

Social Innovation in a University: Accelerator Programs of a Center for Social Entrepreneurship in the Philippine Setting

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Abstract

The paper traces the managerial plans and decisions made towards the development of the Center for Social Entrepreneurship of the University of San Carlos in Cebu City, Philippines under the auspices of the School of Business and Economics and Santa Clara University's Miller Center for Social Entrepreneurship in California. Using the action research approach, the Center and its two Accelerator Programs namely the Global Social Benefit Institute Boost and Online Accelerator Programs were studied. Participants for the first cohorts were called Potential Social Enterprises (PSEs) and Mature Social Enterprise (MSEs) for the Boost and Online Accelerator Programs, respectively. A total 27 PSEs and 5 MSEs joined the first cohort. Few scholars have studied accelerators that support social enterprises. In contrast to incubators, accelerators expose social entrepreneurs to market forces and provide the intense process of mentoring, education, and expansion of networks which have a lasting impact on participants. Overall, both Boost and Online Accelerator Programs proved effective in developing the competencies of the social enterprises. The results presented in this paper covers the period of implementation from the time the center was launched in February 2018 to February 2019. This study covers the progress towards the center's goals, verifiable indicators, activities conducted, survey results, key insights and initial recommendations moving forward. The findings of the study support similar findings of other authors that accelerators for social enterprises play an important role in developing social ventures. Accelerators can contribute to the development of new ventures at several stages.

Keywords: Social innovation, social entrepreneurship, social enterprises, social entrepreneur, accelerator program

INTRODUCTION

Social innovation is increasingly being recognized as an important field of research and a rapidly growing practice. There is every reason to believe that social innovation will, if

anything, accelerate in the coming century [1]. Social innovation refers to innovative activities and services that are motivated by the goal of meeting a social need and are predominantly diffused through organizations whose primary purposes are social [2]. In the literature, social innovation has been discussed in the context of social entrepreneurship and that the core principle of a social enterprise is social innovation. There are three major features of social innovation: first, the capability of the enterprise to satisfy human needs or address social needs; second, a reconfigured social relations or processes between and among social groups in the entrepreneurial process; and lastly, the empowerment of the people that are trying to fulfill their needs [3].

Social entrepreneurship as a concept have existed for many years but many academic scholars believe it traces its roots in the early 1990s when Bill Drayton popularized the idea after establishing the social entrepreneurship organization ASHOKA. Although research has increased in the study of social entrepreneurship from that time, much of the published literature has been conceptual in nature. Even with this, a unified definition of social entrepreneurship is still lacking [4]. The Philippines is an archipelago made up of 7,000 plus islands with a tropical climate and rich natural resources. It is one of East Asia's fast growing economy with a population of approximately 118.2 million people. Despite recent economic growth, the World Bank has estimated in 2021 that around 18.1% (19.9 million) of the population live in poverty. Its sustainable development plan 2023-2028 include the goal of reducing poverty to around 5.5 million by 2030, this means to lift approximately 14.4 million out of poverty. Of late, in line with the UN Sustainable Development Goals of eradicating poverty, the Philippine government set as its goal eradication of poverty by 2040. Although the drive is high with the economy showing signs of recovery from the pandemic, a significant wealth gap

persistently exists in the country with reported statistics of only 50 wealthiest Filipinos accounting for 24% of the nation's entire GDP. Amidst this scenario, social enterprises are seen as a strong agents playing a pivotal role in promoting more inclusive growth in the country [5]. Social enterprises and social entrepreneurs create innovative initiatives and solutions to unsolved social problems, putting social value creation at the heart of their mission in order to create benefit to different individuals, "communities", and other groups [6].

The definition of social enterprises in the Philippines though has yet to be harmonized. Currently, a Senate Bill is being sponsored under Senate Bill No. 1026 called The Social Enterprise ("SE") Bill which will provide the framework for the planning and implementation of a National Poverty Reduction Through Social Entrepreneurship (the "PRESENT") Program. The SE Bill, or the PRESENT Bill provides a nurturing environment for the growth and burgeoning of strong and innovative Social Enterprises as tools to reduce poverty.

A "Social Enterprise" as defined in the proposed Bill, refers to an enterprise with the poor as primary stakeholders (or SEPPs). This is an enterprise that explicitly declares and pursues poverty reduction, alleviation, or improving the quality of life of specific segments of the poor as a principal objective. A Social Enterprise engages and invests in the poor for them to become effective workers, suppliers, clients and/or owners, and ensures that a substantive part of the wealth created by the enterprise is distributed to, or benefits them.

In 2015, the Institute for Social Entrepreneurship in Asia (ISEA) and Oxfam identified five (5) different forms of social enterprises, namely: social cooperatives, microfinance institutions (MFIs), fair trade organizations (FTOs), trading development organizations (TRADOs) and new generation social enterprises (NewGen SEs). Social

cooperatives are organizations that are composed of the poor while also serving them. MFIs are corporations or NGOs offering financial services such as insurances and microcredits to the poor. FTOs are enterprises guided by fair trade principles that through partnerships aim to provide access to markets and improve conditions for poor producers. TRADOs are non-government development organizations engaged in economic activities such as trading and marketing of goods, or provision of development services. NewGen SEs are enterprises commonly initiated and led by the youth. What characterizes this type of social enterprises is their goal to design scalable solutions aimed at alleviating poverty. They tend to come from business-related backgrounds and thus emphasize commercialization faster. Currently, they are the fastest growing segment of social enterprises in the Philippines.

In a report published in 2017 in collaboration with the European Union, British Council, United Nations ESCAP, SCO-SEED and the Philippine Social Enterprise Network, it was estimated that there are approximately 164,000 social enterprises operating in the Philippines. The report likewise identified eight different types of actors that were considered leading supporters of the sector. These are (1) incubators and accelerators, (2) social investors, (3) nonprofits and NGOs, (4) business/industry associations, (5) educational institutions, (6) research and support organizations, (7) forums and networks, and (8) government institutions.

Few scholars have studied accelerators that support social enterprises. In contrast to incubators, accelerators expose social entrepreneurs to market forces. They likewise provide the intense process of mentoring and education and expansion of networks which have a lasting impact on participants. They are a fairly recent innovation and as mentioned provide intensive non-formal entrepreneurship education that provide cohorts of social entrepreneurs with advise and networks. Scholars agree though that little is known about the processes by which accelerators create value for social entrepreneurs [7].

In early 2018, three collaborators namely; the University of San Carlos (USC), Ramon Aboitiz Foundation, Inc. (RAFI), and Santa Clara University (SCU) signed a Memorandum of Understanding as part of its shared vision of uplifting the lives of the poor and marginalized by catalyzing sustainable and scalable solutions across the Pacific Islands in general and the Visayas and Mindanao regions of the Philippines in particular. The three collaborators further agreed that a Center for Social Entrepreneurship under the auspices of USC School of Business and Economics is imperative and shall be created to mobilize resources and implement social enterprise capacity development initiatives.

It further agreed to implement Aboitiz Social Ventures Cebu (ASVC) that will create a supportive eco- system for social entrepreneurs in Cebu with the following key pillars: (1) a higher education partner capable of teaching students and conducting field-based action research to accelerate social entrepreneurship approaches in the Philippines, (2) a social enterprise business accelerator that offers direct training for promising social entrepreneurs as well as the ability to proactively replicate/translate proven social enterprise operational models from around the globe into the Philippine island context, and (3) a local network of banks and investors who are familiar with impact in- vesting approaches.

The study differs from many other studies on social entrepreneurship as it will document the case of the USC SBE Center for Social Entrepreneurship as it pursues the goals envisioned by the collaborators particularly the two accelerator programs implemented for the period of study namely; Miller Center's trade- mark Global Social Benefit Institute (GSBI) Boost and Online Accelerator Programs. This paper in particular will answer the following research questions: How did the SBE Center for Social Entrepreneurship (SBE CSE) pursue the social enterprise capacity development initiatives? What specific log frame goals and verifiable indicators were targeted? How effective did the first cohorts of social enterprises

find the Boost and Online Accelerator programs co-developed with SCU's Miller Center for Social Entrepreneurship in creating value for them?

METHODS

Employing action research approach, the Center and the two accelerator programs namely the Boost and Online Accelerator Programs in particular were studied. Participants forming the first cohorts were called Potential SEs for the Boost and Mature SEs for the Online Accelerator. A total of 27 PSEs and 5 MSEs enrolled into the program. They were interviewed mid-point into the programs and immediately after the program with the use of a survey questionnaire with appropriate dialect translation. During the various workshops, the researchers spent time devoted to direct observation and management of the center's programs. This research is considered an action research as the researchers are part of the active SBE CSE Core Team responsible for the development of the Center and implementation of its various programs. The core team is composed of the SBE Dean (researcher), Assistant Dean, CSE Manager and the Business Administration Department Chair. The first cohort under action research framework would constitute the first cycle of planned change. Written reports provided to RAFI as well as various email exchanges and minutes of meetings with Miller Center experts were likewise used to triangulate the data collection for this study

RESULTS AND DISCUSSION

The results presented in this paper covers the period of implementation from the time the center was launched in February 2018 to February 2019s. This section will cover the

progress towards the log frame goals of the center, determining verifiable indicators, activities conducted, results of the survey, key insights and initial recommendations moving forward.

A. Progress Towards Log Frame Goals

The Center targeted six main goals for the next five years (2018-2020): (1) Capacitate social enterprises, (2) Link the SE with relevant sources of funding, (3) Develop a pool of business mentors, (4) Support the social entrepreneurship academic program, (5) Enable other Higher Education Institution (HEIs) to promote SE in the region, and (6) Sustain and scale the operations of the Center.

B. Verifiable Indicators

The following verifiable indicators were arrived at for each main goal:

Goal #1: Capacitate social enterprises

- By 2020, the Center must have enlisted 25 mature social enterprises (MSEs) in the Online Accelerator Program and 66 potential social enterprises (PSEs) in the Boost Program.
- By 2022, the Center must have enlisted 50 mature social enterprises (MSEs) in the Online Accelerator Program and 125 potential social enterprises in the Boost Program

Goal #2: Link the SE with relevant sources of funding

- Introduced 75% of MSEs and 25% of the PSEs to at least one funder by 2022

Goal #3: Develop a pool of business mentors

- Conducted at least one training for mentors per year beginning in 2018 up to 2022

Goal#4: Support the social entrepreneurship academic Program

- By 2020, the Center has developed 10 case studies for each social enterprise category
- By 2022, the Center must have developed at least 25 case studies for each social enterprise category

Goal#5: Enable other HEIs to promote social entrepreneurship in their region

- By 2020, established collaboration agreement with 5 HEIs
- By 2022, trained at least 4 trainers at each en- listed HEI

Goal#6: Sustain and scale the operations of the Center

- By 2020, established organization and processes to implement operational plans
- By 2022, established a fully working organization and mechanisms to implement and sustain overall operational plans

C. Activities Conducted per Goal

Various activities were developed and conducted in pursuit for each goal cognizant of the verifiable indicators identified per goal.

For Goal#1, these are boost and online accelerator kick offs, 4 boost workshops, 6 virtual mentor meetings, boost final workshop and presentations, online accelerator midpoint workshop, mentor meetings, and planning for online final presentations. Other SE activities done were refinement of the SE selection criteria and process as well as participation of 4 MSEs to the Entrepreneurs' Fair in Ayala Center Cebu. A total of 21 PSEs graduated from the Boost or a success rate of 77%. All 5 MSEs graduated in April 2019.

For Goal #2, the following activities were targeted and conducted: participation in SOCAP Investor meetings, round table discussion on social enterprise ecosystem and

investor ecosystem meetings. The database of global and local impact investors (grants, debt, microfinance) focused in the Philippines was developed and updated.

For Goal#3, the Center arranged mentor kick off workshop, mentor roundtable Q&A, online check-in calls, and mentor feedback and discovery workshops.

For Goal#4, a 3-day training workshop was developed for SBE faculty members/mentors, the SOEN 1 course syllabus was developed and pilot tested and later launched to a larger cohort of students.

For Goal#5, the original ½ day workshop for HEIs was expanded to a new 2-day format with broader scope and to better accommodate regional travel needs. A forum was planned in collaboration with SBE's partner university in Indonesia to spread the seeds of social entrepreneurship through the Dean's Forum to be held in March 2019.

For Goal#6, the Center went through 3 Center Managers owing to internal administration movements, an administrative assistant was hired to assist the Center Manager and the website was under development with soft launch by May 2019. A short list of relevant foundations and corporate funders was developed to build the Center's capacity for fundraising.

D. Survey Results Key Findings

A total of 15 PSEs (15/21=71% retrieval rate) completed the end of program survey. The key findings from the Boost final survey showed that 85% of respondents found the "overall quality and usefulness of Boost modules" as "extremely useful" or "very useful" with module 6 (executive summary) receiving the highest favorable rating. Seventy-three percent (73%) "strongly agree" that "mentors are meeting my expectations". However, only 47% "strongly agree" with the statement "I communicate with my mentors regularly." Suggesting

some had challenges establishing regular calls or face-to-face meetings. There appears to be some room to improve examples used in the curriculum to make them relevant for more enterprises as only 60% “strongly agree” that “the material was customized appropriately for my industry”. Almost half of the participants noted difficulty in understanding and completing the financial worksheets in module 4 as reflected in the verbatim comments. Almost all (93%) will recommend the program to someone else.

For the Online Accelerator Program Midpoint Survey, all respondents “strongly agree” with the statement “my mentors are meeting my expectations” and “I communicate regularly with my mentors”. Nearly all respondents indicated that they are using both videos and slides to access program curriculum. All respondents rated the overall quality and usefulness of modules 1-4 as either “extremely useful” or “very useful”. What MSEs liked most about the program was (verbatim responses) “availability of resources and access to an experienced mentor” and “I learn from a very experienced mentor.” As to the modules, MSEs liked most (verbatim responses) “clear and simple presentations” and “concise and uses simple words.”

E. Key Insights and Learning (Cohort/Cycle 1)

Improving the screening and selection of social enterprises will provide a better experience for both entrepreneurs and mentors. A revised evaluation criteria was proposed with valuable inputs from the Miller Center experts. In terms of the volunteer network pool, there is a need for a broad and ongoing effort to create a pipeline of new mentors which reaches beyond USC faculty. Distance and internet access are key factors in the ability to fully engage with the programs. Localization of certain content/curriculum is needed. New programs may be helpful to support PSEs. Lastly, the Center needs to begin developing its

own fundraising capacity and secure new sources of funding. SCU-USC collaboration should identify and build relationships with potential funding partners. Over-all, both Boost and Online Accelerator Programs proved effective in developing the competencies of the social enterprises. The findings of the study support similar findings of Levinsohn [8] that accelerators for social enterprises play an important role in developing social ventures. Accelerators can contribute to the development of new ventures at several stages.

CONCLUSIONS

The Center for Social Entrepreneurship pursued its social enterprise initiatives by first setting up clear log frame component goals for the next three to five years. For each of the goals, verifiable indicators were identified. An evaluation criteria was set up for selecting the first cohorts of social enterprises for both the GSBI Boost and Accelerator programs which were categorized as Potential SEs and Mature SEs. Both in-person and online platforms were utilized for the intensive mentoring and coaching for all the modules of both programs. A midpoint and end of program survey proved useful in findings areas for improvement with the different accelerator modules, the mentor engagements and the Center activities as a whole. As the Center prepares for the Cohort 2/Cycle 2, much reflection and revisiting of the log frame goals and milestones have to be done to take into consideration the realities of both the opportunities and challenges met in implementing the two accelerator programs. New programs might be developed for the varied types of social ventures.

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