



Defining the Field of Social Innovation & Entrepreneurship:
an Adaptive SIE Framework for Transformational Systems Change

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This 2020 paper, authored by SIE CoLab Co-Founder Bruce Manciagli, serves as the guiding document for the SIE CoLab's vision and mission as well as the foundational development of tools, resources, training, and other methods the SIE CoLab employs in advancing transformational systems change.



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New concepts are introduced all the time. Some never catch on. Others experience great popularity for a period, but then decline and are viewed as passing fads. A few concepts have staying power and sustained impact. In rare cases, a new concept serves as a foundation for a whole new field of practice and knowledge. Social entrepreneurship has the potential to be one of those rare field-creating concepts.

We are at a critical point in the lifecycle of “social entrepreneurship.” The concept continues to gain recognition, even though it is neither widely nor well understood. If it is to have lasting, positive social impact, proponents will have to be strategic in building a strong community of practice and knowledge [a sufficient number of interested parties who engage with each other, identify as part of the field, and build a foundation of knowledge for the field] and in strengthening the ecosystem that supports practitioners [a healthy institutional and social environment, including financial, human, social/political, and intellectual resources].

Developing the Field of Social Entrepreneurship (Center for the Advancement of Social Entrepreneurship ~ Duke University June 2008)

In any field of study and practice, there are competing perspectives on how the field is defined. This is particularly true for a still-nascent field such as social innovation & entrepreneurship. While intellectual variance is a natural and healthy part of field-building, definitions that are overly broad, narrow, or ambiguous threaten to undermine the integrity of a field by either watering it down, restricting its potential, or leaving it open to being easily coopted. It is within this context that I share my best understanding of the field based on an extensive review of the literature; conversations with leading faculty, practitioners, and pioneers in the U.S. and internationally; and decades of my own related involvement.

Thematic tensions reflected in the divergent definitions of the field include an emphasis on individuals vs. organizations/networks and incremental social impact vs. systems change (Developing the Field of Social Entrepreneurship 2008). The most prevalent tension, which at times reflects real dissent, is a focus on enterprise vs. innovation. One might be tempted to brush past these tensions by asserting that we don't need to abide by either/or frames of reference and simply create a definition that accommodates all of these elements. Indeed, my own definition of social innovation & entrepreneurship, which I refer to as *The Adaptive SIE Framework for Systems Change* and which I outline below, encompasses them all (without, in my view, becoming overly ambiguous or watered down). In fact, I argue that for the field to realize its full potential, it must integrate these elements in ways that mirror the very systems we're trying to address. However, a simple declaration that we don't need to make false dichotomous choices is insufficient, particularly in the case of "enterprise vs. innovation," given the underlying ideological assumptions that can motivate the arguments among some who equate the broader field of social innovation & entrepreneurship to strictly "market-based solutions to social problems," which is often where the enterprise vs. innovation/systems change discussion leads.

It's helpful to note that social enterprise can be defined as:

A mission-focused venture that applies market-based strategies (sells a product/service) to create:

- *social value*
- *environmental value and*
- *economic value*

and that uses the majority (at least 51%) of the economic value it creates (generated revenue) to advance and sustain its social/environmental mission. A social enterprise may be set up legally as a nonprofit, for-profit, or hybrid entity.

~ Manciangli

As I'll elaborate below, harnessing the essential genius of markets is a fundamental tool that the field of social innovation & entrepreneurship leverages advantageously. However, it is often those who have been excluded from equitable participation in the global economy—or even basic capital and local markets, including millions of women and small-scale farmers around the world, who are the focus of this field. As Bill Gates astutely notes:

"While Capitalism has improved the lives of literally billions of people around the world, there are still a great many that do not benefit because they have needs that are not expressed in a way that matters to markets."

~ Bill Gates (2010)

Recognition of the concept of market failure is not a gross indictment of the market economy, a dynamic economic system that has generated historic—if inequitable and unsustainable—prosperity. Rather, it is an acknowledgement that the market does some things very well and is not as effective at other things. The market, after all, is a social construct and, like all social constructs, is subject to socio-cultural-political forces, constraints, and tensions.

Missing markets, incomplete markets, and deep inequality are types of “market failure” (and, of course, policy failure—we might call it “system failure” since neither the private nor public sectors can be expected to effectively resolve them alone) addressed by the quintessential social innovation known as microfinance—the provision of loans, savings, insurance, and other financial services to poor people who lack access to the conventional financial system. Microloans (its most common service) allow low-income, marginalized individuals and families access to small yet critical working capital loans that they can invest in businesses and assets that can generate income and improve their quality of life. At its core, microfinance is modeled after a market-based system of finance that many of us take for granted. However, the key differentiating factor between effective microfinance models and those that are ineffective—even detrimental—is the degree to which microloans are accompanied by tailored client-centered, wrap-around services—the types of holistic, auxiliary supports that define the work of the nonprofit sector. Effectiveness of the model depends on achieving positive outcomes for borrowers—the majority of whom are women—and their families/communities, such as increased incomes, poverty alleviation, increased consumption, school enrollment, and female empowerment. If we place our focus solely on the number of loans we distribute, without the critical client-centered services such as training, mentoring, capacity-building, value chain support, social services, and peer support, microfinance models can actually lead to borrower vulnerability and negative outcomes (Datar et al., SSIR Winter 2008, In Microfinance, Clients Must Come First). We can see, then, that applying the best thinking and practices from both the private and nonprofit sectors—and adapting those strategies and models to the needs and contexts of key stakeholders—is an underlying feature of social innovation & entrepreneurship. The public sector also comes into play in the form of offering, for example, new legal frameworks, policy innovations, incentives, public-private partnerships, and catalytic funding that can help identify, encourage, seed, and scale the most promising models.

The reduction of what must be a systems approach to an adaptive challenge such as poverty to simply the idea of “a market-based solution” is therefore both misleading and misguided. The entire framework within which social innovation & entrepreneurship is operating and creating impact is fundamentally different than that in which traditional markets operate. As Martin and Osberg put it, “the critical distinction between entrepreneurship and social entrepreneurship lies in the value proposition itself” (Social Entrepreneurship: The Case for Definition 2007). Gregory Dees articulates some of these key differences in his seminal article “The Meaning of Social Entrepreneurship:”

Markets do not work as well for social entrepreneurs. In particular, markets do not do a good job of valuing social improvements, public goods and harms, and benefits for people who cannot afford to pay. These elements are often essential to social entrepreneurship. That is what makes it social entrepreneurship. As a result, it is much harder to determine whether a social entrepreneur is creating sufficient social value to justify the resources used in creating that value. The survival or growth of a social enterprise is not proof of its efficiency or effectiveness in improving social conditions. It is only a weak indicator, at best.

... the discipline of [the markets in which they operate] is frequently not closely aligned with the social entrepreneur's mission. It depends on who is paying the fees or providing the resources, what their motivations are, and how well they can

assess the social value created by the venture. It is inherently difficult to measure social value creation. How much social value is created by reducing pollution in a given stream, by saving the spotted owl, or by providing companionship to the elderly? The calculations are not only hard but also contentious. Even when improvements can be measured, it is often difficult to attribute them to a specific intervention. Are the lower crime rates in an area due to the Block Watch, new policing techniques, or just a better economy? Even when improvements can be measured and attributed to a given intervention, social entrepreneurs often cannot capture the value they have created in an economic form to pay for the resources they use.

Gregory Dees "The Meaning of 'Social Entrepreneurship'" (May 2001)

He, as well as Martin & Osberg, describe three key differences between a strictly market-based approach to problem-solving and one focused on mission/impact as the ultimate criterion:

One key distinction is the types of problems each one addresses. While both social entrepreneurship and commercial entrepreneurship solve problems within society, the types of problems they set out to address differ. Commercial entrepreneurs address problems and opportunities that primarily reflect inefficient equilibriums and for which the competitive marketplace does a good job of assessing value. Social entrepreneurs, on the other hand, aim to address the types of problems that the marketplace is not effective at valuing, such as public goods/harms, "market failures," "wicked problems," and "unjust equilibriums," including benefits for people who cannot afford to pay.

Another distinction is that for commercial entrepreneurs, financial net revenue/wealth creation is the primary criterion for measuring value creation [even if financial gain is not their driving motivation], whereas for social entrepreneurs, mission-related social impact is the primary criterion for measuring value creation. Indeed, for social entrepreneurs, the social and/or environmental mission is what drives their work; revenue or economic value creation is in service to that mission.

A third key distinction is that the salient value created by commercial entrepreneurs is generally prioritized to be distributed to owners, investors, and shareholders, whereas the essential value created by social entrepreneurs is targeted primarily to a segment of society experiencing marginalization or to society as a whole.

Adapted from Dees "The Meaning of 'Social Entrepreneurship'" (2001) and Martin & Osberg (Social Entrepreneurship: The Case for Definition 2007).

Related to this discussion of markets is another factor that has influenced the way in which many individuals have come to define this field. The tendency to equate social innovation & entrepreneurship with social enterprise (creating a revenue-generating business with a focus on impact) is also driven by the term "social entrepreneurship" itself. Today, most people use the term entrepreneur to describe anyone who starts a business. As Greg Dees points out, however, the term originated in French economics as early as the 17th and 18th centuries to "identify those

who stimulated economic progress by finding new and better ways of doing things.” At the turn of the 19th century, Jean Baptiste Say stated that “the entrepreneur shifts economic resources out of an area of lower and into an area of higher productivity and greater yield.” Dees shares that:

In the 20th century, ... Joseph Schumpeter...described entrepreneurs as the innovators who drive the “creative-destructive” process of capitalism. In his words, “the function of entrepreneurs is to reform or revolutionize the pattern of production.” Schumpeter’s entrepreneurs are the change agents in the economy. By serving new markets or creating new ways of doing things, they move the economy forward.

It is true that many of the entrepreneurs that Say and Schumpeter have in mind serve their function by starting new, profit-seeking business ventures, but starting a business is not the essence of entrepreneurship. Though other economists may have used the term with various nuances, the Say-Schumpeter tradition that identifies entrepreneurs as the catalysts and innovators behind economic progress has served as the foundation for the contemporary use of this concept.

Social entrepreneurs are one species in the genus entrepreneur. They are entrepreneurs with a social mission. For social entrepreneurs, the social mission is explicit and central. This obviously affects how social entrepreneurs perceive and assess opportunities. Mission-related impact becomes the central criterion, not wealth creation. Wealth is just a means to an end for social entrepreneurs. [It is in service to the mission.]

Gregory Dees "The Meaning of 'Social Entrepreneurship'" (May 2001)

So, when Bill Drayton, a pioneer of this field who founded Ashoka, coined the term “social entrepreneur” in 1980, he was thinking about individuals with innovative and entrepreneurial mindsets and skillsets who could see new opportunities in the midst of dysfunctional patterns and help catalyze and drive systemic changes to improve pressing issues at scale through pattern-breaking ideas and models. For these “change agents” or “changemakers,” it wasn’t about building a social enterprise; it was about creating new ways of doing things. Any organizational framework launched by these individuals—whether a high-impact nonprofit, social enterprise, impact-driven business, or collective impact initiative—would be one of many tools they employed in service to addressing a complex social/environmental challenge.

This more narrow and ubiquitous definition of the field (i.e., equating the field of social innovation & entrepreneurship with merely social enterprise) has not only frustrated those who see the field as offering “an important new lens through which to view social change” (Developing the Field of Social Entrepreneurship 2008), but leaves the field open to being adopted or coopted to promote more narrow ideological goals that, intentionally or not, can subvert its ability to catalyze authentic systems change and instead serve to maintain, even reinforce, the very unjust equilibrium or status quo that it professes to address. This frustration, which I share, can be felt in Pamela Hartigan’s reflection on the field:

Twenty years ago, I fell in love with “social entrepreneurship”, its promise, and most of all, the stories of the champions that practiced this approach. They didn’t take “it can’t be done” as a deterrent – in fact, as one of them described to me, “it’s impossible’ is our clarion call to action”. As the first Managing Director of the Schwab Foundation for Social Entrepreneurship, an entity supported by World Economic Forum’s founder Klaus Schwab and his wife, Hilde, I spent eight years identifying, celebrating and supporting such individuals, providing them with opportunities to enter the coveted corporate enclave that is the annual meeting of the WEF at Davos – which in turn gave them access to networks of power they had never been able to tap. Many of these social entrepreneurs formed strong and lasting relationships with members of the corporate C suite, heads of philanthropic foundations and the media leaders that attend Davos. It was difficult not to become infected with the bug of “social entrepreneurship”.

The Schwab Foundation certainly was not the only social entrepreneurship organization on the scene. A host of other organizations were created at around the same time, including Echoing Green, the Skoll Foundation, the Omidyar Network, Acumen, Mulago, to name just a few. These were primarily based in the USA, but the UK quickly followed suit along with countries on the European continent, Asia, Latin America, Africa and Australia. Governments, led by the UK, embraced “social enterprise” as the “third way” – income-generating charities that did not depend wholly on public coffers but dealt with the increasing number of social problems that defied government solutions.

My main concern about this viewpoint is that it stripped the notion of innovation and systems change – the essence of social entrepreneurial endeavour – right out of the approach. In the UK and those countries that have followed, social enterprises have become part of the “social enterprise industrial complex”, sub-contractors to government and feeding into a dysfunctional system.

Hartigan (Aug 2014) Why Social Entrepreneurship Has Become a Distraction-It's Mainstream Capitalism That Needs To Change

Hartigan, Director of the Skoll Centre for Social Entrepreneurship at Oxford’s Saïd Business School at the time she wrote this, went on to say that “social entrepreneurship” alone is insufficient to counter the momentum and forces of a global economy without systemic change:

The key to sustainable capitalism is reasonable profits as opposed to maximizing profits. In the current system, a segment of society is trying to maximize profits without concern for the impact on the well-being of the society as a whole, while another segment of social organizations have to deal with the fall out. The system is not working. Fortunately, there are a growing number of people, particularly among the young, who embrace the notion of “entrepreneurship for society” rather than commercial or social entrepreneurship. They are not waiting until they are 50 years old when they have “made their money” and can “give back”. I am optimistic that through the new breed of young professionals, we can go back

to the future and base our economies on activities that uphold social and environmental goals without eschewing financial sustainability.

Hartigan (Aug 2014) Why Social Entrepreneurship Has Become a Distraction-It's Mainstream Capitalism That Needs To Change

Of course, Hartigan is not alone in this assessment. She and Rebecca Henderson, Harvard Business School professor and author of “Reimagining Capitalism in a World on Fire (2020),” are just part of a quickly growing community that sees a different path forward. This path includes countless inspiring examples of impact-driven enterprises that are leveraging market-based strategies while emphasizing “shared value” and a “triple bottom line” and, in some cases, such as Jaipur Rugs in India, implementing truly elegant, holistic social impact models in symbiosis with thriving revenue models. These are hybrid organizations made possible by innovations in both the public and private sectors: e.g., new legal frameworks such as the benefit corporation and private certification systems such as B Corps. But it goes so much further than the idea of social enterprise and hybrid impact organizations which, while undoubtedly essential tools in our toolkit, can only go so far relative to the scale and complexity of the systemic challenges we face. Indeed, we’re going to need all of the tools that social innovation & entrepreneurship have to offer. The adaptive framework I offer below describes the complementary tools that I assert are intrinsic to the theory and practice of this field.

First and foremost, the toolkit includes fundamentally new ways of viewing the world. This is reflected, for example, in a recognition of the shortcomings of relying so heavily on GDP as a measure of a country’s progress, which not only fails to adequately account for equity in society but encourages the maximization of revenue and growth without due regard to externalities or trade-offs between the present and future. It counts the construction of prisons and bombs as positive net contributions to the economy while neglecting the true costs of hyper-incarceration and perpetual armed conflict. Rather than explicitly recognizing the inherent value of trees and forests as wildlife habitat, oxygen generators, soil stabilizers, carbon sinks, watersheds, and human sanctuaries, this extractive framework views them primarily as commodities that derive their value from being harvested. New frameworks such as the Social Progress and Legatum Prosperity Indices, while not discounting the critical importance of a society’s economic progress and stability, build in measurements of well-being, opportunity, and how well basic human needs are being met. This is about resetting our social, economic, and environmental value proposition. The toolkit also includes a human-centered approach to innovation and development that begins with individuals, families, and communities, understanding their lives and needs and identifying what interventions, supports, connections, and resources they need to be empowered, rather than conceiving and imposing a set of assumptions about what is good for other people (which is too often a projection of what we think is good for us) from hundreds—sometimes thousands—of miles away, both literally and figuratively. Collaborating with and building the capacity of those communities is at the heart of this approach. Collaboration, another essential tool in the toolkit, is also leveraged in the form of cross-sector partnerships, communities of practice, and collective impact.

Perhaps most importantly in terms of practice, the path is informed and guided by another key tool, adaptive leadership (Heifetz & Linsky; Eric Martin), which demands the courage to treat adaptive problems for what they are rather than trying to convince ourselves and others that we

don't need to undergo the difficult changes if we just continue to pretend we're dealing with technical problems that aren't really that messy or can be solved with a silver bullet or can be swept under the rug by identifying and condemning a convenient scapegoat. The type of change we're discussing here (effectively addressing racial inequity, generational poverty, global pandemics, climate change, loss of biodiversity, the fact that the world has been operating at an ecological deficit—or “overshoot”—since the 1970s...) will require a transformation in those outdated and detrimental norms and mental models that permeate the social, economic, political, and cultural domains and systems in which we've constructed our societies, none of which, of course, is easy.

“The single most common source of leadership failure in any sector – is that people treat adaptive challenges like technical problems.”

Linsky and Heifetz ~ Leadership On the Line

Tostan, an NGO based in Dakar, Senegal, aims to “empower communities to develop and achieve their vision for the future and inspire large-scale movements leading to dignity for all.” Its transformative model, developed by Molly Melching in collaboration with communities throughout West Africa, is a powerful example of the field of social innovation & entrepreneurship at work through a systems approach that leverages all of the tools in the toolkit. Another is BRAC, a remarkable NGO founded by Fazle Hasan Abed in 1972 in Bangladesh, which acts “as a catalyst, creating opportunities for people living in poverty to realise their potential.” BRAC's innovative and comprehensive model has been scaled to several countries around the world. It is within this context that I offer my own definition of this field (inspired by the seminal literature) and a basic framework for better understanding its application when we leverage the breadth and depth of the tools at our disposal.

My short definition: *Social innovation & entrepreneurship is a human-centered, transdisciplinary, adaptive framework for addressing complex and interrelated social and environmental challenges at a systemic level that links strategic technical approaches with adaptive leadership and problem-solving and applies the best thinking and innovations from across the nonprofit/civic, private, & public sectors, creating the conditions for systems-level, transformative change.*

My long definition: *Social innovation & entrepreneurship is a transdisciplinary, adaptive framework for creating systems-level change that applies the best thinking and practices from across the nonprofit/civic, private, and public sectors. It aims to address adaptive challenges or “unjust equilibriums” through which the value created is targeted primarily to a segment of society experiencing marginalization or to society as a whole.*

This holistic approach includes:

- *Understanding adaptive social/environmental challenges through a lens of empathy, including their social, political, economic, cultural, environmental, and personal dimensions and how they interconnect with other challenges.*
- *Identifying opportunities; ideating, testing, and refining innovative, impactful, and systemic approaches to the problems through a human-centered process*

that is collaborative and iterative; and ensuring that the social value propositions are realized for key stakeholders and the community at large;

- *Implementing, leading, and scaling those approaches, models, or social innovations through adaptive and sustainable social impact models—via a mission-driven, triple bottom line-focused organizations or collaborations such as social enterprises, high-impact nonprofits, impact-driven businesses, partnership/networks, and/or cross-sector/collective impact initiatives.*
- *Developing the capacity of all members of the system at the individual, organizational, and communal levels to be effective social innovators and entrepreneurs and interconnecting them through SIE Ecosystems in order to co-design and co-lead systems-level change.*

Bruce Manciangli, Social Entrepreneur in Residence, College of Social Sciences & Public Policy, Florida State University. The “long definition” above draws upon key concepts from the seminal literature in the field, particularly articles by Dees; Martin & Osberg; and Phills Jr., Deiglmeier, & Miller, as well as Human-Centered Design, Social Innovation Framework, and Design Thinking material from IDEO and others.

When studying social innovation & entrepreneurship, I examine four key spheres that together, I maintain, comprise the field:

I. Adaptive & Change Leadership; Community Engagement & Democratization; Building Capacity/Empowerment

From generational poverty and racial inequality to climate change and loss of biodiversity, the adaptive problems our local and global communities face are becoming increasingly pressing and complex. While technical problems require effective authority, change demands leadership. Specifically, the type of leadership that is authentic, honest, courageous, self-aware, empathic, engaging, empowering, inclusive, democratizing, heart-centered, value/purpose/principle-driven, collaborative, systems-focused, and adaptive. Our leadership efforts must allow for self-organizing that cultivates trust, capacity, and social capital and include “proximate leaders,” who have “meaningful relationships with groups whose identity, experience, or community are systemically stereotyped, feared, dismissed, or marginalized; [...who are] part of that group or being meaningfully guided by that group’s input, ideas, agendas, and assets” (Jackson et al., SSIR Oct 2020, Effective Change Requires Proximate Leaders). We must also create the conditions that allow emerging and veteran leaders to thrive, including connecting and supporting them through collaborative networks and communities of practice that comprise a larger dynamic social innovation & entrepreneurship ecosystem.

Specifically, we define social innovations as new ideas (products, services and models) that simultaneously meet social needs and create new social relationships or collaborations. In other words, they are innovations that are both good for society and enhance society’s capacity to act.

~ Murray (NESTA March 2010) Open Book of Social Innovation

“The single most common cause of leadership failure in any sector is that people treat adaptive challenges like technical problems.”

~ Linsky and Heifetz (Harvard Business Press 2002) Leadership On the Line

“Adaptive leadership is the practice of mobilizing people to tackle tough challenges and thrive.” It examines the relationship among leadership, adaptation, systems, and change, specifically change that enables the capacity for adaptation to thrive.

~ Heifetz, Grashow, & Linsky. (Harvard Business Press 2009) The Theory Behind the Practice: A Brief Introduction to the Adaptive Leadership Framework

II. Human-Centered & Adaptive Design for Social Innovation

This sphere represents a lens of empathy through which we can view the world and understand complex challenges.

Human-Centered & Adaptive Design places people at the center of a collaborative, interdisciplinary & transdisciplinary, creative, iterative, empathy-driven, and systems-level design process that addresses adaptive problems. It reflects innovation as a process in service to a pressing social challenge rather than innovation as an ideology or an end in itself.

Through trans-disciplinary "radical collaboration," [human-centered design] cultivates & leverages communities of practice; challenges assumptions, stereotypes, & biases; and addresses blind spots. The goal is to facilitate collective understanding and alignment by generating key insights that drive informed & impactful solutions and capacity-building for self-sufficiency.

~ Adapted from Adam Kallish, Trope Collaborative

III. Innovation & Impact Across the Sectors; Cross-Sector Collaboration; Collective Impact; SIE Ecosystems

The boundaries between the public, private, and non-profit sectors and among disciplines are not just blurring but being fundamentally redefined when it comes to tackling the complex challenges facing our local and global communities. Some of the most exciting examples of social innovation are coming from those blurred interdisciplinary and inter-sector spaces and driven by cross-sector collaboration. Some of this change is being catalyzed and facilitated by social intrapreneurs who promote impact-driven innovation from within and across existing NGOs, corporations, and public-sector agencies.

Large-scale social change comes from better cross-sector coordination rather than from the isolated intervention of individual organizations. Collective Impact is the commitment of a group of actors from different sectors to a common agenda for solving a specific social problem, using a structured form of collaboration. It goes beyond collaboration or public-private partnerships; it facilitates a systemic approach to social impact that focuses on the relationships between organizations and the progress toward shared objectives.

~ Adapted from Kania & Kramer (SSIR 2011) Collective Impact; the Collective Impact Forum; and FSG

IV. Impact Organizations & the Social Enterprise Hybrid Spectrum; Globally-Interconnected SIE Ecosystems; the Regenerative Impact Economy

We've designed our social systems primarily around economies, which represent the lifeblood of how we create and share value within and across systems. Rather than leverage the ingenuity of the market economy to extract value from social and natural systems in service to the endless maximization of economic growth, we can harness it in service to scaling and sustaining a regenerative impact economy that connects social innovators and entrepreneurs through SIE networks and ecosystems and cultivates a system in which social, environmental, and economic priorities and value are in balance.

Within such an economy, hybrid impact organizations offer an invaluable set of tools. The Hybrid Spectrum (Alter) reflects the blurring of lines between social and commercial interests. Diverse impact organizations, which can use nonprofit, for-profit, or hybrid legal frameworks, strive for sustainability—environmental, social, and financial; balance among ecology, community/social well-being, and economic prosperity; shared value; and systems that work for everyone.

Free market capitalism is the greatest source of prosperity the world has ever seen, but capitalism is on the verge of destroying the planet and destabilizing society. The good news is we have both the resources and the technology to build a just and sustainable world – and purpose-driven businesses could be the critical catalyst that drives the kinds of global, systemic changes we need to reimagine capitalism in a way that works for everyone. We just need to persuade the rest of the world that this is the case...

~ Rebecca Henderson (Public Affairs 2020) Reimagining Capitalism in a World on Fire

Employees, customers, and governments are urging companies to play a more active role in social and environmental issues such as global health challenges, climate change, and gender inequality. There is broad recognition that meeting the UN's Sustainable Development Goals will not be possible without the significant capabilities of and capital from the private sector.

~ Beal et al (The Boston Consulting Group) Total Societal Impact: A New Lens For Strategy

While there is a hunger for using business as a “force for good,” as Hans Taparia points out below, the meteoric rise in ESG (environmental, social, and governance) investing over the past few years not only falls short of being a panacea but may actually obfuscate the problem. We're going to need honest, effective approaches that leverage the tools of business and the economy in service to social, environmental, and economic well-being.

With environmental devastation and social injustices pushing the planet to the breaking point, a stronger environmental, social, and governance (ESG) ratings system is needed to ensure investors get the positive impact they're paying for.

For “conscious capitalism” enthusiasts, the rapid shift in capital flows is evidence that business can indeed be a force for good. But the system as it stands gives a pass to a large number of harmful actors, driving large fund flows to them and lowering their cost of capital,

while CEOs and Wall Street executives celebrate a lucrative movement that they hope will improve their public image.

To rectify the problems and quantify the true impact of business behavior on ESG factors, an entirely new ratings system is required—one that measures the economic, human, and environmental costs of “market failures” caused by corporations.

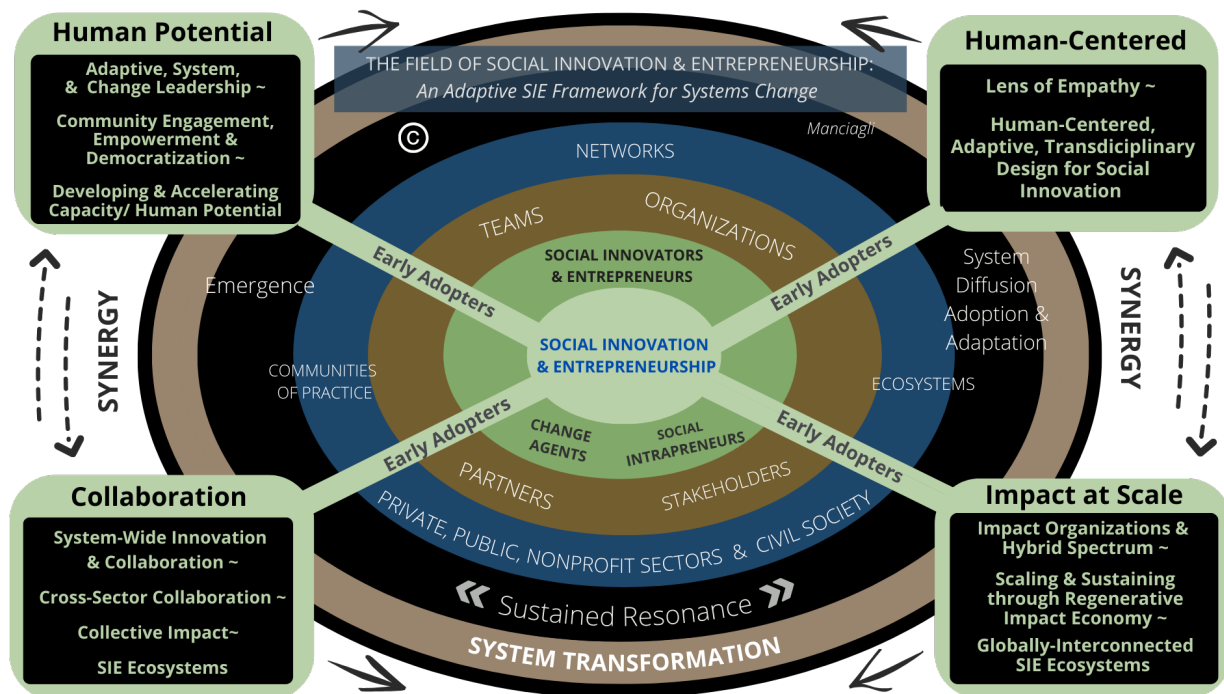
Maybe that's just what we need. For far too long, CEOs have followed a “growth at all costs” mindset to maximize shareholder value. Despite ongoing catastrophes and injustices, they are being cast in a positive light through an ESG ratings system that obfuscates the nature of their corporate citizenship. To be true ESG leaders, they will have to pay workers more, make products that are less addictive, and increase their costs to protect the environment. In other words, they might have to sacrifice on profit. Being true to ESG will not come so easy.

~ Hans Taparia (SSIR July 2021) The World May Be Better Off Without ESG Funding

[‘Using business as a force for good,’] which encompasses such terms as sustainability, social enterprise, corporate citizenship and social responsibility, and shared value is attracting more attention than ever before. “What’s happening now is really a redefinition of the boundaries of capitalism. Creating shared value is the next stage of evolution in the sophistication of the capitalist model.”

~ Michael Porter, Harvard Business School

When leveraged purposefully, skillfully, and synergistically, these four spheres can create the conditions for systems change, as seen in the diagram below:



This Adaptive SIE Framework for Systems Change hypothesizes that the process of transformation within social systems at all levels of scale is dependent upon the Convergence of—and Synergy among—these four essential Spheres:

- Adaptive Leadership and Maximizing Human Potential;
- Human-Centered Design for Social Innovation;
- System-Wide, Cross-Sector Innovation & Collaboration; SIE Ecosystems and
- Scaling and Sustaining Impact through Hybrid High-Impact Organizations, Globally-Interconnected SIE Ecosystems, and a Regenerative Impact Economy.

Collectively, these four domains create the conditions necessary for Emergence at the systems level to occur. That emergent entity must then be facilitated through the processes of Diffusion, Adoption, and Adaptation until sufficient Sustained Resonance is generated to power Transformative and sustainable change within and across the system.

It is in this spirit that the SIE Ecosystem at Florida State University aims to contribute to building the field of social innovation & entrepreneurship and strives:

“To inspire, prepare, and support a community of innovative, entrepreneurial & adaptive leaders who apply a human-centered and interdisciplinary mindset and skillset to systemically address the urgent social & environmental challenges in our rapidly-changing world.” ~ SIE@FSU Mission Statement

As Social Entrepreneur in Residence in Florida State University's (FSU) College of Social Sciences & Public Policy (Interdisciplinary Social Science Program), an affiliated faculty member in FSU's Jim Moran College of Entrepreneurship, and Director of SIE@FSU, Professor Manciangli has served as lead architect of FSU's SIE ecosystem.



Bruce Manciangli
Co-Founder

Biography

Bruce’s career has focused on developing the capacity of individuals, organizations, and communities to more effectively address adaptive social and environmental challenges and catalyze system transformation. His work in Social Innovation & Entrepreneurship (SIE)—spanning local, state, and international contexts—includes co-founding social enterprises; helping to strengthen and scale a statewide network of high-impact nonprofits; funding and facilitating cross-sector/collective impact partnerships; cultivating SIE ecosystems in higher education and in Indonesia; designing and guiding international immersion programs; and leading social innovation initiatives across a diversity of issues, from education to trauma and from civic engagement and youth leadership to fair trade and the environment (several highlights are included below). Bruce has raised millions and granted tens of millions of dollars to engage communities in creating lasting social value.

In collaboration with renowned Traumatology scholar Charles Figley, Ph.D., Bruce co-founded the Traumatology Institute in 1998 and served as its Assistant Director for Training & Certification. The Institute, which received the University Continuing Education Association’s Outstanding Program Award in 2000, was created to bring together—in partnership with the Academy of Traumatology and the Green Cross Projects—health and mental health professionals from around the world representing a wide array of disciplines to develop and disseminate cutting-edge research, treatment approaches, and training programs in the field of Traumatology; protect the public by establishing, maintaining, and enforcing education, examination, experience, and ethics standards and requirements for the practice of trauma treatment; and mobilize Certified Traumatologists during times of need, including 9/11 in NYC and the Indian Ocean tsunami in 2004. Bruce led the scaling of the Institute through the growth of its training programs and certification process; increased membership in the Green Cross Projects; and licensing sites in the U.S. and internationally to offer the Institute-approved curriculum.

Bruce led the development and growth of the Florida Community/Higher Education/School Partnership (FL CHESP), an innovative cross-sector initiative aimed at expanding and deepening service learning and civic engagement across the state, creating a continuum of K-HE collaborative service learning and a culture of service-based youth leadership and community engagement. In addition to envisioning and funding models of “Engaged Communities” throughout Florida, FL CHESP—in partnership with Florida Campus Compact and Florida Learn & Serve—led a statewide coalition to infuse service learning into teacher education programs. He served on the leadership team of the Florida Alliance for Student Service.

For seven years, Bruce served on the leadership team of Communities In Schools (CIS) of Florida, which was responsible for supporting, developing the capacity of, and scaling the CIS

network of local affiliates throughout the state that implemented CIS' evidenced-based integrated student supports model for educational equity and student success in and out of the classroom.

As Social Entrepreneur in Residence in Florida State University's (FSU) College of Social Sciences & Public Policy (Interdisciplinary Social Science Program), an affiliated faculty member in FSU's Jim Moran College of Entrepreneurship, and Director of SIE@FSU for seven years, he served as lead architect of FSU's SIE ecosystem. Based on decades of practice and study in the field of SIE, he articulated and developed the *Adaptive SIE Framework for Transformational Systems Change*, which provides the theoretical framework for the SIE CoLab's theory-to-practice model.

Bruce's academic training and professional experience are rooted in social innovation & entrepreneurship, international & community development, political theory & interdisciplinary social sciences, and the social foundations of education. It is the latter that compels him to place as much emphasis on how and why people learn as what they learn. He was awarded an FSU *Transformation Through Teaching Award* in 2017 and a *University Teaching Award* in 2019.

Bruce has long-standing ties to Indonesia. He grew up overseas, living 18 years across five continents, and first visited Bali as a young boy in 1975—its people, landscape, and culture captivated him. After graduating from Princeton University in 1988, he lived in Salatiga, Java for one year, teaching at Satya Wacana University and exploring this vast archipelago. It was at Satya Wacana that he met his wife, who is from the island of Sumba, where they were married in a traditional ceremony and where his family makes regular trips. She serves as an Assistant Dean in the FAMU-FSU College of Engineering. Their daughter, who graduated from Duke University in 2020 and is currently working with Storycraft Lab, recently returned from Indonesia where she led an SIE-related project that bridged the work of the SIE CoLab, the Bali Institute, and Storycraft Lab.

In partnership with the Bali Institute, Bruce developed and led FSU's *Bali Social Innovation & Entrepreneurship Immersion* program, which has been included in the Forum for Education Abroad's Curriculum Toolbox as representative of best practices in education abroad. He now leads the next iteration of this program, *Bali SIE Immersion: A Transformative Hero's Journey*, through a partnership between the SIE CoLab and the Bali Institute. In 2019, he partnered with the [Bali Institute](#) to prototype and launch the *Indonesia Changemakers Fellowship*, now known as [Makadaya](#), which develops the capacity of social impact leaders at the individual and organizational levels and connects and empowers them through an SIE Ecosystem.

He is Co-Founder, with colleague Linda Alexionok, of the SIE CoLab, a global hybrid social enterprise grounded in the principles of social innovation & entrepreneurship (SIE). The SIE CoLab works closely with forward-thinking individuals, organizations, and communities/networks interested in generating powerful, regenerative, and distributive impact. It helps them transform mental models and bridge long-standing boundaries that have separated disciplines, sectors, and underlying value propositions in order to realize the promise of human potential while reimagining and redesigning our systems in service to a world in balance that works for everyone. The SIE CoLab's theory of change activates and accelerates adaptive

leadership & human potential, social innovation, and system-wide collaboration focused on a common purpose at scale to help catalyze and transition to a regenerative world that connects and equally values people, planet, and shared prosperity. To learn more, visit: www.siecolab.org.