PIXZA – Sustaining Social Commitments During a Global Pandemic

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Abstract. The case discusses Pixza, a pioneering Mexican pizzeria, operating as a social enterprise working to create a profitable business with a stakeholder impact. The company offers customers both distinctive, culturally relevant blue-corn pizza and the opportunity to support Pixza's social mission of reintegrating disenfranchised youth into society through employment and skill-building programs. The case decision point comes when Pixza is confronted by the global Covid pandemic, something that drives the Pixza leadership to balance its economic viability with its ethical commitment to its employees. The case allows for a discussion of if and how Pixza stakeholders can be called on to help the company weather the economic and sanitary crisis. It also allows for an analysis of how social entrepreneurs can make business model pivots in the midst of crisis.

Keywords: stakeholder management, organizational purpose, social enterprises, business sustainability, inclusive organizations.

1. Introduction

In 2016, Alejando Souza founded Pixza, a Mexico City-based start-up that doubled as both a restaurant cooking up uniquely Mexican pizzas and also as a social enterprise providing support and job opportunities to the homeless population of Mexico City. Pixza's pizzas were a hit with Mexico City's foodies, and customers lined up down the street for slices of the restaurant's pies. However, while the food was great, there was more to a Pixza visit for its clients.

As Souza explains, "People loved coming to Pixza. It was an experience. It was a place where you could interact with our *Agents of Change*, which is what we call our employees. They would tell you about their lives and you would live this empowerment story. It was really a special place."[1] By the end of 2019 things were looking up. Pixza was breaking even and had secured funding to expand

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1. All quotes are based on interviews made by the case writers.

operations; something that promised to double the company's social impact. All was well.

Then the pandemic hit. Business collapsed. The survival of Pixza and its social commitments was in doubt. How could Pixza weather such a catastrophic event? What resources could its leaders access to help them sustain the company through the crisis? And, if they could stabilize the business, how should they rethink their business model to make it pandemic-proof it in the future?

2. The Making of a Social Innovator

Born to a middle-class family in Mexico City, Alejandro Souza developed a life philosophy at an early age that would guide his future social enterprise initiatives. He believed that empowerment was key to generating change and unlocking one's full potential. Empowerment can be defined as the process of individuals becoming stronger and more confident, especially in controlling one's life. To pursue his interests, Alejandro undertook undergraduate studies at Babson College in 2005, a university known for its specialization in entrepreneurship. But Alejandro was interested in more than building businesses. He wanted his work to contribute to addressing important problems in society, leading him to become one of Babson's pioneering "social entrepreneurship" students. As he says, "I've always been a social entrepreneur. It's always been a passion of mine to seek out models that sustainably drive change. And I've spent most of my life … trying to experience these models from very different perspectives."

Upon his 2009 graduation, Souza engaged in a series of social development projects in diverse global locations including Rwanda, Uganda, Bhutan and Brazil. The projects allowed Alejandro to see how development worked on the ground. Souza compared most aid models with the action of giving away a shirt. "Imagine you see someone who needs a shirt, and you give them your own," he explains, "When you give away your shirt you feel good and the person that receives the shirt feels good. But now there is you who does not have a shirt. The problem has not been resolved." Alejandro was looking for a model of social empowerment that did not depend on "giving away shirts" but instead, provided disadvantaged populations with the opportunity to care for themselves.

These international and cross-sectoral experiences led Souza back to graduate studies, pursuing a master's degree in international and public affairs at Columbia University in New York. An assignment in one of his graduate classes would turn out to be a critical experience. A journalism teacher asked him to tell a real-life story that would be moving and impactful. Students were supposed to find a main character they could follow and practice field journalism. This is how Souza met "Joe," a homeless man who, in his 50s, had spent most of his life on living on the streets. Souza shadowed Joe for four months, learning first-hand about the homelessness crisis in New York City and in the United States at large. The