


# Topic 3.2 Lecture 1


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## Scaling Impact vs. Scaling the Organisation



communitycapacitybuilders  
interconnected network of organisations

Welcome to lecture 1 of Topic 3.2. In this lecture we are going to define scaling and differentiate between scaling impact and scaling a social purpose venture.




# Scaling

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- '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

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- '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


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- 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 ideas are more concerned with scaling their impact than with growing their enterprise
- Pattern-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 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 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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- Dees, J.G., 2008. Developing the field of social entrepreneurship. A report from the Center for the Advancement of Social Entrepreneurship, Duke University.
- 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

