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# Reflections on Social Innovation

Seforis Final Conference,  
Brussels, 17 March, 2017

**Filipe Santos**

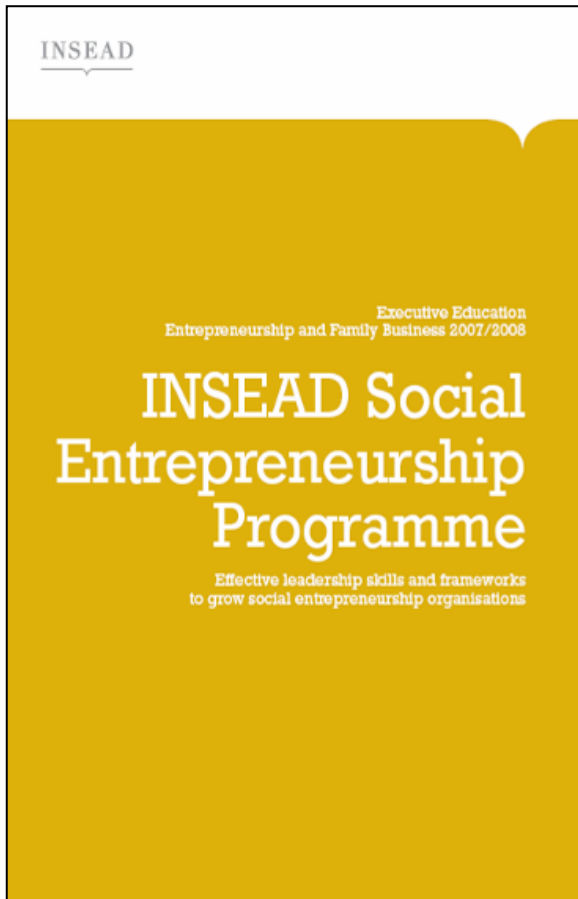
**Chaired Professor of Social Entrepreneurship  
INSEAD Visiting Professor of Social Entrepreneurship**



- 1. Context**
- 2. Innovation**
- 3. Finance**
- 4. Impact**
- 5. Governance**

**<https://youtu.be/fW8amMCVAJQ>**

**Half-Naked Dancer**



**ISEP - One week program for high-potential entrepreneurs who want to scale up their social innovation to achieve broader impact**



**Launched in 2006, Now on 25<sup>th</sup> Edition**  
**600 social entrepreneurs in the global network**  
**150 social entrepreneurs from ISEP Portugal**

## Challenge of Social Entrepreneurship

### Success and Failure



**The ecosystem of support matters, a lot!**

**Free Riders and Cooperators  
(Self-interest and Others-Regard)  
(Value Capture and Value Creation)**

**Prevalence of social entrepreneurship (GEM 2% to 5%)  
(women, education... and age)**

## Formal Organization or Organizing Processes?

### Key Unit of Analysis is the Social Innovation:

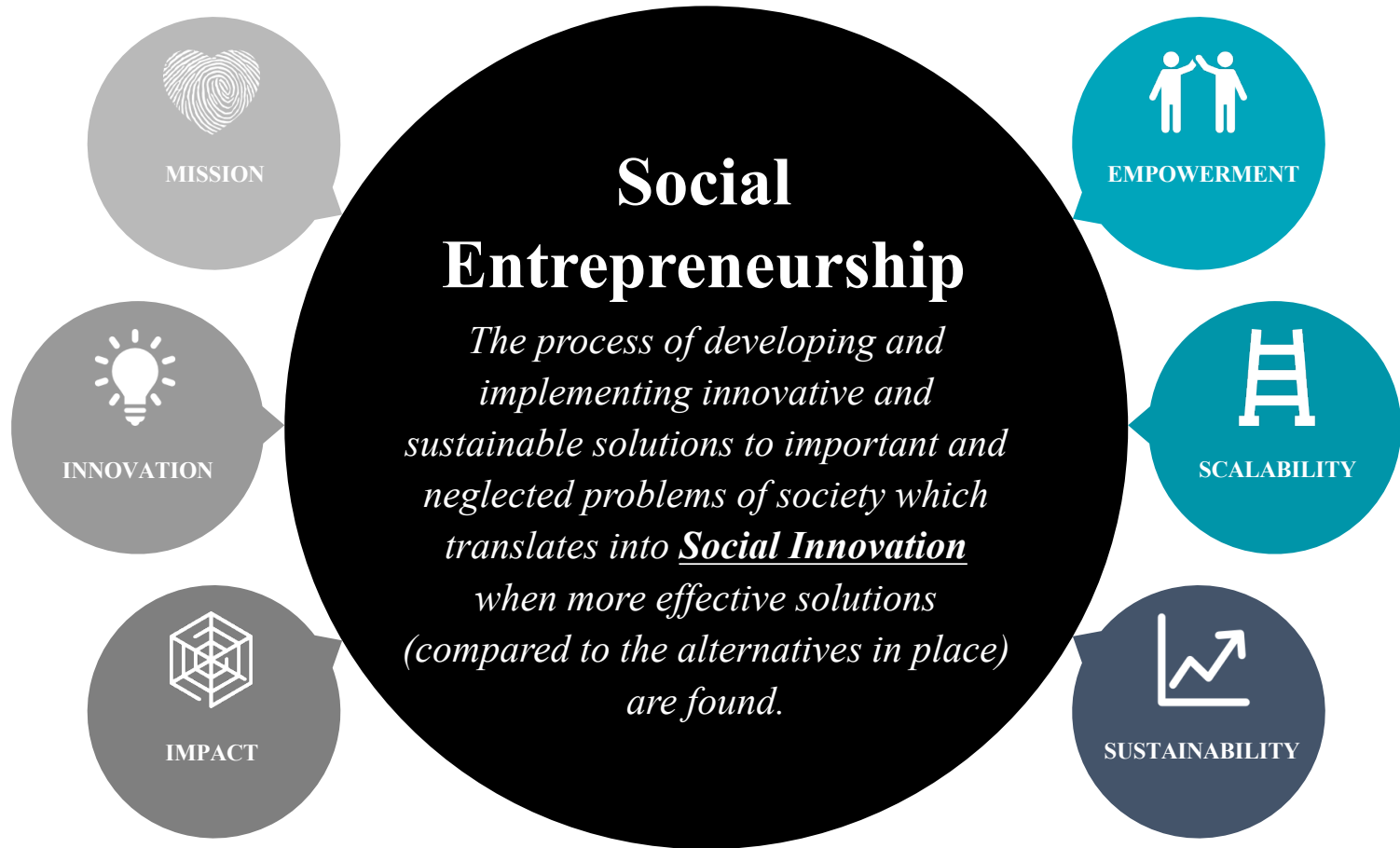
The organization is simply enabler and carrier of the social innovation, not an end in itself. The end could be a new behavior or practice, a new market offering, a new public policy, a new social service offering (franchise) or universally available solution.

Where are Social Innovations? (Petra data 15% and 41%)

2011-2013: MIES – Mapping of  
Social Innovation in Portugal



# MIES: Social Innovation Mapping



**Spin-off challenge**

- Social and Business: Social Investors are also hybridizing**
- Be careful with practice borrowing (ex. enterprise, exits)
  - Organizing Models for Impact Investors

**Financing Instruments are not hybrid... Yet...**

**Financial Innovation needed**

(ex: revenue share or micro-royalty models)

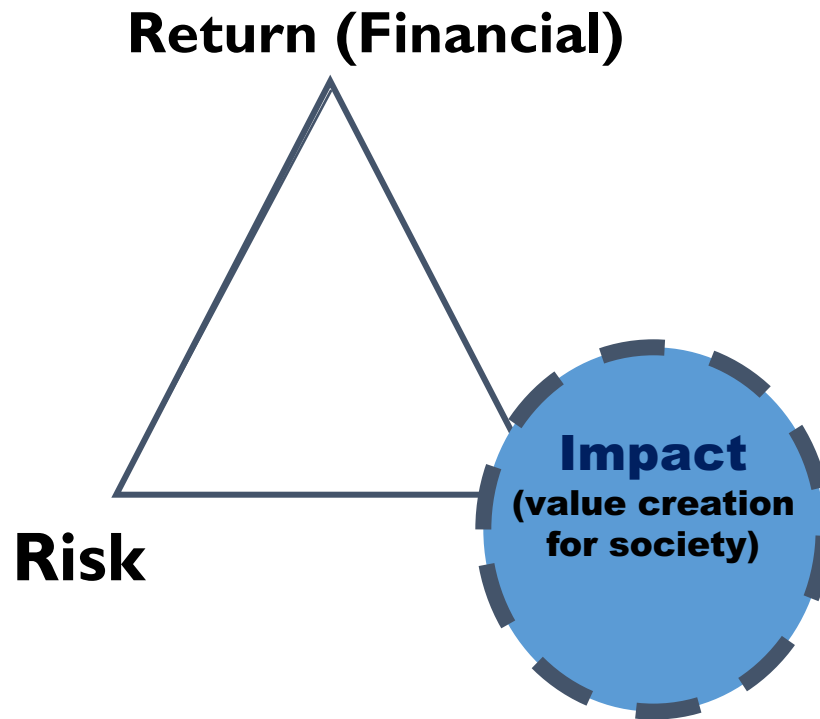
**Type of Financing varies with:**

- life cycle of social innovation
- type of social enterprise

(alignment of the business model and impact model)



# Finance Sector being reconfigured to take impact into account in investment decisions



**Butterfly effects - When small changes can have big consequences**

**Impact Measurement and Management – RCTs: analyze what works**

**Public Policy Innovations and the Search for the Public Good**



**Importance of Fit and Coherence – Management Innovations**

## Life Balance and Transitions

Governance matters - engage with key stakeholders

Companies also being reconfigured to incorporate the logic of value creation



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From Social Entrepreneurship to the



impact  
economy