Scaling for Social Impact: Exploring Strategies for Spreading Social Innovations

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J. Gregory Dees
Beth Battle Anderson
Center for the Advancement of Social Entrepreneurship
Duke University - The Fuqua School of Business

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The Challenge

How can we spread successful social sector innovations in timely, effective, and appropriate ways?
We call this the challenge of **scaling out**: spreading social sector innovations into new geographic locations in order to achieve greater impact.
Workshop Goals

Provide you with practical frameworks for

- **Assessing the Opportunity**: Should we investigate scale seriously at this time?
- **Defining the Innovation**: What do we have that is truly worth scaling?
- **Identifying Promising Paths**: How can we most effectively scale our innovation?
Scaling Out Process

Step 1: Assess the Opportunity:
Should we consider scaling out at this time?

Step 2: Define the Innovation:
Do we have anything truly worthy of scaling out?

Step 3: Identify Promising Paths:
Can we scale out our innovation effectively?

Step 4: Design Action-Learning Process:
What steps should we take to test conclusions and start scaling?

- Yes
- No

Actions:
- Scale Deep
- Enhance Readiness
- Test and Refine
- Find a Partner
- Enhance Readiness
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<th>Time</th>
<th>Session</th>
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<tbody>
<tr>
<td>9:00-9:15</td>
<td>Introduction, Overview, &amp; Ice Breaker</td>
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<tr>
<td>9:15-10:00</td>
<td>Assessing the Opportunity and Introduction to Scaling Out Matrix</td>
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<tr>
<td>10:00-10:15</td>
<td>BREAK</td>
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<td>10:15-10:45</td>
<td>STRIVE Video and Discussion</td>
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<td>10:45-12:00</td>
<td>Defining the Innovation</td>
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<td>12:00-12:45</td>
<td>Lunch</td>
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<td>12:45-2:00</td>
<td>Identifying Promising Paths</td>
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<td>2:00-2:10</td>
<td>BREAK</td>
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<tr>
<td>2:10-3:00</td>
<td>STRIVE Wrap-Up &amp; Final Thoughts</td>
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Step 1: Assessing the Opportunity

Four dimensions of opportunity

- **Impact**: Do you have anything worth scaling out?
- **Need**: Is there significant unmet or poorly met need elsewhere?
- **Organization**: Do you have sufficient organizational support and stability?
- **Timing**: Is this a particularly good time for exploring scale seriously?
First Dimension

IMPACT

Can you demonstrate superior results?
If it is too early, are the indicators sufficiently promising to justify testing elsewhere?
What objective evidence can you offer?
Do you have strong evidence of significant unmet or poorly met need in other communities?

How does that compare to the unmet or poorly met need in your home community?
If there is need at home and in other communities, how do we decide where to focus our efforts – scaling deep or scaling out? Can we do both well?
A Moral Imperative?

IMPACT + NEED = MORAL IMPERATIVE

You can face moral imperatives to scale deep and scale out.

Whether you do one, neither, or both depends on your organization and timing issues.
Do you have organizational support for either scaling deep or scaling out - in your mission, on your board, and from key staff?

Does your organization have sufficient stability, in terms of finances and staffing, to consider either or both forms of scaling?
Fourth Dimension

TIMING

Do we face a window of opportunity that makes this time particularly good for scaling out, scaling deep, or both?

How long will that window stay open and how urgent is the unmet need?
Putting It All Together

Windows of Opportunity

NEED in home community

IMPACT

NEED in other communities

ORGANIZATION

• Mission
• Board
• Staff

SUPPORT

• Financial
• Human Resources

STABILITY
Assessing the Opportunity: Conclusions

Basic requirements for moving forward: Objective evidence of 1) superior IMPACT and 2) unmet or poorly met NEED in other communities

- If evidence of impact is lacking, you can focus on
  - Gathering that evidence
  - Improving impact

- If documentation of unmet or poorly met need is missing, you can focus on
  - Finding independent assessments or indicators of need
  - Evaluating similar services offered elsewhere

- If need in your home community is pressing, you may want to scale deep rather than scaling out.
If you have demonstrated or promising IMPACT and unmet or poorly met NEED

- Determine whether you have the SUPPORT for scaling deep, scaling out, or both
  - If not, consider revising the mission, changing leadership, or allowing someone else to scale your impact

- Evaluate your organization’s STABILITY
  - If strained financially or with respect to human resources, address weaknesses, build capacity, and revisit another time

- Assess the TIMING dimension of the opportunity
  - Windows of opportunity or a sense of urgency might encourage you to move more quickly or in a different direction
Assessing the Opportunity: Exercise

Windows of Opportunity

NEED in home community

IMPACT

NEED in other communities

Is your organization ready to consider scaling out?

Why or why not?

SUPPORT

STABILITY

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## Options If You Decide to Scale Out

**How: Mechanisms for Spreading Impact**

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<thead>
<tr>
<th>Dissemination</th>
<th>Affiliation</th>
<th>Branching</th>
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### What: Defining the Social Innovation

- **Organization**
- **Program**
- **Principles**
BREAK

- 15 Minute Break
- Take time to review STRIVE handout
- Will view 5 minute clip from the STRIVE 60 Minutes feature when we reconvene
STRIVE QUESTIONS

1. Should STRIVE use this new “window of opportunity” to scale out aggressively?

2. Could a case be made for focusing on the needs in Harlem and New York City?

3. What more would you like to know to assess the opportunity?
Step 2: Defining the Innovation

A process for determining what you have that is worth scaling

- Understand the different forms
- Articulate your social impact theory
  - Assess its robustness
  - Identify the core elements
- Define the innovation
  - Assess its transferability
  - Revise your definition as necessary
Form and Specificity

<table>
<thead>
<tr>
<th>Form of Innovation</th>
<th>Low</th>
<th>High</th>
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<tbody>
<tr>
<td>Organization</td>
<td></td>
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<tr>
<td>Program</td>
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<td>Principles</td>
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<td></td>
<td>Structure, Systems, Culture</td>
<td>Integrated Set of Activities</td>
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Definitions and Examples

**Organizational model:** A self-contained system for mobilizing people and resources to serve a social purpose

Examples: Art museums; City Year

**Program:** An integrated set of procedures and routines for directly serving a specific social purpose

Examples: DARE; Success for All

**Principles:** Guidelines and values about how to serve a particular social purpose

Examples: KIPP; Communities by Choice
Form: Exercise

Most social innovations could be framed as any of the three forms: organizational model, program, or principles.

Example: Hospice

Exercise: Think about your organization’s approach. How would you define your innovation in each of these three forms?
Defining your innovation will most likely be an iterative process as you test and refine your social impact theory and the transferability of different forms and degrees of specificity.
Social Impact Theory

A social impact theory describes the path from what you do to the ultimate impact you intend to create.
Social Impact Theory: Example

STRIVE:

- Recruitment
- Training
- Placement
- Support

East Harlem Employment Services

Program

- STRIVE Three-week curriculum

Principles

- Soft skills are crucial to success in the workplace
- Employment offers the best leverage on the problems of the urban poor
- Ongoing support is essential as people stabilize and move ahead

Activities

Intermediate Outcomes

- Path into the workforce: 80% STRIVE graduates placed in jobs
- Stable attachment to workforce: 75-80% employed after two years

Intended Impact

- Economic Independence
- Ability to Overcome Many Problems Facing Urban Poor

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STRIVE QUESTIONS

1. What are the key assumptions and environmental conditions driving STRIVE’s social impact theory?

2. Which elements are essential to achieving the intended impact?
Articulating a Social Impact Theory

- **Organization**: What are the structures, systems, staffing policies, financial strategies, and cultural factors that enable you to operate?

- **Principles**: What core beliefs drive your approach? What values and guidelines are most central to your success?

- **Programs**: How are your activities organized into coherent integrated combinations that work to achieve your objectives?

- **Activities**: What do you do to produce results? What are the specific elements of your programs? How must these be implemented to be successful?

- **Intermediate outcomes**: What measurable, short-term impact results from your activities? How and why do they lead to long-term impact?

- **Intended impact**: What is the ultimate goal of your approach?
Assessing and Revising

The robustness of the theory can be assessed by asking:

• How plausible are the causal connections?
• Are key assumptions well grounded in research, theory, or experience?
• Under what conditions could they turn out to be problematic or false? How likely is this?
• Are your key assumptions dependent on environmental conditions that are likely to change or vary widely?

If not very robust, the theory should be refined or revised.
Identifying the Core

With a robust social impact theory you can identify the **core elements** by asking

- What makes this approach distinctive?
- Which elements are essential for achieving the intended impact?
- Which elements play crucial supporting roles?
- Which elements could be changed without doing much harm to the intended impact?

It is helpful to describe the core elements as generally as possible.
First Cut at Form and Specificity

Based on the core elements of your social impact theory, you can

- Select a **form** (organization, program, or principles) that
  - Captures all crucial core elements
  - Includes few non-essentials

- Choose a degree of **specificity** that
  - Enhances the chances of successful implementation
Determining Transferability

Two elements determine the transferability of your innovation

- **“Universal” Applicability**
  - Will your core elements be as effective in different communities/contexts?
  - Will your crucial assumptions and key environmental conditions hold in different communities/contexts?

- **Ease of Adoption by Others**
  - Is the core of your social impact theory easily understood by others?
  - Could this core be implemented and appropriately adapted by others with minimal training?
  - Is it dependent on unusually qualified individuals or rare skill sets?
Transferability

- Potentially Transferable with Significant Effort
- Highly Transferable
- Very Difficult to Transfer
- Transferable But Only to Select Locations

"Universal" Applicability vs. Ease of Adoption:

- Low to High
- High to Low
Increasing Transferability?

If your first cut at a form and level of specificity is **highly transferable**, then you can move on to Identifying a Promising Path.

If it is **not very transferable**, you should consider revising the form and specificity to make it more transferable while preserving the core of your innovation.
STRIVE QUESTIONS

1. Does STRIVE’s Social Impact Theory seem robust to you?

2. How transferable are the core elements in terms of universal applicability and ease of adoption?

3. What do you see as the most promising way to define STRIVE’s innovation for scaling purposes?
Step 3: Identifying Promising Paths

How can we scale our impact in the most effective and timely manner?

- Understand the different mechanisms
- Assess the available paths
  - Assess the costs and benefits of central coordination
  - Evaluate the different distribution channels
- Determine your organization’s readiness to pursue your chosen path(s)
  - Revise your path if necessary
## Range of Options for Scaling an Innovation

<table>
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<tr>
<th>Local Distribution Channels</th>
<th>Mechanisms for Spreading Impact</th>
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<tr>
<td></td>
<td>Dissemination</td>
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<td></td>
<td>Only</td>
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<td>New organizations</td>
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<tr>
<td>Existing organizations</td>
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<tr>
<td>Existing networks or multi-site organizations</td>
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Identifying Promising Paths

- Assess Costs and Benefits of Coordination
- Evaluate Channel Tradeoffs
- Determine Readiness

Five R’s
- Receptivity
- Readiness
- Resources
- Risks
- Returns
Mechanisms: Costs and Benefits of Coordination

Moving to the right on the matrix creates...

Greater **Resource** Requirements from the Central Organization

Increasing Organizational **Risks**

Higher Threshold for Organizational **Readiness**

**Why would you ever move in this direction?**
Drivers of Greater Central Coordination

Moving to the right on the matrix is appropriate when...

Low Receptivity Exists Despite Need

High Risks to Society of Incorrect Implementation

Potential for Significant Returns from Coordination
Evaluating Receptivity

- **High Receptivity** – Requires Least Coordination
- **Low Receptivity** – Requires Most Coordination

**Transferability of Innovation**

- **Low**
  - Capitalize on Demand by Transferring with Significant Coordination
  - Low Receptivity – Requires Most Coordination
- **High**
  - High Receptivity – Requires Least Coordination
  - Looser Mechanisms Possible with Efforts to Build Demand

**Demand in New Markets**

- **High**
  - Capitalize on Demand by Transferring with Significant Coordination
- **Low**

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Evaluating Risks

Is your innovation difficult to implement? What are the risks of incorrect implementation?

The risk of incorrect implementation should decline as you move towards greater central coordination, but the organizational risks increase.
Evaluating Returns

Will coordination on any of the following dimensions produce greater impact?

- Building Brand
- Managing Quality
- Transferring Intangibles
- Fostering Learning
- Capturing Economies

Greater IMPACT?
Evaluating Returns

How great is the need for quality control? How complex is your innovation? How high are the risks of implementation mistakes? How costly could they be?

How could a strong brand be valuable? Could it facilitate faster adoption? Attract resources? Provide clarity to potential clients?

How critical to your social impact theory are intangible elements such as culture, tacit knowledge?

How important is ongoing learning and innovation in your model? Are you still testing and refining? How can you assure learning is shared across locations?

What economies of scale or size might you be able to capture?
Coordination: Summary

- Dissemination or looser forms of affiliation may be preferable when:
  - Receptivity is high
  - Risks of incorrect implementation are low
  - Potential returns from brand, quality control, learning, scale economies, and transferring intangibles are low
  - Local “ownership” is desired and valuable

- In other instances, tighter affiliation or branching may dominate
Tight affiliation offers the benefits of greater coordination, but it has a few disadvantages:

- Potentially slower expansion
- Greater costs for the central office
- Increased liability for the central office
STRIVE Questions

1. What lessons would you take away from STRIVE’s prior experience with loose affiliate partnerships in New York and other cities?

2. Are there any factors that might drive them towards greater central coordination or looser dissemination?
## Channels: New vs. Existing Sites

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<th>Benefits</th>
<th>Challenges</th>
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| **New Local Organizations** | • Fosters entrepreneurship  
• Exclusive focus  
• Easier for an organizational model or radical innovation | • Demand must be sufficient to attract resources  
• Potentially slower pace of expansion |
| **Existing Local Organizations** | • Potentially faster pace  
• Reduces resource needs – lower start-up costs due to existing infrastructure, financial/human resources relationships, clients  
• Track record of success | • May not be host organization’s top priority  
• May be difficult to integrate cultures and operating procedures  
• Potential resistance from board and staff  
• Host organization may dilute program and brand |
| **Existing Network or Multi-Site Organizations** | Same as above plus  
• Potentially even faster pace  
• Capitalize on experience managing across locations  
• Lower monitoring and overhead costs  
• Potentially established brand | Same as above plus  
• May be required to give up even more control  
• May be difficult to identify networks/multi-site organizations with complementary services |
New vs. Existing Sites: Summary

Balance Trade-Offs between speed, resource requirements, and benefits of coordination

New Organizations
- Greater Control
- Fosters Innovation
- More Focus

Existing Organizations

Existing Networks/Multi-Site Organizations
- Faster Expansion
- Lower Start-Up Costs
- Track Record
Revisiting the 5 R’s

- **High Receptivity** makes dissemination or loose affiliation through either new or existing organizations more feasible

- **High Risks** to society drive towards the slower approaches of tight affiliation or branching through new organizations

- **High Returns** from coordination can best be captured by tight affiliation or branching through new organizations

- **High Resource Availability** makes tighter coordination and development of new sites possible

What about **Readiness**?
Identifying Promising Paths: Readiness

Assess each promising path’s fit with:

- Your organization’s mission
- Your organizational leadership’s will
- Your organization’s desire for control
- Your organization’s ability to mobilize the necessary skills and resources

AND

- The stage of your innovation (need and ability to test and refine)
Not Ready?

What if you are not ready to pursue the most promising paths?

You can:

- Get ready by taking steps to position your organization for a promising scaling path
- Find a scaling partner who is ready or who compensates for your gaps
- Spin-off an organization specifically to explore scaling, with a mission, staff, and board recruited for that purpose
Scaling Out Process

Step 1: Assess the Opportunity:
Should we consider scaling out at this time? yes

Step 2: Define the Innovation:
Do we have anything truly worthy of scaling out? yes

Step 3: Identify Promising Paths:
Can we scale out our innovation effectively? yes

Step 4: Design Action-Learning Process:
What steps should we take to test conclusions and start scaling?

- Develop a viable resource strategy
- Create an action plan that encourages
  - Experimentation
  - Honest and tough assessments
  - Continuous learning, adaptation, and innovation
STRIVE Question

Given what you know, what path would you recommend for STRIVE?
Contact Information

For more information on the Center for the Advancement of Social Entrepreneurship (CASE), see our website at www.fuqua.duke.edu/case

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