

# **Exploring the development process of grassroots social entrepreneurship**

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## 1 Abstract

This study explores the development process of seven cases of grassroots social entrepreneurship that contain the establishment of multi-sector partnerships. The paper suggests three phases in the development process and three stages of collaboration. It connects the existing body of literature on processes for social innovation and social entrepreneurship to the results of the case study. To improve the process of development of grassroots social enterprises it proposes: 1. a more systematic approach in the idea generation phase including an exploration of social and institutional barriers and a detailed elaboration of the initiator's idea, 2. the establishment of platforms to provide access to the relevant social network, 3. application of tools and methods for collaborative development in the first two phases of the process.

Processes, methods and tools from the field of product development are considered to be relevant for future research on grassroots social entrepreneurship.

## 2 Introduction

Social entrepreneurs are change promoters in society; they pioneer innovation through the entrepreneurial quality of an innovative idea, their capacity building aptitude, and their ability to demonstrate the quality of the idea and to measure social impacts (Perrini and Vurro, 2006). Drayton (2006) defines social entrepreneurs as men and women developing

system-changing solutions that address the world's most urgent social challenges. Valuable knowledge has been developed about how social entrepreneurs recognize opportunities in society and how intentions to start a social enterprise are formed (Robinson, 2006; Mair and Noboa, 2006). Others focused on the organizational aspects of the social enterprise and sought to identify patterns predicting or leading to successful social entrepreneurship (Alvord et al., 2004; Desa and Kotha, 2006; Cramer, 2002; Mulgan, 2006). One of the propositions described in the paper of Alvord is that successful social entrepreneurship is often founded by leaders with the capacity to work with and build bridges among very diverse stakeholders. However, little is known about how to build these stakeholder collaboration networks in practice. Especially grassroots social entrepreneurs face the challenge of developing both the solution and a network of collaborating partners simultaneously. Grassroots social entrepreneurs we define as citizens with an innovative idea to solve a social problem, but without an existing organization backing them. Despite these difficulties research shows (Meroni, 2007) that there are numerous examples of citizens developing such grassroots social ventures and collaboration networks successfully. These grassroots initiatives focusing on sustainable solutions to social problems “are an opportunity to learn from their common success factors and to be alerted to cross-cutting obstacles they encountered. It will help us to develop, initiate and test new policies, aimed at enabling and empowering individuals or “creative communities” to do better and to do more.” (de Leeuw in Meroni, 2007). The research described in this paper seeks to contribute to a deeper understanding of the development process of these grassroots initiatives. We set out to explore seven grassroots examples of SOCIAL ENTREPRENEURSHIP. Our aim is to distinguish patterns in the development process of grassroots social enterprises, and to find answers to the question how to improve this process of development. First we describe social innovation and social entrepreneurship briefly. We summarize three processes of social innovation and social entrepreneurship from literature. In the Material and Method section we describe our research design and how we analyze the available data. Results of both within- and cross-case analysis are reported. The discussion aims to link our results back to the processes, themes and propositions from literature in order to identify

differences and similarities between grassroots social entrepreneurship and literature. The final section seeks to answer our research question and sets an agenda for future research.

### **3 Background**

Starting point for this study has been the growing number of initiatives by individuals and small groups of citizens who develop and implement solutions to social problems (Gerometta et al., 2005; Meroni, 2007). These cases are seeds of social innovation. Many of these cases develop into small or medium sized enterprises (SME's) or foundations with a primary social goal. The social entrepreneur provides a product or service fulfilling a social need. Our investigation aims to contribute to a deeper understanding of the development process of these grassroots initiatives. The grassroots origin inherently implies a complex process, as organizational structure, partnerships and the product or service all have to be developed from scratch. This leads to our research questions on how grassroots initiators actually develop their idea into a working solution, and how this process could be improved. Literature on social innovation and social entrepreneurship provides descriptions of processes related to grassroots social entrepreneurship. Another concept that helps to create a deeper understanding is the collaboration continuum for strategic alliances (Austin 2000). We briefly summarize this concept at the end of this section.

#### **3.1 Processes of social innovation and social entrepreneurship**

First we will describe the processes of social innovation and social entrepreneurship. Phases and related propositions and themes from the authors of this body of literature are summarized in Table 1.

##### **3.1.1 Social innovation**

Social innovation in the field of political and social science is often related to innovative solutions to poverty alleviation or social exclusion (e.g. Alvord et al. 2004; Gerometta et al. 2005). Others refer to social innovation when describing processes of behavioural change or social trends. Although we believe that the term social innovation applies to both strands of research, for our study the concept of social innovation as described by

Mulgan (2006a) provides a valuable theoretical background. Mulgan defines social innovation as referring to “new ideas that work in meeting social goals”. A somewhat narrower definition he proposes is social innovation as “innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organizations whose primary purposes are social.” He seeks to describe similarities and differences between social and business innovation. One of the challenges both business and social innovation face is to survive the often long phase when revenues are negative. Methods to speed up this period designed for business innovation are for example faster prototyping and the use of rigorous milestones against which funds are released. Another similarity is that successful growth is only possible if innovations really do meet needs. To develop and spread they need the support of people with resources: investors, co-developers, and purchasers. Patterns of social innovation which differ from business innovation deal with motives, patterns of growth, critical resources and the judging of success (Mulgan 2006a).

### **3.1.2 Social Entrepreneurship**

In literature many definitions of social entrepreneurship have been formulated. Our aim is not to develop a new definition of social entrepreneurship. Our aim is to provide a theoretical background on social entrepreneurship which seeks to describe the process of social entrepreneurship. A process is a set of actions and dynamic factors with a beginning and an end (after Mintzberg, 1976). The start of the social enterprise is inherently linked to the formation of an intention to create it (Mair and Noboa, 2006). One particular phase of the social entrepreneurial process is explored by Mair; the so-called intention formation part. Robinson (2006) proposes the process of navigating social and institutional barriers to the markets or communities the entrepreneur wants to impact. He relates the successfulness of social entrepreneurs to their ability to execute and navigate. He further explores the social and institutional barriers and defines three themes for action: identification and discovery, evaluation, and addressing the barriers.

### **3.1.3 Technology Social Ventures**

The third process we think is relevant to our study is that of the evolution of Technology Social Ventures described by Desa and Kotha (2006). Technology Social Ventures

(TSV's) are ventures that deploy technology-driven solutions to address social needs in a financially sustainable manner. The grassroots cases we focus on in our study are providers of products and services. They are not technology driven solutions itself, but in most cases a product is developed together with a service. In TSV's the technology in most cases is implemented in a product or service fulfilling a social need, which makes it interesting to compare the evolution process of TSV's to the process grassroots social enterprises go through.

Table 1: Development processes: phases in social innovation and social entrepreneurship.

|   | <b>Social Innovation</b><br>Mulgan 2006b   | <b>Social Entrepreneurship</b><br>Robinson 2006   | <b>Technology Social Ventures</b><br>Desa and Kotha 2006   |
|---|--|---|--|
| 1 | Generating ideas by understanding needs and identifying potential solutions  | Opportunity identification<br><br><i>“Theme 1: Successful social entrepreneurs will identify opportunities in social and institutional contexts they believe they understand.”</i>                      | Idea / Opportunity stage<br><br><i>“Prop 1a: The social entrepreneur’s social networks and past experience will predict sources of opportunity recognition for TSV’s.”</i> |
| 2 | Developing, prototyping, and piloting ideas<br><br><i>“Statement: Progress is often achieved more quickly through turning the idea into a prototype and then galvanizing enthusiasm for it.”</i> | Opportunity evaluation and exploration<br><br><i>“Theme 2: Successful social entrepreneurs will consider social and institutional factors when evaluating opportunities to create social ventures.”</i> | Prototype / Founding stage<br><br><i>“Activities and results: Seed funding<br/>Seed pitch<br/>Seed evaluation”</i>   |

|   |  |                     |  |
|---|--|---------------------|--|
| 3 | Assessing, scaling up, and diffusing good ideas<br><br><i>“Statement: this phase requires skilful strategy and coherent vision, the ability to marshal resources and support, and to identify key points of leverage.”</i> | Opportunity pursuit | Growth stage<br><br><i>“Prop 4: As TSV evolves from the idea/opportunity stage to the venture growth stage new stakeholders reshape the identity and mission of the social venture.”</i> |
| 4 | Learning and evolving  |                     |  |

Table 1 summarizes the processes for social innovation and social entrepreneurship by Mulgan, Robinson, and Desa and Kotha. Similarities are becoming visible by arranging the processes parallel. The first phase in both the process of social innovation and social entrepreneurship describes the action of developing an idea. All three perspectives address a phase of prototyping, piloting, and evaluation. Mulgan states that “progress is often achieved more quickly through turning the idea into a prototype or pilot and then galvanizing enthusiasm for it, than by formal market research or desk analysis.” Both the social innovation and social entrepreneurship perspective mention the importance of evaluation of the idea and setting up a pilot or pitch in the second phase. The third phase is characterised by implementation, consolidation, scaling up and growth of the innovation. Only in the social innovation process also a fourth phase of learning and evolving is mentioned. The overview of phases along which the innovation process takes place will serve as an anchor point for our exploration and cross-analysis of grassroots cases of social entrepreneurship. This body of literature doesn’t inform us in detail about how the social entrepreneur moves from one phase to another. Propositions, themes and statements give some direction. These propositions and themes are included in Table 1 and will be discussed and linked to our research results in the discussion section of this paper.

## 3.2 Collaboration stages

Our study focuses on social entrepreneurship started by individuals in society. This implies the development of a collaboration network of partners to realise the solution. The collaboration continuum as defined by Austin (2000) describes collaboration stages in the development of strategic alliances between nonprofits and corporations:

1. The philanthropic stage characterized by a supplicant-benefactor relationship
2. The transactional stage in which value is created for both partners; project-based.
3. The integrative stage in which collaboration evolves into strategic alliances.

Different relationships can serve different functions and the different stages in the collaboration continuum should not be seen as superior or inferior. Although these stages have been defined for strategic alliances between nonprofits and corporation, we think they provide a valuable perspective on the development of partnerships in grassroots social entrepreneurship.

## 4 Method and Material

This study seeks to identify phases and patterns in the development process across grassroots cases for social innovation and entrepreneurship and to find directions for improvement of this process. To explore the process of development replication logic requires applying a multiple case design (Yin, 2003). In order to be able to cross compare we selected five cases that appeared to be successful in their development so far. Two less successful cases were added to the study for contrast. For this study the process approach is preferred above the variance approach because it the process approach is especially suitable to explore and explain what is actually happening in the empirical world (Langley, 1999). To make sense of the data gathered, we combine aspects of the narrative and visual mapping strategy. The narrative approach is used as a preliminary step aimed at preparing a chronological overview of what happened over time. Visual mapping will be used to compare and identify patterns in the process of development. The material will be structured fixing our attention on time, events and orderings. To provide sufficient material to be able to begin generating patterns this study includes seven cases (Eisenhardt, 1989; Langley, 1999).



Given our interest in the details and patterns of the development process of social innovation and social entrepreneurship, we selected seven cases that are potential seeds of social innovation and start-ups of social entrepreneurship in the Netherlands. All cases have the following characteristics:

- The idea was conceived by an individual or small group of individuals.
- The idea includes both an innovative solution to a social problem and the launch of a new product or service.
- No organizational structure existed for the innovation at the start: the initiators started the case being citizens without any organizational support or background.
- The initiators were taking visible action aimed at the development of the idea.

Four cases were selected from the database of Greenwish, a Dutch foundation supporting initiators of grassroots cases for sustainable development. Greenwish support may consist of connecting an initiative to potential partners, helping to write a project or business proposal, and fundraising. Three cases caught our attention through the media.

One important drawback of the cases in this study is that they all started recently. From these cases it was impossible to determine whether the developed solution solved the social problem successfully. Nevertheless we chose this sampling approach in order to be able to extend our research longitudinally in the future. For this exploration we defined the execution of a pilot to indicate the successful development of a case.

The information about the cases was gathered in two encounters with the initiators of each case. The first encounter consisted out of a structured interview. The questionnaire focused on the history of the case, and the development process the case had gone through so far. The interview and reporting format used for this first interview was derived from the formats used in the EMUDE research activity aimed at gathering and reporting cases of social innovation (Maase and Dorst, 2007; Meroni, 2007). Adjustments were made expanding the interview with questions asking for current challenges the initiators were facing. The first interview was executed by a team of two students of the bachelor course at our faculty. The within-case data analysis (Eisenhardt, 1989) consisted out of a standard descriptive format and a system organization map representing the organizational form of each case. A second encounter with the initiators of each case

focused at future development. The second encounter took place within 2 to 4 weeks after the first interview and was set-up in a workshop-like format. Starting point for the second encounter was to create a solution to a current challenge in the development of the case together with the case initiators and potential partners. This challenge was derived from the analysis of the results of the first interview and discussed with the initiator beforehand. In the workshop the system organization map was discussed with the initiator on its accurateness and errors were adjusted to the current organizational situation. Both the student team and the researcher were present at the workshop. All interviews and workshops took place between September 2006 and January 2007. The workshop was taped in mp3-format for detailed analysis afterwards. Table 2 provides a brief description of the key innovation of each case indicating both the social problem addressed by the solution and the product or service.

Table 2: Cases' Key Innovation.

| <b>CASE:</b> | <b>Key innovation</b>  |
|--------------|--|
| <b>TVE</b>   | A lunchtime school "restaurant" combining the training of future cooks, reintegrating jobless parents, training kids about healthy food and providing high quality lunch at primary schools.   |
| <b>OEPS</b>  | A beach pavilion for leisure based on both ecologically and socially sustainable principles providing space for training and education of students of secondary schools. Simultaneously the beach and surrounding dune area are developed to become an ecological zone. Providing education on ecology, sustainable energy etc. for schoolchildren is also part of the initiative. |
| <b>WDBH</b>  | A website for various stakeholders in the chain of job trading to exchange information for finding and providing a job closer to home. Primer focus is to connect people (employees) who want to switch or change jobs in order to reduce their travel distance and –time.   |
| <b>RAG</b>   | To create work for a significant number of people at the lower end of society in developing countries by producing fashionable products locally and selling them in Europe, the US and Australia.  |
| <b>MMM</b>   | High end fashion label, locally produced by homeless women in the Netherlands. Each piece of clothing includes a piece of old, re-used fabric or other clothing material.  |

|            |  |
|------------|--|
| <b>TAS</b> | A sphere-shaped transparent container at supermarkets to put in plastic shopping bags by consumers, enabling direct re-use by consumers, significantly reducing plastic waste. |
| <b>TVO</b> | TVO aims to provide knowledge and optimism through contact with nature. Workshops (re-)connecting people to nature and its resource capacity will be part of the initiative.   |

## 5 Results

### 5.1 Phases in the development of grassroots social entrepreneurship

Based on the interviews and case descriptions we set up the timeline for each case. The starting point of a case was defined as the moment the initiator started to share the idea. Cases found themselves in different phases of development at the moment of the interview. For a cross-case comparison we aligned the starting points of the cases to one point in time (Figure 1).

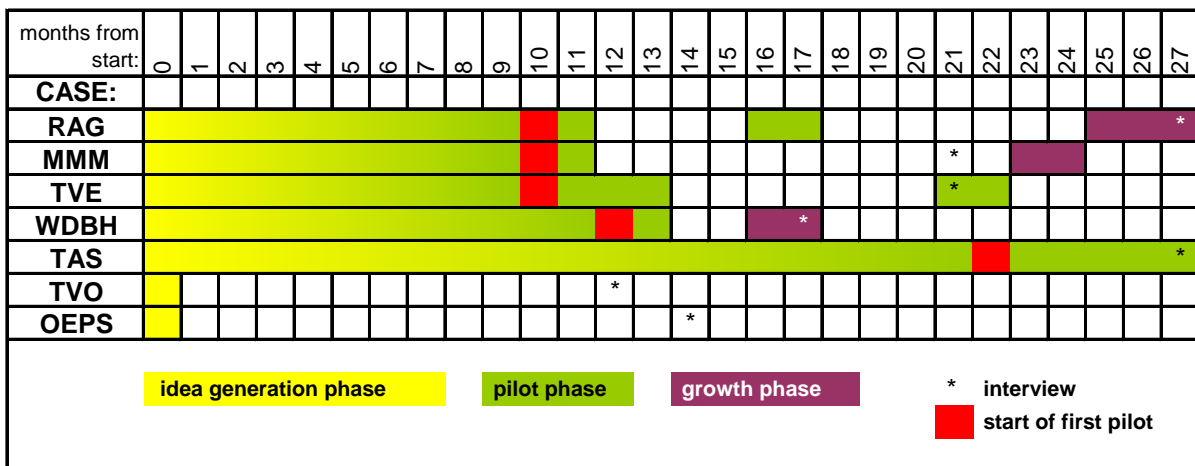


Figure 1: Case timelines with aligned starting points.

Based on analysis of our data and the cross-case timeline comparison we recognized three phases: the idea generation phase, the pilot-phase, and the growth phase. Below we describe the actions and results of these phases as we saw them happening.

### **5.1.1 Idea generation phase**

In the idea generation phase the initiator discusses the idea with various people in his or her social network. In most cases also organizations outside the social network are approached. This phase is characterized by a fuzzy and iterative approach in which the idea is elaborated in detail. Four out of seven cases contacted Greenwish in this phase.

### **5.1.2 Pilot phase**

Five out of seven cases manage to get to the pilot phase within two years from the start. Four cases manage to organize a pilot within one year. The pilot phase is characterized by finding partners and setting up a pilot together. Contacting partners, like in the idea generation phase, is an iterative process. The initiator repetitively discusses the idea with potential partners. The actions of the first part of this phase resemble the actions of the idea generating phase, but the purpose is slightly different. In the idea generation phase the discussion focuses on gathering information, identifying potential partners and refining the idea. In the pilot phase the initiator seeks to get the potential partner's commitment to collaborate. This shift of focus takes place between the two phases, but from our data we could not derive the exact timing or how this takes place. The main result of the pilot phase is running the pilot itself which encompasses the solution in real life. For this pilot the commitment and contribution of partners is necessary. The establishment of partnerships will be discussed in the next section.

### **5.1.3 Implementation phase**

The implementation phase consists out of building the final network structure for continuous operation. Because only one of the cases in our study reached this stage at the moment we investigated the cases, we will not elaborate on this phase here.

## **5.2 Establishment of partnerships**

The key innovations (Table 2) of all seven cases imply the establishment of a network of partners. The grassroots cases in this study did not originate in existing organizations, and the intended solutions all need collaboration with various sectors in society to make the solution work. In the cases explored we distinguished the following functional purposes

of partnerships in random order: to provide funding, to provide part of the service, to supply the product or necessary material, to promote the solution, to provide labour, to provide consultancy on both the organization and content development, and to use the product/service system. In our cross case analysis we arranged the cases along the dimension “time to pilot” in rising order (Table 3). We looked for patterns between “time to pilot”, the number of partners involved in the pilot, and number of “sectors involved”.

Table 3: Case data: comparing “time to pilot” to “number of partners” and “sectors involved”

| CASE | entrepreneur's professional context                   | organization on 01012007 | number of sectors involved in pilot | time to pilot in months | nr of partners involved in pilot | partnerships in collaboration stage 1 | partnerships in collaboration stage 2 | partnerships in collaboration stage 3 |
|------|---|--------------------------|-------------------------------------|-------------------------|----------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| RAG  | industrial product designer                           | sme                      | intra-sector: private+private       | 10                      | 7                                | 0                                     | 3                                     | 4                                     |
| MMM  | director of care institute + communication consultant | foundation               | tri-sector                          | 10                      | 7                                | 0                                     | 2                                     | 5                                     |
| TVE  | product stylist                                       | foundation               | tri-sector                          | 10                      | 11                               | 2                                     | 9                                     | 0                                     |
| WDBH | marketing manager                                     | sme                      | inter-sector: private+civil         | 12                      | 7                                | 1                                     | 2                                     | 4                                     |
| TAS  | event organiser                                       | foundation               | inter-sector: private+civil         | 22                      | 8                                | 0                                     | 7                                     | 1                                     |
| TVO  | artist  | artist                   | tri-sector                          | ?<br>>12                | ?                                | 4                                     | 1                                     | 0                                     |
| OEPS | unknown   | foundation               | tri-sector                          | ?<br>>14                | 13                               | 7                                     | 5                                     | 1                                     |

One might expect that the more partners are involved in the pilot, the more time it takes to get to the start of a pilot. Comparing the cases, we see that this relationship seems to exist, if we consider case TVE to be an exception. TVE was able to establish collaboration with eleven different partners within one year from the start. The data however do not reveal that the initiator of TVE already had established relationships with potential partners before starting the initiative.

We also compared the time to pilot with the number of different sectors involved. We expected the growing complexity from intra via inter to tri-sector partnerships to be positively related to “time to pilot”. Nevertheless the cases of our sample do not corroborate this expectation. Two cases (TVE, MMM) established tri-sector partnerships within 10 months. This is equally fast to other cases (RAG, WDBH) that had to establish inter-sector partnerships for their pilot. The only case who established intra-sector partnerships (RAG) took 10 months to pilot start, which is as fast as case MMM.

Almost all initiators at some point in the interview indicated to experience difficulties in finding committed partners for their initiative. Although the initiator of TVE managed to get to a pilot in 10 months from the start, she said: “It’s very difficult to find the right person to forward your idea in an organization. Once I found someone who was enthusiastic and promised to help, after some time that person had changed jobs and my proposal got lost. I lost a lot of time waiting.” Another frustrating aspect for grassroots social entrepreneurs is the experienced “slowness of bureaucracy”. Initiator WDBH: “Everybody I talk to is very enthusiastic about the idea, I even discussed it with people at the highest level of one of our national ministries, but I’ve been waiting for months now to receive an answer. I just do not understand why it takes so much time to take a decision. I keep calling them again and again. Meanwhile I just go on...”

The nature of the relationship between the initiator and partners gradually changes over time. At the start the initiator stands alone, without any organizational back-up or partners. Relationships seem to move through collaboration stages which resemble the collaboration stages defined by Austin (2000). The partnership characteristics described by Austin for collaboration stage 2 (the transactional stage) and 3 (the integrative stage) do match the characteristics observed in the partnerships developed in the pilot and growth phases of the development process described above. Exceptions need to be made with regard to the so-called philanthropic stage. The partnership characteristics of this stage as defined by Austin do not apply to the grassroots cases studied here. The collaboration patterns in the start-up phase of our cases do have a philanthropic flavour,

but relationships mainly function as sources for the elaboration of the idea. The collaboration value mainly consists out of advice, open sharing and exchange of ideas and intentions, feedback and managerial support instead of financial or material sponsoring. Financial and material support does play a role in the preparation of a pilot, and is thus considered to take place in the transactional collaboration stage. For the description of collaboration in the various phases of development process of grassroots social enterprises adding the dimension time to the Austin's collaboration stages would make sense. A preliminary description of collaboration stages which apply to grassroots social entrepreneurship is proposed below, but needs further elaboration in future research.

### **5.2.1 Collaboration Stage 1**

Stage one is characterized by an informal exchange of ideas and advice. The initiator's aim is to find possible partners by sharing his/her idea with various parties. No collaboration commitments are yet made. The initiator's idea is clear but plans on how to realize it are still fuzzy. The plan transforms and develops, often based on the advice and enthusiasm or "pessimism" of the potential partners.

### **5.2.2 Collaboration Stage 2**

Collaboration is project based. Exchange of resources is minimal and temporary. Commitments to join a pilot collaboration project are made. No long term commitments are yet made between the partners. Project-based collaboration with multiple sectors takes place.

### **5.2.3 Collaboration Stage 3**

Organizational network-structure is established and long term commitments are expressed and put into practice. Intra-, inter-, and tri-sector partnerships get into existence. The collaboration portfolio is balanced with an emphasis on integrative partnership.

In line with Austin's suggestion to "create a mix of alliances that makes optimum use of the partnering organizations' resources." (Austin, 2000), it seems interesting for grassroots initiatives to actively manage the collaboration stages with their partners.

## **6 Discussion**

The aim of this research was to explore the development process of grassroots cases for social entrepreneurship in order to find an answer to the question: How to improve the initial phases of the development of grassroots social entrepreneurship? Based on the timeline of development of seven grassroots cases and inspired by literature on social innovation and social entrepreneurship three main phases were distinguished and described in the results section. In our discussion below we link the results back to propositions, statements and themes in literature, which are related to the phases of the development process. We refer to the work of Desa and Kotha, Robinson, and Mulgan (2006a and b).

### **6.1 Idea generation and opportunity recognition by grassroots social entrepreneurs**

Desa and Kotha (2006) explored the evolution of new technology social ventures (TSV's) Described in the same book is Robinson's study (2006) of six social ventures in which he explores the issues of identification of the social entrepreneurial opportunities. We want to discuss Desa and Kotha's first proposition: "the social entrepreneur's social networks and past professional experience predicts sources of opportunity recognition for TSV's." and Robinson's first theme: "successful social entrepreneurs will identify opportunities in social and institutional contexts they believe they understand". Analysing the social and institutional context of the initiators of our cases, only in two cases (MMM and RAG) the initiators had professional experience or a social network that was of value for the development of the solution. Five case initiators entered completely new fields. Like a marketing manager in a big firm who started his own business to provide a solution to the traffic jam problem (WDBH) or a freelance organizer of big music events who works on promoting re-use of plastic bags (TAS). Grassroots initiators do not seem to be aware or



care whether they understand the social and institutional barriers. Their social context informs them about an opportunity. Their personal drive to change something for the better in all cases leads to the start of the initiative. Initiators do not per se identify opportunities within the social and institutional context they believe to understand. They identify opportunities in social and institutional contexts they want to change or contribute to, informed by their social context. Their personal drive and enthusiasm creates the force which sets them off to start a fuzzy and “trial and error”-like process of elaborating the solution and looking for partners. While doing so they encounter and learn about the social and institutional barriers related to their idea. Perseverance and personal skills seem to be the main factors leading to success of a case. On the other hand, the “trial and error”-like approach causes a lot of frustration with the grassroots social entrepreneur. Although it is impossible to make up for missing experience it would be valuable for the grassroots entrepreneur to understand the social and institutional barriers as soon as possible. A more systematic approach of the idea generation phase might reduce the level of frustration and speed up the establishment of partnerships. Especially in the less successful cases TVO and OEPS it is clear that the entrepreneurs were not aware of the social and institutional barriers at the start.

In addition to this they both did not have a clear picture of what the solution should look like. The initiator of OEPS stated in the interview: “It doesn’t matter to me what the final result will look like or who wants to join, as long as it is going to contribute to the learning of young people.” Up till now he enthused a lot of potential partners but a pilot did not yet start. Creating clarity about the solution for example by making a sketch of the collaboration network and product/service-system aimed for, would improve the communication with potential partners.

## **6.2 Establishing partnerships**

### **6.2.1 Intra-, inter- and tri-sector partnerships in grassroots social entrepreneurship**

Austin (2006) emphasises the need for the analysis of collaboration networks as a form of social entrepreneurship. One of the research questions he proposes is “How can one most effectively create social purpose networks?”. Here we discuss the results of our

exploration related to this research question. Before cross-analysing the cases our expectation was that the dimension “time to pilot” would relate positively to the amount of sectors that would have to collaborate. We expected tri-sector partnership initiatives to take considerably longer to establish the necessary collaboration network compared to inter- and intra-partnerships due to rising complexity of multiple sector networks. Four of the seven cases aimed to develop tri-sector networks. Cross-comparing the seven cases we found two cases (MMM and TVE) develop the tri-sector network relatively fast and start a pilot within one year. Cases RAG and WDBH developed intra- and inter-sector networks in about the same amount of time (within one year after start; Table 3). On the contrary two cases that also aimed at establishing tri-sector networks did not manage to get to the pilot phase within one year (TVO and OEPS). From our data we derive that rising complexity of multiple sector networks doesn’t necessarily increase the time to pilot. An explanation for the fast development of tri-sector partnerships in the cases TVE and MMM might be the initiators’ access to the other sectors through personal connections to these sectors in the past. The initiator of case TVE had collaborated with other people trying to develop a comparable grassroots initiative before. The experience and contacts developed in this previous activity created the opportunity to quickly elaborate the second initiative towards the prototype phase. Past professional environment of one of the initiators of MMM gave direct access to the necessary network.

All cases developing a pilot within one year had a clear idea of solution’s product/service system from the start.

### **6.2.2 Partners’ involvement in solution development**

Desa and Kotha’s proposition four states: “As the TSV evolves from the idea/opportunity stage to the venture growth stage new stakeholders reshape the identity and mission of the social venture.” In our grassroots cases stakeholders are approached in the first two phases of the development process. Both the product/service system and the collaboration network are developed simultaneously. The grassroots social entrepreneur reacts to the input and demands of potential stakeholders by reshaping the initial idea. A mutual negotiation takes place between the goal of the social entrepreneur and the contribution a

potential partner is willing to make. In grassroots cases the “reshaping” of the identity of the venture doesn’t only take place in the growth phase, but also in the idea generation and pilot phase. The successful social entrepreneur (MMM, RAG, TVE, and WDBH) shows both flexibility and leadership in the encounters with potential partners. Another phenomenon of partner’s involvement we saw is initiators organizing gatherings with a number of potential partners. The founder of the case TVE organized a session inviting all kinds of potential partners from various sectors in society to discuss her idea. At the end of this meeting the initiator asked the attendants to express their commitment.

According to the initiator of TVE this meeting contributed to the fast set-up of a pilot. In one of our interviews she said: “I discussed the idea with a lot of people whom I thought would be interested to join the initiative. Almost everybody was enthusiastic, but after a few months still nobody wanted to commit. I decided to organize a dinner inviting all these potential partners. Without this gathering I think the school-restaurant would not have taken place yet.”

Both access to a network of potential partners like the Dutch Greenwish platform provides to grassroots cases, and setting-up collaborative sessions with potential partners seem to enhance the development of the solution and partnership network.

### **6.2.3 Collaboratively piloting grassroots social enterprises**

Mulgan (2006b) states: “Social innovation may be helped by formal market research or desk analysis, but progress is often achieved more quickly through turning the idea into a prototype or pilot and then galvanizing enthusiasm for it.” Setting up an embryonic organization and concentric development are proposed as tools because social innovations require several goes before they work.” Our analysis of grassroots cases shows that all cases go through a pilot phase. In grassroots cases nevertheless the so-called embryonic or pilot organization is a collaborative network. Enthusiasm and commitment to collaborate has to be established in order to create the embryonic organization. The answer to the question how to do this remains unanswered in the literature on social innovation referred to. Questions like how to collaboratively develop the solution, how to involve potential users and partners in the early development phases, and how to evaluate and adapt the pilot results arise. We propose to integrate the

theoretical framework of product development to social entrepreneurship. Sixty years of research within this field provides an extensive body of knowledge resulting in manuals describing methods and tools to optimize the development process of products and product/service systems (VDI 2221, 1985; Buijs and Valkenburg 1996; Roozenburg and Eekels, 1995; Ulrich and Eppinger, 1995). Early research after the product development process focussed on the process taking place in single organizations and multidisciplinary teams within one organization. Recently the field started to widen its focus. Interesting strands of research for grassroots entrepreneurship are collaborative design (Scrivener, 2006) and research after the development of solution oriented partnerships (Manzini et al., 2004). Tools and methods have been developed to design collaboratively involving partners and users in design activities, to visualize the collaboration network, and to assess the system.

## **7 Conclusions**

In this study we explored the development process of seven grassroots social enterprises. We sought to identify patterns in the process and searched for directions for improvement. The challenge a grassroots social entrepreneur faces is to develop both the content of the solution and a collaboration network simultaneously. We distinguished three phases in the development of the solution: the idea generating phase, the pilot phase and the growth phase. Three collaboration stages describe the stages the collaboration between the initiator and a partner goes through. Propositions and themes described in the body of literature on social entrepreneurship and social innovation were discussed on their relevance for grassroots social entrepreneurship and the improvement of the development process. We came to the following three observations.

First, initiators do not per se identify opportunities within the social and institutional context they believe to understand. They identify opportunities in social and institutional contexts they want to change or contribute to. In many cases the grassroots social entrepreneur is not aware of social and constitutional barriers related to his or her idea resulting in a fuzzy and “trial and error”-like approach in the idea generation phase. A more systematic approach of the idea generation phase might reduce frustration and speed up the establishment of partnerships.

Second, tri-sector collaboration networks for grassroots social entrepreneurship do not necessarily take longer to develop compared to intra- or inter-sector collaboration networks. The time needed to prepare and start the pilot seems to be related to the access an initiator has to the relevant social network and the clarity of the solution at the start. Third, in grassroots social entrepreneurship partners start to influence the identity and structure of the social venture already in the first two phases of the development process. Both the product/service system and the collaboration network are developed simultaneously and in some cases collaboratively. Organizing collaborative sessions with potential partners seems to enhance the development of the solution and contribute to the establishment of partnerships. A pilot of a grassroots social enterprise requires the establishment of partnerships at the second collaboration stage. To our knowledge, questions like “How to collaboratively develop the solution?”, “How to involve potential users and partners in the early development phases?” and “How to evaluate and adapt the pilot results collaboratively?” are not answered in literature. A new theoretical framework might provide answers, although from a different origin. Another field of research which we think could inform the development process of social entrepreneurship is that of product development. This field builds on about sixty years of research tradition resulting in a thorough description of the product development process and the development and evaluation of numerous tools and methods to guide and improve the process. Especially the idea generation phase and piloting phase have been extensive subject of research. (Lawson, 2006) Tools to generate and develop ideas, especially together with potential users or partners (Manzini et al., 2004) might be of value for the grassroots social entrepreneur to enhance the establishment of partnerships and to navigate effectively the social and institutional barriers. In the pilot phase the application of design evaluation tools involving the users of the newly developed product service system might contribute to a thorough evaluation providing convincing arguments for new stakeholders to get involved in the growth phase. The field of collaborative design can contribute to the development of methods and tools for the establishment of partnerships for grassroots social entrepreneurship.

Our research leaves open the answer to the question how exactly these tools and methods will contribute, but our aim is to further explore the potential of design methods and tools

for grassroots social entrepreneurship in the future. Future research will focus at the development and testing of methods and tools derived from collaborative design theory and practice. An action research approach should reveal possible effects of the application of the developed tools on the development of grassroots social entrepreneurship. We hope this initial study inspires others to explore this path with us.

## 8 References

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