at large" (Martin & Osberg, 2007: 35) upsets the previously unjust status quo. This change in an unjust status quo typically leads to resistance or

conflict by those formerly benefiting unless both the victims and victimizers (or the many parties in fractured, complex conflicts) own the vision and values inherent in the social value proposition. Without achievement of new, multiple-party win-win agreements, the “better future” intended for a target group may compound problems by inadvertently giving cause for lose-lose conflict.

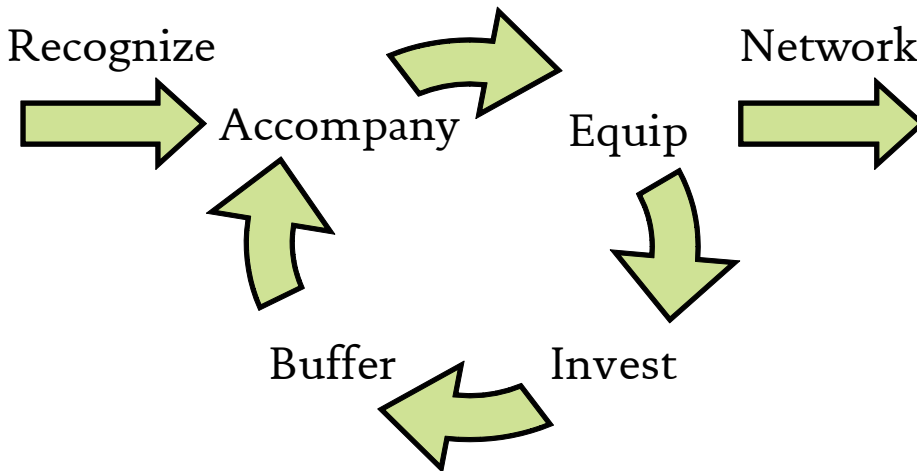
The authors again propose two ways forward. First, pursuit of social entrepreneurship visions should incorporate processes that increase the likelihood of equitable solutions. Social entrepreneurship practice should include conflict prevention, resolution, and mediation principles to encourage deep conversation at the level of cultural identity and ontological distinctives (Kahane, 2003). It should also emphasize building trust with wisdom through development methodologies such as “Do No Harm” (Anderson, 1999). Second, visionary social value propositions must aim to identify and address underlying causes of conflict and seek reconciled community rather than settling for treatment of symptoms to merely reduce conflict. In his poem *Outwitted*, Edwin Markham paints the vision required for social entrepreneurship in hard places, identifying the motive of love and method of wit to pursue unity in diversity:

*He drew a circle that shut me out—  
Heretic, a rebel, a thing to flout.  
But Love and I had the wit to win:  
We drew a circle that took him in!* (1915: 1).

A social entrepreneurship vision worthy of support seeks to achieve a community in which unity and diversity exist in creative tension within the same circle marks. Such a vision invites all to participate, including those with differences (because each of us must be part of the solution), but calling all to change to serve the common good (because each of us also is part of the problem).

## **The Operating Model: Fostering Adaptive Leadership**

**D**reams InDeed clients are values-aligned, indigenous social entrepreneurs committed to empower poor communities in hard places. Their marginalized communities are those put at risk by sectarian violence, rights violations, chronic poverty and compromised rule of law. Turning dreams into deeds in hard places requires not only indigenous servant leadership, but also customized support, especially at early stages. The Dreams InDeed operating model features six customizable functions, enabling indigenous visionaries and communities in need to bring the beginnings of change to viability: recognize, accompany, equip, invest, buffer, and network. The components of this operating model for social entrepreneurship incubation are described in Figure 2.



**Figure 2** *Dreams InDeed International: Operating Model*

### **Recognize**

Social entrepreneurship starts with the right people, the right values, and the right vision, in a hard place. With those elements in place, the rest follows. Dreams InDeed recognizes those “right people” against five theory-of-change criteria: (a) hard place complexity, (b) indigenous servant leadership potential, (c) demonstrated values alignment, (d) vision relevance confirmed with the poor, and (e) willingness to collaborate. The challenge is to identify individuals at the early, formative stages when the viability of their vision is most vulnerable.

The “right people” are the “positive deviants” who, while living in the same hard place as their peers, have discovered and are living an innovation that is good news for the poor (Sternin, 2003). The right people are often engaged in clusters where leadership is shared and talents blend, although some often emerge as *primus inter pares*, first among equals. In the authors’ experience, the optimal strategy to find budding social entrepreneurs is to map and explore networks aligned around shared values. Like prospectors trace gold dust to nugget to ore to vein, the hunt for emerging social entrepreneurship follows networks for potent expressions of values in ever more diverse and complex contexts. Finding candidates is only step one, however; the relational dance of the iterative, dynamic process of mutual assessment then begins. Collaborative trust is based in values-aligned relationship, multiplied by demonstrated capacity, leveraged for a shared vision. Due diligence checks are helpful, but rich and deep conversation while working on initial exploratory tasks is of greater value.

### **Accompany**

The second key resource is also people: values-aligned mentors. Social entrepreneurs often remark that they prize this resource most of all. Mentors are recruited by a selection process similar to that described for social entrepreneurs, primarily through informed networking. Criteria for mentors include (a) demonstrated values alignment, (b) servant leadership track record, (c) relevant

work experience, (d) accessible availability, and (e) willingness to accompany, encourage, advise, and—when necessary—correct aspiring social entrepreneurs through hard times in hard places.

Sustaining adaptive change with communities in hard places (Heifetz, 1994; Heifetz & Linksy, 2002) requires skilled, devoted servants of servant leaders. Such people are few. When paid, they could command a hefty price. However, most provide accompaniment pro bono, compelled by the values and vision they prize over compensation. Like Collin's Level 5 Leaders (2001:39), these mentors have often achieved remarkable results, but focus on ensuring that the next generation's success surpasses their own. Sharing from—but not projecting—their experience, mentors serve as sounding boards to assist social entrepreneurs to reflect on their own life histories, distill their values, hone their innovations, and pursue their dreams (George, 2008). The aim of accompaniment is not to teach, but to listen, co-discover, and amplify.

### **Equip**

Social entrepreneurs often lack certain areas of technical expertise to turn inspiring visions into operational realities. Dreams InDeed, therefore, assesses these gaps and links the individual to local expertise, often pro bono but paid if such expertise is otherwise unavailable, to help complete the operational puzzle. Inputs vary case-by-case, but may include consultancy in law, finance, governance, resource development, communications, human resources, or other subject matters. While helpful and occasionally necessary, technical assistance is often readily available from development agencies or business consultants. Dreams InDeed therefore focuses on advising the social entrepreneur on the prioritization and development of a network of aligned, competent, and local expertise.

### **Invest**

Indigenous social entrepreneurs are responsible for developing committed constituencies to resource and sustain their enterprises, whether as investment (for business ventures) or as donations (for voluntary sector initiatives). However, seed funding is often particularly hard to come by at early stages and in hard places. Therefore, Dreams InDeed provides seed grants or invests start-up funding based on a case-by-case assessment of the enterprise needs, risks, and potential. The aim is to provide enough funding to remove any temptation to despair, but not enough to succeed. This leaves the social entrepreneur keenly motivated to develop locally sustainable resources. Disbursements are often released in phases with serial grants conditional upon disbursement terms to ensure that milestones to sustainability are achieved.

### **Buffer**

Indigenous social entrepreneurs face compound and complex contextual challenges in hard places. Communications and publicity can be a two-edged sword, attracting both needed support and unhelpful attention. With insider understanding of dynamics in their hard places, indigenous social entrepreneurs set

the terms and aims for communications about their work with Dreams InDeed. Similarly, active support from, or merely relationships with, people of influence can be helpful or necessary to sustain initiatives seeking to bring about systemic changes on behalf of and with the poor. As needed, Dreams InDeed seeks to link indigenous social entrepreneurs to people of influence so they can discreetly collaborate to overcome obstacles or address threats.

## Network

Strategic networking aims to build, sustain, morph, and leverage impact between and beyond social enterprises to achieve synergistic outcomes. Not to be confused with schmoozing, network-weaving is the discipline and art of mapping nodes and linkages in values-aligned social networks, catalyzing prominent nodes to multiply and strengthen new linkages, and orchestrating all for shared vision impact. Network weaving aims for unity in diversity: “[a] successful formula for creating ties for innovation is to find other groups that are both similar and different than your own. Similarity helps build trust, while diversity introduces new ideas and perspectives. *Connect on your similarity, and profit from your diversity*” (Krebs & Holley, 2002: 12, emphasis theirs). Compelling cases document the cost-effectiveness of strategic networking to achieve scaled impact far beyond organizational boundaries (Wei-Skillern & Marciano, 2008). Dreams InDeed develops indigenous social entrepreneurs from network beneficiaries into intentional network weavers to multiply impact beyond their own initiatives (Taschereau & Bolger, 2005).

## Conclusion

Popular and professional circles increasingly recognize that social entrepreneurship can catalyze positive socio-economic change in poverty-stricken regions of the world. However, it remains difficult to design and deliver appropriate inputs to enable social entrepreneurs to succeed because the systemic dynamics of social entrepreneurship are not well understood. Complexity theory—and, in particular, complex systems leadership theory—offers important insight into the workings of leadership in chaotic circumstances and could be the basis for a theory of social entrepreneurship.

This article, and the accompanying case study (see Appendix), has explored how one development organization fosters leadership for social change in the midst of disorder. Dreams InDeed International works exclusively in what it calls “hard places”—regions where chronic poverty, violent conflict, human rights abuses, and compromised rule of law are the norm. The organization’s theory of change is that the right people with the right values and the right vision are strategically positioned to lead positive social transformation in the hard places where they live and work; all they need is the right support to bring it to reality. To this end, Dreams InDeed recognizes, accompanies, equips, invests in, buffers, and networks social entrepreneurs.

Dreams InDeed’s core assumption is that values are the stabilizing factor that will facilitate the emergence of social change at the edge of chaos: specifi-

cally, the values of passion (enduring sacrifice), humility (serving with respect), faith (embracing risk), wisdom (applying insight) and integrity (words equals deeds) as exemplified in the life of Jesus. Accordingly, values alignment is the key to Dreams InDeed's operations, providing a metric for evaluating clients and partners as well as a standard for the organization's priorities, policies and behavior.

Time will tell whether this theory of change is borne out in reality. In the meantime, the authors strongly encourage further research on leadership in complex systems as well as continued conversation between complexity theorists and practitioners in the fields of international development and social entrepreneurship.

## **Appendix: The Case of Coffee and Kids at the Edge of Chaos**

**D**reams InDeed International is a private, nonprofit development organization currently active in the Middle East and Southeast Asia. The organization's theory of change is that the right people (indigenous servant leaders) with the right values and right vision in hard places are strategically situated to catalyze positive social innovation; however, they also need customized support at the earliest stages of their efforts in order to bring their visions to fruition. Dreams InDeed seeks to provide this support, applying its operating model—recognize, accompany, equip, invest, buffer, and network—to enable indigenous social entrepreneurs to foster sustainable change and development in hard places.

Values alignment is at the heart of Dreams InDeed's evaluative process and operating strategy. The organization's founders drew on twenty years of field experience to identify five core values that are conducive to human development: passion (enduring sacrifice), humility (serving with respect), faith (embracing risk), wisdom (applying insight) and integrity (deeds equal words). These values are the metric by which Dreams InDeed staff members select clients, mentors, and other partners. Values alignment enables the organization to increase its impact through strategic networking rather than expansion through bureaucratic controls: values-aligned network members can cooperate at different levels and work in tandem without reporting to an overarching command structure.

This case study illustrates how Dreams InDeed has applied its theory of change, operating model, and core values in Southeast Asia. The actual process of discovering and working with indigenous social entrepreneurs is dynamic and non-linear; however, for the sake of clarity, the case is structured so that each section illustrates an element of the operating model.

In February 2008, the authors traveled to a Country in Southeast Asia for a three-week exploratory trip. They recognized that the systematic exploitation of vulnerable people, especially young girls, clearly characterizes parts of Southeast Asia as "hard places." With a loosely developed plan and two contacts, the authors' decided to demonstrate faith, "embracing risk" by investing

time and resources on an exploratory trip. The initial catalyst for the trip was the authors' friendship with a couple who owned a US-based floral design business and expressed a strong interest in linking their customers to ventures that work against labor exploitation in Southeast Asia. Fair-trade organic orchids was the business product that was conceived as a natural linkage. Although it eventually became clear that the cost of raising export-quality organic orchids was prohibitive, the authors made a valuable connection with a potential social entrepreneur: John, an organic coffee entrepreneur, and his wife and business partner, Flora (not their real names).

## Recognize

The "recognize" phase involves identifying the right people with the right values and right vision in hard places. Dreams InDeed usually makes initial contact with potential clients through pre-existing networks. The organization conducts due diligence checks on each potential client, but in the authors' experience, rich, deep conversation with the potential client in the context of initial exploratory tasks is a more valuable means of assessment.

The authors met John and Flora in February 2008, during their first exploratory trip to Southeast Asia. John was a member of an ethnic minority in the Country, had extensive personal experience with tribal peoples, and had previously worked for major multi-national corporations. Flora was of the ethnic majority in the Country and had been successfully self-employed. Following a serious health incident and some deep soul searching, they left their high-paying jobs to move to a rural City to find ways to help marginalized, impoverished tribal families. They began experimenting with growing organic coffee and trained and employed approximately 35 tribal families to cultivate and harvest coffee trees. To further address the causes of risk for tribal children, John and Flora donated profits from their coffee business to supply rice to educational hostels in remote mountainous areas. These hostels provide a safe and supportive environment for children who otherwise live too far to attend school.

Over the course of three extended visits with John (in February 2008, August 2008, and January 2009), the authors continuously assessed him as a potential social entrepreneur according to Dreams InDeed's theory of change.

*Hard Place.* The mountainous regions where John and Flora work, whether for the hostels or for their organic coffee business, are recognized as a location where marginalized people are in desperate economic need. The factors contributing to the risk of exploitation in the Country as a whole are:

- Compromised citizenship. The Country has many levels of personal identification, each with specified rights. Limited rights make children vulnerable;
- Lack of education. Many of the remote villages have limited access to education and some children are removed from school to work;
- Economic need. Families in remote regions of the Country are desperately poor, and;

- Cultural tradition. The cultural norm in some areas is that the eldest daughter bears economic responsibility for the family.

*Indigenous Servant Leadership.* John and Flora have unique gifts and come from two distinct backgrounds: John's experiences in childhood and young adulthood enabled him to build close ties to different tribal groups; Flora was part of the ethnic majority. Their commitment to serve tribal farmers motivated them to leave lucrative careers to relocate near the farmers. Their subsequent actions have further illustrated servant leadership, as well. When need arose for a health center in an isolated area near an educational hostel, John donated land and a small building to use. John and Flora give their own organic coffee saplings to the tribal farmers to use in growing organic coffee. When there is a glut of organic coffee produced, John still buys coffee from the farmers and personally finds other buyers, even at prices that bring him no financial benefit.

*Values.* The authors clearly saw four of the key values in John's life decisions and behavior, and potential for growth in a fifth:

1. *Passion.* John and Flora showed a willingness to sacrifice when they dramatically reorganized their lifestyle by moving to the City and changing careers. Their initial experiment with growing and marketing organic coffee left them nearly destitute. After succeeding, they took further risk to recruit and train tribal farmers. They used profits from their business to support educational hostels.
2. *Humility.* John's financial contribution to the hostels often required that he personally purchase rice and transport it to remote hostels. John also shared his expertise in organic coffee production with other "competitors" who employed tribal farmers, even though this brought him no personal benefit.
3. *Faith.* John donated his own coffee seedlings to the tribal farmers and trained them himself. In the first year, half of the plants died due to farmer error. He used the failure to learn how to screen and evaluate farmers and improve his teaching methods. He continues to provide seedlings to the farmers.
4. *Wisdom.* This value was not as clearly evident from the first round of discussions with John. During their initial assessment, the authors noted that further evidence of John's alignment with the "wisdom" value was needed and perhaps further training and mentorship in this area would be appropriate.
5. *Integrity.* Because he had given his word to his farmers that he would assist them, John persevered in keeping his promises, even at significant personal expense and disappointment.

*Vision.* When the authors met John in February 2008, his vision was not yet fully crystallized. John's multiple social entrepreneurial initiatives addressed two causal factors of exploitation in his Country: economic need and limited education. While his initial efforts were concentrated in several provinces, his

vision and passion extended to marginalized ethnic groups in similar situations across Southeast Asia. His efforts in his own Country were like a laboratory whose results might be translated into opportunities in other needy communities across Southeast Asia. His organic coffee farm efforts provided impoverished tribal farmers an opportunity to generate a decent income, thus lifting the burden of recruiting their children to assist in providing finances. John pledged a percentage of his organic coffee profits to support educational hostels. These hostels provided children from remote areas with a safe place to live while they continued their education and a chance at a better future.

Although it was not absolutely clear by the end of the authors' February 2008 trip that John met Dreams InDeed criteria, the recognition process continued through ongoing correspondence with John and return trips to the Country in August 2008 and February 2009.

During the subsequent two visits, the authors guided John through a process to define and articulate a vision that was deeply rooted in his personal history and convictions: to provide sustainable livelihoods for the marginalized in the hard places across Southeast Asia. This vision, although nascent, met the litmus tests for dreams worthy of support by the organization:

1. *Inspired and Inspiring.* John's vision is born out of a life story that is filled with deep suffering and sacrifice resulting in a heart passion to make a difference for those who are still suffering as he did through his childhood and adolescence. His vision cannot be fulfilled in his lifetime by himself alone.
2. *Good News for the Last and the Least.* As one who himself endured poverty and discrimination, John knows firsthand the indignities of being poor and excluded. He aims to partner with the marginalized to prove what he knows they already possess: the ability to work and meet their familial obligations. The participation of rural farmers in trying organic agricultural innovations, and their enthusiasm to entrust their children to hostel parents, confirm their recognition of his vision as relevant to their aspirations.
3. *The Pursuit of Unity in Diversity.* John's vision includes the marginalized of all of Southeast Asia, an area with a history of conflict across national, tribal, and political lines. Transcending the suffering he endured, he seeks to serve without discrimination across dividing lines, even and especially people of diverse backgrounds unlike his own.

### Accompany

Dreams InDeed "accompanies" indigenous social entrepreneurs by providing direct mentorship and networking them to other, preferably local, values-aligned mentors. In John's case, the authors have provided most of the mentorship but are working to identify others in-country who can serve as mentors.

In August 2008, the authors returned to Southeast Asia for two weeks, spending daily time together with John, sometimes for 14-hour stretches at a time. The authors explored John's network; visited business associates, friends, and extended family; and got acquainted with a nonprofit board on which he

serves. During that time, the authors listened to John's life story and discussed themes. On a day-by-day basis, as trust and understanding deepened, John revealed more of his life's triumphs, trials, and sorrows. He also shared his newest plan to generate income for rural farmers: small-scale ethanol production. Under John's plan, farmers could raise non-edible corn to sell to an ethanol plant and receive cash or ethanol in exchange. Since ethanol is a controlled substance and production licenses are nearly impossible to obtain, John demonstrated wisdom by working with an agricultural cooperative director who had obtained a government license.

The authors joined John on an overnight visit to several hostels. The journey offered more opportunities for conversation and observation of John's character traits and values. With John's help, the authors interviewed hostel dorm parents about their lives, challenges, and aspirations and the children they served in the hostels. These semi-structured interviews showed the hostel parents to be dedicated, caring, and responsible adults. The facilities were extremely simple, mostly made from split bamboo. The hostel dorm parents all expressed need for food security. John and the authors discussed the feasibility of income-generation projects to enable the hostels to become financially self-sustaining.

After returning to the City, John and Flora suggested meeting in their home and shared more deeply about themselves. John asked for feedback on business and social initiatives that were draining him, sharing his realization that misaligned values were the core of his struggle. This led to conversations about gracious ways to disengage and screen future involvements. The authors and John then reviewed the Dreams InDeed theory of change, operating model and values, and John asked for help defining his own mission, vision, and values. The authors and John then agreed to tasks that each would undertake for six months before the next meeting.

During the authors' second visit in August 2008, John spontaneously shared more profoundly about his life and vision. The authors were able to affirm their initial assessment of John and add some new observations. John further demonstrated integrity by faithfully producing the required documentation for a confidence-building grant that Dreams InDeed had made for purchase of food for the educational hostels.

## **Equip**

The purpose of the "equip" phase in the Dreams InDeed operating model is to provide social entrepreneurs with the tools and skills required to turn their visions into operational realities. Although inputs vary from case to case, Dreams InDeed advises the social entrepreneur on how to prioritize and develop a network of values-aligned, competent, local expertise.

The authors and a non-profit consultant returned in February 2009 to continue discussions on the best structure to propel John's vision and work. John had recruited another values-aligned person to work with him. Through several meetings, the authors and the consultant begin guiding John and the other stakeholder through a process to help them further refine and craft a vision, mis-

sion, and values for the work John had begun. These discussions revealed that the uniqueness and breadth of the vision would require the establishment of a new non-profit organization. Creation of such an entity would take time, but in the interim, there was an immediate need for a structure to assume responsibility for the educational hostels and community development initiatives.

Brainstorming, researching, visiting, and evaluating the vision, values, and capacity of various structures together, John and the authors undertook to identify a non-profit organization that could provide oversight of an operating grant from Dreams InDeed. This operating grant added urgency to finding a partner organization and fueled creative thinking. The search started in August 2008 and continued until February 2009 when it culminated in discovery of a suitable organization whose director had over three decades years of relationship with John's family. The vision and values alignment was so strong that when the agreement was signed, the umbrella organization only required a 1% grant management fee. Also, during the 2009 trip, the authors, a consultant, and a venture philanthropist made on-site visits to John's organic coffee farm. The consulting team honed John's critical thinking skills and broadened his perspective by examining his pricing strategies and his niche in the global coffee market.

### Invest

Dreams InDeed provides non-profit seed grants or invests start-up capital based on a case-by-case assessment of the social enterprise's needs, risks, and potential. The aim is to provide enough funding to protect the social entrepreneur from the temptation to despair, but not enough to relieve the motivation to identify other sustainable sources of funding.

Shortly before the end of their first visit in February 2008, the authors committed funds to meet a funding shortfall for the educational hostels, and John agreed to manage these funds. The authors made this immediate commitment of funds to invest in building relational and organizational confidence and to evaluate John's *integrity* and ability to steward resources. This confidence-building grant was also a means for the authors to demonstrate the values of *faith* and *passion*, and ensure continued communication. Dreams InDeed made a second operating grant in year two to maintain momentum while making the initiative more attractive to other investors.

A venture philanthropist also accompanied the authors in February 2009 to offer business and photographic expertise. After he saw the coffee production entrepreneurial work and interacted with the hostel children and dorm parents, he pledged a grant designated specifically for the support of the children. However, his investment was not only cash. The visiting venture philanthropist also advised on defining capital investment needs and cash flow strategies for a new initiative focusing on macadamia nut production. John recognized that some subsistence farmers living at an altitude level that is not conducive to coffee production could grow macadamia nuts. However, these farmers lack the economic resource to wait the four to five years before the macadamia nut trees would produce. John had not been able to solve this problem. The venture philanthropist

used his business acumen to propose a solution to the problem and calculated the capital needs.

### **Buffer**

Social entrepreneurs face compound and complex challenges in the hard places where they live and work. Dreams InDeed acts as a buffer for its clients by providing case-specific consulting on strategy and contingency planning, linking clients to people with relevant influence so they can discreetly collaborate to address obstacles or threats, and tailoring communications to attract support without attracting unhelpful attention.

The instability of John's situation became clear after the authors' second meeting with him, when his Country was convulsed by civil disturbances, economic crises, and political upheaval. Escalating fuel prices put John's ethanol project on hold and a tourism downturn cut his coffee sales, reducing its profitability. John's loss of income also affected the livelihoods of the tribal farmers and the educational hostels' stability. Dreams InDeed provided cashflow buffers in the form of modest operating grants to bridge the educational hostels through the economic crisis. Dreams InDeed also provided buffering from local market volatility by networking to expand John's organic coffee market, as described in the strategic networking section below.

While spending extended periods of time with John in August 2008, the authors noted that values misalignment with some partner initiatives not only exhausted John's limited time and energy, but also unnecessarily put his business reputation at risk. Deepening trust with John opened doors for the authors to provide feedback and insights to help buffer John from misaligned demands from his network. The authors also participated with John in evaluating his commitments and potential initiatives to further clarify his vision and protect his multiple social enterprises. In walking through this evaluative process, John became equipped to make such assessments himself, internalizing strategies to buffer his initiatives from future threats.

### **Network**

Strategic networking aims to build, sustain, morph, and leverage impact between and beyond social enterprises to achieve synergistic outcomes. Dreams InDeed leverages its existing networks to serve its clients, but also develops the client's ability to build their own local networks so they can multiply impact beyond their own initiatives.

While in the City, the authors and the consultant secured agreement from a local social development agency to allow John to join their specialized development training seminars pro bono. The training would also be useful for the hostel dorm parents. The agency expressed a willingness to offer courses just for the hostel dorm parents if enough were recruited. The authors also worked with John to identify other potential collaborative organizations or individuals and negotiate win-win agreements with them.

After leaving the City where John and Flora live, the authors and the consultant spent time with the partner of the hotel in which they were staying and had dinner with the director of a group of companies. During both conversations they shared the unique social value, premium quality, and competitive price of John's organic coffee. The partner of the hotel took a sample of the coffee and is now promoting it through his network in a large city and through the region plus plans to offer it at the new coffee shop he is opening at his hotel. The director of the group of companies requested the manager of his own high-end hotel to research purchasing John's coffee for use at the hotel.

### **Challenges and Prospects**

Overcoming ethnic discrimination, debilitating health crises, and devastating financial losses, John has pioneered and promoted organic agriculture among remote, marginalized minorities to enable them to achieve sustainable livelihoods. He has trained over 330 families to date to generate income from high-altitude shade-grown organic coffee farming, with over 20,000 trees under profitable cultivation. To accomplish his vision of sustainable livelihoods for other remote villages, John has additional organic crops under research for technical and commercial feasibility. In addition to these social businesses, John has secured educational access and moral development opportunities in nine rural hostels for over 430 marginalized children at risk of labor exploitation. Remarkable as these accomplishments are when considered in light of the chaotic conditions he faces, they are dwarfed by the need of similar communities across Southeast Asia, and the scope of the vision that propels John. The authors believe that John and his network illustrate the Dreams InDeed theory of change well: the right indigenous servant leader, aligned with the values demonstrated in the life of Jesus, with an inspiring vision affirmed by communities in need. The authors remain committed to continue to offer the right customized support to help bring his dream to life.

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