



DEVELOPING STRATEGIES OF SOCIAL ENTERPRISES  
EXPLAINED USING PORTER'S FIVE FORCES ANALYSIS MODEL:  
TAKING MENTAL CHALLENGED CAR WASH  
AS AN EXAMPLE

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Abstract

As a non-profit commercial entity, social enterprises create value by focusing on challenging social problems, which solves the dual problems of service effectiveness and market demand. Social enterprises have both social and commercial attributes, and formulate development strategies that are in line with their own value orientation, and can better promote the solution of social problems. As a new model of supportive employment for the mentally handicapped people, the Mental Challenged Car Wash plays an active role in stimulating the potential of the mentally handicapped, employment and rehabilitation education, and can realize the normal operation of the enterprise by providing the income of the car washing service. By using the Porter's Five Force Analysis Model to analyze the Mental Challenged Car Wash, we can think that social enterprises need to combine their own value goals and advantages in the choice of business model and development strategy to accurately locate. When social enterprises use commercial means to obtain the funds necessary for development, they must also pay attention to the development and utilization of public charity resources, and reduce the operating costs of enterprises while investing resources more efficiently in solving social problems.

Key Words: Social Enterprise; Five Forces Analysis; Development Strategies; Social Entrepreneurship; Non-profit Organizations

## Introduction

Nearly 40 years of reform and opening up in China, the emergence and continuous prosperity of business form, increasingly perfect characteristics of the socialist market economy has led the world's attention to the Miracle of China's Growth, and also contains the new orientation of state-society relationship. With the deepening of social governance reform in China, non-profit organizations, as the "third Sector", play a unique role under the authoritarian system. Non-profit organizations are faced with the inherent development problems such as low service efficiency, mismatch between supply and demand of services and lack of innovation, so it is necessary to constantly adjust the organizational form and development strategy. Social enterprise, as a new form of third sector or entity of non-profit commercialization, it is considered as an effective response to existing market unmet needs, creating value by focusing on challenging social issues, it also solves the dual problems of service effectiveness and market demand (Dacin et al, 2010; Santos, 2012; Liu, et al, 2012). As soon as it appeared, it was respected by the non-profit field practitioners, and the mysterious connection between its commercial and sociality also aroused a large number of scholars' research interests.

Social enterprises are directly involved in the market with intricate interests, and rely on the unique sociality and special field of professional service capabilities to continue to compete with traditional enterprises and other social enterprises in the industry. As a new type

of business, social enterprises, in the face of fierce competition in the market, what strategies should be adopted to improve their performance and thus enhance their competitiveness? How should we achieve a balance between social value and business performance? This article focuses on these issues, trying to analyze the business picture of Chinese social enterprises in recent years, and find appropriate strategies to help the development of social enterprises.

## Literature Review

Most of the existing researches on social enterprises are elaborated and studied from the value mission of social entrepreneurs, the business model of social enterprises and sustainable development strategies. There is no doubt that social entrepreneurs are the premise and key to the existence of social enterprises. Compared with businessmen who have the characteristics of passion, commitment, planning will, creativity and goal orientation, social entrepreneurs have more compassion or social responsibility due to their personal experience in addition to the above characteristics. And under this drive, start to engage in the cause beneficial to the society by means of entrepreneurship (Prabhu, 1999; Dess, 2012; Corner & Ho, 2010; Miller et al, 2012). In the era of planned economy before Reform and Opening-up, most enterprises in China are controlled and dominated by the state, and the main functions are also to provide employment and social welfare. On this basis, a "unit system" is established to effectively link state and society. The individuals are attached to the various social production function units represented by the enterprise, and the

government achieve the planning and control of the whole society through the economy. The establishment and development of social enterprises is the specific business form of the development of commercial economy to a certain stage, which is highly correlated with the level of economic and social development. Some scholars have asserted that, in fact, there was almost no social entrepreneurship in China before 2004. China's social entrepreneurship was first introduced through various seminars and conferences and later best-selling books such as *How to Change the World* (Yang et al, 2015; Fyfe, 2012). In the past 40 years, China has emerged from the transition from the state-owned economy to the socialist market economy, and a number of outstanding entrepreneurs have emerged. China's economic growth has achieved world-renowned achievements. But in tandem with economic growth, the gap between rich and poor in China is also emerging, and a range of social issues are gaining public attention through the rising social media. In China, the government and the market do not have enough capacity and energy to meet the social welfare needs of the poor and other special groups, so nonprofits and social enterprises began to step up to provide solutions for members of society in need. It was not until the Wenchuan earthquake in 2008 that social enterprises and non-profit organizations responded to the call of the government quickly and provided the victims with much-needed relief. This concept gradually attracted the attention of the society. (Yang et al, 2015). While the main mission of social enterprises is to create social values, it does not mean that business goals are not important to them. Unlike traditional non-profit

organizations, social enterprises apply the business model to the solution of social problems. Therefore, the strategies of income generation, market, customer and business focus of social enterprises, self-financial operation focusing on effectiveness and efficiency, etc. will directly related to the "profitability" of social enterprises, and affect the further development of social enterprises<sup>①</sup> (Dart, 2004b; Sabella, 2016). According to the study of Dacin and others, a high level of business performance will enhance the achievements of social enterprises in society activities. Social enterprises can take advantage of business actions that generate additional income, organize large-scale fund-raising activities and provide more social services, thereby improving their ability to achieve high market effectiveness and the satisfaction of consumers in participating in the social actions. Some scholars believe that social enterprises should follow the practices and operating models of commercial companies, actively adopt mainstream business management and financial instruments (such as organizational empowerment activities, emergency plans and marketing communications), while balancing the objectives and social legitimacy of enterprises (Contl, 2002; Yin, 2008). Sabella (2016) believed that social enterprises want sustainable development, We must realize the enterprise configuration and social configuration: the enterprise configuration refers to the social enterprise to make full use of the

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<sup>①</sup> The term "profit" here, as opposed to "for-profit", refers to the ability of social enterprises to earn income through the provision of services, which are often used to maintain the functioning of the enterprise and to focus on issues.

potential of the enterprise can profit, to ensure the realization of the organization's financial and social objectives process; social configuration refers to how the social enterprise obtains the value from the community and after using, realizing and amplifying the social value, how to communicate this value to the community. Liu included "market effectiveness and consumer satisfaction" as inter-mediacy variables in the study of sustainable development of social enterprises, and pointed out the relationship between two variables and the sustainable development of social enterprises. In order to achieve a high degree of market effectiveness, social enterprises must have specific characteristics to secure the exclusive resources of the third sector (donor funds and volunteer service hours) (Dacin et al., 2011), to ensure that limited resources can be properly deployed and that social missions continue to be carried out. "Consumer Satisfaction" has different meanings for social enterprises, as distinct from traditional commercial companies, and consumers in the third sector include: donors, volunteers, other corporate clients, constituencies (including specific members of society or communities) (Jenkinson, Sain, & Bishop, 2005). Only on the basis of defining a clear consumer scope, can we carry out targeted development strategies and gain more space for development. The difference between market orientation and social entrepreneurship orientation determines that social enterprises will choose different development strategies. Organizations with strong social entrepreneurship orientation place greater emphasis on planned risk, innovation and strategic motivation, which also requires

entrepreneurs in these social enterprises to need more specialization knowledge to fill the gap between their available resources and their positive vision (Li Et al., 2010; Zhou et al, 2010).

It is necessary to conduct an accurate and in-depth analysis of the five-force analysis of social enterprises to form an understanding of the business operations and growth of social enterprises. It is especially important to accurately define the boundaries of social enterprises. On the basis of literature review and theoretical traceability, it can be found that existing social enterprise research pays more attention to theoretical analysis and description of existing status, and have less observation on the specific operation of social enterprises, and few involve related issues about the competitiveness of social enterprises and development strategies. Some studies will also classify companies that use commercialization to solve social problems as social enterprises (such as shared cars, shared bikes, big disease crowdfunding platforms, etc.), far removed from the original definition of social enterprise. Therefore, determining the boundaries of social enterprises is necessary for the research process. Based on the previous literature review, the social enterprise in this study can be defined as: in the form of enterprises, through commercial operation means to solve the needs of specific groups (persons with disabilities, women, the elderly, children) or regions (such as a community, villages). The income from the service or product is used to maintain the company's continuous operation and ultimately serve the problem to be solved, rather than satisfying the initiator's personal interests. Social

enterprises should not only be distinguished from fully commercialized for-profit enterprises, even if the purpose of such enterprises is also to solve social problems and demand pain points, but also to distinguish them from government-funded enterprises and institutions for the public welfare, even if such enterprises and institutions exist to adopt commercial and other modes of operation to meet the needs of the public (such as public transport operators, public infrastructure operators such as tap water and natural gas, places of public activity such as women and youth activity centers, and self-financing museums, science galleries and other public science venues).

#### Research Methods

This article uses the method of case study, which is an important research activity of management science, often used to get rid of the original ideas. By observing and looking at the actual cases in life, it summarizes and develops a new structure, to make up for the lack of quantitative research (Li,2004). In case studies, the interpretation of cases is usually related to the ability of researchers to apply knowledge in a wide range of operational contexts (Giddens, 1984). Founded in 2015, Shenzhen Mental Challenged Car Wash is an earlier social enterprise created specifically for the employment of people with mental disabilities. Because it has created a new disability-supportive employment idea, it has strong representativeness and research feasibility as a research object, and can provide unique and rich information for the research of social enterprise

development strategy (Flyvbjerg, 2006). In the study, we will focus on understanding and summarizing the mode of operation of this social enterprise, find out the common characteristics of social enterprise development, rather than pay attention to the specific cases of service objects and service areas. Through the analysis and interpretation of the whole process of the organization's creation to development, observing its strategic choice as a social enterprise in different stages of development, we can find a new paradigm about the development of social enterprises, and provide valuable reference for later social entrepreneurs.

In addition to observing the daily operation of the subjects and searching for relevant information, in-depth interviews with the head of the organization is an essential critical path to obtain high-value information. Through the deep contact with the head of the organization, we can see the values and driving factors of its role as a social entrepreneur, and how the personal vision is combined with the development of the enterprise, and on this basis, discuss the broken way of the development dilemma of the business model of social enterprises and the feasible strategies for the realization of its social goals.

In terms of theoretical interpretation, the article uses Porter's Five Forces Analysis Model to carry on the in-depth analysis and demonstration to the research object. In the 1960s, Michael Porter presented a "Five Force Analysis Model" for business competition. Based on the way the company behaves in a competitive environment, he argues that there are five forces (that is, the ability

of potential competitors to enter the industry market, the alternative capabilities of alternative products, supplier bargaining power, consumer bargaining power, and the competitiveness of competitors in existing industries) that determine the company's expected profitability (Porter,1979; Izquierdo,Rodríguez & Ribes,2016; Chen,2013). Porter's "Five Forces Analysis Model", once published, is regarded as the standard of business field, widely used in industry analysis, business research and other fields, and it is constantly being verified and developed in practice.

The Five Forces Analysis Model is an intuitive analytical tool that provides good guidance for the strategic designation of commercial companies. It is worth noting in the study that compared with commercial companies, the "five-force analysis" of social enterprises is more complicated due to the difference between consumers and suppliers. After the research method and the theory used to analyze the case are determined, the analysis and interpretation of the case can be carried out.

#### Case and analysis of Mental Challenged Car Wash

##### (1) Case presentations

Mental Challenged, the exclusive title of this mentally handicapped person, is gradually introduced into mainland China from Taiwan and recognized and accepted by the public. Physiologically, the mental challenged are mostly cerebral palsy, autism, Down syndrome, etc. Due to factors such as intelligence,

they are usually unable to work and live normally, and their self-care and social adaptability are lower than those of physical disorders and speech disorders. They belong to vulnerable groups that need the care of others. In the traditional public cognition, the mental challenged belongs to the consumer of social resources, and their survival and development depend on the love and dedication of other members of the society.

The traditional employment of the mental challenged relies on the form of centralized care services such as welfare enterprises and shelter factories. It also concentrates on making small hand-made works such as "hand-baked" and "hand-made flowers", and earns income through the form of charity sale. In order to change this stereotype, to move away from dependence on social resources, to achieve a shift in the role of persons with mental disabilities from "Consumers" to "Creators" and to find a path to sustainable survival that meets the characteristics of people with mental disabilities. In August 2015, a group of mental handicapped parents in Shenzhen joined forces to raise funds in the form of industrial and commercial registration to start the "Shenzhen Mental Challenged Car Wash". As soon as the car wash shop was established, it received the attention of all walks of life. The traditional media and online media conducted a lot of interviews and broadcasts. How far this model of absorbing the employment of the mental challenged in the form of a business can go, has become a question that haunts the public mind. Over time, instead of fading out of the public eye, the Mental Challenged Car Wash has increasingly played its unique vitality. As of October

2018, the Shantou (Another Chinese City) Mental Challenged Car Wash, created jointly by local parents in Shantou, was the country's 15<sup>th</sup> Mental Challenged Car Wash officially opened. In just over three years, Mental Challenged Car Wash has made a good performance, in which the trade secret deserves deep snooping.

The employment of persons with disabilities is not only a survival function that increases income and guarantees life, but also promotes the comprehensive rehabilitation and social integration of persons with disabilities. The traditional model of sheltered employment (also known as auxiliary employment) which led by the government, has both rehabilitation and employment functions (such as social welfare enterprises, sheltered factories), has little effect on the social integration of disabled groups, while supportive employment emphasizes the empowerment and integration of disabled groups. Compared with the traditional forms of employment such as hand baking, the car wash service is more complicated and more market-oriented. It needs to face the fierce competition in the car wash industry. The cleaning efficiency and cleaning quality are the key elements. For entering the car wash industry, the founders have made careful decisions to change the public's traditional perception of mentally handicapped people. Core founder C has a wealth of investment work experience, he is also a father of a mentally retarded. He is constantly trying to find a way to improve the survival of the mental disorder, to solve the real problem that after the parents have gone after. Due to the industry experience of founder C, his

understanding and acceptance of the concept of social enterprise is relatively quickly, and became an actor in social enterprise practice in China in the process of striving to realize his vision. C and other founders (also parents of mental disorders) after long-term observation and thinking, comparing the various industries such as hand baking and handicraft production, decided to try to start from the more complex service as car washing. By using the business operation model of social enterprises, to achieve the value of promoting the employment of persons with mental disabilities and social advocacy goals.

In a discourse on social enterprise, Nobel laureate Professor Yunus clearly states that "social enterprises must be able to generate enough income to pay their own costs" (Yunus, 2010). Founder C is convinced of this and believes that the ability to continue to function is the key to determining the success of this supportive employment model. From the "cost-benefit" perspective of analysis, Mental Challenged Car Wash can only maintain normal operation due to excessive cost, and there is no surplus. The reason for the high cost is the resource investment of the concern issues, that is, in addition to the normal business costs, the car wash is equipped with special teaching teachers to help the mental challenged to carry out daily knowledge learning and rehabilitation, but also equipped with a full-time car wash instructor for car wash service teaching demonstration, supervision and guidance. In order to standardize and make the work of car washing service standardized and systematic, C designed a scale for the development of professional ability for persons with mental disabilities based on the idea of

human resources development and management of large enterprises. He decomposed the car washing service into more than 10 different modules, combining the different advantages and specialties of individuals, to carry out targeted training and development, and then realize the effect of empowerment through training and development. Under the guidance of the car wash instructor, the sixteen mental challenged boys can wash an average of 50 cars per day and 70 vehicles when there are more business orders.

## (2) Five-Force Analysis Model of the Mental Challenged Car Wash

Since the range of products and services of social enterprises is a cross-cutting area of business and society, with both commercial and social attributes, the analysis of its consumer and supplier groups should be carried out from both commercial and social perspectives. Taking Mental Challenged Car Wash as an example, from the perspective of business, consumers are naturally consumers who come to enjoy car wash services. Suppliers are the main body of other business activities with car washing shops, including suppliers of rental sites and car washing service products, as well as the employees who provide labor force. But from the social point of view, consumers are those with mental disabilities and their parents who are not exposed to and identify with this mode of employment, then followed by the public. The suppliers include charities, the news media, Disabled Persons' Federation, government departments represented by civil affairs, caring people and other subjects who can provide support in the areas of working capital, public opinion publicity and

policy supply. While Car Wash founder C has repeatedly stressed that car wash does not require financial support from charities, the social mobilization of charities and ability of public opinion guidance can bring direct and obvious help to car wash in terms of social resource networks.

### 1. Suppliers and Consumer's Bargaining Power

According to Porter's point of view, the profitability and product competitiveness of existing companies in the industry are related to the supplier's ability to increase the input factor price and the ability to reduce the unit value quality. (Porter, 1979). The bargaining power of a supplier or buyer depends on the various characteristics of market conditions and the relative importance of sales or purchases to the industry as compared to overall business.

From the perspective of commercial competition, the relationship between suppliers and car wash is looser, and the degree of influence between them is low. First, the Mental Challenged Car Wash will not provide higher prices than other enterprises in the industry purchase investment (such as rent, product cost, etc.). Second, compared with the average wage of the regional industry (about 5,000), the salary level of employees in Mental Challenged Car Wash is lower (minimum wage standard of 2,200 yuan). Speaking objectively, suppliers in the car wash industry have to correspond to many buyers, and the price is determined by the market. It is difficult for suppliers to negotiate and profit from products which has high price or low quality, and the lower level of wages is related to the work ability or efficiency of employees.



Compared with the general washing car, the service efficiency and service capacity of Mental Challenged Car Wash is slightly lower, thus restricting the overall revenue capacity of the car wash. At the consumer level, the relationship between car wash and consumer is more closely connected, and the mutual influence is deeper. It mainly reflected in three point: first, Mental Challenged Car Wash strengthen the viscosity of consumers through the "member card" as the common form of service industry, second, the car wash service provided will increase the time cost of the consumer, but the service is more detailed and intimate which supplied by the mental challenged, third, the car washing industry belongs to the rigid demand market. Authoritative data from the traffic Police Department of Shenzhen Public Security Bureau show that as of Mar of 2019, "Shenzhen motor vehicles ownership about 34.06 million"<sup>②</sup>, with the increasing number of consumer groups, the Seller's Market Effect will be clearer, consumers' bargaining power is more limited.

From the perspective of the social attribute of Mental Challenged Car Wash, it is in the central position of social resource. With its own flexibility, it has shown strong bargaining power in bargaining with suppliers or buyers, but it also encounters bottlenecks and problems that restrict development. The most influential supplier to this company is the news media. Unlike the public perception that traditional mentally handicapped people can only do

handicrafts, hand-baking, etc., car wash service is a bold attempt by mentally handicapped people to directly contact the public. With sensitive observation and strong ability to guide public opinion, the news media has greatly increased the visibility of the enterprise, and in turn attracted more social and public attention to the group of Mental Challenged, while realizing the social goal for value advocacy of the social enterprise.

"I went to the Special School Employment Promotion Committee to do a lecture, by a reporter from the Shenzhen business News which has long-term attention to special education, sent a bean-curd block size of the journal. The next day, reporters from YangCheng Evening News follow up the news, and Futian District's WeChat Makers quickly compiled and forwarded, suddenly Mental Challenged Car Wash become the focus of public attention. Media coverage has also forced us to end the training phase of trial operations ahead of schedule, entering the normal state of business ahead of schedule. Some of the problems that have not been found in the trial are beginning to appear in business, but they are constantly being resolved."

(Interviews: Founder C,  
interview file 20180609xhe)

In terms of the policy supply that can effectively reduce operating costs, Mental Challenged Car Wash does not enjoy the policy benefits and advantages. As a supportive employment enterprise dedicated to people with mental disabilities, it is difficult to obtain financial support, service purchase and policy benefits from government as an ordinary non-profit organization. However, in the actual operation process,

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<sup>②</sup>Traffic Police Department of Shenzhen Public Security Bureau, March 2019 vehicle Management related business data, [Http://szjj.sz.gov.cn/ZWGK/TJSJ/TJXX/201904/t20190402\\_16738184.htm](Http://szjj.sz.gov.cn/ZWGK/TJSJ/TJXX/201904/t20190402_16738184.htm).

Mental Challenged Car Wash provides knowledge counseling and rehabilitation training for mentally handicapped employees, which accounts for most of the cost. Founder C had made a number of conversations with the Disabled Persons' Federation, civil affairs and other related departments of local government, there is still no good solutions, which also shows that social enterprises have the weak bargaining power in the relationship with the policy provider. In the analysis of the bargaining power of consumers under the perspective of society, the competition of Mental Challenged Car Wash in the target group has been successful. This burgeoning model of supportive employment is gaining the attention and support of parents of more and more mentally handicapped persons, and even parents have taken the initiative to send their children over for Work-Treatment education and rehabilitation after seeing news reports. In the relationship between the consumer group represented by persons with mental disabled person and their parents, the Mental Challenged Car Wash holds the right to speak. Because of the limited capacity to accommodate, many persons with mental disabilities can only register in advance and apply for membership when they are vacant.

## 2. Threats from Potential Entrants

According to Porter, the severity of potential entrants to the industry depends on the barriers that exist in the industry and the response of existing competitors that entrants can anticipate, mainly divided into six areas such as production scale, product differentiation, capital demand, advantage accumulation, sales channels and government policies

(Porter, 1979). Simply regards car washing services as a commercial service, the funding threshold for the industry to enter is not high, and venues, equipment and skilled technicians are all capital elements that can flow freely. The characteristics of car wash services also determine that it is difficult for both potential entrants and existing businesses to provide significantly differentiated products and services, so potential entrants do not pose a serious entry threat. Considering the competition at the social level, Mental Challenged Car Wash is a pioneer in the combination of rehabilitation education for mentally handicapped people and employment of car wash services. Through a preliminary practice and energy input, a standardized occupation has been established. The competency assessment scale, with mature systematic processes and programs, has accumulated a number of advantages in this area of employment for people with mental disabilities. Unlike business models, the goal of social enterprise is to solve social problems, so the attitude towards "threats of entrance" is different from that of for-profit companies. The Mental Challenged Car Wash has always admired the open and participatory model of supportive employment represented by car wash, and is committed to the replication and promotion of this model in other regions (China has established 15 Mental Challenged Car Wash branches, all initiated by local parents or the Disabled Persons' Federation) to achieve more employment for persons with mental disabilities. It can be said that in the prevention of "threats of entrance", Mental Challenged Car Wash follows a more correct "pattern replication" road, that is, reduce the cost

of expansion, but also enhance the breadth of employment and the depth of social impact.

### 3. Competitive Capacity of Substitutes

From the commercial level of alternative competition, the substitutes of car washing service industry is related to the level of industrial development and scientific and technological progress, and the current substitutes (such as car washing by robot, home reservation car washing) are rare. As a general market demand, this service business still has a lot of profit space. The competition of substitutes at the social level is the competition among different types of employment models of mental handicapped. There is no doubt that compared with other centralized employment models such as sheltered factories and welfare enterprises, the supportive employment model represented by car washing employment type plays a more significant role in the empowerment and social integration of people with mental disabilities. It is possible to clarify the status of mentally handicapped persons in the social division of labor, improve their living conditions, and enable them to become creators from resource consumers and ultimately transform the traditional perception of the public. As far as the status quo is concerned, here are few other mentally handicapped employment enterprises that can surpass the Mental Challenged Car Wash in terms of revenue capacity, value advocacy and social integration.

The public welfare resources in the field of employment of persons with disabilities are limited, so the degree of dependence on social resources will be

the core issue that must be taken into account in the alternatives to Mental Challenged Car Wash. Mental Challenged Car Wash does not rely on external resources, and the model replication from the establishment to the later stage is a way of translating blood through commercial capital rather than relying on public resources. Its operating income can maintain normal business operations and is highly irreplaceable.

### 4. The Competitiveness of Existing Companies in the Industry

The competition of social enterprises is often a compound superposition of competition in the field of commercial competition and social public welfare. In the commercial competition of car wash, consumers' public praise is the key element. In the situation where the content of the service is not different, the evaluation of the consumer group will directly affect the service performance of the car wash, and it is also the core element of the operation of the Mental Challenged Car Wash.

"Although our employees have a certain degree of impairment, lack of thinking skills, and can't do fine exercise, but their physical exercise ability is not bad. Through training, it is not difficult for them to wash the car. As long as the car is washed clean and the time is not delayed, they can compete with ordinary car washing shops equally, so that customers can be satisfied with the service, and then there will be a continuous and stable customer group. "

(Interview: Founder C,  
interview file 20180609xhe)

Depending on the mode of production, the supportive employment of mentally handicapped people in the existing social enterprise form can be divided into two types, including the open participation type represented by Mental Challenged Car Wash, and the production type of Wheat Baking. Wheat Baking is a social enterprise in Guangzhou. It works by training mentally handicapped people to learn some hand baking skills of cakes and sweets, and be responsible for the supervision of the baking process and the sale of products.

Wheat Baking is more akin to a sheltered factory that operates in a commercial form and provides everyday products to the general public, with limited contact with the public at work. In contrast, the open and participatory employment represented by Mental Challenged Car Wash is not a single product production and sales, which promotes the contact between the mentally handicapped and the society in the process of providing services, and plays a more prominent role in the broad social value advocacy. Although the Wheat Baking operates in a commercial form, the founding funds are donated by charities such as foundations, and because of the high operating costs and limited revenue capacity, the uninterrupted input of social welfare resources is required to maintain operation. In contrast, the competitiveness of Wheat Baking mode is weaker than that of Mental Challenged Car Wash.

### Conclusion

This study takes Mental Challenged Car Wash as a case, using Porter's Five

Forces Analysis Model to make a meso level analysis. Social enterprises use commercial means to make profits in the same way as commercial companies, but they will receive profits to feed themselves into their own sustainable development and the solution of their social concerns. Through the analysis of the bargaining power of the suppliers and consumers of the Mental Challenged Car Wash, we can clearly see that the social enterprises can meet the needs of the target groups at the social level in terms of bargaining power, and then achieve their own social value goals, but they need to improve the bargaining power between the social level and the suppliers, so as to reduce the operating cost and achieve a better sustainable operation.

In the face of "threats of entrance", social enterprises should take advantage of their own social goals, low-cost promotion strategies, accumulated advantages in the early stage, etc., to stabilize the existing market and promote the realization of social goals. At the social level, due to the scarcity and finiteness of public welfare resources, non-profit organizations or social enterprises in the same service area will have a large number of overlapping contents. For each subject that may produce "threats of entrance", it is necessary to establish a consistent action framework and access rules of procedure, and pay attention to the fairness between different types of action subjects while achieving social goals. Different from the traditional profit-making commercial companies, the ultimate goal of social enterprises lies in the realization of social value, and business ability is the key to restrict the sustainable development of social

enterprises. In order to ensure continuous competitiveness and avoid the challenge of substitutes, social enterprises should pay attention to the use of product or service differentiation strategy to develop and strengthen the irreplaceable of products or services. In the face of other enterprises or organizations in the industry competition, Two-Factor Theory can provide a good idea for the promotion of social enterprises' competitiveness. Social enterprises should take the competitive ability at the commercial level as the health factor and the stimulation of social value as the incentive factor. We should pay attention to the "horizontal competition" at the commercial level, but invest more resources and energy in the process of stimulating the social value of enterprises. Social enterprises can achieve continuous operation without consuming social charity resources, but they should also pay attention to the development of social charity resources, combined with the "social impact investment" model, introduce public welfare resources into a more efficient social service mode, achieve social goals more quickly, and promote social problems in a deeper level of solution.

As a compound entity of commercial economic form and the development of "the third sector", social enterprises should build their own strategic development prospect with the help of commercial analysis model. Through the "Five Forces Analysis Model", this article re-depicts the development strategy of social enterprises, and gives suggestions on improving bargaining power, preventing "threats of entrance" and enhancing competitiveness. Social enterprises use

business models to obtain funds to maintain operations, and use surpluses for social problems. It is a rational allocation of resources and a correct direction for social development. However, if social enterprises want to truly realize their own social value and solve the social problems they are concerned about, they need to think about how to further improve the space in terms of commercial profits and social values, attract social charity resources at a greater level, and efficiently invest in the social problems they are concerned about.

This paper tries to play a role in the study of development strategy of social enterprises, hoping that more scholars will pay attention to the relevant issues of "how to achieve effective development of social enterprises" from the micro level in the follow-up research, and give more appropriate and appropriate development strategies and suggestions of social enterprises based on data and through quantitative research.

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