Virtual Ecosystems in Social Business Incubation

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ABSTRACT

The complexity of today's global context hinders the emergence of innovative endeavors; this inner enhancement of capabilities springs out from worldwide entrepreneurs that reveal procuring the best environmental conditions and technologies to nourish new ingenious ventures whether of social or any capitalist profile. Social entrepreneurs noticeably understand that making an intensive use of new technologies engenders innovation and scales impact effects in society; that is why ICTs, and especially the web 2.0, have constituted catalysts to accelerate collaborations for social change: social innovation labs, social e-enterprise incubators, social innovation centers, social innovation park, etc. This article reviews the main experiences of social entrepreneurial empowerments, pinpointing those pioneering projects that exploit new technologies to provide services and get access, with no boundaries, to a significant number of communities. It is structured as follows: it starts analyzing the emergence and development of social enterprise, its encouragement and empowerment. Later, there are examined some key initiatives for social entrepreneurs, more in particular those offered virtually (e-empowerment). It is concluded with a brief summary of final thoughts.

Keywords: Business Incubation, E-Enterprise, Global, Social Entrepreneurs, Social Innovation Centers, Virtual Ecosystems

1. THE EMERGENCE AND DEVELOPMENT OF SOCIAL ENTERPRISE

The field of social entrepreneurship has grown exponentially in recent years and has become a social, economic and cultural phenomenon (Pless, 2012). Often evidenced by success stories across the world in diverse fields: health, education, finance, culture, etc. (Huybrechts & Nicholls, 2012). The development and establishment of capitalism as a globally predominant system has left millions of poor people spread out all over the world, especially in the southern hemisphere. Despite international efforts to temper this problem, there is a significant gap so far, between stated expectations and achieved challenges, in different areas such as funding for development, ensuring access to markets, new technologies and essential medicines, as well as sustainability of the debt. The concern is further accentuated because of the global economic crisis in which are embedded many of the most developed economies in the world.

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just those that, so far, earmarked funds and resources of all kinds to reduce inequalities in the world. In this world juncture the social enterprise becomes increasingly relevant, if that is possible, in view of the fact that it is now considered a vital part of societal and economic systems, as well as the protagonist of a possible solution to the crisis. As noted by Porter and Kramer (2011):

*Business enterprise must reconnect prosperity with social progress. Shared value is not social responsibility, philanthropy or even sustainability, but a new way to achieve economic success. It is not on the margin of what companies do but at the center. We believe that it can give rise to the next major transformation of business thinking* (p. 4).

Some consensus exists on the nature of social enterprise, but only at a high level of abstraction (Young & Ley, 2012). Most scholars and practitioners would ascribe to the notion that social enterprises are organizations that combine a social purpose with pursuit of financial success in the private marketplace. However, this is where the consensus ends. Although social entrepreneurship research is still in an embryonic state and a unified definition is missing (Short et al., 2009), the social entrepreneur would be a person or a collective that develops and implements innovative solutions to create a positive social impact, combining business discipline with innovation perspective; all of this with social purposes (Anderson & Dees, 2007; Dees, 2001; Elkington & Hartigan, 2008). They lead the change in compliance with the principle of the triple bottom line (social, economic, and environmental responsibility) and have the ability not only to make efficient use of available resources, but also to multiply the effectiveness of limited funds (Fundación Bankinter, 2010). Social entrepreneurs are agents that respond to market failures with transformational and financially sustainable innovations, being uniquely positioned to assist any government to deal with the hardest social problems (Wolk, 2008).

The interest in social enterprise is not something new. By 1993, Harvard University launched the Social Enterprise Initiative. Since that time, numerous programs emerged from the patronage of universities and private foundations to support training and strategic consulting for social entrepreneurial managers, and that included many non-profit organizations. In Europe, it is also gestated an emerging process for developing social businesses, particularly in countries like Italy, the United Kingdom and Spain; a process characterized by the deficiency in the provision of certain public services and the existence, in these countries, of a significant development of "social economy". Since then, growth of social sector is undeniable. In the past two decades, the global citizen sector, led by social entrepreneurs, has grown exponentially. Just as the business sector experienced a tremendous spurt in productivity over the last century, the citizen sector is experiencing a similar revolution, with the number and sophistication of citizen organizations increasing dramatically. In this context, social entrepreneurs play a vital role in fostering societal change. In the next years, social entrepreneurs and the social economy, at large, have a key role to play to generate new growth and strengthen the confidence of both citizens and businesses in the Single Market.

In the present article, thus, it is intended as main purpose to take a closer look at some of the most remarkable experiences of today worldwide social entrepreneurial empowerment, denoting those projects that intensify the use of ICTs on reaching and interrelating individuals and communities. It is structured as follows: it starts analyzing the emergence and development of social enterprise, its encouragement and empowerment. Later, there are examined some key initiatives for social entrepreneurs, more in particular those offered virtually (e-empowerment). It is concluded with a concise allusion of possible future research and a brief summary of final thoughts.

Based on the collected information, it has been identified, among the cases studied, certain common patterns of behavior that might constitute a useful starting point to distinguish
trends and consider possibilities to support the next generations of start-ups characterized by a clear social nature and intensive use of new technologies.

2. THE PROMOTION OF SOCIAL ENTREPRENEURSHIP: ENCOURAGING ORGANIZATIONS AND THE EMPOWERMENT

Elkington and Hartigan (2008) suggest that a social entrepreneur is an innovative subject who observes the social problems and sees opportunities for transformational change; they also tend to be pragmatic and visionary as well, and direct their visions in a collaborative manner, thus achieving the involvement and commitment of various stakeholders. In any case, a social entrepreneur should be founded on the ethos of social enterprise. This distinctive nature is based on principles of voluntarism, ethical behavior and a mission with a social cause (Chell, 2007).

Although the concept of social entrepreneurship may be new, initiatives that employ entrepreneurial capacities to solve social problems are not (Reza et al., 2010). Every aspiring social entrepreneur should meet the same qualities and skills that any entrepreneur*: a great idea, the ability to execute it, practical business skills (that is to say, the competence to run a company effectively and make it profitable), passion, the determination to do whatever it takes to succeed, and the belief that nothing is impossible. Is a social entrepreneur born or made? That is the eternal question; advocates, who believe that a social entrepreneur is born, claim that many of the qualities needed (such as determination and not risk averse, among others) are embedded in the DNA of these individuals. However, the supporters of the notion that social entrepreneurs are made, bear the possibility of training these people to turn inspiration into a business concept through persistence and nonconformity: not taking a “no” for an answer until achieving impacts on society.

Nonetheless, social entrepreneurs exhibit an extremely high level of passion and commitment to their ideas. As a result, they remain steadfast on realizing their vision, but they also remain malleable in order to weather the obstacles that they will confront. For their own idiosyncrasies, social entrepreneurs are exceptional “bridgers” between traditional and social economy. They have the great ability to deeply engage multiple and diverse stakeholders in their works, attracting corporate, public, and nonprofit leaders alike. However, social entrepreneurs need supporting and a strong network to become a catalyst for societal change. This mission is oftentimes lonely, arduous and beyond the capacity of anyone individually, especially during the start-up stage. A strong network of support is critical to sustaining the labor of great social leaders and broadening their impact.

It is precisely in this context where it is emphasized the importance of empowerment –encouragement of entrepreneurship– to support the implementation and consolidation of business projects with social nature. The entrepreneur takes the risk, makes the determination, and provides leadership and shared social vision of the venture. However, for social entrepreneurship can become a stable industry that generates quality employment, social impact and innovative services, it is necessary to blossom an ecosystem that surrounds and assists entrepreneurs, allowing them to scale their projects, interconnect each other, get access to funding, and active the demand (Innobsque, 2011). This collective habitat sets up the empowerment of entrepreneurship; an environment sustained by different entities which, in this writing, will be referred to as Social Entrepreneurship Promotion Organizations (SEPOs).

This bionetwork for supporting entrepreneurship is not a recently created system. Business incubators, for instance, have provided integrated support and assistance services to novice entrepreneurs for decades. Business incubation process has changed over time. Since its initial conception, as a workspace.
and shared service facilitator -70's-, the incubation management has evolved into a more complex and inspiring conceptualization of the entrepreneurial and human talent, integrating within its processes the constant need to develop knowledge, innovation, new technologies and working relationships networks (Hansen et al., 2000). According to Aerts et al. (2007), tenants of European incubators have a wide range of services at their disposal. An incubator seldom (4%) is not equipped with a meeting room or conference facilities. Most incubators (88%) offer a network of business relationships to their tenants. The majority (86%) assists tenants with the elaboration of a business plan and the further development of the company. Help with fund raising is often (79%) offered, as well as general office equipment (77%) and marketing (73%) and financial (72%) advice. Pre-incubation comprises "the support to future entrepreneurs before they start up their business" (European Commission, 2002). Many incubators (68%) offer this service. The Figure 1 gives a clear picture of the main services offered to tenants by traditional incubators.

The empowerment of social entrepreneurship, as defined in this article, manifests itself in two different, but often-converging scenarios: physical space and virtual space. In both contexts, the SEPOs provide to their assisted ones a wide range of services related to the access to funding sources, coaching, training, counseling, networking, bank of ideas, knowledge, and so on. The difference between physical space and virtual space is that in the latter the information and communication technology plays a fundamental role in the relocation of resources due to dynamic platforms designed for computer networks (intranet, extranet and internet). In fact, social entrepreneurship has become a global interconnected movement largely for the development of new technologies and social networks.

3. E-EMPOWERMENT OF SOCIAL ENTERPRISES

The next sections describe some key empowerment initiatives for social entrepreneurs, offered by SEPOs both physically and virtually, but more in particular for the latter (e-empowerment). These are experiences that together constitute the perfect environment to empower social enterprises. The account of examples follows the scheme presented in Figure 1, as-

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**Figure 1. Main services offered by traditional incubators**

![Diagram showing services offered by incubators](image)

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Source: Own elaboration.
assuming that the ecosystem of empowerment offered by SEPOs—physical and virtual—to social entrepreneurs orbit around the following vectors: financing, networking, training, and advising. Infrastructure services provided by physical incubators are not analyzed in this work since it does lack of sense for virtual SEPOs.

3.1. Financing

During the first stages of a business endeavor, any external collaboration is always very welcome, even more if it has to do with obtaining funding. In the field of social entrepreneurship, the services sources related to the procurement of funds by the SEPOs, either physically or virtually, are mainly three: collective funding or crowdfunding, social investment funds, and public funding incentives for social entrepreneurs.

3.1.1. Crowdfunding

Crowdfunding is booming. According to Baeck and Collins (2013), in 2012, crowdfunding contributed almost $2.7 billion, which helped fund more than one million new projects. But what is really the crowdfunding? The collective funding or crowdfunding is a funding model based on financial contributions, often in small amounts, provided to specific projects by people of the community. The concept of crowdfunding finds its root in the broader concept of crowdsource, which refers to using the crowd to obtain ideas, feedback and solutions in order to develop corporate activities (Howe, 2008; Kleemann et al., 2008). In the case of crowdfunding, the objective is to collect money for investment. This objective is usually achieved making use of the possibilities offered by new information and communication technologies. The formula that underpins crowdfunding is simple: since the income is obtained as the result of multiplying the “unit price” for the amount, the final purpose is to gain the same total revenues from a lower “unit price”. The only possible way to solve this equation is to increase the critical mass; that is to say, obtaining it from a large audience—the “crowd”—where each individual provides a very small amount. This can take the form of equity purchase, loan, donation or pre-ordering of the product to be produced (Belleamme, Lambert and Schwienbacher, 2012).

Wikipedia defines crowdfunding as the collective cooperation, attention and trust by people who network and pool their money and other resources together, usually via the Internet, to support efforts initiated by other people or organizations. Some authors place its origin in the music industry, specifically in the British rock band Marillion. In 1997 American fans underwrote an entire U.S. tour to the tune of $60,000, with donations following an online campaign. This way of financing a project “bottom-up”—since there are potential customers and other audiences who bring money to the founders—clearly marks a difference from the classic styles of private investment or public funding sources. The philosophy and operation of crowdfunding are closely associated with the development and use of internet platforms, making it really difficult to extrapolate this notion to the physical SEPOs (perhaps the most similar examples for physical experiences would be the public raising of funds held by organizations such as the International Red Cross or other relevant public entities).

One of the newly created virtual SEPOs using the formula of crowdfunding to finance social projects is Buzzbnk (www.buzzbnk.org). This British-born firm was established in late 2010 with the purpose of linking social entrepreneurs with minor investors who share a desire for change and social transformation. Web technologies allow Buzzbnk to raise funds anywhere in the world and to finance social projects located in the most remote place on earth. In this case, the compensation that a donor receives for collaborating to a project is purely social: the satisfaction for contributing to a shared vision of the community. Two other experiences of e-empowerment of social enterprises are FundedByMe (www.fundedbyme.com) and StartSomeGood (www.startsomegood.com). The first is a Swedish organization that uses its virtual platform to boost a diversity of ventures that increase the values of the community in

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areas such as education, culture, music, health, etc. The latter, *StartSomeGood*, emerges as a global proposal to foster the social innovativeness. Its primary role is to involve any person or organization economically in those innovative ideas that are of mutual interest. One concrete example is that in just twelve days, this site has raised nearly US$3,000 to fund a project aimed at narrowing the education gap between the participants of the Two Aboriginal’s and Torres Strait Islander Students’ projects.

3.1.2. Social Investment Funds

Another scheme used by the SEPOs to deliver financial resources for social enterprises are social investment funds. These resources consist of capital items generally managed by foundations. Depending on its foundational principles, the social investment funds finance potentially transformative social projects in areas as diverse as labor insertion of groups at risk of exclusion, social housing, fair trade, rural development, renewable energy and energy efficiency, eco-efficient products and services, environmental education, etc. To access these funds, any social entrepreneur can submit a project proposal to the institution offering the public calls. Most of these SEPOs that offer social investment funds, exploit online connections as the single channel to deliver sponsorship requests.

In the United States one of the most recognized foundations for supporting business projects with high social impact are the *W.K. Kellogg Foundation, the Acumen Fund*, and the *Skoll Foundation*. Kellogg Foundation (www.wkkf.org) converges its resources and activities, on encouraging various social innovative agents (community-based), willing to embark on projects that better living conditions and reduce the particular and difficult hardships children currently faced in three geographical areas of the world: U.S., Latin America and South Africa. Throughout its 80 year history, the *Kellogg Foundation* has granted more than US$ 3 billion. The *Acumen Fund* (www.acumenfund.org), for its part, is a supporter of social enterprises; it offers financial assistance to any social innovator whose ideas tackle the lack of access to food and essential services to the population in the world: health, water, housing, and agricultural inputs and services. During the period 2001-2010, the foundation invested more than US$ 69 million. A complete list of projects financed by this fund, classified by country and by type, is available at the following web address: www.acumenfund.org/investments.html. Finally, the *Skoll Foundation* (www.skollfoundation.org) invests its funds, better known as *Skoll Awards*, in social entrepreneurs whose efforts impact, on a large scale, in critical areas of the society that require transformations: economic and social equity, environmental sustainability, health, institutional responsibility, peace and security, tolerance and human rights, among others. Since its creation, the *Skoll Awards* have conferred more than US$ 100 million.

Investment funds for the promotion of social entrepreneurship could also come from traditional banking institutions. Budgetary allocations for these institutions to empower social enterprises are, sometimes, directly managed by themselves, and on some other occasions, managed by “partner” organizations that team up each other to foster social innovation. With regard to this matter, *Deutsche Bank* recently announced the launch of its social investment fund “Impact Investment Fund” which aims to facilitate economic resources to social ventures with the inner capability to generate positive impacts on their communities while generating returns for its self sustainability. In Spain, the Bilbao-Biscay Savings “BBK” sponsors a program dubbed *Solidarity Fund* that addresses implementing and promoting sustainable social projects with the highest possibilities to impact on societal improvement. The resources for these funds come from the depositors—who jointly donate their interests—the financial institution itself—doubling every dollar contributed by a depositor—and external donations.
3.1.3. Public Funding Incentives to Social Entrepreneurs

In recent years public initiatives are also flourishing to support the financing of social projects. In 2011, the Prime Minister of the UK announced the launch for the program called “The Giving White Paper”, which contains a large number of measures and incentives for the empowerment of social entrepreneurs. A few years earlier, Scotland opened a credit line of £29 millions to provide financial support to social enterprises through the “Scottish Investment Fund”. A final example is the Office of Social Innovation and Civic Participation, created by President Barack Obama (www.whitehouse.gov/administration/eop/siep/blog), in which there are identified many effective social innovation programs susceptible, among other things, of being benefited with public funds for social investment.

3.2. Networking

Networks are fundamental to social entrepreneurship. Access to knowledge and resources, opportunities for collaboration, issues of trust, power and choice can be decisive factors in success for many social ventures (Webster and Ruskin, 2012). The incubation process of a business improved when such a novel venture is accompanied by an intensive use of social links. In this sense, the current scientific literature agrees that the integral creation and management of networks is one of the most critical constructs for today’s successful business creation (Freel, 2003; Hansen et al., 2000; Johannisson, 1988; Tse, 2002). Entrepreneurs, through the considerable utilization of these networks, reduce information and transaction costs as they have the opportunity to share certain resources with other entrepreneurs (Williamson, 1975). Ford et al. (1998) stresses the importance of networking as a tool to take full advantage of new technologies and turn them into solutions for the markets. Thus, joint working networks and its management—networking—, based on the intensive use of practices that generate social capital and cooperation, have become pillars of the principles for enterprise development and competitiveness (Hughes et al., 2007).

Networking management is perhaps one of the elements of social entrepreneurship promotion that has undergone far-reaching changes in recent years, boosted largely due to the possibilities offered by new information and communication tools (e-empowerment). At present, most of the SEPOs handle both the physical and virtual networking, but it is undeniable that computer technologies have accelerated and increased the potential of networking and value creation as well, generated as a result of these embedded links within the interrelated organizations.

Schwab Foundation (www.schwabfound.org) is one such SEPOs guiding and assisting social entrepreneurs in the development and consolidation of contact networks to increase their chances of survival in the market during the initial starting-up stages. This foundation provides opportunities for dialogue to facilitate the interplay of social innovators as well as links to various stakeholders belonging to the World Economic Forum so that together they explore the social changes our planet required. Currently, more than 200 social entrepreneurs form all over the world, take part of Schwab community, where they share ideals, problems and common challenges.

Another outstanding physical SEPO is the Social Enterprise Alliance (SEA) of the United States (www.se-alliance.org). Founded in the late 90’s, this organization brings together more than 800 members that comprise a countrywide network of partners that includes academia (universities, research...), and assorted organizations working for the encouragement of sustainable social enterprises. The main function of SEA is to stimulate the social sector by proposing and supporting a series of initiatives that the network itself propose as essential for the achievement of common challenges: the establishment of a “social enterprise” certificate or seal, the dis-
semination of ideas and best social enterprise practices, the schedule for annual conferences, the development of proposals to influence the decisions of legislators and politicians, and so on.

Also in America, the Social Venture Network (www.svn.org) connects, supports, and inspires business leaders and social entrepreneurs in the development of methods that lay the foundations and edify a just and sustainable economy. Its main activity is oriented to the relational value creation among its members, so that it is considered a pioneer in promoting socially responsible business networks. In the Social Venture Network project, many leading international organizations collaborate in the advancement of social business sustainability. This collective annually gives awards to social innovators. One of the winners in 2011 was Peter Frykman, founder of Driptech (www.driptech.com) which is a social enterprise that provides efficient solutions for irrigation; the use of Driptech's innovative irrigation system allows farmers to grow year round while conserving water, labor and time and increasing crop yields from 20% to 90%.

As indicated at the beginning of this section, the Internet has multiplied the possibilities of expanding the network of contacts, both personally and professionally. Under this new reality, numerous SEPOs have emerged to set up virtual meeting rooms where social entrepreneurs share ideas, opinions, knowledge, experiences, etc. NextBillion (www.nextbillion.net) is one of these virtual spaces—web/blog sites—of confluence for social entrepreneurs, traditional entrepreneurs, NGOs, policy makers and academics who want to explore the social connection between development and enterprise. This is an ongoing discussion forum that works as an information and knowledge basis for individuals and organizations interested in starting up a social business. The NextBillion project started in May 2005 and from that time it has become one of the leading forums of forums—blogrolls—in the world for the promotion and creation of new economically social enterprises.

Another remarkable example is the Social Enterprise Network, hosted on The Guardian's -British newspaper- virtual platform (www.guardian.co.uk/social-enterprise-network). This grid of social entrepreneurs is an online site where professionals working in social initiatives can contact each other, get advice and expertise of their colleagues with more experience, and tackle together the difficult tasks the sector is facing as a whole. Any person committed to social change could be part of this commune to share their experiences, find ways to boost your business, or receive advice on how best to build your career in the industry. This network makes available online tools to entrepreneurs: live conferences, interviews, reports, expert analysis, etc. With these applications the project covers all information relating to the emerging social investment sector.

Another relevant experience is i-genius (http://igenius.org/home/). This online web is formed by an international community of entrepreneurs committed to social and environmental change. Founded in 2007, it offers a platform to the field of innovative initiatives develop by and for society; a site that delivers, among other things, academic training and knowledge transfer by means of events, workshops, courses, conferences, seminars and other virtual activities.

Finally, in Spain the initiative UpSocial (www.upsocial.org) has developed a hybrid meeting point, in the same virtual and physical proportions, for social innovation boosters: social entrepreneurs, international social networks and service providers from the third and fourth sector. Its mission is the integration of multiple countrywide and international social actors for sharing experiences, ideas, initiatives, knowledge and even resources among its members in order to accelerate social innovation.

3.3 Training

Having a great idea—no matter how social it might be—does not guarantee its implementation nor, of course, that people assuming the
leadership of these social endeavors have the required skills to manage the organizational structure needed for the realization of any mission statement. In fact, the results of the GEM-2009 (Global Entrepreneurship Monitor) show that, unlike what happens in other countries, Spain has a low participation of people with higher education in the social sector. This state of affairs makes the exercise of entrepreneurial role much more difficult and risky. Evidence of this is the high mortality rate of new enterprises—ranging between 20% and 80% in the first three years of life—which is significantly low when it comes to those groups of new business creators, with more training and management experience, where the mortality rate does not exceed 20% (Veciana, 2005).

Aware of the lack of training, traditional incubators are offering in their range of services, programs to enhance new entrepreneurial management skills; it is not about learning to become entrepreneur (that is already in their genes), but about being instructed in managerial competences and skills, finance, human resources management, negotiation techniques, leadership, etc.

The rise of social business has prompted the proliferation of in-class training programs designed ad hoc by prestigious universities, both internationally and in the Spanish context as well. Some of these institutions have joined forces in the Social Enterprise Knowledge Network (SEKN). The SEKN's pedagogical strategy is to reach a growing number of students through courses, degree programs and executive education to offer transformative learning experiences; one of its greatest achievements has been that many significant issues—such as social entrepreneurship, collaboration between companies and civil society organizations, corporate social responsibility and inclusive business, among others—have been included in the curriculum design of this and many other universities in the region.

Other universities have founded their own organizations, for example the Skoll Centre for Social Entrepreneurship at the University of Oxford. The Skoll Centre is a leading global entity for the advancement of social entrepreneurship (www.sbs.ox.ac.uk/centres/skoll/Pages/default.aspx). They foster innovative social transformations through education, research, and collaboration. They accomplish it commitment by creating a collaborative hub, advancing research and developing talent, and offering world-class graduate education that provides students with the vision and skills to bring together market-based approaches and social innovation.

However, the majority of the in-class training programs are intended—at grade level—for college students with no experience in the business world or—at the graduate level executive—managers of social enterprises, with certain characteristics and economic dimensions, which grant scholarship to pay the high cost of these courses. Consequently, these training activities are banned for most of the small social entrepreneurs, since they have neither the time nor the ability to move, nor the financial resources to afford these programs. It is at this point where the e-empowerment, that the Internet makes possible, plays a decisive role once again: an entire habitat that allows social entrepreneurs to boost their skills thanks to the flexibility of space, time and pace they need given their particular circumstances.

In the web, numerous training tools are available for social change leaders. For example, the United Nation University for Peace—UPEACE—offers a specific online course named Entrepreneurship, Innovation and Social Change (http://www.upeace.org/news/activity.cfm?id_activity=741). It is designed for nonprofit managers and staff, social entrepreneurs, socially conscious business executives and industry public innovating leaders. In the Spanish context, the Universitat Oberta de Catalunya (UOC) leads an MBA in Social Entrepreneurship (www.uoc.edu): this pioneering programme is aimed at sustainable, scalable competitive social organizations that provide access, to critical goods and services, through open collaborations between social
agents, through institutional and governmental support and through the incorporation of business techniques and methods.

Possibly, the best formula used to train young social entrepreneurs is neither the in-class nor the virtual\textsuperscript{12}, but a mixed model where, after identifying these change leaders, they are invited to participate in an intensive training process to make available thereafter a whole ecosystem of e-mpowerment (groups of co-creation, virtual resources, mentoring, networking, etc.) which nourishes the social entrepreneur in the hard path of project development and implementation, facilitating the survival of the company in its early years. This is the method employed by Ashoka internationally through its Young Changemakers Program (www.concursocambiatiwmundo.org/). This initiative delivers workshops, training to develop action plans, seed capital, support and, more importantly, access to a global network of nearly 3,000 young change makers in nearly 20 countries. The jury selects those projects characterized by its potential to generate greater impact in the community. Through Ashoka, the Mexican Rafael Salas was able to start their business, who thought to alleviate the housing problem in the poorest areas of Latin America just reusing waste generated in the wealthier areas of these countries, and building worthy and ecological homes for the less fortunate ones to benefit the planet.

Something similar is what they do in the Unreasonable Institute, accelerating unreasonable entrepreneurs and their ventures (www.unreasonableinstitute.org). Each year, they unite entrepreneurs from every corner of the globe to live under the same roof for six weeks in Boulder, Colorado. These entrepreneurs receive training and build long-term relationships with 50 world-class mentors, ranging from the former managing director of investments at Google.org, to the CTO of Hewlett Packard, to an entrepreneur who has enabled over 19 million farmers to move out of poverty. In the process, they also form relationships and build their businesses with 20 investment funds, receive legal advice and design consulting, and pitch to hundreds of potential investors and partners. From this experience many entrepreneurs as Cynthia Koenig, co-founder of Wello, have emerged. By pairing a simple product design (a waterwheel) with an innovative business model, Wello improves global access to water and reduce the physical and time burdens of water collection. This business model results in better health, female empowerment, access to education and sustainable income generation. Wello is a hybrid social venture. The for-profit entity generates revenue through sales of the “WaterWheel” and the sale of advertising space on the outside of the unit. The role of Wello’s non-profit arm is to raise awareness about the global clean water crisis and educate end-users about the benefits of clean water.

In the European context, we have to mention the ESADE School and BBVA Bank’s initiative aimed at stimulating social entrepreneurship in Spain through the Momentum Project (http://momentum-project.org/es)\textsuperscript{13}. To fulfill this purpose, Momentum has two lines of action: the development of a program to consolidate and increase the impact of these enterprises and the creation of an ecosystem to foster social entrepreneurs. In each annual edition of the program, ten entrepreneurial ventures which in the selection process have demonstrated its feasibility, impact and potential capacity for growth and scalability, are selected. The ecosystem to foster social entrepreneur includes training workshops at ESADE, preparing the business development plan (through ten weeks of learning and collaboration with a team of ESADE/BBVA students, mentors and corporate sponsors of the endeavors) and, finally, completing the plan at the BBVA Campus in Madrid and presenting the subsequent submission during the Social Investment Day event. One of the awarded ventures in the 2011 edition is the Ana Bella Foundation (www.fundacionanabella.org), which proffers job opportunities to battered women via -amongst some others- preparing caterings with organic ingredients and fair trade products.
3.4. Advising

Another empowerment function provided by the SEPOs is, undoubtedly, advising and coaching to new entrepreneurs. But this counseling task is a very broad one. In fact, most of the SEPO providers identified so far, with greater or lesser degree of continuity and planning, supply some type of advisory services: preparing business plans, supporting the attainment of funds, continuous training plans, etc. Given the wide variety of possible options, this section focuses on counseling activities that enhance the growth of social enterprises, other than those already discussed in the preceding pages: financial support, networking, and training. It is specifically included: a) facilitating brainstorming sessions for entrepreneurship (Banks of Ideas), b) provisioning resources and development tools, with special reference to obtaining aid or other resources under the crowdsourcing paradigm (voluntary contributions), and c) promoting the image and advertising of social enterprises.

3.4.1. Banks of Ideas

A suitable site for proposing business ideas is ideas4all (www.es.ideas4all.com). This is a website where people with ideas (ideators) can shared them with the community; or where people, who need a solution to solve a problem or challenge (questors), can find the right answer. Third parties located anywhere in the world (navigators) might participate in this global brain activity expressing their opinions to each other. This worldwide community of thoughts, based on the connectivity, is a huge source of ideas for potential social entrepreneurs. A description of the more than 80,000 ideas that nowadays form part of this community is available at the following web address: http://www.es.ideas4all.com/buscar/concept_search.

Another specific bank of ideas for social enterprises is available in Socialnest (www.socialnest.org): a community that brings together professionals, companies, and universities and business schools committed to improving society and making a better world by providing expertise and experience to help social entrepreneurs launch their social initiatives. In fact, this business development biotechnology performs its mechanisms as an exclusive incubator for social enterprise, promoting networking and providing useful tools for potential entrepreneurs as well.

3.4.2. Provision of Resources and Development Tools

From idea conception to market realization, there is a long way not all social entrepreneurs are able to go. Getting resources and development tools to support the concretion of ideas is an invaluable contribution. In this sense, Social Creative (www.socialcreatives.com) offers social entrepreneurs assorted tools and programs to enhance their enterprises: methodologies, books, workshops, contests, etc. This initiative is sponsored by the Global Youth Fund, a Canadian NGO founded in 2005 by Charles Tsai and Amy Eldon with the support of the Creative Visions Foundation.

But perhaps the most innovative experiences, in the provision of resources and tools for social entrepreneurs, are constituted by the microloans better known as crowdsourcing. Many small entrepreneurial innovators cannot test the feasibility of their ideas in the market due to lack of resources. The strength of crowdsourcing is to remove this obstacle and avoid many of the mistakes—some of them irreversible—novice entrepreneurs tend to make. Today, different crowdfunding platforms are emerging through the Internet that are, by themselves, SEPOs of e-empowerment where entrepreneurs (either pro-social or pro-profit) can get feedback and assistance for free or at very low cost. At global level we could cite the cases of Quirky (www.quirky.com), GeniusCrowds (www.geniuscrowds.com), and Kickstarter (www.kickstarter.com). This latter is an e-empowerment platform for inventors, artists and other creative people who can test ideas and concepts without risk. In most cases the operation is simple: a person displays an idea...
for the community to vote and give opinions. In addition, panels of experts, including staff from their own websites, retailers and manufacturers, make their own review and select candidates.

In the socioeconomic sphere, crowdsourcing has been labeled in numerous ways: community production, collective knowledge, open innovation, mass collaboration, intelligent human networks, etc. The generally accepted concept aims at the action of outsourcing a number of tasks, traditionally performed by an employee or a contractor, to a large group of people or community (mass) through an open and massive online call relied on virtual platforms. The crowdsourcing approach has been divided into categories such as cloud work (collaborative human/labor resource network), the crowd creativity (the joint effort to lead collective creativity), the already mentioned crowdfunding (micro collective input), the distributed knowledge (knowledge dissemination in the network), and finally, the open innovation (members' open determination to contribute to the identification and development of innovative ideas in an attempt to find creative solutions for their communities).

Samasource (www.samasource.org) clearly exemplifies the crowdsourcing model offering a range of business services such as obtaining high quality images, writing and editing content, verification and development of databases, audio and video transcription, and so on. This SEPO performs this task both making use of an international network of partners and collecting small scale contributions of time and work. Another social entrepreneurship promotion organization is Ioby (www.ioby.org). This project happens to be an e-empowerment platform that connects people with innovative ideas, regarding environmental change, with users and investors required for the social transformations to take place. Another outstanding case is Sparked (www.sparked.com), a platform for collective collaboration to social entrepreneurs and organizations; its network makes possible community involvement in social projects by means of volunteering and mobilizing resources. Sparkes brings together people concerned about social change to propose innovative and sustainable solutions. The challenges to be solved are small activities or projects community generally faces together and in a virtual way—online—. The sum of these efforts contributed to the conception and growth of social businesses linked to the use of new technologies, regulatory and legal framework, strategies, marketing and advertising tools, project designs, etc.

In Spain, an integrative crowdsourcing initiative, known as Goteo (www.goteo.org), has recently emerged. This platform is a distributed collaborative network—providing and exchanging services, infrastructures, micro tasks, etc.—offering individual rewards and collective returns for the development of society and free knowledge. Goteo constitutes a way to boost social projects, an opportunity for individuals and small organizations to implement sustainable and long-lasting proposal. The collaboration of the participants can be made from different roles: a) Drivers are the promoters of the enterprise who provide visibility to shared principles and projects, and engage from the beginning to the potential community of the network; b) Co-financing Agents make monetary contributions in exchange for collective returns and/or individual rewards; and c) Collaborating Agents who provide resources—time, energy and/or abilities—in order to help improve specific projects and promote the generation of positive changes in society. In light of this philosophy, Goteo has exceeded the minimum crowdfunding needed for Bookcamping project to start-up (http://bookcamping.cc): a free, open and collaborative library that aspires to make culture spring up from networking socially. In addition, the Bookcamping promoters have benefited from collaborative work through Goteo: programmers to develop the source code; beta-testers to prove the software usability.
and propose suggestions for improvement; or editors to collaborate registering, editing, and expanding the library stock. In response, they hold out returns of collective nature—a publicly accessible and collectively managed library with free licenses—and some other of individual kind: posters, mention in the credits, and personalized counseling sessions by professionals in the field of free licenses, editing, amongst others.

3.4.3. Promoting the Image and Advertising of Social Enterprises

As well as having and developing a business idea is to know how to communicate to the market. In this sense, the case of social media company Xul (www.xul.es) is paradigmatic (Iturbe-Ormaeta et al., 2010). Since its inception in 1996, this company has stood out for its strong social commitment, which has resulted not only in the type of clients it assists, but also in its behavior and self-management. The Xul business model perfectly represents the concepts currently in vogue in Fourth Sector; that is to say, the set of organizations that try to overcome the traditional separation between the First (private), the Second (public) and the Third (the non-profit organizations), to integrate social and economic aspects as among its objectives (Jiménez & Morales, 2011). Its ethical concern is a ubiquitous feature, while this company sees itself as a tool to help create and develop a more just society. Imbued with this philosophy, Xul develops its communication and marketing services around the associative world and the solidarity economy. This emotional connection, with specific collectives, provides a surplus to the proposal brings into the field of social economy, as business niches are served with claims that sometimes do not fit into the traditional offerings while ensuring a greater harmony and a longer-term links with such customers.

Another highlight in XUL is that it not only works on demand, but also launches its own initiatives, constituting itself an example of social entrepreneurship. Three of these actions distinguish for their relevance to its current approach to business:

- **Softwai**: A software application for creating accessible web pages to people with physical, motor or neurological disability;
- **The Environment Portal**: An environmental information website—awarded several times—managed and operated, fully and freely, by Xul;
- **TextoSign**: A software application for converting text to sign language for deaf people. The result obtained from this tool is a video in which an animated character reproduces the text in sign language.

The company transmits its commitment to society and plays with certain humility. No ambitious attitudes are seen to gain market share through groundbreaking strategies. The concept of “tempered radical” defined very well its marked innovative approach: the change is made every day and from within the organization. It is not about reaching the first to a different world, but about reaching it in the company of other people and firms.

Another SEPO that looks after business projects “socialization” is H3S Social Consultants (www.h3s-sroil.com). This is a Spanish consulting firm specialized in measuring Value or Social Impact (Emerson, 2001; Narrillos, 2010). For this purpose, it is primarily used the Social Return on Investment Method (SROI). This technique, which has been in use a little more than a decade, is among the fastest growing models in the field of Corporate Social Responsibility, given that it enables the measurement of the extra-financial value from the invested resources; to be precise, the environmental and social value that is not reflected in conventional financial statements.

At the international level, it is remarkable the advising on communication supplied by Media Cause (www.medicause.org), a
virtual platform that uses crowdsourcing as a mechanism of e-empowerment. Media Cause brings together professionals from advertising, marketing and media to elicit active, voluntary and collaborative interaction between different agents, improving the image and communication campaigns of social enterprises.

4. FUTURE RESEARCH

This section will constitute and attempt to identify some important areas for future research regarding social entrepreneurial e-empowerment. For that, it will be utilized an approach based on a framework proposal developed by Short et al (2009) for future social entrepreneurship research opportunities that concern other disciplines: accounting, anthropology, economics, finance, management, political science, and sociology.

When it comes to this type of e-empowerment, future research could be related to the field of accounting for the fact that we might get to need reliable measures for calculating social performance achieved by these social change initiatives. Anthropologically speaking, it might be interesting to know if there are any differences between social entrepreneurial e-empowerment among different cultures. In the case of the economies, it might turn out exciting to get to know the effects of social entrepreneurial e-empowerment on bringing regional and global economic growth, and whether this effect could be measured. In the financial field, it could be considered as a future source of research to inquire the real possibilities of financial sustainability for this e-empowerment. With regard to management, one would expect possible future lines of study to analyze in detail the role of leadership and value creation in social entrepreneurial e-empowerment. Another opening and potential field of research might realize from political science, because the new operational guidelines that have emerged, and will continue to arise over e-empowerment, would need the existence of a legislative framework, and also to know the influence of national and international legislations to enhance social entrepreneurial e-empowerment.

Psychologically speaking, it might become of interest to figure out whether a particular profile is more associated with the promoters of social entrepreneurial e-empowerment than with others. Finally, in the field of sociology, it seems logical to expect the arising of several studies that might address the current and future societal impact of the worldwide social e-empowerment initiatives.

5. CONCLUSION

Nowadays, fostering an entrepreneurial culture constitutes one of the most important priorities for all countries. One of the tools available to realize entrepreneurship is through business incubators. Physical incubators have been—and are—an important source of empowerment for novice entrepreneurs, mitigating its insulation, and reducing some of the uncertainties and risks that accompany any process of entrepreneurship. The latest business incubation models have become genuine strategic intervention systems to entrepreneurs; they aimed at adding value to the activity of the assisted ventures within a context of multiple interconnections (Hackett & Dilts, 2004). But it seems not to be enough, since the effectiveness of physical incubators is constrained by the limitation of resources and their local impact.

Given this model of entrepreneurship promotion, the e-empowerment provided through the Internet offers to entrepreneurs unlimited resources and a global scope. In this sense, the present work has presented a series of Social Entrepreneurship Promotion Organizations (SEPOs) that pursue to develop an ecosystem conducive to the development of social initiatives. The physical SEPOs have a long tradition
linked to local development processes, while the virtual SEPOs have a more recent growth, subject to the Internet and social networks evolution. Both have some advantages and inconveniences.

The physical SEPOs have a high cost in infrastructure, which, in these times of crisis, is a significant handicap for their main sponsors—public entities and philanthropic foundations—, probably undergoing severe budgetary constraints. Beside, physical SEPOs tend to grow under a strategic approach of closed innovation (fearing plagiarism of ideas), making difficult the utilization of collective synergies (Chesbrough, 2009). However, these incubators usually proffer to their incubated enterprises a comprehensive range of business support services. The provision of these services is possible through the ascription of a technicians group which performance is linked to the number of initiatives promoted or accompanied.

Meanwhile, the virtual SEPOs operate with a significantly lower infrastructure cost—basically maintaining a website—and allow a degree of diffusion of much larger range due to the phenomenon of long-tail economy (Anderson, 2007), providing access to certain services unaffordable for traditional incubators, such as banks of ideas, crowdsourcing, crowdfunding, among others (Morales-Gutiérrez & Ariza-Montes, 2010). However, these services offer of e-empowerment is often incomplete and unstructured which is something expected given the environment in which it develops.

It has to be noted that the physical and virtual SEPOs often act as independent realities despite the high potential of complementarity that may arise. And it is there, in the development of a complementary service offering, where lies the great opportunity for these instruments to boost the entrepreneurial culture focusing on social innovation and being increasingly effective in their roles.

REFERENCES


**ENDNOTES**

1. Dacin et al. (2011) suggest five avenues of theory building at varying levels of analysis: institutions and social movements, networks, culture, identity and image and cognition.

2. The social entrepreneur navigates the turbulent waters of the balance between economic survival and social objectives of questionable financial viability; one kind of enterpriser that, according to Pamela Hartigan – Director of the Skoll Centre for Social Entrepreneurship at Oxford University – would be a combination between Richard Branson and Mother Teresa of Calcutta. As indicated by Bornstein (2004) regarding the case of microcredit: the most famous social entrepreneur may be Yunus Muhammad, the founder of Grameen Bank. As Steve Jobs, Yunus took the product “credit” (which was at first something exclusive, like the early PCs), and turned it into a mass product. Thus, his bank helped democratize access to funds just like Apple Computer democratized access to information; the effect is similar: more choice and self-determination in the hands of more people around the world.

Other known cases have been performed by Michael Young (Open University), the Abbé Pierre (Ragpickers Emmaus), Vicente Ferrer (Fundación Vicente Ferrer) or Anita Roddick (The Body Shop) (Morales-Gutiérrez, 2007). With the adoption of the Single Market Act on April 13 of 2011, the Commission presented a detailed strategy to relaunch the Single Market inter alia by placing social enterprises and the social economy at its heart. For example, the proposal 36, to promote innovative social enterprise, cites that the Commission will propose a new initiative to support social enterprise development through the inclusion of social objectives in public procurement rules, promoting ethical and ecological labeling. At the same time, this Commission will encourage banks and other financial institutions to set up investment funds and make use of idle savings. For the purpose of encouraging greater cross-border activity, the Commission will consider the establishment of a European statute for organizations that contribute to the social economy, such as cooperatives and mutual societies, and propose a regulation to create the European Foundation Statute.

We have remarked forty one varied cases of efforts that seek social change worldwide. Even though these exemplifications proceed from different part of the world, we have to keep in mind that, due to the use of ICT technologies and the common share of social purposes, they all exceed any physical boundary not belonging, therefore, to any country. Having said that, the recounting of the initiatives is the following: seven projects come from the United Kingdom (six English and one Scottish), a case from Sweden, Switzerland, and another one from Germany; the relation of European experiences closes with nine Spanish cases worthy to be mentioned. With regard to America, it is striking the identified number of innovative projects that have sprung up from the United States (a total of sixteen examples). By contrast, it was considered appropriate to mention from the rest of the continent just three social endeavors. Regarding Asia, it was possible to pinpoint three notable examples: two from India and one from Singapore.

As pointed by Yunus (2011), we must recognize the economic subject as a multidimensional person, a person who has self-interest and selflessness at the same time. In this approach there are two types of enterprises: one to gain personal benefits and another to help...
others. The first one’s mission is to maximize profits for owners; the latter is to assist others and in no case the owners, just the pleasure of serving humanity. To this second choice to do business, built on the selfless human nature, is what Yunus (2011) called social enterprise, a company without loss or dividends, fully dedicated to achieving a social objective. Yunus has implemented his idea of social enterprise by creating joint ventures between Grameen and a variety of multinational firms: Danone—to improve nutrition of poor children in Bangladesh via selling affordable yogurt fortified with micronutrients—, Volca Water Company, BASF, Intel and Adidas, among others.

This is the case of the Young Social Entrepreneurs Program “Changemakers”, coordinated by Ashoka in Spain, Portugal and Latin America thanks to the BBVA Bank’s economic patronage.

Other notable initiatives are: BSR Organization (Business for a Better World), BALLE (Business for Local Living Economies Alliance) and NetImpact.

Two well known examples are the Executive Program in Social Entrepreneurship at Stanford (www.gsb.stanford.edu/exed/EPSE/index.html) and the Social Enterprises MBA from Harvard Business School (www.hbs.edu/socialenterprise/).

Some of these specialized programs include:

a) the Autonomous University of Madrid has its own School of Social Entrepreneurs (http://www.ciade.org/ees.html); b) the School of Industrial Organisation offers an MBA on Social Entrepreneurship (www.eoi.es/portal/guest/curso/188/mba-on-social-entrepreneurship); and c) The Deusto Business School bears a separate title in Innovation and Entrepreneurship (www.innovandis.deusto.es/).

This is a collaborative network of ten of the most renowned business schools in Latin America: EGADE Business School (Mexico), ESADE (Spain), Harvard Business School (USA), Institute of Advanced Management Studies, IESA (Venezuela), Central America Institute of Business Administration, INCAE (Costa Rica), Pontifical Catholic University of Chile, PUCCh (Chile), University of the Andes, Unianiodes (Colombia), University of the Pacific, UP (Peru), University of San Andrés, UdeSA (Argentina) and University of Sao Paulo, FEA/USP (Brazil).

In a context of outpouring of e-business, virtual training or e-learning was required to exploit the advantages of this new channel of transmission. New technologies have revolutionized the learning process. In this sense, experts agree that the most defining feature of the system, the one that gives its greatest usefulness and drives its complete development, is flexibility, an attribute that has three main components: flexibility of space, time and pace. The e-learning eliminates geographical barriers, reduces the chronological stiffness of the in-class system, and allows the customization of training activities based on the starting level and pace of student learning. This flexibility makes instruction compatible with other activities: leisure, work... (Ariza-Montes, 2002).

Another mixed model example is the Institute for Social Entrepreneurs which organizes seminars, workshops and coaching services for social enterprises in the United States and around the world (www.socialent.org). In addition to classroom training, electronic and print resources about social enterprise are freely available on its website.

Another similar experience in the European context is carried out by the European University of Madrid through the Prize for Young Social Entrepreneurs (http://www.youthactionnet.org/index.php?fuse=institutesinfo&id=43). This award offers two intensive learning leadership development sessions, coupled with mentoring, networking with key Spanish youth development organizations and access to online university courses and resources. This personalized learning experience, together with a 3,000 Euro award to their projects and on-going mentoring support, will allow these young social leaders to deepen and expand their impact in their communities. The European University of Madrid is a local partner to YouthActionNet (www.youthactionnet.org), launched in 2001 by the International Youth Foundation. YouthActionNet supports aspiring and accomplished young leaders by providing skill-building, advocacy, and networking opportunities. To achieve its mission, it has a Virtual Institute where provides young leaders globally with a state-of-the-art virtual platform through which to strengthen their knowledge, build skills, network, and advocate for their causes.
Following the strategy of viral marketing, it has developed a high impact “inaugural” presentation in which, “paraphrasing” the famous formulation of Steven Covey (Seven Habits of Highly Effective People), there are addressed the six habits of social entrepreneurs through the acronym “SOCIAL”.

“Tempered Radical” is a concept driven by the founders of Xul. It is a term coined by Scully and Meyerson (1995) to describe business professionals who work oriented toward positive change, but it held both professional and personal orbit and a “soft”. Do not act so “explosive” but soft handling skills, more focused on relational and look allowing the need for change without fanfare, but in a continuous, day to day. Translated Xul how it operates, this idea of the professional “radical lukewarm” could be considered a work without major marketing activities seeking media attention, but more based on “project basis” in the search for a permanent concrete ideas into specific actions and direct. It is pursuing radical change from a strategy of consistency.