



Universidade do Minho

**CARLOS EDUARDO MOTA PEREIRA**

**Social Incubator EAST - Study Case: Insights for Social Economy development**

**Braga  
Abril/2016**

**Carlos Eduardo Mota Pereira**

**Social Incubator EAST - Study Case: Insights for Social Economy development**

**Economy and Management School**  
**Social Economy Master Degree**  
**Supervisor:** Professor Doutor Orlando Petiz Pereira.  
**Número de aluno:** PG27847

**Braga**  
**April/2016**

## **DECLARAÇÃO**

Nome: Carlos Eduardo Mota Pereira

Endereço eletrónico: pereira.ceduardo@gmail.com

Número do Cartão de Cidadão: 5C099751D

Título da tese: Social Incubator EAST – Study Case: Insights for Social Economy development

Orientador: Professor Doutor Orlando Petiz Pereira

Ano de conclusão: 2016

Designação do Mestrado: Mestrado em Economia Social

É AUTORIZADA A REPRODUÇÃO INTEGRAL DESTA TESE APENAS PARA EFEITOS DE INVESTIGAÇÃO, MEDIANTE DECLARAÇÃO ESCRITA DO INTERESSADO, QUE A TAL SE COMPROMETE.

Universidade do Minho, 26 de abril de 2016

Assinatura: \_\_\_\_\_

## ACKNOWLEDGEMENT

This Case Study is an outcome of several efforts, intensive learning and overcoming limitations. At first, I would like to acknowledge the fantastic support from Belinda Bell from Social Incubator EAST, in Cambridge. Always wanting to provide me the best experience, open to talk about the British context and give me references. Thank for my Supervisor Professor Orlando Petiz Pereira from the Management and Economic School that with a huge patience guided me during the whole path. His doors were always open for encouraging words and orientations. To Professor Paulo Mourao by the several talks and conversations about my thesis subject that helped to keep the researching.

Also, would like to acknowledge a specifically master colleague, Mariana Marques that was a fundamental, not only for the research but also during the whole Master, to my period in Portugal. She was present on active discussions, development of projects and in the personal support during hard times. I really would like to dedicate this research to my “life partner” Juan Salomao. If wasn’t for your annoying encouragement to move from Rio, apply for external interns and personal sharing support, almost nothing of that were possible. Thank you. Finally yet importantly, to my family and friends that in the best caring way, even in a huge distance they keep my energy up during this journey. It is fundamental this constant support.

Beyond the ones cited above, I must express my profound gratitude to the several involved, professors of the Master in Portugal, partners involve in the meetings, interviewers. To Ana Burman, Jack Butla, Mark Goodson, Keren Limor and other from Cambridge Incubator, Manoela Carpenedo and Alexandre Navarro that hosted me and were always enthusiastic to talk about all my day, providing an amazing support.

## **Social Incubator EAST - Study Case: Insights for Social Economy development**

### **ABSTRACT**

A new social economic paradigm has been emerging from supportive environments driven to social impact. From the consistence of those social impacts innovative form have been established in our society and world. Since Social Enterprises are seen as the engine to tackle pressing problems of our age, Social Incubators are also increasingly seen as the operator of this process of local socio-economic development and social innovation. Alongside this emergent field, consequently, Social Economy has shown greater recognition within the Global Economy, for instance in the Social Investment market already establishing innovative dynamics in Northern Europe. This research highlights these dynamics providing a discussion relied in qualitative analyses from the interviews and the secondary data collected. The outcomes of this research demonstrate the relevance of Social Enterprises in the promotion of Social Economy. Therefore, becomes urgent to work towards a definition and the creation of instruments of support to these Social Enterprises, even though seems that the academia agenda is distant to this theme.

**Key Words:** Social Economy, Social Investment, Social Incubator.

## **Social Incubator EAST - Study Case: Insights for Social Economy development**

### **RESUMO**

Um novo paradigma sócio-económico vem emergendo em ambientes férteis focados para impactos sociais. É a consistência destes impactos que dá corpo a uma nova forma de estar na sociedade e no mundo. Desde de que Empresas Sociais têm sido vistas como uma ferramenta para combater os problemas sociais de nossa era, as Incubadoras Sociais também têm sido vistas como um instrumento operador desse mesmo processo de desenvolvimentos socioeconómico e de inovação social. Ao lado deste campo em ascensão, a Economia Social tem, cada vez mais, demonstrado uma grande importância na Economia Global, tal como acontece com o mercado de Investimentos Sociais, que já tem estabelecido novas dinâmicas no norte da Europa. Este trabalho destaca tais dinâmicas e as apreciações que fazemos são suportadas pela análise qualitativa das entrevistas feitas, coadjuvadas pela informação secundária utilizada. Os resultados do nosso trabalho mostram a importância das Empresas Sociais no dinamismo da Economia Social. Por isso, é urgente a definição e criação de instrumentos de suporte àquelas empresas sociais, embora as discussões sobre o tema ainda esteja um pouco afastadas da agenda da academia.

**Palavras - Chave:** Economia Social, Investimento Social, Incubadora Social.

## Summary

<b>ACKNOWLEDGMENT</b> .....	iii
<b>ABSTRACT</b> .....	iv
<b>RESUMO</b> .....	v
<b>CHAPTER 1 - PRESENTATION, APPROACH AND STUDY COORDENATES</b>	
1.1 Introduction.....	10
1.2 Background of the Problem.....	10
1.3 Problem Statement .....	11
1.4 Purpose of study and research objectives.....	11
1.5 Research design (Methodology).....	12
1.6 Assumptions, Limitations, and Scope.....	12
1.7 Dissertation overview.....	13
<b>CHAPTER 2 – A PERSPECTIVE OF SOCIAL ECONOMY EVOLUTION</b>	
2.1 Introduction.....	15
2.2 Social Economy in Continental Europe: an evolutionary analyse.....	16
2.2.1 Social Enterprises arising marketplace.....	21
2.2.2 Chapter Synthesis .....	24
<b>CHAPTER 3 – SOCIAL INCUBATOR IN UK ADVANCING 3 SECTOR</b>	
3.1 Introduction .....	26
3.2 New trends in the field.....	26
3.3 Social Investment Market.....	29
3.3.1 Establishing an institutional field.....	30
3.3.2 The rise of Social Incubator as important instrument.....	33
3.4 Business incubators: new approaches.....	35
3.5 Chapter synthesis.....	38
<b>CHAPTER 4 – RESEARCH METHODS AND PROCESS</b>	
4.1 Introduction.....	41
4.2 Research approach: Types of study and methods.....	41
4.2.1 Research Methodology.....	42
4.2.2 Data Source and Data Collect.....	42
4.2.2.2 Primary Source Material and Documentary Evidence .....	43
4.2.2.3 Guided Interviews .....	43
4.2.2.4 Strategy on analysing the data.....	44

4.3 Defining Study Object.....	45
4.4 Chapter synthesis.....	45
<b>CHAPTER 5 – EMPIRICAL STUDY</b>	
5.1 Introduction.....	47
5.2 Why in Cambridge.....	47
5.3 Social Incubator EAST.....	48
5.4 The experience.....	49
5.5 Data Analyses .....	50
5.5.1 Key Thought.....	52
(i) Focus .....	53
(ii) Business Mindset .....	55
(iii) Active networking and co-working environment .....	58
5.5.2 Another insights .....	60
5.6 Chapter synthesis.....	62
<b>CHAPTER 6 – CONCLUSION AND FINAL CONSIDERATIONS</b>	
6.1 Introduction .....	64
6.2 Main Conclusions .....	64
6.3 Scope Limitations .....	67
6.4 Final Considerations .....	67
<b>BIBLIOGRAFIA .....</b>	<b>68</b>
<b>ANNEX</b>	
ANNEX I – Interviews .....	77
ANNEX II – Inquiry frame .....	91



## TABLE OF CONTENTS

<b>Table 1</b> - Types of definition for Social Economy.....-	18
<b>Table 2</b> - Action plan to boost Social Economy.....	28
<b>Table 3</b> - Incubators Perspective.....	36
<b>Table 4</b> - Interviews key finding.....	51
<b>Figure 1</b> - Third Sector place.....	19
<b>Figure 2</b> - Social Enterprise Domain.....	23
<b>Figure 3</b> - Social Incubation models.....	34

## **CHAPTER 1 - PRESENTATION, APPROACH AND STUDY COORDENATES**

## **1.1 Introduction**

Taking part in an emergent field, this research intends to bring insights from the recent dynamics of Social Incubation associating with Social Economy landscape and Social Investments. Social Incubators are a strategic instrument to support the economic growth and social cohesion as they are increasingly seen as open field to social entrepreneurs and initiatives for positive social impact.

This research is a Study Case of Social Incubator EAST, located in Cambridge, UK, that support early stages social ventures in the path to scale up their impact across the East of England.

## **1.2 Background of the Problem**

Across the world, a new landscape to face the pressing problems of our age has been developing rapidly over the last years. There is a strong belief amongst policy makers and civil society that Social Entrepreneurs can tackle some of those social and environmental challenges, if only we can get them operating at scale. In fact, Social Ventures are increasingly seen as an important instrument to operate these changes in the world.

Investment for social outcome it is not new. Churches, mutual societies, co-operatives and charities have been raising and expending money on social purpose for centuries (Anheier & Leat, 2006). Also, Corporations have been developing their Social Responsibility Investment (SRI) in order to try to increase the social return on the communities around. However, Nicholls (2014), over the recent years investment for environmental issues has grown, only in the past decade that there is a public discourse about Social Investment and Social Economy.

Today there is a rising wave of social entrepreneurship on the Social Investment and Social Economy discourse, despite their different approach, the speech to encouraging initiatives focusing on the positive and sustainable impact rather than maximization of profit is highly seen across the sectors. Even as part on the agenda of several global conferences, such as the late World Economic Forum 2016 in Davos.

### **1.3 Problem Statement**

Although there is a substantial grey literature on the subject, the field of Social Incubators has a lack of academic analyses or research, either in England or in Portugal. Alongside this gap, this thesis takes place to provide a plain field of research on Social Incubators and their dynamics, guided by two main questions:

- **What is the role of a Social Incubation in the sector development?**
- **What is the main need of the ventures to grow and scale up?**

### **1.4 Research objectives and Purpose of study**

In order to have a proper experience on the dynamics of the incubation of social ventures, was developed an Erasmus Placement in Social Incubator EAST office located in Cambridge, UK. Through three months of practical experience on Job Shadowing there it was developed this Study Case to understand it functioning and response the research questions.

Towards to present the field, this research aims to:

- Introduce the Social Investment Market in UK, highlighting the support network for social ventures.
- Present Social Economy dynamics, as well the potential as social economic development.
- Provide an overview of Social Incubator EAST
- Analyze the primary and secondary data collected
- Expose the potential of social incubators on the support for social economic development.

During the Placement period, it was developed many activities to collect the data and information, such as: participation in venture's meeting, interview the ventures and start up allocated in the office, interview with the business advisors, at the same time were developed a journey diary to gather perceptions on the daily dynamic of a co-working environment.

## **1.5 Research design (Methodology)**

A Case Studies will be the method of this research. This strategy were applied, since Yin (2009), Case Studies have been showing a huge versatility of design, either in the industrial areas, innovations, strategies or business, as a proper method to present this new field dynamics.

As a social research method, Study Cases consist in an intensive analysis of observations and field dynamics. By that, this research will focus on the qualitative analyses of the field to understand the need of social ventures and social organization in order to define the role of a Social Incubator in the support of development.

The qualitative data were were collected during a three months period placed in Social Incubator EAST, where it was developed interviews, talks, archive read, social conferences and observations, including twelve formal interviews, ten of them with social ventures and the others two with senior business advisors. Also was developed informal talks with policy makers and government stakeholder to understand the network support.

Although the research analysis will work mainly Primary Data, the second and third chapter are fundamentally based in Secondary Data to justify and frame the phenomenon through a Literature Review.

## **1.6 Assumptions, Limitations, and Scope**

The study case focuses in the creation of synergies to positive impact growth by Social Incubators to provide an overview of the growth support for Social Ventures and Social Organization.

Thus, the research does not intend to discuss a right or wrong definition of the concepts addressed. Since the conceptualizations are still young, it is difficult to find a unifying paradigm until the field is more mature. It is important for this research that academics, institutions or social organizations recognize the basic principles to which they aspire. Although there is a structure literature review, for the purpose of this research, we use a broadly definition of Social Economy, Social Investment, Social Enterprise and Social Entrepreneurship.

## **1.7 Dissertation overview**

The First Chapter consists in the introduction to the field work. Presenting the background of the problem, the problem questions, also defining the design and frame this research will take.

In the Second Chapter and the Third Chapter of our research you will find the Literature Review. First item will focus on the development of Social Economy in Continental Europe, including important Portuguese authors and other to present the background to the well-established institutional field, demonstrating the rise of social enterprises and, also, through reports, show the recent dynamics to boost the theme across Europe. Further on the Third Chapter, the second approach will gather mostly grey literature demonstrating how the Social Investment market in UK was built up, since it is still a young market discussed among the academia, the contextual policies and the supportive environment created to social ventures growth. At last, the discussion will highlight some insights from the business incubations dynamics and the potential to trigger social economic development tackling the pressing problems around the globe.

The Fourth Chapter belongs to our Empirical Study in the Social Incubator EAST, presenting the research methodology, the interviews and the analyses of the recent phenomenon of Social Incubator in order to answer the problem statements. Also, comes important that the data analyses will follow previous researches recommendations, in which is guided by the successful key factors for incubators and accelerators, including an analysis of the quality of services, the relevance of the selection process, and the effects of strong partnerships and networks.<sup>1</sup>

The Fifth Chapter of our research refers on the final considerations of the study case, highlights the problem statements and bringing up important discussion to the subject. The sixth is our final chapter that expose the final consideration and conclusions and discussions of the whole research.

---

<sup>1</sup> Bridging the Pioneer Gap, 2013 – Research around the globe

## **CHAPTER 2 - A PERSPECTIVE OF SOCIAL ECONOMY EVOLUTION**

### **2.1 Introduction**

When looking into the world social landscape, what is striking is the diversity of concepts which have been used since the early 1980's to describe behavior of initiatives and group of organizations with social aims, such as: Social Economy, Social Investment, Third Sector, Social Entrepreneurship, Social Innovation, and others. In which some of those have a correlations, depending on the school of thought.

To a lack of academic work on Social Incubation, this Study Case intend to present Social Economy and Social Investment market as two landscapes where this instrument of support can lead the creation of synergies to positive impact growth, also demonstrating Social Enterprises as an engine to those landscapes.

In continental Europe there is a well-established group of activities and organizations entitled as the Social Economy that has their own attendant financial institutions (Nicholls, 2010). This economy commonly is driven by initiatives on cooperative models and has their investment from the state, the church and their members.

Also labelled as the Third Sector, in some European Countries, the Social Economy, according to Evers and Laville (2004) gather cooperatives, associations, mutual societies and, with increasing frequency, foundations, and all the not-for-profit private organizations.

According to Borzaga and Defony (2001), Nyssens (2006), the Social Economy emerges as a response to the need of the society, often in new or underdeveloped sectors of activity, by posing new ways of doing things that embrace the values of equity, equality, social justice and are the results of a social and collective entrepreneurship driven by objectives other than personal income maximization.

However this is part of the wider social investment landscape, the Social Economy capital in Continental Europe followed a different trajectory from the recent dynamics in UK. Mainly because they have strongly rooted in the traditions of civil society and non-profit organization while in the UK has demonstrated a wider range of investment logics and investors rationalities often bringing the mainstream investment and financial practices into their field.

Social Investment emerged to respond a combination of societal interests in, and entrepreneurial incentives to develop, businesses that pursue positive social economic and environmental impacts. Fisher and Slater (2011)

This new wave of Social Investment in UK – also happening in USA – has stimulated a considerable practices and public policy around the subject. The latter has also being expressing many interests in new ways of development of capitalism (Nicholls,



2014), moved by less maximization of incomes, more focused on the social and environmental sustainable achievement.

The Social Investment field rises as a response to external events, such as demands from social entrepreneurs for investment finance, government commitment to disrupt the current status quo, encouraging the growth of social enterprises and social investment. Despite discussions about the institutionalization of Social Investments in the market, for Bell and Hugh (2014) this new market approach can be seen as a build and raised social world with a range of investment logics and investor rationalities constantly moving across institutional actors. Actually, commentators have suggested that this new field is a key indicator, such as driven towards to, a new settlement of economy based in investment with social impact. Nicholls (2014), Freideich and Fulton (2009).

As part of the progress of this research on presenting an emergent field of social ventures and support development to scale up, comes a fundamental approach to present highlights about Social Enterprises. The term of Social Enterprise has been used in many countries around the globe in several ways, each of them providing an overview of a larger movement on the social change in the Entrepreneurship.

The next chapters will provide a brief contextualization and snap-shot of the Social Economy, well developed in continental Europe, focusing in Portugal framework, and the Social Investment market in England. Followed by a final chapter of literature focusing on the rise of Incubators for social purposes as an instrument to work towards the maturity development of the field.

## **2.2 Social Economy in Continental Europe: an evolutionary analyse**

To deliver an Economy focusing to serve the needs of a society it is not new, but many people have been forgetting the true conservative aspect of it. In the rise discussion on new economic models for an alternative economy or a green and sustainable economic activities to undertake the pressing problems, there are two well-established structures functioning around the world, the Social Economy discussed in this topic and Social Investment market, further explained in the item 2.3.

Social Economy activities have been around the world for a long time, despite the diversity of forms, denominations and concepts (Filho, 2002). Even though there isn't a unique concept for Social Economy, in the European scientific literature and the public discourse, has find a broad range of definitions and understandings of the nature of these

phenomena. As well, the Social Europe Commission alleged Borzaga and Defourny (2001), Nyssens (2006) definition for Social Economy as an

“approach indicates that the major goal of the belonging organisations is to serve members of the community rather than to seek profit. Moreover, the social economy relies on democratic decision making processes, which represent a structural procedure to control the actual pursuit of the organisation goals. Among the organisations belonging to the social economy one can find associations, cooperatives and mutual organisations and, more recently, also foundations and social enterprises.”

The sector has been seen as a part of the economy made up, not only but fundamentally, of private organisations, sharing four characteristic features: "a) the objective is to serve members or the community, not to make a profit; b) autonomous management; c) a democratic decision-making process; and d) the pre-eminence of individuals and labour over capital in the distribution of income". (CIRIEC, 2012)

Afterwards, Social Economy Europe, a EU-level representative institution, define a charter principles for the Social Economy organisations such as: primacy of the individual and the social objective over capital, voluntary and open membership, a democratic control by membership, combination of the interests of members/users and/or the general interest, defence and application of the principle of solidarity and responsibility, autonomous management and independence from public authorities, use of most of the surpluses to pursue sustainable development objectives, services of interest to members or the general interest.

Social Economy can adopt many names around the world, called as the “Third Sector”, “Non-profit Sector”, “Solidary Economy”, and an “Alternative Economy”, alongside several others, converging towards a group of organizations or initiatives driven by their social purpose and collectiveness utility.

Undertaken the several perspectives on Social Economy, Filho (2002), acknowledge this diversity around the terms and concepts attend to the social and political context that the model emerges in each country and the distinct initiative role interpretations by the society and their place in-between the larger dominants economic agents, the Government and Market

Across the time, Social Economy has been always linked to popular associations and cooperatives, in which built up their bone structure. A system of value and principles of conduct provide likeminded organizations growth, such as the cooperatives, mutual societies and associations, with the recent addition of foundations, as a reflection of cooperative movements back in the 1990s.

According to Quintão (2004) and Franco (2004), this field of research emerges between the decades of 1960-1970, but only after the 1900s a theoretical and conceptual framework became global through Salamon & Anheier proposes. At that point, in order to provide a consistent definition, Salamon & Anheier develop a study through different countries and established four different types of definitions:

**Table 1** – Types of definition for Social Economy

#	Type	Description
1	Legal	establishes the requirements each country requires for an organization to be considered a nonprofit organization;
2	<i>Economic/financial</i>	focuses on the source of income that the nonprofit receives
3	<i>Functional</i>	examines the purpose of the organization such as public interest or public purpose
4	<i>Structural/operational</i>	emphasizes the basic structure and operation of the nonprofit organization. Based on this definition, to be part of the nonprofit sector, the organization must be a) organized; b) private; c) nonprofit-distributing; d) self-governing; and e) voluntary.

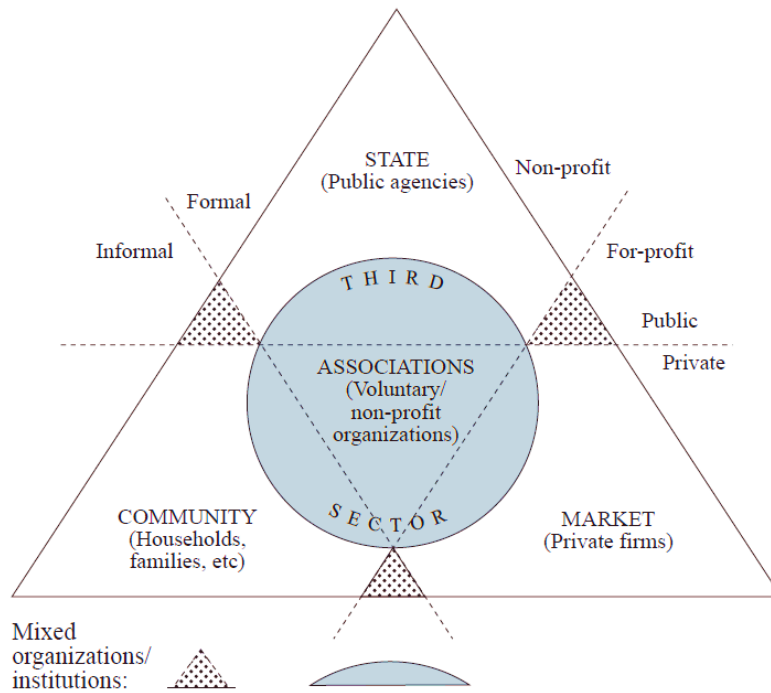
**Reference:** Salamon & Anheier (1996)

The emergency of this approach is explained by “(...) the failure of the market in order to diminish the asymmetries, as well the disappointment of the Government in your capacity of satisfy minority social demands” (Filho, 2002, p.70).

For instance, Franco (2004, p. 56), “(...) the structural/operational definition propose a group of criteria for organizations be entitle as Non-Profit . For the structure conceptualizations of the sector, to submit this criteria’s became necessary, which facilitates an assessment and comparison, impossible until that time, in terms of international activity that became popular.”

As this approach surround several countries, the chart below from Ever & Lavine (2004, p. 17), defines the place of Third Sector in Europe:

**Figure 1.** Third Sector place



Source: Ever & Lavine (2004, p. 17)

This scheme clearly draw attention to the Third Sector as a group of organizations that do not belong, as a whole, either to the Public Sector and private enterprises for profit. Though is placed in between the sectors gathering characteristics of each group of institutions, regarding discussions about the definition and concept of Third Sector and Social Economy.

Beside this Third Sector explanation was an emergent and dominant definition at that time, in Europe given the relationship with the Welfare State and how it was build up through associativity experiences, this new dynamics were implied not as a supplementary sector to the Private and Public sector, but as Filho (2002), claims as an important element dialoguing with both sector, a Social Economy.

The term of Social Economy first appeared in France during the first third of the 19th century, having its academic and institutional recognition by Charles Gide. Theoretically, after back and forth of the definition, Gide came with very pragmatic description that corresponds more to “the study of all the efforts made to better the condition of the people”. Furthermore, the Social Economy discussions leads the ideas of all forms of free association leaning to the emancipation of the working class by its own ways, forms of state intervention and forms of proprietary institutions, focusing on salary raises, the increase of comfort and well-being, security for tomorrow and independence.

(Demoustier & Rousselière, 2004). Afterwards, its relevance has gone far beyond French borders throughout the centuries, finding a great resonance throughout Europe.

Another influence at the time for Social Economy concept development were Leon Walras from *Études d'économie sociale*, he not only considers Social Economy as a part of science ('that part of the science of social wealth that addresses the distribution of this wealth between individuals and the State') but could see the rise of cooperatives, mutual and associations as a field of economic activities, like it is recognized nowadays. (Chaves & Monzo'n, 2011) Outlining fundamental features still found the recent concept of Social Economy, inspiring values of democratic associations, mutualism and cooperativism.

Regarding the range of names and understanding of the nature of Social Economy phenomena, the Portuguese author Quintão (2004) suggests four development phases of Third Sector:

Firstly correspond to the arise of initiatives and revolutionary experiences in the 1900 century. At that moment, an increasing offspring of social problems from the capitalist society have forced the civil society to organize themselves in order to provide an in-between help, such as the voluntarism, as a response to the constant needs.

Further on, as a second phase, alongside the state policies emergency for social protection, it has been recognized and institutionalized those initiatives through new legal forms, in the turn of the century.

The third phase was identified as the period of synergies between the State, the Market and the orchestration of those new organizations, happened in the post-World War II. Once the institutionalization of the Welfare State, it were notice a deeper orchestration of Third Sector organizations, and the beginning of the regulation of the interactions between initiatives.

At last, in a final phase, it began a renewal approach of those third sector organizations. From globalization of issues to the retraction of the Welfare State, and also the global crises related to emergent pressing problems around the world. Quintão highlights the diversity of clusters and converge objectives, as the "(...) renewal of initiatives and projects in response for the recent and persistent problems related to poverty, social exclusion and unemployment (...) in global scale." (Quintao, 2004)

Over the past 40 years, several approaches and dynamics seeking sustainable social economic development on a diffuse collectiveness models have been emerging alike the nature of Social Economy organizations.

Back in 2003, against this broad definitions of these initiatives, the United Nations published the Handbook on Non-profit institutions in the system of National Accounts, a simple manual that made it possible to create a homogeneous statistics for the non-profit sector, which were included the majority of Social Economy organization, commonly Associations and Foundations (United Nations report, 2003).

The lack of clear and rigorous concept for the sector has demonstrated institutional field invisibility for Social Economy. Defining basis structures, principles baselines and behaviour understanding of those organizations permitted the creation of a suitable data for use in national accounts systems. It was an important moment where, regarding the resemblances and differences between them and between these and all other economic agents, could be define the Social Economy.

Alongside those constant transformations, in January of 2008, the European Standing Conference of Cooperatives, Mutual societies, Associations and Foundations (CEP - CMAF) who stand for those organizations, changed its name into Social Economy Europe. The Social Economy Europe works in areas of common interest for its members and, acts in accordance with the principle of subsidiarity, ensuring the added value of the organization actions.

There is a substantial proportion in European Economy driven to make profit for people rather than investors and owners. Entitle as the Social Economy, this model includes cooperatives, mutual societies, non-profit associations, foundations. Also, social enterprises are increasingly seen as the engine for social innovation. Providing a wide range of products and services across the European single market and generating millions of jobs, they operate a very broad number of commercial activities as well. (European Comission, 2014)

### **2.2.1 Social Enterprises arising marketplace**

Even though investment specifically aimed at social outcomes has a long historic, the concept of social enterprise has been discussed only in the late 1980s. It seems to have it first appears in Italy, where was created and entitled as “Impresa Sociale”, initiatives drawn in a new cooperative-like models. Emerging to response unmet needs of the society. Since the existing laws did not allow associations to develop economic activities, so the Italian government created a new legal form, Social Cooperatives, which were really well adapted in the field. (Defourny & Nyssens, 2012)

Many European countries introduced different new legal forms reflecting an entrepreneurial approach adopted by this increasing number of "not-for-profit" organizations, rising a diversity of organizations with social aims in the Economy. These new legal forms of cooperative type were common in France, Portugal, Spain and Greece. On the other hand, Belgium, UK and Italy have chosen more opened models of social enterprise, not inspired exclusively by the cooperative tradition. Regarding the existence of a great diversity beyond these two trajectories. (Defourny & Pestoff, 2008).

In Continental Europe, with the rise of Social Economy, the legal forms bring different stakeholders together - employees, consumers, volunteers and public sector - to work on a social purpose project. For instance, a Belgian law on social purpose companies and the Italian law on social enterprise define a label which crosses the boundaries of all legal forms and can be adopted by various types of organizations, openly to investor-owned organizations (Defourny & Nyssens, 2012), not restricting to cooperatives and non-profit organizations, also provided an explicit social aim and not focused on profit maximization.

For example, in 2004, the UK Government approved a law creating the CIC - community Interest Company – for social enterprise purpose. Nowadays, there is a reasonably broad consensus on the conceptualization of a social enterprise, putting forward the definition of Social Enterprise as:

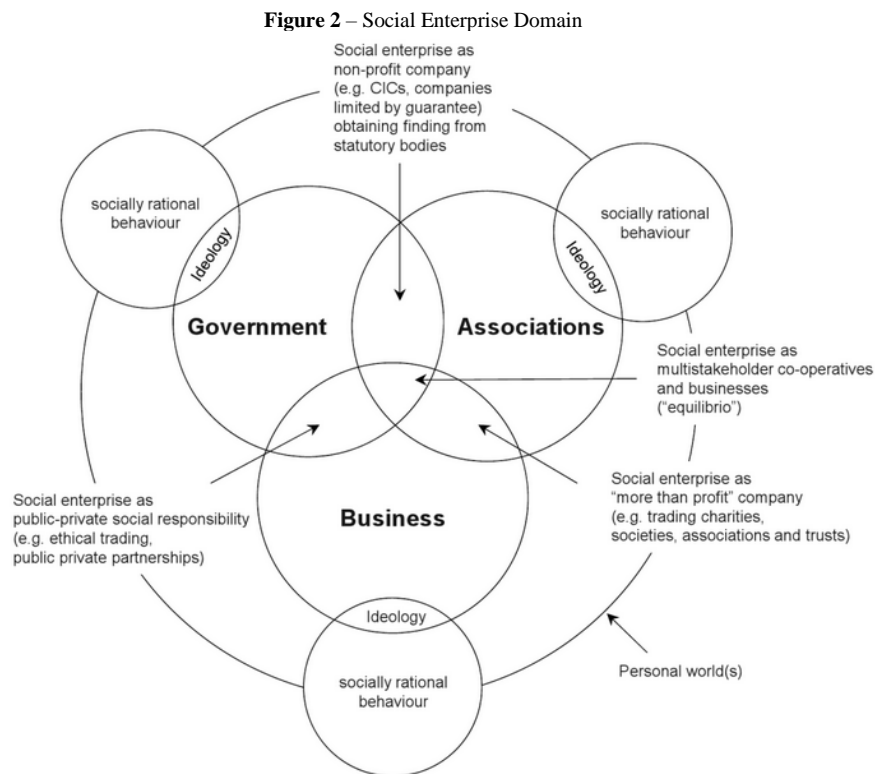
“a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners”.<sup>2</sup> (DTI,2002)

Besides the creation of new legal forms and specific frameworks for their development, a social enterprise draws attention to defining characteristics, such as the adoption of some form of commercial activity to generate revenue and the pursuit of social goals (Laville & Nyssens, 2001; Mair & Marti, 2006; Peattie & Morley 2008; Peredo & McLean, 2006). As a result, Social Enterprises differ from organizations in the private sector that seek to maximize profit for personal gain by prioritizing social change above private wealth creation (Dart, 2004; Murphy & Coombes, 2009). This dual mission to achieve financial sustainability and create social value by integrating the socially excluded and disadvantaged into a workplace categorizes the Social Enterprise (Borzaga & Defourny 2001).

---

<sup>2</sup> Department for Business, Innovation and Skills (2011) *A Guide to Legal Forms for Social Enterprise*

Side by side this typology discussion on the social organization is more social sustained or economic sustained, including the boundaries of a hybrid spectrum. An interesting distinction of Social Enterprise has been purposed by Volkmann, Tokarski, and Erns (2012, p.58), in terms of the overlapping areas of government, associations, and business from an institutional perspective.



**Source:** Volkmann, Tokarski and Erns (2012)

By this way we cannot define the Social Enterprise field as fully integrated either to the Social Sector, Public Sector or Private Sector, rather seen as an important institution dialoguing in between all the these sectors.

In the end, clearly, Social Enterprises are active in a world wide spectrum of activities, as it commercial business-like approach and the social aims pursue for positive social change. However, only after 1990s that the major analytical efforts were first undertaken and has been seen many public spending allocated in order to tackle this field work integration. The complex contexts around the countries in which Social Enterprise develop leads to a variety of concepts, stages of development and instruments of support to establish this emergent field.

## 2.2.2 Chapter Synthesis



To frame this research we will draw two landscapes for a better understanding of the field, the Social Economy and the development of Social Incubators combined in the Social Investment market in Cambridge. In this chapter, we present how Social Economy comes as a fresh way to cooperate and create a fair market to the unmet needs of the society, also showing the Social Enterprise as an engine to develop a wide spectrum of activities. In the following chapter, we focus in presenting how the Social Investment dynamics are applying the private efficient practices in social initiatives to create a well-established market.

## **CHAPTER 3 - A PERSPECTIVE OF SOCIAL ECONOMY EVOLUTION**

### **3.1 Introduction**

Our third chapter shows the recent tendency in the Social Economy market, also presenting the context of the advanced market of Social Investment in UK. The following topics present these new tendencies, the recent dynamics of general incubators and the arising development of Social Incubator as an instrument of support to breed initiatives driven by social and sustainable impact. Also highlights the other support structures in the development of positive social change and sustainable impact.

### **3.2 New trends in the field**

According to the Social Economy Europe information, there are 2 million social economy enterprises in Europe, representing 10% of all businesses in the European Union. Having a different legal form and various purposes, on a range from agriculture and banking to provision of employment and sheltered workshops, there are more than 11 million people – around 6% of the EU's employees – working for social economy enterprises.

These states by Chaves and Monzon (2012) in the research “CIREC - The Social Economy in Europe”, provide a clear empirical evidence of the presence of the Social Economy in several countries; a similar understanding of its core characteristics; but different names, different meanings, and different subsets, depending on each country.

This research has shown the size of the Social Economy are heavily discussed in order to a wider recognition, although for Chaves and Monzon (2012), the European Parliament already acknowledge Social Economy as a pole market of social utility between the capitalist sector and the public sector, composed by a huge plurality of actor.

Even though there is a well-established Social Economy infrastructure across the Europe, the use of undifferentiated use of concepts, such as Social Entrepreneurship, Social Enterprise, Corporate Social Responsibility, Social Business, Social Impact Investment, should not be a limit to the Social Economy. (Social Economy Europe, 2012) As though should evolve to a wider view to a consistent and ambitious development of Social Economy in the European level.

Further on a unifying concept across the Europe, another key factor for the development of the sector in constant discussion is the definition of a legal framework to

create a place on the national accounts. The creation of a market data base can provide the big picture to define strategies to next steps on the long development.

In the emerging discussion among the Social Enterprises and their place in this market, the Social Economy and Social Entrepreneurship Social, Europe guide (2013) has presented the importance of the value of social cohesion, in particular, how it has a guiding principle in many economic policy choices, laying a foundation for an integrated vision of European growth.

Alongside also presenting itself as a necessary market for stable and sustainable economic growth, matching services to needs and increasing the value of economic activities serving social needs, in which Social Enterprises are increasingly seen as an engine of this innovation processes against the pressing problems of our age.

During this mind shift period and rise of attention to Social Enterprises, the European Parliament began to focus on this new development growth. The European Parliament defined four key topics finding on the Social Economy and Social Entrepreneurship dynamics, such as: a) the lack of specialized training and education in order to improve the organizations at a competitive disadvantage relatively to conventional businesses; b) the development of a support network and infrastructure - one of the main aims of my research - to provide a suitable business development; c) Finance access to boost the early well-established social organizations; and d) as an additional challenge for them because of the lack of uniform regulation across countries. Social Economy and Social Entrepreneurship, Social Europe guide. (2013)

An emergent rise on the support tools and instruments to evolve the dynamics within the countries has been increasingly seen across the Europe. In the late report “Social Economy... Taking back the Initiative” (2015) has shown how much Social Economy contributes to two out of five targets the Europe 2020 Strategy, in this sense it has been effectively thinking in how to work towards the evolvement of the market.

Another interestingly fact on this rise discussion is related how these recent reports have highlighted the need for incorporate an entrepreneurship approach on the Social Economy overall. The Social Economy Europe (2015, p .42) alleges “ to perform an important function in fostering entrepreneurial culture and democratizing the economy through training projects that stimulate entrepreneurial initiatives based on the values which characterize the Social Economy”.

In line the same sense, the action plan to boost Social Economy, the “Social Economy... Taking back the Initiative” (2015) brought up several proposal to tackle those

challenges and evolve the market. In which compromise to promote an awareness and recognition of the Social Economy potential at European level, political actions, encouraging of social innovation, research to improve financial models, as shown in the table below.

**Table 2** - Action plan to boost Social Economy

<b>Promote awareness and recognition of the Social Economy potential at European level</b>	<ul style="list-style-type: none"> <li>• Providence of guidelines and support training programs for Social Economy</li> <li>• Raise understanding about Social Economy</li> </ul>
<b>Political Actions</b>	<ul style="list-style-type: none"> <li>• Continue the discussion to a wider concept of Social Economy and their role overcoming economic crisis.</li> <li>• Encourage exchange of experiences among the EU countries</li> <li>• Recognize the Social Economy models</li> <li>• Includes Social Economy enterprises in the Small Business Act</li> </ul>
<b>Social innovation</b>	<ul style="list-style-type: none"> <li>• Continuing enriching and developmin better the theme</li> <li>• Ensure that Social Economy and Social Innovation Policies are coupled.</li> </ul>
<b>Improve Financial Models</b>	<ul style="list-style-type: none"> <li>• Encourage work in depth social impact measurements.</li> <li>• Create special fund for social economy enterprises</li> <li>• Reinforce other types of financing: Crowdfunding and Microfinance</li> <li>• Develop a long-term investement oportunities.</li> </ul>

**Source:** adapt from Social Economy... Taking back the Initiative” (2015)

Across some of the actions highlighted in the table above, it becomes clear the movement across the European Parliament to enable Social Economy enterprises to develop and grow their business/organizations to tackle the frontline problems. Although it seems that there still a long path to the support and empowerment of these organizations.

A late research published in the latest CIREC, an international research conference of Social Economy, by Bouchard and Rousselière (2015) named as “The Weight of Social Economy”, has recent finds on this pioneering approach to map Social Economy in Europe, their finding suggest that: issues of mapping and defining are closely related and, also, highlights the trade-off between legitimacy, legibility, and costs.

In final thoughts, the Social Economy seeks the full institutionalization of the market itself across the countries, however the different backgrounds and approaches on the subject may slow the process down for some, depending on the policies, legal frameworks and recognition/awareness of the field.

### 3.3 Social Investment Market

Over the past twenty years we have been seen an intense change in the boundaries of financial market and in the functioning of the social sector. It appears that after the last world financial crisis, the investment models and market dynamics are under rigorous analysis of investment and higher scrutiny on sustainable impact.

The increase, in size and influence, of financial services to develop economies around the world leads to a blurred vision in the traditional boundaries between the “economic” and “social” purpose activities (Nicholls, 2010). In a public policy perspective, the private sector has been encouraged to active develop a strong role delivering public goods and services established by new contract forms blending private and public finances towards the un-need of the society.

Exploring new possibilities of those blended dynamics, the UK government went beyond the private sector to include the initiatives from the social sector, as well the social enterprises. (Nichols, 2010). The social investment field was design by actors from all the sectors - private, public and non-profit - as a response to a lack of financing from and to organizations guided by social and sustainable outcomes. Clearly, it was a field oriented on explicit ethical missions towards a positive social change. (Bell & Haugh, 2014).

There is necessary condition for the existence of the Social Investment market, some of them discusses ahead in the chapter. For instance, this specific market seeks to provide a fertile environment to Social Ventures growth to create more social outcomes. In that way, (Brown & Norman, 2001) these Ventures looking for this kind of investment must therefore develop a sustainable business model that creates social outcome and financial return, which involves another part willing to purchase that social value created.

In terms of contextual policies, the UK government has been a world leader in the development of innovative approaches to meet social needs. Since the late 1990s, they have been pursuing policies, instruments of support and way to enable the services to public good.

As Nicholls (2010) explains, in UK there are three interrelated and broadly sequential policies developed for social investment. First, in 1999, social investment as a “community investment”; in 2001, Social Investment in the Third Sector organizations, particularly in Social Enterprises; and at third, in 2009, Social Investment seen as a way

to realize social, environmental and economic outcomes together. Briefly first it was to engage with the mainstream market as an awareness and active actions on the support of disadvantages areas, as community of interest for investment. At second there is an enabling of social enterprises and non-profit organizations on the capability of delivering the public goods and services. At last, as third, the government structure social funds in order to enable the access on finance for those initiatives, much more motivated to encourage new business rather than the direct fund creation.

### **3.3.1 Establishing an institutional field**

Since the 2000s, the UK marketplace for social investment has been growing progressively. Many Social Investment Finance Intermediaries (SIFIs) were designed, such as social banks, impact investors, venture philanthropy funds and Community Development Finance Institutions (CDFIs), created to supply much of the finance needed by the sector, according to (Nicholls, 2014). Over fifteen years key policies were developed to create and improve the social investment market in England.

The policy agenda were fundamental at that time. After the CDFIs, the effort was to accelerate the community investment in the areas of deprivation. In April 2000, held by the HM Treasury, were established The Social Investment Task Force (STFI) by the HM Treasury UK, to carry out an urgent but considered assessment of the ways in which the country could achieve a drastic improvement in its capacity to create wealth, economic growth, employment and an improved social fabric in its poorest communities. (SIFT, 2010)

The SITF provided open view of the initiatives at the time, showing that the finance wasn't being properly accessed in disadvantages areas. Thus, recommended a range of policies which could improve the entrepreneurial aspect on the initiatives enabling their potential on higher social and financial returns through intermediates and associations that promotes social investment and social entrepreneurship (SIFT, 2010).

The Community Interest Company (CIC), a specific legal form for social enterprise were created in 2004. Furthermore, in 2006, an Office of the Third Sector was established in recognition of its key role on society.

This wave of Social Investment rationalities extended to a huge demand and availability of capital. Also attracted high interest globally and a range of international

initiatives, conferences, such it has been formed, at the time, the Social Stock Exchange, developed to a trading platform of Social Investment. (Pierrakis & Weslake, 2009)

The SIFT report in 2010 shows that as the credibility in the sector rises, many policy statements demonstrate the fundamental role of social investment and the need of complement on grant making and public sector spending to effectively address the social issue. All this development comes as part of an international process of innovation in dealing with social issues seeking effective investments to social and environmental outcomes while generates financial returns as well.

In 2011, the Government set out an ambition plan for a bigger, sustainable social investment market entitled as “Growing the Social Investment Market: a Vision and Strategy.” Highlighting the need of the market to (i) increase supply - more individual and institutional lenders based on social and financial outcomes willing and able to invest in social ventures; (ii) increase demand: social ventures that are both willing and able to take on finance based on their social and financial returns. (iii) Enable the environment; provide an infrastructure enabling transactions cross the social and financial sector through investment platforms and standards. (Cabinet Office, 2014)

The following years the social market has moved on considerably, Big Society Capital was established in 2012 focused in the market building, an independent social investment bank aiming to support and develop social investment in the UK through investments in intermediaries. Big Society Capital invests in a range of organizations that provide the proper and affordable finances and support to organizations from the social sector, tackling some of our most intractable social problems. (City Of London, 2015)

Many essential elements were established at that time by the government as support to underpin the well-functioning of the market, such as the Investment and Contract Readiness Fund and the Social Outcomes Fund, both created in 2012.

However, it seems that many of social ventures still couldn't reach the properly investment and access better entrepreneurial aspects in order to manage and sustain their initiatives. In response to this gap, on behalf of the Cabinet Office, run by the Big Lottery Fund, a £10 million Social Incubator Fund was created to tackle this issue, providing fund to business incubators that support social start-ups and social entrepreneurs. Social Incubator EAST the incubator where this research took place were part of the first round on the Social Incubator Fund program.

In addition, in 2013 a Social Enterprise: Market Trend report, based on BIS small business survey, to build an evidence on the social enterprise sector presented important



outputs: the Social Investment Market achieved £202 million milestone; 15% of the SME are enterprises with social mission, the reliance on income from grants and donations has fallen and that the Social Enterprises are more likely to be prime contractors in public sector, demonstrating the growth of the market and the increase of self-sustaining enterprises (Cabinet Office, 2013).

Since 2012, many instruments to build a solid infrastructure were created by the UK Government, for instance, the Social Impact Bonds were designed to help reform public service delivery, enabling significant investment in preventative intervention through the social sector organizations by conditional funding on achieving results. (Cabinet Office UK, 2012) Other incentive was the Social Value Act in 2012 requiring the public bodies “to have regard to economic, social and environmental well-being in connection with public services contracts; and for connected purposes” (Social Value Act, 2012), obligating Councils to considerate the social impact of their spending, which theoretically would open up more contracts to Social Ventures. And in the late releases, in 2014 the introduction of Social Investment Tax relief encouraging individuals to support social enterprises and help social enterprises access innovative sources of finance. (Mapping the Social Enterprises – 2014 UK)

According to the City of London Corporation late report, January 2015, Social enterprises contribute at least £24bn to the UK economy and employ over 1 million people. Social Investment Market size is currently at just over £200m. Stating that there is a significant amount of asset backed lending by mainstream investors into social sector initiatives, and the growth in platforms and products, support programs and the availability of a tax relief are all expected to increase the investment figure in the next years.

### **3.3.2 The rise of Social Incubator as an important instrument**

Over the last five years, many support initiatives have been emerging driven to Social Ventures, either for-profit or non-profit organizations, hybrid organizations, or belonging to larger institutions such as universities, governments, or financial institutions.

At first, to the development of this topics is important to clarify that our research do not tend to discuss along the variety forms of Social Incubator rather about a rise discussions about the definition and types of support system to enable social ventures, by that we will not make any distinction.

In a recent date emerges a shy definition for Social Incubators, in which for Aernoudt (2004, p. 129) “... *social incubator aim is to stimulate and to support the development, growth and continuity of companies employing people with low employment capacities.*”” *...to bridge the social gap by increasing employment possibilities for people with low employment capacities.*”

However, as the time goes by and the pressing global problems becomes closes to our reality, that fresh concept evolves from not only people of low employment capacities but to a wider view on Business and Organizations aiming to have a positive and sustainable impact tackling social problems of our age. In line with this Miller and Stacey (2014) the latter research entitle as “Good Incubation – The craft of supporting early-stages social ventures.”, through the recent dynamics in the social sector, the use of the term ‘incubation’ is a practically new but has become a vibrant area with a great deal of innovation and new business models flourishing around the world. In which the Social Incubation can be seen much more as phase rather than a defined model.

Another interesting approach on the conceptualization of Social Incubators, Casanova and Bruno (2013), in a recent research define Social Incubator as “... *programs that support the scaling process of organizations that mainly target social challenges through innovative and market-oriented solutions.*”

Social Incubator offers several resources including training, mentoring, networking or funding. In NESTA report (Miller & Stacey, 2014), there are five frameworks of support in the incubation to early-stages social ventures:

**Figure 3** –Social Incubation models

<b>Type</b>	<b>Description</b>
Co-working spaces	offering work space and opportunities for founders to access co-founders, networks and, increasingly, training.
Social venture academies	offer training for social venture founders and access to mentoring.
Impact accelerators	offer finance, training, access to networks and usually office space.
Social venture prizes and competitions	offer finance, profile, mentoring and often access to expertise and staff of larger organisations.
Impact angel investor networks	offer finance, mentoring and access to growth expertise.

This clearly demonstrate how the idea evolve previously discussed by Aernoudt (2004, p. 129) where...*"This incubator will offer business development services, business support, business accommodation and logistic support to starters or young businesses."* . A Social Incubator go further than this, in the providence of different methods and types of approach in order to create better synergies and scale up the growth of a social Venture. Social Incubation has grown as a field to support ventures to prove an idea, develop a team and improve organization progress to get self-sustain. (Miller and Stacey, 2014)

Across the previous literature discussion on Social Economy and the Social Investment market, it has been seen how the European Parliament and, also, the UK government have been putting effort to stimulate a wider approach on the culture of entrepreneurship.

Aligned with this increased mindset and a social sector lacking kinds of institutionalized support mechanisms becomes essential to the creation of an incubator that establishes a set of services and specific resources for the social entrepreneurship. Perrini (2004). Casanova and Bruno (2013) completes alleging that even though that is it similar to the regular Incubator, have a niche with the same thoughts and values make them evolve faster with people with specific systemic approaches for their business.

Adding to this discussion, a topic that has been discussed along the academia is Scaling. Interesting to note that scale up a business for social entrepreneurship does not refer to the size of the organization, but to the magnitude of social impact. Casanova and Bruno (2013)

The recent discussion about scale up Social Ventures around the world is connected with the idea that innovative solutions usually start in a local area, but since the problems are often more global, replicate this local solution along the world is often an attractive scaling strategy. Casanova and Bruno (2013)

Since there is increasing the culture on entrepreneurship, the social sector still underdeveloped in some areas focusing on the unmet needs of a society facing pressing problems, and a rise of government policies tackling this issue, many institutions are now dedicating their efforts to help social ventures increase their social impact.

For NESTA (Miller & Stacey, 2014) Social Incubation has been growing as a field to support ventures to prove an idea, develop a team and improve organization

progress to get self-sustain. However, it is a relatively recent field and it is going through constant changes and adjustments.

In the meantime, this research combined with the recent researches aims to bring the attention to this emergent and emergency of this field of work, seeking to help on the awareness and recognition reinforcing the institutionalization of social incubators

### **3.4 Business incubators: new approaches**

To build up the last pillar for this research about previous discussion on Social Incubator, became essential to provide an overview of the recent dynamics of Business Incubation and its relevance on the new value proposition that has been discussed so far.

Providing office spaces gathering together companies under the same place, the Business Incubators became a widespread idea in the 1980s. (Bruneel, Ratinho, Clarysse & Groen, 2012). This concept constantly evolves over the 1990s, in response to poor survival rates of small, medium and micro-enterprises (SMMEs), alongside a lack of business expertise turning out to be a relevant barrier for companies' development.

Business Incubators have expanded their effort beyond the infrastructure provision, offering in-house business support services driven towards accelerating new companies learning process (Lalkaka & Bishop, 1996). The value created by the networks for new companies triggered a new type of incubators that include preferred access to networks as part of their value proposition (Hansen, Chesbrough, Nohria & Sull, 2000).

It has been discussed this third generation of incubators, which are usually focused on new technology-based firms, against to the first generation that emphasize on infrastructure provision and the second generation that had included several services. (Bruneel, Ratinho, Clarysse & Groen, 2012).

By this way, the recent researches are largely overlooking how this value proposition has affected the skills development, provision of services and managerial practices

Despite the maturity of the Incubators so far, there is still not a consensus about the definition. Across academic works and grey literature, for this research became fundamental an overlook on three distinct perspectives, an EU representative institution, a relevant national organization and a well-known research.

**Table 3 – Incubators Perspective**

<b>European Commission</b>	<b>United Kingdom Business Incubation</b>	<b>Aernoudt (2004)</b>
<p>A Business Incubator is an organization that accelerates and systematises the process of creating successful enterprises by providing them with a comprehensive and integrated range of support, including: Incubator space, business support services, and clustering and networking opportunities. By providing their clients with services on a ‘one-stop-shop’ basis and enabling overheads to be reduced by sharing costs, business incubators significantly improve the survival and growth prospects of new start-ups. (EC, 2002, p. 9).</p>	<p>Business Incubation is a unique and highly flexible combination of business development processes, infrastructure and people, designed to nurture and grow new and small businesses by supporting them through the early stages of development and change. (UKBI, 2007)</p>	<p>An interactive development process where the aim is to encourage people to start their own business and to support start-up companies in the development of innovative products. (y) Besides accommodation, an incubator should offer services such as hands-on management, access to finance (mainly through links with seed capital funds or business angels), legal advice, operational know-how and access to new markets (p. 127).</p>

Source: Adapted from J. Bruneel et al., 2012

In addition for comments definition, Allen and Rahman (1985) suggest that it’s ‘a positive environment for entrepreneurship’. Aerts, Matthyssens and Vandembemt (2007) consider, in the European context, business incubators could drive start-up enterprises through the growth process, as a support instrument for innovation and entrepreneurship. Campbell (1989) see them as ‘change agents in the new economy’. Finally, for Adegbite (2001. p. 157), they are simply ‘one of the most effective ways of promoting entrepreneurship and local economic development’.

Alongside these energetic views on business incubators as a new way to nurture and grow start-ups for the economy development, the EU Commission stand for an interesting perspective that will lead our further discussions, “A successful business incubator will generate a steady flow of new businesses with above average job and wealth creation potential. Differences in stakeholder objectives for incubators, admission and exit criteria, the knowledge intensity of projects, and the precise configuration of facilities and services, will distinguish one type of business incubator from another.” (EC, 2002, p. 9)

Regarding the previous chapters on the recent dynamics of Social Investments and the Social Economy, this research leans on the fundamental relevance of incubators support for ventures scale up. If the pressing problems around the world could be tackled by social enterprises or social organization, why don’t provide them a propitious support environment to get operated properly.

Through the last discussions becomes clear that Incubators are not only a provider of services and infrastructure, but rather an organization that brings together support activities and resources from a network of individuals and organizations in order to assist a new enterprise development. (Perrini, 2011)

As claims the previous chapters, there is a large amount of Social Economy organizations emerging as topic that has attracted increasing attention among scholars is scaling, or the process of achieving a wider social impact. (Casanova & Bruno, 2013) It is interesting to highlight that scaling for social entrepreneurs are more directed to the scope or magnitude of the expected social impact rather than to the size of the organization. We do not want to create another bubble crisis among this emergent sector through scale up everything, but, for instance, as problems are often more global, replicating successful initiatives in other settings is often an attractive scaling strategy. (Casanova & Bruno, 2013).

Over the past years, alongside the growing sector of social entrepreneurship has been discussed the lack kinds of institutionalized support mechanisms for this sector. (Perrini, 2011). Rising an embraced terminology from the commercial sector, so called Social Incubators. (Casanova & Bruno, 2013) Currently, very discussed among the grey literature, “(...) ‘social venture incubation’ has grown as a set of techniques to help founders develop ventures that are investable propositions.” (Miller & Stacey, 2014)

Generally speaking, Social Incubators are not that different from the typical well known incubators structures we had discussed, success linked to its relative ability to improve services quality and efficiency and add value to the incubated.

On the other hand, it has been noticing through the last reports, CIRIEC (2012), DAVOS (2015), EMES (2012), Cabinet Office UK (2013), EU Commission (2013), Miller and Stacey (2014), and also on the strategies of EUROPE 2020, a significant amount of investment focusing on social impact. Although there is a struggle thus to develop a consistent pathway for early–stage potential investments matching the growing amount of capital that is available for later–stage ventures. (Miller & Stacey, 2014)

For instance, we can see that the UK experience there is a very advance market in the support of social ventures, but there is still an internal market need to improve the asymmetry between some of the support stages ventures. However there is amount of countries that still do not use this emergent field as an instrument for social development or economic growth.

Regarding the current speech on: social ventures been an engine to face the pressing problems around the world, only if operated in scale (NESTA,2014); the UN last report estimating tackle the global youth employment crisis because globally approximately “75 million young people are unemployed and relying on small enterprises to join the workforce”; and a rise of capital investment available to early stages ventures (Nicholls, 2014), it became more than urgent to encourage institutions to dedicate their effort to support ventures increase their social impact.

This research comes as acknowledgement for Social Incubator fundamental role in social and economic growth. Even though there is a number of people who still believing that when it comes to business support, any incubator could led to the same objective, through the data analyses in the following chapter, this work pursue to demonstrate the synergies creations when alike minds are gather together, the systemic approach on social entrepreneurship as Barney (1991) claims as complemented by a resource-based view of the organization, defining the role of a Social Incubator in the Sector and the main need to these social ventures grow and tackle social economic problems.

### **3.5 Chapter synthesis**

As our purpose, this second chapter brought the Social Investment market in Uk, the recent dynamics of general Incubators and the arising development of Social Incubators as an important instrument of support.

After presenting how the Social Investment dynamics are applying the private efficient practices in social initiatives in order to create a well-established market of accessible public services and activities driven by social and sustainable impact and, also presenting the Social Economy evolution in the last chapter, our research understand that both landscapes bring together a simple statement. Initiatives motivated by less maximization of profit looking for positive social and sustainable impact. Which lead us to think that even though they have different trajectory, the objective is the same.





## **CHAPTER 4 – RESEARCH METHODOLOGY AND STRATEGY**

## 4.1 Introduction

This chapter provides the baseline for the empirical study. Through the next topics the research outlines its structure and strategy for the development of the thesis and the data collect during the placement period in Social Incubator EAST. It sets forth the description of the research methodology, data source, how it was collected the information and the object of study. The aim of this chapter is to describe the method by which this study was conducted.

## 4.2 Research approach: Types of study and methods

Based in Gray (2004) purpose of research, there are three different forms of study: exploratory, explanatory and descriptive. According to Robson (2002, p.59) an exploratory study aims to explore “*what is happening; to seek new insights; to ask questions and to assess the phenomena in a new light*”, particularly valuable when you have lower level of information about the phenomenon in study. The descriptive study pursues a strong snapshot about the phenomenon and specifically how it occurs. And finally, an explanatory study aims to find out common relationships between variables.

A qualitative research emphasizes the process of discovering how the social meaning is constructed and stresses the relationship between the investigator and the topic studied, Denzin and Lincoln (1998). Although this research doesn't focus on quantitative data, it is important to allege that quantitative research is based in the measurement and analyses of certain causalities variables.

In line with this logic and, also, to provide an overview of a new emerging field, this research tend to a social constructionist approach drawn on qualitative sources of data, and positivist approaches on quantitative data.

Since the problem statements of this research are answering the questions of “**What is the role of Social incubator in the social ventures development?**” and “**What is the main need to ventures growth?**” this thesis refers to meanings/definitions and characteristics about a specific field driven by a qualitative research. Across the methods and types stated, this explanatory research undertakes a qualitative approach in the data collect and analyses.

### **4.2.1 Research Methodology**

A Research Methodology is a systematic way to solve a problem. It is a science of studying how research is to be carried out. Essentially, the procedures by researchers go about their work of describing, explaining and predicting phenomena are entitled research methodology. (Rajasekar, Philominathan, & Chinnathambi, 2013) For Crotty (1998, p.3) research methodology is *“the strategy, plan of action, process or design lying behind the choice and use of particular methods and linking the choice and use of methods to the desired outcomes.”*

Regarding other methods of research, for this explanatory research, for instance, a Case Study has offer a possibility of investigating causal mechanisms and the specific contexts where they are activated (George & Bennet 2005).

According to Yin (2009), Case Studies have been showing a huge versatility of design, either in the industrial areas, innovations, strategies or business, as a proper method to present this new field dynamics. Thus, case study enables the researcher to use different sources of data and a multiple research methods to explore the research questions (Denscombe, 1998).

The present study has undertaken case study as a research methodology to reach the overall aim on answer the problem statements. This choice has been attributed to many reasons, Case study has a unique advantage over other research strategies when it refers to questions about meaning, definitions or characteristics are being structure to understand a new phenomenon and when the researcher has little control over the events (Yin, 2009).

### **4.2.2 Data Source and Data Collect**

The data source of this research were collected during a three months placement in Social Incubator EAST, where was developed interviews, talks, archive read, social conferences and observations, including twelve formal interviews, ten of them with social ventures and the others two with senior business advisors. Also were developed informal talks with policy makers and government stakeholder to understand the network support.

The present Case Study intend to share the perspectives of several stakeholders involved in the design and creation of a Social Ventures. This research provides a snapshot of the business development through their challenges, gained knowledge and

experiences, also presenting the perspective of Business Advisors and policy makers on the support for structuring and scale up of Social Ventures.

This research regards both main sources of data, the Primary Data gathered by the researcher such as the interviews occurred for the purpose of study, and the Secondary Data that was published by some other researches or source of information, such as several reports for this paper.

Formally, the data for this research was collected using three qualitative research methods: semi-structured interviews, direct observation and document analysis. Also comes important to allege that during the placement period it were developed a Study Diary for thoughts and subjective observations.

#### **4.2.2.2 Primary Source Material**

The research needs to rely on primary source of material for developing a chorology and logic about his work. Yin (2003) affirms how documentary information is important for the creation of study cases. In the same logic, Merriam (1988) alleges that documentary information helps the researcher to uncover meanings, develop the understanding and find insights to the problem statements.

The primary data used in this research was a combination for recognized authors and the recent reports about the discussion themes. Since Social Incubators are relatively new in academia researches, part of the primary data were relied in the grey literature, reports and government data information. As criteria to find these documents, the researcher pursues official reports from recognized authorities.

#### **4.2.2.3 Guided Interviews**

The interviews were conduct with a semi-structured approach. According to Laforest (2009) and the Case Study methodology applied, these interviews have an open framework, allowing focused, conversational, two-way communication. The researcher followed a question guide, previously established, but also was able to create questions during the interview, allowing a flexibility to go into details when appropriated. Also providing a broadly and open overview on the discussion theme.

In qualitative studies, researchers follow a flexible research design, Marshall and Rossman (2011). The research begins with a vague research questions, but along the time settle their raise a maturity and approach to specific issues.

The interviews were structure to provide a quick view of their journey during the period of incubation and their experience so far across theirs challenges, support received and knowledge, always guide by the main question of this research: **What is the role of a Social Incubator? What are the main needs of the Social Ventures?**

Formally speaking the researcher could record ten of interviews with social ventures, and one with one of the Business Advisors. Although, several other talks, meeting attends and perceptions along the placement period with be incorporated through the data analyses.

The sample has a variety of stakeholders in order to provide a better understand of their experiences on the promotion of positive social impact and how it is done. The business samples were selected in a diverse way, early stages ventures and well-established companies in the social market, to gain a better overview on their experiences and impact. The sample wasn't oriented to any specific subject.

Finally yet important, the names of social ventures and the interviewed were made anonymous as during the interviews, personal opinions and emotional thoughts were discussed and this research has no intention to expose any of the personal information.

#### **4.2.2.4 Strategy analyses of the data collected**

According to Bogdan and Biken (1996), in general, the researcher works with data towards define categories, patterns and working hypothesis. Developing coding categories can be done by searching through data for regularities, patters, topics or common use of words or phrases to represent it.

In this sense, this research defined three categories to analyses the data collected: challenge, best support and knowledge. Across the interviews analyses, were developed a table of content to highlight the most important discussion topics. Moreover, by the analyses of this table combine with the literature review, the Study Diary developed there and the direct observations it were created discussion topics to lead the response of the main problem statements of the present research.

It comes particular important to highlight that along this analyses, the researcher will include the perceptions collected along meeting attends and several talks in the period of the placement.

### **4.3 Defining Study Object**

The study object of this research consists in the Social Incubator EAST and their social entrepreneurs, focusing on the interactions between them and the main supports provided by the Incubator.

### **4.4 Chapter synthesis**

This chapter presented the methodology and strategy to develop the empirical study. It was set in order to explain the type of study, methods and methodology used, also demonstrating how was collected the data information of the dissertation aiming to describe how was conduct the study.

## **CHAPTER 5 – EMPIRICAL STUDY**

## **5.1 Introduction**

This chapter aims to present the data collected during the field research and analyze it. Firstly comes important to present the reason of the location of the research and aspects of the Incubator in discussion. After the placement period along the guided interviews, direct observation and analysis of papers and document the research compromise to triangulate the theme and discussion to build up the last foundation to answer our problem statements.

The Case Study took place in Social Incubator EAST, located in Cambridge UK, aiming to understand better the functioning of Social Incubators on the support of Social Ventures. As a strategic instrument of social economic growth, the data analyses aims not only to provide an overview on the social ventures perspective but also across business advisors, policy makers and the supportive environment.

## **5.2 Why Cambridge?**

Cambridge takes place of this research as a fertile environment for innovation and start up business. As previously discussed, UK has been a strong holder on the development of a Social Investment market driven to social outcome efficiency, and Cambridge is a result and a pillar of that. As the country has supportive public policies, the city has a well-known academia, recently receiving many investment for Technology and Genetic researches, several wealthy investors interested in the theme providing an interesting dynamics on this emerging field and on the built of a vibrant ecosystem.

In this respect, (Bloom & Dees, 2008; Sharir & Lerner, 2006; Vernis & Navarro, 2011) allege that part of the challenge of scale up is connected to the ecosystems in which social ventures operates. Presenting seven elements to create a broad scale supportive ecosystem, stated as: a) labor needs, b) public support, c) potential allies, d) supportive public policy, e) start-up capital, f) dispersion of beneficiaries, and g) availability of economic incentives.

Also, the public sector in UK have highly motivations in the social market and a private sector are also interested in engaging in this space, seeking to purchase more and change their supply chains. By that, this research intends to provide a snapshot of this advanced Social Market infrastructure focusing on the support instrument of ventures growth.



### 5.3 Social Incubator EAST

In July 2012, the UK Cabinet Office created a £10 million scheme called the Social Incubator Fund specifically to *“increase the finance available at early stages of enterprise”* and *“offer a portfolio of intensive support”* in order to *“improve the quality and quantity of early– stage social ventures going on to seek financial support”* from other social investors.<sup>3</sup>

Social Incubator EAST (SIE) was created as part of this program tackling a lack of support on social ventures from across the East of England. It offers several tools to grow and scale a business: expert business advice, access to funding, a supportive environment, first class teaching and workspace, from the refine thinking up to the scale up.

In general terms, there are two types of the programs in Social Incubator EAST; (i) a twelve month program tailored for the Cohort (group of entrepreneurs) providing a range of support tolls focusing on business advice, connections, finance and training, including the free working space for the period of it; (ii) the Social Venture Weekend, a two and a half days of world class training helping on the baselines for a business development in which refine the thinking, business plan development tools, method for market approach, how to deliver a Pitch of your idea or business, and, also, a range of possibilities for a ventures growth.

Through a rigorous criteria's, pitches and business advisors perceptions among Social Ventures, a Cohort is select to participate in the twelve months program. Since it began, in 2012, Social Incubator EAST had five Cohort, approximately two per year.

Social Incubator EAST team is composed by the business advisors for the ventures, the program director who is also a business advisor, an administrator and a range of network working towards to boost a supportive environment.

Each Cohort year program starts with a three days training and full access to the Co-working space. All of them have define advisors to work with and monthly “catch up” meetings are schedule for constant monitoring and support the ventures in the early period. Nevertheless, it is offered weekly training sessions followed by a peer to peer session in order to share their experiences and struggles so far.

---

<sup>3</sup> Big Lottery Fund (2013) ‘Social Incubator Fund.’ London: Big Lottery Fund. Available at: <http://www.biglotteryfund.org.uk/socialincubatorfund>

Social Incubator EAST is allocated in the Future Business Center building held by Allia, a charity that support organizations with social and environmental impact at the heart of their work providing also business support, work space and finance solutions to create social benefit, building up an even wider dynamic network for the Social Ventures in Cambridge community.

Another important stakeholder in the structure of Social Incubator EAST is Foundation EAST, a groundbreaking community finance organization providing direct finance access to social ventures.

#### **5.4 The experience**

Driven by the Social Investment and Social Innovation advanced market, and, also, by the known Cambridge environment, this research was conducted during a three months placement started in October 2015.

The researcher was located in the Social Incubator EAST office for a better understanding of the Social Incubator dynamics, allocated in a Co-working environment where the Cohorts were and could attend to the daily routine.

The Co-working office where all the social ventures participating on the program can have the access enlighten me possibilities for many synergies among the social ventures in-between help. It was interesting, at that time, that not only by the office, but through the whole building this research could became more enriched by the opportunity of meet people and companies always pursuing to make a positive change, either with a new engineering technology or genetics project, but also with skills development to the bottom of the pyramid. By that, another level in the range of Social Enterprises possibilities was expect. The Future Business Center was a fresh, green and self-sustainable building full of ventures all driven to social outcomes, despite a pro-profit or not-for-private-profit orientations, the latte expression will be more discuss among the data analyses.

During the placement period, the researcher was intensively encouraged to participate in the external events. Good Deals UK, an annual conference of Social Finance was attend having a better understanding about the enhance of Social Investment. As an private sector conference, It was exciting to perceive the internal needs of the market and the several instruments provided for social ventures support.

At a public level, the researcher could talk with one of the policy advisors for the Cabinet Office, the UK department for social investment and subjects surrounding. As a fresh and full of energy team, this talk could provide the background of social investment and the up-front challenges for 2016.

Aside these external contacts, Belinda Bell, the Program Director of SIE, show the researcher the progress they have so far. Across several talks, meeting attends and sessions, our research becomes more and more connected with the daily dynamics, demonstrating the real social ventures need and the role of a Social Incubator in the support of that needs.

In the office, every cohort has also access to weekly session, either of training or seminars, a peer to peer session in which provide an in-between help among the Social Ventures, business counselling meetings and any tailored support needed.

Across the weeks we have the chance to participate though several of these sessions, also conducting some tasks in order to support the ventures, which provide a fully understand of the initiatives and how it were supported.

It becomes clear, in a broadly view, that through all this tools, the Social Incubator goal, during that period of the program, was to enable the social ventures to have a business plan that were actionable, sustainable and fully funded. Aiming to maximize the ability of all the applicants in order to create sustainable ventures that have the capacity to grow, create jobs and have a proper social impact.

In terms of interactions, was also interesting perceive some interactions between the business advisors and the ventures. Commonly was seen, while the business advisor goes along the office, having a weekly quick “catch up” with the social ventures. Always interested to support the sustainability of the business, providing some insights, making the effort to connect, networking or introduce to someone who can helpful.

## **5.5 Data and Analyses**

Over the 12 interviews, in which only nine of them were recorded, this research intends to focus on answer the two questions: “What is the role of a Social Incubator? What are the main needs of the Social Ventures?” seeking to encourage more discussion and initiatives to support ventures growth.

The data analysis will, also, be guided by two topics from latte report on Impact Investing Incubators in which suggest researches *on the relevance of the selection process and the effects of strong partnerships and networks.*<sup>4</sup>

The interviews with the social ventures were conducted in a way to have an overview since their journey began in SIE until that time, providing discussions across their challenges, fundamental supports received to understand their growth needs.

**Table 4 – Interviews key finding**

	<b>Challenge</b>	<b>Best Support</b>	<b>Knowledge</b>
Interviewed 1	- Manage people - Have business focus	-Physical Space, and also, the likeminded support -Availability of advisors in different sectors	Managing money Focus
Interviewed 2	- Manage time (several other task to do, son) - Manage people - Hard time to think over the business, lack of time and mindset - Recruitment	-Pitching – help on the business understanding. -External opportunities – Network and services provided. -Advisors counseling	Business tools
Interviewed 3	- Define a legal structure - Get in the corporate sector - Business skills - Team building	-Networking -Mentors meeting - “How to do it” view - Confidence development	How to put your idea in practice.
Interviewed 4	Did not felt challenges. Had stablished and clear goals since the beginning.	-Co-working environment	Recent arrived in SIE
Interviewed 5	-Create a business mindset -Team Building	-Balance between the advisors team -interaction in the Co-working environment	Business skills - Pitching, Negotiation. -Importance of networking
Interviewed 6	- Logistic, also had another office but enjoyed the time in the Hatchery - Business mindset	-Mentoring availability – setting constant goals. -Physical space -Networking availability -Funding	-business skills Stakeholders engagement skills -understand my business
Interviewed 7	- Finance - Business mindset	-Physical space -Mentoring to understand the business	Tools, techniques and instruments to make the business happen
Interviewed 8	- Business as a new field, the business process - Commercial negotiations	- Business Coaching -Free open spaces, co-working	Informal knowledge exchange in the co-working environment.
Interviewed 9	-Business mindset -Psychological support on the business path	-Business development supports - access legal advice, product development, funding	Pitching - improved the perceptions about the business

Source: Own authorship

Alongside the venture point of view on their needs own needs, an interesting perspective about comes along, during several talks, it was curious to understand that,

<sup>4</sup> Bridging the Pioneer Gap, 2013 – Research around the globe. The Role of Accelerators in Launching High Impact Enterprises.

generally speaking, who are running a Social Venture does not know specific what it is needed or what they want to. This happens because the amount of work, structuration, fund seeking, and team management and within other task is hard to perceive the further steps, or even the first step. And that is where a Social Incubator becomes part of this process.

Enriching their point of view, during the Social Ventures Weekend was collected perceptions along the business advisors speeches about the challenges of social ventures, demonstrating some similarities and consonances with the table above. For instance, the business advisors allege four main challenges:

- Focus
- Time - Managing
- People not coachable - entrepreneurs not open to listen business advices
- Team building

Regarding the aspects related of the stage of the social ventures analyzed, the type of the business and the entrepreneur background, this research define four key finding to discuss and answer the primaries questions thesis.

### **5.5.1. KEY TOUGHTS**

This topic aims to highlight the main discussions of the field research happened in Social Incubator EAST. Combining the social ventures interviews, the business advisors perceptions, personal perceptions, also references of grey literature, the following thoughts were divided in (i) Focus, (ii) Business Mindset and (iii) Active networking and co-working environment

**(i) Focus - not only over the venture development but also on the individual.**

As a unanimous topic of discussion during interviews, talks and meetings along the Incubator placement, Focus comes as one defining aspect on the business development.

Understanding that early stages social ventures are going through a development stage, focus is an important characteristic to develop in the business activities, such as research and development, market research or strategic plan. Generally, in this stage social ventures are underfunded and seeking for sources of capital which difficult to picture the further steps.

For this item, the research mulled over three different approaches of Focus: (i) Focus of the entrepreneur in the development of his activities, (ii) Focus of the Incubator in the ventures development and (iii) Focus of the Incubator in the personal development of the entrepreneur.

In terms of the entrepreneur focus, Belinda Bell says that *“A lot of people want to tackle the social problems in so many ways that does not know how to be objective”*. For Interviewed 1, *“... when you have a good idea, lots of people say “do this” or “Do that”, and it is really exciting. But the hardest thing to say is “No.”. It might be wonderful, but we need to focus on what to do to make the biggest difference now.”* reinforcing how SIE was always drawn him back to his course.

Belinda Bell completes declaring that most of the social entrepreneurs have problems with time to manage their tasks and duties to run a business. An issue that could be solve by focusing on a specific topic to do and then go for the next step, according to her.

For some interviewers focus wasn't mentioned as an important characteristic, but the importance of establishing constant goals and how to think over the business structures were underlined several times.

For instance, our research had one interviewer that before the incubation process already had a clear view on their business, the proper market research finished and several goals established. This structuration of the business define another level of challenges and support for the early stage venture combine with a lower level of struggles for the ventures development at the stage. This example demonstrates how important is to understand your business, set up goals and know where to go lead you a focusing direction.

During the research field, it was also perceived how focus was connected with the understanding of the business. The more you know and understand the stages of your path along the development of your social ventures, the entrepreneurs could focus on the

specific task to put effort on. According to Interviewed 9 analogies with her work in health care, “... *my experiences is connected with the stage of social entrepreneurs I'm at. It is understandable that you are struggling with this type of thing by the stage you are. And then the patient get surprised and understand that there is not just him been a failure or particular stupid but there are growing pains through this.*” Complementing “*I think that is a psychological development that need to happens, at least to me, in order to successfully comes from this process and not gonna die from stress.*”

Across many interviews, another interesting discussion topic emerges as vital to a social venture development, the emotional/psychological support for the entrepreneur, ahead discussed in the topic 2.

Analyzing the interviews, arises a discussion on how much the focus should be oriented to the social ventures rather than the entrepreneur behind it. Several statements highlighted the need for entrepreneur personal skills development towards to the social venture development. Transversal to this argument, we must have in mind the Social Incubator approach as well, which this research doesn't intend to discuss, but it is important to allege that SIE focus on enabling social ventures to have a business plan that are actionable, sustainable and fully funded aiming to maximize the ability of all the applicants in order to create sustainable ventures that have the capacity to grow, create jobs and have a proper social impact.

Through the interviewers perceptions there isn't a common sense either SIE is driven towards the ventures development or the personal entrepreneur development. For Interviewed 7, “...*the good thing about this particular Incubator is that you have freedom to explore where do you want to go. And this makes a massive difference in your future development.*” adding “*they (Accelerator) focus on your growth, getting the type of business and try to make it work. Here (Incubator) of course they what to make you work, but I thing they value a lot the person behind it.*”

Although Interviewed 9 claims “... *the focus here is on the venture rather than the entrepreneur. I think that there is a lot of support for the ventures in terms of access legal advice, product development, funding but there is all venture specific. And I think that is a lower level focus on developing the individual to make those kind of leafs along the journey*”

In another hand, some interviewers state that whenever they had a doubt or a need to talk the business advisors for personal or venture support along the journey they were really open. Interviewed 5 firmly agrees that: “*If people don't know you have a*

*need, they will not help you.*” This is an important argument that will lead the discussion on the topic 2 approaching the freedom gave to entrepreneurs and psychological and emotional support to entrepreneurs.

## **(ii) Business Mindset, Skills Development And Advisors Orientations**

In this topic our research intends to discuss how to step into a new work field can be challenging and, also, how the business skills and advisors meetings support can provide a better overview on the path of start up a business. It is highlighted seen some insights of the field work about the freedom gave by the Incubator and the necessity of psychological/emotional support along the path.

At first, in line with this logic, many interviewers stated that be an entrepreneur or run an organization was new for them and it was important to develop a different mindset for this new field of work. Interviewed 9 says “*...in terms of a shift mindset. That I think that is needed. It is kind to see problems in a different way, I think it's very easy to see problems as this huge mountains, but the thing is that you solve this month and next one come along with other.*”

For most of them the business process was completely new, they state that it was the time with a lot of: “*What do we do? What do we ask them? Next steps?*”. Another significant factor that has been seen was the background of the entrepreneur; many of the entrepreneurs had experiences in the academia, or in the Private or Public Sector, but have never run a Business or an Organization so far. It was seen that they need to have an understanding of the business process and goal established to create strategic view.

It was interesting to see how this was a shift mindset for many of them and to create this kind of perspective they realize the important need of new business tools and support instruments. In the same sense, along the understanding of the business process and the understanding of their own business, the Social Incubator put an effort to provide tailored support tools and instruments to help on this journey.

Many interviewers frequently emphasize the significant business skill development availability, such as Negotiation, Communication, Business Plan, Pitching Skill, Sales support, Sponsorship support or how to think strategically to create a pipeline of opportunities for the ventures growth, and others.



For Interviewed 9, one of the fundamental skills on the understanding of her business was the Pitch, alleging *“key benefits has been to explain my business so many times, so my Pitch have been improved. (...) because makes me understand and clarify what am I doing, not doing, my product, it is really easy to think that I have the world solve problem but this function and a mirror.”* Other interviewed agrees saying that they have never understand the importance of Pitching until they had to talk to people about your business or make a short presentation seeking sponsorship. For them their business becomes more simple and clear to define want do they do.

Adding, Interviewed 9, express her point of view about Social Incubators, *“... a Social Incubator is a place for people who have got a great idea but don't have the business ivy. (...) Since many of them felt lack business skills, there is the place for them.”*

Another discussion topic emerging was the fundamental role of the meeting with the business advisors. Interesting fact about, is that across the interviews many of them perceive the advisors, as Mentors, Coaches or even a role model to follow. Although our research does not intend to discuss the definitions of these terms, it becomes important to briefly explain the interaction between the Advisor and the Entrepreneur, and how mostly entrepreneurs had a paternalist view on the Advisors, since they are the ones with the expertise.

Since the field research took place in the daily routine of a co-working environment, could be perceived how the background and the personal profile of each entrepreneurs drive their approach on the business startup. In addition, generally speaking, there are different types of entrepreneurs, people that are more talkative and engaging in term of the co-working environment and networking, but also people who are a quieter, cautious and just went to the office to do their job without interact much.

Connected with this, it seems that the Social Incubator aware of this unbalance try to create synergies through the tailored skills supports, selection process and matching the advisors. In the other point of view, two interviewers highlighted the importance of different skills in the advisors, for them it was a plus to have different types of approach and people from different sectors available to support them. And it is interesting to see how is stablished the balance between the interaction of them, since every entrepreneurs are very distinct from each other, the incubator defining a profile, and the advisor establishing a strategy to work with them.

Another fascinating insight from these discussions was the Social Incubator approach with the Social Entrepreneurs and the understanding of it. It was seen that Social

Incubator EAST offers all the tailored tools, access to support instruments and continuous “catch up” meetings but was also providing a freedom to the entrepreneur decision. Overall they had an approach more open since they are advisors and enable the access to those several skills and support.

According to Interviewed 7 “... *this is very much down to what Belinda is, I think Belinda is a person who believe people need to make their own way. And I think that this is reflected in the program.*” highlighting this freedom in order to people find their choices and own path. In the other hand, it was seen an amount entrepreneurs seeking to be coached and lead to their decision. Clearly reinforcing the importance of understand the profile of the entrepreneurs and their skill in order to keep the balance towards the development of the business. Interviewed 7 completes saying “*This is really suitable for me because I am not a person who likes to being told what to do. I like to discover my own way. And this Incubator is just awesome on this.*”

These reflections about freedom also seem to have connections with other entrepreneur perspective claiming the focus of the incubator on the Social ventures rather than the entrepreneur. Across some interviews, it was seen states driven to the need of personal development of the entrepreneur, for example Interviewed 8 “ *there is a lot of support for the ventures in terms of access legal advice, product development, funding but there is all venture specific. And I think that is a lower level focus on developing the individual to make those kind of leafs along the journey.*” Matter already discussed in the previous topic.

However it comes important to highlight against this argument, a simple statement of Interviewed 5 when explain how important is to have balanced advisors, alleging that if people don’t know what you needs you have, the advisors will not help you on it. In the same range of thought, Interviewed 7 claims: “*Of course that are people that need more structure, so they struggle, but then if you offer more structure, you might lose people who won’t fit.*” So instead of personal development, this argument could be seen as an entrepreneurs profile approach against a guideline of the Incubator approach.

Other interesting information discussed across the interviews and talks in the office, is a necessity to Emotional or Psychological support along the journey. Since business is a new field of work for many of them, and the path seems to be a hard and long journey, insecurities, lack of confidence and resilience drive some entrepreneurs’ minds from time to time. Interviewed 9 share, “... *that is a psychological development*

*that need to happens, at least to me, in order to successfully comes from this process and not gonna die from stress.”*

Over some interviews, they commented on the importance of the interactions in the co-working environment with the other Cohort colleagues creating a supportive environment.

Our research field could understand the amount of activities and daily obstacles that the entrepreneur have to do and, also, be aware to run their business. It was seen that early stages ventures are generally composed by small number of members, with a large amount of tasks to be thinking over and be done and a low level of support instruments. Also, regarding that some of the entrepreneurs have a double job until the social venture start to provide a survival income in which a lack of time to put effort on, lack of initial skills and mindset are even higher when you could not be fully focused.

Overall, It was seen that the journey of Social Ventures across this development stage , it is fundamental the a range of people that could support, not even with skills development and support tools, but also with a personal and emotional support along this long and hard journey.

### **(iii) Importance of an active networking and social ventures role in a co-working environment**

It seems that finding the right people and resource is one of the key points for a Social Ventures development and growth. In line with this, many interviewed expressed their thoughts about the Cambridge fertile environment for networking and for social ventures. Interviewed 8 allege *“Cambridge Ecosystem seem to be very supportive when it comes to business connections. If you are doing something interesting they are engaged to make connections.”* In terms of incubator support, Interviewed 9 claims, *“... this incubator is very strong is that is a great portal to all source of like-minded people, funding, events, and that what is been very valuable.”*

Overall an active networking can really help a business or organization to gain contacts, clients, and increases public awareness about their idea or business. Across several talks with Cambridge people and those who helped to build this environment up, isn't something created from the day to night, for them it were a long walk and well-raised collaborative network of people in order to support new ideas, projects and business.

For Belinda Bell, another real significant factor is to gather people like-minded in the same place. In our literature review, Perrini (2006) reinforces this idea where people with similar need or thoughts putted together seem to evolve faster. In the same sense, it seems that if you put people with values and ethics completely different, the synergies that could be created lose itself. Many social entrepreneurs commented on how important is to do not have to explain to people why your business isn't focusing on profit or why you are so worried with your social impact measures.

For Social Incubator EAST, put like-minded people together can create a pocket of interactions, since a new Cohort is selected to be part of the SIE twelve months program, they are part of a selected package of support through trainings, facilitating sessions, meeting, business tolls, networks and a similar journey is created between them. But since they are in different stages and with different needs, that journey goes into different path Interviewed 6 observe this in *“the engagement was really good because there are more like facilitating sessions, trainings, you have more interaction in between.”*. But *” You should not presume that necessary every venture want to have a lot of contact with everyone else, whether is something that people want to be facilitate after the three months. (...) Especially when everyone is in such different areas. “*

Interestingly, along the SIE meetings it was seen a high concern to fill up the ventures the need to allow their development and, also, the encouragement to help on the interactions between ventures.

Across many interviews and discussion about their challenges and struggles along the journey, emerge thoughts about a supportive environment in the co-working. For them, the chances to share their experiences, thoughts and concerns of the development of their ventures create synergies, bonds and interesting relationships among those who are more engaged. Also were highlighted about the informal knowledge across the co-working environment, since many of them have different backgrounds and there is a high level of capacities in the office, when it comes to work on together forth a problem everyone is very supportive, as they say.

Another important factor that comes from this discussion is the role of the social venture in this Co-working environment and network interactions, if this is an Active Network were created across several years, these early stages Social Ventures are the next active actor inside this environment, by that it is important to understand it and engage among the stakeholders, within a Co-working environment and a with external opportunities.

Clearly, Networking has an important role in the development of a Social venture, but how this network is activate the key factor to trigger it. In which the Social Incubator becomes essential since the selection of a new Cohort, through the constant encouragement to help on the interactions between ventures and, also, to keep this cycle alive.

### **5.5.2. Another insights**

This topic aims to present some discussion matters not less important but also claimed across the interviews and the placement.

Focusing to contribute to others researches and provide more discussion topics across the role of a Social incubator in terms of grow Social Ventures in the development stage.

It was seen several discussion and struggles in the development of the legal structure of the Social Ventures. Despite the specifics legal forms established in Uk, it seem that in matter of for profit or not for profit companies there is a well fair idea on the not profit maximization. These discussions seen are more related on how to create social value in the development of a business, gather values, innovative approach to serve the community and increase the social impact rather than to enrich the individual.

In addition, another name for not for profit companies have been emerging, not specifically emerging but rather commonly used to define companies not focusing on profit maximization called as the Not For Private Profit. Across many interviews, conferences attendance and meetings with the business advisors, this entitlement have been assumed instead of the not for profit. It seems that recent criticism about the subject and new positioning in the market of not for profit have been changing this scenario, which is important since these companies can have profit, but not for the shareholder distributions but for company reinvestments.

In the end, this is not to prove a “right or “wrong” conceptualization on companies driven by social impact rather to do the opposite. It provides an awareness and increase companies structures made entirely in service of social impact.

Another interesting insight was related to the co-working environment, for Interviewed 7 “... *having a physical space is awesome! Doing this from a kitchen table is much different from coming to an office, talking to people, having others peers to*

*discuss your issues, having a network, I cannot put a price on this.*”. In contrast, our research has perceived entrepreneurs who struggles in the co-working environment since, *“ people was to work driven at that time, If the telephone ring we had to leave the room for a period...”* expressing their struggles since they had an expansive approach overall. Interviewed 9 agrees and completes saying *“... is the sense of more interacted relationship. The relationship here is very nice, but they are more just coming and going.”*. Despite a contrasting idea, in general, the entrepreneurs enjoyed the working space and the supportive environment created. Even though comes highly important the selection process of the Social Ventures, it is a key factor to develop the synergies between the ventures along the Co-working environment.

In addition, it was seen the synergies should always be encouraged across the workplace. Not only the profile of the entrepreneur needed an attention but also depends on the creation of moments of interactions in between them. In fact, during the placement/field research that was one of the support tasks of the researcher.

Regarding the entrepreneurs behind the Social Ventures seeking common goods but with less bureaucratic and more flexible initiatives, it was seen the Social Incubators support striking it in the same way. An increasing movement on the “Make it simple” approach was spread all over the business meeting, development of business plans, market research, market approach and pitching sessions.

In terms of Social Incubator approach, it was seen a constant pursue to answer a question of “How to create a better interaction between the ventures?”, and this question mark goes further than only on the ventures view, combined with “How to make better interactions across the sector in order to improve social impact?”. Clearly, the commitment and motivation of the business advisors on keep the engagement of the Social ventures after the early months was a strong example on tying to elevate the level of impact and create sustainable ideas.

Another important figure among this discussion it was the creation of a feedback system, obviously in constant changes, to understand and incorporate the main need of the Social ventures in the daily routine in the office. It was seen a close connection with the field of work, also concerned with the provision of proper support tools and trainings.

## **5.6 Chapter synthesis**

This chapter presented the place of the field research, the Organization in study and the data collection among the stakeholders involved in the Case Study. It was set forth to define our data analysis, key thoughts triangulated with the literature review and direct observations to explain and describe Social Venture needs, the role of a Social Incubator and fresh insights from the field dynamic in order to encourage more discussion and institutions to put effort on the support for Social ventures development.

## **CHAPTER 6 – DISCUSSION, CONCLUSION AND FINAL CONSIDERATIONS**



## 6.1 Introduction

This chapter aims to summarize the key point arising from the present research. Along the structure and the development of this work, our purpose was to create a foundation to answer the problem questions and, by this final chapter presents the outcomes and thoughts about the emergent market.

Across the Literature Review could be seen the recent researches and papers on the matter and through the empirical study, our research could see these dynamics in practice, also bringing fresh insights from the niche of Social Incubators.

The further topics not only focus on the highlights of this research but, also, to encourage more discussion about the theme and inspire more initiatives in the support for Ventures tackling social problems.

## 6.2 Main Conclusions

The Case Study was set out to explore the dynamics and concept of a Social Incubator identifying their role in the sector, functioning along the stakeholders and Social Ventures needs of support. The reason and motivations for these definitions required perspectives from the Social Ventures, the Business Advisors and those who are involved in this active network.

The study has also considered the emergence and rise of the Social Economy and the Social Investment infrastructures presenting the market gap in support instruments for social organizations and business growth.

The general theoretical literature on this subject has converged to a strategy of developing new bridges and a sustained market focusing on growth and scale companies aiming positive social impact. But, since it is a young field of research overall, our research sought to answer two plain questions:

- **What is the role of a Social Incubation in the sector development?**
- **What is the main need of the ventures to grow and scale up?**

Afterwards, our field research and data analyses provide a high understanding of the functioning of a Social Incubator and its interactions as a strategic instrument of social economic development. Through the guided interviews we builded the foundation of our

discussions and across the triangulation of it, we could perceive the arising market and, also, the constant needs of adjustments.

Our main empirical discussion finds were divided in topics entitled as the Social Ventures needs of support, and enlightened the base for our second problem statement. On the other hand, by the approach strategy in these constant needs we could define the Social Incubator role across the sector, referring to our first problem statement. Our main empirical findings are topic specific and were summarized within the respective empirical key thought. Exploring follow synthesize the empirical findings to answer the study's two research questions.

**- What is the role of a Social Incubation in the sector development?**

a) Focus – distinct perspectives: Set a balance between the Social Venture development and the Entrepreneur personal development for the business or organization.

b) Business mind set: Enabling social entrepreneur skills development through a free access to instruments, tools, trainings, advising meetings, always balancing the entrepreneur shapes and profiles.

c) An active networking and the co-working environment: Develop a key role to trigger it. Essential since the selection of a new Cohort, through the constant encouragement to help on the interactions between ventures keeping the cycle alive. Increasing likeminded people gathered aiming social specific support.

In the end, the main role of a Social Incubator is to build up a propitious environment to social venture's growth. Seeking likeminded people and enabling the support by a keen feedback system to understand and incorporate the main need of the social business and organization in the daily routine. Always guiding and advising the Ventures along a new field of work with tailored and proper support in business level and even in personal level.

## **- What is the main need of the ventures to grow and scale up?**

a) Focus – distinct perspectives: *“A lot of people want to tackle the social problems in so many ways that does not know how to be objective”*. Focus on specific topics and steps ahead to have the proper development.

b) Business mind set: The majority of the entrepreneur came from different backgrounds, in which a lack of strategic thinking and business process was acknowledged. Beyond that shift mindset, an emotional/psychological support was required to keep the engagement and empower them through the Social ventures journey.

c) An active networking and the co-working environment: Many of the entrepreneurs depend on a network to bridge their needs and access their market. Also, develop a key role in the engagement with the stakeholders.

In the end, the needs of Social Ventures supports are clearly in a big pool of skills and support instruments; although we define focus, build a business mind set and proactivity in a networking system as essentials for the ventures development. Also, it is important to allege that since the entrepreneurs have different profiles, shapes and background, the Social Incubator develops a key role in understand that skills and balance with what are lacking.

The study compromised to answer the problem statements above, but the scale of this debate is therefore extensive and multifaceted even at the global level. To generate enable policy strategies and inspiring initiatives regarding each country context, there is need more studies and infrastructure data bases to allow further assessment of the dimension and the impact of Social Incubator.

Looking across our research, as last considerations, one of the turning points of the study was the perception about Social Incubator not only as an instrument of support social ventures growth, but their role in the development and the spread of social impact across the world. Even with almost twenty years of structuration of a field of work on Social economy and Social Investment, yet can been seen a barrier when it comes to talk about provide positive impact in the world. Unfortunately, there are a large amount of

people still discrediting the sector in which could be driven to a wider sense of collectiveness.

In spite of what is often recently reported about Social Incubators in the academia, theoretical frames or in policy debates, the rise of this market bridge in practice has only benefits for those who want to have a genuine positive impact tackling the pressing problems of our age. As a systemic source support, the Social Incubator have been shown to be legitimate and effective but still neither encouraged and self-sustained in the long term on the market.

### **6.3 Scope Limitations**

This research compromised to present the recent dynamics on Social Incubators role in the growth support of Social Ventures and an overview on the Social Ventures needs of development. In which our work does not intend to provide a right or wrong definition of the concepts addressed, although highlight some of the theme across the discussions.

Social Incubator field is still young in academia discussion, such as the definitions of the bigger landscapes of Social Economy and Social Investment. It is difficult to find a unifying paradigm until the field is more mature.

However, for the purpose of this research, it is fundamental that the academia, institutions or social organizations recognize the basic principles to which they aspire. Also comes important to understand that size and the context of the sample analyzed which provide an overlook of the dynamics only in UK Social Investment market.

### **6.4 Final Considerations**

This chapter presented to summarize the key thoughts and finding across our research, along an overview of the essential topic discussions of it. The Study compromised to snapshot the emergent of Social Incubators dynamics presenting the outcomes of a Case Study in Social Incubator EST, from Cambridge.

The research was set to explore the rise of this field encouraging more discussion on Social Incubators and Social Ventures development, also, inspiring more initiatives in the support for Ventures tackling social problems.

## BIBLIOGRAPHY

- Adegbite, O. (2001). Business incubators and small enterprise development: the Nigerian experience. *Small Business Economics*, 17 , 157–166
- Aernoudt, R. (2004). Incubators: tool for entrepreneurship?, *Small Business Economics*, 23 (2), 127–135.
- Aerts, K., Matthyssens, P., Vandenbempt, K. (2007). Critical role and screening practices of European business incubators. *Technovation*, 27 (5) , 254–267.
- Allen, D.N. & Rahman, S. (1985). Small business incubators: a positive environment for entrepreneurship. *Journal of Small Business Management*, 23 (3), 12–22
- Anheier, H. and Leat, D. (2006). *Creative philanthropy*. London: Routledge.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-134.
- Bell, B., & Haugh, H. (2014). *Exploring institutional field emergence: Insights from social investment*
- Bloom, P. N., & Dees, G. (2008). *Cultivate your ecosystem*. *Stanford Social Innovation Review*, Winter 2008, 47-73

Bogdan, R., Biklen, S. (1994) *Características da investigação qualitativa*. In: *Investigação qualitativa em educação: uma introdução à teoria e aos métodos*. (pp 47- 51) Porto: Porto Editora

Borzaga, C., Defourny, J. (2001) *The Emergence of Social Enterprise*, London and New York: Routledge.

Bridging the Pioneer Gap, 2013 *.Research around the globe. The Role of Accelerators. Launching High Impact Enterprises.*

Brown, A. & Norman, J. (2001). *Lighting a touchpaper. Growing the Market for Social Investment in England*

Bruneel, J., Ratinho, T., Clarysse, B. & Groen, A. (2012). The evolution of business incubators: comparing demand and supply of business incubation services across different incubator generations. *Technovation*, 32 (2), 110–121

Cabinet Office (2013). *Growing the Social Investment Market: The Landscape and Economic Impact*. Available from: <https://www.gov.uk/government/policies/growing-the-social-investment-market>.

Cabinet Office (2015), *2010 to 2015 government policy: social investment*

Campos, J. L. M., Ávila, R. C., (2012). *The Social Economy in European Union report* CIRIEC, European Economic and Social Committee.

- Casanova, G., Bruno, A. (2013). Scaling Social Ventures: An Exploratory Study of Social Incubators and Accelerators *Journal of Management for Global Sustainability*, 2, 173–197
- Chaves, R., Monzo'n, J. L. (2011). *Beyond the crisis: the social economy, prop of a new model of sustainable economic development*. Springer-Verlag
- CIRIEC (2012). *The Social Economy in the European Union*. European Social and Economic Committee, Bruxelles.
- CIRIEC (2015). *The Weight of the Social Economy*. Peterlang ed, Bruxelles.
- City of London (2015). *A Brief handbook on social impact investing*. Available from: <https://www.cityoflondon.gov.uk/business/supporting-local-communities/Documents/a-brief-handbook-on-social-investment.pdf>
- Crotty, M. (1989). *The foundations of social research*. London: Sage.
- Dart, R. (2004). *The legitimacy of social enterprise*. *Nonprofit Management and Leadership*, 14, 411–424.
- Defourny, J., Pestoff, V. (2008). Images and concepts of the third sector in Europe. *EMES Working Papers*, no 08/02. Lie`ge: EMES European Research Network.
- Defourny, J. and Nyssens, M. (2008). Social enterprise in Europe: recent trends and developments. *Social enterprise journal*, 4 (3), 202–228

Defourny, J. and Nyssens, M. (2012). *The EMES approach of social enterprise in a comparative perspective*. EMES European Research Network. Available from: [http://www.emes.net/site/wp-content/uploads/EMES-WP-12-03\\_Defourny-Nyssens.pdf](http://www.emes.net/site/wp-content/uploads/EMES-WP-12-03_Defourny-Nyssens.pdf)

Demoustier, D., Rousselière, D. (2004, *Social Economy as Social Science and Practice: Historical Perspectives on France*, ESEAC\*, Institut d'Etudes Politiques de Grenoble, LEPII\*\*. CNRS-Grenoble.

Denzin, N.K., Lincoln, Y. S. (1998). *The SAGE Handbook of Qualitative Research*. Sage Publications

Denscombe, M. (1998) *The Good Research Guide*. Buckingham. Open University Press

DTI (2002). *Social enterprise. A strategy for success*. London: Department of Trade and Industry. Available from: [www.dti.gov.uk/socialenterprise/strategy.htm](http://www.dti.gov.uk/socialenterprise/strategy.htm).

EC. (2002). *Benchmarking of Business Incubators*. Final Report. Brussels.

EMES European Research Network (2008). *Social enterprise: a new model for poverty reduction and employment generation*. Bratislava: UNDP Regional Bureau.

---

\* Equipe de Socio-Economie Associative et Coopérative

\*\* Laboratoire d'Economie de la Production et de l'Intégration Internationale



European Commission (2002). *Benchmarking of business incubators*. European Commission, Enterprise Directorate General, Brussels

European Commission (2014) *A map of social enterprises and their eco-systems in Europe: Executive Summary*. Social Business Initiative.

Evers, A. and Laville, J-L. (2004). *The third sector in Europe*. London: Edward Elgar.

Filho, G. C. de F. (2002), Terceiro Setor, Economia Social, Economia Solidária e Economia Popular: Traçando fronteiras conceituais», in: *Bahia Análise e Dados*, 12, (1), 9-19.

Fisher, W.F. & Slater, T. B. P. (2011) Social capital and AIDS-resilient communities: Strengthening the AIDS response. *Global Public Health*. 2011;6(Suppl. 3), 323–343

Freireich, J. & Fulton, K. (2009). *Investing for social and environmental impact: a design for catalyzing an emerging industry*. New York: Monitor Group.

George, A. L., Bennett A.. (2005). *Case Studies and Theory Development in the Social Sciences*. Cambridge, MA: MIT Press.

Gray, David E. (2004). *Doing Research in the Real World*. Sage Publications.

- Hansen, M. T., Chesbrough, H. W., Nohria, N., & Sull, D. N. (2000). Networked incubators: Hothouses of the New Economy. *Harvard Business Review*, 78(5), 74–84.
- Laforest, J. (2009). *Guide to Organising Semi-Structured Interviews With Key Informant. Charting a course to save living*. Quebec: Government Quebec.
- Lalkaka, R. & Bishop, J. (1996). *Business Incubators in Economic Development – an initial assessment in industrialising countries*. New York: United Nation Development Programme.
- Laville, J.-L., Nyssens, M. (2001). The social enterprise: towards a theoretical socio-economic approach. In Borzaga, C. and Defourny, J. (eds), *The Emergence of Social Enterprise* (pp. 312–332). London: Routledge.
- Mair, J., Martì, I. (2006). *Social Entrepreneurship research: a source of explanation, prediction, and delight*. *Journal of World Business*, 41, 36–44.
- Marshall, C. & Rossman, G. B. (2011) *Designing Qualitative Research*. Sage Publications.
- Merriam, S. (1988). *Case Study Research in Education: a qualitative approach*. San Francisco. Jossey-Bass
- Miller P., Stacey J. (2014). Good Incubation – The craft of supporting early-stages social ventures. NESTA research report

- Murphy, P.J., Coombes, S.M. (2009). *A model of social entrepreneurial discovery. Journal of Business Ethics, 87, 325–336.*
- Nicholls, A. (2006). *Social entrepreneurship: New models of sustainable social change.* Oxford University Press, USA.
- Nicholls, A. (2010). Institutionalizing social entrepreneurship in regulatory space: Reporting and disclosure by community interest companies. *Accounting, Organizations and Society, 35 (4), 394-415.*
- Nicholls, A. (2014). Filling the capital cap: Institutionalizing social finance. In S. Denny & F. Seddon (Eds) *Social Enterprise: Accountability and Evaluation around the World.* (161-195) London: Routledge.
- Nyssens, M. (Ed.). 2006. *Social enterprise: At the crossroads of market, public policies and civil society.* Routledge
- Peattie, K., Morley, A. (2008). *Eight paradoxes of the social enterprise research agenda. Social Enterprise Journal, 4, 91–107.*
- Peredo, A.M., McLean, M. (2006). *Social entrepreneurship: a critical review of the concept. Journal of World Business, 41, 6–65.*
- Perrini, F. (Ed.) (2006). *The new social entrepreneurship: What awaits social entrepreneurship ventures?* Edward Elgar Pub.

- Perrini F. (2011). Deconstructing the Relationship Between Corporate Social and Financial Performance *Journal of Business Ethics*, 102, (1) Supplement, 59-76
- Pierrakis, Y., Westlake, S. (2009). *Reshaping the UK economy. The role of public investment in financing growth*. NESTA research report
- Public Services (2012). *Social Value Act 2012: A brief guide*. Social Enterprise UK
- Quintão, C. (2004). Empreendedorismo social e oportunidades de construção do próprio emprego. Seminário: Trabalho Social e Mercado de Emprego. *IS Working Papers*, (4). Universidade do Porto. Faculdade de Letras. Instituto de Sociologia. Porto.
- Quintão, C. (2011). O Terceiro Sector e a sua renovação em Portugal: uma abordagem preliminar. *IS Working Papers*, (2). Universidade do Porto. Faculdade de Letras. Instituto de Sociologia. Porto.
- Rajasekar , P. Philominathan & V. Chinnathambi (2013). *Research Methodologys*. India.
- Robson, C. (2002). *Real World Research: A Resource for Social Scientists and Practitioner-Researchers*. Second Edition. Wiley.
- Salamon, L.M. (1997). *Holding the center: America's nonprofit sector at the crossroads*. New York: Cummings Foundation.
- Salamon, L. M., Anheier, H. K. (1996). The International Classification of Nonprofit Organizations—Revision 1. *Working Papers of the Johns Hopkins Comparative*

*Nonprofit Sector Project, 19*. Baltimore: The Johns Hopkins Institute for Policy Studies.

Sharir, M., & Lerner, M. (2006). Gauging the success of social ventures initiated by individual social entrepreneurs. *Journal of World Business, 41*(1), 6–20.

SITF (2014). *Impact Investment: the invisible heart of markets. Harnessing the power of entrepreneurship, innovation and capital for public good. G8, Social Impact Investment Taskforce*. London: Cabinet Office.

Social economy and social entrepreneurship Social (2013). *Europe guide Volum 4*. European Commission.

Social Investment Task Force (2010). *Social Investment ten years on*. London.

Vernis, A., & Navarro, C. 2011. El concepto de ecosistema para el emprendimiento social. *Revista Española del Tercer Sector, 17*. (113 -212)

Volkman, C. K., Tokarski, K. O. & Erns, K. (2012). *Social Entrepreneurship and Social Business: An Introduction and Discussion with case studies*. Edition, Springer Gable.

Yin, R.K. (2009). *Case Study Research Methods*. London:Sage

## **ANNEX I – Interviews**

### **INTERVIEW 1**

INTERVIEWED 1 – number of the training session were good. But since there is a diversity of enterprises in terms of stages and purposes is hard. Each ventures need a training when they needed. MY QUOTES - But you don't know what and when you needed that support. So maybe the first month could be no valuable but next one could be very important.

Challenge: Get our self-register as a charity. 07:30 - Irritating to manage the people for the bureaucracy. Hard time to find the chairman's to sign the contracts

When you have a good idea, people want to run with it, in lots of different ways. (...) A lots of people says, "do this" or "Do that.", and it was really exciting. But the hardest thing to say is "No." this might be wonderful. But we need to focus on what to do to make the biggest difference now. And I think that Belinda, Mark, have helped me to drawn me back to the course.

Physical space

Like-minded support

### **INTERVIEW 2**

INTERVIEWED 2 - 5:10 – “Understand their skills, through the advisors perceptions and feedbacks. They provide a focus on the business of them, like focusing of marriages. Peer to Peer sessions for early stages. It is need to have a fully understand of the entrepreneur, their abilities, skill, personality, to provide a proper advice or help. “

INTERVIEWED 2 - 16:53 “I have never understand the importance If Pitching until recently and then want happens when you talk to people. You can and you have to do a short presentation If you want sponsorship. Also that becomes simples and clear to define want do we do

### **INTERVIEW 3**

INTERVIEWED: Pitched in SVW for the transition of her charity on helping people in rehabilee through creative workshops to a social business with one product that she can sell to the corporate world to make an income, creating a revenue to sustain the charity. She struggles with the legal structure of this two activities which make her develop two different business. As a main support, the confident development is an important issue to be worked on through the year. By her own word, at first she didn't felt capable to be a social business, but the supportive environment, the networking, and the business adviser provide her a way to look to her own business. In fact, in her opinion the emotional support created by the daily routine in the Hatchery with the ventures provide a productive environment where you can mirror on and focus.

### **INTERVIEW 4**

Not allowed to record.

### **INTERVIEW 5**

Personal notes

"...the different skills of the advisors is a plus, where we can find a balance on the different supports we need." "You can come in the Hatchery and be in your own, If people doesn't know you don't have a need they you not help you."

The interviewed alleged:

Main challenges – develop a business mind and the team building since he work in such a specific area.

Main support – business advisors

Main knowledge – Pitching Skills, Negotiation Skill, Business Plan Skills and they show him the importance of Networking.

## **INTERVIEW 6**

INTERVIEWED 6 15:24 – “... each new Cohort, the engagement was really good because there are more like facilitating sessions, trainings, you have more interaction in between. So I think that the thing that needs to be improved is the how off after the three months you can keep the level of engagement up, if it is wanted. You should not presume that necessary every venture want to have a lot of contact with everyone else, whether is something that people want to be facilitate after the three months. (...) Especially when everyone is in such different areas. “

## **INTERVIEW 7**

INTERVIEWED 7 - 05:11“...opposite from Accelerators, the Incubator is not very prescriptive on the training through the year, there are things we all given but is an option, you came if you can or if you fancy it. It is a difficult balance to achieve, because when you are talking about an accelerator, you really need to get people in a particular path. (...) And the good thing about this particular Incubator is that you have freedom to explore where do you want to go. And this makes a massive difference in your future development.” ... “they (Accelerator) focus on your growth, getting the type of business and try to make it work. Here (Incubator) of course they want to make you work, but I think they value a lot the person behind it.”

INTERVIEWED 7 - 12:24 “First of all, having a physical space is awesome! Doing this from a kitchen table is much different from coming to an office, talking to people, having others peers to discuss your issues, having a network, I cannot put a price on this.” “SIE really helped me to understand how to start up a business.” “This is really suitable for me because I am not a person who likes to being told what to do. I like to discover my own way. And this Incubator is just awesome on this. This is very much down to what Belinda is, I think Belinda is a person who believe people need to make their own way. And I think that this is reflected in the program.”

14:51 - Of course that are people that need more structure, so they struggle, but then if you offer more structure, you might lose people who won't fit



## **INTERVIEW 8**

INTERVIEWER: Congratulations in your recent Graduation! How was the begging of the Gene Advisor!? It was something related to your project research?

INTERVIEWED 8: Not exactly. Basically my background is in genetics I did a PHD here in Cambridge. After that, I did one Post Doctor focusing on one particular rare disease and researching the mechanisms of it. And during that time I have got really interested in the rare disease community and the kind of activism there are happening there. Because most of the rare disease don't necessary have treatment, they are very hard to diagnoses and a lot of the pressure from researching and it is kind a pushing this process onward it was coming actually from patients and patient families who were setting up their own Charities, setting up their own businesses and doing their own drug development and it is very interesting community to find out the departed. And now it is becoming very much mainstream as well because what were figured out is that rare disease are actually really interesting to research because they tend to be genetically very simple. So, It has a single gene has mutated and it Cause a severe problem. But this gives us a very good model for work home and diseases as well and for drug development. So, for example in my post doc, I was researching a rare disease there is only been reported in 65 people in the world ever, but by researching that we kind find a potential treatment for Breast Cancer. So this is... (I drop a line during the talk) connected. Because If I do these genes, they are so fundamental there is a gene break and it goes severe wrong, we are involved in a number of different disorders. So, now, a lot of organizations are starting to pick up on the fact that rare diseases are actually really promising area of research and should be done more about them. So, while during this find of rare disease diagnostics because even though... Rare Diseases tend to be quite genetic simple, if you do a DNA sequence kind of test, you can diagnose them quickly and quite reliably. Because if you do the DNA sequence you can look at 5000 genes at once, which means that you can scan through many different diseases? But even though this technology is available and it works quite well, patients were not getting the access early enough. So, at the moment the process still that. Patient who have unusual symptoms do get counsel from doctor to doctor to doctor for a really long time. The average of diagnosis is 8 years. But I have spoken with some people who take 21/22 years. They normally have 5/6 different diagnoses before the real one. (Small talk). So we can see that it is a huge problem. So we start to look at this problem and tried

to figure out: `` what can we do about it? `` ``How can we split this up? `` It is not that the technology is missing. The technology is there. It is just for some reason is not reaching the patient. So we try to look at kind in the process. How does it work and what is missing. So, the first thing we looked up was whether there are enough labs doing this kind of tests. Because at first we thought: ``Great, let set up a lab and do tests to people. `` But we looked, and there a lot of labs in the world wide who does this types of tests but for some reason they are not reaching the patients. And then we looked at the could we do some sort of analyses in the industry. Are we missing some track?`` ``What is the limiting factor?`` And the labs told us that is not the problem, but actually reaching potential customers and telling doctors that the tests even exists is a barrier for them. Because the way it works is that the genetics labs especially the one in UK, where we have the Public Care System, like the labs are really good at been labs, they do the test really well, they have the expertise but working as a part of NHS, they don't have a budget for marketing and public relations with the costumers and things like this. Which means that a lot of this tests are not even listed online, so people does not know that this lab does this tests. There is just a gapping person through creating the connections and spreading the information about the tests. So the idea that we came for the Gene Advisor, we create an online platform and we wanted to be the single entry hub for finding genetic tests from labs worldwide. So we work with labs to find what they do and what kind of expertise they do well, and then we expose this information, and then we kind bring all the... Technology there is a standard for commercial sector, have a unique platform online is not a revolution technology but this kind of processes didn't reach the Heath Sector yet. So, at the moment, they still process everything on paper. They are automating a lot of things trying to save some time as well. So we kind a take over the costumer management process. Trying to create a piece of infra-structure that you will thing that is the reason. We are trying to bridge that gap. And then the system has set up, at the moment, only doctors can refer patients for tests and the reason for this is because in order to get the right diagnoses, it is not just looking at the drims. They look at the quite indebt on the history of symptoms the patient has, and the description of family relatives so we ask for a referral from a doctor who can put this symptoms in a medical information and also can understand the results of the test so they can communicate to the patient. But we settled up the way that the doctor need to refer but anybody can pay for it so we can open u this channel to private genetic test as well. Our main business model is to be this connector between the labs and the doctors worldwide and the doctor place the orders and labs do

it. But we also hope to work with patient groups and charities and make sure that the patient have access to information and what services are available and can advocate with their doctors to get those diagnostics... It is all in the web, and everybody can search.

Jelena had a business back ground in some small business even though were in the academia in doctors Cambridge Ecosystem seem to be very supportive when it comes to business connections. If you are doing something interesting they are engaged to make connections. Paul understand the business model very quickly. They ask for more coaching and they went for the SIE program and go in.

Main support alleged- Coaching with Paul. Commercial background. Free open spaces. Main coach as the third part in the board to have the Minerva scrutiny. Informal knowledge exchange in the co-working environment.

Main challenges alleged - Most of the business process are completely new for us. So it was a very rapid learning. There is a lot of what do we do? What do we ask them? Next steps? Define the Market research (she did in three months)

Commercial negotiations, and after several of feedback we got to do it. The specific coaching at the moment it was fundamental. They can project things that we could ever imagine and in the end happens exactly what's they thing. (24:30)

We have to be very efficient with the money we got from funding.

Because of Network Cambridge market we have found the specific people we need to target.

INTERVIEWER 8 -26:03 - Effects of network - Because of this Network Effects where everyone knows everyone and the investors were interested in us, generally they have the supportive structure, there is many thing that were impossible without being there.

Being surrounded by people that want to do something with positive impact and this make us. We have break the idea of success as business man in suit.

## **INTERVIEW 9**

INTERVIEWED 9 - Role of a Social Incubator - I think for me the key attractions of an incubator is in terms of both giving me a framework to exist them, and it's also, you know, I am working with people with persistent and perplexing symptoms. So my background is for a Clinical space. I have an experience in small companies, EU international programs, more or less I have been in small venture, so I really like their kind of environment. But my kind own business skills is where I am lacking. And kind a Leadership, Networking contacts. So in terms of my patient groups and my costumer base I am pretty knowledgeable of the clinical work. But in terms of the business sides of things I probably not more than I think and less than I do. over estimating and underestimating in same areas. But the whole kind of Marketing, Sales, PA, Press Releases, that is where I am lacking. So I guess that a Social Incubator is people who have got a great idea but kind don't have the business ivy, which, I think, after more you get people really good at business but they kind haven't got the strong ideas. So I think there is generally, many of us are lacking business skills, and it is where the social incubator. And also, in terms of, ... because this incubator isn't that strong on leadership development, and resilient training, project management. I have got project management skill from a MBA I did before. And I think there is a mind-set difference, we have to step in to where you have to do stuff- there anybody you can ask for help - if there is a computer problem, you have to figure out. If there is an accountancy issue, you are the one who have to talk to the accountant to understand what they are saying. And also in Policy in Sale, I think there are a lot of other assets that the SIE could be stronger. But this incubator is very strong is that is a great portal to all source of like-minded people, funding, events, and that what is been very valuable. So I have been here for 6/7 months to access and build in complete a number of projects that there is no way that I could of done by my own. There is only 24 hour a day. I've had a one pro-bono consultancy, did a 30 page competition analyses for me, another pro-bono consultancy, had a sort of a market research for me, I have put in contact, I have got people potentially will became partners. All of that kind of stuffs, the meeting I have attended, the Unld talks.

INTERVIEWER: Tell me about your venture.

INTERVIEWED 9: So it is kind of a twofold venture, so I have been working with patients for five years, and as a private business. But rein another business a commission for being the marketing and sales side. Three years ago I developed a concept calls First

Aid Kit for Felling, where you learn to have strategies and tools, tips and things that help you when you are overwhelmed, when you are stressed, when you are angry, sort of that, for example when you cut your finger and you know you need to get a plaster and you know where it is. I might be run out. But you know where it is. When you cut your finger you don't have to think "Oh! what would be a good idea? Maybe a Plaster?" your brain is automatically trained to exactly where it is. So the First Aid for Felling works by the same principle, so when you are really angry, or you are really stressed, or when you have a really bad headache, or wherever... and if you get them of. Then you can go to one place where all your tips are and help you to deal with those situations. And I developed this three years ago. And I've been doing this with patient. And a year ago I've decided to setup my own Clinic and take out the First Aid Kit to other people. So when I started here, in April, I was stand to becoming more independent. So I put the Kit in public domain and did a pilot workshop training here. So I already have a product. It hadn't been tested in certain environments but I have kind a pivoted to general public. I want to have a bargain to a clinic around the First Aid Kit because I also wanted to continuous work directly with patients. So I negotiate with the Clinic in front of my house and that was a access strategies. And now I am launching my own Clinic in a digital home clinic to support patients who have those perplexing and persistent symptoms. But all that can goes by skype, mobile, telephone, it is all kind of digital. So that is the company behind the First Aid Kit as well, so it is gonna work individually with patient particularly with this symptoms and also just generally helping with health literacy and understanding your symptoms and emotions and having quick responses to that.

Doesn't use the Marketing thing anymore. Now she is in her on!

\* She is a transition to get the patients from the other clinic and offering her own services. Next year she will developed a way to scale it by bringing in practitioners or do I scale it by make in thing into digital products that help people improve their health. Or do a combination of two. She have 2 hundred patient. How to scale the business?

INTERVIEWER: Main Challenges to get in your stage now.

INTERVIEWED 9: I felt that exist two challenges, one is more kind a personal just in terms of a shift mindset. That I think that is needed. It is kind to see problems in a different way, I think it's very easy to see problems as this huge mountains, but the thing is that you solve this month and next one come along with other. I think that is a psychological

development that need to happens, at least to me, in order to successfully comes from this process and not gonna die from stress. If I get boder (bogger) by those problem at night, could be a very difficult life.

INTERVIEWER: Analogies between the awareness of my thesis and the ups and downs stages through an incubation process.

INTERVIEWED 9: Definitely! Because I see this with patients. There is a main three stages of recovery and there are some experiences that are specific experiences in each stage of the recovery. So my hypothesis is that a social entrepreneurs have similar stages. Sort of my experiences is connected with the stage of social entrepreneurs I'm at. It is understandable that you are struggling with this type of thing by the stage you are. An than the patient get surprised and understand that there is not just him been a failure or particular stupid but there are growing pains through this. (13:00) But then in terms of the practical side of things, I am working with two people, we started in July and in January we will analyses the possibility if them being partners. Meanwhile, we are costing and budgeting. And then in January if we decide to don't become partners I with raise money to pay them for their work, for a work. Partnership discussions and legal forms, and she need some help to understand this, since she can have advise in this aspect she fell that she have a backup. Because I am more directly risk seeking or risk averse, depending on the situation but I am not very Risk seeking. It just means that I like little bit of safeness on that, and I thing that for people that are more social they are not o keen on risks. This is a skill for people in the mainstream business.

INTERVIEWER: What do you think about the SIE support? Main supports

INTERVIEWED 9: I think that the focus here is on the venture rather than the entrepreneur. I think that there is a lot of support for the ventures in terms of access legal advice, product development, funding but there is all venture specific. And I think that is a lower level focus on developing the individual to make those kind of leafs along the journey. The P2P sessions are not working very well, the group doesn't coursless so you need a facilitator to make that happens. I appear as a committed, but from any peer to peer session I didn't take anything from the session. It doesn't have to be that rigid, but just some specific structure to guide the talk. And can also see a gender dynamics, we can

see definitely someone that is not English, some women struggles to bring their perceptions and some of the guys and some of the foreign women are more willing to express their opinions. So I think there is some cultural and gender differences on how much people participate. It is interesting in the SIE how many people are not English.

INTERVIEWER: MAIN KNOWLEDGE through the six month experience, so far.

INTERVIEWED 9: I am not sure about knowledge but about key benefits has been to explain my business so many times, so my Pitch have been improved. I use long words and know I am improving on the challenge of explain in a short sentence. This is my key benefit, because makes me understand and clarify what am I doing, not doing, my product, it is really easy to think that I have the world solve problem but this function and a mirror. I think because in terms, of management, business plan, book keeping all about that I got rom the Project Management skills. I can imagine in January that I have to look in the Sales Plan, probably I will learn the practical stuffs. But so far, I am sort of drowning in my previous skills, and the talks and conversations here as well.

I think that by our nature, as a social entrepreneur, there is a big difference from the regular entrepreneur, because we have the social. We tend to be a social people and talk about our ventures. I mean I need a combination of being at home office and being here to develop a venture. I am extrovert and introvert so I can use both skills, and I have to work by Skype and others.

INTERVIEWER: Looking through all the journey, How can you evaluate this period?

INTERVIEWED 9: One thinks that I hoped to happen but still didn't, is the sense of more interacted relationship. The relationship here is very nice, but they are more just coming and going. But people helping me and helping other sitting together to solve a problem didn't happened. But general conversation is very helpful as well.

### **Interview with Belinda**

INTERVIEWER: Ok, actually I've told you about my thesis and I just got my 2 questions that is like what is the main role, it is like a tattoo in my head, what is the main

role, what is the main needs of the ventures and what is the role of the social incubator in this sector. I want to ask you four questions and the first is about the social market dynamics. What do you think about the social market dynamics in UK in terms of social incubator ventures, their strengths and weaknesses. What do you think?

**Belinda:** so, when you say the social market you mean the market for the products...? (I couldn't understand).

**INTERVIEWER:** yes, exactly.

**Belinda:** so, I think it is great, the first thing to say. But our ventures are all very small, let's start with this, right, which means that quite a lot of the socially motivated market is in the public sector. And public sector spending is difficult to access because there is such a very long commissioning cycles. Though we have this new thing instituted about two years ago, which was an obligation to Councils to considerate the social impact of their spending, which theoretically would open up a lot more contracts to, because the Social Value Act has to (?). So, I don't know the numbers but a lot of the spent in any country, spent by the government or the public side even if they are not able to access down because the organizations are too small than that is a problem, even though they want to buy.

An interesting thing, I mean the same is pretty true, is that private sector is also interested in engaging in this space. Wanting to purchase more, to change their supply chains. And there is some intermediarial organizations that are trying to kind to play this matching - making role because the problem remains that people on the supply side tend to be really really small. We had one of them here, where we brought together a bunch of a healthy-related ventures, with some people in the healthy market locally, because I thought we should maybe trying do some stuff directly helping them access the supply chains. It basically was a successful, it was just worth repeating it...I don't have the right to ripen the roof from the bias side. They look just like another planet. (Não entendi direito essa parte). It is something I thought about is what we could do to help our ventures to do more because it feels like there must be more we can do. [ 2'20'' to 2'43'' ]



**INTERVIEWER:** what is the main challenge for you guys to achieve your goal, to develop those ventures?

**Belinda:** ow gosh. One main challenge.

**INTERVIEWER:** not main. One of the challenges.

**Belinda:** it's investing finding viable, scaleable, decent propositions. You know, just finding things that are got to come entrepreneurs [3'13'']. It is just the quality of the ? being worked. We can't achieve our goals because if we are not working with hard, decent ventures ?...

One of the problems with achieving our goal, which is about scaling social impact, it is our inability to measure it properly. So, we can measure the increasing turnover of our venture or the increased size of our venture but that does not correlates to increasing impact. And I remain very aware of that. I don't think it worries a lot of people as much it worries me, but it worries me a lot that you can help someone to grow their impact but it does not mean that you haven't grown ?. So, I don't think we should glove so over? the fact that we think how we struggle in achieving our goal, that fundamentals of problems.

What we don't have sure? [...] We could do it a really bit more hasty. I think we don't have a lot of administration changes, that might helps. It feels really bitty bitty bitty...[ ] I spend lot of my time trying to deal with our long-term sustainability, not doing my actual job. Well, it turned out to be my actual job, but now would be true if most incubators, they go to get over there to get their business model assorted, and it is a side-line from doing the work with the ventures ...because doing the work of the ventures is not going to solve our funding maze, isn't it? [5'8''].

**INTERVIEWER:** well, talking about this, because, actually for me, it seems like here in uk you have a lot of funds, different kinds of investments. You have the kind of not exactly the public support but you have the whole frame to develop those kind of ventures. In your opinion what do you think that could be improved in these aspect or maybe in this whole dynamic that you can, I don't know, provide more support? ...

**Belinda:** yes, we do have a really advance in developing market in many ways. And the government was fenomenous in doing it. Under various taxes (?) and all the rest of it. And yet we are not making the progress that we want to make. The cultural thing is a problem. Even if we've got this kind of responsibilities on the local authority to buy through social ventures ? [6'15'''] they are, actually, doing it because it is just like it's stucked in their cultures. [...] So, I think there are cultural challenges to how to grow this thing.

The other thing is actually is about the bigger useness, as I was saying earlier, we don't teach kids about entrepreneurship at school. We don't teach them on social entrepreneurship. I said the first thing is gaining quality in ventures turning up. [6'41'']I certainly think that if some of the many billions of pounds that have been spent on this sector in the last ten years and they have been redirected towards education, like fifteen ? [6'59''] by now we would have a cobble coming through.

So, I think what we don't need is more and more massive qualified intermediaries [7'10''] ...not that many people live their enterprise. [...]How do you have the skills, and experience and credibility to run but you haven't done yourself...(se eu entendi direito, aqui ela critica a quantidade de pessoas que ensinam/trabalham com empreendedorismo mas que não tem experiência como empreendedor. Pelo menos foi isso que eu entendi, mas não consegui pegar as palavras).

There is another thing about the financing side. If at one hand it appears to be lots of money fluking around and these different funds, but the way almost all of it stands from Big Society Capital, at some point. And the way Big Society Capitals is being structured, how returns that are unrealistic for the sector, so it looks like a lot of money. And we actually don't get it. It doesn't work. And that's a problem too.

**Cadu:** because there is so many different kind of aspects to be or have in social ventures to apply for those...

**Belinda:** yes, it is that, it's just the return because the Big Society Capital is partly funding by the (unplain?) assets from the banks, but part from the modern banks. They have like to make a 7% return, an average and so they got fund themselves, and they got to funding

their intermediaries and they got 7% back up to the top. You know, that is pretty hard to do high-risk ? [98''']...because we are all beginners. It looks like a lot of money but it isn't really.

You cannot say all entrepreneurs need this, this and that. And that is why our business model, because in basic everybody is cashflow. You need specific support for your strategy. People like..., like Paul, like myself have experience in knowing what to do, or knowing what no to do. It feels like, overall, it is the most important thing we do. And that's what the ventures say. It kind of help them. I don't think that the specific location is important, which I think it is interesting because I would think when we started. And before starting this, I went around a lot of bund enterprises and asked about was the most important thing they did. I went around six, and they all said something different, which let me to think that no one already had a fucking clue (Cadu dá uma gargalhada boa!). You were expecting some...but that was weird, was really weird. So, it is my view that experiencing one-to-one advising, trying to set a trustful relationship is probably the core of a good quality support.

**INTERVIEWER:** since you were saying that there are different social incubators and they have different kinds of issues, in your opinion, what is the role of the Social Incubator East?

**Belinda:** well, it is interesting because probably around of London we can have these original roles ...but for us what we wanted to do was to provide a (?) permanent source of support for ambitious social entrepreneurs. And that is because I think that we think that [...] social entrepreneurs actually benefit more from having social specific support. [...] and we have this in the ? that means people like us who want to start a social enterprise [...].

## **ANNEX II – Inquiry frame**

The study case will be guide by two main questions:

What is the role of a Social Incubator in the development of social venture sector?

What are the main need of the sector for improvement?

### **Inquiry for the Ventures**

- How was your first contact you SIE? What did you have in mind with your venture before SIE?

Perspective before get in SIE. Options without an incubation.

- Tell me about your first steps as a venture and the incubation process.

Main challenges.

If you had, how did you go through those challenges?

Motivations.

- What were the fundamental support provide by SIE? (Try to consider time with business advisors, Peer 2 Peer sessions, Slack, Training, Co-working environment...)

What is your opinion on Co-working environment and the creation of synergies? Do you have a feeling of engagement during this process? What could be different?

- In your opinion, what is the main Knowledge (techniques/skill) that is important for your Venture? Why.

- Considering all you told me about your venture. How do you describe you performance until now? (performance, availability, skills development)