



## The Social Entrepreneurship Ecosystem in Austria: Barriers, Needs and Opportunities

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# Overview

- ❑ **Needs of Social Entrepreneurs**
- ❑ **Core Market Needs: Pipeline, Impact & Marketplaces**
- ❑ **Barriers for Social Entrepreneurs in Austria**
- ❑ **The Social Entrepreneurship Ecosystem in Austria**



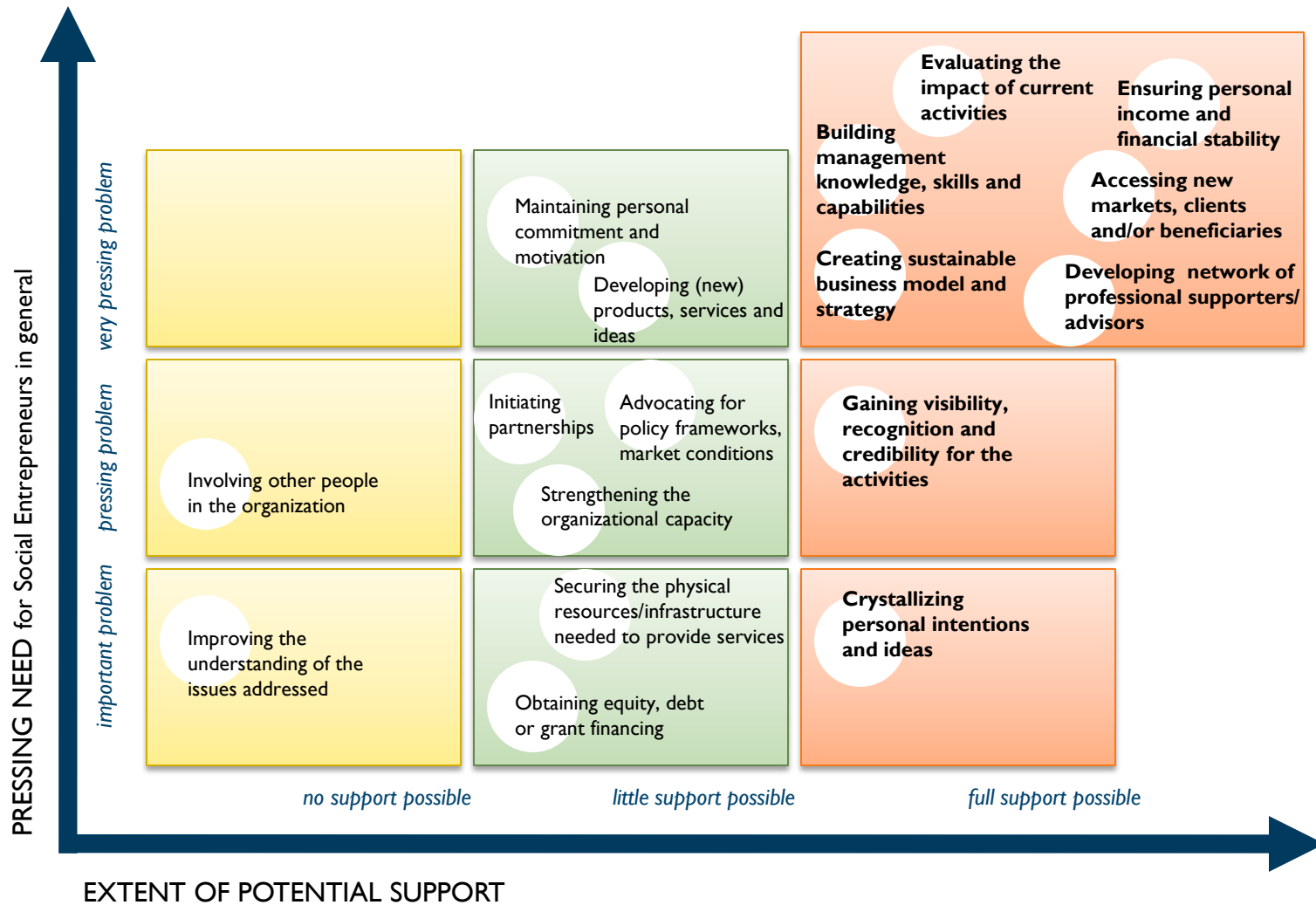


## Needs of Social Entrepreneurs



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# NEEDS OF SOCIAL AND ENVIRONMENTAL ENTREPRENEURS





## Core Market Needs: Pipeline, Impact & Marketplaces



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# The Impact Model & Storytelling

**Introduction:** Ursula is bringing a new energy cycle paradigm by giving all components to the communities. She is doing that through shifting the ownership, management as well as production into the hands of citizens, thereby fostering energy saving and renewable sources.

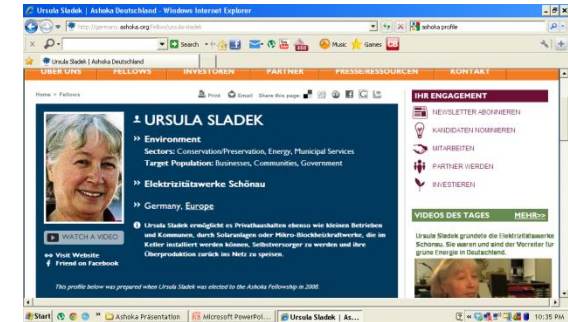
**The New Idea:** Ursula is the first person to show that electricity production and distribution under responsible citizens is a green and economical alternative to that supplied by a small number of monopolists. Her citizen-owned social business company Elektrizitätswerke ...

**The Problem:** Before the beginning of the liberalization of the energy market in Germany in the late 1990s, large utility companies enjoyed a monopoly in terms of price setting and product offers. They derived almost 95 percent of their energy from nuclear power and coal, ...

**The Strategy:** Ursula's strategy was to first break the monopoly of the energy suppliers and to empower consumers to choose their own sources of energy—years before market liberalization in Germany set in. This step is now historic, but it is important to mention because ...

**The Person/Organization:** Ursula was born in 1946. She lived with her husband and five children in the Black Forrest region, until a turning point in her life happened: The nuclear catastrophe of Chernobyl. Germany, like other European countries was affected by contaminated rain and ...

**Source:** [www.ashoka.org/fellows](http://www.ashoka.org/fellows)



# The Impact Model & Social Reporting Standard

**Aim:** The **Social Reporting Standard** aims at improving transparency, accountability, and comparability in the sector while at the same time reducing complexity and resource requirements for social organisations.

**Focus:** Capturing and Communicating the impact value chain.

**Advantages:** of the Social Reporting Standard:

- Effective Impact Documentation
- Improved Internal controlling
- Reduced reporting complexity

**Source:** [www.social-reporting-standard.de/en](http://www.social-reporting-standard.de/en)

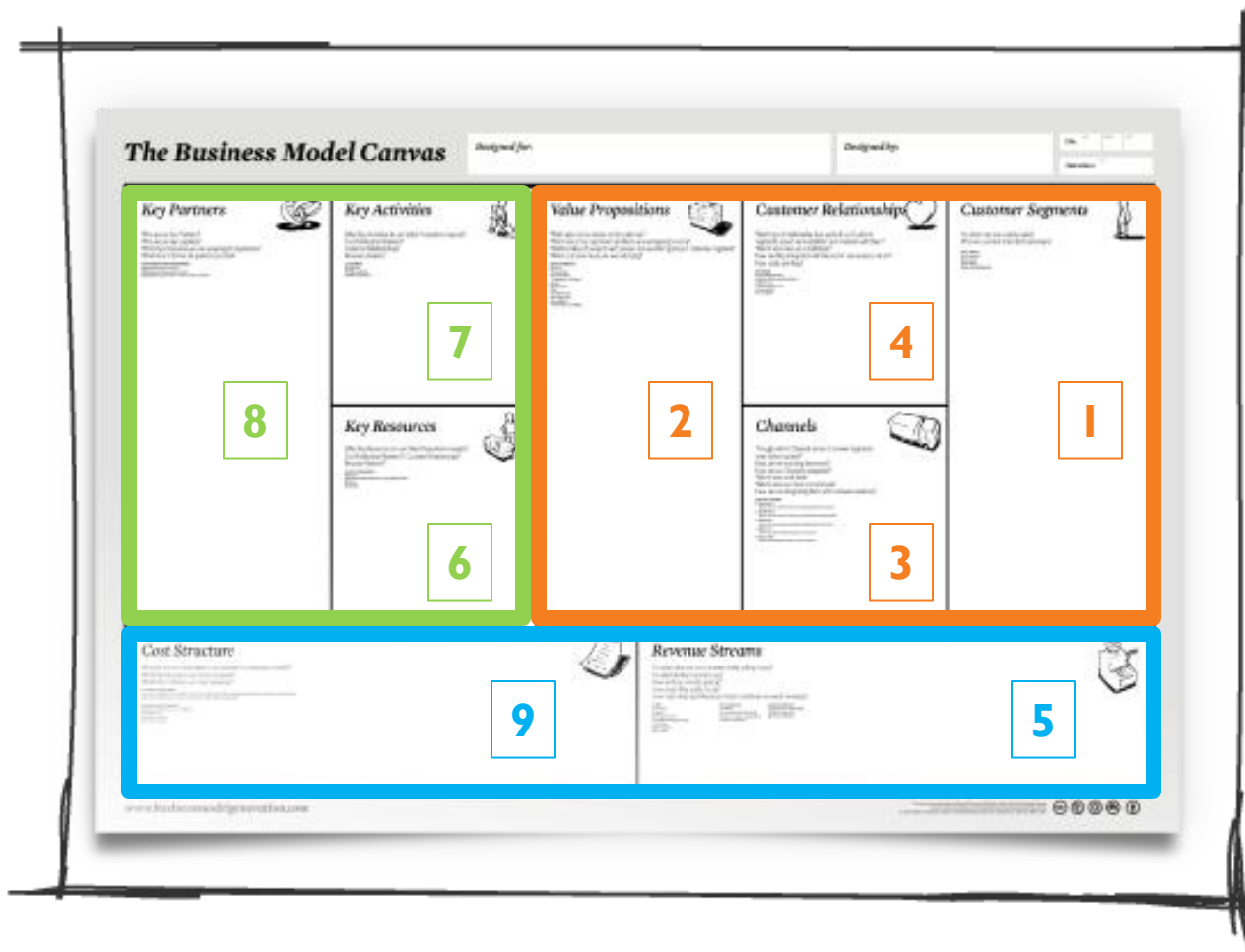


# The Impact Model & Social Reporting Standard

<ul style="list-style-type: none"> <li>• The Problem</li> <li>• Approach to solving the Problem</li> <li>• Spreading the Approach</li> </ul>	Social Problem & Solution	<p><b>THE IMPACT MODEL</b> (according to SRS)</p>
<ul style="list-style-type: none"> <li>• Resources used (Input)</li> <li>• Work performed (output)</li> <li>• Outcome/Impact</li> <li>• Quality Control</li> </ul>	Social Impact	
<ul style="list-style-type: none"> <li>• Planning &amp; Objectives</li> <li>• Development Potentials</li> <li>• Risks</li> </ul>	Planning & Outlook	
<ul style="list-style-type: none"> <li>• Organizational Structure</li> <li>• State of Organizational Development</li> <li>• Key Personnel</li> <li>• Partnerships, cooperations, networks</li> </ul>	Organizational Structure & Team	
<ul style="list-style-type: none"> <li>• Bookkeeping</li> <li>• Assets &amp; Liabilities</li> <li>• Income &amp; Expenses</li> <li>• Management Report</li> </ul>	Finances	

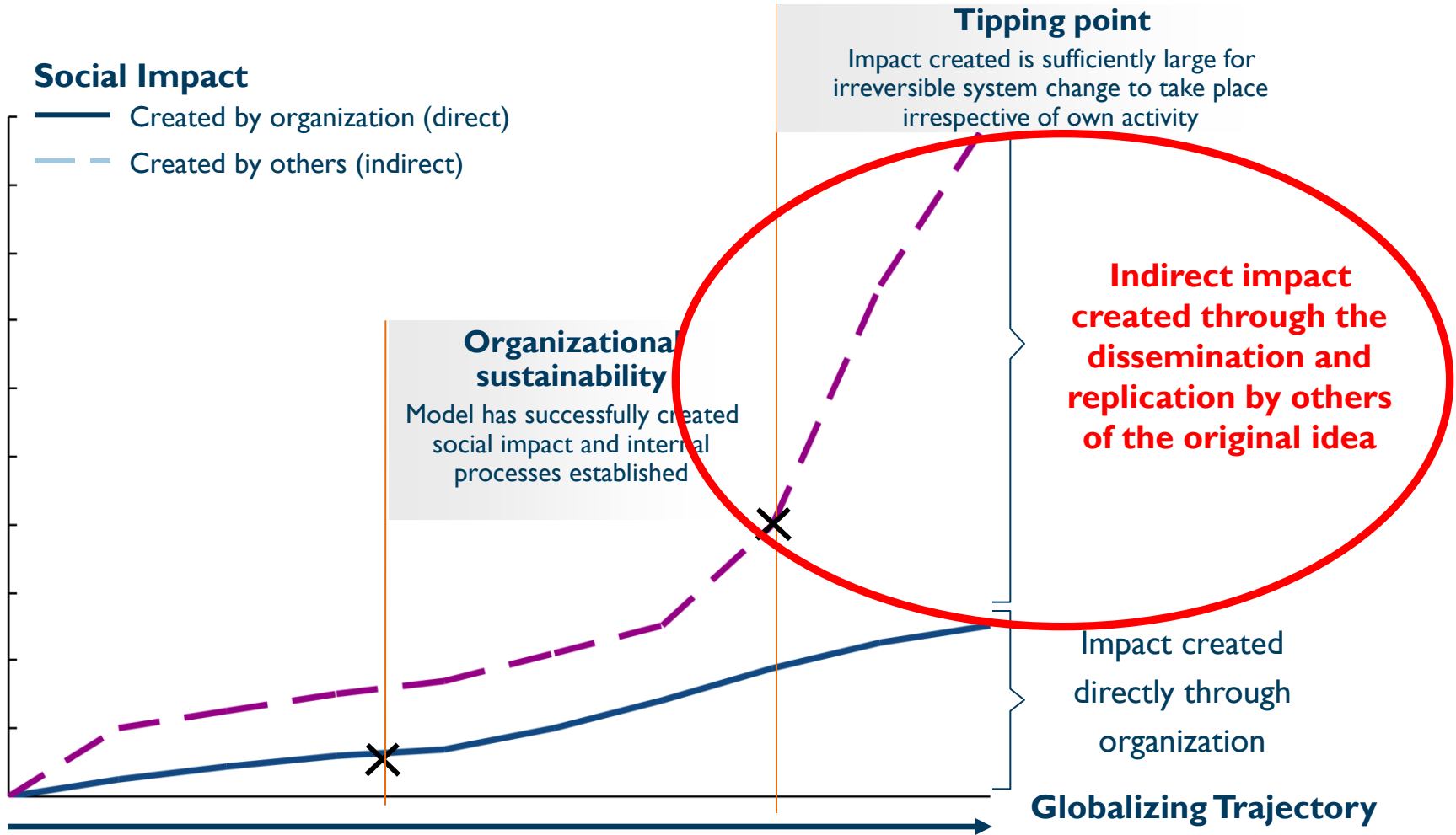


# The Impact Model & Business Model Generation



Source: [www.businessmodelgeneration.com](http://www.businessmodelgeneration.com)

# The Impact Model & Scaling (Maximization of Impact)



# The Impact Model & Diffusion of Social Innovation



Need: Marketplaces!



**ASHOKA GLOBALIZER**  
DISCOVER THE WORLD'S MOST EXCITING INNOVATIONS

Source: <http://ashokaglobalizer.org>



# The Impact Model & Impact Measurement



Need: Quality Standards!



Source: [www.socialevaluator.com](http://www.socialevaluator.com) & [www.thesroinetwork.org](http://www.thesroinetwork.org)





## Barriers for Social Entrepreneurs in Austria



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# BARRIERS FOR SOCIAL ENTREPRENEURS

## “ Typical Message

A	Startup-Funding	„There is limited and not tailor made start up funding available“
B	Growth Capital	„Social Innovation can not attract finance to survive dry times“
C	Public Support and Funding	„New Organizations and Social Business Models have disadvantage in the competition for public funds“
D	Institutional & Legal Framework	„Public Institutions still need to adapt to the new field of Social Entrepreneurship and innovation“
E	Imitation	„We could not find the right people to spread our innovation“

## Background

- Limited Start Up Capital, not adapted to needs of Social Entrepreneurs
- Limited philanthropic capital available
- Timing Gaps between Application and Disbursement of Funds
- Limited access to growth capital
- Difficult to keep savings
- Social Entrepreneurs distrust public funds
- Public procurements too narrowly designed
- Intransparent decision making in allocation of funds
- Disbursement of public funds are rarely linked to social impact criteria
- No suitable legal entities for social entrepreneurs
- Limited space for interaction
- Limited number of imitators
- Limited market places



# BARRIERS FOR SOCIAL ENTREPRENEURS

## “ Typical Messages

F	Personnel	„We could grow faster if we had the right staff“
G	Management Competencies	„Many social change agents lack management skills“
H	Culture of Innovation	„The country is lacking a culture of innovation – limited people are engaged in social innovation“
I	Impact	„Social Impact is not yet mainstreamed and clearly defined, leading to lack of communication“

## Background

- Carrier in the social sector not enough valued
  - Fear that career suffers
  - Limited salaries
  - Difficult to find right people
  - Labour market for social innovation just developing
- 
- Limited management skills
  - Financial issues are not taken serious
  - Limited creativity to develop hybrid social business models
  - Limited cases where investments are linked to knowledge transfer
- 
- Limited number of (social) start-ups
  - Infrastructure for Social Entrepreneurs just emerging
- 
- Impact Measurement not mainstreamed and not following international standards
  - Lack of impact definition makes communication harder





## The Social Entrepreneurship Ecosystem in Austria



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# The Ecosystem for Social Entrepreneurs I

Social  
Entrepreneurship  
Education

Schools



Universities



Intermediaries,  
Marketmakers &  
Accelerators



PIONEERSOFCHANGE  
Wir stärken Pionier\*innen des Wandels



Awards, Prizes &  
Recognition



DIE AUSZEICHNUNG  
FÜR UNTERNEHMEN  
MIT VERANTWORTUNG



SozialMarie  
Preis für soziale Innovation



ERSTE Foundation  
Award for Social  
Integration 2013



# The Ecosystem for Social Entrepreneurs II

Platforms &  
New Partnerships  
(WISEs/NGOs/Business)



Needs

Funding Mechanisms



Co-Creation Centers



Career Opportunities



Supporters, Funders  
& Investors



# The Ecosystem for Social Entrepreneurs III

Public Sector



FFG



Arbeitsmarktservice Österreich



BUNDESSOZIALAMT

Needs

National  
Multistakeholder  
Dialogues & Roadmap

Local Multistakeholder  
Dialogues & Co-Creation



Public Endorsement,  
Funding & Procurement

Legal & Institutional  
Frameworks

Opportunities





Ashoka envisions an **Everyone A Changemaker** world: one where all individuals can respond quickly and effectively to urgent social problems and drive change.

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