

The Case of Tennessee Vans: A Social Business Model to Develop and Finance Community Mobility Resources

By Dr. Ted Newsom

In the Summer/Fall edition of DigitalCT, we included an article focusing on [Social Enterprise for Nonprofit Organizations](#). Designed to highlight alternative — and more localized — finance mechanisms for community and public transportation, the article encouraged Dr. Ted Newsom, director of Tennessee Vans, to share how his operation has also adopted the social enterprise model. We thought Dr. Newsom's manuscript excellent, and include here in full — ed.

Substantial and adequate public resources to develop and finance transportation services and programs now and in the future cannot be relied on; new approaches must be pursued. The purpose of this paper is to present an approach to address the challenge of creating effective and financially sustainable mobility resources to meet the growing demand for community transportation services. The approach is based on the experimental and evolving development of [Tennessee Vans](#) and its application of a social business enterprise model to develop and finance community mobility resources. This paper documents the transition of Tennessee Vans from a government sponsored trans-

portation program, with primary reliance on public grants as a funding source, to a social business enterprise, with primary reliance on program generated revenue for continued operations. The social business enterprise model provides an overall framework for Tennessee Vans to achieve its social, financial, and environmental missions as it continues to grow and develop important community mobility resources for the future.

Introduction

For decades, transportation professionals have designed and developed various approaches to address the human mobility needs that occur in all communities. In addition to traditional road development approaches that support the use of highway vehicles, other approaches have been used to move people from place to place, including urban and rural public transportation systems, commuter ridesharing services, and transportation demand management programs. Yet there still remains a lack of infrastructure and services to address growing community mobility needs. Clearly, there is an ongoing need to design and develop additional mobility resources to address persistent community transportation issues and

problems. Moreover, the current problem of limited financial resources for community transportation heightens the challenge of addressing mobility problems with effective and financially sustainable strategies. Substantial and adequate public resources to develop and finance transportation programs and services now and in the future cannot be relied upon; new approaches must be pursued. Some alternative funding mechanisms that have been suggested for financing transportation programs and services include increased gas taxes, public/private partnerships, toll roads, vehicle mileage pricing, and infrastructure bank loans. Whether these proposals, taken individually or together, can produce the required financial resources remains to be seen. In addition, they must also be accepted by the traveling public, taxpayers, and other stakeholders. At the present time, there is still demand for additional approaches to develop and finance community mobility resources.

The purpose of this paper is to present an approach for addressing this challenge of creating effective and financially sustainable community mobility resources. The approach is based on the experimental and evolving development of Tennessee Vans and its use of

a viable financial business model to develop and finance community mobility resources. Tennessee Vans was initiated by the [Center for Transportation Research at the University of Tennessee](#) in February 1990 as a transportation research and service development project to meet growing mobility needs of residents in Tennessee. The program was designed as an experiment in providing community transportation resources in an innovative manner that differed from traditional transportation service models. The characteristics that distinguish Tennessee Vans from other approaches include its flexibility to meet diverse mobility needs and fill mobility gaps, an emphasis on user-based service design, performing a primary role as a mobility resource provider, and a central focus on financial self-sufficiency and program sustainability.

Tennessee Vans is a human mobility system designed to fill gaps in transportation services essential for meeting mobility demands of diverse population groups throughout Tennessee (Newsom, 1999; Wegmann and Newsom, 2002). Mobility gaps addressed by Tennessee Vans typically occur when existing community transportation services are unable to provide access to desired destinations (e.g., work sites, medical facilities, retail stores) when and where they are needed by residents. Service routes and schedules are either inconvenient or the services do not exist at all. The Tennessee Vans participants design the mobility services to meet their needs and this user-based approach assures

accessibility to desired services and activities. Tennessee Vans performs a primary role as a mobility resource provider and is available to assist program participants with the implementation of their service designs by providing vehicles and associated services. In addition, a major goal of Tennessee Vans is to become financially self-sufficient and maintain the viability of program services. The financial strategy used for revenue generation and recycling of program funds facilitates program sustainability and cost effectiveness. Through its vehicle provision and financial service programs, Tennessee Vans has positively impacted the overall quality of life of individuals and groups by improving access to community services, events, and activities that enhance their participation in and contribution to societal life.

Newsom and Meyers (2011) examined and documented the historical development, the overall mission, and the operational characteristics of Tennessee Vans during the past twenty years. The study concluded that Tennessee Vans has successfully transitioned from a government grant supported research and service development project to a financially sustainable mobility service. The major challenge for Tennessee Vans now and in the future is to design and develop an operational framework that maintains program sustainability and continues to produce positive financial, social, and environmental outcomes and benefits for its customers, investors, and communities in Tennessee.

From its inception, a primary goal for Tennessee Vans is to become financially self-sufficient; that is, less dependence on government grants and more reliance on program revenue to finance future growth and operations. The evolution of the financial strategy for Tennessee Vans has been influenced by several models during the course of its history. The first model was the pay-as-you-go approach to highway development used by the Tennessee Department of Transportation (TDOT). This model basically states that highway development will occur when all of the funds are available to build the highway. As highways are built and used by motorists, more gas tax revenues are generated and available for use to build future highways. Generating and recovering gas tax revenues provides a basic foundation for financing highway development. When TDOT provided seed funds to initiate the Tennessee Vans program, it was expected that sufficient fees would be charged to participants to recover capital and operating costs and pay for future program growth.

A second model was based on the approach used by Habitat for Humanity in developing affordable housing programs (Youngs, 2007). Houses are built using donations of cash, labor and materials and assigned to participants who meet program eligibility requirements. Low-cost mortgage financing is made available to program participants to recover the costs of building the house. The funds are collected from program participants and then used to build houses to meet future

housing demand. Tennessee Vans borrows from the Habitat financing model in its approach to procuring and financing vehicles to meet the mobility demands of program participants. A vehicle is procured with available program funds and then assigned to an eligible program participant along with an affordable payment plan. The funds are collected from program participants, placed in a capital reserve fund account, and then recycled to procure additional vehicles to meet future demand.

A third model originates with the development of micro-credit programs designed to provide financing for business development to persons unable to procure loans from traditional banking sources (Yunus, 1999). These programs have been successful in helping low income persons become financially self-sufficient in starting and growing viable businesses. The market groups served by Tennessee Vans are similar to those served by micro-credit programs. Tennessee Vans participants are generally organizations and groups that have limited assets and resources to obtain credit for procuring vehicles to meet their client transportation needs. Many do not qualify for traditional vehicle financing from banks, credit unions, or dealerships. Tennessee Vans assists these groups by providing no interest and no down payment vehicle financing plans if they can provide credit references indicating their ability to make payments in a timely manner and otherwise meet their financial obligations.

The model that currently influences the financial strategy for Tennessee Vans is based on the development of social businesses (Yunus, 2007, 2010). Most businesses focus primarily on maximizing profits for their investors and stockholders. Social businesses focus on achieving social goals, as well as operating according to business practices that render their enterprises financially sustainable. Many of these mission-driven businesses add environmental sustainability goals to their overall mission. As a result, many social businesses strive to balance a “triple” bottom line to achieve social, financial, and environmental goals, rather than focusing primarily on profit maximization.

Tennessee Vans can best be described as an evolving social business enterprise. The historical development and achievement of the social, financial, and environmental goals of Tennessee Vans follow the overall social business enterprise model. The social business enterprise model provides a viable and promising framework and blueprint for the future development of Tennessee Vans. The following provides an overview of the social business enterprise model, outlines the major features of Tennessee Vans as a social business enterprise, and discusses the application of this operational framework for future growth and sustainability of community mobility resources.

Social Business Enterprise Model

Muhammad Yunus (2010) describes a so-

cial business accordingly:

In a social business an investor aims to help others without making any financial gain himself. The social business is a business because it must be self-sustaining – that is, it generates enough income to cover its own costs. Part of the economic surplus the social business creates is invested in expanding the business, and a part is kept in reserve to cover uncertainties. Thus, the social business might be described as a “non loss, non-dividend company,” dedicated to achieving a social goal.

Social businesses can be non-profit or for profit ventures; but regardless of corporate status, they use basic business methods and principles to accomplish a social mission. Most businesses focus primarily on maximizing profits for their investors and stockholders. Social businesses focus on achieving social goals, as well as operating according to business practices that render their enterprises financially sustainable. The term “social business” is related to other concepts, such as “social enterprise”, “social entrepreneurship”, “corporate social responsibility”, that describe the relationship of business practices and the pursuit of social goals. These businesses are sometimes referred to as “mission driven” companies and are often focused on pursuing an environmental mission, as well as achieving social goals through sustainable business practices. Regardless of the terms used, all of these enterprises are created to pursue more than

profit maximization. Their accomplishments also reflect the achievement of social and/or environmental goals and are often described as “double” or “triple” bottom line businesses. In the current environment in which government, charitable, and philanthropic resources to address social problems are limited, community organizations are pursuing social business opportunities to develop revenue streams to support their programs and services. A well-known example is Goodwill Industries, who operate retail outlets that generate revenue to support their overall service mission and goals.

For the most part, urban and rural transportation programs are government subsidized, however, some transportation service programs can and do operate as social businesses. A few examples are included in a publication of the [Social Enterprise Alliance](#) (2010) and in a directory of social enterprises (Community Wealth Ventures, Inc., 2011). [ITN/America](#) provides transportation services for seniors. They focus on providing services to meet the transportation needs of seniors in an efficient and financially sustainable manner. ITN/America and its affiliates follow business practices that allow it to cover operating expenses with fees from customers and contractors so they do not have to rely on taxpayer funds for its operations. [Vehicles for Change](#) is a transportation service that provides low wage families with reliable transportation. Donated vehicles are obtained from individuals and businesses, repaired if necessary, and offered for

purchase to qualified recipients identified through social service agencies. Affordable vehicle financing is made available to recipients who meet income and employment requirements. The result is that low income families now have vehicles to access employment, day care, medical appointments, and other facilities and services that they need to become self-sufficient. [Freedom Wheels](#), a subsidiary of Vehicles for Change, was created to encourage donations and expand the number of vehicles awarded to participating families. Another example is [Delancey Street Foundation](#), a community development organization that has created twelve social enterprise ventures to generate financial support for the organization. Two of these ventures are transportation businesses, [Delancey Coach](#), and [Paratransit Van and Bus Services](#). Delancey Coach operates a private corporate car service under contract with several business firms. Paratransit Van and Bus Services provides group van service for elderly and disabled residents and is supported with contracts with various agencies. These enterprises provide skills training and employment opportunities for community residents, as well as providing revenue to support these services and other activities at the Delancey Street Foundation. Similar programs have been designed to promote bicycle recycling and use. Examples include Chain Reaction, a program that trains youth to repair and recycle used bicycles for pollution-free transportation; [Recycle-A-Bicycle, Inc.](#), a program that repairs and refurbishes donated bicycles

for resale and rental to community residents and tourists; and the [Diepsloot CityCycle](#), whose earn-a-bike program trains youth to repair and maintain bicycles that they can earn and use themselves for transportation.

Tennessee Vans – A Social Business Enterprise

The overall mission and operational features of Tennessee Vans are characteristic of a social business enterprise. Tennessee Vans is a social business enterprise whose mission is to design and develop strategies and resources to meet the mobility needs of the transportation disadvantaged in a financially sustainable manner. Tennessee Vans works in partnership with community agencies to meet the transportation needs of their clients, including the mobility needs of persons with disabilities, seniors, youth, low and moderate income workers, persons without vehicles, and persons who cannot or choose not to drive. Tennessee Vans strives to maintain financial self-sufficiency and follows sustainable environmental practices in all of its service activities.

Tennessee Vans strives to produce positive financial, social, and environmental outcomes for its customers, investors, and communities in Tennessee. It is important that Tennessee Vans achieves and maintains financial self-sufficiency in order to continue pursuing its mission of meeting the mobility needs of the transportation disadvantaged. When these needs are met, social benefits

are generated because of people's enhanced mobility and improved access to services, events, and activities that enable them to participate in and contribute to societal life. Environmental benefits are generated due to the nature of group transportation that reduces the number of single person automobile trips, thus lowering traffic congestion, reducing air pollution, and saving energy. All in all, the focus on achieving a balanced "triple" bottom line contributes positively to the overall quality of life for both individuals and communities.

Social Mission

Although substantial resources have been devoted to the provision of the transportation infrastructure needed to support the movement of people, there still exists what are termed "mobility gaps." These mobility gaps occur when the transportation needs of individuals or groups are not being met by current transportation service options. The occurrence of mobility gaps is especially apparent among transportation disadvantaged groups, including persons with disabilities, youth, seniors, and low income workers. Tennessee Vans represents an approach for the development of community mobility resources to fill the mobility gaps for the transportation disadvantaged.

To achieve its social mission, Tennessee Vans focuses on the mobility needs of several market groups who provide services directly to transportation disadvantaged persons.

Tennessee Vans works in partnership with community agencies, employers, businesses, and employee groups to develop strategies and resources to meet the mobility needs of their clients. The major market segments that participate in the Tennessee Vans program are organizations and groups who provide: disabilities services, workforce services, youth services, recovery services, community outreach services, and senior services. All of these market segments have mobility needs specific to their clients and provide transportation services as a major component in the array of services that they offer. Tennessee Vans offers two programs to meet the mobility needs of its market groups: a Vehicle Purchase Program for Community Agencies and an Employee Commuter Vanpool Program.

As part of the Vehicle Purchase Program, Tennessee Vans works in partnership with community agencies to meet their client transportation needs. The community agencies can acquire affordable vehicles (15-passenger vans, minivans, and sedans) through Tennessee Vans to transport their clients on a variety of trips, including community events and activities, medical appointments, recovery treatment centers, shopping, employment and training, job interviews, school and afterschool activities, childcare, field trips, youth programs, and other community outreach services and activities that meet diverse client travel needs.

As part of the Employee Commuter Vanpool Program, Tennessee Vans serves em-

ployees who travel long distances to work locations, low and moderate income workers, workers without vehicles, and employees who cannot or choose not to drive to work. These employees are transportation disadvantaged because they have limited alternatives for their work trips. To help these employees broaden their commuting options, Tennessee Vans works in partnership with employers, businesses, community agencies and employee groups to form commuter vanpools. Commuter vanpools are groups of employees who ride together to and from work in a van and who agree to share the monthly costs of operating the vanpool. Tennessee Vans assists in the formation of commuter vanpools by providing affordable vans and essential support services.

The Tennessee Vans vehicle fleet has grown to 944 vehicles from 1990 through the 2013 model year. The vehicles were assigned to over 300 community agencies and commuter groups. Most of these vehicles have been disposed of through paid up vehicle purchase contracts and through vehicle auction sales. Currently, over 100 Tennessee Vans program participants use a fleet of 200 vehicles to provide approximately 1.2 million trips per year for more than 2500 people. They use their vehicles to provide a range of trips for those they serve. The variety of program participants and the uses of their vehicles is illustrated in Table 1.

Periodic surveys, interviews, and focus groups have been conducted to obtain quali-

Table 1 . Tennessee Vans Market Groups and Features

Market Group	Agency Type	Persons Served	Type of Trips
Disabilities Services	-Sheltered workshops -Group homes -Supported employment programs	-Persons with developmental, intellectual, and physical disabilities	-Employment, -Medical -Recreational -Shopping
Workforce Services	-Vanpool groups -Employers -Training programs	-Workers -Job trainees	-Work trips -Employment Training -job interviews -job search
Youth Services	-Day care centers -Youth programs	-Children -Teenagers	-School to home -Afterschool activities -Recreational -Educational
Recovery Services	-Addiction treatment centers -Transitional housing services -Health departments -Drug programs	-Substance abusers -Ex-offenders -Physical abuse victims -Homeless	-Group meetings -Medical -Employment -Shopping -Recreational
Community Outreach Services	-Social service agencies -Churches -Municipalities	-Residents of all ages and genders -Outreach target groups	-Educational -Cultural outings -Recreational -Social services -Community events
Senior Services	-Senior centers -Assisted living facilities	Seniors	-Delivering meals -Medical -Recreational -Shopping

tative information about the program from program participants (Wegmann and Newsom, 2002; Wegmann and Meyers, 2012). Participant responses indicated that many of

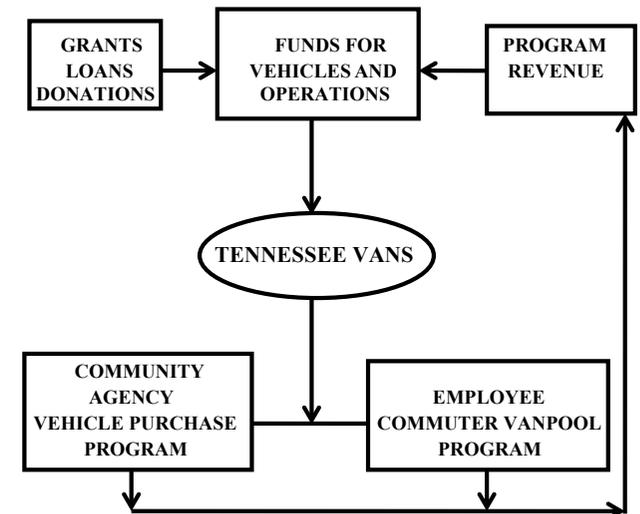
the organizations could not maintain their existing programs without access to a Tennessee Vans vehicle. They also stated that some clients would be left without mobility

and could not participate in the programs. Tennessee Vans are operated by many organizations that provide essential mobility to their clients. Closure and curtailment of services would negatively impact all program participants.

Financial Mission

The basic framework that guides the Tennessee Vans financial strategy is depicted in Figure 1. This financial strategy for maintaining the viability and longevity of the program is the defining characteristic that sets Tennessee Vans apart from other community mobility resource development programs. The initial seed grants were provided by local, state, and federal governments with the stipulation and expectation that Tennes-

Figure 1. Tennessee Vans Financial Strategy



see Vans will maximize vehicle and operating cost recovery. Tennessee Vans strives to constrain operating expenses, minimize financial losses, and maximize revenue generation. Revenues received from program participants are used to purchase replacement vehicles in the commuter vanpool program and to procure additional vehicles for the community agency purchase program. The use of these vehicles generates revenue that in turn is used to pay expenses and procure additional vehicles for future use. This recycling of revenue contributes to the growth of the program and its longevity into the future. The amount of public funds invested in Tennessee Vans since 1990 totals approximately \$8.5 million and the program revenue generated since then totals approximately \$20 million.

From its inception, a major goal for Tennessee Vans is to become financially self-sufficient; that is, less dependence on government grants and more reliance on program revenue to finance future growth and operations. Table 2 presents a financial sustainability timeline for Tennessee Vans. A major milestone was reached in model year 2006, when the final balance of government grant funds was used to procure vehicles. Since model year 2007, only program revenue has been used to procure vehicles and finance program operations. As a result, the primary investor for now and the major one for the future is the customer base served by the Tennessee Vans program.

Table 2. Financial Sustainability Timeline for Tennessee Vans

<u>Time Period</u>	<u>Activity</u>
1990	Program established
1990 – 1994	Vehicles procured with government seed funds; program revenue not sufficient to meet vehicle demand
1995 – 1999	Both grant funds and program revenue used to procure vehicles; program maturing and producing substantial revenue
2000 – 2004	Primary objective is to expend remaining grant funds for the purchase of program vehicles
2005 – 2006	Final balance of grant funds expended for purchase of vehicles
2007 – 2010	Program vehicle purchases and operating expenses paid with program generated revenue; revenue exceeds operating expenses; vehicle procurement fund stabilizes at \$3.5 – 4.0 million.
2011 - present	Tennessee Vans redesigned as a social business enterprise; social, financial, and environmental missions specified; business plan focus on maintenance and growth during struggling economy

Table 3 presents a general business profile for Tennessee Vans. Current operating expenses, including personnel salaries/benefits and direct costs, are \$500,000 - \$600,000

per year. Current program revenue, including participant fees and vehicle auction sales receipts, totals \$800,000 - \$1,000,000 per year. Revenue minus expenses yields a sur-

Table 3. Tennessee Vans Profile

Name:	Tennessee Vans
Location:	Knoxville, TN
Business Focus:	Community Mobility Services
Established:	1990
Legal Structure: (Knoxville)	Community Service of the University of Tennessee
Employees:	5 Full-time
Annual Revenue:	\$800,000 - \$1,000,000
Annual Expenses:	\$500,000 - \$600,000
Annual Surplus:	\$300,000 – 400,000
Capital Reserve Fund:	\$3.5 million

plus of funds of \$300,000 – \$400,000 per year. Surplus funds are deposited and held in a capital reserve fund account for the procurement of additional vehicles to meet future vehicle demand. There is approximately \$3.5 million available in the capital reserve fund for the procurement of future program vehicles.

Periodic evaluation studies indicate that

attractive financial features of the program are among the primary reasons why program participants choose Tennessee Vans to procure vehicles (Wegmann and Newsom, 2002; Wegmann and Meyers, 2012). Specifically, participants cite the affordable vehicle prices and payment terms, interest free financing, and no down payment as major reasons for their participation in the Tennessee Vans program. Program participants reported that

their resources to pay for vehicles include passenger fares, program revenue, daycare or tuition fees, social service grants, and donations. These organizations value the simplicity and financial flexibility provided by Tennessee Vans because many are not financially able to use conventional credit to lease or purchase a vehicle.

Environmental Mission

The government funding support for the development of Tennessee Vans stressed the achievement of environmental and energy conservation goals and Tennessee Vans has always been concerned with generating tangible benefits related to the achievement of these goals. Tennessee Vans has focused on the transportation of groups of people in order to maximize the reduction of vehicle miles traveled, since reducing vehicle miles traveled reduces traffic congestion, air pollution, and fuel usage.

Program research studies (Wegmann, 2001; Wegmann and Newsom, 2002) indicate that the average vehicle traveled about 1,102 vehicle miles per month. Approximately 4,308 persons per month were transported and about 181,667 monthly trips were made (about 2.1 million trips annually). These studies also indicated that the environmental benefits generated by Tennessee Vans include a reduction in air pollution by 44,453,000 grams/day for HC; 418,649,000 grams/day for CO; and 29,330,000 grams/day for NOX; and a reduction in fuel con-

sumption by 1.4 million gallons annually.

Environmental and energy conservation benefits are also achieved by procurement of vehicles that use alternative fuels. All of the vehicles in current use by Tennessee Vans are flex-fuel vehicles that allow the use of E85 grade ethanol in addition to gasoline. Tennessee Vans has also experimented with the operations of diesel fueled vehicles which have the potential of using biodiesel as the primary fuel of choice. The use of alternative fuels will increase with the provision of appropriate vehicle technology and the expansion of the alternative fuel infrastructure to facilitate access to environmental friendly fuels.

The environmental mission of Tennessee Vans will evolve over time in conjunction with public policy regarding environmental sustainability. The issues surrounding global warming and climate control, energy independence, land use, and conservation of natural resources will encourage the development and use of appropriate vehicle technology to meet environmental goals. In addition, the overall social movement to “go green” and an emphasis on creating “livable communities” will facilitate the acceptance of newer and more expensive technology by the general population. As in the past, Tennessee Vans will adapt to these changes in the future and continue to incorporate environmental sustainability practices as part of its social business model.

Future Growth and Expansion

Future growth and expansion is a concern for all businesses, including social businesses. Social businesses desire to maximize the social, economic, and environmental benefits for those they serve. The Great Recession of 2008 has severely limited the potential for growth and expansion of existing businesses, as well as the creation of new enterprises. Tennessee Vans has been able to maintain a stable program through its interactions with program participants; consistently assessing their program status, providing financial assistance when needed, and working together to achieve our mutual goals and objectives. Since 2008, Tennessee Vans’ operations have stabilized at approximately 200 net revenue generating vehicles per year, which is sufficient to maintain program sustainability. But Tennessee Vans has available capital and human resources to grow and expand. The challenge is to create the opportunities for growth and expansion in a struggling economy. The economic environment will change slowly to facilitate future growth and expansion and the current program participants have stated a positive outlook with regard to their future use of Tennessee Vans services. In a recent survey (Wegmann and Meyers, 2012), current participants were asked about their need for vehicles during the next five years. The findings indicated that 54 percent saw an increasing need and 39 percent thought the need would be stable.

Although the outlook is positive among a stable group of current participants, overall future growth and expansion must include adding new participants to use Tennessee Vans services. Over the years, new growth for Tennessee Vans has predominantly been achieved through “word of mouth”. Based on this principle, strategies for facilitating new growth focus on stimulating the conversation about Tennessee Vans among the various market groups now served. These strategies include traditional marketing approaches, such as direct mailing to potential participants and encouraging referrals by current participants. Future approaches will build on these initiatives by incorporating guidelines for the use of social media technology (Bergman, 2012) to stimulate interest in community transportation in general and Tennessee Vans in particular.

Additional strategies that offer promise for new growth include a participant revenue sharing program and micro-franchising (Fairbourne et al., 2007). A revenue sharing program would involve direct participant involvement in recruiting new program participants through their peer networks. This strategy would provide specific peer to peer promotion of Tennessee Vans and would allow current participants to obtain additional revenue through successful referrals to support their service programs. The micro-franchising of Tennessee Vans would involve the creation of a “business in a box”, wherein Tennessee Vans services are packaged and

offered for use by entrepreneurs interested in starting their own Tennessee Vans franchise. This approach has the potential of growing the Tennessee Vans program beyond the state borders, as well as within the state of Tennessee.

Conclusions

Tennessee Vans has experienced a steady and sustainable rate of growth in funding and service development since its implementation in 1990. Financial resources provided during this time have enabled the program to procure 944 vehicles and to assign these vehicles as part of the vehicle lease and purchase programs to a diversity of participant groups. Tennessee Vans is achieving its social mission to fill the mobility gaps experienced by the transportation disadvantaged through the provision of affordable vehicles. The program is an important resource for vehicles that enables its participants to develop and implement user-based service design travel options for those persons they serve. Future growth plans include the application of program services to meet identified mobility needs of underserved populations and the exploration of ways to facilitate the identification of mobility gaps and the broadening of trip purposes addressed by past, current, and new program participants. This requires continuous review, documentation, and evaluation of lessons learned from program implementation. It also requires a commitment to maintain the role of a mobility resource provider and allow program participants to

design and operate transportation services that directly meet mobility needs.

In order to assure and sustain program growth in the future, Tennessee Vans strives to preserve and maintain financial self-sufficiency. Tennessee Vans has transitioned from a government sponsored transportation program with primary reliance on public grants as a funding source to a social business enterprise with primary reliance on program generated revenue for continued operations. Effective business practices to constrain operating costs, maximize revenue collections, and minimize financial losses are implemented to render the program operationally and financially sustainable. The social business enterprise model provides an overall framework for Tennessee Vans to achieve its financial mission. It provides the social mission focus and guidance needed for proper stewardship and management of program generated funds and enables Tennessee Vans to continue to grow and develop important community mobility resources for the future.

In the pursuit of its environmental mission, Tennessee Vans builds upon its current initiatives regarding the use of alternative and appropriate vehicle technology. The incorporation of alternative “green” vehicles into the vehicle fleet is important to address future energy and environmental issues encountered by program participants. The use of alternative fuels also helps to achieve environmental goals. Alternative fuel use is

now gaining broader public acceptance with the continued availability of flex-fuel, electric, and hybrid vehicles. Tennessee Vans anticipates that its current and future market groups will desire to participate in this environmental movement as it grows and as costs for new vehicle and fuel technology becomes more affordable.

As mentioned previously, public resources to develop and finance transportation programs and services now and in the future are extremely limited and cannot be relied upon. The allocation of future financial resources should consider the application of the social business enterprise model where appropriate and feasible. In contrast to continued traditional public funding of transportation through gas taxes and government grants, alternative funding mechanisms, such as public/private highway construction ventures, toll roads, vehicle mileage pricing, and infrastructure bank loans, command serious consideration. Public and private investors must now consider financial sustainability among the criteria used to allocate limited resources for community transportation. The development and financing of community mobility resources through the application of a social business enterprise model is integral to this mix of alternative funding mechanisms and deserves serious consideration as well.

In conclusion, the social business enterprise model provides a viable approach to meet the social, economic, and environmen-

tal objectives for future community transportation programs and services. Communities need to design and operate transportation services that meet social needs and generate substantial community benefits in a financially viable manner. As in the case of Tennessee Vans, the application of the social business enterprise model should be explored as a promising strategy for designing initiatives to develop and finance community mobility resources in the future.

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