

People and resources: Unlike a commercial entrepreneurship who often has the financial resources or incentives to recruit and retain talent, social entrepreneurs are rarely able to pay market rates for key hires nor are they able offer other equity incentives such as stock options. (Oster, 1995)

Furthermore, social enterprises often rely upon volunteers to serve key functions. Clearly, this use of and heavy reliance on volunteers present a very different set of management challenges for the organization.

In commercial entrepreneurship, the key motivation for all players involved is to build a profitable company and to earn attractive returns. Thus, investors are often more interested in these firms and at the same time they help them raise additional funds for the venture. Multitude of financial institutions provides them with a wide range of financial instruments to meet their needs. While social entrepreneurs have far fewer channels for accessing sources of capital.

social entrepreneurs are often faced with more constraints: limited access to the best talent; fewer financial institutions, instruments, and resources which hinder their ability to achieve the organization's goals.

Thus, given these constraints, it is critical for the social entrepreneur to develop a large network of strong supporters. For example, the National Foundation for Teaching Entrepreneurship (NFTE), the world's largest organization promoting entrepreneurial leadership among youth was initially founded by Mariotti. Through building a powerful network of key staff and supporters convinced of the value of the mission and the organization's capacity to deliver it, NFTE has since grown to become a \$6 million organization, with supporters from leading businesses such as Microsoft or Goldman Sachs.

Deals: Deals are contractual relationships between the entrepreneurial venture and the resources providers. However, because of the way in which resources have to be used and because of the difficulty of performance measurement, the terms of the deal are different for commercial and social entrepreneurs.

For example, City Year, a non-profit organization that engages youth in national service, depends upon a wide range of funding sources from the government to a number of different sponsors, each of which demands different expectations. The challenge facing the social entrepreneurs leading the organization is to develop a strategy, considering the various concerns with each deal.

Moreover, philanthropic funders and volunteers are motivated to donate their money or time for a range of reasons. Consequently, philanthropic donors also tend to put more varied demands in an effort to meet their own objectives. Each of these demands can impose significant limitations on a social entrepreneurs' ability to determine how resources can best be used.

The goals and objectives of the different stakeholders of a social enterprise may vary widely. Thus, negotiating deals between the social entrepreneur and resources providers is considerably more complex and challenging in social than in commercial entrepreneurship.