Implementing social innovation in real contexts

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Abstract: Increasing attention is being paid towards the potential of social innovation in responding to society's greatest challenges. While measures have been taken to support the flourishing of these innovations, they have thus far been made on ideal models of development, misaligned with what occurs in reality. This has led to the creation of supporting infrastructures that fail to respond to social innovators real needs. The paper seeks to provide a picture of the real social innovation development process through a case-based discussion coming from the results of, SIMPACT, a recently EU research project. The research demonstrates how SI actually takes place in constrained contexts and typically develops as a frugal answer to a social problem. The paper offers substantial empirical evidence that a support system is fundamental in making. SI thrive, thus providing relevant insights and guidance for policy making, with particular emphasis on the concept of SI ecosystems.

Keywords: social innovation; innovation processes; spiral model; scaling; policy support; innovation tools; technological innovation; open innovation; participatory processes; design thinking.

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1   Introduction

While social innovation (SI) is hardly a novelty, its acknowledgement as a driver of societal and economic growth has only recently come forth in the aftermath of the financial crisis and in light of failing welfare states. While other forms of innovation, like technological innovation, have been exhaustively explored, relatively little is understood regarding the process of SI, which has been primarily conceptualised as innovative activities and services that meet a social need, diffused by organisations whose primary purposes are social (Mulgan, 2006). Based on this definition and on a specific interest in investigating "innovations that take the form of replicable programs or organisations" (Ibid, p.148), the few existing frameworks explaining the SI process have adopted a generic new product development process drawn from the for-profit field. In particular, the so-called 'spiral model' of SI (Murray et al., 2010), as well as other circular (Bates, 2012) or linear (Santos et al., 2014) models, are commonly accepted as descriptions of the actual SI process. On the contrary, our empirical findings demonstrate that they represent ideal models of innovation that are far from reality, which has led to a number of misconceptions and faults in supporting and managing SI. The paper will address how this misalignment has crippled the efficiency and effectiveness of policy measures meant to support the development and growth of SIs through an analysis of the SI process in its real-life context. The analysis will shed light on the mechanisms behind establishing and developing SI through a comparison of the different phases of the 'ideal' spiral model with reality and will draw conclusions that may be useful in developing an evidenced-based model, from which policy measures could be drawn to better enable SI development.

2   Conceptual framework: the ideal model of the social innovation process

Many authors have conceptualised SI as the development and implementation of new ideas, products, services and programs to meet social needs (Mulgan et al., 2007). Based on this definition, some have recently attempted to model the SI lifecycle and have done so by representing it as a general process of innovation to catch market opportunities. While SI is comparable to business innovation in some features, it remains quite distinct; thus the direct application of concepts and frameworks coming from studies on business innovation is not always possible nor the most suitable. This is particularly true for social enterprises who have missions that serve dual objectives: to achieve both social and economic impact. However, in SIs and in line with Santos et al. (2013), it is more relevant to analyse the development cycle of the solution rather than the enterprise as SI seeks to maximise societal value rather than that of the organisation.

The term 'lifecycle' denotes a sequence of stages in an evolutionary perspective of SI, in which each stage requires different skills, structures, resources and actor constellations. The SI lifecycle has been theorised in literature with two predominant models; the first of which was proposed by Murray et al. (2010). They propose a model made up of six stages (see Figure 1):

- prompts – which highlight the need for si

- proposals – where ideas are developed

- prototyping – where ideas get tested in practice

- sustaining – when ideas become everyday practice

- scaling – growing and spreading sis

- systemic change – re-designing and introducing entire systems, which will usually involve all sectors.

Figure 1   Six stages of social innovation (see online version for colours)
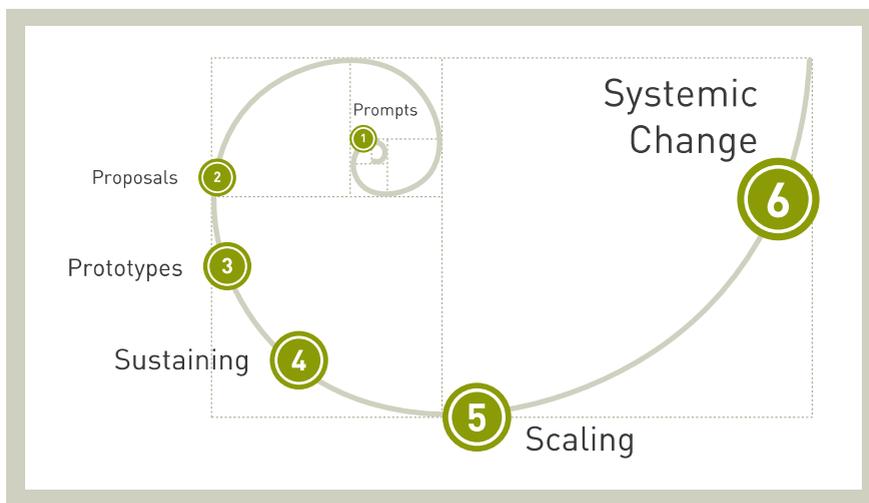
Source: Murray et al. (2010)

Despite its snail-like shape, the model suggests linear development from inception to impact, in which the single SI has scaled to the point of producing changes in the surrounding system. It was largely used in the TEPSIE EU project (The Young Foundation, 2012) in which it was modified in order to address linearity. There have also been arguments on how to re-conceptualise it to add a more iterative nature through the use of feedback and re-orientation loops at each stage. The new models thus closely reflect the updated stage-gate processes of new product development (Cooper, 2008). While the spiral shape of the model suggests non-linearity, the logical order of the stages suggests an orderly process. This goes in contrary to literature on innovation processes which emphasises that the pathway from idea generation to diffusion is rarely predictable nor does it follow an orderly process (van de Ven et al., 1999). In fact, innovation processes in organisations today are described as complex, iterative, organic and untidy (Greenhalgh et al., 2005).

Bates (2012a), on the other hand, proposed a three-stage model made up of six steps (see Figure 2) to guide the social innovator from investigation to ideation to implementation.

**Figure 2**   Three-stage model for social innovation (see online version for colours)

Source: Adapted from Bates (2012)

Investigation covers the first three steps of the process and begins with defining the social challenge (i.e., the wicked problem). This problem framing includes identifying the actors in the ecosystem, determining and prioritising the unmet needs, and examining opportunities and their context (cultural, social and political frameworks, in addition to the physical and human resources that can lead to failture).

The next *innovation* stage aims to devise a workable solution and a solid and effective business model. *Implementation,* in the end, focuses on the issue of how to guarantee that the solution creates shared value among the stakeholders and that the innovations do not fail.

Santos et al. (2013), on the other hand, includes an interactive cycle of failure and feedback in a four-stage model, (see Figure 3), in which the SI process begins by identifying the social problem and developing a solution.

Figure 3   Four-stage model of social innovation (see online version for colours)
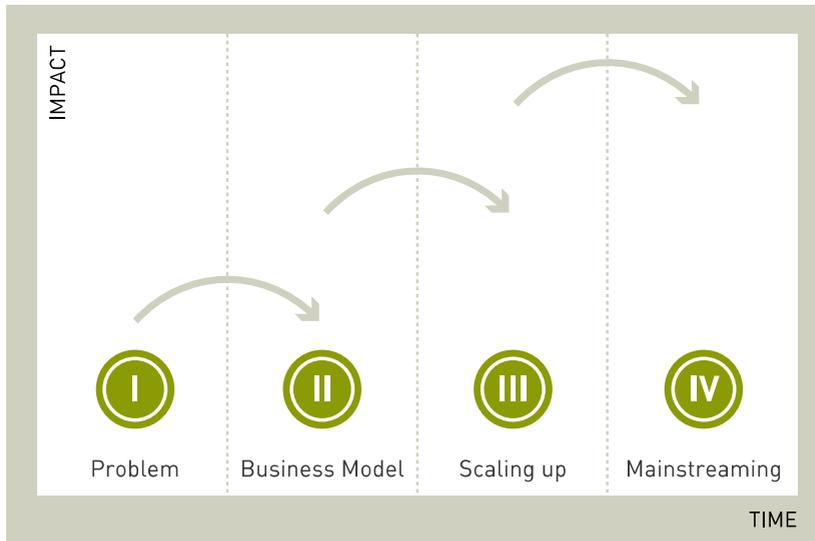
Source: Adapted from Santos (2013)

As soon as the solution is deemed viable (i.e., it is working), the next step is to create a business model around it. Once the business model is consolidated and successful, the following step is to scale it up to have greater impact. The final step regards mainstreaming and institutionalising the solution to create systemic change.

The three models are relatively similar with a set of shared characteristics, despite the variance in the number of stages: six in the first, three in the second and four in the last. *First*, the models all begin with an analysis of the problem and user needs. The nature of the problem is almost always wicked and the needs unmet.

Second, the three models are strongly influenced by user-led innovation and user/producer co-created innovation literature, where user participation in solution-building and innovation driven by user needs have been thoroughly explained. Von Hippel (1994), for instance, clarifies that innovation-generating, collaborative activities performed between user and producer are competitive in nature. Furthermore, the author calls attention to the fact that producers are not involved in developing user ability or the environments needed to generate innovation, but rather are merely providers of services and products in diverse areas (Von Hippel, 2005). In a similar vein, Prahalad and Ramaswamy (2004) study the value creation process in consumer-company interactions.

Third, the approaches owe much to user centred design (UCD) literature and its evolution into Design Thinking. They are especially similar to the model proposed by Brown and Wyatt (2010), rooted in Design Thinking methodology which seeks to englobe consumer insights in prototyping products that effectively meet user needs. According to Brown and Wyatt (2010), technological innovation processes should be guided by user needs. Social innovation processes must therefore find a way to take into consideration the culture and needs of all the stakeholders in a given community. The authors thus suggest the following steps (not necessarily in order) to support SI development:

Inspiration: In this phase, the problem or opportunity catalysing the search for solutions in the form of innovations is explored (Brown and Wyatt, 2010). This stage explores the problem space and opportunities for change, along with identifying who is affected by the problem and understanding how they think. Further information regarding the issue is also gathered and synthesised in this phase (Brown and Wyatt, 2010).

Ideation: This is the phase where ideas are generated, developed and tested. Brainstorming is a large part of ideation, according to Brown (2008), in which frameworks and prototypes are generated to be tested and adjusted in the following stage.

Implementation: This final phase sees the coming together of the previous two, in which the best ideas produced in ideation become concrete, actionable plans. The process is rooted in prototyping, turning the ideas into real products and services to be tested, iterated and refined.

Brown and Wyatt (2010, p.35) emphasise the importance of the prototyping process in design thinking:

> "Through prototyping, the design thinking process seeks to uncover unforeseen implementation challenges and unintended consequences in order to have more reliable long-term success. Prototyping is particularly important for products and services destined for the developing world, where the lack of infrastructure, retail chains, communication networks, literacy, and other essential pieces of the system often make it difficult to design new products and services. Prototyping can validate a component of a device, the graphics on a screen, or a detail in the interaction between a blood donor and a Red Cross volunteer."

What emerges from the analysis of the three models is that they have all been inspired by innovation processes explained in user-led innovation and Design Thinking so as to provide an ex-post explanation of the SI lifecycle. Bates (2012b, p.4), in fact, states:

> "Imagine the impact of disruptive innovations that would enable students to learn more effectively, regardless of where they live or what kind of school they go to. By simply identifying the key needs of the members of that ecosystem, state and federal education agencies, small entrepreneurs, non-profits focused on education, and even large organisations, can all be working from a common set of information to create new value for our school systems. The goal of this methodology is to get the 'needs' of the parents and students, teachers and administrators, into the hands of those with the creativity and power to generate and implement solutions that will make major improvements in how our children learn."

Our empirical research on the process of SI however runs contrary to these predictive models. Our observations suggest that the process of SI in reality rarely follows the steps described above and that the models illustrate ideal conditions which can be found when innovation is developed in organisations that already exist and when it relies on an already-established culture of innovation (Deserti and Rizzo, 2014a).

3 Methodology

The paper builds on the results of SIMPACT, a concluded EU research project, where nearly 60 cases of SI occurring across Europe were analysed, with a specific focus on their economic foundation (Terstriep et al., 2015). The research followed a structured, qualitative research process:

- an initial meta-analysis of a relevant number of existing SI cases

- the adoption of a set of criteria leading to the selection of relevant cases

- the integrated analysis and discussion of a set of business case studies (desk research) and innovation biographies (field research)

- the triangulation of results to draw evidence-based findings and conclusions.

In order to guarantee a high level of quality in the development of the cases, a joint analysis framework and a minimum standard for documentation to be retrieved were adopted. Innovation biographies (Butzin, 2013) complemented the desk research ensuring direct contact with SI actors which reconstructed the innovation processes from idea to implementation, combining interviewing techniques, network analysis and triangulation.

The study included 26 Business Case Studies (BCSs) and 34 Social Innovation Biographies (SIBs) across Europe (See Table 1). The following criteria were used to identify cases. The SI had to:

- have an organisational structure (e.g., NGO, non-profit organisation, (social) enterprise, association, foundation)

- respond to at least one of the grand societal challenges (e.g., employment, migration and demographic change, and transversally gender, education or poverty)

- be implemented/applied within a European welfare regime (see Figure 4); and lastly

- correspond to SIMPACT's definition of SI.

SIs, according to the SIMPACT definition, are novel combinations of ideas and distinct forms of collaboration that transcend established institutional contexts with the effect of empowering and (re-)engaging vulnerable groups either in the process of the innovation or as a result of it.

Figure 4   Distribution of cases by welfare regime (see online version for colours)
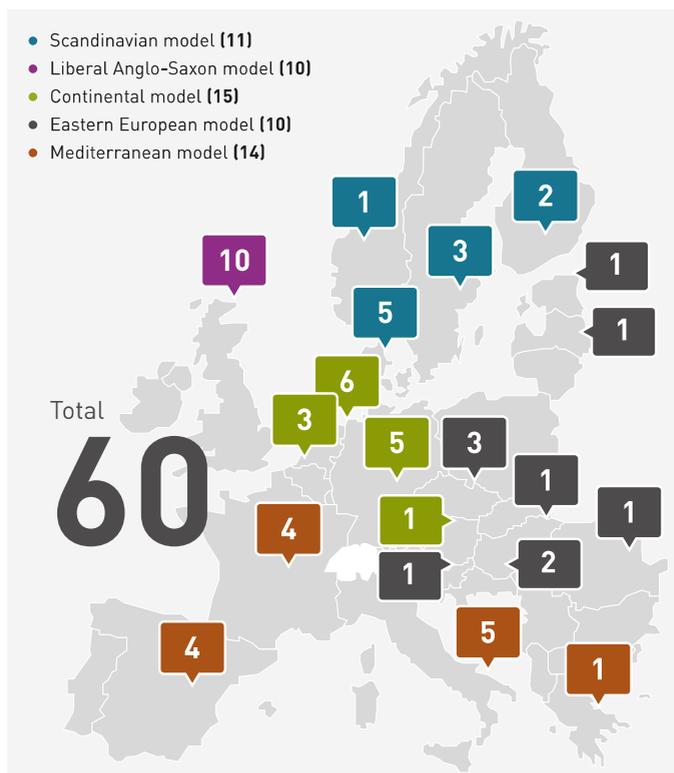
Source: Terstriep et al. (2015)

Table 1   Case by country and type of organisation

SIB	Country	Organisation	SIB	Country	Organisation	BCS	Country	Organisation
ACAF	CZ	Association	Paarmuska	FI	Social Enterprise	Aspire	UK	Social Enterprise
Active Women 50+	CZ	Cooperative	Piano C	IT	For-profit	Aarhaus Library	DK	Public authority
A-GIGA	CZ	For-profit	Progetto Quid	IT	Social Enterprise	Action Acton	UK	Social Enterprise
AnaBella	ES	Foundation	PTCE Ardeaines	FR	Association	BeatBullying	UK	Charity
Bars not Barriers (RODA)	HR	NGO	Roma Support Group	UK	NGO	Broodfondsen	NL	Association
Brigade	UK	Social Enterprise	Semi di Libertá	IT	Association	Catering Solidario	ES	Limited Liability Company
Community Centre Gellerup	DK	Public authority	Silta	FI	Association	Coopname	FR	Cooperative

Table 1 Case by country and type of organisation (continued)

SIB	Country	Organisation	SIB	Country	Organisation	BCS	Country	Organisation
Coopname	FR	Cooperative	Solve et Coagula	EST	Social Enterprise	Cooks without Homes	CZ	NGO
Crossroads	SE	Civil Society Organisation	TalentScout	DE	Public authority	Crossics	LU	Start up
Granny's Finest	NL	Social Enterprise	TBfW	DE	Association	De Kringwinkel Antwerpen	BE	Non-profit
Hill Holt Wood	UK	Social Enterprise	Teach for All	UK	Social Enterprise	Dialogue in the Dark	GE	Social Enterprise
Inspiring Scotland	GB	Social Enterprise	USE-REUSE	SL	Social Enterprise	Discovery Hands	GE	Social Enterprise
LUDE	LV	Social Enterprise	Village Life	RO	Association	DORV Zentrum	GE	Non-profit
Microloans	DK	Public authority	Voorlees Express	NL	Foundation	Konntektid	NL	Limited Liability Company
Mothers of Rotterdam	NL	Public authority	WORK4ALL – Social Return	NL	Public authority	Libera Terra	IT	Cooperative
New Art Exchange	UK	Social Enterprise	Yalla Trappan	SE	Social Enterprise	Locality	UK	Non-profit
NITTÚA	ES	Association	Youth Competence Center	HU	Foundation	Place de Bleu	DK	Non-profit
						RODA	HR	Social Enterprise
						ROMA kids	IT	NGO
						Seniorette	NO	Non-profit
						SIEL Bleu	FR	Non-profit
						Smart	BE	Non-profit
						Snailday	SE	For-profit
						Specialist People Foundation	DK	Social Enterprise
						Vielfalter	AU	Cooperative

- *Business case studies (BCSs)*

BCSs[1] were done using a case study approach, as it is particularly appropriate for examining a "(…) contemporary phenomenon within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident" (Yin, 2014, p.13), or else to give answers to 'how' and 'why' research questions within an environment rich with contextual variables. Such a qualitative approach "(…) explores a

real-life, contemporary bounded system (a case) or multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information" (Creswell, 2013, p.97). BCSs advance the understanding of the economic aspects of already-known and described cases, by means of deep qualitative desk research (Strauss and Corbin, 1990; Denzin and Lincoln, 2011; Corbin and Strauss, 2015), during which the authors collect and compare information coming from different sources: scientific publications, non-scientific publications, interviews or presentations of the initiators, websites of the enterprises or initiatives among others. The use of multiple sources enabled complex situations to be explored via the gathering of multiple perspectives.

- *Social innovation biographies (SIBs)*

SIBs,[2] on the other hand, seek to deepen our understanding of innovation processes, development trajectories and stakeholder interactions at the micro-level of the innovation. SIBs were conducted through in-depth biographic-interpretive methodology, a combination of interviewing techniques, network analysis and triangulation (Butzin and Widmaier, 2016). In the initial step, cases are selected as the subject for the narrative interview done in the second step. The narrative interview is conducted with the initiator, who represents the most important person in the innovation process. Using this form of interview, valuable in-depth information can be collected; in turn, the information may be biased by subjective assessments. Based on the first bibliographic text, subsequent desk research aims at identifying the actor network around the social innovation that shapes the egocentric network, which is step 3. Additional semi-structured interviews are conducted in step 4 to enrich and complete the bibliographic picture and to identify additional interview partners in terms of snowball sampling (Strauss and Corbin, 1990; Wengraf, 2001; Yin, 2014). The triangulation of data in step 5 sheds light on the innovation processes, motivations, relational sphere, contextual setting and knowledge base that inform the evolution and development of the SI (Kleverbeck and Terstriep, 2017; Butzin and Widmaier, 2016). Triangulation, according to Denzin (2009), refers to the use of multiple theories, methods or data sources in qualitative research to gain a comprehensive understanding of a phenomenon (Flick, 2018). In addition, triangulation is also viewed as a research strategy to test the validity of findings. Several approaches to triangulate data exist. We applied methodological triangulation, i.e., the collection of data from various sources (i.e., reports, literature, narrative and semi-structured interviews) to capture different viewpoints of the innovation process. The final step comprises writing and analysing the SIB which describes 'a process of telling a real, detailed and 'thick' story covering all relevant aspects' (Butzin and Widmaier, 2016, p.227). The elusive nature of the Social Innovation process: the questionable (f)utility of models.

In this section we present some of the main findings from the SIMPACT case collection and contrast them with the 'Spiral Model' (Murray et al., 2010), which is noted in literature as the most paradigmatic model of the SI process.

Social innovation emerges as a frugal solution

The 'Spiral Model' portrays the SI process as a *sequence of prompts, proposals, prototyping and sustaining*. SI, however, emerges from constrained contexts and are frugal answers to social needs.

In fact, we observed that the phase of user need exploration is usually skipped all together as the social innovators are often already experts of the problem and needs they

are addressing. These challenges are often chronic and urgent as current responses are either lacking or not effective.

Examples
Specialist People Foundation is a Danish-based social enterprise. It offers assessment, training and education to autistic people to help them find employment in IT consultancy services. The solution was developed thanks to the clever intuition of its founder, who was well aware of the problems and challenges facing autistic people from his brother who has Asperger syndrome. This combined with his knowledge of the IT industry as an expert of software testing paved the way for his solution to providing gainful employment to vulnerable people.
Catering Solidario was a Seville-based, food catering firm that employed women coming from domestic violence. The solution was also based on personal knowledge of the social problem, as founder Ana Bella Estévez, was herself a victim. Contrary to the Specialist People Foundation, however, she came without any previous experience or knowledge of the food industry, which eventually led to its failure.

In fact, the level of urgency to respond to these needs mixed with personal and deep knowledge of the problems and needs (which bypasses the perceived need for user exploration and problem framing) often pushes a single idea into becoming the solution instead of triggering a phase of idea generation and screening. This first idea then becomes the boundary object bringing a group of stakeholders together to align themselves to produce the solution. This follows closely with the resource scarcity – as mentioned above and investigated further in the SIMPACT project (Terstriep et al., 2015) – under which SI typically begins and develops.

Social innovators can rarely spend resources to support a phase of idea generation

Rather than following a more typical design process that follows a divergent-convergent iterative process between idea generation and solution-building, SI generation is often forced to start in convergent mode due to resource scarcity. Sticking with initial ideas is also influenced by its strong dependency on the surrounding context. These initial conditions counter typical idea generation processes illustrated in innovation studies. As mentioned above, idea generation usually starts with a divergent attitude, in which ideas are explored purposefully without constraints, forcing the process to develop 'out of the box' solutions in a system where anything is possible.

Examples
"Jek, Duj, Trin… Ánde Škola!!!" is a state-funded project for Roma children living in Camp Panareo in Italy to help them find educational pathways to better integrate in society. The project was designed by volunteers who had worked with the kids in the camp for years giving them a clear idea of their needs, the issues regarding their integration in society and how to address it.
Beat Bullying charity is a multi-awarded, UK charity whose objective was to prevent bullying through peer-to-peer, online and offline mentoring programs involving schools and kids. Unlike the case above, however, it did not have the same happy ending and was shut down. The project started with the idea of supporting child victims of bullying at school through a service of coaching and operated with this service model for more than 20 years. They, however, showed to lack sound management skills as the charity went bankrupt after overextending their resources based on funding which still had to be granted and which in the end was never assigned. The scale they had reached in their 20 years required in the end a new business model and better resource planning.

Social innovators can rarely spend resources to support a phase of prototyping

The issue of resource scarcity applies also to the prototyping phase. This step requires high levels of iteration and experimentation, both of which are cost and time consuming. This stage is in fact the most expensive in the innovation process. Prototyping is rendered even more difficult by the shift from product to service design. Service solutions must exist and be working in order to be tested, requiring at times the same resources and alignment of support processes and infrastructures that the real service would need making experimenting quite resource-intensive. In fact, as Brown and Wyatt (2010, p.35) put it: "*The prototypes at this point may be expensive, complex, and even indistinguishable from the real thing*".

    At the same time, the resource scarcity in SI usually requires for the idea to be developed frugally, which is made possible thanks to a small network of actors who share the motivation behind the SI. By frugality, we mean a process in which social innovators take advantage of only the human resources, infrastructure, personal relations and small subsidies that are available. Frugal solutions, contrary to prototypes and proofs-of-concepts are not intended to test and understand if the initial idea is feasible or viable.

Frugal solutions are expected to immediately demonstrate their ability to produce outcomes and social impact

In frugal solutions, all resources are invested in the operating costs of the initiatives rather than on structural investments needed for their improvement and growth.

Examples
Most of the financial resources in *Catering Solidario* were used to pay the employed women's salary, which permitted the social enterprise to provide immediate results by generating outcomes and a social impact. However, the choice prevented investments in the underlying infrastructure (e.g., a kitchen, a professional team) which would have worked to strengthen the sustainability of the solution.
Place the Bleu's primary objective is to enhance the employability of vulnerable women in the Danish labour market. Place de Bleu's approach focuses on on-the-job training and the improvement of language and social skills by employing women to create handmade interiors and accessories inspired by their country of origin. These papers are then transformed into Scandinavian design. The public funds employed to support the project were used mostly on the salary of the employed women rather than on the social enterprise itself, which in the long run negatively influenced its development.

To achieve sustainability, on the other hand, we observed that SIs engage in activities of *bricolage* in order to surpass the lack of resources and render the solution stable in the market. While bricolage (Baker and Nelson, 2005) implies the most efficient use of available resources, it is the very opposite of resource planning and the 'virtuous' cause-effect relationship may be easily inverted. In other words, if attention is not placed on the strategic use of resources in a long-term perspective, the immediate best use of what's available could lead to sustainability issues in the future and even to mission drift.

    Scaling is the next phase introduced by the 'Spiral Model'. Here the SI is mature enough to be replicated. Our empirical research highlights that SI in reality rarely demonstrates scaling up mechanisms, like mass diffusion of its products/services or internationalisation via subsidiaries or companies in different countries. Instead, scaling out mechanisms have been detected, i.e., mechanisms of learning, dissemination, adaptation and influencing that do not seek to replicate the SI solution itself but rather

help to transfer the core idea behind it, which solves the more 'generalisable' version of the social problem (e.g., homelessness is a social problem throughout the world, but there might be local specificities that differentiate it based on cultural factors and even geographical ones).

SIMPACT's empirical findings showed much less linear trajectories than those depicted in literature, and moreover, the proposed solutions may undergo quite radical transformations. To explain this, Westley et al. (2006, p. 34) claim that the concept of complexity explains how SI is created in the interactions of diverse movements and how it changes society. They suggest that "(...) [*relationships are*] *a key to understanding and engaging with the complex dynamics of social innovation"* and that *"(...) for social innovation to succeed, everyone involved plays a role. As such, everyone – funders, policy makers, social innovators, volunteers, and evaluators – is affected. It is what happens between people, organisations, communities and parts of systems that matters,* (*the*) '*in the between*' *of Relationships".*

Social Innovation scales through a complex, open and participatory process

"Complex participatory processes" as introduced by Deserti and Rizzo (2014b) are those strategies at work in contexts in which the SI is provided by a main actor who seeks to build it via a series of alignments and alliances around strategic or tactical objectives. The engaged actors and stakeholders may have diverse objectives but collaborate strategically in the establishment or delivery of a SI because it coincides with their overall strategic objectives. The principle behind complex participatory processes is to view SI scaling up and out as being in a dynamic relationship with stakeholders inside or outside the SI context, who may act as co-producers, amplifiers, adopters and agents of diffusion.

Examples
Dialogue in the Dark is a series of exhibitions and workshops done in complete darkness guided by blind trainers to raise awareness and surmount barriers between sighted and non-sighted people. The program is run by Dialogue Social Enterprise. The program has diffused throughout the world thanks to a series of strategic alliances with different international and national museums and cultural institutions that host and reproduce the exhibitions.
Siel Bleu is a program aimed to help improve mobility for the elderly through specific training techniques held at retirement homes. The goal is to help them prolong autonomous living. It is a French association that employs more than 450 people. It was first scaled up in France thanks to alliances with the end users. In fact, it was the elderly people themselves who became the first amplifiers of the Siel Bleu programs, following the small-scale experiments that the founders had done early on.
Teach for All is the umbrella organisation of a global network of partner organisations in 36 countries based in London. The network recruits young professionals to work in high-need schools in order to expand educational opportunities for all children. Teach for All partnered with national organisations to bring the 'Teach for All' concept worldwide.

However, as outlined in one of the most relevant SI-DRIVE reports (Howaldt et al., 2014, p.63)

> "(…) if we acknowledge that this model (the Spiral Model) is intended as a helpful framework rather than a representation of reality, it raises other significant questions. For example, should we think of scaling as a 'stage' within the social innovation process? After all, so long as an innovation goes beyond an idea to become a practice, it is still an innovation regardless of whether it becomes widespread or remains localised."

In fact, our empirical research confirms that the possibility of a single SI creating systemic change in society has yet to be demonstrated.

4   Discussion of the SIMPACT findings against the SI spiral model

We have presented so far the SI lifecycle as it emerges from the evidence gathered from SIMPACT's case study collection. After having first discussed the three most known models of the SI lifecycle, we then introduced SIMPACT's empirical findings comparing it with the Spiral Model. While we acknowledge the usefulness of such a tool in assisting the design process of SIs, our findings have demonstrated its shortcomings in predicting and reflecting what happens in reality. We will now discuss our criticism of the model through the support of some arguments coming from literature and SIMPACT's empirical findings.

Murray et al.'s model originates from innovation development literature, mostly new product development, but also Open Innovation and Design Thinking. Open Innovation introduced the concept that innovation could derive from the collaboration between various actor groups: users, users and companies, and companies in an open innovation ecosystem. This perspective of innovation is based on the premise that new and unmet needs exist in the market and therefore guide innovation.

Consequentially, the initial steps in new product development are spent analysing customer needs and exploring various ideas on how to satisfy them. This is where Design Thinking factors in, whose methodological approach is that of understanding the customer's needs and finding the most desirable solution. This has in fact become one of the recent mantras of SI literature and has been simplified into a three-step model heralded as a recipe of innovation that runs independently from the context of destination, the context of production and the domain of application of the innovation. The three steps include: exploring, designing and evaluating.

SI, often, emerges as a solution to a problem that current actors cannot solve or face anymore. The problems that SIs face are therefore well-known, structured and touch upon the fundamental needs of people's lives.

Moreover, SI tends to be highly context dependent as the needs being faced are highly complex and transversal. As such, they are not cloned "as is", but are rather adapted to shape the local contest. Finally, there is a structural lack of resources in SI that renders a profound phase of analysis of customers and their needs impossible, along with investing in any real idea generation and prototyping phases.

In our opinion, neither model, the predictive Spiral Model or Design Thinking, can occur for two primary reasons: SI is not catalysed by the search for new, hedonistic needs in the market; and SI lacks the resources to invest in complex, iteration processes of prototyping. In fact, we found that prototyping in SI is done through the creation of a frugal solution whose goal is to immediately show social impact rather than test for the best production configuration. While frugality is the normal condition under which SI is generated, it also factors into the fragile nature of SI economic sustainability. We also observed that the process of innovation described in the theoretical models is normally iterative, intended to assist continuous innovation efforts in organisations that need to release new products/services and manage (at times vast) portfolios of products/services. Contrary to this, the cases we analysed were made up of organisations with small portfolios of products or services. Furthermore, the majority of them focused on a single

solution as their only 'product' and did so in a limited, local environment. Only for a few of the organisations that we analysed was the issue of expanding the offering a pertinent question. Instead, for the greater part of the cases, continuous innovation meant continuous refinement of the existing solutions rather than their substitution.

Murray et al. include scaling up as a step of the model as soon as the solution has reached economic sustainability. Regarding this aspect, we, along with many others before us, have reflected upon whether scaling up is a stage of a lifecycle process of innovation or if scaling is a phenomenon of mature products or services. Moreover, the model fails to account for or explain scaling out mechanisms. Instead, our case findings suggest that SI scales through networking and complex, open and participatory processes through which stakeholders and actors take hold of the core idea behind the solution and work to adapt it to local circumstances and needs or adopt it if conditions are similar enough, amplify it, learn, disseminate and influence the SI. In the end, it is the core idea that is strengthened and diffused more so than a direct replication of the initial solution.

Lastly, we disagree that systemic change is the final step of the SI lifecycle. While we agree that the ultimate aim of SI is to produce systemic change, we question if a single SI, on its own, is capable of producing such a change. What seems more probable in terms of SI creating systemic change is to coalise existing SIs working on the same problem or institutionalising SI into the routines, norms and practices of the local social service system or to recognise the relationship between resilience and systemic change.

Concerning the first, Manzini and Rizzo (2011) conceptualise SI constellations as a group of similar SIs that work to create systemic change through synergetic efforts. It is not enough to just develop SIs to produce systemic change, instead links and connections must be made between the single initiatives working on a particular issue in order to reinforce impact at a macro level.

Secondly, successful SIs may become part of routines, norms and structures and thereby become institutionalised social practices and hence have a chance of generating systemic change.

Thirdly, the authors note that considering commercial activities are instrumental to social objectives, it can happen that some initiators re-orient or change their commercial offer quite easily. In this sense, as discussed above, social innovators develop a positive disposition towards continuous innovation.

For example, in the case of *Catering Solidario*, the Ana Bella Foundation made several attempts to provide employment opportunities to abused women in order to provide a salary that could grant them economic independence and self-esteem. In the end, all of the ventures Catering Solidario attempted failed for lack of knowledge, industry expertise and resources. However, as a result of these 'iterative' attempts, experience and relational capital were built up, which are of utmost importance in re-configuring the commercial activity, which now works to help women find employment through the CSR budgets of private corporations.

The instrumental nature of the commercial activities in SI imbues in the innovators a disposition to modify and adapt solutions without 'falling in love' with them. While this attitude can bring to a negative consequence for the specific solution to be abandoned prematurely, there are a few positive externalities. Particularly, the continuous change helps foster a robust ecosystem around the SI supporting its incubation and experimentation. In fact, these ecosystems might have a better chance of catalysing systemic change than the single SI alone.

We therefore suggest that a distinction be made between lifecycle models meant to *analyse the SI process* and those intended to *support generating new SIs*. In both cases however the resource-constrained environment under which SIs develop must be considered, on top of the fact that many organisations are not interested in expanding their portfolio but in refining their solution. In addition, given that our evidence points out that user needs are well-established and known and not latent as in other forms of innovation, we propose to *replace user needs exploration with the exploration of constraints*. In other words, creativity in SI is usually based on convergent thinking rather than divergent as in other forms of innovation. For this reason, understanding what constraints impede or push the SI, and perhaps ultimately shape it, is more relevant, as seen in our discussion above on resource scarcity in SI.

In the following sub-sections, we address three main areas of implications that emerge from SIMPACT's findings and that the authors here describe as both recommendations, as well as future areas of investigation.

4.1   Managerial implications

There three main implications emerging from SIMPACT's empirical findings that could help social innovators and the supporting infrastructure better manage the development process. Firstly, it was found that many SIs operate in a steady state of 'hyper-efficiency' that often leads to the construction of fragile business structures and models. This drive towards effectiveness is motivated by many reasons, many of which have already been mentioned above, namely the ethical need to solve the social problem at hand and the need to prove immediate impact to acquire and/or maintain certain funding schemes or fit under special legal frameworks. In terms of productive efficiency, SIs can thus be defined as hyper-efficient as they are extremely capable of fulfilling their mission with limited inputs. This however has contemporarily been paired with the development of fragile business models, as seen in the example of Catering Solidario. While these structural gaps are often bridged by the strong commitment of the people working in the organisations, the sustainability of covering structural needs with personal investment is questionable, if not bound towards failure. In going forward, more attention to the structural needs of the organisation from the resource planning point of view, as well as a better balance between social and economic objectives, would allow for greater stability of SIs, and thereby also their impact.

Secondly, and in line with the first, bricolage and improvisation, rather than strategic planning, emerge as the most common tools used by social innovators to cope with resource scarcity. While a total lack of initial planning was not observed, most social innovators at some point in the development process were 'forced' to rely on bricolage and improvisation tactics in order to deal with unexpected factors and drifts. We suggest that social innovators and intermediaries, considering the innate preference given to the social objectives, prioritise the business modelling of the SI solution from the start, with an eye towards system constraints and the consequent planning of a sustainable use and sourcing of resources.

Lastly, intermediary actors should focus on capacity building efforts in SIs in managerial competences and vertical knowledge of the industry. It was found that introducing these two held the possibility of introducing a culture of efficiency in SI. While in other forms of innovation, competences and resources are strategically acquired to complement and suffice the innovation need/solution, in SI, actors/resources are

attracted by the social mission irrespective of the needs of the SI solution. In fact, in our cases, initiators often shared the same background and rarely formed teams with the idea of integrating necessary competences into the running and managing of the solution. While outsourcing knowledge is a common solution for these types of internal knowledge deficits, SIs rarely have the resources to acquire it on the market and rather resort to creative solutions to cope with the lack of knowledge or build it up through training and trial and error. Social innovators and the supporting infrastructure should prioritise managerial knowledge, as well as transversal capabilities (e.g., business modelling, operations, project management, etc.) and vertical knowledge of the industry, as pre-requisites to properly launching a SI. Three cases in the collection (i.e., Catering Solidario, Beat Bullying and Aspire) particularly and clearly exemplify the correlation between managerial knowledge gaps and financial failure of mission-driven organisations.

4.2 Theoretical implications

In terms of theoretical implications coming from SIMPACT's empirical findings, two principle points surface. The first regards business modelling of SIs and the latter regards issues of measuring the impact of SIs.

While scholars (Michelini, 2012; Yunus et al., 2010; Hoveskog et al., 2018) and intermediaries (The Young Foundation) have made attempts to adapt Osterwalder and Pigneur's (2010) business model canvas to fit the needs of SIs, a suitable model that can effectively and efficiently capture the distinctive features of social innovations and social enterprises and be used as a generative tool has yet to be found. In fact, in workshops on the SIMPACT Social Innovation Business Model Canvas (Komatsu et al., 2016), participants remarked that the model was too complex for use and that something simpler was needed. Further research on business modelling for SI would be useful not only as a generative tool for SI development, but also as an analytical frame through which to understand how to better support SI development from the system perspective (e.g., policy measures, fiscal support, financing, etc.).

Secondly, more theoretical work needs to be dedicated toward the issue of measuring the impact (or lack thereof) of SIs. Unlike private enterprises, the performance of SIs cannot be measured solely by how efficient the solution is. Rather, the effectiveness of SI solutions must also be considered and thus the output of SIs is a pre-condition of its success. The use of logic models is widely used in program evaluation and by SI intermediaries to trace and evaluate the impact of SI solutions. These models represent the causal connections between resources, activities, outputs and outcomes in a series of 'if-then' relationships. While used mostly for evaluative purposes, they have also been used as a generative tool in SI development and planning through a backcasting frame. In SIs, outcomes are the final aims of the SI solutions and the outputs are the means by which they are achieved. Contrary to what we find in literature, mission-driven organisations, from an operational perspective, tend to naturally connect efficiency to outputs (e.g., how many people benefitted from the solution). However, while these remain a useful measure of the hypothetical effectiveness of the solution, they represent a *potential* result rather than a result per se. More focus needs to be spent on evaluating the outcome of SIs, especially in the aim of scaling up SI solutions. Another possibility would be to understand the impact of pooled SI experimentation; in other words, what the

collective impact of several micro-scale SIs would have when put under a common framework.

Regarding the measurement of social impact, which has been widely explored by literature, our research shows that the evaluation of the impact of SIs is an exception rather than the rule. This is due to the difficulty in applying existing methods, the small size of the organisations, the limited resources available and the attitude of social innovators to use them to pursue the social mission rather than to perform activities that increase overhead costs. The difficulty for SIs to measure impacts and outcomes is due to the fact that often they are beyond their direct control, as has been studied widely in literature. In other words, while trying to capture large phenomena, it is difficult to trace back from aggregated data the role that single SI initiatives played.

Thus, while logic models can be useful in understanding the overall theory of change behind SIs, the extremely rational approach behind them makes their theoretical nature quite distant from what emerges according to our empirical findings. The sequence of rational 'if-then' relationships, in other words, fails in practice, displaying leaps rather than smooth transitions forward, risk-taking rather than thoughtful decisions, heart and soul commitment rather than resource planning, and improvisation and bricolaging rather than rational forecasting. Therefore, the focus on impacts does not correspond to the real capacity of small, struggling ventures who are more concerned with short-term operations and outputs than on distant outcomes that are often beyond control. Moreover, these sequences create a prescriptive frame which is quite far from the entrepreneurial spirit that characterises SI, as seen in our research. As already evidenced above, our research has shown that SIs take place in highly resource-constrained environments and a gross under-sizing of financial and human assets, often making use of personal assets to kick off the solution. The if-then ratio would suggest that an initiative takes place only when resources are commensurate to the activities performed and outputs achieved, however this is not the case in SIs, that often bootstrap to get their solution going. Further research needs to be done to investigate different models to evaluate SI effectiveness that are better able account for the specific features characterising SI development and commensurate to the limited resources available as observed in practice.

4.3   Policy design implications

Our empirical research has demonstrated the reactive attitude of SI: in the majority of the analysed cases, SIs were configured as a direct or indirect response to gaps in the welfare system and lacks and inefficiencies in the provision of public or private services.

The idea that SIs are taking place against a backdrop of institutional and/or market failures, is widespread, also the literature on SI seems to be biased towards describing its reactive nature (Bekkers et al., 2013; Bloom and Dees, 2008; Börzel and Risse, 2010; Sgaragli, 2014). Although the idea of SI as a reaction to the negative configuration of the socio-economic setting proves to be easily connected to many of our case studies (Broodfondsen, Discovering Hands, RODA – Parents in Action, Social Kitchen, Crossics and Piano C can be described as examples of SIs that surged as reactions to gaps in the welfare regime), in order to actually fill the outlined gaps a proactive frame and attitude is also required, along with a favourable environment. A smaller number of our case studies (Progetto QUID, Jek, Duj, Trin… Ánde Škola, meine Talentförderung) prove also that favourable environmental (or contextual) conditions are fundamental in establishing SIs and in diffusing them. These positive conditions can be found both at the micro level

(the local environment of the SI) and at the meso-macro level (the regional or national contexts).

Nonetheless, the fact that a favourable institutional setting, an ecosystem and a support and intermediation system are in place to support SI is important in triggering the foundation of new social initiatives and ventures, and in establishing SIs and making them grow. Our research cannot provide quantitative data, but empirical evidence leads us to hypothesise that SIs take shape from a gap, a set of social needs not satisfied but cannot flourish without the existence of a favourable institutional setting, intermediaries, and support infrastructures.

A first implication for policy makers to be considered in designing policies for SI is then the fact that favourable environmental conditions may be interpreted as triggers of innovation, again in line with what has been already described for other forms of innovation, and also in the case of SI itself, with particular reference to the introduction of the concept of SI ecosystems. As a consequence, supporting favourable ecosystems for SI is crucial in helping it flourish.

Recent results coming from the SIC project (EC H2020 project SIC, Grant Agreement 693883) on the analysis of ESF (European Social Fund) show how the current rationale for using the ESF to support SIs is not clearly articulated, and needs to be more explicit. These lacks have led to inefficiency in the use of the funds[3] and in limiting the use of ESF funds for SI projects to a small number of countries.

In particular, the concept and goals of social innovation and social experimentation within favourable ecosystems are not well understood by important ESF stakeholders, in favour of a policy vision based on the support of self-standing-projects in a classical ESF domain like poverty.

Related to this point, SIC research (Reynolds et al., 2018) has found that three major but related barriers are hindering the potential of ESF-supported social innovation.

First, limited awareness and understanding amongst political leaders and public managers means that social innovation often lacks political and institutional buy-in. This makes it harder to do the following: prioritise social innovation actions at macro or micro levels; form high-level partnerships; or update relevant national policies or legislation. In practice, ESF managing authorities may operate independently from other government agencies, and consequently there can be a disconnect between their activities and policies and those led by other public agencies and leaders.

Second, a widespread lack of 'internal' innovation capacity amongst key ESF bodies means that innovative actions are viewed as being more difficult to set up and manage when compared with conventional ESF project calls. While ESF managing bodies are tasked with designing social innovation project calls and establishing support mechanisms, we found that they often lack the expertise needed to do this effectively.

Finally, ESF beneficiaries and 'external stakeholders' often lack the competencies needed to effectively prepare, design, implement, evaluate and sustain innovative actions. Project beneficiaries looking to access management, professional support and training related to these specific needs find it difficult to do so since the cost of such training and support is not eligible for reimbursement.

A line of enquiry to be reported to the following research activities is thus to understand the differences between SI and other forms of innovation not in the ratio per se (favourable environmental conditions will foster the establishment and the growth of SIs), but in the characteristics of a favourable environment for SI (factors that can

positively influence SI), and in the specificity of the measures that can be undertaken to shape it (policies to support SI).

5   Conclusions

We have seen how the current interpretative frameworks on the SI development process describe ideal conditions, at work when innovation is developed within established organisations with formalised innovation processes already in place. Empirical research however shows that this is often not the case. Rather, SIs tackle wicked, long-standing problems and unmet needs with great good will and extremely scarce resources, which leads to a fairly different process from the ideal one.

Furthermore, due to the characteristics of the SI process as observed in the empirical context and its high context-dependency, the establishment of a favourable ecosystem emerges as one of the most relevant measures to sustain it, capable, for example, of uniting individual SIs responding to the same need under a common framework, providing the right resources and knowledge.

Our findings thus provide insight for actors in the SI space – social innovators, SI intermediaries, policy makers, public officials and private institutions – wishing to sustain SI and foster its growth. Based on the findings, policymakers should seek to understand the contextual factors that influence SI development on the local, regional and national scale and target social problems from a holistic perspective, harnessing the effort of several pathways of solving the same issue into one larger, strategic vision. This will involve more dialogue and interaction with system actors. To this end, participatory design methods (focussing on the constraints of SI development) could be useful in the design of SI policies.

Secondly, SI intermediaries such as SI centers and incubators, based on a better understanding of the characteristics of the SI process, should adopt specific measures and tools to support it, as the many methods and tools currently in use – primarily drawn from the for-profit field – do not fit with the real needs and gaps emerging from empirical observation. Particularly, social innovators need to be equipped with industry-specific knowledge and management skills in order to more strategically craft solutions around both sustainability needs and social impact. Diverse financing solutions of SIs would also be beneficial that allow for more time to prove success. While 'quick wins' are important for legitimising solutions, it can also fuel the establishment of fragile solutions that cannot survive the test of time.

Lastly, the currently missing 'ideal' innovation phases (e.g.: the phase of prototyping), have the potential of existing should social innovators and organisations operating in the field of SI be provided with specific support and resources, particularly access to empirical knowledge and more structured innovation processes.

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Notes

[1]This section is based on on the SIMPACT project report D.3.2 'Comparative Report on Social Innovation across Europe' (Terstriep et al., 2015).

[2]This section is based on on the SIMPACT project report D.3.2 'Comparative Report on Social Innovation across Europe' (Terstriep et al., 2015).

[3]SIC quantitative data analysis suggests that in the current programming period, €2.84 billion have been allocated to social innovation; this represents around 3% of the total ESF budget. While this is a considerable volume of activity, it is a lower proportion than was achieved in the 2000–2006 programming period, when Member States were required to allocate 5% of their ESF budgets to the EQUAL Community Initiative.