

Profit oriented VS Community-Led Project



Profit-oriented and community-led projects have distinct goals, approaches, and outcomes. These are their key differences.

Profit-Oriented Projects

Community-Led Projects

Purpose

Maximizing financial returns and market share. Scalability and competitive advantage (Porter, 1980)

Purpose

Improving community well-being and addressing local challenges and issues. Social impact and collective well-being over individual gain (Peredo & Chrisman, 2006)

Value Proposition & Impact Indicator

Focuses on customer satisfaction and market demand. Sales revenue, growth rate, customer acquisition costs (Prahalad & Ramaswamy, 2004)

Value Proposition & Impact Indicator

Focuses on social, environmental and cultural outcomes. Community engagement, environmental indicators, stakeholder involvement and satisfaction (Pol & Ville, 2009)

Revenue Models

Traditional revenue streams like sales, service fees and investments.

Revenue Models

Diverse funding streams like grants, donations and social impact investment (Defourny & Nyssens, 2010)

Stakeholder Engagement

Transactional relationship with customers focused on profit generation.

Stakeholder Engagement

Multi-stakeholder engagement including residents, nonprofits, and government agencies. Prioritise collaboration over competition (Moulaert & Ailenei, 2005)

Time Orientation

Short-term focus on immediate financial gains and market trends (Kuratko, Frederick & Hodgetts, 2009)

Time Orientation

Long-term commitment to sustainable social change and future generations (Fernandez-Lavieda, López-Gutierrez & Pérez, 2022)

Insights

Profit-oriented and community-led projects both aim to create value to target group clients but diverge significantly in their motivations, objectives and impact strategies, which is specially relevant when designin the business model.



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