

Hong Kong Social Enterprise Challenge (HKSEC) is an inter-collegiate social venture business plan competition and training platform. It aims to inspire the younger generation to develop innovative ideas and apply their specialist skills and knowledge to establish social enterprises that will help address a broad spectrum of social issues. HKSEC seeks to promote the involvement and engagement of the local business sector in these social ventures through providing mentorship and internship opportunities and a real-life business setting for the budding social entrepreneurs to execute their own projects. Since its debut in 2007, HKSEC has collected over 400 social enterprise ideas. More than 2,000 individuals have formed teams to participate.

In this report, four social ventures share their experience in blazing a trail and pioneering creative ideas. With total commitment, these ventures have made positive social impact in the areas they have chosen to devote their time and energy. HKSEC is organised by the Center for Entrepreneurship of the Chinese University of Hong Kong and sponsored by the Home Affairs Bureau, HKSAR.

Venture enhances understanding, harmony among diverse ethnic groups

In a secondary school in Shatin, founder of Inter Cultural Education (ICE) Freddy Law oversees a Saturday workshop in which two African cultural troupers in their national costumes and with traditional musical instruments engage dozens of students in a lively discussion about the continent's cultural heritage.

Later Law joins the group, dancing to the rhythmic African drum beat and sharing the laughter with the students and the trainers. Law is the hands-on manager of ICE, a venture established to promote global learning in a culturally diverse environment. The co-champion of HKSEC 2009, ICE organises interpersonal development workshops stimulating the interaction between local students and trainers from different ethnic and cultural backgrounds. It aims to nurture a global perspective in the participants and inspire them to embrace social mission ultimately.

A graduate of Bachelor (Hons) in English at the Hong Kong Polytechnic University, Law volunteered to teach Cantonese to students of ethnic minorities in Hong Kong, Law says. "One kid was uninterested. When pressed, he told me that it did not make any difference if he spoke Cantonese or English because he expected to be discriminated by the locals anyway."

Inspired to explore the issue in depth, Law found that Hong Kong has had problem with racial discrimination and lacked well-developed curriculum at schools to address the issue. After spending some time working in Europe and India, Law believed he could leverage his personal global experience to promote global exposure among schoolchildren in Hong Kong.

ICE engages and provides training to trainers from North America, Europe, Africa and South Asia to host the workshops. "Trainers from North



Freddy Law of ICE (second from right) joins in the fun during a cross-cultural workshop held at a school in Shatin.

America and Europe were welcomed. But some students appeared awkward when they first came into contact with trainers from South Asia," Law says. "Through interaction at the workshops, we aim to bring out the message that there are multiple perspectives to explore the same issue. The mission of ICE is beyond cross-cultural education and providing some work opportunities for ethnic minorities. We want to encourage the participants to adopt a global perspective to explore themselves and Hong Kong."

"We learned to tailor the marketing around the potential benefits. Many school principals we have approached are impressed that I got a scholarship to study at Stanford University and another ICE director (Zulfiya Kazim) is an Oxford graduate. They want the workshops to help students nurture ambition to enter world-class universities," he continues.

Law then developed some workshops incorporating the sharing of stories about how he had grown up in Yuen Long and ended up studying in Stanford and how determined Kazim was to get into Oxford despite her upbringing in an impoverished area in London. "We show how global experience helps motivate the participants in their studies," Law says.

ICE's programmes, conducted in English only, include the weekend Maximising Learning workshops and the World Awareness Week held during the week. "Because we have trainers from many nationalities, they can contribute to the teaching of various subjects in the regular curriculum by sharing their personal experience. For example, a Japanese trainer can share his experience about earthquake at home [in geography class]. Knowledge comes alive through this sharing," Law says.

Upcycling design project supports rehabilitation

The colourful fashion accessories from Déjà vu Creation embody some familiarity – you might have seen it somewhere, but somehow you cannot say exactly where.

The social enterprise promotes upcycling by creating a comprehensive range of accessories out of disposed plastic promotional banners, moulded 'papier-mache' furniture made of discarded paper materials, folders with used comic books, and photo frames decorated with used banners and CDs.

"We aim to address two social issues through our organisation. The first is environmental protection. We also want to promote the social reintegration of individuals neglected by the society," says Sue Wong, chief director of the venture. A furniture design graduate of London Metropolitan University, Wong entered the HKSEC 2009 by forming the HK +1 team and won the Best Social Mission Award.

"The venture has helped enhance community understanding of mentally handicapped individuals by organising training sessions involving university students teaching handicraft-making to pupils of rehabilitation centres. "This interaction with mentally handicapped individuals provides more in-depth experience than any textbooks," adds Wong, who also has a Master degree of Urban Planning by the University of Hong Kong.

Meanwhile Déjà vu Creation employs the assistance of a recovering mental patient at a rehab centre to collect the discarded banners and run errands on a part-time basis. "He learns to communicate with people outside the centre. This helps build his confidence."

Wong and the creative director Wailing Tang are responsible for the venture's entire operation from design development, initial sorting of materials, to budgeting, contract production, quality control, to marketing. "I use my background in furniture and product design and take a hands-on approach to the experiment with different materials," Wong says.

Tang, who is a civil engineering graduate at Liverpool University in Britain, is responsible for project management and coordination. She is also involved in the design development.

Déjà vu Creation has achieved a milestone recently because the venture has shipped its first batch of 50 donated stationary sets in colourful pouches made of banners to school children in remote areas of Afghanistan.

Sue Wong (left) and Wailing Tang of Déjà vu Creation have learned to develop customer-oriented designs made with disposed plastic banners.



Déjà vu Creation produces rubbish bin, handbags and purse with disposed promotional plastic banners and makes folder out of used comic books.



"The lack of stationery supply in these impoverished regions may strip children of the opportunity to go to school," says Wong. "We approached the Austria-based Help Afghan School Children Organisation with this donation plan when we set up this social enterprise in April 2010. This is one of our founding objectives."

The up-cycling education value in the accessories from Déjà vu Creation far outstrips anything else, according to Wong. "Although we get the banners for free, the transportation cost is around 30 percent of the total production cost, which is disproportionately high. Wailing and I spend hours sorting the banners, cleaning, and cutting out logos."

Wong and Tang have learned to apply various marketing skills. "These are customer-oriented products. We have learned to tailor the designs to the specific requirements of our target customer group," Wong says. "Our business model is constantly changing. Although we initially focused on marketing the medium-priced banner handbags, the surprise best-sellers are pencil pouches and business-card holders, which were originally designed as company premiums."

Déjà vu Creation regularly provides handicraft making training sessions at various rehab centres. "We aim to increase cooperation with the centres in terms of production but it depends on the volume of orders received," Wong adds.

Team finds artistic expression in auto parts



Alex Yiu (left), Lo Wah-kei and Beatrice Lau of ATB develop designs by experimenting with the auto parts by hand at their workshop. "We do not sketch designs on paper," Yiu says.



A lamp design highlights the contrast between metal auto parts and leather pieces.

Discarded auto parts get a new lease of life as they are transformed into edgy and artistic home decorative objects and furniture by ATB Auto Art using the 'upcycling' concept.

"These objects carry the added value of helping to raise public awareness about environmental protection. The social enterprise team led by Tilly Woo, a graduate of the BA (Hons) Art and Design in Education at the Hong Kong Polytechnic University, is the co-champion in the Hong Kong Social Enterprise Challenge 2010. The other ATB team members are Alex Yiu and Beatrice Lau, who are also graduates of the programme, and Lo Wah-kei, a current student of the course."

"We drove around in the New Territories two years ago and were shocked by the amount of disposed furniture," says Yiu, an interior designer. "It inspired us to explore auto parts. There are huge amount of auto parts sitting in some junkyards in Yuen Long. They will eventually be sold by weight to some Third World countries and recycled as scrap metal. The recycling and transportation leave behind huge carbon footprint."

"We were so fascinated by the attractive appearances of individual parts and components that we created some coffee tables by assembling the parts together. They were snapped up by our friends. We thought it could be a viable business because Hong Kong has steady supply of discarded auto parts," Yiu continues.

Upcycling is about prolonging the life of some objects indefinitely and multiply the value. One of ATB's goals is to spread the environmental protection message among the general public,

says Lau. "We focus on furniture and domestic items which are artistically designed, sturdy and perform practical functions so that this message of 'up-cycling' is integrated into the household. We have been developing smaller items using auto parts, including clocks, lamps and photo frames available at affordable prices."

Through trial and error and networking, ATB's team members have established an efficient operation, from collecting the auto parts by category from various garages to approaching different metal part workshops for production. "Several local metal work artisans were impressed with our enthusiasm and ability to transform auto parts into art objects. They agreed to make pieces for us in small quantities," Yiu adds.

Initially, ATB targeted racing car enthusiasts who snapped up the finished items. A set of coffee table with stools featuring seats made of steering wheels can fetch up to HK\$20,000, says Lau.

ATB will embark on a new project to explore the contrast of metal auto parts with supple leather pieces in a range of lighting designs. "We will conduct a training course for some soon-to-be-made redundant garment workers in Hong Kong. We aim to develop this new line of lighting designs which may appeal to more female customers. At the same time this new project may provide some work opportunity for the laid off workers," Lau says.

The interested workers are encouraged to group together and help take up production of any components of ATB's products which require their sewing skills, says Lo. "They can start by working on the parts at home and help to build a community production network for us."

Food waste recycled to produce delicious food

Although food waste accounts for nearly one third of all waste in Hong Kong by weight, only one percent of waste recycling in the city involves food waste, says Jack Cheng Ying-kei, founder of Hong Kong Food Waste Recycling Social Enterprise (HKFWRSE).

The enterprise has introduced the CNT Natural Farming technology from Taiwan and applied it to the processing of food waste collected in Hong Kong and turning it into fertiliser for organic farming in the city. HKFWRSE is the HKSEC 2008 champion and the exclusive licensed user of the CNT technology in Hong Kong. Operation of the venture started in earnest when Cheng graduated from the Bachelor of Business Administration programme at the Chinese University of Hong Kong in May 2010.

The CNT technology involves the mixing of food waste with mineral powder and wood husks and exposing the mixture to the elements for fermentation.

HKFWRSE focuses on a sustainable business model for natural processing of food waste and sells the fertiliser to organic farms in Hong Kong. Although the CNT food waste processing in Hong Kong is still at a trial stage, Cheng is confident that he will expand scale of the venture by reinvesting profits into it and be able to collect and process more waste from around the Pearl River Delta region and beyond.

The food waste is supplied by a school lunch box caterer for free. HKFWRSE supplies the fertiliser to various organic farms in Hong Kong. "We want to help these organic farmers to enhance the quality and quantity of their production with our fertiliser," Cheng adds. "Hopefully, the general public will become more receptive to organic farm produce if the quality improves."

Working on HKFWRSE full-time, Cheng takes a step-by-step approach to the venture. "We hope to first fulfil the mission for environmental protection through recycling the food waste and ensure the business is sustainable. When we are able to expand the scale of the venture, we would like to address other social issues."

As part of the trial, the lunch box caterer ships around 300 kilograms of food waste to an open plot of 5,000 square feet located in a private fish farm in Sai Kung. The fertiliser produced at one of the participating farms, e-Farm in Fanling, is from around



Jack Cheng shows some Romaine lettuce grown with the food waste fertiliser at e-Farm in Fanling.

100 kilograms of food waste collected at a school in Fanling. "The initial target processing capacity of food waste in Sai Kung is up to 4 tonnes every day which we expect to reach in early 2012. If the operation goes as planned, we expect to rent a plot of around 5,000 square metres in Eco Park in Tuen Mun in three years and increase the processing of food waste to up to 50 tonnes a day. The waste may be from other areas in Guangdong and even outside China."

Cheng is confident of the market potential of organic fertiliser. "There are huge markets in the United States, Australia, Argentina and Brazil."

Average cost of processing food waste into fertiliser by HKFWRSE at this trial stage is around HK\$2,000 per tonne and the venture's operation just breaks even. HKFWRSE expects to enhance the quality of its fertiliser to increase its price per tonne to the mid range of around HK\$5,000, Cheng says.

Contest promotes social enterprise spirit in Hong Kong

In today's more diversified society, some well-educated young people have eschewed the conventional paths of entering the corporate world to proactively leverage their skills and knowledge in setting up social ventures and helping make a difference in the community.

One of the main objectives of the Hong Kong Social Enterprise Challenge is to encourage more young people in Hong Kong to embrace the social enterprise spirit. "We aim to cultivate and promote the model of social ventures through the use of business strategies to achieve social values and fulfill social missions," says Mingles Tsui, project director of HKSEC at the Center for Entrepreneurship, the Chinese University of Hong Kong.

"We promote the involvement in these ventures by the local business sector through mentorship and internship. We arrange the winning teams to be on a six-month internship with participating corporations. The team members actually execute their own projects under the guidance of the mentoring corporations," Tsui says.

In addition to the four social ventures featured in this report, Tsui says that Join'You, the co-champion of HKSEC 2010, and True Colours, co-champion of HKSEC 2009, are ventures with high potential.



HKSEC plans to launch a social return on investment assessment project this year, says Mingles Tsui, project director.

Assuming the dual role of facilitator and collaborator, HKSEC organises seminars and training workshops which lay the foundation on which the participants learn to develop and execute their individual business plans. Meanwhile, they will be able to identify the 'pain points', referring to the specific areas with which they feel discontent and want to change. The participants will assess their ability and skills which will be applied to their individual

enterprises. Because entrepreneurship is also about resourcefulness, the participants will learn to find outside resources through networking and other means. They will also develop their plans and strategies and eventually kick off the projects.

Because the global social enterprise development is changing constantly, Tsui envisions the establishment of "HKSEC Plus" which will become a platform to provide continuing nurturing to the past HKSEC participants so that they can further sharpen and update their skills. "We plan to embark on a social return on investment (SROI) assessment project with localised methodology and get some interested participants involved in it," he says.

While some areas of positive social impact and benefits from social ventures can be described in qualitative terms, other areas may be quantified through the establishment of some specific parameters, he adds. "Organisations with social objectives want to know if their projects are successful. SROI can help these organisations design the systems to ensure that they have the necessary information. Meanwhile SROI can be used as part of the due diligence process for making an investment. It can also help business corporations identify risks and opportunities and provide a framework for assessing whether the business should actively manage them."