

PROPOLIS PROJECT: DEVELOPMENT OF A SOCIAL BUSINESS MODEL PROPOSAL

PROJETO PROPÓLIS: DESENVOLVIMENTO DE UMA PROPOSTA DE MODELO DE NEGÓCIOS SOCIAL

PROYECTO PROPOLIS: DESARROLLO DE UNA PROPUESTA MODELO DE NEGOCIO SOCIAL

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ABSTRACT

The aim of this study is to propose a social business model that fits Propolis Project, which is intended to promote the social inclusion of community agents where it will be inserted. The data were collected through interviews. Propolis Project can guarantee the social inclusion of its agents through the investments' return to shareholders, profits reinvestments in the own project, people insertion into the labor market and environment preservation. This research improves Social Business Models components studies, bringing to the academy a built model — Project Propolis — which can serve as a research base and replicated in practice.

Keywords: Business models; Social entrepreneurship; Social inclusion; Social business.

RESUMO

O objetivo deste estudo é propor um modelo de negócio social adaptado ao Projeto Propolis, promovendo a inclusão social de agentes comunitários onde será inserido. Os dados foram coletados por meio de entrevistas. O Projeto Propolis pode garantir a inclusão social de seus agentes através do retorno do investimento aos acionistas, reinvestimentos de lucros no próprio projeto, inserção de pessoas no mercado de trabalho e preservação ambiental. Esta pesquisa aprimora os estudos dos componentes dos Modelos de Negócios Sociais, trazendo para a academia um modelo construído - Projeto Propolis - servindo como referência para pesquisas futuras e replicado na prática.

Palavras-chave: Modelo de negócios; Empreendedorismo social; Inclusão social; Negócio social.

RESUMEN

El propósito del estudio es proponer un modelo de negocio social que se ajuste al Proyecto Propolis, el cual pretende promover la inclusión social de los agentes comunitarios donde está inserido. Los datos fueron recogidos a través de entrevistas. El Proyecto Propolis puede garantizar inclusión social de sus agentes a través del retorno de las inversiones a los accionistas, reinversiones de ganancias en el propio proyecto, inserción de las personas en el mercado laboral y preservación del medio ambiente. Esta investigación mejora los estudios de componentes de Modelos de Negocios Sociales, llevando a la academia un modelo construido - Proyecto Propolis - que puede servir como base de investigación y replicarse en la práctica.

Palabras-clave: Modelo de negocios; Emprendimiento social; Inclusión social; Negocio social.

1 INTRODUCTION

In the last decades, society has become aware that it to act in a new scenario with new sustainable attitudes is necessary, aiming a social development. The increase of humanitarian and environmental crises, as well as the presence of institutions and programs that fail to meet emerging social needs, underscore the importance of socially entrepreneurial initiatives and new models application that create social and environmental value (NICHOLLS, 2010).

It is noticeable the tendency in several countries to open space for actions aimed to reduce social asymmetries, some of them may be considered social as enterprises (PARENTE *et al.*, 2011), which has a different purpose because it aims to communities development and improvement. As a rule, they present precarious economic conditions such as low income and low job supply (MORT, WEERAWARDENA, CARNEGIE, 2003).

A recent study by Ávila *et al.* (2014) addresses a growing interest in several research financial institutions and funding agencies for the theme, considering entrepreneurship as the most important factor for social development and economic growth.

The Minas Gerais State Energy Company (CEMIG), after approval of the National Policy on Solid Waste, on August 2nd, 2010 (Law Number 12305), together with the Support Fund for Research of the State of Minas Gerais (FAPEMIG) proposed to financially support a project entitled Propolis (Polymer Project for Social Inclusion). The project has a purpose to develop products from new and recycled polymer feedstock, such as solar heaters, aiming to promote structuring actions in the management and reuse of polymer materials from computers of different sizes, printers and graphic reproduction machines, as well as similar products discarded by CEMIG and other companies or government bodies in their different spheres. It is also paramount observe that the project provides for the use of electronic waste recovered by waste pickers / recyclers, from training courses.

The studies purpose is to develop and propose a social business model for the Propolis Project in order to guarantee agents social inclusion of the local community where it is inserted.

The business model is a tool that describes the value that a company offers to one or

more customer segments, delivery and creation of that value, and the capital ratio in order to generate profitable and sustainable revenue streams (OSTERWALDER, 2004). A business model continues to be essential for all successful organizations, whether it is a new venture or something previously established (MAGRETTA, 2002). The difference between this model of capitalist business and the social business model is the former aimed at financial profit, and the latter is aimed at social profit (YUNUS, MOINGEON, LEHMAN-ORTEGA, 2010).

Thereunto, for the Propolis Project is expected to be added value to the new products with significant cost reduction for the end user, resulting from the participation of recycled feedstock, as well as the social and environmental benefits inherent in the management and waste use. In the case of solar heaters there is an important reversal in the recycling chain, because the new product adds new value when producing thermal energy. Such production for the residential sector allows electric showers replacement.

As final products, the project aims to create differentiated product lines with the real possibility of implementing pilot industries in the ventures form or social businesses. In addition to the new products, it is considered as a relevant result the generation of qualified jobs in the manufacturing area and social affairs management. Thus, for this business operationalization, the recyclable materials collectors and the street population of the city of Belo Horizonte will also be involved in its production chain.

The Propolis Project has an innovative feature in the technological aspect further its social contributions. Therefore, innovation is a way for companies to create value and with that, to distinguish the products and services offered by them, boosting their results (SARKAR, 2008), considering that social development is one that allows advances in technologies, processes and methodologies that promote social inclusion, work generation, income and improvements in living conditions (FARFUS & ROCHA, 2007).

Social inclusion, according to Borba and Lima (2011), is a process that aims to ensure that people with poverty risks have opportunities and access to the resources necessary to participate effectively in the economic, social and cultural spheres, and benefit from a considered regular level of life and well-being in the society in which they are introduced.

One of the ways to expand and guarantee social inclusion in some parts of society is

by creating social businesses or social business models, which are very close to existing business models. The construction of a proposal for a Social Business Model for the Propolis Project will provide the academy one more available research resource, considering the subject's scant approach. New studies are important for more knowledge about this new topic (YUNUS, MOINGEON, LEHMAN-ORTEGA, 2010).

In social terms, the contribution to the Social Business Model construction will be the strengthening of the social bond, enabling local communities and recycled material recyclers, new job opportunities and as a proposal of this study to guarantee social inclusion. These results from the work address a number of social issues, as well as contribute significantly to the environment by collecting and recycling materials initially considered junk. This is an innovative project in the social sphere and with tendencies to become one of the most sustainable ways to promote energy. Even timidly, it assures real opportunities for employment and income generation for the less favored classes of the local community around the Project Propolis plant.

2 SOCIAL BUSINESS AND SOCIAL ENTREPRENEURSHIP

Social Entrepreneurship refers to any entrepreneurial initiative made with the purpose to advance social and environmental causes, whether or not to be profitable (BESSANT; TIDD, 2009). Social entrepreneurship has been developed with the purpose to provide means to improve communities, which are made possible by actions aimed at human, social and sustainable development. The social entrepreneur figure is presented as a social actor of vital importance for the enterprise's success, presenting as basic quality the concern focus about social and collective issues (MELO NETO; FROES, 2002).

In a social venture, shareholders / partners can gradually recover the money invested, but they cannot take any dividend beyond that point. The business purpose is to achieve one or more social objectives through the company operation. No personal gain is desired by the investors. The company should cover all costs and make profit while attaining its social goal. Social business is a cause-driven business (YUNUS, 2008).

In an organizational structure, this new business form is basically the same as the structure aimed at maximizing profits: it is not a charity institution, but a business in every

sense. The managerial mentality must be the same as a conventional business: when a social business is run, people think and work differently from managed charity, even if their goal is different. At the same time, as an attempt to achieve their social goal, social enterprises have to recover their full costs so they can be self-sustaining. Their owners will never intend to make profits for themselves (there are no dividends), but they have the right to get their money back if they wish so. Instead of being passed on to investors, surpluses generated by the venture are reinvested in the business itself (YUNUS, MOINGEON, LEHMAN-ORTEGA, 2010). Next, through Table 1, the various definitions and concepts about business / social entrepreneurship are presented.

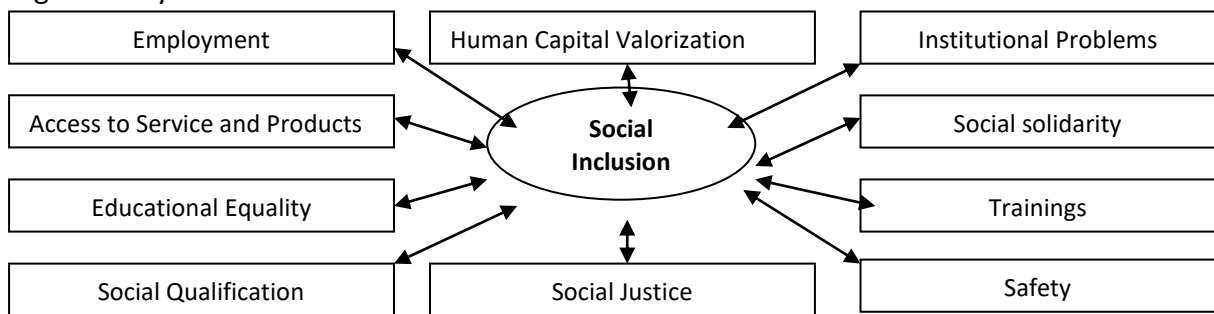
Table1 – Business Concepts and Definitions / Social Entrepreneurship

Definition	Authors
They believe that social entrepreneurship has been built with the goal of generating improvements in communities, which focus on actions aimed at human, social and sustainable development.	Melo Neto and Froes (2002)
Social entrepreneurship is a process that involves the innovative use and resources combination to seek opportunities to generate social change and / or meet social needs.	Mair and Marti (2006)
Social entrepreneurship in its strand is a term that as social business, its concept is also under construction. However, much in function of the social movements originated from individuals and business groups for the sole purpose: improving the poor people lives.	Cruz (2006)
Defines social entrepreneurship as a process that includes the identification of a specific social problem and its respective solution. In this process involves the enterprises' social impact evaluation, the business model and the sustainability, together with the creation of a social mission oriented for profit or not, always considering the social sustainability.	Robinson (2006)
Social business is a business oriented to social cause. The purpose of the business is to achieve one or more social objectives through the company's operation. No personal gain is desired by the investors.	Yunus (2008)
Social entrepreneurship is a process that encourages increased participation in local entrepreneurial actions, increasing the people's connection sense with their city, land and culture.	Novaes and Gil (2009)
It conceptualizes social entrepreneurship as a process of change in the supply of public goods and social / environmental services.	Nicholls (2010)
Social ventures most often act in situations where the initial competence to take actions and decisions would fall to government agencies.	Campos <i>et al.</i> (2012)
The social entrepreneurship concept is anchored in the creation of social value and in the innovative question in methodological scopes and services or products, which would generate a social change.	Rosolen, Tiscoski, Comini (2012)

Source: Prepared by the authors.

Borba and Lima (2011) carried out a bibliographical survey of the inclusion and social exclusion factors and definitions, and they elaborated a factors associated synthesis to social inclusion, which is shown in Figure 1. There is a standardization of external influences associated essentially to economy and culture.

Figure 1 - Synthesis of factors of social inclusion



Source: Borba and Lima (2011, p.7).

Many social inclusions representations are interconnected with each other and end up broadening their scope of action, and a constant concern of the Social Service areas is to promote and stimulate social inclusion (BORBA; LIMA, 2011).

3 SOCIAL BUSINESS MODELS

A business model serves as a construction plan that allows the design of the structure and business systems, which constitute the company's operational and physical form (OSTERWALDER, 2004). Each organization has a business model. This is why every organization makes some choices, and these choices naturally have some consequences (CASADESUS-MASANEEL; RICART, 2010).

For Upward and Jones (2016), business model is the definition that a company determines its appropriate inputs, resource flows and value decisions, and their role in ecosystems, whether environmental, social or economic.

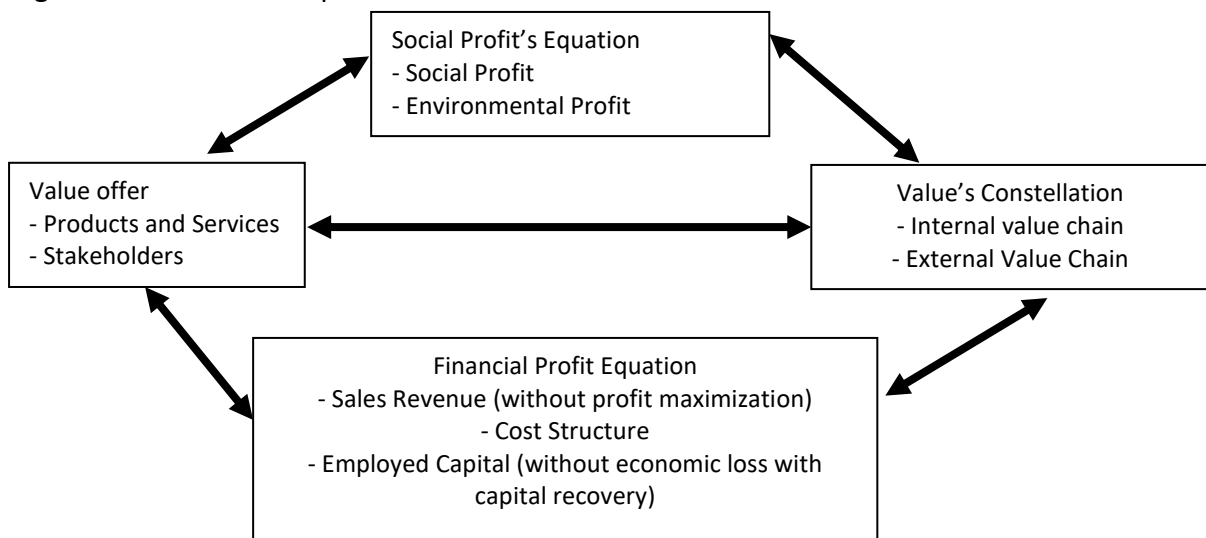
The emergence the global economy's new sector has been happening with the companies' growth based on poverty reduction, which create business models seeking profits and social wealth simultaneously (THOMPSON; MACMILLAN, 2010). Social business models require new value propositions, value constellations, and profit equations, and as such, resemble business model innovation (YUNUS, MOINGEON, LEHMAN-ORTEGA, 2010).

A social enterprise is designed and operated as a *conventional* company with products, services, customers, markets, expenses and revenues. The difference for an NGO (non-governmental, non-profit organization) is that most of these institutions are not designed to recoup their total costs from their operations and require devoting some of their time and energy to raise funds. Unlike it, a social business aims at self sustainability,

and only depends on its investors at the beginning of a development project. As social businesses are self-sustaining, investors get their investment back (DAHAN *et al.*, 2010).

But a social business model cannot be based on simply replicating conventional for-profit business models. The changes necessary from the traditional business model into a social business model is presented by a framework specifically developed for Social Business Model (YUNUS, MOINGEON, LEHMAN-ORTEGA, 2010).

Figure 2 – The four components of a social business



Source: Yunus, Moingeon, Lehman-Ortega (2010, p. 319), adapted by the authors.

Thereunto, here are the following component characteristics of the Social Business Model (Figure 2):

- **Social Profits' Equation:** unlike financial profit, the social profit will measure the impact that the social business brings to a society. It is basically the number of people who will be favored with the business. Environmental profit is another feature addressed, if the social business also brings some benefit to the ecosystem.

- **Value Proposition:** products and services creation with the objective of adding social value not only to *customers*, but also to stakeholders, since all stakeholders are involved in the social business model. Another point described in this component is to whom or for what the products / services will be directed and who will be the beneficiaries.

- **Value Constellation:** internal and external value chains must be constructed and

worked in order to produce and deliver this value to target customers and are respectively the production and delivery of the products / services. It involves available resources and the relationship with partners and suppliers.

- Financial Profit's Equation: in this component is described the need for a cost structure, maximizing goals of the generated revenues with products / services and their respective values, and in the employed capital recovery, so that profitability results must be reinvested in the business itself.

Another way to create business models to meet social goals is to establish partnerships with NGOs. In these joint efforts, NGOs contribute by complementing companies' capabilities. The business models resulting from these partnerships can create economic value, social value or both, although corporations and NGOs have fundamentally different structures and values, and their relationships are often characterized by hostility and mistrust (DAHAN *et al.*, 2010).

In addition, there are some conceptions that a for-profit business model construction and returns to the shareholders / entrepreneurs directed at low-income classes can also be a good business with a positive social impact (HANSEN; MORTON, 2013).

Another research on Social Business Models with a focus on Sustainability was carried out by Joyce & Paquin. (2015), whose work used the concepts of Business Model Canvas proposed by Osterwalder and Pigneur (2010). Upward and Jones (2016), in their research, address business models with a focus on social and environmental issues (sustainability), and affirm that as organizations in different sectors and markets begin to implement business models with this definition, chances for success maintaining and the possibilities for growth are much greater.

Table 2 – Main concepts synthesis by business models directed to social issues

Definition	Authors
As in social entrepreneurship, social business models bring some concepts of the capitalist economy, and in their implementation they borrowed some concepts from conventional business models literature. Social business models require new value propositions, value constellations and profit equations, as such resembles business model innovation.	Yunus, Moingeon, Lehman-Ortega (2010)
Business models resulting from partnerships with NGOs (non-profit organizations) can create economic value, social value or both, although corporations and NGOs have fundamentally different structures and values.	Dahan <i>et al.</i> (2010)

New business models directed to social causes can be drawn from companies within social entrepreneurship programs, as the preliminary principles can be applied in business models to create a new market, for social changes proliferation.	Thompson and MacMillan (2010)
Business models can be built to serve BP (Base of the Pyramid). This conception can generate mutual value, what means simultaneously create economic and social value.	Sincovinks <i>et al.</i> (2014)
The sustainable business model can be defined as the logic of how an organization creates, delivers and captures economic, environmental and social value forms simultaneously.	Joyce & Paquin (2015)

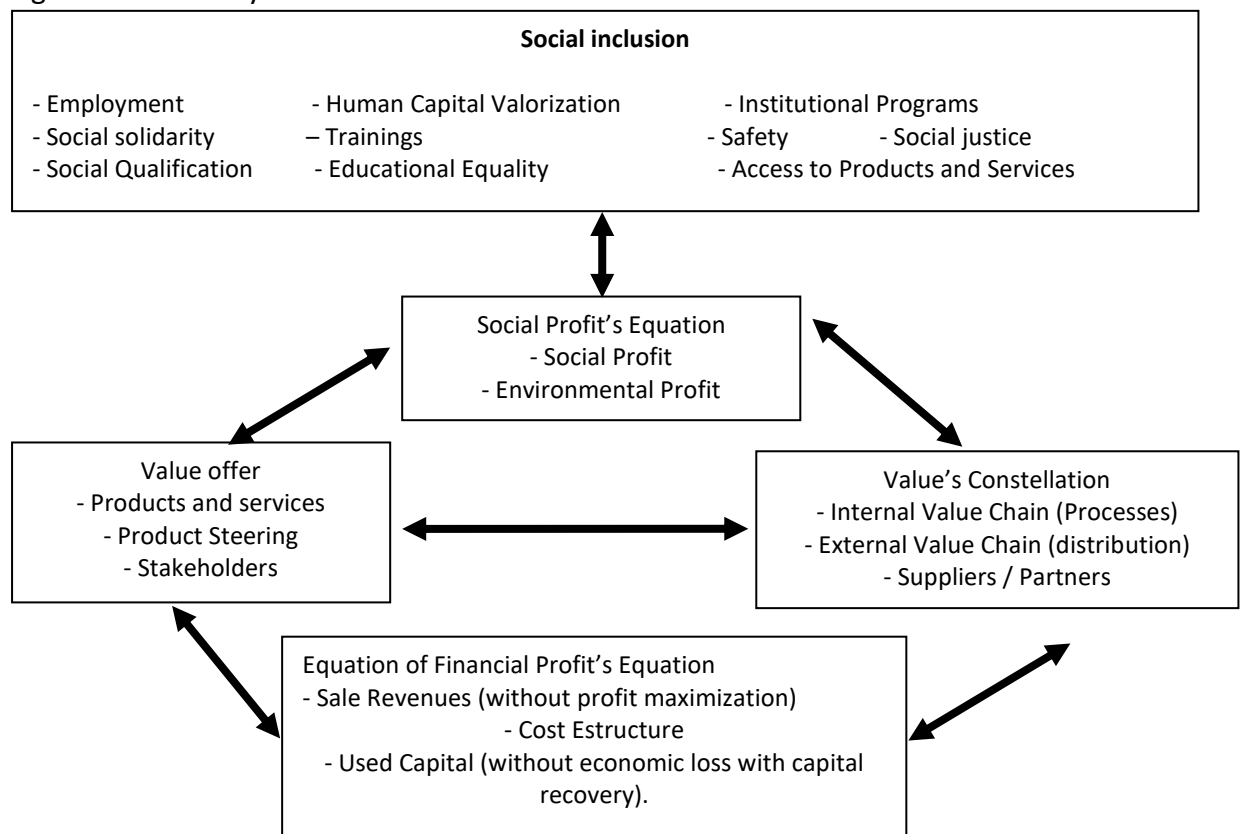
Source: Prepared by the authors adapted from Yunus, Moingeon, Lehman-Ortega (2010).

Facing the definitions and description of business models directed to social issues (Table 2), it is possible conclude that the model proposed by Yunus, Moingeon, Lehman-Ortega (2010) can help managers and entrepreneurs who want to create or manage businesses that have social goals. Thereunto, it was the model chosen to elaborate the Propolis Project, considering that the project is still in scope, and all the stages construction of its operation, from the initial ideas to the possible conclusions, conceptions and implementation by company / social business will be based on several technical-theoretical practices which better meet its profile.

Borba and Lima's Social Inclusion model (2011), which covers several inclusion factors, emphasizing the employability and training, the main social focuses of Propolis, will also be used together the social business model of Yunus, Moingeon, Lehman-Ortega (2010).

Finally, a synthesis of the two conceptual models adopted for the Propolis Project is presented (Figure 3).

Figure 3 - Summary of the Business Model X Social Inclusion Model



Source: Prepared by the authors, based on Yunus, Moingeon, Lehman-Ortega (2010) (2010) and Borba and Lima (2011)

4 METHOD

This study is exploratory in nature, with the knowledge of primary data from the Propolis Project, because it is not yet characterized as a business in operation. It requires a greater understanding of the scope for the purpose crossing information with the structure built on Social Business Model in the theoretical referential, which also is a subject to be explored for not having much scientific production.

For the approach, the method adopted in this study is qualitative, which is not concerned with numerical representativeness, rather with the deepening of a social group or an organization understanding (GEHARDT; SILVEIRA, 2009). This research approach is the most adequate, considering the profile information and objectives extracted from the Propolis Project were treated and analyzed in a way to understand and meet the framing of a better proposal of a social business model, using the most appropriate framework, now approached in the works' theoretical framework.

In addition to documentary research, another data collection technique was used, the semi-structured interviews applied to different audiences, with different profiles according to responsibilities of the individuals and entities that participate in the Propolis Project. It includes the projects' financiers, its three groups and the local community. The interviews were carried out to gather the projects' information and characteristics in order to cross them with the characteristics of the Social Business Model by Yunus *et al.* (2010) and Borba and Lima (2011), extracted from the theoretical reference.

The Propolis Project as a whole is composed of its funders and three groups responsible for its construction:

- Group 1: UFMG (Federal University of Minas Gerais) - Polymer Laboratory / Department of Chemical Engineering. It was composed by four members among teachers and students of the Chemical Engineering course of UFMG. During the interviews, data were collected with two teachers, who were the coordinators of the group.

- Group 2: UNA and UNI-BH - Engineering, with the following subgroups: Group 2A Solar Energy and 2B Electrical Engineering. It was composed by six members, among professors and students of Engineering of UNA and UNI-BH teaching institutions. Group 2A will respond to the issue of solar heaters and Group 2B for other products in the Electrical Engineering area. In the interviews, data were collected with two teachers, who were the coordinators of group 2A and 2B.

- Group 3: Social Technology - UNA. It is composed by seven members, among professors and students of the Masters in Administration and Social Management of the UNA Institution, Ramacrisna Mission and Computing Democratization Committee (CDI). In the interviews, data were collected with two Social Management teachers, who were the group coordinators; two heads of the Ramacrisna Mission, the Director and Manager, respectively; and the two heads of CDI, the Director and Coordinator, respectively.

- Investors / Financiers - CEMIG and FAPEMIG. In CEMIG as well as in FAPEMIG there is only one person in charge of each organization that accompanies the project who was also interviewed.

- Local community that the project will be inserted in. Three people were interviewed.

Four analysis categories were defined, based on the theoretical framework construction that adopted the Social Business Model (Yunus *et al.*, 2010). The categories of analysis were as follows:

1st. Social profit's equation - questions related to the generation of social value of the Propolis Project were raised in this category, as well as the measurement of social impact. In this component, the objectives to be achieved with the Social Inclusion of the local community agents in the employability issues, as well as the opportunities that are directed to the paper pickers of Belo Horizonte. The proposal of reverse logistics was also a factor placed. Another issue addressed and verified in this component is how the Propolis Project brings a positive environmental impact, and another aspect adopted by Yunus *et al.* (2010): the Environmental profit.

2nd Value's Proposition - in this category, the Propolis Project clients and all other stakeholders were raised in general: "their stakeholders". In this component all the products / services to be offered to the market, as well as the value that will be added to them were approached and framed.

3rd Value's Constellation - the ways of delivering value (product / service) were raised in this category. In the case of the Propolis Project is possible mention the solar heaters and other items, whose central value is the construction of a product through a recycled feedstock. In this component, the external and internal value chains are involved. As internal production processes and external issues are being organized, how will these products be distributed to customers? It also involves the network of suppliers and partners.

4th Financial profit's equation - in this category, some issues were raised, such as the Propolis Project cost structure, the capital employed and the revenues generated (no economic loss). In social business, the profit obtained cannot be shared among investors, but they will have the right to recover only the capital invested. The social business is built to generate social profit and financial profit exists to make it self-sustaining.

After data collection carried out through semi-structured interviews, the content analysis started. In total, thirteen interviewees with fifteen hours of recording, seventy-eight pages were transcribed based on the questions addressed by the semi structured interview, reduced to thirty-two pages with dual interpretations.

5 DATA ANALYSIS

The categories were analyzed through the preliminary information of the Propolis Project and through semi structured interviews application to the participant groups.

5.1 CATEGORY 1 - SOCIAL PROFIT'S EQUATION

The Propolis Project is in fact a social business, as it presents the various foundations and analysis tools based on the theory of Yunus, Moingeon, Lehman-Ortega (2010): *social business is a business oriented to the social cause*, because it is possible notice out the main objectives that it intends to achieve are social, most of them aimed at social inclusion, covering the Borba and Lima's factors (2011). It has great emphasis to the income for people in social vulnerability situations, promoting sustainability development, the qualification of people for social inclusion, feedstock generation, technologies use and transformation, the processes involving people implementation, learning opportunities and consequently their returns and recyclers' inclusion.

The most relevant actions and the most cited by the interviewees were: qualifying local community agents, waste pickers and other interested parties to integrate the project, providing employment, generating income covering the entire production chain, commercializing the solar collector, making the project sustainable, collecting and allocate the electronic waste of companies and other institutions, establishing partnerships with various institutions and discussing citizenship with those involved. These actions put into practice will seek to achieve one of the main objectives of the project is Social Inclusion.

All respondents participating in the Propolis Project believe that all ten factors described by Borba and Lima (2011) fit into the project (Figure 1).

The group participants' collective involvement was addressed to the same direction, seeking the results or social benefits, called *social profit* in the theory by Yunus *et al.* (2010).

Another social factor detected on this category analysis was the development of a Social Technology as an innovative product that will benefit several families who will use it, bringing benefit to the society. In addition to the specifically social contributions, the project brings contributions to the environment as Environmental Profits, such as environmental awareness with electronic waste reduction from the environment and also electricity consumption reduction. Then, the social and environmental profile is reinforced.

5.2 CATEGORY 2 – VALUES’ PROPOSITION

Values’ Proposition is a component, according to Yunus *et al.* (2010), which encompass products and services, potential customers, social value added to the product / service, prospecting of clients and stakeholders. First products and services that will be offered to the market (flag ship) are already defined as the manufacture of the solar collector and its respective installation and maintenance as service. However, when considering the proportion that the project can reach, the interviewees presented other products and services ideas that need to be matured, as standard light boxes, poles, workshops specialized in installation technicians and maintenance of solar collectors training, characterization method of electronic waste and recycling method of electronic waste. Therefore, the project’s construction will initially work on a single item and perceiving the reaction of the market; other products and services will be introduced gradually.

The initiative to create a recycling process of polymeric feedstock is to meet beyond production, other markets. The potential market to be exploited is represented by CEMIG itself, to meet some of its programs for the low-income population, the builders who build for the *Programa Minha Casa Minha Vida* in Brazil (PMCMV in Portuguese acronym), the large networks and deposits of construction materials and to include those who will work in the factory. CEMIG, the construction companies and the large networks in certain way would be *indirect* customers, since the largest customer and the main objective is to serve the low-income population, which in turn will have a significant financial savings in energy expenditures, once again confirming one of the social biases of the Propolis Project.

5.3 CATEGORY 3 – VALUES’ CONSTELLATION

This category covers the internal value chain (production and human resources) and

the external value chain (partners and suppliers' distribution) of the Propolis Project. The results indicate that the internal value chain encompasses the production tools and the employees in general are still in the structuring phase. The production plant is being designed to be built in the Ramacrisna Mission, which has in principle planning an area reserved of 1500 m² for this purpose. According to the interviewees, this production will be very simple, consisting of two units: a recycler and a factory.

Much of the polymeric feedstock will be provided by the collector groups (those included) confirming once again the social bias of the project. Still in the internal value chain, it was observed practically all production employees will be from the local community, with the objective of social inclusion and local development.

In the chain of external value, the products distribution still needs to be better worked, developing a specific plan for this purpose, but at the beginning some possibilities are mentioned by the interviewees, such as PMCMV builders, large networks and distributors of construction material, CEMIG itself and small retailers.

Regarding to partners and suppliers, most are still not defined and not even the choice criteria, but it is intended to use the same tools adopted by the Ramacrisna Mission for this purpose.

5.4 CATEGORY 4 - FINANCIAL PROFIT EQUATION

Financial Profit's Equation, the last category analyzed and also the fourth component of the social business model of Yunus *et al.* (2010), involves sale revenues, employee / invested capital and the social business cost structure.

Through the information obtained and the analyzes carried out in this category, it was noticed out that in the planning of sales revenues, the pretensions with profitability are to be reinvested in the Propolis Project itself and in other social actions of the Ramacrisna Mission, confirming once more the Yunus theory (2008), when he says that profit cannot be distributed to shareholders and it will be reinvested in the social business itself.

When analyzing the capital employed / invested in the project, lost fund is concluded. In other words, it will not be revised, although in the approach of the social business model

of Yunus, Moingeon, Lehman-Ortega (2010), shareholders are allowed to review this investment from the profitability of the social business. This would be the only allowed financial return in this model. But as a way of returning mainly to CEMIG for being a private company, there are possibilities of its participation in the patents that will be generated by the Propolis products. In the cost structure, it is possible conclude, although there is still not a structured planning, there are already some premises of a Business Plan for the Propolis Project, encompassing all its financial aspects producing. The results which will make the project feasible make it self-sustaining and not depending on donations, seeking its financial balance.

6 FINAL CONSIDERATIONS

It was sought to understand and identify how a social business model should be for this purpose and how this path should be defined. By the fact there are not specific business models for social inclusion, there have been continuous efforts to build a single model, as there were no specific types of references to the subject.

Regarding the studies' management implications, the Propolis Project's final innovation can be highlighted, and there have not been yet other products coming from the same types of materials. This social venture is a pioneer in solar energy area. After this research's presentation, it is possible to structure other management points to put into practice, based on the error and correct experiment, since there are no previous references.

In theoretical contribution, this study also sought to improve and enrich Social Business Models components studies, more specifically addressed to issues of social inclusion, contributing significantly to the theme, bringing to the academy a built model — Project Propolis — which can serve as a base for studies and researches and replicated in practice. Even regarding to the studies theoretical contributions, the categories elaborated from the social business model as follows can be summarized:

- Category 1 - Social Profit Equation: the Propolis project is in fact a social business, because all participants in the project's construction perceive their social mission. In addition, the proposed actions to ensure social inclusion, aiming at *social profit*, according to the approach of Yunus, Moingeon, Lehman-Ortega (2010). It was also perceived through

analyzes, the social and environmental impacts the business will bring to society.

- Category 2 - Value Proposition: the Propolis Project, still under construction, some issues punctuated in this component are not previously clear, and there is much to be planned. Products and services are partially defined, but channels to bring value to potential customers need to be structured. At first, the target audience will be the low-income population, but there are possibilities for opening up these channels to any audience type. The value added to the product / service will be the low cost and the Green Seal (socio-environmental awareness).

- Category 3 - Value's Constellation: the Propolis Project in its internal value chain (production, employees) is still in the structuring phase, but there is already definition as local plant that will function in the Ramacrisna Mission, but the production practices and processes will still be structured and their human resources will fulfill the social inclusion of local community agents, confirming their social value. The analysis showed that in its external value chain (distribution, suppliers / partners) although some issues are defined for distribution channels, suppliers and partners will still be established.

- Category 4 - Financial Profit Equation: as results information that confirmed the approaches Yunus, Moingeon, Lehman-Ortega (2010), such as not maximizing profits to shareholders, but reinvesting in the social business itself, because according to the results interpretation, the project will have profits, but this profitability will be reinvested in the Propolis Project itself. In the other social actions of the Ramacrisna Mission, and as returns to the shareholders / investors (the capital employed) there are possibilities for participation in the patents that will be generated by the products of Propolis and with the structure of costs and project feasibility, others two subcomponents analyzed. It is possible conclude that a Business Plan will be built seeking the project's feasibility and sustainability.

It is suggested that new research be carried out based on this models' application resulted from the results to be verified, presenting in a second moment the errors and correct answers - lessons learned - with the social business model applied in order to ensure social inclusion. In this case, researches and studies on the calculation of *social profit*, what means the social results, because in the model proposed by Yunus, Moingeon, Lehman-Ortega (2010) and according to him, there are no resources and indicators available for

measuring social impact. Developing studies and methodological tools for the calculation of these indices would certainly help several other social businesses.

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