

INTRODUCTION

The Center for the Advancement of Social Entrepreneurship (CASE) is a research and education center at Duke University's Fuqua School of Business dedicated to promoting entrepreneurial leadership in the social sector through the thoughtful adaptation of business expertise. The goal of CASE's *Scaling Social Impact* Research Project is to generate knowledge that enables social entrepreneurs to increase their social impact more effectively. CASE seeks to focus attention on the concept of scaling social *impact* in balance with that of scaling *organizations*, to understand current practices as well as alternative strategies for scaling social impact, and to produce a rigorous, practical framework enabling social entrepreneurs to make strategic decisions about scale and to select appropriate models for increasing their impact. CASE thanks the Skoll Foundation and W.K. Kellogg Foundation for their generous support of this research. Barbara Kibbe, Avon Swofford, and Tom Reis provided funding and substantive input on the survey goals and design, while Skoll's Christy Chin continues to support the ongoing research. We also thank PSRAI and Dawn Crossland Summers.

This document summarizes findings from a survey of social entrepreneurs and nonprofit leaders conducted by CASE and Princeton Survey Research Associates Intl. (PSRAI, www.psrai.com). Designed to understand respondents' past practices, future plans, and assumptions about scaling social impact, this survey is an intermediate deliverable in an ongoing research project and is intended to provide suggestive but not conclusive findings. For a more detailed report and a copy of the survey questionnaire, go to www.caseatduke.org.

Table of Contents:

- | | |
|------------------------|--|
| 1. Key Findings | 5. Respondent Demographics |
| 2. Survey Methodology | 6. Definitions & Framework of Scaling Approaches |
| 3. Survey Findings | 7. Background on CASE |
| 4. Survey Implications | 8. Summary: 2001 Survey on Geographic Expansion |

1. KEY FINDINGS

Interest in Scaling Social Impact

- Respondents want to scale their social impact and are eager to learn more about scaling social impact.
- Respondents viewed and defined the concept of "scaling social impact" in a variety of ways.

Overall Success in Scaling Social Impact

- Respondents reported mixed success in their efforts to scale social impact.

Approaches to Scaling Social Impact

- Respondents pursue a variety of approaches for scaling social impact - there is no dominant model.
- Approaches for scaling impact through direct service were reported as more successful than those attempting indirect influence on other organizations or the larger system.
- Respondent choices of strategies are often driven by the types of goals they seek to accomplish for scaling social impact.
- While over half of the respondent organizations were founded with a local focus, a number reported significant geographic expansion to date.
- Approaches to scaling social impact varied somewhat by field/industry and by age of organization.
- Many respondents reported diversification as a past and, to a lesser extent, a future goal for scaling social impact, yet few ranked it as a high priority.
- A majority of respondents report pursuing scaling social impact through influencing public policy and advocacy, yet few rank it among their top past or future goals or strategies

Assumptions about Scaling Social Impact

- Most respondents believe that effectiveness and sustainability should come before scale.
- Respondents were divided about whether standardization and centralization are important for scaling social impact.

2. SURVEY METHODOLOGY

Survey Objectives:	<ol style="list-style-type: none">1. Uncover existing mental models and assumptions about how to scale social impact2. Determine whether there is a dominant mental model or evidence of strong shared beliefs that might guide and/or constrain social entrepreneurs' efforts to scale social impact3. Surface examples of compelling "dominant" and "alternative" models of scaling for subsequent case study research
Survey Design & Administration:	Princeton Survey Research Associates International (Dawn Crossland Sumners, Senior Project Director; Jonathan Best, Chief Methodologist)
Funding & Guidance:	Funding provided by the Skoll Foundation and Kellogg Foundation. Advice and substantive input on the goals and design of the survey provided by Skoll's Barbara Kibbe and Avon Swofford and Kellogg's Tom Reis.
Initial Sample:	764 recognized "social entrepreneurs" and innovative nonprofit leaders, U.S. based
# Completed:	151 responses
Response Rate:	20% completed responses
Field Dates:	11/4/05 to 12/8/05
Method:	Web-based survey questionnaire, linked via email
Questionnaire Structure:	<p>The questionnaire contained approximately 40 questions, broken into these sections:</p> <ul style="list-style-type: none">▪ Part 1 - Organization Information: collect basic information about the respondent's program or organization.▪ Part 2 - Behaviors & Plans: uncover behavior about how respondents have attempted to scale social impact and plan to scale social impact, including goals, strategies, priorities, and perception of success.▪ Part 3 - Assumptions: understand assumptions of respondents about approaches to scaling social impact, including perceptions of "best practice."▪ Part 4 - Models & Examples: generate examples and ideas for alternative approaches to scaling social impact.▪ Part 5 - Respondent Information: capture demographic information about respondent and willingness to be contacted for further research
Sample Sources:	<p>Survey participants were identified through the following referring organizations:</p> <ul style="list-style-type: none">▪ Ashoka Fellows (U.S. based)▪ Draper Richards Foundation Grantees▪ Drucker Award for Nonprofit Innovation - Nominees & Winners▪ Echoing Green Foundation Fellows▪ Edna McConnell Clark Foundation Grantees▪ Fast Company Social Capitalist Award - Finalists & Winners▪ New Profit Inc Portfolio Organizations▪ New Schools Venture Fund Portfolio Organizations▪ Schwab Foundation Grantees▪ Other social entrepreneurs and nonprofit leaders in CASE database
Notes on Methodology:	This survey research was exploratory and intended to be suggestive, rather than descriptive or explanatory. The sample is a purposive sample, not a probability sample. Because the total population of "social entrepreneurs" cannot be clearly defined and because this survey was designed primarily to identify issues, models and cases for further study, the sample was not intended to generate statistically representative findings about a larger population.
Additional Resources	Also available on the CASE website (www.caseatduke.org) is the full survey report, " <i>CASE 2005 Scaling Social Impact Survey: A Summary of Findings</i> ," produced by PRSAI, which includes analysis of detailed findings, survey protocol, and actual survey questionnaire annotated with results for each question.
CASE Research Team:	John Kalafatas, Senior Research Associate, (project leader); Beth Anderson, Managing Director & Lecturer; Greg Dees, Faculty Director

3. SURVEY FINDINGS

Interest in Scaling Social Impact

1. Respondents want to scale their social impact and are eager to learn more about scaling social impact.

All (151) of the respondents surveyed indicated that their organizations have attempted and plan to continue to attempt to increase their social impact. (This result may not be surprising because a self-selection bias may have led members of the voluntary sample interested in scaling social impact to be more likely to participate in the survey.) Administrator Princeton Survey Research Associates was encouraged by the 20% response rate for the survey, which targeted busy CEO's and executive directors, reporting that "the sample was highly engaged and interested in the research relative to other such surveys." In addition, 87% of respondents are willing to be contacted for further research. All respondents asked to be sent the results, while 75% of respondents would like to know more about successful examples and 64% about unsuccessful examples of scaling social impact.

2. Respondents viewed and defined the concept of "scaling social impact" in a variety of ways.

Two-thirds of respondents offered a definition when asked (prior to being given one). Responses varied significantly and a number were unsure. Respondents did not share a common understanding of scaling social impact. Some understood the concept to mean expansion ("rolling out a model for addressing an important social need over larger target area") and replication ("replicating successful social entrepreneurship models to expand impact"). Others focused on efficiency ("achieving economies of scale financially or programmatically while increasing reach and scope of program" or "trying to achieve more with less, finding an efficient solution"), on measurement ("measuring the impact on the community"), or on life stage ("moving from early stage to a mature social purpose business"). Finally, a number focused on relative results ("increasing the scale of the solution to match the scale of the problem") and systemic change ("increasing outcomes produced by your organization to a level where they are significant and impact the field and/or create systemic sustainable change"). When asked for examples of scaling social impact, 59% gave at least one successful example, 37% at least one unsuccessful example.

Overall Success in Scaling Social Impact

3. Respondents reported mixed success in their efforts to scale social impact.

While it is encouraging that 33% of respondents reported that their organization was *Very Successful* to date in achieving each of its top three goals for scaling social impact, the majority (60%) reported otherwise - with 53% only *Somewhat Successful* and 7% *Not Too/Not At All Successful*. While not all attempts at scaling impact are expected to succeed, this pattern indicates room for improvement.

Self-Reported Degree of Success in Attaining Top Goals for Scaling Social Impact	
33%	Very Successful
53%	Somewhat Successful
7%	Not Too / Not at All Successful
5%	Too Soon to Tell

Approaches to Scaling Social Impact

4. Respondents pursue a variety of approaches for scaling social impact - results suggest that there is no dominant model.

Of note, 100% of respondents attempt to scale their social impact in multiple ways. Findings indicate that there is no dominant mental model among respondents about how to scale social impact. Some goals and strategies were more common than others. However, there was significant variety across the respondents. Most organizations pursued a mix of approaches. (See p.9-10 for definitions of goals and strategies used in survey.) Many pursue a mix of both direct service and indirect influence approaches for scaling impact. With some exceptions, many expected to continue pursuing their past goals going forward. (See table ranking strategies on next page.)

Most Common Top Goals for Scaling Social Impact		
	Ranked Among Their Top 3 Past Goals	Ranked Among Their Top 3 Future Goals
Increase Quality	65%	58%
Increase Quantity	56%	59%
Promote a Model	50%	43%
Expand Geographically	42%	44%
Influence Public Policy	25%	27%
Diversify Services Offered	23%	21%
Diversify Communities Served	19%	23%
Establish a Social Movement	15%	18%

Most Common Top Strategies for Scaling Social Impact			
	Ranked Among Top 5 Past Strategies		Ranked Among Top 3 Future Strategies
	% in top 5	Rank	Rank
Capacity Building	81%	1	1
Partnerships/Alliances	72%	2	2
Knowledge Dissemination	59%	3	3
Influencing Public Awareness	38%	4 (tie)	4 (tie)
Technical Assistance	38%	4 (tie)	6
Organizational Branching	31%	6	4 (tie)
Organizational Affiliation	29%	7	7
Advocacy	21%	12 (tie)	12 (tie)
Convening Associations & Networks	21%	12 (tie)	12 (tie)
Direct Advocacy & Lobbying	20%	10	10 (tie)
Technology Delivery	19%	11 (tie)	8
Volunteer Engagement Expansion	19%	11 (tie)	9
Research & Public Policy Development	16%	13	14
Packaging/Licensing	9%	14	10 (tie)

5. Approaches for scaling impact through direct service were reported as more successful than those attempting indirect influence on other organizations or the larger system.

Goals such as *Promote a Model*, *Influence Public Policy*, and *Establish a Social Movement* were reported as less successful than other goals.

Of note, success was correlated with investment, though not perfectly. In general, the more respondents invested (energy, money, and resources) in top goals and strategies, the more likely they were to report higher degrees of success on achieving those goals and strategies. However, the goal of *Increasing Quantity* was an exception, with moderate to high levels of success achieved with varying levels of investment. Additionally, more so than the other top goals, *Promoting a Model* seemed to require very high levels of investment to be considered successful. Unlike the other goals, even with very high level of investment, some reported they were not successful at *Promoting a Model*.

Past Top Goals, Ranked by % Reported to Be Very Successful									
	Very Successful		Somewhat Successful		Not Too & Not At All Successful		Too Soon To Tell		Total # Who Pursued as Top Past Goal
	#	%	#	%	#	%	#	%	#
Increase Quality	45	46%	49	50%	2	2%	2	2%	98
Expand Geographically	28	44%	26	41%	4	6%	5	8%	63
Diversify Communities Served	9	32%	15	54%	2	7%	2	7%	28
Diversify Services Offered	11	31%	15	43%	4	11%	5	14%	35
Increase Quantity	25	30%	53	63%	3	4%	3	4%	84
Promote a Model	21	28%	45	59%	8	11%	2	3%	76
Influence Public Policy	7	18%	23	61%	5	13%	3	8%	38
Establish a Social Movement	4	18%	12	55%	5	23%	1	5%	22
Past Top Strategies, Ranked by % Reported to Be Very Successful									
Volunteer Engagement Expansion	13	59%	6	27%	2	9%	1	5%	22
Organizational Affiliation	20	57%	13	37%	1	3%	1	3%	35
Technology Delivery	12	52%	11	48%	0	0%	0	0%	23
Partnerships/Alliances	47	48%	42	43%	8	8%	1	1%	98
Technical Assistance	19	46%	18	44%	4	10%	0	0%	41
Organizational Branching	18	45%	20	50%	1	3%	1	3%	40
Direct Advocacy & Lobbying	7	41%	6	35%	3	18%	1	6%	17
Knowledge Dissemination	29	37%	41	53%	5	6%	3	4%	78
Convening Associations/Networks	8	36%	12	55%	1	5%	1	5%	22
Capacity Building	35	32%	56	51%	15	14%	1	3%	107
Advocacy	8	29%	16	57%	3	11%	1	4%	28
Influencing Public Awareness	12	28%	24	56%	4	9%	3	7%	43
Research & Pub. Policy Devlpmnt	4	24%	10	59%	0	0%	3	18%	17
Packaging/Licensing	2	20%	6	60%	0	0%	2	20%	10

6. Respondent choices of strategies are often driven by the types of goals they seek to accomplish for scaling social impact.

As would be expected, particular goals for scaling social impact were more likely to be pursued through certain types of strategies. For example, organizations that pursued a top three goal of *Expand Geographically* were more likely to use a replication strategy (*Organizational Branching, Organizational Affiliation*) than organizations not attempting to expand geographically. While 43% of those organizations who pursued *Expand Geographically* as a top past goal used strategies of *Organizational Branching, Organizational Affiliation*, or both, several other strategies were even more common among those organizations, including *Capacity Building, Partnerships/Alliances, and Knowledge Dissemination*. Respondents who pursued *Increase Quantity* as a top past goal were more likely than other organizations to have used a strategy of *Direct Advocacy & Lobbying* and less likely to have used *Organizational Affiliation*. For some, the strategies associated with a top goal changed from the past to the future. For example, organizations pursuing *Diversify Communities Served* as a top goal were more likely use top strategies of *Partnerships/Alliances* and *Influencing Public Awareness* in the past, but more likely to use *Technology Delivery* in the future.

Organizations pursuing these goals for scaling impact...	...were more likely to use these strategies than other organizations
<i>Influencing Public Policy</i>	<ul style="list-style-type: none"> ▪ <i>Direct Advocacy & Lobbying</i> ▪ <i>Research & Public Policy Devlpmnt.</i> ▪ <i>Influencing Public Awareness</i>
<i>Expand Geographically</i>	<ul style="list-style-type: none"> ▪ <i>Organizational Branching</i> ▪ <i>Organizational Affiliation</i>
<i>Establish a Social Movement</i>	<ul style="list-style-type: none"> ▪ <i>Convening Associations & Networks</i> ▪ <i>Influencing Public Awareness</i>
<i>Promote a Model</i>	<ul style="list-style-type: none"> ▪ <i>Organizational Affiliation</i>
<i>Diversify Services Offered</i>	<ul style="list-style-type: none"> ▪ <i>Partnerships/Alliances</i> ▪ <i>Knowledge Dissemination</i> ▪ <i>Technical Assistance</i>

7. While over half of the respondent organizations were founded with a local focus, a number reported significant geographic expansion to date.

Fifty-seven percent of respondent organizations were founded with an original geographic focus of *Local Community/Small Cluster of Communities, City/Metropolitan Area, or County*. A number of respondents did significantly broaden their geographic focus. Of the 56 organizations that began with an original geographic focus of *City/Metropolitan Area* or *One County*, 18% have expanded to a current national geographic focus of the *United States*. Of the 15 that began with *United States*, 33% have expanded to *Multiple Countries/International*. Forty-two percent of total respondents ranked *Expand Geographically* among their top three past goals for scaling social impact and 44% ranked *Expand Geographically* as a top three goal for the future.

8. Approaches to scaling social impact varied somewhat by field/industry and by age of organization.

Although dramatic differences in approaches to scaling social impact did not manifest across fields or industries, there were some distinctions. Education organizations were more likely to rank *Expand Geographically* as a top goal than organizations from other fields and more likely to use *Packaging/Licensing* as a top strategy. Community Development organizations were more likely to rank *Diversify Services Offered* as a top future goal and more likely to use *Organizational Branching* as a top strategy. *Youth Development, Education, Philanthropy, and Civil Rights/Social Action/Advocacy* organizations all were more likely to rank *Establish a Social Movement* as a top goal than other types of organizations (*Health Care; Employment; Arts, Culture & Humanities; Science & Technology; Environment & Animal-related; etc.*) For some industries, the number of respondents was small. (See p. 8 for statistics.)

Younger organizations (0 to 20 years old) were more likely to have *Establish a Social Movement* as a past and future top 3 goal than older organizations. Organizations 11-20 years old were twice as likely to have pursued *Diversify Services Offered* as a past goal than younger organizations, and more likely to have used *Technical Assistance* as a past strategy than older or younger organizations. Organizations founded before 1986 were more likely to rank *Increase Quality* as a top 3 future goal than others. Also, respondents in older organizations (20+ years old) were more likely to agree with all six statements (see #11 and #12 below) about best practices for scaling social impact than those in younger organizations.

% Ranking as Top 3 Past Goal for Scaling Social Impact, by Age of Organization			
	21+ Years Old Founded Before 1986	11-20 Years Old Founded 1986-1995	0-10 Years Old Founded 1996-2005
Increase Quality	73%	58%	63%
Increase Quantity	59%	58%	51%
Promote a Model	45%	58%	51%
Expand Geographically	43%	33%	47%
Influence Public Policy	35%	16%	24%
Diversify Services Offered	22%	35%	15%
Diversify Communities Served	18%	14%	22%
Establish a Social Movement	4%	19%	20%
	Total n = 33	Total n = 28	Total n = 39

9. Many respondents reported diversification as a past and, to a lesser extent, a future goal for scaling social impact – yet few ranked it as a high priority.

A large percentage of respondents report *Diversify Communities Served* (81%) and *Diversify Services Offered* (78%) as a goal they have attempted to achieve, yet a significantly smaller percentage (19% and 23%, respectively) ranked these goals among their top 3. Moreover, of those who did rank these goals among their top 3, diversification was most often a secondary or tertiary goal. Similarly, when considering future goals, 69% and 64% report concrete plans to pursue these two goals, yet only 23% and 21% rank them among the top 3, with only 5% and 3% ranking them first

10. A majority of respondents report pursuing scaling social impact through influencing public policy and advocacy, yet few rank it among their top past or future goals or strategies.

A large percentage of respondents identify *Advocacy* as a strategy for scaling social impact that they employed in the past (68%) and plan in the future (72%). Yet only 21% rank it among their top 5 past strategies, and only 10% among their top 3 future strategies. Similarly, 68% report *Influence Public Policy* as a past goal, yet only 25% rank it among the top 3 past goals and 27% among the top 3 future goals. Moreover, for those who did rank influencing public policy or employing advocacy as a top goal or strategy, very few ranked it first. Thus, it appears that while many respondents see potential in scaling social impact through advocacy and public policy, they rarely prioritize approaches for doing so.

Past Top Goals, Ranked by % Reported to Be Very Successful				
	Influence Public Policy		Advocacy	
	Past Goal	Future Goal	Past Strategy	Future Strategy
% Identified as Goal	68%	60%	68%	72%
% Ranked Among Top 3	25%	27%	11%	10%
% Ranked #1	3%	6%	3%	1%
% Ranked #2	10%	8%	1%	3%
% Ranked #3	12%	13%	7%	6%

Assumptions about Scaling Social Impact

11. Most respondents believe that effectiveness and sustainability should come before scale.

A majority of respondents believe that it is best practice to demonstrate effective results (91%) and achieve financial sustainability (77%) before attempting to scale social impact.

12. Respondents were divided about whether standardization and centralization are important for scaling social impact.

About half (54%) of the respondents agreed that it is best practice to scale social impact by *building a strong, centrally controlled brand, rather than through independent replication with variable, locally defined brands*. Less than half (41%) agreed that it is best practice to scale social impact by *standardizing programs and operations rather than through encouraging local autonomy and innovation*.

Respondents' Evaluations of Best Practices For Scaling Social Impact				
<i>It is best practice to scale social impact by...</i>	Agree		Disagree	
	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
Demonstrating effectiveness and results before attempting to increase the organization's impact beyond the current communities served or needs addressed.	62%	29%	6%	1%
Achieving financial sustainability before attempting to increase the organization's impact beyond the current communities served or needs addressed.	42%	35%	18%	3%
Building a strong, centrally controlled brand, rather than through independent replication with variable, locally defined brands.	28%	26%	32%	9%
Achieving optimal penetration of the current communities served or of the context for the needs addressed before moving into new locations.	18%	40%	35%	5%
Expanding direct service delivery or action, rather than through indirect activities such as knowledge dissemination, technical assistance, or advocacy that changes public policy or inspires a social movement.	17%	34%	36%	13%
Standardizing programs and operations rather than through encouraging local autonomy and innovation.	7%	32%	36%	24%

4. SURVEY IMPLICATIONS

The survey results have several implications for the evolving research and practice of scaling social impact. The combination of respondents' wide-ranging attempts at, mixed success with, differing views on, and eagerness to learn more about scaling social impact call for the social sector to generate further research and deepen our understanding of the topic. The lack of consensus about a definition of scaling social impact and about best practices indicate that there would be value in creating greater common understanding about the issue.

Fortunately, a range of scholars, researchers, consultants, funders, and practitioners are at work generating knowledge about scaling social impact. It would be helpful to the field if researchers built a deeper understanding of in a number of areas, including:

- A strategic framework or inventory of the various options for helping social entrepreneurs, organizations, and funders make strategic decisions about scaling social impact.
- A deeper understanding of each option for scaling social impact, including the conditions for which the approach is best suited, mechanisms, risks, capacities required, and the perceived and real barriers and success factors for pursuing the approach.
- Knowledge about pursuing multiple approaches for scaling social impact at once and about changing approaches over time.
- Identification of high potential levers for scaling social impact that cut across the choices of options and approaches.
- Field/industry specific issues around scaling social impact.
- Industry- and system-changing approaches to scaling social impact.
- Deeper knowledge and understanding of indirect strategies for scaling social impact.

5. RESPONDENT DEMOGRAPHICS

Demographic Characteristics for 151 Respondents Who Completed Survey:

Gender:	45% Male 54% Female	Education:	6% High school grad/Some college 25% College/University graduate 49% Master's Degree 7% Ph.D. 11% Professional/Other post-grad degree
Age:	7% 18-29 31% 30-39 19% 40-49 40% 50-64 3% 65+	Race/ Ethnicity:	83% White/European-American 3% Black/African-American 5% Hispanic/Latino 3% Asian/Pacific Islander 4% Other
Position in Organization:	44% Founder 42% Executive Director 28% CEO 21% President 18% Member of Board of Directors 17% Senior Manager 7% Other Director 5% COO or CFO 6% Other/No Answer		

Total exceeds 100% due to multiple responses.

Characteristics of 151 Respondent Organizations:

Organization Type:	<i>Which best describes where you work?</i> 93% Non-profit organization 1% For-profit organization 5% Program w/in larger <u>non-profit</u> 0% Program w/in larger <u>for-profit</u> 1% No answer	Age of Org:	<i>When was your org. established?</i> 10% Before 1966 (over 40 yrs old) 23% 1966 - 1985 (21-40 yrs old) 28% 1986 - 1995 (11-20 yrs old) 39% 1996 - 2005 (0-10 yrs old)
Field/ Industry:	<i>Which best describes your org's field?</i> 15% Education 12% Human Services 10% Community Development 8% Youth Development 6% Housing & Shelter 5% International/For. Affairs, Nat. Security 5% Health Care 4% Employment 4% Philanthropy, Foundations, Volunteerism 4% Civil Rights, Social Action, Advocacy 3% Arts, Culture & Humanities 3% Science & Technology 3% Environment & Animal-related 17% Misc. Other	Location:	<i>In what state is your org. located?</i> 32% Total Northeast 19% New York 7% Massachusetts 11% Total Midwest 26% Total South 9% District of Columbia 29% Total West 20% California 1% No answer
Founder Presence:	<i>Is founder still with the organization?</i> 73% Total Yes, founder still involved 44% Respondent is founder 13% On staff 11% On Board of Directors 5% As a volunteer 26% No, founder no longer involved 1% No answer	Leadership Positions:	<i>Which of the following leadership positions exist in your organization?</i> 42% Executive Director 42% President 32% Chief Executive Officer (CEO) 15% Chief Operating Officer (COO) 9% Chief Financial Officer (CFO) 5% Vice President 3% Program Director 13% Director of Development 3% Other No answer

Total exceeds 100% due to multiple responses.

6. DEFINITIONS & FRAMEWORK

What is “scaling social impact”?

To provide context for this research, the following terms must be defined:

- **Social Impact:** “Social impact” is the *value created for beneficiaries, society, and the world by a social purpose organization or program.*
 - Social value is not limited to economic wealth for owners or consumption benefits for customers.
 - Outcomes related to the promotion of good for human society, animals, or the natural environment.

- **Social Entrepreneurship:** “Social entrepreneurship” is *the process of recognizing and relentlessly pursuing opportunities to create social value.* “Social entrepreneurs” draw upon best thinking from the business and nonprofit worlds to develop entrepreneurial strategies that maximize the social impact of their organizations. Social entrepreneurs play the role of change agents in the social sector by
 - 1) adopting a mission to create and sustain social value (not just private value),
 - 2) recognizing and relentlessly pursuing new opportunities to serve that mission,
 - 3) engaging in a process of continuous innovation, adaptation, and learning,
 - 4) acting boldly without being limited by resources currently in hand, and
 - 5) exhibiting heightened accountability to the constituencies served and for the outcomes created.¹

- **Social-Purpose Organization:** A “social-purpose organization” is *any mission-driven organization with a primary purpose to create social impact.* Comprising many fields and industries of the “social sector,” these organizations can be large or small; new or old; religious or secular; nonprofit, for-profit, or hybrid. Social sector organizations include any enterprise whose primary goal is to create value that cannot be reduced to economic wealth for owners or consumption benefits for customers, whether it is related to the promotion of good for human society, animals, or the natural environment.

- **Scaling Social Impact:** “Scaling social impact” is *the process of increasing the impact a social-purpose organization produces to match more proportionately the magnitude of the social need or problem it seeks to address.*

Scaling social impact can include, but is not limited to, the following categories of action:

- Expanding the quantity and improving the quality of the services provided directly by your organization.
- Enabling other organizations to provide a higher quantity and quality of direct services.
- Changing the political, cultural, or economic environment to reduce the need or problem.
- Attracting more or improving the productivity of resources devoted to addressing the need or problem.

According to the Oxford English Dictionary:

- **Scale (noun):** Relative or proportionate size or extent (i.e. proper proportion).
- **Scale (verb):** To increase in amount or size according to a fixed scale or standard; to increase from a small scale to a larger scale.
- **Scale (verb):** To climb, get over (a wall or the like); to ascend (a mountain); to get to or reach the top of.

¹ J. Gregory Dees, “The Meaning of Social Entrepreneurship” (Center for the Advancement of Social Entrepreneurship, www.case@duke.org; 5/30/01)

DEFINITIONS, continued

The framework, terms, and definitions below were used to structure CASE’s survey of practitioners. It provides a preliminary taxonomy of goals and strategies for scaling social impact across a spectrum of approaches from impact through direct service to impact through indirect influence. CASE plans to revise this framework.

Goals & Strategies for Scaling Social Impact

← *Impact through Direct Service* ←←←←← →→→→→ *Impact through Indirect Influence* →

Goals for Scaling Social Impact	<p>Increase Quantity: Providing existing services more frequently or in greater quantity in current locations.</p> <p>Increase Quality: Improving the quality of existing services and outcomes.</p> <p>Diversify Communities Served: Offering existing services to new groups of people in current locations.</p> <p>Diversify Services Offered: Providing new services addressing new issues in current locations.</p> <p>Expand Geographically: Offering existing services in new locations.</p>	<p>Promote a Model: Encouraging the replication of your organization’s model by promoting your organization and its activities to others.</p>	<p>Influence Public Policy: Changing public policy in order to increase the number served or needs addressed, or to reduce the need you seek to address.</p> <p>Establish a Social Movement: Creating cultural, political, or social change through a large-scale social movement that influences public opinion or collective action in support of an issue.</p>
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← *Impact through Direct Service* ←←←←← →→→→→ *Impact through Indirect Influence* →

Strategies for Scaling Social Impact	<p>Organizational Branching: Replicating branches in new locations that remain part of one multi-site organization.</p> <p>Organizational Affiliation: Creating a network of affiliated but independent organizations connected by shared principles, goals, or activities.</p> <p>Capacity Building: Making organizational investments that improve capability, effectiveness, and performance.</p> <p>Volunteer Engagement Expansion: Training volunteers to mobilize in different locations to deliver organization’s services.</p> <p>Technology Delivery: Providing services or addressing social needs directly through technological vehicles.</p>	<p>Packaging/Licensing: Packaging a successful program and licensing it to existing organizations in other locations.</p> <p>Technical Assistance: Providing technical assistance, training, or consulting to others offering similar programs.</p> <p>Knowledge Dissemination: Sharing information with others through publications, the Internet, presentations, etc.</p> <p>Partnerships/Alliances: Collaborating with other organizations to deliver services or address needs in new locations.</p>	<p>Research & Public Policy Development: Researching and generating knowledge about the social issue and proposing public policy, i.e., think tank approach.</p> <p>Influencing Public Awareness: Using various means of communication to inform, educate, and influence public awareness, opinion, or action about the social issue.</p> <p>Direct Advocacy & Lobbying: Engaging public policy makers, legislators, and other govt. officials to influence legislative or resource environment for the social issue.</p> <p>Convening Associations & Networks: Organizing social-purpose organizations or individuals from the same field into a network mobilized to advocate for shared goals and policy proposals or to share learning, knowledge, or resources.</p>
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8. BACKGROUND ON THE CENTER FOR THE ADVANCEMENT OF SOCIAL ENTREPRENEURSHIP (CASE)

Mission: A research and education center founded at Duke University's Fuqua School of Business in 2002, the Center for the Advancement of Social Entrepreneurship is dedicated to promoting entrepreneurial leadership, innovation, and impact in the social sector through the thoughtful adaptation of business expertise.

Programs & Activities:

- MBA Involvement in the Social Sector:** CASE supports a variety of curricular, extracurricular, and career programs to provide students with the tools and opportunities to engage effectively with the social sector. Offerings include electives and independent studies; the CASE Social Sector Scholarship Program for students who are committed to a career in the social sector; Fuqua on Board Program, which places students as non-voting board members with local nonprofits; career planning; a Summer Internship Program supplementing nonprofit or government intern salaries; and a Loan Assistance Fund providing support to alumni working full time in the social sector. CASE also seeks to engage and develop the community of Fuqua alumni interested in utilizing their business skills for social purposes.
- Increasing Awareness of the Field:** CASE recognizes that the "field" of social entrepreneurship is emerging and evolving and seeks to influence and advance it by increasing awareness on a local, national and international level. In addition to its research and education activities, CASE hosts events, publishes a newsletter, presents at conferences and events, and honors leading social entrepreneurs with an annual leadership award.
- Knowledge Development and Dissemination:** Educational programs and effective practice must be built on useful, actionable knowledge that has been tested, refined, and deepened by rigorous, systematic research. CASE conducts its own research and also supports relevant Fuqua faculty research. CASE disseminates this knowledge through courses, publications, case studies, web-based resources, conferences, and presentations.
 - Through contributions at Fuqua and elsewhere, CASE faculty Greg Dees and Beth Anderson have helped to define social entrepreneurship for both practical and research purposes, including a short history of the evolution of the term; mapped the process of social entrepreneurship; created frameworks for social-purpose commercial ventures, innovation, resource mobilization, and scale in the social sector; analyzed the application of business tools to nonprofit organizations; and developed a number of case studies about social-purpose organizations.
 - Greg Dees is currently focusing his research on how business ideas are transforming the ways we tackle social problems and serve social needs. He seeks to identify not only the potential benefits of this kind of cross-fertilization, but also the challenges, risks, and limits of using business-inspired approaches. His goal is to develop a set of principles to guide anyone interested in using business ideas in appropriate and effective ways to make the world a better place.
 - Senior Research Associate John Kalafatas is leading a major research project on "scaling social impact." Funded by the Skoll and Kellogg Foundations, this work builds on prior research and the 2004 article, "Scaling Social Impact: Strategies for Spreading Social Innovations" (Dees, Anderson, and Jane Wei-Skillern from HBS), which argued that social entrepreneurs who want to spread their innovations have commonly sought to "replicate" or "scale up." The paper presented a framework for considering a broader array of strategic options.
 - CASE provides financial and advisory support to Fuqua faculty members for empirical research, conceptual papers, and case studies that apply business and management expertise to the social sector. Select projects include Access, Board Size, and Incentives in Nonprofit Firms; Capacity Allocation and Yield Management in Nonprofit Firms; An Empirical Examination of the Complex Relationships Between Entrepreneurial Orientation and Stakeholder Support; & Developing Drugs for Developing Countries: An Economic Model of Market Mechanism.
 - CASE is also partnering with Leslie Crutchfield (Director, Ashoka Accelerator for Social Entrepreneurship; Aspen Institute Research Grantee) and CASE Research Fellow Heather McLeod-Grant to support their research on U.S. nonprofits that have achieved significant, widespread impact in the last 30 years. Through a survey of nonprofit leaders and in-depth case study research, they are exploring the unique strategy, leadership and organizational approaches that have fueled their success. A book on fast-growth, high-impact nonprofits is forthcoming.

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9. 2001 SURVEY ON GEOGRAPHIC EXPANSION

In 2001, Beth Anderson and Greg Dees (then at the Stanford Business School's Center for Social Innovation) along with Jane Wei-Skillern (then at London Business School) conducted a survey sponsored by the Center for Social Innovation that explored the strategic preferences, motivations, benefits and challenges reported by nonprofit leaders who were engaged in or seriously considering geographic expansion through establishing branches and/or affiliates in new locations. Following is a brief summary of the methodology and key findings, including some questions for further research.

Methodology:

Utilizing the snowball method, a web-based survey was disseminated to nonprofit executive directors and senior managers via targeted listservs, emails, electronic bulletin boards, and personal referrals. Respondents were funneled into one of four survey paths

- 1) single-site organizations operating in one location,
- 2) branch organizations with one or more branches under their 501(c) 3,
- 3) affiliate organizations with one or more independent 501(c) 3 affiliates, or
- 4) plural organizations with both branches and independent affiliates.

Organizations that had already expanded were asked to rate the importance of a series of factors from 1 to 5, with 1 being of low importance and 5 being of high importance, regarding their original motivations for expansion and the associated benefits and challenges. Single-site organizations were asked whether or not they were considering entering new territories, and if so, whether they had a preference for expansion via branches, affiliates, or both. They were also asked to rate the importance of the same set of factors regarding their motivations, anticipated challenges, and expected benefits. The survey also included open-ended text responses to these questions in case the factors listed did not include those most relevant to respondents. There were 296 respondents, including organizations operating in each of the 26 major sub-sector groups as identified by the National Center for Charitable Statistics. There was also considerable variance in the organizations' age and size as measured by number of employees and annual budget. Over 60% of respondents identified direct delivery of services as their primary activity.

Key Findings:

1. *Respondents exhibited a preference for branching, yet pure branch organizations are generally smaller, grow more slowly, and have less ambitious growth plans than those with affiliates.*

Of the respondents, 130 had already expanded and 56 were seriously considering doing so. Branch organizations were preferred across both groups. See Table 1.

Table 1. Organization Structure Frequencies

Organization Structure	Organizations Already Expanded (N)	%	Organizations Considering Expansion (N)	%
Branch Organization	62	48%	24	43%
Affiliate Organization	36	28%	8	14%
Plural Organization	32	25%	6	11%
No Preference	--	--	18	32%
TOTAL	130	100%	56	100%

However, pure branch organizations were smaller, grew at slower rates, and had less ambitious growth plans than those with affiliates. See Tables 2, 3, and 4.

Table 2. Organization Size by Organization Structure

# of Orgs.	Branches (N=62)	Affiliates (N=32)	Plural (N=32)
<= 5	42	10	12
6-10	8	5	6
11-30	9	7	7
31-50	1	4	0
51-100	1	2	3
>100	1	4	4
Mean*	7.1	32.1	30.1
S.D.*	11.7	49.3	50.1
Median*	3	13	10
Maximum*	75	245	215

*While included in the total counts for number of units, the averages, standard deviations, medians, and maximums reported for branches and affiliates exclude two outliers, 999 for branches and 850 for affiliates.

Table 3: Recent Growth: Number of New Sites Established in Past 5 Years

Structure	Mean	Median	Maximum	S.D.	5 Yr CAGR
Branch	2.49	2.0	15	2.91	8.3%
Affiliate	13.11	4.0	108	23.89	16.9%
Plural	14.89	6.0	108	27.53	14.8%

CAGR = Compound Annual Growth Rate

Table 4: Future Growth: Number of New Sites Planned in Next 5 Years

Structure	Mean	Median	Maximum	S.D.	5 Yr CAGR
Branch	2.52	1.0	5	6.76	5.3%
Affiliate	13.62	5.0	50	21.9	14.1%
Plural	21.12	6.0	108	30.37	15%

CAGR = Compound Annual Growth Rate

Consistent with previous research (Oster, 1992; Oster, 1996) that showed affiliates dominate amongst the largest nonprofit organizations, this survey found that branches dominate amongst smaller organizations and those considering expansion. Furthermore, affiliate and plural organizations reported greater recent growth and more ambitious growth plans. This set of findings suggests that in planning a strategy for expanding, nonprofit leaders must consider a range of structures and align their organizational expansion strategy with their growth goals. It also raises some interesting questions for further research: Is growth via branches more appropriate in earlier stages of expansion to accommodate nonprofit leaders' preferences and allow for tighter initial control? Can branch organizations effectively transition to an affiliate or plural model to foster faster growth if and when their expansion plans become more ambitious?

2. Economies of scale from geographic expansion appeared to be less than anticipated at the outset.

Regardless of structure, increased efficiency from economies of scale associated with being a larger organization was one of the leading motivators for expanding geographically. Yet overall these benefits generally did not materialize to the degree expected. While plural organizations did report significantly more benefit from economies of scale than pure branch or affiliate organizations, their reported benefits nonetheless fell short of expectations. While larger organizations (>5 locations) did report marginally greater benefits from economies of scale than smaller ones, even for them economies of scale were one of the lowest rated benefits and were less than expected.

Notably, one of the most significant challenges faced by all organizational structures was building organizational capacity and systems to support new locations. This finding may help explain the less than anticipated benefits from economies of scale as capturing scale economies likely requires some upfront investment in new organizational capacity and systems and perhaps a longer learning period than had been anticipated. Many nonprofits attempting to enter new territories may not have the resources or expertise to build their organizational capacity, or may underestimate the required resource and time investment, making it difficult to capitalize on any potential scale economies. Regardless, the survey results raise the question of whether there are significant economies of scale associated with nonprofit organizations' expanding via branch, affiliate, or plural structures. If so, how do they vary according to organizational structure? What types of systems and structures must be in place to capture them? What are the learning processes about growth management? And how many units are necessary to begin taking advantage of economies of scale?

3. Regardless of structure, respondents reported significant benefits from building a brand and organizational learning that exceeded initial expectations.

Even though building a stronger brand name was already identified as a leading motivator for expansion among respondents, as a realized benefit, it was consistently rated significantly higher and was among the top realized benefits across all organizational structures. Organizational learning was not considered a leading motivator for expansion, yet three factors that capture various aspects of learning were consistently rated significantly higher as realized benefits: 'local sites have become more effective by learning from each other', 'more experience has led to more effective programs and operations', and 'more innovation as a result of local experimentation'. Taken together, these factors suggest that organizational learning is clearly a key benefit from expansion, though not always a key driver.

Further research into these areas might help identify ways in which nonprofit leaders may be able to increase their ability to capitalize on these benefits through more deliberate planning. For example, which stakeholders (e.g., clients, funders, staff, volunteers, communities) derive the most value from a stronger brand name? How specifically does a stronger brand name translate into value for the organization? In terms of organizational learning, at what level does organizational learning take place? For instance, does expanding via branches, affiliates, or both increase learning on managerial and administrative processes, in the specific program or service offerings, or some combination of both? What are the mechanisms through which various types of knowledge are transferred effectively? It seems that if nonprofit leaders were aware of the value of building a brand and organizational learning from the outset and consciously considered ways to increase brand awareness and knowledge-sharing as they developed their plans for entering new geographic markets, they could capitalize on the benefits to an even greater extent than if these benefits were to emerge in an ad hoc manner.

To Learn More:

For further discussion of this research, see Harvard Business School: Working Knowledge, October 6, 2003: [The Growth of the Social Enterprise](#)

A draft working paper with full survey results is available for download as part of the [CASE Working Paper Series](#) No. 4: Nonprofit Geographic Expansion: Branches, Affiliates, or Both?.