

# SIE CoLab

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

*Bruce Manciagli*  
*October 2020*

## **Bruce Manciangli's Bio**

Bruce's career has focused on developing the capacity of individuals, organizations, and communities to more effectively address 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 (one of them a national award winner); helping to strengthen and scale a statewide network of high-impact nonprofits; facilitating and funding cross-sector/collective impact partnerships; cultivating SIE ecosystems in higher education and in Indonesia; 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. Bruce has raised millions and granted tens of millions of dollars to engage communities in creating lasting social value. Over the past seven years 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, he served as lead architect of FSU's SIE ecosystem. He continues to collaborate with colleagues across campus and the community to grow the university's and Tallahassee's larger innovation & entrepreneurship ecosystem.

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. Their daughter, who recently graduated from Duke and currently works with Storycraft Lab in Washington DC, is very close with all of her cousins in Indonesia. In partnership with the Bali Institute, he 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. In 2019, he partnered with the [Bali Institute](#) to prototype and launch the Indonesia Changemakers Fellowship, now known as [Makadaya](#), which trains and supports young emerging leaders in Indonesia who are committed to addressing urgent social and environmental issues in their communities and across the archipelago through an SIE framework. Bruce serves as a Global Advisor to the Bali Institute and lead advisor and curriculum partner to Makadaya.

Currently he is Co-Founder, with colleague Linda Alexionok, of the SIE CoLab, a hybrid social enterprise comprised of the SIE CoLab Adaptive Leadership Institute and the SIE CoLab ValueNet, whose goal is to transform a decades-old, economic-centered way of life that is endangering our future. The focus is to transition to a sustainable world that equally values and connects social, economic, and environmental priorities.

**Social Innovation & Entrepreneurship**

**Florida State University**

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

*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, 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 social 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 17<sup>th</sup> and 18<sup>th</sup> centuries to "identify those who stimulated economic progress by finding new and better ways of doing things." At the turn of the 19<sup>th</sup> 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. 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 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 Heiftz ~ 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, and adaptive framework for addressing social and environmental challenges at a systemic level using innovative approaches that are collaborative, synergistic, empowering, impactful, sustainable, and scalable.*

**My long definition:** *Social innovation & entrepreneurship is an interdisciplinary, 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 an adaptive challenge or “unjust equilibrium” 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 a social/environmental challenge through a lens of empathy, including its social, political, economic, cultural, environmental, and personal dimensions.*
- *Identifying an opportunity; ideating, testing, and refining an innovative, impactful, and systemic approach to the problem through a human-centered process that is collaborative and iterative; and ensuring that its social value proposition is realized for the key stakeholders.*
- *Implementing, leading, and scaling that approach, model, or social innovation through an adaptive and sustainable social impact model—via a mission-driven, triple bottom line-focused organization or collaboration such as a*

*social enterprise, high-impact nonprofit, impact-driven business, partnership/network, and/or cross-sector/collective impact initiative.*

Bruce Manciagli, 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

*“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**

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**

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 Economy, Impact Organizations & the Social Enterprise Hybrid Spectrum**

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 Tapania 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.*

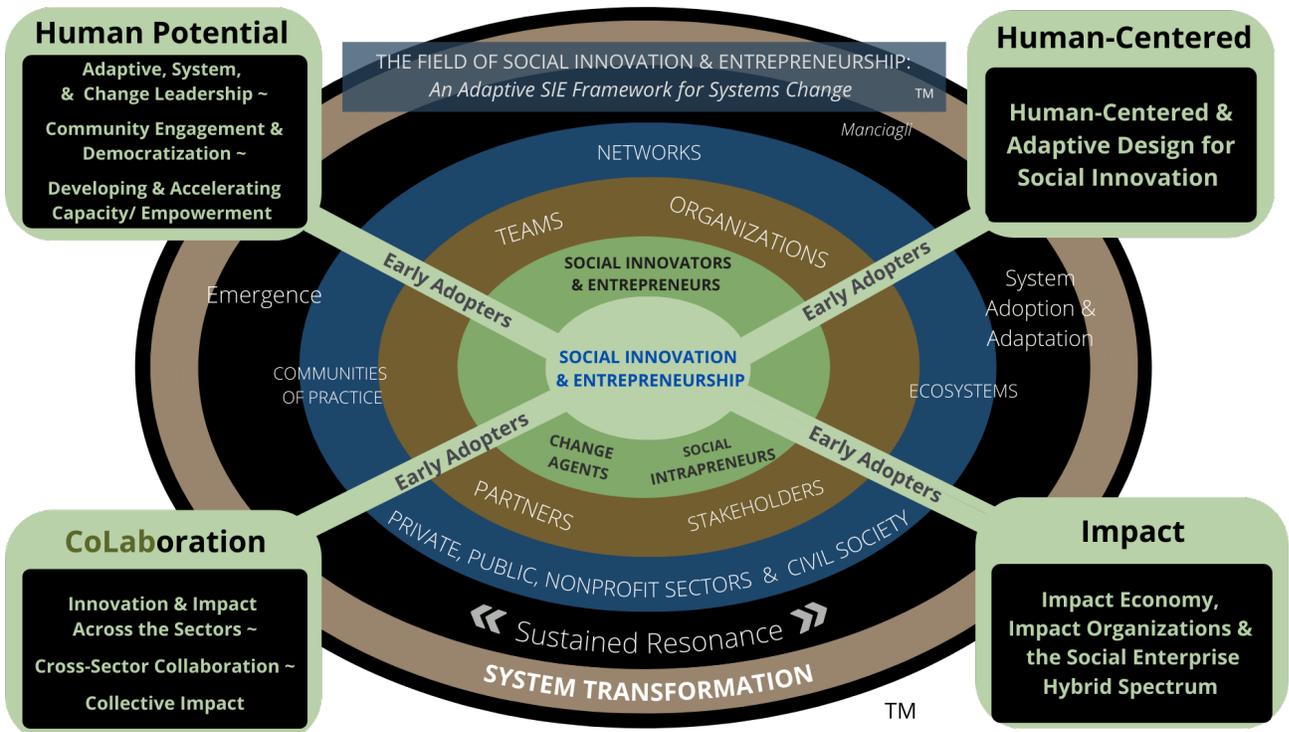
*Maybe that's just what we need. For far too long, CEOs have followed a “growth at all costs” mindset to maximize shareholder value. Despite ongoing catastrophes and injustices, they are being cast in a positive light through an ESG ratings system that obfuscates the nature of their corporate citizenship. 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 Tapania (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 frameworks can lead to systems change, as depicted in the diagram below:



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.*