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## Social business models in agri-food : An interview with Sara Rajabli, founder of Buta Art & Sweets

Sustainability in Agribusiness

Baghirova, Laman; Casprini, Elena; Fiorini, Niccolò; Annosi, Maria Carmela

<https://doi.org/10.4324/9781003223672-9>

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## 6 Social business models in agri-food

An interview with Sara Rajabli,  
founder of Buta Art & Sweets

*Laman Baghirova, Elena Casprini, Niccolò Fiorini,  
and Maria Carmela Annosi*

### Introduction

Social entrepreneurs “*need to simultaneously demonstrate their social and economic competence*” (Dacin et al., 2011, p. 1207). This need seems to suggest that social entrepreneurship should rely on more sophisticated business models that could balance both commercial and social sides.

Social entrepreneurship represents a new phenomenon (see Weerawardena and Sullivan Mort, 2006 for a review), which is gaining increasing importance in both developed and developing countries. However, whether there is a great deal of literature on social entrepreneurship and some specific aspects, such as its underlying theories (Ranville and Barros, 2022), social capital (e.g., Hidalgo et al., 2021), ecosystems (Diaz Gonzalez and Dentchev, 2021), and the motivations leading social entrepreneurs (Kruse et al., 2021), less is known about the social business models that help these social businesses to survive.

Literature on business models is in agreement, sustaining that business models are crucial in explaining a firm’s performance (Foss and Saebi, 2017; Zott et al., 2011) and it is increasingly relevant to understanding how business models could be designed to pursue sustainable goals (Bocken et al., 2014). However, there are few empirical examples of social business models in comparison to, for example, for-profit businesses, even if the number of social enterprises is increasing around the world, capturing the attention of scholars (e.g., Wilson and Post, 2013; Santos et al., 2015; Carayannis et al., 2021; Tykkyläinen and Ritala, 2021). For the purposes of this chapter, two main elements should be considered as distinguishing social business models from other types of sustainable business models (e.g., Bocken et al., 2014). The first concerns the presence of social-profit objectives and shareholders (Yunus et al., 2010), which might shape, for example, the dimensions of a business model. Extant research has proposed several dimensions for business models (for a review, see Casprini, 2019), but probably the most diffused are those represented in the business model canvas (Osterwalder and Pigneur, 2010), namely, value proposition, customer segments, customer relationships, key resources, key activities, key

partners, channels, cost structure, and revenue stream. These dimensions need to be redesigned according to social-profit-oriented objectives, values, and key elements. In other terms, once the social value of the business is at the core of its mission, the same social value might influence one or more of these elements. The second element has to do with the role of the context where the social business emerges: local problems that need to be solved can inspire social entrepreneurship. Specifically, countries differ in terms of the focus placed on inclusion for the disadvantage, gender equality, culture and tradition, ethnic and/or political conflicts, and, broadly speaking, the economic situation. To this extent, we think that social business models could be particularly important in developing countries, where a scarcity of resources, such as physical and digital infrastructure, as well as social problems related to disabled people, women, refugees, and other disadvantaged groups in society, potentially exacerbated by war, political voids, etc. (Rosandic and Guluzade, 2018), could lead to entrepreneurs facing a variety of challenges in designing their business models.

We now present an example of the promotion and inclusion of disabled women in Azerbaijan, showing how *a young female social entrepreneur has developed a social business model integrating both economic and social values, thus successfully combining tradition, culture, and inclusion*. First, like other studies (Barney, 2004; Dunne and Martin, 2006; Alcaraz and Thiruvattal, 2010), we briefly present the background of the case and the whole interview conducted with this young social entrepreneur by one of the authors. Then, we discuss the main findings and takeaways from the interview.

## Background

Four years ago, in 2017, with a budget of approximately 80 euros (160 manat), Mrs. Sara Rajabli, a young Azerbaijani woman, decided to start her own enterprise to solve a social problem related to unemployment among women with special needs (i.e., women with mental or physical disabilities) in Azerbaijan. The name she chose was Buta Art & Sweets, which embraces the product type and has a strong link with art and culture.

The story of Buta Art & Sweets can be traced back to when Sara was studying in the bachelor's program for Tourism and Hotel Management in Azerbaijan. It was during her first year of her bachelor's degree that her interest in social entrepreneurship emerged. Sara was interested in the training sessions about social entrepreneurship organized by Oikos Baku<sup>1</sup>. After her studies abroad for a semester, Sara started a blog that become soon very successful, about social entrepreneurship. Her first idea was to sell sweets, honey, and *kelaghayi* (hand-made silk scarves). Then, one of Sara's friends suggested she focus on only one product, adding social value to it. Therefore, Sara focused on sweets, thinking about the impact on society at the same time.

In doing some research, Sara recognized that about 300,000 women in Azerbaijan have some form of disability and almost all of them are unemployed.

The aim of Buta Art & Sweets became immediately clear: the problem of unemployment among women with special needs must be overcome, hence improving their place in the society. In fact, being a woman and having a disability are discriminating factors in both families and communities.

She wanted to learn how to help these women and how to successfully set up a social business. Therefore, she visited the homes of disabled women and collected data about them. This was useful for obtaining a comprehensive overview of their psychological conditions and personal stories.

Sara's objective was not to help them by offering money; instead, she preferred to choose a more sustainability-oriented approach. This is why she wanted to engage and motivate them. To do so, she told the disabled women about her desires and ambitions, with the purpose of enabling and empowering them to manage their own salaries. In this way, Sara gave disabled women a sense of dignity as self-entrepreneurs.

Upon establishing the company, Sara also aimed to represent the cultural values of Azerbaijan. Thanks to her project, Sara has won several awards, the most important being the "Youth Award" from the President of the Republic of Azerbaijan in 2019. Furthermore, Sara became the winner of Global Start-up Awards in 2020 and the Princess Diana Award 2021. Buta Art & Sweets has represented its products at high-level events in 17 countries. What's more, Buta Art & Sweets organizes master classes, thus having an even greater impact. Buta Art & Sweets provided small packages of mini national sweets with touching letters on behalf of women with special needs for political leaders and entrepreneurs during the High-Level Global Baku Forum in 2018, proving that limits only exist in people's minds.

Currently, 20 women with special needs are working for Buta Art & Sweets. Today, the social enterprise has a turnover of a minimum 350,000 dollars, by constantly investing profits in capacity-building programs for women with special needs. In 2021, Buta Art & Sweets organized, together with the Ministry of Education, the first project in Azerbaijan, officially certifying the confectionery skills of local women with special needs. During the COVID-19 crisis, Buta Art & Sweets redesigned their menu for vegan, gluten, and sugar-free sweets.

### **Interview with Sara**

Laman Baghirova, at that time a master's student in International Accounting and Management at the University of Siena in Italy, conducted the interview in late 2020. Originally, the interview was planned in person in Azerbaijan; however, because of the travel restrictions due to the COVID-19 pandemic and, furthermore, because of limited Internet access for Sara Rajabli due to the war over Nagorno-Karabakh, in Azerbaijan, audio messages were the only way to replace a standard interview.

The purpose of the interview was to analyze the dimensions of the business model canvas (Osterwalder and Pigneur, 2010) as an example of social

entrepreneurship. Specifically, we want to provide an in-depth analysis of how a social enterprise (1) addresses the value proposition and the benefits the product/service poses for customers and society; (2) determines customer segments; (3) identifies the partnerships that form the value network; and (4) explores how the social entrepreneur deals with customer relationships, (5) key resources, (6) key activities, (7) distribution channels, (8) revenue, and (9) cost models.

In aiming to do so, as a young female entrepreneur well known in Azerbaijan for the social impact of her idea, Sara represents an ideal choice of interviewee, as she gives us a window into understanding how the business model for a successful social enterprise (Buta Art & Sweets) was designed.

*Laman:* Which are the benefits of your product/service for a potential customer? How is the price chosen?

When thinking about the social enterprise, we did not want only for our clients to be a socially valuable brand. We also wanted to offer high-quality, fresh, and homemade sweets. So, people missing the home taste in sweets and who do not want to wait for long time could order from us, while also directly impacting local women with special needs, thanks to acquiring our sweets.

So, what are our value propositions and our uniqueness? First, fresh and handmade cruelty-free sweets, so unlike our competitors and supermarkets and cake shops, we do not sell any sweets that have been kept for more than one day. So, we prepare on the same day and we deliver to our customers. Second, our uniqueness is being handmade and homemade and using no animal ingredients. People who miss sweets that taste like home can order, of course, from a woman who prepares the sweets, but we are also adding new unique flavors which cannot be found in any other recipes, we are always innovating our products, we are always changing, and also we have vegan products, which cannot be easily found in local markets, so we are trying to be also handmade and homemade. Third, obviously, fast delivery, and customization for corporate orders because companies want to have customization and we also provide this, with also fast delivery, and special notes from our women. The last one is, of course, the social impact. We do not have standardized recipes for our sweets: this also makes us very different because every woman has her own recipes and they are not similar, they can have different tastes, and, according to the wishes and feedback from our customers, we can provide it. We have a special database listing the women's strengths. For example, one woman makes very good *pakhlava*, so we only order *pakhlava* from that woman. We do not order, for example, *shekerbura* because we know that she is not very strong and she likes to cook *pakhlava*. And, when we are talking with women we are asking actually, for example, one kilogram of *pakhlava* how much would be suitable for you? They do, for example, tell us the price for one kilogram of *pakhlava* with high-quality ingredients that they buy themselves. We do not provide those ingredients for them because we do not have enough team members

to do provisioning for 20 women. They buy those products themselves from the supermarkets, and they are using high-quality products, so that is why it is not as cheap as the sweets in supermarkets. We use natural oil, natural milk products, nuts, especially for traditional sweets, and that is why it has an impact on prices.

The price depends on the sweets. If it is traditional, it is much more expensive. If it is not traditional, like simple cookies, it is much cheaper, but it also depends on the feedback of our customers. For example, if the customers do not want to have natural oil in the sweets, they can tell us, and we can offer much cheaper prices; generally, we do not provide any sweets without organic, natural products and ingredients, and actually it also adds some uniqueness and freshness and additional taste for our sweets. When we talk with those women, they tell us what they buy, and they also tell us the price and the expenses for products. We also ask for the receipts for those products in order to justify and add things up for ourselves.

When there are huge orders, we, of course, also offer discounts, but if there are some smaller orders, we give the original price, so, for example, if they tell us we are only making 1 kilo of *pakhlava* for 20 manat, we do not offer discounts, we tell our customers that 1 kilo of *pakhlava* is, for example, 25 manat. So, in this 5 manat, we are including our own commission, delivery costs, and also we are including prices for packaging and prices for sales, so actually we are giving many more opportunities for our women to earn, instead of reserving for ourselves, we are just covering the costs. Of course, if people buy only 1 kilo of *pakhlava*, this 5 manat for us will be very small amount, but generally, we receive huge orders, especially from companies, from people who are celebrating their parties in Novruz holidays, and so on. So, for us, these commissions are getting higher, and it gives us the opportunity to have an income, a profit, to reinvest into the social business.

*Laman:* How is the target customer identified? How does the target customer group influence your marketing?

In terms of the target customer group, it was a very specific and very challenging moment in our social business when we started because I did not know to whom we could sell our products. When I shared this idea with my parents, they did not agree. They told me that no one would buy those products just because people think that products handmade by women with special needs can never be of high quality so you cannot sell them in Azerbaijan. You can sell it in other countries, but you cannot sell it in Azerbaijan.

So, I was thinking that, if we cannot sell these products to individuals, we can sell them to organizations and companies that are interested in social responsibility, in promoting themselves by purchasing our products. Then, we reached out to companies in Azerbaijan, organizations, NGOs, and foundations, which plan different events and we called them every day. We reached a maximum of

30 companies per day through calls, emails, and networking events. We talked endlessly about our project and, of course, we gave them free sweets to try because, if you are in the food industry, it is so important for an entrepreneur to provide free samples of sweets of any food product in order to give an opportunity for potential customers to try those products before making any buying decisions so, for us, it was always important. Actually, my initial investment of 160 manat went to the women for trials, free samples of sweets; we actually went to companies, met with them, made presentations, and made our B2B business model in order to make sales. It was the best decision we made at the beginning because we knew that we could not reach individuals but we could reach companies, because they are interested, they can buy much more, and it would also be very beneficial for us. And when we reached companies, we gave them free samples. They liked them and immediately gave us the opportunity to sign contracts so we could provide the sweets for their events, corporate gifts, and any other occasions on a regular basis. So, for us it was a huge success as an early-stage entrepreneurship project because no one believed in us. For us, it was very important to have direct marketing and direct sales, by calling them, emailing them, and by going and talking to them. We also reached out to cafes and restaurants but, with cafes and restaurants, it was not really the right decision because they are not really interested in the quality of the food product, but rather in lower prices, so that is why we are not cooperating with cafes as much. We are working with companies and organizations mainly.

So, first, our customer segment is companies and organizations that are passionate about social responsibility and that have also shown great interest in the empowerment of women. For them, it was very important to support our social business by purchasing our products. The second customer segment is families and individuals – workers from those companies who once tried our sweets from the corporate gifts or from events and they also ordered from us in addition for their events, for their holidays, and for personal occasions. So, for us, business-people, entrepreneurs, office workers, and students are also our main customer targets because if we were to research the market for our cakes, we would see that the majority of customers or buyers of cakes are students, so we have also been focusing on students in order to provide those cakes and some different sweets. Corporate orders make up 80% of our sales with 20% coming from individuals.

With the B/business model, we rely on direct communications through emails, LinkedIn, calls, and networking events for B2B meetings. For individuals, we use social media, email, marketing, and also, of course, word of mouth. Word of mouth became also the most important part of our marketing because if one company liked our sweets, they could also recommend them to other companies and organizations and, for us, it was also a success to receive calls from unknown people, from unknown organizations, who got these recommendations by our customers. So, for us, it was also very important and also influenced our marketing in order to reach many more individuals. We also started using influencer marketing, collaborated with bloggers, and invited

them for our video materials, video projects, so, for us, it was also very important to communicate with them.

*Laman:* What about the relationship between you and your customer group? How is it maintained and how does it influence the performance of social entrepreneurship?

Customer satisfaction and customer loyalty are the most important because customers are our main supporters. We do not get any sponsorships, any grants from anyone, and we understand the importance of customer relationships in every aspect. First, it starts from communicating with our women, whenever we are getting not so high-quality products, in terms of taste and appearance, even before ordering from them on constant basis, when we first meet with our women, we always tell them that if you are not preparing high-quality products, no one will buy them a second time. So, for us, it is so important in such a competitive market to be sustainable through maintaining these customer relations and keeping these high-quality products.

If our women give us low-quality products a second time, we do not buy those products from those women again. We explain that we'd already told them how important it was to keep the quality up, to not waste our time, give excuses. So if you are not taking care of the customer, the customer will also not take care of you, so he will just pay for the last order, and the second time he will just go to other competitors. So, we are not taking risks. We do not want to lose our customers: they are our friends, they are our main supporters, and we really appreciate them a lot. Especially for corporate orders, we offer discounts when we receive huge orders, we offer customized packaging, and we also send very touching letters on behalf of our women. I will tell you one story. When we organized those small packages of sweets for the High-Level Global Baku Forum, it was for VIP guests – all presidents, vice presidents, prime ministers, CEOs of companies, and heads of governments. They were in Baku, and we sent them special VIP packages of sweets with mini national sweets with special letters. So one of the VIP participants of this forum told me that he didn't open this small package of sweets in Baku because he wanted to take it back to the United States to show his son with autism that nothing is impossible when you see how special-needs Azerbaijani women prepare such great tasty amazing handmade national sweets. For us, it is very important to stir up emotions, memories, and experiences. It is very important to constantly listen to feedback. From accepting orders to after tasting our products, we always receive feedback about what they like, what they don't like, what they would change in our products, in our delivery services, which sweets exactly they like the most – because they can order different types of sweets – but which they like the most, and we will also work on those. It is also very important for us to give free sweets to our regular customers so they can try new sweets, and if they like them, they can order, so for us it is very important to keep this communication. We also use email marketing for



updating them on our new offers, new campaigns, and new discounts, so we are making everything.

And we are also trying to just to talk with our customers. We don't even ask a lot of questions about our products or our services. We ask questions about their lifestyle, what they like the most, what their dreams are, how their work is going, and so on. So, for us, it is very important to know exactly who our customer is, not only at the beginning of marketing research but also in the process, so we are forming friendships, so people know our team members not only because of producing the sweets but also for maintaining this friendship. For us, it is very important and we are also keeping this database of our customers, we are taking note of their orders, we are taking note of their favorites, everything, so we are keeping this database and always making new changes to this database and we are always trying to maintain this loyalty with discounts, free gifts, and with touching letters on their birthdays, on special days, so that they also feel this warmth from our team members.

Customer relations play the most important role in the performance of social entrepreneurship, so if you do not have any customers, if you cannot keep these relationships, we cannot operate, we cannot keep growing, so, for us, customer relations is the most important and that is why I advise all entrepreneurs who would like to start a business to take into account the customer as a priority, not the investor, not the supplier, not the beneficiaries, but the customer because if you are satisfying your customer, you will grow and you will be sustainable as a business so it is very important to satisfy the customer, to be his friend, because, especially in the pandemic, we saw that our customers sent money. They could not buy our products but we kept up communications with them, so it was coming from our sincerity, our curiosity, what is happening around us, and what is happening in the lives of our customers.

That is why they choose us. They can't have these human relationships in every cake shop or with every sweet brand. Entrepreneurship is not about technology, sales, or marketing, but it is all about communication with people. This human factor, the emotions that humans have, can never be replaced by any technology or robots. We need to keep those emotions, which make us different. That was the biggest lesson that I learned from social entrepreneurship actually.

*Laman:* How do you reach your customers and what channels prove to be cost-effective?

To reach our corporate customers, we used channels like LinkedIn, calls, emails, networking events, and B2B meetings, and also, of course, our personal connections. As a social business, a strong network is needed to reach higher places and international organizations. I think it is very important to use all connections, use all resources, you have in your hand and when you are starting a social enterprise, it is so important to not be afraid to talk about your social enterprise.

I remember when I started, I was so shy to talk about us, because we did not have exact results and my family members were not satisfied with the work I was doing, so I was not self-confident, until getting the first sales and results. So it was also very important for us to get these results, and then I knew 100% that when we got these results, we would be much more confident, and we would be stronger in persuading others to purchase our products.

For corporate orders, we use channels, for individuals we use social media, word of mouth, rely on our friends, colleagues, events, charities, exhibitions, different social events, and events of NGOs, so we use everything. We use email, WhatsApp connections, and marketing, because we want to reach many more people, of course we have a niche market, we have specification of our target customer group because in the twenty-first century, and we can't reach everyone. You cannot build your business for everyone, but, if you want to just to raise awareness about your social value, you should use all your connections and all your channels, but, exactly if you are talking B2B sales, about customers, we use LinkedIn, which is a free resource, we use emails, which are also a free resource, we make calls, which is a little bit expensive because you need to call every month, every day, and so on. But we are trying to manage. It also means including the expenses of our budget, so there are not a lot of difficulties. We also use our personal connections, which are very valuable. I could never say this is free, and I could never put a price on this resource because much more in entrepreneurship, not only social entrepreneurship but, in general, in entrepreneurship, personal connections that work in different places, who can support you with contracts, with negotiations, they are much more important than getting investments, grants, or anything else, or international recognition. So, I think those personal connections should be also used. Thanks to personal connections, we were also able to collaborate with the first and only vegan shop in Azerbaijan, where we distribute our products.

In terms of individuals, we use social media, such as Instagram, Facebook, different groups, and word of mouth, which are free. If our customers are satisfied, they are actually your best sales manager and should not be forgotten.

*Laman:* Which are the key resources/assets and how does a social entrepreneur identify them?

Of course, our main resources are human resources. We can invest in technologies but the high quality of products (or services) depends on human resources. This is our main model, our main priority, and value, in running a social enterprise, so we are very much interested in developing our team members, we are always investing in their education, in developing skills and capacities. Therefore, the top resources are, of course, the special-needs women and other team members who are actively involved in the preparation of sweets, and in the delivery process, organizing orders, accepting orders, and bookings, in communication with clients and marketing.

The second important resources are, of course, the products necessary to prepare those sweets – ingredients. We plan these preparations with suppliers. We already have trusted suppliers, and we are already working with them. It depends on the ingredients for sweets, it is also about delivery in terms of, for example, couriers or taxi services, and it can be also related to packaging and also print materials. So, we are very interested in public relations, and our main key resources are, of course, our customers, if they are satisfied, there will be a lot of interest in spreading the word about our services and products, and, of course, there is social media and other marketing channels.

But if we are talking about main resources, I will always mention first human resources as the number one priority. The second are the ingredients necessary for our sweets. Third are print materials and packaging, and the fourth is, of course, our personal connections because without them, we cannot reach our customers. Five is, of course, our customers, who are our sales managers, who actually refer us. The next resources are our courier services and taxi companies. We have different discounts for regular orders, so we are collaborating with them. In addition, we also have volunteers, who support us a lot in organizing the quality controls, so, in the preparation process, they are checking, monitoring the preparation process of those sweets in order to take it to a higher level. And the last important resource for us is, of course, when we are talking about teamwork, Internet resources, especially during COVID, when we have internet. Especially during the conflict, we have had problems with the Internet, but we are trying to resolve them, and internet resources are some of the most important resources actually.

For a social entrepreneur, the identification of key resources is not only related to profit-making but also about the social impact, so whenever we are evaluating and taking into consideration the key resources or assets for social enterprise, we should always take into consideration both sides of social entrepreneurship, profit, and impact. If we are only focusing on one, the other side will be out of our focus and, therefore, it will not be sustainable. If we only focus on profit, we will lose our reputation which is one of the most expensive resources for a social entrepreneur. When you are only focusing on social impact, you are not sustainable because you cannot earn money, you cannot make a profit, and you cannot reinvest it. So, it is very important to keep this balance (profit and social impact), and which resources you can take into consideration. It is not only about material resources but also about everything you can have in your hands. It can also be the first, your capital in your pocket money, your old friends who call and support you, the small coffee shop where you can work that has a little bit of an inspiring atmosphere, and this coffee shop can bring you so much inspiration, so the most brightest ideas can come from this coffee shop. Resources are also very important, so we should consider everything that is related to profit and social impact.

*Laman:* What are the main activities and how do you measure them?

When we are talking about the main activities, we should always take into consideration our values and our goals, so Buta Art & Sweets has the main mission of reducing the unemployment problem of special-needs women, so our main activities and measurement, and KPIs will be focusing on the **values** and the main goals and objectives related to our mission. To reduce the unemployment problem, we are trying to increase the sales of those homemade sweets and where are those homemade sweets prepared? In the homes of special-needs women. Why? Because women with special needs are not ready yet to go out of their houses because of family problems, because of their husbands, because of their children, or because of something else. They are happy to work in their homes.

In all of our activities, we try to take into consideration customer needs and the needs of our beneficiaries. To keep, this balance is important, because when you satisfy both sides of the social entrepreneurship model, it will be sustainable only in this case, so our main activities are related to, first, increasing the skills and capacities of our women, who are preparing those sweets. We always get feedback from our customers, especially loyal customers about their needs, about their trends, what they want from us, what their expectations are from our services and products. We are always updating this, always innovating our menu, and always trying to expand because, otherwise, we won't be sustainable in this competitive market. We hold various master classes and training programs for women because it is important for us to increase not only the capacities of baking but also soft skills. It is very important to take them to a higher level as entrepreneurs not only as employees.

The next activity is accepting orders, for sweets according to the database we have. For example, one woman only needs 3 days of advance notice about an order while another needs a week. It is very important to take that into consideration when we are accepting orders and when, based on the strengths of the women we are working with, to deliver those orders to those women. It is very important to do it in a systematic way: we have written communications with our women because if we only focus on calls, we won't accomplish anything. It is one of the most challenging groups of people you can work with. These people have different psychological problems, and they may have challenges in their daily lives. That is why whenever you are building a business or any project with people like this, it is very important to make the communication very clear, concrete, specific, and written for them, because otherwise it is impossible to explain anything to them, if it is only verbally or via calls. Of course, we are also working on written documentation, because without laws, rules, and protocols, without a systematic approach for documentation, we cannot have sustainable operations, and we cannot trust relationships even with governmental bodies. In order to not have any problems with the government, we have everything online and, in terms of payments, we have an account that can accept the online payment, so everything is visible through governmental systems and that is why when we are paying taxes, it is all visible in the system. If someone from a governmental institution wants to fine

us because they have doubts about our transparency, we can prove they are not right because we accept all orders online, we can only accept the bank transfers (no cash), so that is why it is very important to make everything transparent. And actually, transparency makes your social business much more profitable for you as an entrepreneur, rather than only to work with cash, especially in developing countries, like Azerbaijan; it is very important to keep this transparency for everyone, if you are in social entrepreneurship. So, again, I will tell we can measure mainly via social impact, with the number of activities we are doing for our women, with the stories we can create for those women, and with the increase of income for some, if our sales are increasing, of course, the income for them is increasing. It is about expanding awareness among different countries and regions and also raising awareness via different media channels.

*Laman:* Who are your suppliers/partner network and how do you develop this network?

Whenever we are talking about sustainable models, we should always take into consideration our partners. Everyone who supports our social business – every customer, every woman working for us, all of our team members – is our partner. And we include everyone who is talking with us, working with us on a constant basis, who are taking even the smallest steps for us. When we are talking about suppliers, of course, it starts with ingredients, of the sweets, with packaging and print material [suppliers] we have been collaborating for a long time, we get discounts, and, of course. It is also about career and tax services, our trainers who hold master classes for our women. It is also about the places we work with for office space, when we have meetings with our team members. These offices give us the space for free or at a discount. We planned our first anniversary in a five-star hotel and, thanks to our personal connections, they gave it to us for free, and it was a huge surprise for us. We have also established partner relations with big companies who organized free gifts for our women on the first-year anniversary, and we will plan a huge event, after the pandemic, after everything is finished.

We are trying to do everything on a consistent basis, and when we are building partnerships, we are always thinking about win-win partnerships. Partnerships can be sustainable only when all sides get something for themselves; they have interest in this partnership, so when we are collaborating with companies with Corporate Social Responsibility, we do not want only to give them credibility or to give them the service for public relations or either advertisement; of course it is important for them, much more important is to have the high-quality products. So, whenever they think about buying this product they will think not only about social impact but about the quality, and competitive prices, they will also gain something for themselves in order to buy it again.

When we are talking about NGOs, they are also very interested in working with us, in partnering with us; because they understand that if they are giving this money to buy some sweets from the supermarket, they can also give this

money to a social enterprise and especially when social enterprises and NGOs can create some great synergies for great projects, it will be much more useful for both sides.

We work with women with special needs. We should always consider that we are not here to only be compassionate about their challenges. Those women are responsible to be trustworthy, to be hardworking, to be passionate to learn, and to innovate. First, they do something for themselves, not for us. If they are responsible for their own lives and their families, then we will be assured that they will be interested in creating high-quality products. So, for us, if we are creating this opportunity for these women, we are also expecting something in return. We are not a charity, we are not a social project where we close down this project model after 6 months and that is all. We give reports to donors, that we want to make a sustainable and when you are thinking about the sustainability of your partnership, you should always be interested in getting something in return. If you are giving something to someone, it regards your suppliers, it regards your customers, and of course the beneficiaries as well. When we are talking about suppliers, our main suppliers are, of course, the suppliers of different ingredients, so we have partnership agreements with suppliers of different packages, print materials, couriers, taxi services, and products necessary for our sweets. Those are our main suppliers. Of course, we have some suppliers for outsourced services in terms of accounting, marketing, and different services we need, in organizing different projects, and, of course, we also take into consideration the places we are collaborating with when we are organizing different training sessions and master classes for our women.

*Laman:* What are the main costs of your social entrepreneurship?

The costs of Buta Art & Sweets include costs and expenses for products and ingredients necessary for the preparation of sweets, for commissions of our women, commissions for our team members, and for the taxes we are paying for each sale and every employee. It also includes logistical delivery service fees, packaging, print material expenses, participation in different exhibitions and events, the preparation of samples of the sweets, when we want to gain new customers and when we go to new places – you should always invest in that – and marketing costs. When we want to advertise some new campaigns, offers for people, our main costs include the costs of organizing training services, free educational programs for our women, our main costs also include, it is not all about money but also about the time and about the energy we are investing in developing the social enterprise, and I think, that can never be measured with any amount of money. Whenever you are passionate about your business even if some different employment opportunities arise, you always consider social impact as the most important thing and that is why it is very important for me to do something I love. And how are low costs maintained? Especially when you are building sustainable partnerships, you will always have discounts for regular orders, when you have bigger corporate orders, you can always

negotiate with women who can decrease the expenses, for delivery services, for ingredients, whenever they can buy it from the suppliers. For us, it is very important to maintain this balance, to make it profitable, through delivering high-quality products because if you are delivering food products, it is very important and very risky at the same time when you do not provide high-quality products and fresh products for your customers. It is always important to keep that in mind, as when you deliver a product that isn't high quality, it can damage the health or even kill the person, so it is very important, very dangerous. The food industry is one of the most dangerous industries in the world: it is very risky. Could lowering costs damage customers' health? If we see that it does not damage the health of our customers, especially in packaging, print materials, or something else, we can lower the costs but if it is about, for example, using the fresh natural oil or not organic oil, we always ask this question of our customer because customers are different, the needs can be different, high-level customers won't ever eat the sweets with non-organic ingredients because they are used to everything natural and expensive. That is why you should always ask this question; otherwise, we can never be sustainable. As a business model, we should always focus on customer satisfaction.

*Laman:* What about the revenue streams of your social entrepreneurship? Is there income from non-market sources, such as donation and subsidies?

I am very proud to say that we are not dependent on any sponsorship, grants, and donations. So even when, as a social entrepreneur, I am implementing projects, I am not implementing it on behalf of Buta Art & Sweets, or any other social businesses, in order to maintain some cash flow. I had always considered it important to keep the sustainability through sales: this proves to everyone that social enterprise can be sustainable without being dependent on someone, on donors especially. So we do not get any grants, and we do not get any donations, so 100% of our revenue stream comes from sales of our products and services, and, in the future, we are expecting to increase the number of our services and products, so we also want to add some courses on vegan products, on the preparation of vegan sweets and products, very unique ones, with the participation of our women, so they will also get commissions for teaching. We will sell those courses online and everyone from any country can join and take these courses. They will be accessible and will also have social value for the new customer segment group and this customer segment group will consist of people who are passionate about exploring new recipes, to learn more about cooking.

Our revenue stream is the sale of our products and services. In our first year, we received some small grants (only 500 euros), for example, to organize our first masters classes for our team. But as soon as our sales increased, we were already not taking any grants or donations. We are proud to say that we are self-sustainable selling our products. This is actually social entrepreneurship: when you can be independent while you can make a sustainable social impact.

## Discussion

The case of Buta Art & Sweets well represents an illustrative example of what social entrepreneurship and social business models are (Dacin et al., 2011; Seelos and Mair, 2005; Yunus et al., 2010). We described a case of a young female social entrepreneur who has developed a social business model in a developing context, distinguishing the two phenomena. On the one hand, there is a social enterprise where a woman has been able to make a profit and to have a sustainable and successful business, able to compete in the market (a trait that is typical of for-profit businesses), while also making a social-oriented profit, as represented by her mission to empower women and eliminate unemployment for disadvantaged women. On the other hand, she has developed a social business model that goes beyond social-profit-oriented shareholders and specifies social-profit objectives (as Yunus *et al.*, 2010 advance), also making clear the importance of involving a broader ‘social ecosystem’.

As it survived the pandemic, we think that Buta Art & Sweets’ social business model can be defined as successful. The social business has been able to balance, on the one hand, the production (and sales) of high-quality products at good prices. On the other hand, it allowed women with special needs to rely on an income that, during the pandemic, often represented an important source of sustainment. We think that the elements that have made for the success of Buta Art & Sweets can be traced back to an enlightened entrepreneur who has been able to clearly define the boundaries of both profit and social impact, and the capacity of establishing long-lasting partnerships where mutual benefits are at the core. Figure 6.1 presents the social business model canvas of Buta Art & Sweets, adapting the dimensions of the business model canvas developed by Osterwalder and Pigneur (2010).

Extending what previous research has supported, that is, the dichotomy between economic and social value (Santos, 2012), we distinguish among five types of values: economic, social, environmental, emotional, and cultural. The *economic* value is from the revenues generated by Buta Art & Sweets. The *social* value is created by the employment of women with disabilities and special needs and who, for cultural prejudices, are usually thought to be unable to work. The *environmental value* consists of using cruelty-free and eco-friendly ingredients for the preparation of sweets and packaging. The *emotional* value is critical for building a relationship with the customers, and, moreover, attempting to maintain regular contact with them: Buta Art & Sweets tries, through the women it employs, to build a personal and close relationship also thanks to particular after-sales contact and to a friend-like relationship that the women always strive for. Finally, there is a fourth value dimension, that is, the *cultural* value: working for Buta changed the mindset of many people, employees included. This is of critical importance for Sara, since, thanks to this, Buta Art & Sweets is able to indirectly influence society with its work. Moreover, due to the production of high-quality sweets, the women can prove their value to the society.



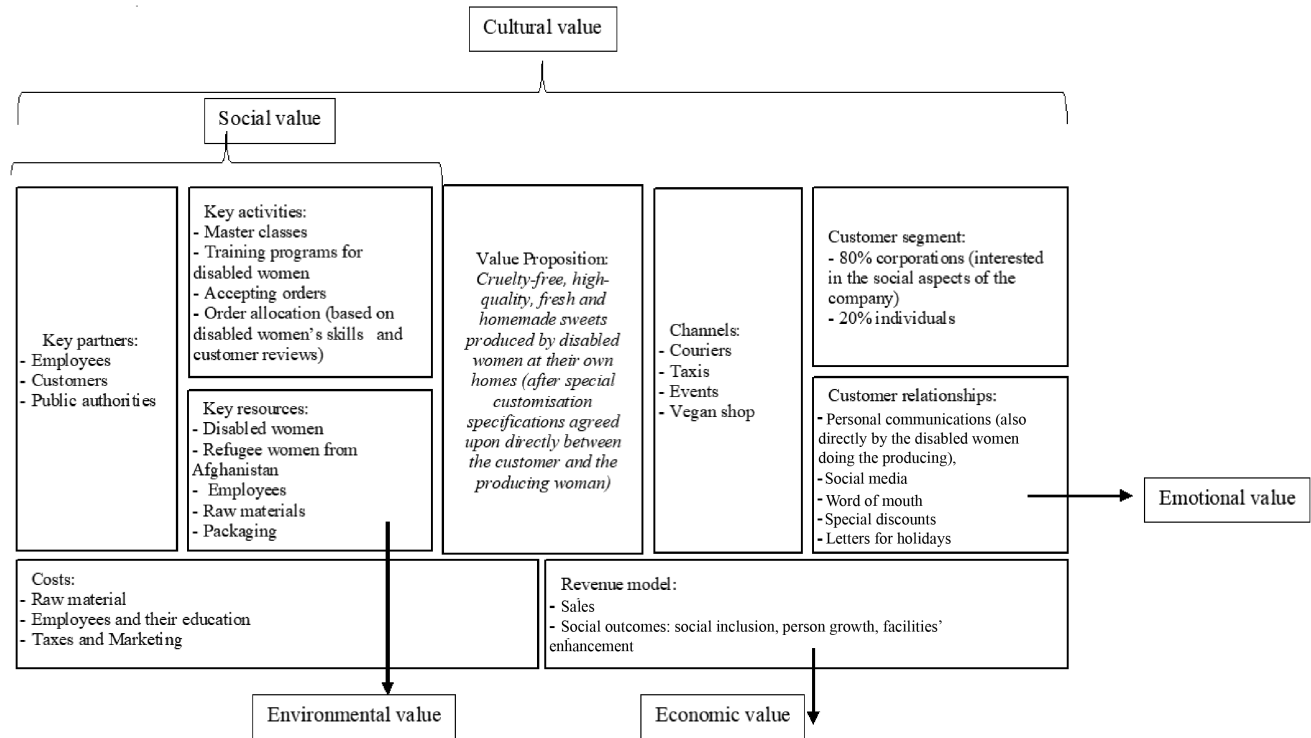


Figure 6.1 The social business model canvas of Buta Art & Sweets

Source: Adapted from Osterwalder e Pigneur, 2010.

We think that the social business model is also successful thanks to *female intrapreneurship*. Antoncic and Hisrich (2001) identified four dimensions of intrapreneurship (i.e., entrepreneurship within the organization): the creation of new businesses related to the ‘mother’ organization; the creation of new products/services; a self-renewal dimension in terms of reformulating strategy; and a proactiveness dimension. These elements are somehow present also in our case. In fact, in the case of Buta Art & Sweets, the women employed are considered and practically act as real entrepreneurs. They are in charge of choosing the best ingredients to fulfil the needs and wants of customers, with which they maintain direct and indirect personal communications. Women are in charge of setting the prices too. The value is added mainly by the employees, which are considered more partners than simple employees by Buta itself. Hence, we could say that the successful business model of this social entrepreneurship lies in the fact that it enables intrapreneurship. Buta Art & Sweets oversees the main activities, such as conference and meeting participation, brand awareness, documentation and data management, coordination, and general management. However, daily work, production, and value and emotion generation are mainly done by the disabled women involved in this business. This kind of structure also helps women in redeeming themselves and in proving to the society they can successfully contribute, being at the same time independent. These women work from their homes, organizing themselves autonomously. The aim of improving the workplace, which is a crucial aspect according to Sara, is linked with the importance for the women to improve their conditions too.

## **Conclusion**

This chapter has presented an interview with a social entrepreneur who has applied a social business model that elevates the status of disabled women. From the case of Buta Art & Sweets, we have understood that the ability of a social entrepreneur is crucial to creating social value and launching social innovation with an entrepreneurial perspective.

Social entrepreneurship is more complicated than “pure” profit-oriented entrepreneurship because of the need to balance revenues and non-measurable (or not easily measurable) social value.

The good balance of economic profits and the social impact has allowed the social business to remain independent from donations or subsidies, thus making the women financially sustained.

There is still scarce knowledge of social entrepreneurship in society. There is a need to educate students, communities, and rural regions on social entrepreneurship: this would improve the overall understanding and, therefore, the attention to social entrepreneurship. Furthermore, it would allow achieving increased social responsibility in society.

Social enterprises, as shown by the case of Buta, are important and inspiring examples for further potential social entrepreneurs.

From a theoretical point of view, the analyzed case of Buta Art & Sweets helps in understanding *how a social entrepreneur develops a social business model*. We think that the core element is related to the employees’ intrapreneurship (in

the specific case of Buta Art & Sweets it is pursued by disabled, disadvantaged women) and the role of the social enterprise (Buta Art & Sweets, in this case) as acting as the brand-creator and orchestrator of this intrapreneurship. In fact, while Buta Art & Sweets is in charge of some services, such as logistics, other pivotal activities and decisions (e.g., production, communication with customers, and price setting) are carried out by the employees/partners/intrapreneurs. This might appear a mere administrative and managerial aspect; however, it is of critical importance from the social perspective. Enabling them as entrepreneurs contributes to increasing redemption for people otherwise poorly considered by society (and often by their families too). Thanks to this business model, the social impact of the main enterprise is significantly augmented. Moreover, the emotional value associated with the company is increased, too, making it more attractive for companies looking at CSR issues, which then might want to move from “pure” customers to real partners.

Furthermore, this chapter provides interesting implications for practitioners and public institutions. Even if there is not much need for legislation on social entrepreneurship, since it is possible for social enterprises to legally use the rules for pure-profit ones, establishing legal forms of social entrepreneurship in the country’s legislation may indicate the importance of social entrepreneurship for the state. Specific dedicated rules for social enterprises might also help them in obtaining more governmental and institutional support, which is, however, needed in some cases.

Social entrepreneurs can mitigate social problems, such as gender equality issues or the discrimination of disadvantaged people, as seen in the case of Buta Art & Sweets. Examples such as the one described definitely help in reaching the sustainable development goals of Agenda 2030.

Of course, it would be interesting to compare multiple cases to expand this research, but at national and international levels.

## Note

- 1 Oikos Baku is the Azerbaijani’s chapter of the Worldwide global community Oikos; it is focused on sustainable economics and management, and it represents a “leading reference point for the environmental sustainability.”

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