

WORKING PAPER #1

RESONATE project 1st training session, 13-17 September 2021



Focus on Social entrepreneurship



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Introduction

The RESONATE Working Paper #1 is the first part of the series of the RESONATE Working Papers aiming to present the main reflections and conclusions, tools, methods, practices, ideas that were shared and discussed by the strategic partnership of the RESONATE project that included Social Business Club/Hub Styria, Fondazione Giacomo Brodolini srl SB, Milan, Italy and FACTO Assessors, Barcelona, Spain.

This first part focuses on the regional social entrepreneurship ecosystem of Styria and Austria with an overview of the classical start-up ecosystem, the social entrepreneurship policymaking, rural entrepreneurship, and digital training methods to involve entrepreneurs and adult learners.

Thematic overview

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Regional social entrepreneurship ecosystem of Styria

The ecosystem approach was used in the RESONATE project, so the definition and structure of the ecosystem was detailed differentiating between the innovation and start-up ecosystem. During the different stages of an ecosystem lifecycle, the models define varied success factors and characteristics. In this approach the different actions to support start-ups require local connectedness. As the core thematic focus is on social entrepreneurs, the different elements of social innovation and the actors who play key roles in it were gathered. In order to provide good training, mentoring, coaching opportunities to social entrepreneurs, exact needs have to be analysed and their motivation, the context of their work has to be understood. Through the [Regional Innovation Scoreboard](#), the [Austrian Startup Monitor 2020](#), the map of the [Graz Startup Ecosystem 2019](#), the innovation and start-up performance of Austria, Styria and Graz were presented. It was discussed that in this way, the social entrepreneurship ecosystem had parallel elements added to the classical startup ecosystem.

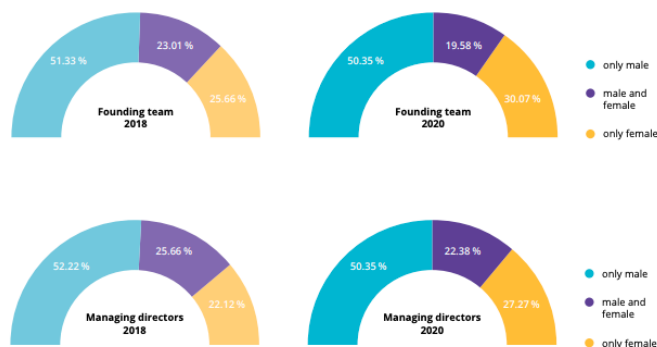
The presentation of the [Social Business Report 2020/21 of Styria](#) gave a more in-depth insight. It gave a short overview of the 158 listed companies, including comparative statistical charts. An overview of the geographical coverage, including the subregional distribution of the companies and the foundation periods were given. Special emphasis was put to impact aspects of the social ventures, which was also presented in two ways. On one hand categories made by Social Business Club/Hub Styria and on the other hand with the UN Sustainable Development Goals. Statistical data of the export capacity and the female social entrepreneur founder were also shared. An important input was explaining the core criteria of social business used in the report.

KNOWLEDGE
EXPERIENCE
IDEAS
INSPIRATIONS
CO-CREATION
NETWORKING
NEW CONTACTS
PARTNERS
COMMON
UNDERSTANDING
LEARNING

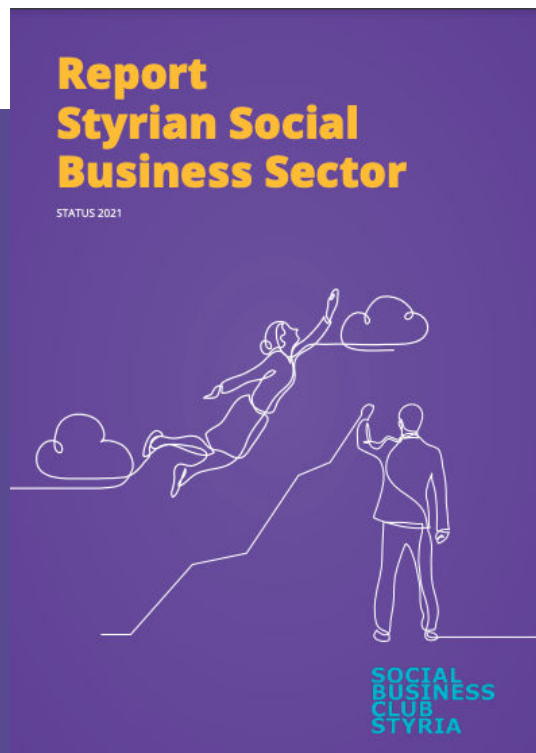


Conclusions and reflections

- The **differences in the ecosystems** among countries do not have to affect the approach to the support of social innovation as it is difficult to align the dissimilarities. The structure of the ecosystem and the needs on how to strengthen it, also have an influence on the definition of social entrepreneurship.
- The difference in the backgrounds of social entrepreneurs - in Styria social entrepreneurs come from a well-developed **segment of entrepreneurs** from university or tech. This is different from the ecosystem in Spain, where it comes from social activists who then became entrepreneurs.
- The ecosystem of social business entrepreneurship is connected and self-recognized with clear and defined structures, resources, and processes. It has a **focus on environment and impact**.
- Social entrepreneurship in Styria is mostly focused on ecological goals. The **social entrepreneurship ecosystem** has a clear structure and useful criteria.
- There is a **wide definition of entrepreneurial innovation** in Austria. This includes social and green innovation to be considered relevant enough to be supported properly (instead of focusing on high-tech start-ups only).
- **Significant difference between social entrepreneurship ecosystems and the regular start-up ecosystems** lies in different stakeholders, e.g., public administration, funding sources, etc. There should be an exchange between the two ecosystems to raise awareness for impact in that community.
- The Social Business Report is a good tool not only for having statistics, but also to **connect with stakeholders and policymakers**.
- There is still a big (or too big) gap between **female and male entrepreneurship** participation.



- **Indicators of an ecosystem report are key elements**, but the extent depends on resources. The field, the most developed topics, the innovation level of the impact start-ups in the region could be analysed. Some other Key Performance Indicators (KPIs) like average income of social start-ups, percentage of public and private funding, lifespan of the start-ups could have an added value for such a report. Longitudinal analysis of the development of social enterprises could be included as well.
- Interesting results on the **analysis of the birth and growth of start-ups** in Styria. After 2010 there was a boom, and it is impressive how the number of start-ups has changed. Maybe there was a new wave of energy and entrepreneurship spirit?



“The Social Business Report of Styria is useful and gives a quite complete overview”
– Elena Visentin, FGB srl SB

- It is a challenge how to take advantage of the **mountainous part of the region** working on infrastructures and connections.

- The **core criteria** are extremely interesting because it provides definition without considering the legal form.

Core criteria for social business

The social business approach is based on clearly defined criteria. The fulfilment of these elements enables the clear identification of socially impact-oriented companies:

- 1 Tackling social challenges** according to the United Nations Sustainable Development Goals **is the main driver for activity** (vs. voluntary action based on corporate social responsibility).
- 2** The approach to solving a social problem is implemented **on the basis of entrepreneurial activity**. This includes the development and supply of market-driven products and services for paying customers (vs. voluntary or non-commercial activity).
- 3** The economic goal is to cover the whole range of possible expenses from generating turnovers by providing goods and services **for the market**. Significant profit shares are reinvested in impact orientation (vs. predominant cost coverage through grants, donations, etc.).
- 4** The company is managed on the basis of **the personal risk of the owners or significant shareholders** (vs. outsourcing of risk to sponsoring company, parent company, public sector, etc.).

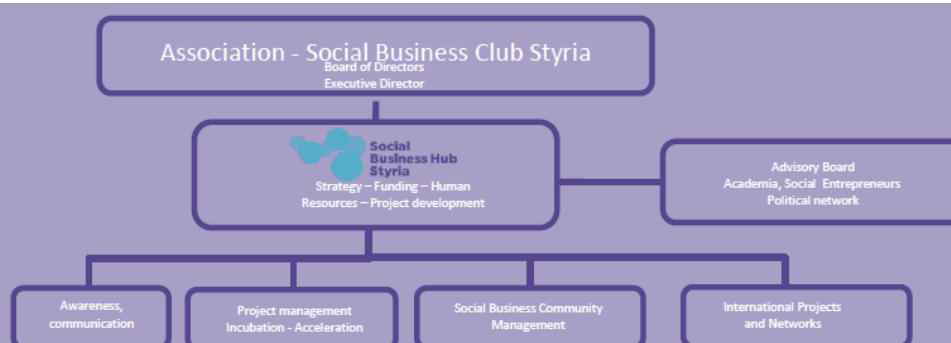
„Next reports will include new key figures and statistics to deepen the knowledge about this target group.”

– Rüdiger Wetzl-Piewald, SBSCS

Management of social business incubators for adult learners and business model of organisations

The quality of training activities of the social business incubators very much depend on a right organisational structure and the long-term sustainability depends very much on the business model. The definition of social entrepreneurship has an important effect on the training content, especially, the business-related topics and legal entity forms, but also on impact measurement and the involvement of learners.

The Social Business Club/Hub Styria organisational structure was presented with the logical chart of the organisation connecting the objective of the activities and the inputs needed to deliver outputs and reach outcomes. The expertise field, skills and knowledge of the staff has a wide range from strong practical experience through academic knowledge.



Fondazione Giacomo Brodolini srl SB as the biggest organisation in the partnership presented not only the overall, but two of their own incubators. FGB srl SB shared information on the mission to create real social impact and, also their role as accelerator in the innovation ecosystem, in which they provide infrastructure and connect the different network members by creating synergies between the demand and supply side. The education and training activity is integrated in a broader service offered not only limited to Milan, but geographically covering the whole country of Italy.

The first incubator of FGB srl SB that was showcased as a good practice was the social innovation incubator, called Fabriq. This was also a good example for a successful cooperation with local municipalities and being pioneers in its territory. With a complex offer, including mentorship and training, the incubator helped start-ups to develop their business. A unique experimentation was also shown covering a special topic on quartier innovation, in which social entrepreneurs received training on a wide range of topics, from social innovation through business planning to fundraising/crowdfunding. Many network members from the region contributed to train start-ups. The wide range of projects (e.g., dressmaker, mentoring programme) that were developed through the incubation training provided a great overview and at the same time the challenges, trainers, mentors faced when working for an incubator. It was also presented that social entrepreneurs as learners sometimes belonged to a more fragile group of the society, such as migrant entrepreneurs. The physical space of an incubator does not solely serve the purpose of providing a venue for training sessions, but allows social entrepreneurs to go through the learning process of creating a business with many other location options, such as meeting rooms, offices, etc. The management of the organisation also includes the

management of the spaces as well. FGB srl SB projected their huge network from several types of sectors when it comes to providing incubation training programmes to social entrepreneurs.



FABRIQ – Innovation in the quartier

The second incubator, Milano LUISS Hub was presented by FGB srl SB. This complex platform is also a training and education centre targeting people who would like to establish and run FabLabs and as well it is an accelerator for social enterprises. FabLab uses digital fabrication technologies to address societal problems and one of the main activities of the Hub is providing training activities as well in the new environment. They would like to educate adults to spread the culture of „do-it-yourself” fabrication, but also provide a co-learning opportunity for those who would like to use 3D printers.



LUISS HUB MILAN – For students and makers

FACTO's main business support is the so-called Ateneus Cooperatiu, in which they provide accompaniment for social entrepreneurs with the aim of becoming self-employed. The structure between the public administration through FACTO to private companies is a well working model. They also demonstrated that this is an effort of several network partners with synergies, including all types of expertise. There are internal and external challenges for the management of the organisation, for the creation of national network and for connecting to international ones.

Conclusions and reflections

- Two organisations (SBCS/SBHS and FACTO) having a more regional/local focus than FGB srl SB. However, **the differences in the internal structure and concept about the "territorial" framework** makes the peer-learning process even more intensive.
- **Managing a space helps building an ecosystem** and supporting entrepreneurial project.
- **Balanced internal competences** are quite important and there is a challenge to define the job description for existing and new positions.
- **Solid organigramme allows** productive discussion between different functional parts, also **horizontal communication** between colleagues and working fields. It is essential for the best flow of information and ideas.
- A well-defined structure in organisation and derived responsibilities is an important measure to keep internal processes in order, as well **giving external stakeholders a clear picture about the organisation's activities**.
- Organisational structure of a **cooperative of experienced consultants** is a good practice.
- **Scouting and design of the program** with different methodologies to approach these activities (idea calls, challenges, etc.) are two of the key competencies to ensure the success of a social entrepreneurship training program.
- The management has to cover skills to build successful relationships with policy makers and discuss with them what's working, what can be improved and **slowly shape the policies**.
- Focus on **targeting challenges and areas of activity for the entrepreneurs**.
- Offering an **extensive range of topics** and putting emphasis on **community management** are also good practices.
- One organisation can **operate several incubators**. Local social business incubator addressing challenges of a certain city district



Management of incubators and entrepreneurship training opportunities are highly linked to the characteristics of the territory.

*Pau Serrat Pagespetit,
FACTO*

and collaboration with a maker space (LUISS hub) offers new opportunities of product design for social entrepreneurs.

- Social business incubators can **target innovators according to different topics** and develop an innovation sector separate from a more traditional one. Via training opportunities, the organisations can build and **enhance beneficiaries (learners) as a community of social innovators**, create a cooperative network also through peer-to-peer learning sessions.
- **International network and experience** enrich the organisation and effectively develop competencies of staff.
- **Publications** (books and journals) can effectively spread the organisation's value proposition.



- Being centred on local and regional segments of stakeholders (social entrepreneurs and public administration), a **change to a more international and national strategy** can be considered.
- It is an essential of having **an important community of stakeholders** and maintain a fluid relationship with them: public administration, start-ups, chambers of commerce, business associations, etc. and address them with a clear strategy.
- Giving access to partners, customer segments and revenue streams shows how the **social business model in Europe** is shared between driving organisations .
- Most important revenue streams of social business incubators are **public fundings**, human resources are the main costs and cooperation with universities is significant.
- Public administration, universities and community are **strategic partners** to grow and promote social business.

Definition and interpretation of social entrepreneurship

The three countries (Austria, Italy and Spain) have different normative frameworks, but the general approach of having a scale between non-profit and for-profit is similar.

Spectrum of social entrepreneurship concepts



Conclusions and reflections:

- In case of international cooperation, it is not always easy to find a perfectly comprehensive framework between partners. It is advised to **agree on a common frame/language**.
- It is important to find a **balance between a general definition and a more operative approach**, that helps the implementation of EU projects.
- To have a **common definition** is not only important in case of international cooperation, but also **in local/regional context as well** to address the right message to the audience.
- The difference in definition originates in the composition and history of each ecosystem. There are economic and policy points of view, as well as options in between. An example for the **similarity in the concept of social entrepreneurship** in the different territories is having a definition by legal forms, whereas a concept that puts the emphasis on making impact and business at the centre is different. However, all the definition requires that social entrepreneurship need to have a positive impact.
- A **definition for innovation putting the educational level of the employees in the focus** is an interesting, but discussable concept. Innovation should not be derived simply on the theoretical potential of a company's human resources.

- A well-elaborated definition characterises a strongly regulated sector. This is positive in terms of clearness to the topic, the regulations to restrict social business to certain industries seem to be counterproductive on the other hand.

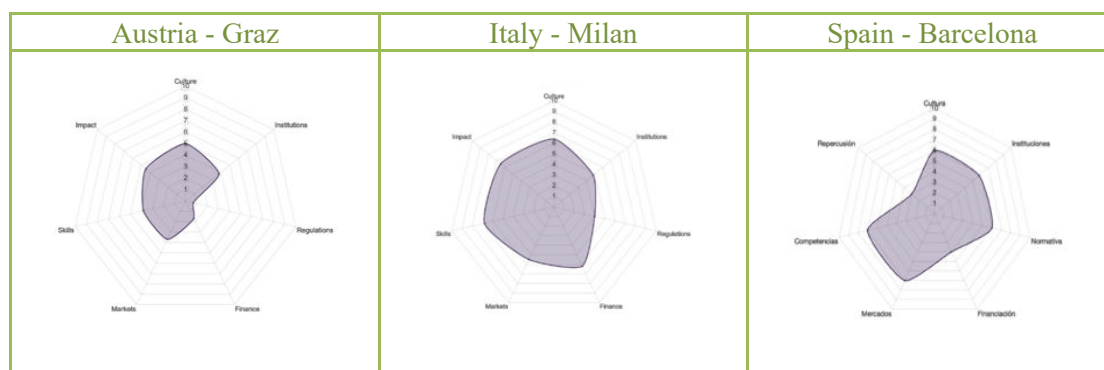
Social Entrepreneurs can be found in the so called **social economy sector**, which opens a constant (and interesting) discussion about to what extent this part can be included in the scene of social business.

- The definition of social business in terms of the **company's democratic structure** (cooperative) despite the company's factual impact is rarely used but can be a useful element.
- Interesting is the role of framework conditions, e.g.: the **recognition of social enterprises** so that they can have certain benefits (taxes).
- Challenge lies in raising awareness that **making profits does not contradict being a social entrepreneur**, bringing down barriers between "Non-Profit" and "For-Profit"

Support to policymaking and social innovation and entrepreneurship through public-private partnership

Social Business Club/Hub Styria is a member of the [Social Entrepreneurship Network Austria](#) (SENA). SENA provides networking opportunities (events and team-matchings) and information/support (on funding, frameworks, contacts, newsletter), but most importantly lobbying and awareness raising in the different policy fields and also to the public.

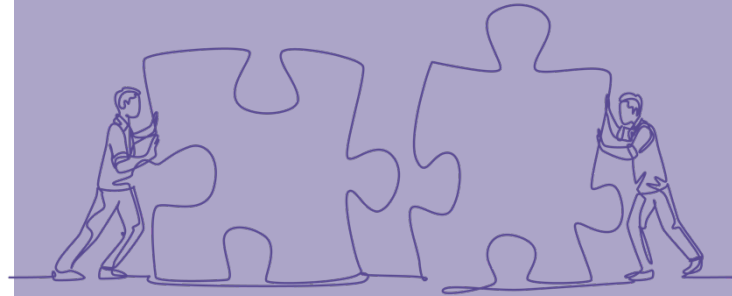
The [Better Entrepreneurship Policy Tool](#) served the purpose to assess the strength and weaknesses of the regions based on the partner organisations point of view. The tool provides 7 aspects to consider improving inclusive and social entrepreneurship policies. These are: culture, institutions, regulations, finance, markets, skills, and impact.



Conclusions and reflections:

- Organisations can have more direct connections and effective lobby activity if they are settled in the capital of the country rather than in other regions. When enhancing policy making it is a question, if there is a centralized **policymaking system at national level** and what roles the regional institutions have.

- It is important to break **down barriers**, especially considering the needs of young social entrepreneurs as finding funds, resources and putting them in connection with other social entrepreneurs can boost their performance.
- To impact policymakers, they have to recognize the organisation as **credible interlocutor**. This can only be done by lobbying. On the other hand, to do this effectively the organisation has to have bigger outreach and some minimum agreements are needed.
- It is important to create a **network of members and partners that can contribute to the improvement of the sector** through contribution and support. Alliances between regions and professionals have an importance. It is essential to have the capacity to set goals and define common criteria with all local and regional networks.
- The **size of the country has an effect on reaching out at national level**. Smaller countries can be more effective.
- **Two major, but different target groups** were identified to represent: (1) “Social start-ups” (often with academic background”) and “other social entrepreneurs” (e.g., women, rural entrepreneurs, vulnerable groups - migrants) as they have very different training needs. For the benefit of “social start-up” it would be very useful to increase exchange/strategically align with start-up organisations as some topics are very similar for social entrepreneurs and entrepreneurs.
- The **Better Entrepreneurship Policy Evaluation Tool** could be a **good inspiration**, but it needs adaptation in specific cases. It can help to **raise awareness** on self-assessment, if used at the beginning and at the end of a process/program. Further to be analysed how this tool could be used for education and training. An interesting tool that still needs to be communicated and improved to have some data about perception and needs of the social entrepreneurship community. The tool can be used for comparing and analysing the similarities and differences between regions.
- Analysis of the results of the Better Entrepreneurship Policy Tool can conclude the **need to build the regional ecosystem** if all dimensions are not ranked higher than 5 out of 10 points. It might be used for longitudinal studies by making a survey within the social entrepreneurship community and use it in the research reports.



Distance learning for social inclusion: Training methods to overcome geographical distance

For a social business incubator, it is crucial to develop their knowledge on the training activities they can carry out in a regional context to reach out to trainees living in rural areas. Questions were discussed how a distance learning module could be structured, how the promotion, the outreach activities can be held and what content can be included.

In a digital incubation programme based on the agile method, the learners go through a process of building, measuring, and learning. This type of experiential learning becomes an exchange

between trainer and learner, rather than a one-way information flow. The sharing of the face-to-face contacts and self-paced learning elements can be flexible.

The promotion of the social business incubators activities in rural areas can be very effective. The implementation process has to be implemented in detail and requires the involvement of local players in the rural area. An online platform, such as the Moodle can enrich the training portfolio to access learners beyond urban context.

Conclusions and reflections:

- It is important to consider pros and cons of the **e-learning** approach and set the **appropriate criteria of a selection process to reach the target group** and also to speak with territorial partners.
- **Experience can be built up in promoting social entrepreneurship in rural regions** based on improving business support structures and funding instruments for social enterprises. **Different strategies of scouting** in hard-to-reach areas are important. It is useful to know ratios of different regions for the scouting of applications and the final selection for a training programme.
- In the **current unique social/digital situation after COVID**, there are opportunities to make available quality training not depending on the proximity to the urban areas, or even with the suburbs. However, it is important to work on the sustainability of this new approach and find new business models that can make learning affordable, digital and that values the work done by the professionals.
- The **adaptation of a training to the on-line format** allows reaching more people and adapting to the problem caused by COVID. The distance barrier can be overcome with projects in rural settings. In this way, the online training allows us to increase the reach out to the target groups, but also to the public. As a disadvantage, the link with participants is less strong and it makes the evolution of the programs difficult. A main challenge is to adapt the content and the activities that can be used in the classes to an online format.
- The **"blended" model** is a mix between online and offline and is an opportunity to scale up training programs. The provision of an **experimental learning opportunity** could be a good way to engage students and trainers too. New methods can be also tested, such as creating peer-to-peer discussion spaces and in this way to communicate the importance of blended education.
- It is crucial to **include digital tools and new learning methods in a proper way**, that brings a lot of potential to reach new target groups beyond the urban borders. The choice of tools as well as the proper use according to the needs and reality of the target group is important to take into consideration. Trainers can also learn from failures.
- Creating **content in understandable/simple language** is important in order to avoid drop-out of participants during the course of a training program.
- New services along the suggestions above have to be developed, tested and implemented. As there are many free online courses available, it is a challenge how to build a **business model to keep the training program financially sustainable**.

