The Citizens Foundation – A Case of Social Entrepreneurship

Aisha Kamran Siddiqui a, *

a SMEDA, Lahore, Pakistan

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ABSTRACT

The Citizens Foundation (TCF) was established by a group of social entrepreneurs with a vision to remove barriers of class and privilege through provision of quality education to the poorest children of Pakistan, especially girls. TCF was started in 1996 with only 5 schools in the slum areas of Karachi, and has now evolved into one of the largest network of privately owned formal low cost schools for underprivileged communities in the world. TCF currently operates 1,000 purpose built school units with 145,000 students in slums and villages across 100 towns and cities of Pakistan. More than 10,000 people are provided employment across Pakistan, with 7,700 female teachers earning livelihoods from TCF schools. The non-profit is operated on the highest standards of professional excellence, registered in Pakistan and audited by leading chartered accountants firms. TCF has been recognized regionally and internationally for the high caliber of work.

*Corresponding Author:
Aishamjad@gmail.com

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1. Establishment of The Citizens Foundation

The Citizens Foundation (TCF) came into being in 1995 as a group of six friends, all entrepreneurs and Chief Executive Officers (CEOs) of their own companies decided to build five schools in Karachi for the most disadvantaged living in urban slums who had no access to any form of education (public or private) whatsoever. Their desire was to take children off the streets and put them into schools. Out of this evolved the aim to provide quality education for the poor.

The founding board directors agreed at the start that education was at the root of any change. The socio-economic and political backdrop of the mid 1990s in Pakistan was particularly salient. Karachi was experiencing a dire law and order situation. The founders decided they wanted to help create a body of people across the country who would lead honourable and good lives, people who would know the difference between right and wrong and who could make responsible decisions – i.e. good citizens. Education and schooling was a way to take children forward in that direction as education is the foundation on which a structure of good citizenship could be built. Children would be equipped with a value structure and develop ownership of their surroundings. This is where in hindsight the vision of agents of positive change was born, the banner under which TCF operates today. It was also hoped that change would not only flow downwards to the children, but that they in turn would bring back home some of what they had learnt and in this way help develop their families and the wider community.

The founders agreed to create a large project – hence the goal of 1000 schools – which would be meaningful enough and create a new model on how to deliver education that could be emulated by others. This was not to be a single founder driven institution – but a project on a much wider scale covering the whole country. A hope which has evolved through the history of TCF’s development is that by showing the Pakistani government that it is possible to deliver good quality education to the poorest sections of society some parts of this model would ultimately be adopted nation-wide.

Beyond visions of taking children off the streets and putting them into schools, a fundamental part of TCF’s origin is to create a platform whereby those who have the means can give to those who have not, knowing that the money will be well spent and not wasted.

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1 Creating agents of positive change – TCF in Pakistan – Marie Lall
2. TCF as of Today

It is now one of Pakistan's leading organizations in the field of formal education. As of 2011, TCF has established 730 purpose-built school units nationwide with an enrollment of 102,000 students. TCF encourages female enrollment and strives to maintain a 50% female ratio in most of its campuses. TCF has a full female faculty of 5,400 members. TCF also has a dedicated Teacher Training Center in Karachi and Mansehra for the ongoing training of its faculty and provides logistical support to all its teachers. About 8,000 jobs have been created in communities in which TCF operates.

The vision of TCF is to remove barriers of class and privilege and to make the citizens of Pakistan Agents of Positive Change. We believe that access to basic education is the right of each individual and not a privilege. Apart from following the regular curriculum, we focus on the character building of students to equip them with high moral values and confidence.

To achieve these goals, TCF is constantly surveying education-deprived locations in Pakistan to extend its network. Each new location is appraised through an extensive land survey, assessment of population, income level, number and standard of existing schools in the area, demand for new school units, availability of an accessible site to build a school, qualified teachers in the area and a number of other criteria.

3. Operations at TCF

The operations at TCF are divided amongst the head office, regional offices, and the schools.

Head office is responsible for collecting donations through resource mobilization, designing policies with respect to scholarship, setting the curriculum, marketing the cause of TCF, constructing buildings, and human resource development. Regional offices have been assigned the duties of administering the schools in their areas, ensuring service quality and consistency, and giving an above average performance. A TCF School is responsible for the providing the actual service, education. Each school has to maintain its building and results in order to be judged in terms of performance.

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2 www.thecitizensfoundation.org/Story
4. Providing Education

Taking on the duty to educate Pakistan, this basic right is given to every child irrespective of caste, color or creed. The socio-economic background of these children is not a determining factor in the type of schooling system that is provided.

The education department in coherence with the board of education, designs the curriculum to be followed. It is a formalized education system that uses Oxford University Press’s text books unlike the government and other private schools in these communities. Generally In IX and X students are prepared and tutored to give Board Examinations. Recently, the success of some TCF students has led the organization towards providing them higher secondary education as well. The “pay as you need” model in place also admits domestic staff's offspring and grandchildren in school for as little as Rs. 10 per month. Whereas other students financial stability is assessed and then are granted scholarships that are funded through the donations made to the school.

5. People Behind TCF

TCF being a service organization has people running the show both on the front as well as backstage.

5.1 Front End

Front end refers to the people who are present at the school and directly interact with the students and their parents. These people include:

- **Principal**
  - Female
  - Minimum Post Graduate
  - Management skills to run the school
  - Emotionally strong to make rational decisions on spot

- **Teachers**
  - Females
  - Matriculation, Intermediate, Graduate or Post Graduate
  - Varying pay scales with the level education level
  - Dedicated and committed to the cause of TCF
- **Accountant**
  - Male
  - Graduate with basic accounting knowledge
  - Ability to handle multiple transactions at a time
- **Other Staff**
  - Males and females
  - Locals of the community

Currently, they have on-board 5,400 female faculties who have all been given initial training along with refresher courses at the time of their induction. An all female faculty is maintained because this way the locals of the community can feel safe in sending their daughters to schools. The dedication of the staff is displayed through its commitment of imparting quality educating at the forefront, directly interacting with students, parents, and community influencers hence playing their role in making the difference. They are patient and tolerant while understanding where each child comes from and they go beyond the call of duty to help the child emotionally deal with his current hostile conditions while he struggles to survive at school. They need to uncover the reasons that affect their children’s performance and attend to their silent call for help.

To facilitate the teachers, free transport is provided in the TCF vans. Moreover, their efforts towards the cause of TCF are rewarded yearly.

### 5.2 Back End

At the backend, the Head Office has a host of professionals in the fields of Human Resources, Marketing, Resource Mobilization, Education, Information Technology, and Administration as well as in the Procurement and Engineering unit. These individuals are responsible for creating awareness, generating funds, designing the curriculum, and building schools making them backbone of the schools operations. The general structure of the backend office includes:
• Head Office:
  - Board of Directors
  - CEO/President
  - Vice Presidents
  - Head of Departments
  - Managers and Assistant Managers
• Regional Offices:
  - Regional Managers
  - Area Managers
  - Education Specialists

This entire team works together to make their vision possible. Without cooperating and seamless integration, the business model would fail to work.
6. Process at TCF

The process of reaching out to communities, encouraging them to enroll their children into TCF Schools and furthermore, generating funding is a rigorous process that encompasses all divisions working towards one goal.

6.1 Pre-Admission Marketing

6.2 Admission and Enrollment Process

- First Visit
Follow up Visit

6.3 Resource Mobilization

6.4 Donor’s Visit for Donation
7. Placement and Distribution Model

TCF has held control of the management of all its schools. It does not agree with franchising and expanding the name of TCF everywhere. This is because the directors and founders wanted to maintain consistent quality of education, and standard policies and procedures to be followed which they believed would not have been possible with the increasing number of schools, each being managed differently.

Therefore, all TCF schools are managed by TCF itself. They just have different names which are based on their donors.

8. Pricing

It is difficult to imagine an NGO working for the under privileged children and charging them a monthly fee, in addition to the cost of uniforms, stationary, and books. TCF’s applies a unique model of “Pay as much as you can” allowing the people to afford their children’s education at an amount that well suits their socio-economic profile. Although TCF charges money for its services, it has a different philosophy of doing so. It believes that by paying a little amount, the child develops this sense of security towards his/her family that they can afford to send him to school. The fee structure for TCF is highly subsidized and precisely, the costs are as given below:

- **Primary Schools**

<table>
<thead>
<tr>
<th>Category</th>
<th>Monthly Tuition Fee Range</th>
<th>Authority</th>
<th>Books</th>
<th>Uniforms</th>
<th>Copies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1</td>
<td>10-49</td>
<td>Regional Manager</td>
<td>Free</td>
<td>Free</td>
<td>100%</td>
</tr>
<tr>
<td>Category 2</td>
<td>50-89</td>
<td>Area Manager</td>
<td>Free</td>
<td>Free</td>
<td>100%</td>
</tr>
<tr>
<td>Category 3</td>
<td>90-175</td>
<td>Area Manager</td>
<td>50%</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td>Category 4</td>
<td>175-225</td>
<td>Principal</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

- **Secondary Schools**

<table>
<thead>
<tr>
<th>Category</th>
<th>Monthly Tuition Fee Range</th>
<th>Authority</th>
<th>Books</th>
<th>Uniforms</th>
<th>Copies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1</td>
<td>10-49</td>
<td>Regional Manager</td>
<td>Free</td>
<td>Free</td>
<td>100%</td>
</tr>
<tr>
<td>Category 2</td>
<td>50-89</td>
<td>Area Manager</td>
<td>Free</td>
<td>Free</td>
<td>100%</td>
</tr>
<tr>
<td>Category 3</td>
<td>90-175</td>
<td>Area Manager</td>
<td>50%</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td>Category 4</td>
<td>175-450</td>
<td>Principal</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

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3 TCF’s Scholarship Policy
Majority of the students in TCF Schools are on scholarship and following the above mentioned fee structure. Although in comparison to government schools, and other NGO’s, TCF charges a fee but the quality of education leads them ahead.

Other than their scholarship program, TCF has a donation segment detected to the education of a child by either paying his one month’s fee, or by buying the relevant books or uniform for him.¹

<table>
<thead>
<tr>
<th>Cost of educating a child</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Month</td>
<td>PKR 833</td>
</tr>
<tr>
<td>Per Year</td>
<td>PKR 10,000</td>
</tr>
<tr>
<td>Cost of donating text books and uniforms</td>
<td>PKR 10,000 (year)</td>
</tr>
</tbody>
</table>

9. Physical Evidence

TCF’s physical evidence is again divided based on its operations. The 7th floor of NIC building, Karachi, belongs to TCF where at one side the Head Office is managed, and the other side is that of administration and 2 regional divisions, South and South West. For the other 2 divisions of North and North-West, offices are set up in Lahore and Islamabad respectively.

The most important of physical evidence are the red bricked buildings of TCF in every community. All schools across Pakistan are made in the same way so that the exterior and interior looks the same. Broadly, a typical TCF school will have a playground, ample classrooms, laboratories, and libraries, computer labs in some areas, teachers’ staff room, principal’s office, and proper hygienic bathrooms. Further details of the school as the physical evidence is given below:

- Tasteful in design, strong in structure and purpose built.
- Courtyard is in the center.
- Naturally well lit classrooms with windows for cross ventilation.
- Huge ground surrounding the campus.
- Purpose Built- all those facilities provided by private schools – computer labs, libraries, physics and chemistry labs.

¹ www.thecitizensfoundation.org
- Proper seating arrangement with chairs and tables for 30 students.
- Blackboard in every classroom with the date, subject and attendance, thought of the day.
- Uniformity in classes conducted in every area - through training can impart the same quality of education.
- Art work done students displayed all over the school- in classrooms, corridors, libraries and on soft boards.
- Plantation across corridors.

10. Promotion

<table>
<thead>
<tr>
<th>Marketing Mix</th>
<th>Marketing Mix Breakdown</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>Broadcast</td>
<td>30 seconds TVCs aired during Ramadan for Zakat campaign</td>
</tr>
<tr>
<td></td>
<td>Print</td>
<td>Advertisements in several English and urdu newspapers specially in Ramadan</td>
</tr>
<tr>
<td></td>
<td>Internet</td>
<td>Different chapters use internet for spreading TCF’s cause</td>
</tr>
<tr>
<td></td>
<td>OOH</td>
<td>Billboards throughout the year at strategic locations</td>
</tr>
<tr>
<td>Publicity and PR</td>
<td>Special events</td>
<td>Director funded dinners in Pakistan and international</td>
</tr>
<tr>
<td></td>
<td>Specialty Programs</td>
<td>Rahbar Program for corporate leadership and management</td>
</tr>
<tr>
<td></td>
<td>Media initiated coverage</td>
<td>Several documentaries aired by CNBC, Geo, Dawn News</td>
</tr>
<tr>
<td>Instructional materials</td>
<td>Websites</td>
<td>Own website, website of chapters, facebook, and other social media</td>
</tr>
<tr>
<td></td>
<td>Brochures</td>
<td>Brochures and newsletters printed semi-annually</td>
</tr>
<tr>
<td>Corporate Design</td>
<td>Signage</td>
<td>Leaf of TCF across cities</td>
</tr>
<tr>
<td></td>
<td>Vehicles</td>
<td>TCF vehicles market TCF on the road</td>
</tr>
<tr>
<td></td>
<td>Uniforms</td>
<td>Students are marketers of TCF themselves as the leaf is on their uniform</td>
</tr>
<tr>
<td>Word of Mouth</td>
<td></td>
<td>Staff at TCF, or parents whose children study at TCF</td>
</tr>
</tbody>
</table>

5 TCF’s Marketing Department
Majority of the promotion is targeted towards those people who are potential donors for TCF whether in the international community or in Pakistan. For the final end customers of TCF’s services, promotion is generally through word of mouth that starts when the construction of the school begins. Further it is spread through the TCF vans roaming in the area, and children dressed in TCF uniforms.

11. TEACHING NOTE

Case Synopsis

The Citizens Foundation (TCF) was established by a group of social entrepreneurs with a vision to remove barriers of class and privilege through provision of quality education to the poorest children of Pakistan, especially girls. TCF was started in 1996 with only 5 schools in the slum areas of Karachi, and has now evolved into one of the largest network of privately owned formal low cost schools for underprivileged communities in the world. TCF currently operates 1,000 purpose built school units with 145,000 students in slums and villages across 100 towns and cities of Pakistan. More than 10,000 people are provided employment across Pakistan, with 7,700 female teachers earning livelihoods from TCF schools. The non-profit is operated on the highest standards of professional excellence, registered in Pakistan and audited by leading chartered accountants firms. TCF has been recognized regionally and internationally for the high caliber of work.

Case Objectives

1. To illustrate the concepts of Entrepreneurship and Social Entrepreneurship.

2. To illustrate application of marketing tactics to set-up a new organization.

3. To appraise the importance of unconventional marketing tactics.

4. To appraise marketing skills needed in launching a new setup.
Case Methodology

A case study is a common research methodology in social science and it may be descriptive or explanatory in nature. It is based on an in-depth investigation of a single individual, group, or event (Yin, 2009). All facts and figures have been taken from the official website of the university (umt.edu.pk) otherwise all other secondary sources are mentioned and appropriately acknowledged. Principally this case is a teaching case and written solely for classroom discussion and academic purposes only. It doesn’t intend to illustrate either effective or ineffective handling of managerial situation. Materials or statistics provided cannot be used by third party as evidence. This strategy has been proved fruitful in describing fundamental concepts through case study design in many other cases (Anjam & Siddiqui, 2013; Fahim & Siddiqui, 2013; Husain & Siddiqui, 2013; Mangi & Siddiqui, 2013; Salman & Siddiqui, 2013; Siddiqui & Anjam 2013a; Siddiqui & Anjam 2013b; Siddiqui & Anjam 2013c; Siddiqui & Fahim 2013). More recently the marketing concepts in Pakistan have been illustrated through a single case study design in services sector (Siddiqui & Fahim 2014; Sibghatullah, Siddiqui & Siddiqui, 2016, Latif, Sibghatullah, & Siddiqui, 2016).

Target Audience

This case was written for undergraduate students taking course(s) in any one of the subject area namely Entrepreneurship, Principles of Marketing, Marketing Management, and/or Services Marketing. However, it may be used for discussion in Brand Management, Integrated Marketing Communications courses as it highlights various concepts of marketing as well. It provides an excellent opportunity to students to see how managers can use the entrepreneurial spirit while turning around a sick unit.

Concepts Illustrated

Social entrepreneurs are individuals with innovative solutions to society's most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change.
Entrepreneurship is the process of starting a business, a startup company or other organization.

Entrepreneurs develop business plans, acquire the human and other required resources, and are fully responsible for its success or failure.

Social entrepreneurs are individuals with innovative solutions to society's most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change.

**Difference Between Social Entrepreneur & Business Entrepreneur**

A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create, and manage a venture to make social change. Whereas a business entrepreneur typically measures performance in profit and return, a social entrepreneur focuses on creating social capital. Thus, the main aim of social entrepreneurship is to further social and environmental goals. However, whilst social entrepreneurs are most commonly associated with the voluntary and not-for-profit sectors, this need not necessarily be incompatible with making a profit.

<table>
<thead>
<tr>
<th>Entrepreneur</th>
<th>Social Entrepreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceptional ability to see new opportunities</td>
<td>Targeting under-served / disadvantaged / broken markets</td>
</tr>
<tr>
<td>Determination to take those opportunities</td>
<td>Large scale and transformative change</td>
</tr>
<tr>
<td>Unflinching willingness to take inherent risk</td>
<td>Ethical process to reach that change (beyond compliance)</td>
</tr>
<tr>
<td>Sees that a suboptimal equilibrium = OPPORTUNITY</td>
<td>Sees a stable but unjust equilibrium (not just suboptimal)</td>
</tr>
<tr>
<td>Outcome focused – creative destruction</td>
<td>Is able to take the opportunity to reach new equilibrium</td>
</tr>
</tbody>
</table>
**Difference Between Social Work, Social Enterprise, Commercial Enterprise**

![Diagram showing the differences between Social Work, Social Enterprise, Commercial Enterprise]

**Difference between Social Worker, Social Entrepreneur & Social Enterprise**

![Diagram showing the differences between Social Worker, Social Entrepreneur & Social Enterprise]
12. Problems and Recommendations

Despite its dedication and fervor with which it advocates its cause, TCF faces many roadblocks on this difficult path towards the accomplishment of its mission. This change goes deeper than merely raising the bar of education; it involves changing mindsets of the communities in which it operates.

People belonging to these basti’s oppose the idea of enrolling their children who are free to then earn the additional income to supplement their own meager earnings. Girls specially are discouraged and even forbidden to receive schooling and at times have been taken out of school in the middle of the academic year owing to objections raised by neighbors, family members and community members who are unaware of the benefits of education and choose to remain in the darkness of the unknown. To help these parents overcome the fears of education and enlightenment, poses as a great challenge. Also, families who cannot afford more than one basic meal per day do not find it financially viable to tie up their child in education, for they see no future they have no hope they live each day at a time, whereas investment in education is long-term. Its benefits cannot be reaped in the shorter run.

There is a need to tangibilize the intangible by bringing out a physical change in the lifestyle of these people. Giving these children a childhood, honing them into honorable young law abiding citizens and giving them hope for a way out of their dismal present into a beautiful future. This can only be achieved through counseling students and parents are every stage, motivating them and extending their support towards the betterment of their child’s life.

To better understand the communities, it is suggested that TCF should conduct a nationwide socio-economic survey that would help the management identify the socio-economic classes, needs, and wants of the people. This would further help in refining the scholarship policy and ensuring that the least privileged of the under privileged comes to TCF.

On the HR side, the major challenge is high employee turnover. Teachers getting slightly better salaries or opportunities at schools within their residential vicinity often leave TCF. However finding resources in the middle of the year often harms the education of children. Therefore, it is suggested that TCF should make an effort in finding out the reasons for such a high turnover and take relevant measures to stop this.
13. References


