

**Social Entrepreneurship  
and Profitability:  
The Case of Outpatch**

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## Executive Summary

**T**his whitepaper explores the role of social entrepreneurship in advancing sustainable development through a detailed case study of *Outpatch*, a social enterprise operating in the souvenir industry. Outpatch exemplifies a mission-driven business that addresses societal issues such as poverty, hunger, responsible consumption, and climate action by producing eco-friendly souvenir patches and reinvesting profits into local nonprofit organizations. The case provides insights into how social enterprises can integrate circular economy principles, overcome supply chain barriers, and maintain stakeholder trust while pursuing financial sustainability. The purpose of this paper is threefold: to bridge theory and practice in social entrepreneurship, present a real-world example of circular economy integration, and offer actionable insights for overcoming supply chain constraints in mission-driven ventures. It offers practical implications for entrepreneurs, policymakers, and supply chain partners seeking to embed social impact into business models.

*In a 2022 survey of American total early-stage entrepreneurial activity (TEA), about 68% of respondents agreed that one motivator for starting their business was “to make a difference in the world (GEM, 2022, p. 64). When asked, “(w)hen making decisions about the future of my business, I always consider environmental implications,” the number of TEA respondents compared to established business owners EBO is about 5% more (GEM, 2022, p. 69). This indicates that the future is bright for US enterprises that want to make a difference and are concerned about the environment.*

## Introduction

Clarksville, Tennessee, might be accurately described as a service-oriented community. Much of the population of Clarksville (and Austin Peay State University itself) is composed of military veterans. Social enterprises that aim to give back are abundant, as are those that engage heavily in corporate social responsibility (e.g., the Millan Foundation/Millan Enterprises, Hankook Tire). And, for aspiring entrepreneurs, a number of initiatives have been launched to provide networking and other support (e.g., Clarksville Inspired Connections, Clarksville Entrepreneur Center, the Tennessee Small Business Development Center). Consequently, much of our faculty's research has focused on social enterprises and incubators (Ermilina, Farrell, Askarzadeh, & Zhang, 2021), corporate social responsibility (Melton, Cunningham, Lowell, McCarthy, & Lean, 2024), entrepreneurship (Farrell, Skorodzyevskiy, & Willis, 2025), and more broadly on producing research with applied/practical value (e.g., Melton, Damron, McCarthy, & Rupp, 2020; McCarthy, 2024). This study, therefore, seeks to offer practical insights for entrepreneurs, policymakers, and supply chain partners of social enterprises.

Social entrepreneurship has emerged as a compelling model for addressing community challenges through market-based solutions. With its hybrid focus on financial viability and social purpose, this model redefines traditional business paradigms. In the United States, social entrepreneurship is experiencing a surge, particularly among younger generations. A 2022 GEM report found that 68% of early-stage entrepreneurs cite a desire to "make a difference in the world" as a motivator.

Outpatch, the focal point of this case study, is a veteran-owned social enterprise producing souvenir patches from recycled plastic. The company's commitment to local community investment and sustainability reflects broader trends in consumer behavior and corporate responsibility. This whitepaper presents Outpatch as an applied example of how social enterprises innovate through strategic partnerships, ethical sourcing, and stakeholder engagement.

Social entrepreneurship has the potential to be a dynamic and influential force in promoting sustainable development. Bansal, Garg, and Vasa (2023) suggest that social enterprises' competencies (social mission, innovation, level of scalability, financial viability, and collaborative networks) significantly impact sustainable development. Konys (2019) found in her systematic review of the literature that the field of entrepreneurship is divided into several sub-fields: regular/economic entrepreneurship, green/environmental entrepreneurship, social entrepreneurship, and sustainable entrepreneurship.

Outpatch primarily focuses on four societal issues: poverty, hunger, consumption, and climate change. They do this by partnering with locally run non-profits. Their products include souvenir travel patches that benefit nonprofits in the place they represent, "while humanitarian patches (and our custom patches) benefit nonprofits working in underfunded humanitarian crises. Our donations are always focused on organizations that are locally led" (<https://outpatch.org/pages/impact>). Partnering with customers and nonprofits allows Outpatch to create what Lumpkin and Bacq (2019) call civil wealth. Civil wealth creation (CWC) "... goes beyond traditional views of societal impact to suggest a more holistic approach to understanding societal outcomes by integrating entrepreneurial commerce and the engagement of beneficiaries into societal change processes" (Lumpkin & Bacq, 2019, p. 400). Furthermore, case studies of early-stage entrepreneurial activities can also be helpful in developing a shared definition of socially responsible business activities and corporate citizenship (McCarthy, Melton, & Bilderback, 2023).

This paper employs a case study research design to explore the future of social entrepreneurship, the factors propelling its growth, and the hurdles it faces. It further examines how social entrepreneurs play a pivotal role in tackling societal issues, forging sustainable business models, and fostering economic progress. By conducting an in-depth examination of Outpatch as a case study, this paper offers valuable insights into the phenomenon of social entrepreneurship within the souvenir industry and its potential to catalyze positive societal change. It also illustrates how a

social enterprise can overcome obstacles and remain true to its mission and vision.

In the United States, the rise of social entrepreneurship is a noteworthy phenomenon that has gained momentum in recent decades (GEM, 2022). In a 2022 GEM survey of American total early-stage entrepreneurial activity (TEA), about 68% of respondents agreed that one motivator for starting their business was "to make a difference in the world (GEM, 2022, p. 64). The GEM 2022 report also found twice as many 18-34-year-olds engaged in early-stage entrepreneurship in the US compared to 35-64-year-old individuals. When asked, "When making decisions about the future of my business, I always consider environmental implications," the number of TEA respondents compared to established business owners EBO is about 5% more (GEM, 2022, p. 69). This indicates that the future is bright for US enterprises that want to make a difference and are concerned about the environment.

As social entrepreneurship continues to grow within the United States, it is necessary to understand how social enterprises can remain sustainable while remaining true to their missions. Outpatch is an example of how a social enterprise adjusts to opportunities, obstacles, and challenges in order to stay true to its mission. Examining how social entrepreneurs tackle societal issues, construct viable business models, and foster economic growth is an opportunity to gain insight into sustainability in social entrepreneurial ventures. The case of Outpatch offers valuable insights into social entrepreneurship within the souvenir industry, highlighting its capacity to instigate beneficial societal transformations.

## Outpatch

Outpatch is a small social enterprise based in New Hampshire that manufactures souvenir patches from 100% recycled post-consumer plastic. Outpatch also has committed to donating 10% of all proceeds to local non-profits (<https://outpatch.org/>). As Outpatch works to develop sustainable business operations while remaining committed to its goals, it has encountered obstacles within the supply chain. They purchase thread made from 100% recycled post-consumer plastic from a German

supplier, Madeira. They also negotiated with their manufacturer, Gamma Industries, on sourcing thread for creating the patches in Thailand. But, they must pay for the thread prior to manufacturing, which is costly. How can Outpatch continue its commitment to its mission and stay in business? Are there opportunities for Outpatch to influence key players and stakeholders throughout the manufacturing supply chain?

## Social Entrepreneurship

Social entrepreneurship is the practice of creating and scaling innovative solutions to social, cultural, or environmental problems through the development of sustainable and mission-driven organizations (Ignas, 2021; Ranville & Barros, 2022). Social entrepreneurship represents a dynamic and evolving approach to addressing pressing societal challenges while creating sustainable business models. Social entrepreneurs prioritize the betterment of society alongside financial sustainability, seeking to address issues such as poverty, inequality, environmental degradation, and healthcare disparities (Stirzaker, Galloway, Muhonen & Christopoulos, 2021).

Several factors have driven the rise of social entrepreneurship in the United States, including technological advances (Calderini, Chiodo, Gerli, & Pasi, 2021), shifting consumer values (Ahmad, Ahmad, & Siddique, 2023), and access to funding (Ahmad et al., 2023; Calderini et al., 2021). The digital age has facilitated connectivity, enabling entrepreneurs to reach a broader audience, access resources, and collaborate effectively (Melton et al., 2020). Consumers increasingly prioritize ethical and socially responsible products and services, creating a demand for socially conscious businesses. Many impact investors, venture capitalists, and philanthropic organizations are willing to support social ventures, providing essential capital for growth (Andersen & Tekula, 2022).

*Impact on Society.* Social enterprises serve as beacons of hope in underserved communities, offering jobs and pathways to economic empowerment, poverty reduction, and addressing environmental issues. Companies like Outpatch have the transformative potential of businesses in promoting sustainability and reducing

environmental impact. Through innovative practices, product design, and its business philosophy, Outpatch adheres to environmentally conscious business practices. Outpatch demonstrates that commitment to sustainability can be integrated into core business strategies.

### *Challenges Faced by Social Entrepreneurs.*

Social entrepreneurship is not without its challenges. Balancing social impact with financial viability can be precarious, requiring creative revenue models and sustainable funding sources (Thananusak & Suriyankietkaew, 2023). Social impact initiatives, ranging from nonprofit organizations to social enterprises, operate within a unique landscape where their primary goal is to create positive social change. However, they often struggle to balance achieving their social missions and maintaining financial sustainability (Goyal, Sergi, & Jaiswal, 2016). As Ignas (2021) notes, “(Social enterprises) need to monitor their effectiveness, try to limit possible unintended consequences of their actions, permanently weigh (possibly conflicting) claims of stakeholders, and at the same time withstand the pressure to obtain the resources needed for economic viability, (p. 502)”. This can be challenging, as financial viability is crucial for the continuity and growth of social entrepreneurship. Balancing social impact and financial viability necessitates creative revenue models and sustainable funding sources (Tim, Maciel, & Passuello, 2023). Social impact initiatives inherently prioritize their social missions (Hota, 2023; Ignas, 2021). However, they must generate revenue to sustain their operations, leading to potential conflicts between mission-driven and profit-driven activities (Ignas, 2021). Quantifying social impact is inherently complex, and the absence of clear metrics can make it challenging to demonstrate results to funders and investors (Tim et al., 2023). Balancing social impact with financial viability is an intricate dance that social impact initiatives must master to thrive. While precarious, this equilibrium is essential for the sustainability and scalability of efforts to address pressing societal challenges (José, Lopes, Farinha, Silva, & Luízio, 2022). Creative revenue models, such as diversifying income streams and hybrid models, offer innovative revenue-generating solutions while



staying true to the mission. Sustainable funding sources, ranging from philanthropy to impact investment, provide the necessary financial resources to drive social impact (Kreutzer, 2022).

Scaling social enterprises to reach larger populations can be complex and resource-intensive. Social enterprises are pivotal in addressing societal challenges by combining business principles with a social mission. Scaling these enterprises is an aspiration for many, as it allows them to reach more people in need and create a broader impact. However, the journey towards scalability is not without complexities and resource challenges (O'Reilly, Walsh & Mottiar, 2023). There are practical strategies social enterprises must consider when seeking to expand their reach.

O'Reilly et al. (2023) have proposed several key considerations that social enterprises like Outpatch should consider. These encompass external support, motivations for scaling, different forms of scaling (scaling up, scaling out, scaling deep), readiness assessment, practical tactics, and the critical factors for success. Outpatch, as a veteran-owned business, has already secured external support through startup funds from PenFed and several state grants. Their motivation for scaling is driven by the need to meet the diverse demands of their stakeholders, which include both customers and the nonprofit organizations they support. Outpatch primarily focuses on scaling out, increasing the number of enterprise customers and retailers offering their products, thereby replacing less sustainable products in the market. They achieve this by offering environmentally friendly souvenirs and corporate merchandise in the form of patches made from recycled plastic, supporting nonprofit initiatives, and forming partnerships with local artists. Outpatch has closely monitored customer demand in determining their readiness for scalability, using it as a key indicator. One of their effective strategies involves forging partnerships with suppliers and even competitors, which helps them reduce the cost of recycled thread and operate more efficiently.

Scaling social enterprises to reach larger populations is both a noble aspiration and a formidable challenge. The complexities involved, from maintaining mission alignment to mobilizing the necessary resources, require careful planning

and execution. Social enterprises can overcome these hurdles by understanding the nuances of scaling and employing strategic approaches such as partnerships, investment readiness, and capacity building (Nielsen & Lund, 2018). Despite the resource challenges, the potential to create a more significant and lasting impact on society makes the pursuit of scalability a worthy endeavor for an enterprise such as Outpatch, a mission-driven organization committed to positive social change.

It is challenging and crucial for social impact initiatives seeking to foster trust, secure funding, and drive positive change to communicate with stakeholders. Organizations can navigate this challenge more effectively by addressing the complexities of impact measurement and employing strategies that balance data with stories. In an era where social impact is increasingly valued, mastering the art of impact communication is essential for the continued success and sustainability of initiatives committed to creating a better and more equitable world. Some social impacts take years or even decades to materialize fully. Measuring and attributing such outcomes to specific initiatives can be challenging, as other factors may also contribute. While quantitative data provides measurable results, qualitative data, such as stories and testimonials, is equally valuable in demonstrating the impact of human and emotional aspects. Different stakeholders, such as donors, investors, beneficiaries, and the public, may have distinct expectations regarding the format, depth, and frequency of impact communication.

## Supply Chain Issues

Manufacturers using post-consumer recycled plastic (PCR) face a host of supply chain challenges that require proactive and innovative solutions. These include inadequate recycling infrastructure, unsustainable disposal practices, low levels of recycling awareness, and persistent concerns about shipping large amounts of waste from developed to undeveloped countries (How, Low, & Chieng, 2022). While the integration of PCR can be complex, its potential to reduce environmental impact and meet sustainability goals is substantial (Satapathy, 2017). Manufacturers must focus on quality assurance, diversified

sourcing, contamination mitigation, and regulatory compliance to navigate these challenges effectively (How et al., 2022). Additionally, transparent supply chains and consumer education are pivotal in building trust and fostering wider adoption of PCR-based products (How et al., 2022). As industries prioritize sustainability, successfully addressing supply chain issues associated with PCR will be instrumental in achieving environmentally responsible manufacturing practices. While the integration of PCR can be complex, its potential to reduce environmental impact and meet sustainability goals is substantial. Ensuring the consistent quality of PCR materials is a paramount challenge. Variability in the composition and condition of recycled plastic can affect product performance and integrity. Reliable and consistent sources of PCR are crucial for manufacturers. Securing a stable supply of high-quality recycled materials can be challenging due to market fluctuations and competition. Contamination in PCR materials, such as residual impurities, foreign particles, or mixed plastic types, can be a significant issue. Contaminated PCR can lead to production disruptions, increased waste, and product defects (Satapathy, 2017). Challenges make it necessary to work with multiple suppliers to mitigate supply chain disruptions. Collaborate closely with suppliers to ensure consistent quality and sourcing reliability.

## Outpatch Souvenir Patches

The souvenir industry is a dynamic and multifaceted sector that plays a significant role in tourism and commerce (Bernardo, Sousa, & Kastenholz, 2023; Penerliev, 2017). Souvenirs are tangible reminders of travel experiences, cultural encounters, and cherished memories. The souvenir industry encompasses various products, from keychains and postcards to handcrafted artisanal goods. Souvenirs have a rich history dating back centuries. They have been used as mementos, goodwill tokens, and cultural identity symbols. Understanding the cultural significance of souvenirs is essential for appreciating their enduring appeal and diversity. Outpatch, a social enterprise, was founded to offer a sustainable alternative to plastic souvenirs in gift shops. The souvenir industry substantially contributes to the economy, generating

revenue for businesses, artisans, and host communities. It creates jobs, fosters entrepreneurship, and stimulates local economies, particularly in tourism-dependent regions (Renfors, 2023).

The souvenir industry faces several challenges, including concerns about cultural appropriation, environmental sustainability, and the impact of mass production on local artisans. Growth opportunities exist through ethical sourcing, sustainable practices, and embracing digital technologies (Nassanbekova & Yeshenkulova, 2022).

*Manufacturing and distribution.* Creating souvenirs involves a complex process that varies depending on the product type. Souvenirs can be mass-produced in factories, handcrafted by skilled artisans, or combined. Distribution channels range from local gift shops to international online marketplaces. The marketing of souvenirs relies on cultural appeal, aesthetics, and emotional connection. Understanding consumer behavior in souvenir purchases, including the role of nostalgia and the desire for authenticity, is crucial for businesses seeking to meet market demands. To achieve this, Outpatch partnered with Gamma Industries, a manufacturing facility based in Thailand. Together, they are producing embroidered patches made from a novel sustainable thread provided by the German thread manufacturer Madeira. This innovative thread is crafted entirely from recycled post-consumer plastic.

## Environmental Considerations

The production and disposal of souvenirs can also have environmental consequences. Mass-produced items often contribute to plastic waste and carbon emissions, while handcrafted souvenirs may have a lower environmental footprint. Sustainability initiatives within the industry are addressing these concerns (Robinet, Mahadevan, & Anita, 2016). Understanding the lifecycle of souvenirs, from their creation to disposal, allows for a holistic view of this industry. As consumers increasingly seek meaningful and sustainable travel experiences, the souvenir industry has the potential to evolve and adapt, creating positive economic, cultural, and environmental impacts in the process (Penerliev,



2017). To thrive in the changing landscape, the industry must navigate these challenges while embracing opportunities for innovation and responsible business practices.

The lifecycle of souvenirs involves their creation, distribution, consumption, retention, and disposal. Souvenirs are manufactured using various materials and techniques, depending on their type. Design and production decisions impact quality, cultural authenticity, and environmental impact. They are distributed through multiple channels, from souvenir shops and market stalls to e-commerce platforms. Local artisans, wholesalers, and retailers play essential roles in this phase. Souvenirs are purchased by tourists and travelers, often driven by personal connection, cultural interest, or as gifts for loved ones. Souvenirs hold sentimental value and continue to serve as reminders of travel experiences long after the trip has ended. The disposal of souvenirs can take various forms, from being discarded to being passed down as heirlooms or resold in the secondhand market.

Strategic Management of a souvenir and social enterprise must consider its ecosystem (Trabskaia, I., Gorgadze, Raudsaar, Myyryläinen, 2023). Outpatch has focused on strategic management practices to ensure the long-term sustainability of its business and mission. These recent strategies include supply chain transparency and market diversification. Outpatch has prioritized supply chain transparency to monitor its operations' environmental and ethical aspects. This transparency aligns with Outpatch's values and builds trust with stakeholders. Recognizing the importance of expanding its reach, Outpatch has diversified its market presence. It has explored partnerships with eco-conscious brands, expanded its online presence, and explored new product lines that align with its sustainability mission.

Since its inception, Outpatch has remained steadfast in its commitment to supporting communities, creating positive social impact, and strategically managing its operations as a social enterprise. Outpatch has strengthened its ties with local communities by actively involving them in production. This involvement goes beyond fair wages; it includes training programs, skill development, and meaningful opportunities for

community members to engage with the enterprise. Outpatch has initiated community-driven projects in collaboration with its partner local organizations. These projects address specific community needs like reducing hunger and environmental sustainability. The goal is to create a holistic and lasting impact.

The economic empowerment resulting from social enterprise initiatives has led to improved living standards for many individuals and their families (Manea, Istudor, Dinu, & Paraschiv, 2021; Satar, Aggarwal, Bansal, & Alarifi, 2023). Outpatch has made significant strides in creating a positive impact. The enterprise continues to provide sustainable livelihoods to local artisans and communities. Promoting their prosocial agenda is essential for cultivating more artists to engage in social entrepreneurship (Yu, Ye & Ma, 2021). Outpatch's commitment to sustainability has resulted in the responsible use of materials and a reduced environmental footprint. The hope is that the transition to sustainable materials will reduce plastic waste, contributing to a cleaner environment. Outpatch's work has raised social awareness about responsible consumerism and the potential for businesses to drive positive change.

Outpatch acknowledges several challenges it faces. Sourcing sustainable materials and implementing community projects can be financially demanding. Initially, Outpatch was committed to donating \$2 for each patch sold to local non-profits. Although Outpatch is committed to supporting local non-profits, the donated proceeds have been reduced to 10% of the total proceeds (\$.35 per patch). Outpatch seeks innovative ways to balance profitability and its social and environmental commitments. While Outpatch has significantly impacted its communities, scaling this impact globally remains challenging. Expanding operations while maintaining ethical standards requires careful planning. The souvenir industry is highly competitive, with sustainability becoming a standard rather than a differentiator. Outpatch must continuously innovate to keep its edge.

While Outpatch had successfully persuaded Gamma Industries to incorporate Madeira's sustainable thread into their patch production, an unusual challenge arose. Unlike typical

manufacturing agreements, where the factory assumes responsibility for material costs, Gamma requested that Outpatch cover the entire upfront expense associated with sourcing this unique thread. This departure from the standard arrangement has left Outpatch in a unique position.

To meet Gamma's request, Outpatch made an initial bulk purchase of Madeira's sustainable thread and oversaw its delivery to the factory. However, while effective for this instance, this approach was neither sustainable nor cost-efficient for Outpatch in the long run. Managing thread inventory and dealing with the high initial costs have proven cumbersome, diverting valuable resources and focus away from other critical aspects of the business.

Looking ahead, Outpatch envisions several opportunities. First, continuing to leverage digital platforms for marketing and sales helps Outpatch reach a broader audience and tell its sustainability story effectively. Collaborating with like-minded organizations and impact investors can open up growth and community development opportunities on a larger scale.

## **The Circular Economy and Circular Business Models**

The circular economy (CE) has gained prominence for its commitment to sustainability through optimizing resources and reducing waste. Recycling, a core component of the CE, has played a pivotal role in achieving these objectives. Petre (2020) explored the concept of this new economy, which involves optimizing resources through recycling and reusing products, ultimately achieving a balance between economic activities and environmental preservation.

Like Outpatch, “many entrepreneurs engaged in CE have found opportunities in the recycling of plastic” (Rui et al., 2022, p. 2). Recycling, a fundamental pillar of the circular economy (CE), has garnered significant attention for its environmental benefits (Callegaro-De-Menezes & Shutte, 2023). However, concerns have emerged regarding the unbridled expansion of recycling and its implications for toxic materials and consumer behavior (Rodríguez, Pomponi,

Webster & D'Amico, 2020). As recycling grows exponentially, it raises concerns about the persistence of toxic materials in the market and shifts in consumer behavior. These dilemmas offer insights into the intricate balance between recycling's environmental advantages and the potential risks it may pose.

A circular economy is an alternative economic model to address societal issues and seek innovative solutions for the future. There are three significant dimensions of circular economy business models. These dimensions are value network, customer value proposition, and managerial commitment (Unal et al., 2019).

Benefits of embracing the circular economy include economic, environmental, and social efficiency. Outpatch implemented circular economy initiatives and practices to create value and contribute to sustainable development, specifically focusing on decarbonization, energy efficiency, and the use of renewable resources.

A study by Axhami et al. (2023) evaluated the relevance of the circular economy and the sustainability approach within the tourism sector. They found that by emphasizing the key opportunities for value creation that tourism firms can derive from adopting circular economy principles. They also offered practical suggestions for tourism managers regarding potential initiatives and practices they can adopt to incorporate circular economy strategies into their operations (Axhami et al., 2023). In particular, they suggest using social media outlets to recreate the customer value proposition (Axhami et al., 2023). Outpatch has been able to leverage social media outlets such as Facebook, Instagram, LinkedIn, and Pinterest to promote its mission and products (<https://outpatch.org/>).

## **Green Supply Chain Management (GCSM)**

Green supply chains have gained prominence as organizations worldwide seek to address environmental sustainability concerns (Ayman & Al-Ghwayeen, 2020; Bellemare et al., 2022). Green supply chains, also known as sustainable supply chains or eco-friendly supply chains, represent a strategic shift in how organizations manage their supply chain operations

(Panpatil & Kant, 2022). This shift is driven by increasing environmental concerns, regulatory pressures, and a growing recognition of the long-term benefits of sustainability (Sampriti, Krithika, Soumya, Dwivedi, & Kamboj, 2022).

Organizations began adopting green supply chain practices to meet regulatory requirements and reduce legal risks (Ayman et al., 2020). As sustainability practices matured, businesses realized they could achieve cost savings by reducing waste, energy consumption, and resource usage. Today, green supply chains are considered a strategic imperative, fostering innovation, enhancing brand reputation, and aligning with broader corporate sustainability goals (Setyaningrum & Muafi, 2023).

The development of green supply chains can be traced through several key stages: awareness and compliance, efficiency and cost reduction, and strategic integration (Robinet, Mahadevan, & Anita, 2016; Setyaningrum & Muafi, 2023). Outpatch's vision "...for sustainability is founded on the belief that the planet we live on holds enough resources to sustain dignified life for all its inhabitants" (<https://outpatch.org/pages/sustainability>). They source polyester thread for their patches from Madeira, made from post-consumer recycled plastic to address environmental sustainability concerns. Madeira is a German family-owned company that produces several types of embroidery threads (<https://www.madeira.com/embroidery-solutions/embroidery-supplies/industrial-embroidery-threads/recycled-polyester>).

Panpatil & Kant (2022) argue that sustainable or eco-friendly supply chains represent a strategic shift in how organizations manage their supply chain operations. This shift is driven by increasing environmental concerns, regulatory pressures, and a growing recognition of the long-term benefits of sustainability. These supply chain practices encompass a wide range of initiatives and strategies, including sustainable sourcing. Organizations increasingly seek suppliers who adhere to environmentally responsible practices, including ethical sourcing, fair labor conditions, and reduced carbon emissions. In the case of Outpatch, managing thread use and inventory proved incredibly burdensome and detracted from other areas of the business. They are committed to using recycled thread in creating patches. Supply chain

issues were encountered at the manufacturing stage. Outpatch convinced Gamma to utilize Madeira's new sustainable thread to manufacture their patches. Still, since Outpatch was the only customer requesting this thread, Gamma asked Outpatch to pay for the entire cost of sourcing it upfront. This is a departure from most manufacturing agreements, where the factory is responsible for all the costs and management of the materials used. Outpatch agreed to an initial bulk purchase of the sustainable thread from Madeira and coordinated its delivery to Gamma with no other alternative. While this was an overall smooth transaction, purchasing the thread in bulk is not a feasible solution for Outpatch in the future due to the high upfront cost. In addition, managing thread use and inventory has proved incredibly burdensome and has detracted from other business areas.

## Conclusion

The Outpatch case study adds to the body of knowledge on social entrepreneurship by highlighting the difficulties social entrepreneurs encounter when trying to build upon the achievements of this field. As the interest in social enterprises and their commitment to addressing societal issues through creative and sustainable approaches increases in the United States, descriptive theories serve as a valuable guide for addressing the challenges and hurdles involved. As social entrepreneurs persistently push their limits and cooperate with stakeholders, they possess the capability to bring about significant and enduring social improvements, all while making substantial contributions to their community.

Social entrepreneurship is a powerful force for positive change driven by many factors and motivations. By recognizing these drivers, we gain insight into this field's diverse and dynamic nature. Social entrepreneurs are fueled by their passion for change, commitment to equity and justice, and desire to create innovative solutions to complex societal problems. Understanding these motivations is essential for fostering an environment where social entrepreneurship can flourish and drive meaningful impact in our world. As the field of social entrepreneurship continues to evolve, it remains a testament to the potential of business

principles to effect lasting social and environmental change. Social entrepreneurship is a dynamic and growing field that harnesses the power of business principles to address pressing social and environmental challenges. It represents a convergence of business acumen and a deep commitment to creating positive social and environmental change. Entrepreneurs in this field are driven by a range of factors that go beyond profit, motivating them to tackle societal issues, from poverty and inequality to environmental degradation and healthcare access (Seelos & Mair, 2007). Understanding the drivers of social entrepreneurship is crucial for identifying how it can effectively address complex challenges and drive innovation. Traditional business models may not provide the same level of impact or fulfillment as social entrepreneurship.

*Implications and contributions.* Social entrepreneurs such as the co-founders of Outpatch

are often motivated by the opportunity to create innovative solutions to longstanding problems. They are concerned about the environment and the planet's long-term sustainability and have developed a business prioritizing environmental responsibility. They see entrepreneurship as a means to disrupt the status quo and effect meaningful change. Outpatch remains dedicated to its mission of creating sustainable, community-driven solutions within the souvenir industry. Its ongoing commitment to supporting communities, strategic management, and measurable impact showcase its determination to lead the way in socially responsible business practices. As it addresses challenges and seizes opportunities, Outpatch inspires positive change and sets an example for socially conscious enterprises worldwide.

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