

Institution: University of Cambridge		
Unit of Assessment: UoA17 Business and Management Studies		
Title of case study: Building sustainable growth in social enterprises		
Period when the underpinning research was undertaken: 2007-2018		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Paul Tracey	Professor of Innovation and Organization; Co-Director Cambridge Centre for Social Innovation	01.10.2007 to date
Neil Stott	Faculty in Management Practice (Professor-level); Co-Director Cambridge Centre for Social Innovation	01.03.2014 to date
Helen Haugh	Senior Lecturer in Community Enterprise; Research Director	01.10.2008 to date
Belinda Bell	Programme Director of Cambridge Social Ventures	01.11.2017 to date
Period when the claimed impact occurred: 2014 to date		
Is this case study continued from a case study submitted in 2014? No		
1. Summary of the impact (indicative maximum 100 words)		
<p>The Cambridge Centre for Social Innovation (CCSI) at the University of Cambridge has pioneered a unique approach to securing the sustainable growth of social enterprises (SEs); business ventures that address social problems. Cambridge Social Ventures (CSV), an SE incubator, is the main route to research impact. It has had a transformative effect on a range of organisations in the sector. Since 2014, CSV has successfully nurtured over 170 SEs tackling a range of social and environmental issues including those related to health, transport, housing, ageing, and education through a tailored system of support. These SEs have raised more than GBP31,000,000 funding, secured GBP3,700,000 in public sector contracts, and reached about 1,700,000 beneficiaries. Two years after joining CSV, 80% of the SEs supported are still trading.</p>		
2. Underpinning research (indicative maximum 500 words)		
<p>The social enterprise sector is a key part of the UK innovation landscape, with approximately 100,000 SEs employing 2,000,000 people and contributing GBP60,000,000,000 to the economy in 2017. The five biggest SEs pay more UK tax than Amazon, Facebook, Apple, eBay and Starbucks combined (Social Enterprise UK, 2018).</p> <p>Since 2007, research produced by members of the Cambridge Centre for Social Innovation (CCSI) at the University of Cambridge has focused on this important sector, developing improved understanding of the organisational and managerial challenges faced by SE leaders and managers; developing sustainable models of growth appropriate for SEs; and understanding how SEs relate to and are influenced by the communities and constituencies they serve. This work highlights that, unlike conventional start-ups, SEs pursue social goals</p>		

alongside their commercial ones as part of a 'double bottom line'. These dual goals produce a series of tensions that can lead to an excessive focus on one of the goals, which can undermine the commercial viability and/or legitimacy of SEs. The research is fundamental to the extensive programme of support that Cambridge Social Ventures (CSV) provides to SEs in overcoming the unique challenges they face.

'Toward a theory of social venture franchising' underpins a body of research that aims to understand how SEs can grow sustainably [R1]. This research shows that SEs are often under extreme pressure from stakeholders to scale too early [R2]. Research has shown that SEs need to invest considerable resources in managing stakeholder expectations and developing, testing and iterating their business model prior to scale-up. This helps ensure the venture can balance its social and commercial goals and avoid the ever-present threat of mission drift. These insights are used by CSV to guide SEs through its incubator programme, with a focus on how – and when not – to scale.

'Organizing and innovating in poor places' [R3] focuses on the dynamics of business model innovation in challenging environments [R4]. The key findings include that SEs in these contexts face a range of challenges over and above those encountered by commercial enterprises. These are exacerbated by complex community dynamics that may threaten their local legitimacy. For example, the decision to support one part of a community may not be welcomed by other parts. At the same time, the embeddedness of many SEs in their locale helps them to navigate these challenges. CSV uses these insights to support SEs in managing community tensions, navigating cross-sector partnerships, and building the local legitimacy needed to make meaningful social change.

'Social bricolage' [R5] extends this research by focusing on social value creation in SEs. This work has shown that SEs tend to be particularly successful when they create a venture in response to unmet needs in a community, leverage resources that are unused or considered worthless by others (and therefore often acquired for free or at low cost), and when it is necessary to improvise because resources are scarce. These insights have important practical implications for business model development and CSV has used them to help SEs build sustainable ventures.

3. References to the research (indicative maximum of six references)

- R1. Tracey, P. and Jarvis, O. (2007) "Toward a theory of social venture franchising." *Entrepreneurship: Theory and Practice*, 31(5): 667-685 (DOI: 10.1111/j.1540-6520.2007.00194.x)
- R2. Tracey, P., Phillips, N. and Jarvis, O. (2011) "Bridging institutional entrepreneurship and the creation of new organizational forms: a multilevel model." *Organization Science*, 22(1): 60-80 (DOI: 10.1287/orsc.1090.0522)
- R3. Stott, N. and Tracey, P. (2018) "Organizing and innovating in poor places." *Innovation: Organization and Management*, 20(1): 1-17 (DOI: 10.1080/14479338.2017.1358093)
- R4. Tracey, P. and Stott, N. (2017) "Social innovation: a window on alternative ways of organizing and innovating." *Innovation: Organization and Management*, 19(1): 51-60 (DOI: 10.1080/14479338.2016.1268924)
- R5. Di Domenico, H., Haugh, H. and Tracey, P. (2010) "Social bricolage: theorizing social value creation in social enterprise." *Entrepreneurship: Theory and Practice*, 34(4): 681-703 (DOI: 10.1111/j.1540-6520.2010.00370.x)

Outputs published in peer-review journals. Research supported by competitively won grants:

Tracey, P. 2011-2013 ESRC Mid-Career Fellowship Award, GBP250,000.
 Social Incubator Fund Award from the UK Government (Cabinet Office), 2014-2016.
 GBP402,268.
 Matched by Foundation East, 2014-2016. GBP500,000.

4. Details of the impact (indicative maximum 750 words)

CSV was founded in 2014 at the Cambridge Judge Business School (CJBS) at the University of Cambridge after securing government funding as part of a national initiative to improve the support available to UK SEs. CSV is the only university-based SE incubator and occupies an important role in the country's entrepreneurial ecosystem.

Since 2014, and utilising the research presented in section 2, CSV has successfully nurtured over 170 SEs, which are tackling a range of social and environmental issues (including health, transport, housing, ageing, and education) through a tailored system of support. Together, these SEs have raised more than GBP31,000,000 funding, secured GBP3,700,000 in public sector contracts, and reached approximately 1,700,000 beneficiaries. The ventures range from local to global in scale and include technology start-ups, spinouts from universities and the public sector, and community-owned businesses [S1].

CSV aims to propel SEs' efforts to create real, scalable and lasting social change in two main ways:

Social Venture Weekends: Two-and-a-half days of intensive training for people with an ambition to set up or grow a business dedicated to making positive social impact. >900 SE participants.

CSV Incubator: Twelve-month programme of on-going business advice and coaching, introductions to networks, free workspace, and support to access debt and equity finance. >177 SE participants.

A 2018 independent survey of Social Venture Weekend programme showed that two years after participation, over 80% continued to lead their venture, and 90% continued to use their learning. Respondents reported an "improved understanding" of SE and highlighted that "explaining the concept to such a broad range of people really helped us make the links between our activities and social impact" [S2].

In these events, approximately 60% of participants are female or non-binary, 30% are from BAME communities, 7% are disabled, and 9% are educated below degree level. The ventures that are supported by the CSV Incubator reach over 1,700,000 beneficiaries in total. Although 90% are based in the UK, CSV supports local teams to create impact in Myanmar, South Africa, Gambia, Mexico, Romania, India, Indonesia, Tanzania and Kenya [S1].

The CSV programmes focus on three pillars to help SEs sustainability:

1. Alternative business models

CCSI research has revealed SEs' unique challenges [R1], which increase the risks of both mission drift and business failure [R2]. To help SEs develop sustainable business models, CSV adapted established tools, for example, a redesigned 'Theory of Change' which helps SEs develop bespoke social impact measures, and an alternative 'Business Model Canvas' in which SEs are challenged to differentiate between beneficiaries and customers to ensure they serve both.

For example Univursa, a current CSV participant, creates analytic tools for rapidly detecting and diagnosing disease outbreaks. It aims to become a platform for translating academic epidemiological innovations into tools for health impact. As the technology could be highly profitable, the idea attracted significant interest from venture capital. However, these investors prioritised maximising returns rather than lives saved, which the founders believed was unacceptable:

"Mission drift is an ongoing fight. Before we came to CSV, our only template for doing a tech start-up was a profit and scale-driven model of enterprise. While a lot of profit-focused

investors saw the commercial potential, that did not sit right with us. It immediately detracted from our primary objective, which was stopping disease outbreaks. Through CSV, we have been able to create our own [non-profit] model focused on using analytic insights to fight disease.” [S3]

2. Sustainable growth

Applying conventional entrepreneurial growth logic to SEs exacerbates mission drift [R1] [R4]. Based on this insight, CSV has built an alternative growth logic focused on deep impact rather than traditional financial measures.

Bush Adventures UK is an outdoor adventure and learning SE that offers children with mental health issues the opportunity to engage in outdoor experiences. Initially, the venture struggled to increase revenues while staying on mission. CSV helped Bush Adventures to create a business model that balanced social and commercial goals.

“The team of mentors helped me to create a sustainable business model – one designed to maximise social impact while at the same time generating the revenue needed to sustain my business. I also learned how to put the social mission at the core of all my activities, and to make it the reference point for all my decisions.” [S4]

Many of the SEs the CSV has supported have achieved scale over time. Several have also achieved high-profile recognition, including:

- Harry Specters, hand-crafted chocolate business employing people with autism (Social Enterprise of the Year, 2018 Citi Micro-Entrepreneurship Awards). At the time of the award, the business had already provided training and work experience to 183 autistic people and had grown to employ four full-time and five part-time employees (six of them on the autistic spectrum). [S5]
- BIOS Health, AI-enabled healthcare treatments on organs and nerve systems (accepted to Y Combinator, a leading global accelerator). [S6]
- Goshawk Communications, mobile-phone communications for hearing impaired people (Most Innovative Mobile Network Virtual Operator Award, 2019 World Congress). [S7]

3. Inclusivity

Given that those most affected by social problems are often best placed to find solutions [R3], CSV has built an inclusive programme for people with diverse backgrounds, including those with disabilities, caring responsibilities, and low incomes. Many of the ventures focus on inclusion.

For example, Turtle Dove helps vulnerable young women transition into employment and full adulthood. Until 2020, Turtle Dove has engaged 84 young women to help them on their way into employment. The founder realised that many young women, particularly those who have been in the care system, struggle to make this transition. The founder believed that an SE providing employment in a supportive environment could make a significant impact on their lives. However, she had been unable to find the support she needed to start the venture before encountering CSV:

“I believe that Cambridge Social Ventures sets itself apart as an incubator by providing an individually tailored programme of support that takes into consideration not just the specific needs of the business, but also the needs of the entrepreneur as an individual.” [S8]

CSV recognizes “some of the best social entrepreneurs are those with personal experience of the issues they are trying to solve” (CSV, 2019). To promote inclusivity and support leaders,

CSV and Trinity Hall College co-created the Cambridge Prize for Social Innovation in 2019. Four leaders receive GBP10,000 each for their business development. Since 2019 there have been 8 winners ranging from helping frontline workers connect vulnerable patients to community services, giving ex-offenders work experience and employability training, a platform connecting joggers with volunteering tasks, a community-owned bakery, feminist fashion, affordable housing, co-operative farming, and fostering independence in people with learning disabilities [S9].

Other impact indicators

In 2017, Dr Belinda Bell, CSV Director, was recognised in the WISE100 index of inspiring and influential women in SE, and highly commended in the SEE Change Social Entrepreneurship Champion of the Year Award [S10]. She supported the creation of a social incubator at VIT Chennai, India in 2016 and visited several other Indian universities to help them set up social incubators [S11]. In 2018, supported by the British Council, she undertook a lecture tour in Vietnam, advised Vietnamese universities on SE education, and ran seminars for Vietnamese SEs [S12].

5. Sources to corroborate the impact (indicative maximum of 10 references)

- S1. CCSI evidence reporting
- S2. External Report "The Impact of Social Venture Weekend"
- S3. Testimonial (Founder Univursa)
- S4. Testimonial (Founder Bush Adventures UK)
- S5. Award won by Harry Specters: <http://responsiblefinance.org.uk/2018/03/uk-wide-winners-announced-in-citi-microentrepreneurship-awards/>
- S6. BIOS Accepted to Y Combinator: <https://www.ycombinator.com/companies/1528>
- S7. Award won by Goshawk: <https://goshawk-communications.com/2019/05/25/mvno-world-congress-award-winner-2019/>
- S8. Testimonial (Founder Turtle Dove)
- S9. Cambridge Social Innovation Prize - CSV - Winners list 2019 and 2020
- S10. WISE100 Index and SEE Change commendation, backed by the Higher Education Funding Council of England (HEFCE) <https://www.pioneerspost.com/news-views/20171013/top-social-enterprise-women-celebrated-wise100-launch>
- S11. Support in launching a Social Business Incubator at VIT University, Chennai: <https://www.thehindu.com/news/cities/chennai/A-challenge-for-new-innovations/article15622659.ece> CS
- S12. CSV lecture tour: <https://www.britishhrcouncil.vn/en/social-innovation-lecture-tour-dr-belinda-bell-cambridge-social-ventures> CS