IMPACT HUB

IMPACT
REPORT
2018

What do Social Entrepreneurs Need to Succeed?

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IMPACT In Your Hands

As history demonstrates, humans succeed in large-scale collaboration when it is truly needed. Now is one of those moments.

Our world is being called to tackle urgent social and environmental issues while facing significant disruption to governance and economies, leading to a key opportunity for transformative system change. We believe the only way forward is by joining forces to build a future where business and profit work in support of people and planet. That's why we created the world's largest acceleration and collaboration platform for positive change — the Impact Hub network.

With 100+ impact communities in cities all around the world, we are ready to seize the moment.

In every city, we put impact entrepreneurs at the center of our efforts, surrounding them with a supportive community. We build with and for these communities, creating collaborative ecosystems that capture the strengths of businesses, institutions, policymakers, and unlikely allies. We then connect these local ecosystems with our 16,000-member, virtually-linked global community of changemakers, which reaches more than 40 million people.

Using the common language of the Global Sustainable Development Goals (SDGs), we are not only mobilizing our locally-rooted Impact Hubs in 50+ countries, on five continents, but also sparking joint action on key issues with cross-sector partners and other networks. Because we need everyone.

Building this future is a journey of learning for all of us. We aim to build ecosystems, so codifying and sharing our insights and lessons learned is key (see p. 11). In this spirit, we are proud to share five years of insights into the support needs of social entrepreneurs, created with our partners at the Social Entrepreneurship Center of WU Vienna (see pp. 14–21).

These learnings continue to inform our activities and partnerships, offering many opportunities to get involved (see pp. 8-9).

The next pages will both showcase and explore the paths we can all follow to scale meaningful impact collaborations — to create the future we need. Together.

Read, get inspired, and let's collaborate!

Your Impact Hub Network
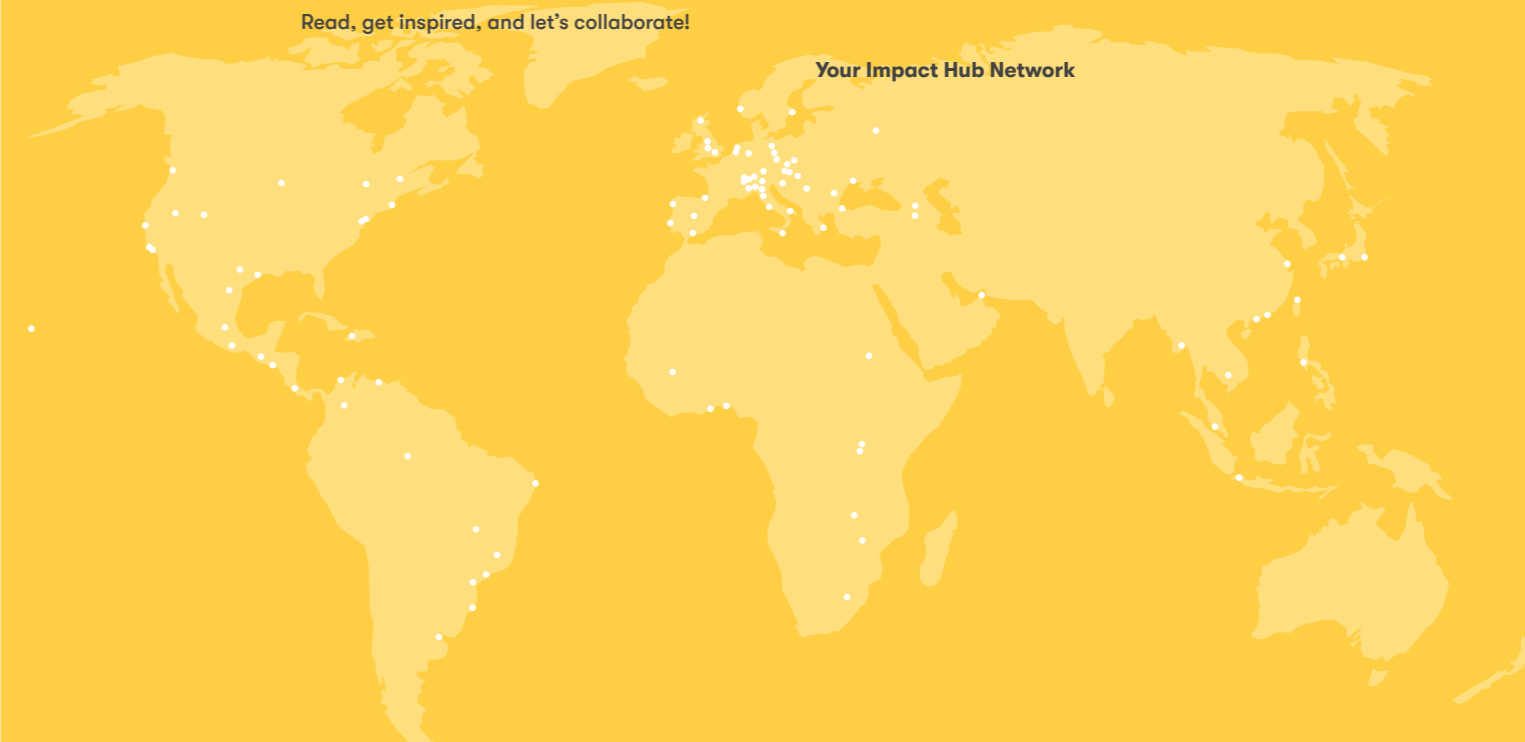
The Impact Hub STORY

Driven by the opportunity of a new millennium, a young, idealistic group of graduates from Wales' Atlantic College decided to test the boundaries of the status quo. Securing London's Royal Festival Hall for a Year 2000 event, they wanted to initiate debate on the connections between global environmental, social, and political issues, persuading Nobel Prize winners and influential thinkers to speak. Even the Dalai Lama was enlisted for a video address.

The People's Summit

Their boldness saw them invited to host an NGO event for the 2002 United Nations World Summit on Sustainable Development in Johannesburg. But instead of accepting the faceless conference venue they were offered, they chose to create an alternative — a people's summit. They joined forces with local activists in Soweto who were transforming a township wasteland into the Soweto Mountain of Hope aka 'SoMoHo', an arts, environmental education and community hub, which outshone the UN summit and touched heads of state, as well as UN Secretary-General Kofi Annan.

Back in the UK, they wondered how they could bring these perspectives into the world of work, and thereby help people consider more purposeful careers that tackle urgent world issues. Looking into it, it hit them: People were already trying to action impactful ideas from their kitchen tables, not reaching their potential in isolation. Their growing group of collaborators changed this in 2005, when they found a space to bring these isolated entrepreneurs and innovators together — a run-down London loft that would house the forerunner of Impact Hub.

Hub Magnetism

The concept of 'The Hub' came to life, bringing changemakers together with the shared workspace, community, and events needed to advance their ideas and create new collaborations. Soon transformed with a community-designed interior drawing on recycled and reused materials, The Hub met London impact makers' needs for a collective action space and quickly filled up.

A matter of months later, The Hub's rapid growth made its hosts reach out to their networks, keen to discuss how to best support their expanding impact community. To their surprise, the resulting gathering in 2007 had little to do with just member support but instead was full of people eager to find out how to open their own local Hubs all over the world.

An Impact Movement Is Born

So the team examined the principles of space co-creation and community building that were born in Soweto and tested in London, curious to see if Hubs might also work elsewhere...

By 2008, there were nine Hubs on three continents.

The new spaces became rallying points for people passionate about building a radically better world, and the new Hub founders also connected — seeking inspiration in London and traveling to each other's spaces to find out how to turn societal challenges into opportunities.

Dozens of would-be Hubs emerged with the 2009 creation of a centralized body in London, which envisioned the blooming network of Hubs developing as social franchises. But, by 2010, the founding teams came to a realization: Their future had to be a collective one.
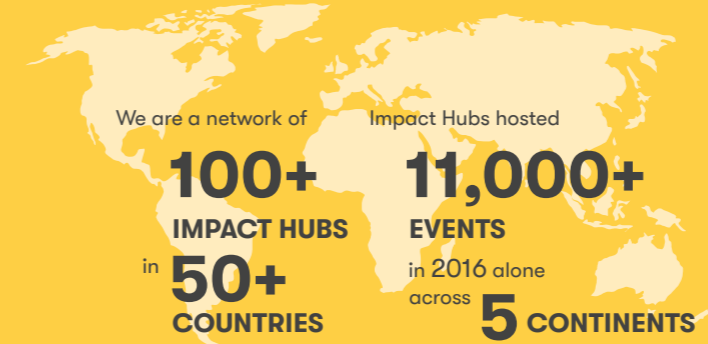
Collective Growth

This realization sparked a leadership movement, unleashing a chain of events that led to the creation of a bottom-up, democratic governance model. It came to life in late 2011, marking the Hubs' transformation into a genuine collective: one with a co-leadership structure and shared practices to shape a new way of doing business together, in and for the world.

In 2013, the empowered network reinforced its focus on purpose-driven innovation and, with this, chose a more fitting name: Impact Hub. Over the next four years, Impact Hub expanded its global reach and more than doubled its community of entrepreneurs and innovators to over 16,000 members across the globe. Instilling conscious leadership around social and business innovation, Impact Hubs inspire, connect and enable positive change across diverse contexts and economies to prove that the future of business is found in profit that serves people and the planet.
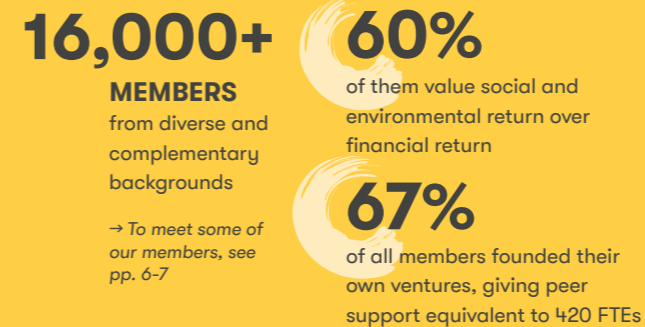
In 2018, as a truly global network, it is now tackling its next challenge: **Impact at scale.**

Our DNA

Inspiring Places

We are a network of
100+
IMPACT HUBS
in **50+**
COUNTRIES

Impact Hubs hosted
11,000+
EVENTS
in 2016 alone
across **5** CONTINENTS

Vibrant Community

16,000+
MEMBERS
from diverse and complementary backgrounds

→ *To meet some of our members, see pp. 6-7*

60%
of them value social and environmental return over financial return

67%
of all members founded their own ventures, giving peer support equivalent to 420 FTEs

Impact Acceleration

6,400+
STARTUPS
were founded at Impact Hubs between 2012 and 2016

Delivering over **200**
PROGRAMS ANNUALLY,
we are one of the world's largest multi-stakeholder communities and accelerators for social impact, with a unique global reach across developed and emerging markets

→ *To learn more about our programs, see pp. 8-9*

Partner SPOTLIGHT

Joining Forces for Impact

A future in which humans and nature live in harmony "can't be done alone", which is why WWF enters into global partnerships with organizations like Impact Hub, states Thomas Vellacott, CEO of WWF Switzerland.
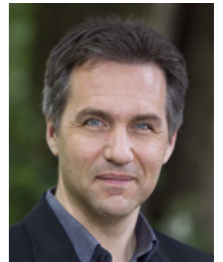
"A few years ago, we realized that we needed to engage much more with entrepreneurs and together develop solutions to environmental challenges like climate change," recalls Vellacott. "Impact Hub is a great partner because they challenge us to look at new ways of doing things and link us to entrepreneurs working on the topics we care about. It's a great way of combining complementary skills in pursuit of shared goals."

WWF, the World Wildlife Fund, is one of Impact Hub's very first global partners — WWF Switzerland supported both the 2010 foundation of Impact Hub Zurich and Impact Hub's network transition in 2011. This promising collaboration soon created joint programs in many parts of the world — now 20 and counting — to inspire, accelerate, and scale entrepreneurial solutions with transformative impact on environmental challenges. With these, the WWF–Impact Hub partnership has so far supported 160 innovative ventures tackling issues like plastic pollution in oceans, deforestation, and unsustainable business supply chains.

→ *Learn more about this and other strategic partnerships on pp. 8-9 to find ways to collaborate*


STORIES Of Impact

Imad Elabdala, KIDNOVATION
Founder

As a Syrian engineer adapting to life in Sweden, Imad Elabdala studied the psychology behind Post Traumatic Stress Disorder (PTSD) to help himself deal with his experiences as a refugee. "The process took two years, but then I thought, what about the kids back there in Syria? And the 27 million kids living as refugees around the world? Less than 5% of them get psycho-social support."

So Imad founded Kidnovation in 2016 to create affordable, scalable and portable tools to help them.

Impact Hub Stockholm took him in, supporting his first project, Sarah's Journey; a book which offers displaced children proven psychological support through a young refugee heroine they can identify with.
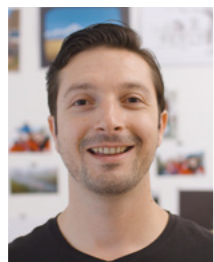
With the first 3,000 books delivered to Syria, Western schools, and crowdfunding supporters, Imad plans to expand into Germany, the Netherlands, and Canada in 2018 via Impact Hubs. He has just launched the Kidnovation App educational platform "to help teachers and therapists deliver the stories effectively, indirectly measuring self-esteem and indicating PTSD".

More about the project:
www.kidnovation.se
/Kidnovation

Stacy Flynn, EVRNU
CEO & Founder

Stacy Flynn had worked for big textile corporations for half of her life. However, a 2010 business trip to China showed her that her industry was an environmental disaster: "Making a simple cotton shirt requires 700 gallons [2650 liters] of fresh, clean water!"

Convinced that this waste had to be fought against, she created a startup based on technology that uses pulp from cotton garment waste to make new fabrics, thus converting consumer waste into a modern-day resource. Evrnu was born in 2014 through the Fledge Accelerator at Impact Hub Seattle. She also found a lot of value in the Impact Hub's networking events.

Such connections helped her realize that sustainability could become a cornerstone of the textile industry: In 2016, Levis Strauss partnered with Evrnu to create a sustainable version of their 511 Jeans — the prototype the two companies created uses five discarded cotton T-shirts for new fiber, and 98% less water than virgin cotton products. US retailer Target is also one of the startup's first early adopters. Evrnu is collaborating with more brands who have the same level of commitment to the sustainable future of textiles.

More about the project:
www.evrnu.com
@futureofapparel

Sidiki Sow, PROTERA FARMS
Founder

Young Malian agronomist Sidiki Sow first discovered the power of edible insects during his studies in Montréal. He immediately saw its vast potential for use as animal feed, to cut down on the heavy land use, waste, and greenhouse gas emissions of livestock farming.

"Today, 30% of the global crop production is used as animal feed," explains Sidiki, who developed flour made from compost-fed larvae as a solution for Africa, where meat demand is predicted to rise along with booming populations. "Insect flour contains double the protein, needs 200 times less water, and 10,000 times less space compared to soya flour."

Impact Hub Bamako became a springboard for the project when Sidiki returned to Mali in 2016. "They supported me from the beginning, helping me to define my mission and introducing me to strategic partners," recalls Sidiki, who soon impressed as a finalist of the Accelerate2030 program (see pp. 8-9). Protera Farms is now ready to produce insect flour, foreseeing a production of 140 metric tons in 2018, with the 5,000 metric tons of biowaste broken down by the larva representing a reduction in greenhouse gas emissions "equivalent to 700 cars driving for a year!"

More about the project:
www.proterafarms.com
@sidiki_vdw

Corinna Grace, SERES
Director & Co-Founder

Transforming distress into hope: the NGO Seres has spent the last ten years empowering young generations to support their communities, instead of migrating.

Seres co-founder Corinna Grace first started working with the young Salvadoran leader Antonio Sanchez to tackle socio-environmental challenges and improve the living conditions of his community, which had relocated to Antigua after the civil war. She soon realized that "many young people, like Antonio, wanted to take action for their community, but felt powerless to do anything".

Together they founded Seres, providing young people from deprived communities with the education and technical skills needed to become future leaders, combat socio-environmental issues, and make their communities peaceful and sustainable. The UNESCO-Japan Prize on Education for Sustainable Development recognized their achievement in 2015 — and Seres' impact continues to blossom: "In 2016 we offered 36 programs that took 750 young leaders through the process of organizing environmental education programs, which reached 6,500 school children," underlines Corinna.

Seres has now moved its headquarters to Impact Hub Antigua, to create more connections and collaborate with other NGOs to "help people be all they can be in one of the most inequitable regions in the world".

More about the project:
www.seres.org
/SERESProject

Matthew Cua, SKYEYE
CTO & Co-Founder

As 2013's Typhoon Haiyan struck the Philippines, killing 600 and affecting millions, Matthew Cua and his fellow students had just created drones for their master thesis — and took to the skies to help search for survivors and provide the extra drone imaging desperately needed for the disaster response.

Their assistance led to heavy drone demand, and SkyEye was born, becoming one of the first participants of the Impact Hub Fellowship Program. Here, Impact Hub Manila helped SkyEye find its focus on rural poverty alleviation: "If development only focuses on cities, we will have an even bigger income disparity between city residents and those in the countryside," he explains. "We're using drones to prove land use rights, as the main barrier to rural development is determining legal land ownership boundaries." Last year, SkyEye gave 50+ families the data needed to gain ownership of their lands — empowerment they hope to scale to the estimated 23 million Filipino families living on untitled land.

SkyEye continues to help with disaster response — recently sizing up damage from 2017's Tropical Storm Kai-Tak to enable effective relief for the 1.8 million people hit — as well as uniting with a UN-led NGO coalition on projects like pre-crisis mapping to boost storm and earthquake readiness.

More about the project:
www.skyeyeph.com
/skyeyeproject

RECIPE For Change

1. Curate a diverse and collaborative community

Prepare a dedicated team to kickstart the mix. Create multifunctional physical spaces. Fill them with common areas, meeting rooms, and offices. Stir vigorously, allowing members to take over the space, exchange, and co-create. Then, add unlikely allies and inspiring events to stimulate and excite.

2. Put entrepreneurs at the center

Add a generous dash of entrepreneurial support. Design and implement support services to boost members' development on their entrepreneurial journey.

3. Create impactful programs and partnerships

Complete this appetizing offering by designing programs focused on scaling solutions for SDGs, as well as by partnering with foundations, investors, and corporate allies; allowing powerful partnerships that enable and scale impact (see pp. 8-9).

Made by Impact Hub communities

IMPACT

Recipe tip: Impact is ready to be served when you obtain an engaging community with local leaders, and where innovative solutions rise to the surface!

Enjoy!

Partnering For IMPACT

There are plenty of opportunities to drive solutions to the world's most pressing issues. We are matching these opportunities with programs to co-create the future of business. Join us to scale impact!

Learning & Education

The Global SDGs have provided a common language for the issues that demand our urgent action. We now need to build awareness and share stories that inspire and engage more people in every corner of the world, including the youth who will shape our future. We also need to explore trends that can create solutions and be applied to systems that need changing, while enhancing the visibility of lessons learned and best practices honed in driving change.

Startup Support

Startups have proven to be dynamic and powerful vehicles for solutions with truly transformative impact. Entrepreneurs need support throughout their challenging journeys; as ideas form and solutions develop; as they fail, pivot, and grow. Even the most effective startups with the best solutions need support with transforming themselves to reach significant scale. Access to market and financing is key for this transformation, particularly when thinking of disadvantaged entrepreneurs in markets that demand a high level of resilience *(see pp. 12-13)*.

Institutional Innovation

Established institutions and corporations face an urgent need to innovate in a world that is faster and more interconnected than ever before. Entrepreneurs have become an important source of inspiration and learning for leading organizations on how they can think in new ways, design solutions and products, and operate in constantly-changing environments. Impact Hub immerses institutional partners in a multitude of thriving entrepreneurial ecosystems, giving them access to hundreds of high-potential enterprises and, leading-edge innovation, as well as sustainability methods, tools, and experts.

Convening

Solving the world's stickiest problems requires more than the brilliance of a few — it takes the collaboration of many. Our programs bring bottom-up innovators together with institutional players; invite new perspectives from scientists, artists, activists, and youth; and include those who are the most affected but often don't have a say. We use formats and methodologies that get the best out of such diversity and drive meaningful action.

Ecosystem Development

Impact cannot happen in isolation; it takes shape in interdependent, lively ecosystems comprised of diverse actors, inspiring interactions, enabling policies, and resources. Impact Hub provides collaborative environments where many, if not all of these elements come together. Even in some of the most challenged parts of the world, we provide a safe space for the foundation of ecosystems where minimal infrastructural support exists.

IMPACT AMBITION for a Just and Sustainable World

innovation — idea — access

IMPACT AT SCALE

Impact Hub Escola

Meet Brazil's biggest innovation and workshops festival: Impact Hub Escola! Since 2010, this educational program has strived to change the world as we know it by putting social innovation into practice. Its collaborative model is hands-on, focused on dynamic learning-by-doing around specific topics, and it stimulates participants to take action on some of the most pressing issues our world is facing today. The program meets a need, with 10,000+ young people attending 15 editions so far, and it has expanded into five Brazilian cities.

Accelerate2030

Co-created by Impact Hub Geneva and the United Nations Development Programme (UNDP), Accelerate2030 (A2030) is a global program for positive social and environmental impact. A2030 works with Impact Hubs in developing countries to source, select, and scale the most innovative and impactful ventures tackling the Global SDGs. We bring finalists to Geneva, connect them to leading international organizations and investors, and support them for 9 months. Starting from the bottom up, A2030 has already reached over 1 million people in 19 countries.

Corporate Partnerships

Impact Hub Zurich boosts innovation with multi-level corporate and institutional partnerships. For telecommunication player Swisscom, they created an intrapreneurship program, coaching the company's future leaders, providing them with lean work methodologies, and connecting them to startups for bottom-up innovation.

Swiss candy company Ricola dared to go a step further with them. Together they built the RicoLAB, which focuses on long-term innovation. Today, it operates as an independent organization, not just driving innovation for Ricola but setting trends using groundbreaking technologies like AI and VR.

Beyond (un)employment

Beyond (un)employment is a translocal convening program which aims to tackle unemployment, not with the typical top-down approach but instead by encouraging interventions led by citizens of diverse backgrounds. Supported by the Robert Bosch Foundation, this 18-month program tackles local issues by taking 100 participants across five European Impact Hubs through three phases: uncovering issues, conceiving solutions, and piloting interventions. Beyond (un) employment works towards solving unemployment issues from the bottom up, one step at a time.

Africa Seed Program

In 2014, Impact Hub identified local entrepreneurs across Sub-Saharan Africa who believed that their entrepreneurial ecosystems needed local ownership and drive. Since 2015, we've worked with eight high-caliber teams from Burundi, Ghana, Mali, Nigeria, Rwanda, South Africa, Sudan, and Zimbabwe, who have developed active entrepreneurial communities, successfully built accessible workspaces, and run dozens of programs and events. As of 2017, Impact Hubs in Africa have supported more than 1,100 local entrepreneurs, and our community keeps growing. This initiative was supported by Argidius Foundation, BMW Foundation, Cordaid, Doen Foundation, and Siemens Stiftung.

Impact Hub is proud to have collaborated with leading organizations from a variety of sectors to amplify our impact. Here are some of our strategic partners:

argidius
avina stiftung stephan schmidheiny
BCG The Boston Consulting Group
BMW Foundation Herbert Quandt
Robert Bosch Stiftung
STICHTING DOEN
European Commission
OVIN
SIEMENS Stiftung
WWF

5 Things You Didn't Know About Us

The transformative products and services offered by our members have reached a total of 40.8 million customers and beneficiaries worldwide — more than the population of Canada!

1 You have probably experienced our impact first-hand

During their trip to Ghana, French President Emmanuel Macron and Dutch Prime Minister Mark Rutte chose just one place for meeting young startup founders and evaluating the potential of Ghanaian entrepreneurship: Impact Hub Accra!

2 The network catches the attention of world leaders

Women comprise 46% of our network, and more than 85% of our members address social or environmental issues through their activities. Together, we are working on transforming business and society!

3 We represent the future

Did you know that #BlackLivesMatter and Women's March found a home and space for action in Impact Hub? And you've surely signed a petition on their website: The world-famous petition platform Change.org was a member of Impact Hub back in 2011. Check the inspiration behind the action — you'll see we share a bunch of core values with all of these movements.

4 We are a safe space for social justice movements

Did you know Impact Hub Antigua offers a stunning view of volcanoes, Impact Hub Vienna has a secret resting room, Impact Hub Montréal is located in a former church and Impact Hub Lagos has a heart-shaped pool? These are just some of our hidden gems. Since it's free for members to work from each Impact Hub for three days a year — it's time for exploration!

5 Our spaces are full of surprises

Lessons LEARNED

We believe and invest in the power of ecosystems for catalyzing impact, but the journey is not always easy. Over the past 10+ years in this sector, we have experienced a lot and also made our mistakes. Hence, we would love to share some of the lessons the network has learned, to support others on their path to distributed, bottom-up, localized impact with global scale.

Q & A — Impact Hub Global Executive Director, Gabriela Gandel

What are the most important considerations for intentionally building impactful communities?

It may be hard to grasp when you're just starting to build a community, but trust is truly a cornerstone of this process — it builds a strong foundation for collaboration and support. Likewise, embracing diversity is important if you want your community to be open and inclusive, but it can be hard to achieve because established communities tend to become homogenous and less open to outsiders. That's why it's key to ensure that leadership always mirrors the diversity you want to engage, that there is space for healthy challenge, and that partners help make your offer more accessible.

How is it possible to build a bottom-up network and maintain it at scale?

We prototyped a model emphasizing co-ownership instead of individual ownership. We are still learning, but so far it is working well; so perhaps this can serve as a role model for healthy, bottom-up globalization. We believe true impact cannot happen without appropriate local contextualization and translation: Working with talented, recognizable, and inspiring local leaders who truly understand what is needed is a much better way to build a more just and sustainable world. And now we're deepening our stakeholder thinking by adding external voices to our Board and exploring ways in which our members' voices can shape the global agenda.

What has this process taught you about empowering the members of your network?

Firstly, don't just give a person a vote: You have to help them with the resources, capacity, and stability they need to engage in the global conversation. Secondly, you have to find ways to deliver coordinated activity in a distributed way — through internal experts, centers of excellence, co-created programs or partnerships, versus the 'simple' solution of a large centralized team. Finally, the work is never done. So keep iterating and improving, vs. leading with inflexible plans.

How do you manage to attract the right talent to scale your impact?

We learned that top talent is attracted by entrepreneurial opportunity and community. Access to top talent is a major roadblock to scaling impact ventures as it's expensive and experienced professionals require stability many impact startups can't offer. We solved this by offering them programs and approaches that support them to unlock resources, leverage our brand and get better talent onboard. Internally, we created a model that shares the pie with our founders, who all own their own Impact Hubs and provide distributed leadership opportunities. But we're still learning on how we can better support and channel our talent to keep innovating and growing.

Can you create impact at scale without losing local context through standardization?

Yes, and this is possible by ensuring that local roots remain present at all levels of the network, not just locally but also in the Board, the Executive Team, and other governance entities. Moreover, you need a backbone organization that focuses on the curation of innovation, the hosting of connections, and catalytic opportunities for all. And thirdly, it is essential to find common impact issues that bring together various network entities and external partners to make a bigger, bolder difference.

RESILIENCE In Action

Developing Entrepreneurial Ecosystems...

... With Strong Partnerships

Claudia Valladares, Co-Founder and Director, Impact Hub Caracas, Venezuela

Laura Smitheman, Program and Innovation Director, Impact Hub Phnom Penh, Cambodia

Dora Moscoso, Multilateral Investment Fund Project Manager, IDB

Just before we were supposed to open, in February 2014, a crisis started in Venezuela. There were riots and barricades. People were angry and started protesting about the lack of freedom and democracy, the censorship, hyperinflation, and economic problems we were facing. So we needed to cancel our opening and postpone it until May. We used that time to rethink and to reframe our role according to society's needs. We decided to take a more direct approach, looking for solutions through entrepreneurship, and by implementing programs that can tackle some of the most pressing issues — such as hunger, early pregnancy or poor education. Because we are all citizens, as well as entrepreneurs, and that comes with rights and responsibilities.

On the business model side, to continue as a financially sustainable Impact Hub in spite of the crisis — which is still not over and is now even worse — we have to be creative: we generate new sources of income in hard currency through programs and corporate consulting services, offering a decent salary to our team and supporting local entrepreneurs, whilst at the same time adjusting our service rates to stay accessible to Venezuelan impact makers.

> **WE DECIDED TO TAKE A MORE DIRECT APPROACH, LOOKING FOR SOLUTIONS THROUGH ENTREPRENEURSHIP, AND BY IMPLEMENTING PROGRAMS THAT CAN TACKLE SOME OF THE MOST PRESSING ISSUES.**

Although Cambodia is a very entrepreneurial country, we found there were few social innovators, and an effective ecosystem was missing. So we had to build a pipeline of social entrepreneurs, innovators, and surrounding support structures. From the start, our programming has ranged from the very early ideation stage through to incubation and acceleration, and we have even worked with universities to design and deliver undergraduate courses.

On top of this, the concept of an Impact Hub was very new to our Cambodian community when we first launched. There are no words in the local language for 'social entrepreneurship', 'innovation' or 'coworking'. So we had to find the best way to communicate our message, identify leaders within the Cambodian community who shared our vision and would spread it, and exchange a lot with our stakeholders to refine our offering and earn their trust.

> **ALTHOUGH CAMBODIA IS A VERY ENTREPRENEURIAL COUNTRY, WE FOUND THERE WERE FEW SOCIAL INNOVATORS, AND AN EFFECTIVE ECOSYSTEM WAS MISSING.**

The Inter-American Development Bank (IDB) and Impact Hub have created the Resilient Entrepreneurs Program, offering incubation and acceleration to support the economic growth of entrepreneurs in Nicaragua, Honduras, and El Salvador

Why did you choose to join forces with Impact Hub on the Resilient Entrepreneurs Program?

Incubators normally support an existing entrepreneurial environment, like in Brazil, Argentina or Mexico, but Impact Hub was making an effort to work in a very challenging ecosystem, and that is something you do not hear of often! Impact Hub believes in entrepreneurial resilience — that local entrepreneurs can adapt to a constantly changing context, and emerge stronger — and that is exactly what we wanted to support. We also liked that the network works globally: Impact Hub has experience working with different ecosystems and a model which has been tested and continuously improved in such environments.

Why do you think there is a need for such programs?

In 2015, the Global Entrepreneurship and Development Index ranked Nicaragua, Honduras, and El Salvador among the weakest countries for entrepreneurship ecosystem health. These countries face difficult political circumstances, and the regulations are not shaped to support entrepreneurs. They also experience a brain drain, as entrepreneurs look elsewhere for environments offering opportunities.

How does the partnership work?

We designed the program together, following Impact Hub's methodology: recruiting local founding members, building innovation hubs in each country, creating shared spaces, and providing ongoing coaching for them. Then we designed the actual entrepreneurial development process, with a goal to support 160 entrepreneurs in each country to train them and create links with investors. The last component is to focus on project sustainability. The plan is to coach entrepreneurs who can in turn train others, and then disseminate the results of the partnership among key local stakeholders, showing what can be done to jumpstart these ecosystems.

Our collaboration is not just about allocating financial resources — it's a constant process of checking-in with the project team, revisiting the challenges, and identifying the best way to solve issues.

What is the biggest challenge that this program has faced — and the impact it has had so far?

The most exciting moment for us was when Impact Hub San Salvador opened. This happened just a few months into the program, and it was very encouraging. We aim to strengthen the local markets, help address global inequality, and launch the entrepreneurial ecosystems in the target countries.

Of course, when you design a project it is a blueprint, a big experiment. Nevertheless, we expect that this three-year collaboration will result in a proven model that can be replicated in other equally resilient ecosystems.

> **IMPACT HUB WAS MAKING AN EFFORT TO WORK IN A VERY CHALLENGING ECOSYSTEM, AND THAT IS SOMETHING THAT YOU DO NOT HEAR OF OFTEN!**

The Support Needs of Social Entrepreneurs

Lessons from the Impact Hub Network

IMPACT HUB

Peter Vandor and Lukas Leitner

Social Entrepreneurship Center

Vienna University of Economics and Business

www.socialentrepreneurship.at

1. Introduction and setting of the study

Social entrepreneurship and other impact-oriented forms of work have gained strong momentum over the past two decades. A growing number of startups around the globe identify themselves as social enterprises, with estimates indicating that 20-25% of ventures founded in 2015 were social enterprises (Bosma et al., 2016).

This emerging global movement largely consists of young organizations, which often face very particular challenges. As new entrants to the field, many founders lack the necessary knowledge, resources, and contacts to build up capacity and a healthy organization. At the same time, customers and clients are not familiar with the new venture and its offerings and are skeptical at first (Stinchcombe, 1965). In light of these challenges, support ecosystems for social entrepreneurs have developed around the world. In these ecosystems, intermediary organizations such as Impact Hub and others provide direct help and resources, as well as access to other support actors and peers (Bachmann, 2014; Meyskens et al., 2010).

In spite of the abundant research on social entrepreneurs in general and the vast resources invested in supporting them, surprisingly little is known about the support needs of social entrepreneurs. Do their needs change over time? Are they different around the world? And what are the most important sources of support? Over the last five years, we had the privilege to investigate these and other questions together with the Impact Hub network. In the next section, we will briefly describe this work and share a handful of our most interesting findings.

2. The Global Member Survey

The main data source for this research is the Global Member Survey (GMS), an online survey that has been carried out annually for the past five years in the Impact Hub community (2013-2017). In it, members of the Impact Hub network share insights into their activities and experiences at Impact Hub. The GMS serves as a tool for learning and improvement at a local and global level.

Over the past five years, the Impact Hub network experienced strong growth, and, accordingly, so did the GMS. Starting off as a prototype in the year 2011, the first full survey was designed in 2012 and filled out by several hundred members of 13 Impact Hubs in early 2013. By 2017, this had risen to 3,175 valid responses from 71 Impact Hubs in 35 countries (Figure 1).
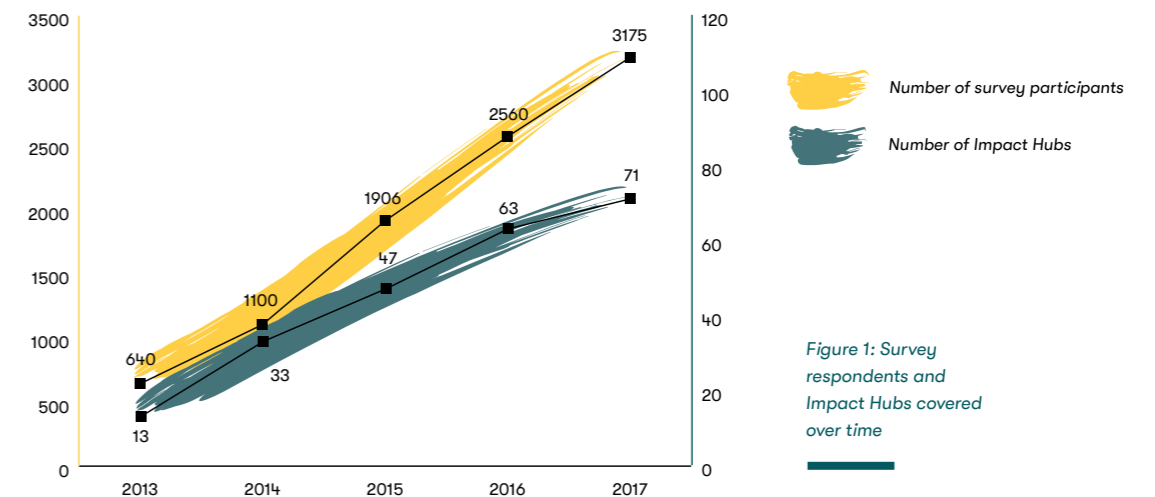
The Global Member Survey 2013-2017

Figure 1: Survey respondents and Impact Hubs covered over time

The aggregated results of this work and the basis of this section are two datasets: a cumulative sample with responses from all five years (9,381 cases) and a small longitudinal dataset with matched cases of 74 organizations that participated in the surveys of 2015, 2016, and 2017[1].

3. Support needs of social entrepreneurs

First, we will explore the support needs of social entrepreneurs in the Impact Hub network. All survey respondents were presented with a list of potential needs[2] and were asked to rate each need's relevance to their work. For the analysis, needs were also grouped under the broad categories "inspire", "connect", and "enable". Averaged results are presented in Figure 2.

With an average of 84%, the most important support need of social entrepreneurs across all years was "feeling part of a larger community and network", followed by "gaining visibility and credibility" (76%), and "connecting to advisors and experts" (73%). On the other end of the scale, 45% of members sought support in obtaining financial capital and investment, followed by support in expanding to new geographical areas (50%), and learning how to start a project (52%).

Generally speaking, needs related to building social connections and finding inspiration played a more important role than the "enable" needs, which are more typical for larger and more developed organizations. This is somewhat surprising, given the typically strong emphasis on the financial needs of social entrepreneurs in research (Bosma et al., 2016). However, it is likely that this reflects the particular positioning of Impact Hub as an inclusive place for founders in all stages of development, which also includes nascent entrepreneurs still in search of an industry or business idea.

The respondents' rankings of these support needs are fairly robust against the years in which they were measured. "Inspire" and "connect" needs were found to be more important than "enable" needs in all surveyed years. Interestingly, these rankings also do not change much when we include the full organizational sample in the analysis (n = 6,719). This suggests that social entrepreneurs and other

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[1] In the cumulative dataset, we used subsamples to focus on the complete responses of members whose work included founding, managing or being employed in an organization. Impact Hub team members, freelancers, and sole proprietors were not included (n = 6,719). For most analyses, we further restricted responses to those from "social entrepreneurs" – who are, for the purpose of this work, understood as those respondents who clearly prioritize a social or environmental mission above financial profit motives (n = 3,102). For the two variables of program participation and support actors, data was only available from GMS 2017 (n = 1,017).

[2] This list was generated in an exploratory process including three qualitative pre-studies, literature research, and the consultation of experts. For ease of comparison, all support needs presented here were later grouped into binary categories.
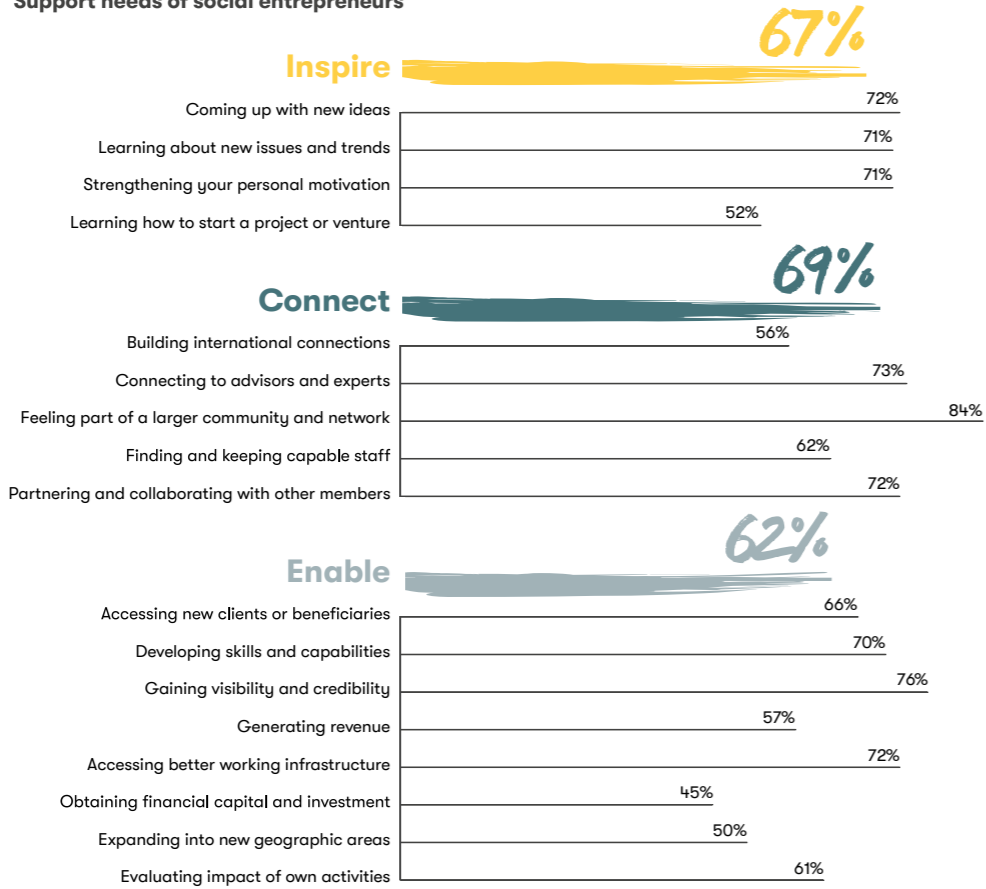
types of actors at Impact Hub do not diverge strongly with respect to the resources they seek. Overall, these findings underline the paramount role of interpersonal exchange and networking for founders, as well as the function of work communities as enablers of mutual support (Gerdenitsch et al., 2016).

Our longitudinal analysis points to another interesting finding: Entrepreneurs who reported high overall support needs in 2015 were more likely to perform better with regard to staff growth in the two subsequent years. This suggests that the prevalence of support needs might not only be an indicator of need but also of an organization's growth ambitions and its understanding of the challenges it faces. At the same time, it may have been that founders with higher reported needs were also better at attracting the required support, which would also explain this group's higher level of satisfaction with the support of Impact Hub in subsequent years. While it is too early to jump to conclusions with these preliminary findings, the implication for members seems to be clear: Knowing and pursuing the support you need appears to be a good strategy for growth.

Support needs of social entrepreneurs

Inspire 67%
- Coming up with new ideas — 72%
- Learning about new issues and trends — 71%
- Strengthening your personal motivation — 71%
- Learning how to start a project or venture — 52%

Connect 69%
- Building international connections — 56%
- Connecting to advisors and experts — 73%
- Feeling part of a larger community and network — 84%
- Finding and keeping capable staff — 62%
- Partnering and collaborating with other members — 72%

Enable 62%
- Accessing new clients or beneficiaries — 66%
- Developing skills and capabilities — 70%
- Gaining visibility and credibility — 76%
- Generating revenue — 57%
- Accessing better working infrastructure — 72%
- Obtaining financial capital and investment — 45%
- Expanding into new geographic areas — 50%
- Evaluating impact of own activities — 61%

4. Support needs along the venture life cycle

One distinct factor shaping support needs is an organization's stage of development. As many founders experience, the management of a new company comes with a different set of challenges, tasks, and – consequently – resource needs compared with managing or even growing an established organization. We built on this concept and asked each member with an organizational affiliation to pick one of the following five life cycle stages which best described their venture (n = 6,719):

1. Intention formation: identifying an opportunity and defining the goals and issues of a venture.
2. Idea development: deciding on an idea and developing its concept and business plan.
3. Startup initiative: starting activities, building structures and a team around this.
4. Running operations: activities are now running regularly, the organization is established.
5. Impact scaling: seeking to expand into new regions or fields, and to grow in size and impact.

As Figure 3 shows, support needs differ strongly at different stages of the venture life cycle. They are at their lowest levels during intention formation which is often the most "personal" development phase, in which founders are more likely to engage in introspection and work with previously acquired information. From stage two – idea development – onwards, support needs increase strongly and

Support needs along the venture life cyle

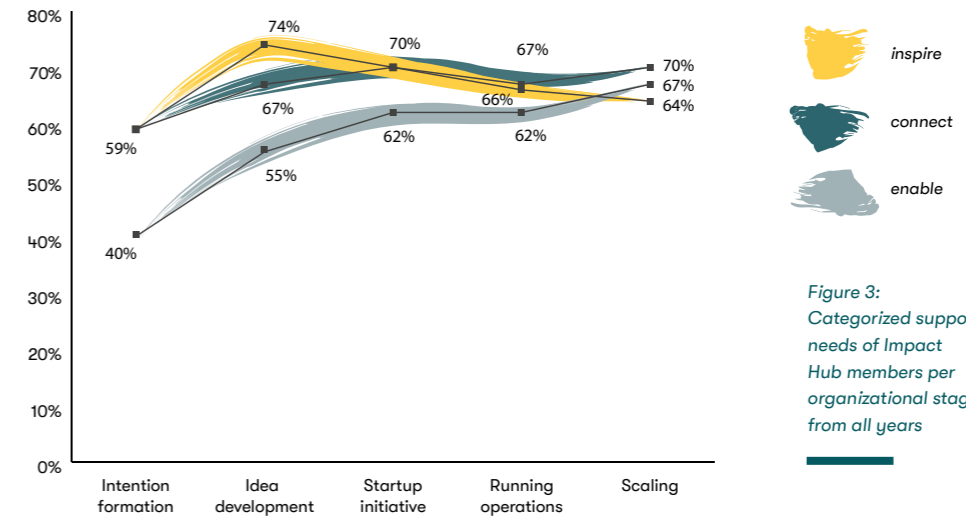stay at a high level. The tasks of organizations become more diverse once intentions have turned into concrete plans and activities, and, accordingly, the need for external resources such as knowledge, funding, and contacts increases too.
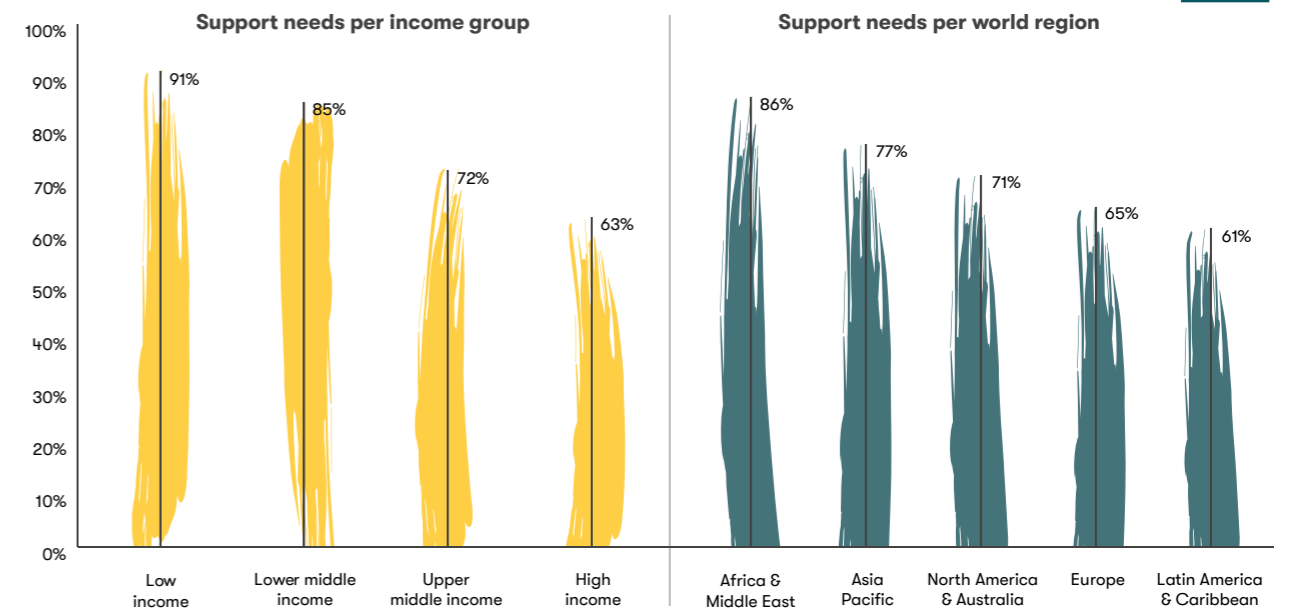
Looking at the three distinct support needs categories in Figure 3 in more detail, an interesting pattern emerges. Finding inspiration and making connections is more important than the "enable" needs in the first two phases. This distinction fades, however, once the organization is more institutionalized and developed. The need for inspiration decreases after the idea development phase, while needs related to growth, sales, marketing, and funding ("enabling") increase. Support needs related to accessing social networks ("connect") are consistently important throughout the venture life cycle. An analysis of the social entrepreneur subsample yields similar results.

In summary, our findings encourage a differentiated look at the support needs of organizations. They suggest that supporters and policymakers should adapt their interventions to the specific needs of a (social) venture's development phase.

5. Support needs in different contexts

Social entrepreneurs do not operate in a vacuum but are instead significantly influenced by the socioeconomic context of their country or region of activity. First and foremost, these conditions impact the types of issues addressed by social entrepreneurs, as well as their activities and output (Mair and Marti, 2009). Moreover, the context also influences the support and resources available to founders. As previous research has argued, environments with stable institutions and more abundant resources are

Support needs per income group
- Low income — 91%
- Lower middle income — 85%
- Upper middle income — 72%
- High income — 63%

Support needs per world region
- Africa & Middle East — 86%
- Asia Pacific — 77%
- North America & Australia — 71%
- Europe — 65%
- Latin America & Caribbean — 61%

more likely to see social entrepreneurship activity. In such contexts, entrepreneurs are more likely to find the resources they need to get started, while facing fewer challenges in their environment due to corruption, conflict, and weak rule of law (Estrin et al., 2013; Hoogendorn, 2016).

One crucial factor here is the income level of a given country. We explored whether these differences also manifest in the level of support needs of social entrepreneurs (n = 3,102). Using World Bank data and the Atlas Framework, we divided the countries in our sample into four groups, respective to their level of average national income. The results reveal clear differences (Figure 4, to the left). Social entrepreneurs who seek support in low-income countries (e.g., Mali, Rwanda) express more pronounced support needs than the ones active in high-income countries (e.g., most EU countries, USA). Respondents in lower middle-income countries (e.g., Cambodia, Ghana) rank second regarding their average support needs, while those in upper middle-income areas (e.g., Brazil, Romania) rank third. These outcomes remain significant even when we examine differences in the age of respondents, their activities or durations of membership.

Support needs also vary between geographic regions of the world (Figure 4, to the left). This finding can be largely explained by the relationship described above: Respondents from world regions with lower per capita incomes, such as Africa and the Middle East, report higher support needs than those from regions with higher per capita income, such as North America and Australia, as well as Europe. The only exception to this pattern is Latin America and the Caribbean, where respondents express the lowest overall support needs (61%). One potential explanation for this result might lie in the high representation of Brazilian members in this group, who have access to the fairly dense Brazilian support ecosystems to meet their needs. Also, since Brazil is home to some of the oldest and most established Impact Hubs (e.g., Sao Paulo), member organizations can be expected to be more advanced than those in other world regions.

Overall, these patterns are in line with prior research that suggests a positive relationship between well-established institutional environments and the prevalence of social entrepreneurship (Estrin et al., 2013; Hoogendorn, 2016). The inconvenient implication of this research is that social entrepreneurs are the least likely to prosper in the environments which might need them most. Our findings suggest that the challenges of weak institutional environments can be overcome. From the perspective of Impact Hub members, some of the challenges faced in low-income countries can be mitigated through external support and the work of intermediaries.

6. Impact Hub as a support institution

We have learned so far that social entrepreneurs from around the globe do need and seek several different types of support, depending, for instance, on their organizational stage or the socioeconomic context they operate in. In this subsection, we explore some areas in which Impact Hub contributes to meeting these diverse needs and supporting the success of social entrepreneurs.

One particularly interesting way to investigate this is by looking at the effect of participation in the dedicated support programs of Impact Hub, as was measured in the 2017 edition of the member survey (n = 1,017). When related to support satisfaction and performance outcome, the results tell a clear
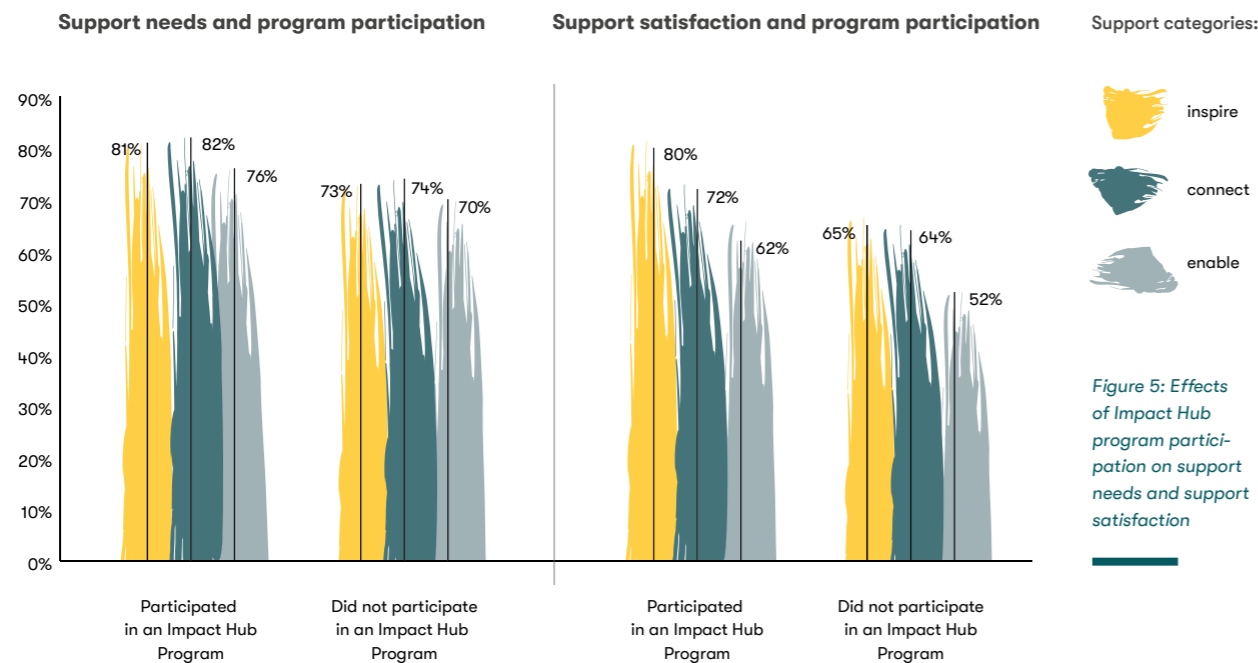
story. Figure 5 shows that social entrepreneurs who participated in an Impact Hub program report higher support needs and are more satisfied with the support they received. While the differences between the three support categories (inspire, connect and enable) remain stable, an increase of about ten percentage points in each can be observed when comparing program participants with non-participants. This suggests that Impact Hub programs are successful in identifying (or getting identified by) those social entrepreneurs who are more in need of their help.

Also, as shown in Figure 6, we found participation in a program to be positively associated with higher performance. While non-participants experienced an average annual revenue growth of 34%, participants increased their revenues by 48%, on average. Program participants also report better progress in developing their venture from one life cycle phase to the next. On average, they report having "grown" 0.90 stages in the past year, compared to only 0.64 stages among non-participants. Both outcomes remain stable even when we account for the age of the respondent, the organization, the stage of the organization, and the duration of membership.

Overall, these comparisons suggest that participating in Impact Hub programs has a positive effect on organizations' satisfaction with the support of Impact Hub, as well as their performance. Nevertheless, some caution is warranted in interpreting the results. First, the data does not allow us to distinguish selection or self-selection effects from program transformation effects: Programs might select or attract particularly promising ventures, they may indeed positively transform these ventures, or the result may be caused by a combination of all three possibilities. Second, the analysis can be affected by unobserved third variables and biases (e.g., social desirability). Nevertheless, these overall positive relationships between a social entrepreneur's program participation and the performance outcome of her venture are a promising sign and complement more detailed evaluations on a program level (e.g., Social Impact Award, 2017).
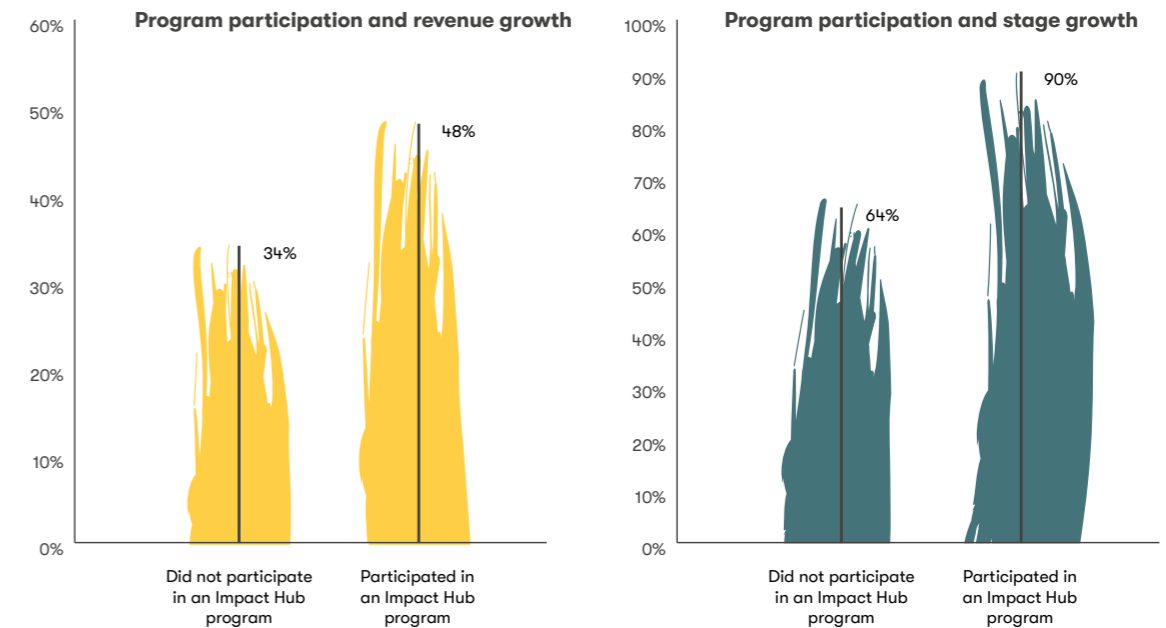

Program participation and revenue growth

Program participation and stage growth

Figure 6: Effects of Impact Hub program participation on revenue and organizational growth

7. Other support institutions for social entrepreneurs

Finally, many social entrepreneurs use the Impact Hub community to gain access to other institutional supporters. In fact, 58% of the respondents of the 2017 survey edition described Impact Hub as supportive or very supportive in accessing support institutions and networks. The 2017 survey also provided insights into the types of support actors accessed by social entrepreneurs. It differentiated between two types of support actors: first, informal supporters (e.g., family and friends, peers), and, second, institutional support providers (e.g., public agencies, private investors).
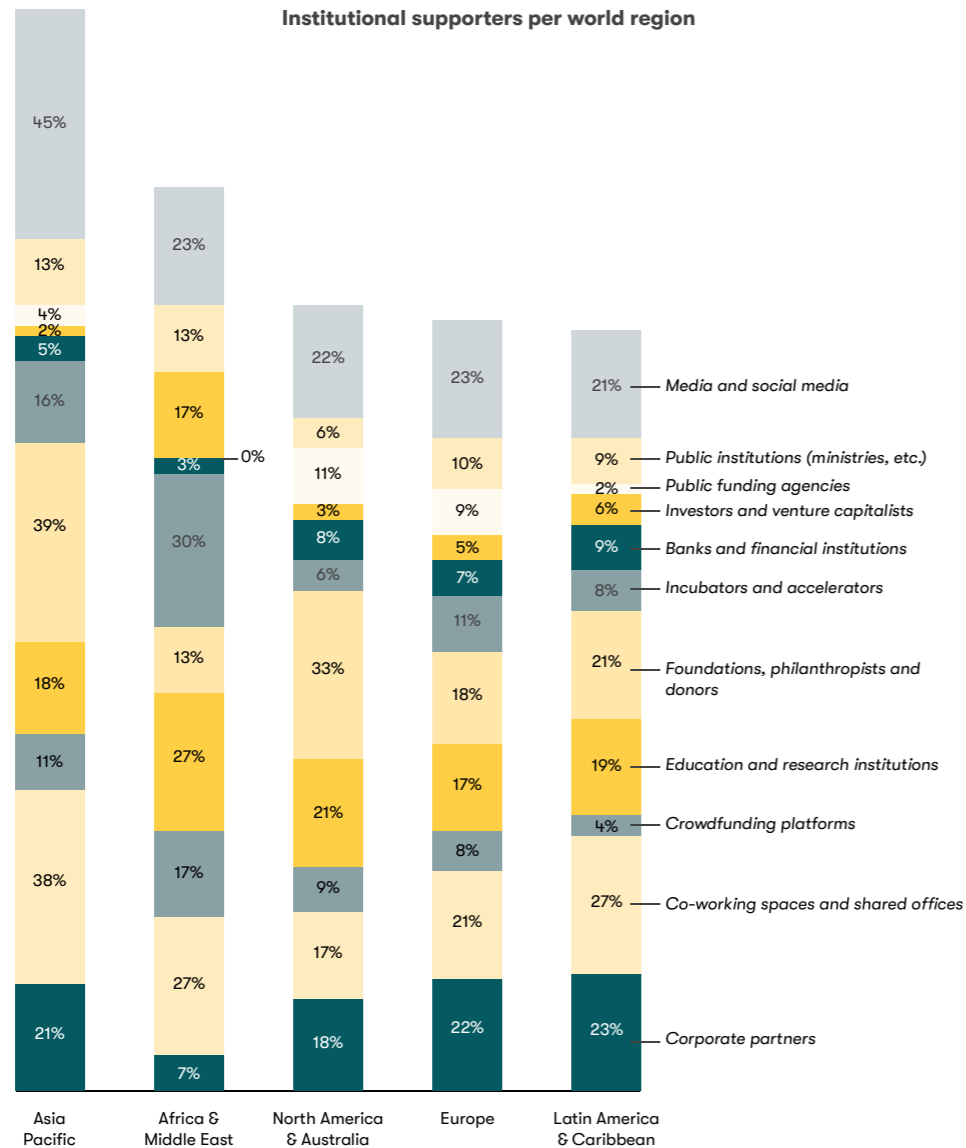
The results in the 2017 subsample of social entrepreneurs paint a rich picture of their support ecosystem: On the one hand, informal actors represent the major source of support. A large proportion of respondents report having received support from their peers (52%), families and friends (43%), advisors (36%), and customers (34%). The support of informal actors includes funding (15%), knowledge (30%), and contacts to professionals and peers (55%). The distribution of these informal actors is rather stable across all regions of the Impact Hub network.

Support needs and program participation

Support satisfaction and program participation

Support categories:
- inspire
- connect
- enable

Figure 5: Effects of Impact Hub program partici-pation on support needs and support satisfaction

In contrast, the engagement of institutional supporters varies across the Impact Hub network (see Figure 7, n = 1,017). The highest total level of institutional support can be found in the Asia and Pacific region, followed by Africa and the Middle East. For the Asia region, this is due to the relatively important role played by media and social media, co-working spaces, and shared offices (especially in Taiwan), as well as by foundations, philanthropists, and donors. In Africa and the Middle East, incubators and accelerators are of special importance (in Ghana, in particular), in addition to education and research institutions, investors, and venture capitalists. Meanwhile, the support ecosystems across the regions of Europe, Latin America and the Caribbean, and North America and Australia share many similarities. There, the most frequent sources of support include foundations, co-working spaces, corporate partners, and the media.

Overall, these results underline the earlier finding that social entrepreneurs require many different types of support. These needs seem to be met by an equally diverse set of supporters. Public, private, and philanthropic sources, as well as informal institutions, cater to financial needs. Meanwhile, advisors, customers, peers, and educators provide critical knowledge and form communities, often hosted by co-working spaces. In addition, media and early customers support ventures with the process of gaining legitimacy and audiences in their early stages. Against this background, it is little wonder that many Impact Hub members refer to "support ecosystems" when describing the many different and interrelated sources of support for social entrepreneurs. One is tempted to paraphrase an old African proverb: Indeed, it takes a community to raise a social entrepreneur.

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Figure 7: Support institutions of social entrepreneurs across the Impact Hub network [1]

Institutional supporters per world region

Concluding Remarks from Impact Hub

Social entrepreneurs play an important part in solving today's most pressing social and environmental challenges, and so do their support infrastructures — as amplifiers of impact.

The results of this analysis show that being surrounded by strong support communities is crucial for social entrepreneurs to be able to thrive regardless of the stage of their venture. Thus, catalyzing and strengthening communities for impact and providing safe, locally-rooted environments where exchange and cross-pollination regularly occur, is of vital importance to all social entrepreneurs.

When supporting early-stage ventures, the focus should be on the access to information and social capital formation, whereas later-stage social entrepreneurs need strong routes for market access.

The study also highlights the importance of support from multiple actors, which is why shaping support infrastructure to enable positive change needs to be a joint effort, one which we want to continue together with our partners and allied networks (see pp. 22-23).

This infrastructure is most effective when its on-going support activities are complemented with programmatic offerings, as they have proven to be strong catalysts for entrepreneurial support at any stage of a venture's development. Our ambition is to continue fostering innovation at scale by expanding our existing program activities with our partners (see pp. 8-9 of this report).

Sarah Stamatiou Nichols, Impact Manager

[1] The single percentage values add up to more than 100% due to the multiple answer options in the survey

WHAT'S #NEXT

In September 2017, we adopted a strategy for the network's next phase of evolution, to activate and leverage the world's largest community and accelerator for positive impact.

We will amplify collaboration and entrepreneurial innovation around the Global SDGs, boosting impact at scale through Impact Hubs, partners, and allied networks. We will continue to innovate for and be accessible to those change makers and issues that need our support. We will achieve this through mobilizing communities for global action, accelerating translocal collaboration on key impact issues with partners, and identifying and building tools, formats, data commons, and thought leadership for shaping the future of business and society.

Curious to know more?

The previous pages reveal how we are already prototyping this future, so let us leave you with an action plan of how we want to achieve this — ideally, together with you.

Mobilizing And Connecting Communities For Global Action

By now it's obvious — we need collaboration to drive impact at scale. That's why we will:

1. Bridge digital communities with physical ones around the world to ensure deeper transformation, dialogue, and positive action while building a collectively owned database to make insights available to the world

2. Make our impact accessible to an even wider variety of actors with alumni and cause memberships

3. Build thematic clusters of interest and practice that include collective impact partnerships, programs, and campaigns across our movement.

With 100+ communities of change-driven entrepreneurs in more than 50 countries, we have the local startup communities needed to fuel and mobilize amplified innovation.

Join Our Community To Drive Impact At Scale!

Accelerating Translocal Collaboration On Key Issues

Our communities create value — but not just in their specific city. We want to strengthen our translocal infrastructure to design and deliver better programs, and to spark and extend partnerships for impact for the entire sector. This involves:

1. Cultivating meaningful partnerships and programs to provide access to innovation at regional, translocal, and global levels, with locally-relevant issues at the core

2. Prototyping access to capital initiatives for supporting early stage and disadvantaged entrepreneurs and emergent markets

3. Providing program and initiative delivery tailored to all regional and market contexts so that our proven entrepreneurship and innovation models are of true use in every setting. Making those insights accessible to the world for replication and acceleration.

Our proposition makes us innovators and organizations' first choice for scaling their impact across the globe, and for improving practices for measurable progress towards a just and sustainable future.

Get Involved In Our Entrepreneurship & Innovation Programs!

Prototyping The Future Of Business & Society

Simple thought leadership, no. Action-led thought leadership, yes!

We are building the future of business and society by:

1. Building communities for impact and entrepreneurial ecosystems with social impact — creating and scaling meaningful solutions from the ground up

2. Crowd-sourcing impactful stories and making the impact movement more visible in mainstream media to gain influence and impact the global discourse

3. Codifying and making top innovations, insights, tools, and practices available all around the world — inspiring and empowering the broader community to engage and take the future in their own hands, alongside a supportive community of peers.

We want this infrastructure to be as far-reaching as possible so that everyone can have access to the ecosystems, information, and tools they need to be part of the movement.

Let's Shape The Support Infrastructure For Positive Change Together!

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The United Nations Office in Geneva acknowledges Impact Hub as a driver of community engagement, helping not only to foster but also to extend the efforts directed to tackle the SDGs via entrepreneurial and innovative solutions.

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