

Scaling Impact vs Scaling a Social Enterprise



In this lecture we are going to define scaling, and differentiate between scaling impact and scaling a social enterprise.

Scaling

- 'increasing the impact a social-purpose organization produces to better match the magnitude of the social need or problem it seeks to address'

Dees 2008, p. 18



Scaling is defined as 'increasing the impact a social-purpose organization produces to better match the magnitude of the social need or problem it seeks to address'.

The literature on scaling social impact is divided between two perspectives; scaling the social enterprise organisation to scale impact, and scaling the social impact by what ever means.

Social Enterprise Growth

- 'Creating new service sites in other geographical locations that operate under a common name, use common approaches, and are either branches of the same parent organisation, or very closely-tied affiliates of a parent organisation'

Wei-Skillern et al., p. 259



Growing a social enterprise often entails:

'creating new service sites in other geographical locations that operate under a common name, use common approaches, and are either branches of the same parent organisation, or very closely-tied affiliates of a parent organisation'.

Social Enterprise Growth

- Motivations behind growing a social enterprise:
 - Achieving the social enterprise's mission;
 - Demand from new communities for their service;
 - The need to achieve economies of scale;
 - The personal ambitions of the organisation's leaders

Wei-Skillern et al., p. 260



The motivations behind growing a social enterprise usually include one or a combination of the following:

- Achieving the social enterprise's mission;
- Demand from new communities for their service;
- The need to achieve economies of scale; and
- The personal ambitions of the organisation's leaders.

Social Enterprise Growth

- Should only be pursued if it is the most efficient, effective and sustainable approach to achieve greater social impact
 - Requires significant management and resource challenges

Wei-Skillern et al., pp. 260-261



It is argued in the literature though, that given the significant management and resource challenges associated with growing a social enterprise, growth should only be pursued if it is the most efficient, effective and sustainable approach to achieve greater social impact.

Scaling Social Impact

- Social entrepreneurs who pursue pattern-changing (systems changing) ideas are more concerned with scaling their impact than with growing their enterprise
- Pattern-changing (systems changing) social entrepreneurs scale their social innovations by:
 - Direct scaling; growing their own organisations, and
 - Indirect scaling; influencing other organisations

Sherman, 2006, p. 10



Research has shown that social entrepreneurs who pursue pattern-changing or system changing ideas are more concerned with scaling their impact than with growing their enterprise.

Pattern-changing social entrepreneurs aim to make fundamental changes in the way things are done in the social sector by creating systemic changes (Dees, 1998, p. 5).

These pattern-changing/systems changing social entrepreneurs scale their social innovations by direct scaling; growing their own organisations, and through indirect scaling; influencing other organisations.

References

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- Sherman DA (2006), Social Entrepreneurship: Pattern-Changing Entrepreneurs and the Scaling of Social Impact, Case Western Reserve University, Weatherhead School of Management, Cleveland
- Wei-Skillern, J., Austin, J., Leonard, H. and Stevenson, H. (2007), Entrepreneurship in the Social Sector, London: Sage Publications