

SEiSMiC-project **Social Innovation Acceleration in Cities (SIAC)**

STARTING PAPER

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In summary:

This project aims at starting a trans national learning and working network of incubators or labs on Social Innovation and social entrepreneurs. In the near future they are to be united in a European cooperative or other legal form. The starting point is based on a proven concept, *De Sociale InnovatieFabriek* (further: Social Innovation Factory, in short SIF), from Brussels.

Their 'blueprint' (key elements, success factors, bottlenecks etc.) will be documented and will support each local participant. The learning network will give space to the diversity in local needs and different revenue models. The incubators work on the scale of a city or region. We therefore call the project: Social Innovation Acceleration in Cities (SIAC). The trans national project Social Innovation Acceleration in Cities will result in a number of new labs in Europe (that deal in a different way with social innovation and embed lab practice in society), research questions, urban policy recommendations, local good practices and lessons learnt about the SIAC-process and approach.

Motive:

'Social innovation labs are the latest vehicles for systemic change – for transforming the way our cities, our schools, our welfare programs, and even our economic systems run. Yet tangible results lag behind the hype.' Lab Matters, Kennisland, 2014

We need to deal in a different way with social innovations and the system structures that are often hindering social innovations. New approaches and process innovations stimulating social innovations are needed. Erna Bosschart and Arjan Biemans pitched the 24th of November 2014 during the international launching event of SEiSMiC the idea to create a SEiSMiC network on development and creation of Social Innovation labs in several countries. The idea is based on the proven example of the Flemish Social Innovation Factory.

The SIF seems to meet a number of missing elements in the labs we know so far. Such as: an effective and accessible exchange of knowledge, experience and capacities in the social innovation community, the introduction of 'a coin' to stimulate the reciprocity and the valuation of the exchange of knowledge, experience and capacities, effectively coping with the problem of free riders and the strong link with the system world of local, regional and national policy and politics.

Although the Social Innovation Factory is very successful and the working elements can be described in the blueprint, their example should not be imitated as an exact copy to other countries and other cities. In other countries and other cities there are other contexts, other local questions and other actors. Therefore SIAC wants to create a learning network to stimulate the acceleration of social innovations and to support incubators of social in different European countries. To be efficient and to increase the chance of success we take the SIF as a starting point. From this starting point the learning network of SIAC will develop new kinds of social innovation labs.

The shared insight behind this approach and learning network is the following: *Instead of developing solutions in terms of new smart products, we argue that social innovation labs should focus on redesigning the way we are organized in institutional processes and activate and organise in new ways existing capacity within local communities.*

The network in the different countries will not operate in isolation, but is connected to the socio-political contexts (community, government and public services, trade and industry). This insight drives also the need to rethink scale, partners, local networks and revenue models. And this connection will lead to different good practices and several key messages for urban research and policy making.

General purpose: *To create new kinds of Social Innovation Labs.*

Firstly, based on the experiences in Flanders, in respect to:

- their approach to realize knowledge exchange in the network,
- their ability to create a strong interconnected community,
- the reciprocity that is realized in the network by using a virtual coin to register the trade of knowledge,¹ and,
- their strong link to the governmental network (the SIF identifies Social Innovation needs), connected to the expressed need to establish solid solutions for societal challenges as poverty, youth unemployment, climate change, ageing, loneliness and social exclusion.

And **Secondly**, to be combined with the growing understanding that social innovation is interconnected to its socio-political context. To embed lab practice in society, labs are in need of organizational change from within. The practice of labs should be tightly connected to this context.

Therefore we aim at organizing on an urban or regional scale. *'If labs become better at framing issues' and creating awareness of these issues, then they might become more effective power players.'* Lab Matters, 2014, p. 35 (redesigning the institutional context). In this way they will also get connected to different sources of funding (community, government and trade & industry). Different revenue models are possible.

Specific purpose:

Establishing a European Learning Network called **Social Innovation Acceleration in Cities (SIAC)**. In the future this could lead to an international cooperative (or other legal form) of social innovators, social innovation incubators and social innovation labs. Members of this network and future cooperative are local newly established or to be transformed accelerators on social innovation from different countries. The future members of the network organization also form the learning network that will be founded the next SEiSMiC-meeting in April in Brussels. We aim the SIAC to consist of at least 7 members of the SEiSMiC network, while maintaining the possibility that other participants join in later. The network will also be open to parties from other countries. In fact the network can gradually expand.

Starting point:

In the next SEiSMiC-meeting in Brussels, 20th and 21st of April 2015, we want to realize a good starting point and offer a perspective for the learning network and the future realisation of the cooperative. In that respect we realize a few things:

1 See Annex to read more about the SIF

- **Knowledge.** We will realize a description of the added value of the SIF and actual organisation and working processes. A good English description of the way the SIF works, its working elements, its critical success factors, its means, its bottlenecks etc... To document the intangible knowledge of the SIF will give a boost to the SIAC-network and increase the chances that the network will be efficient, effective and achieves its objectives. We call this document as starting point for the SIAC-network our 'blueprint'. Fortunately, SIF is willing to share their knowledge, experiences, lessons learned and tools with the SIAC trans national network. It will provide a concrete, efficient and effective starting point for the local partners in cities and the SIAC network. The SIF will keep the intellectual ownership. The blueprint is written for the members of the network.

- **Sharing and Learning.** The network will give space to the diversity in local needs and different revenue models and learning from each other. The challenges participants are facing are interdependent and multi-layered. An important characteristic of this work is that it brings forward value at two or more areas at the same time for different public and private parties. So we can speak of multiple or multisided business cases that social innovators realize as an answer to multilayered societal problems. Based on the blueprint we want to provide the network with essential knowledge, critical success factors, lessons learned, the influence of context and actors, and different revenue models. Based on the blueprint an analysis of different relevant revenue models will be made to offer the participants the possibility to translate this to different possible propositions.

We also want to invite relevant experts to the meeting on the 20th /21st of April and/or incorporate literature of social innovation and incubating (social) innovations.

Results at the end of 2016. At the end of 2016 the network of Social Innovation Acceleration in Cities (SIAC) will have reached the following results:

- 1) A number of new labs, united in and supported by a European working organization, for example a cooperative;
- 2) Needs, requests and recommendations of urban research;
- 3) Recommendations for European urban policy;
- 4) SIAC as a learning process in itself to initiate, stimulate and support social innovation and social innovation incubators. We will actively communicate our activities, steps, lessons learned and results.

In the next pages we explain in more detail the background of the project.

What is it?

SIAC is not a network of networks, because we already know a lot of these (e.g. SIX, Benisi, ...). SIAC aims to deal in a different way with human scale innovations and the system structures. So far, *'Labs are falling prey to solutionism, tend to overlook the power of politics, overemphasize scaling of solutions, and underestimate the messy nature of human beings,'* (Lab Matters, 2014).

SIAC has a concrete starting point (grounded in experience of the Social Innovation Factory in Flanders) and mission (to create new kinds of labs to accelerate social innovation in different contexts and to support social innovation incubators). The SIF is now widely asked to share their knowledge and approach. The mission of SIAC is to realize labs that are focussing on Social Innovation Acceleration in Cities. Based on the experiences of SIF and their lessons learned SIAC will make a flying start and discover and learn how a successful Flemish model should be adapted to other socio-political contexts. This will also lead to important results about key findings for urban research, key recommendations for urban policy, about good practices and about the SIAC endeavour itself.

1. Starting point: SIF

The first building piece of the network and future accelerators is formed by the experiences and knowledge of an existing lab, The Social InnovationFactory.

The SIF promotes, accompanies and supports social entrepreneurship and social innovation in favour of societal challenges. These challenges are interdependent and multi-layered, like poverty, climate change and abandonment. A lot of experiments of social innovators – civilians, companies, associations - succeed to deal with these problems in creative ways. An important characteristic of their work is that it often brings forward value at two or more areas at the same time for different public and private parties. So we can speak of multiple or multisided business cases that social innovators realize as an answer to multilayered societal problems. See details in the Annex.

The first step in the SIAC-network will be sharing the knowledge and insights of the SIF so far. It has to be clear what is the added value of the approach the SIF is using, and the core elements (methods, CMS, virtual coin). The SIF is willing to put time and effort in this. We ask SEiSMiC to support us in realizing the so called blueprint with the working elements, critical success factors, lessons learned and bottlenecks. This blueprint will be available for the participants of the SIAC network, to work on their own local solutions and approaches under their own name, since the SIF prefers/wants to keep their name connected to their own organization in Flanders. The content will stay the intellectual property of the SIF.

2. Learning network

SEiSMiC is a perfect breeding ground for a network/project like SIAC. The objectives of SEiSMiC are from grass-root initiatives, local social innovators etc. to identify good practices, to derive key messages for urban research and urban policy and to learn from SEiSMiC projects, activities, networks and (trans national) working groups as well. The results of SIAC will support the objectives of SEiSMiC.² We have already established connections in different countries.

2 From the website: The SEiSMiC project (Societal Engagement in Science, Mutual Learning in Cities) helps tackle Europe's biggest urban problems by engaging citizens, identifying social innovation needs, and contributing to future urban policies and research strategies. It organizes diverse networks of urban stakeholders to work together and exchange ideas about social innovation. The networks give an opportunity for grassroots innovators to influence Europe's urban-research agenda, and they give a platform for urban researchers to disseminate the results of their work. SEiSMiC is a mutual learning exercise, with researchers learning from citizens, and citizens learning from research.

1. Since we cannot just copy an example directly to another context, since no approach is perfect, and local questions, subjects and actors influence the approach, a learning network is needed to realize similar activities in different European countries and to develop towards new kinds of labs.

2. Towards the transformative promise and revenue models

The rise of labs is partially explained in the transformative promise that they bare, namely that they function as vehicles to combat our social ills by achieving systemic change (...). In this regard, labs do not operate alone in their endeavour, but form part of the ever expanding “family of the social”, which refers to concepts and practices that rely more and more on citizens to act “prosocially”, both individually and collectively. (...) Moreover, on the level of labs, claims on achieving systemic change make labs vulnerable for critique on its outcomes, from both the general public as the institutions they might seek to change. Underestimating or even misjudging how complex adaptive systems work has negative effects on the quality of the (systemic) impact labs could deliver. It might be fair to say that systemic claims currently impair, rather than enable the work of social labs. This endangers the contribution labs could make towards a more equal, sustainable future. (Lab matters, 2014, p. 9/10).

To prosper every social enterprise it is in need of a revenue model. The kind of labs we pursue help social entrepreneurs to discover this model. They show how revenues can come from various sources, since social enterprises often create multiple values at the same time. Question is not only what interested parties are willing to give in return for the added values, but also how a social enterprise gets to the point where it’s actually capable of producing these values. They are simply in need of assets, think of a kitchen, a car, an office and personnel. To pay for these as a start up almost every entrepreneur is in need of finance. Do investors understand the kind of business cases that social entrepreneurs work with? Do they have faith in a multiple business case, and if they do, do they want to invest in all of the business case, or in a part only?

What we see is how multiple business cases often get multiple finance. Investors appreciate this since they find others who also have faith in the business case. To get there however it’s important to round up all parties, the social entrepreneur and the various investors. For that an intermediate party can be of excellent service, and here the labs come in that we work on. These labs can be accelerators and incubators, and at the same time intermediaries to bring entrepreneurs and investors together. Both knowledge of multiple business cases and of multiple finance is hard to find, and needs to be organized. One can’t expect of a social entrepreneur, and also not of an investor, to have this kind of knowledge. A lab can develop this knowledge and help entrepreneurs and investors to understand this, discuss this, and come to agreements on financing the social enterprise.

Therefore we not only want to start the network with the blueprint but also to work out relevant revenue models and added value for the different participants.

In summary:

What brings the network to the members? The network of Social Innovation Acceleration in Cities:

- *meets* the need to develop and realize new kinds of labs, connected to the local context,
- connects the partners of the network to (academic) research,
- *makes* it possible to learn from each other,
- *increases* the chances to succeed by working together. It is a joint effort, since realizing new relevant activities and solutions is one thing, to realize change is another.

3. Network organization

To realize and to offer more than a volatile network of networks we use the establishment of a social innovation enterprise, with, preferably, a democratic structure like a cooperative. Based in Brussels, to contribute in future in identifying social innovation needs (just like the SIF in Belgium collects relevant data for the national government, in future SIAC will collect data for the EU), to organise and support the establishment of local members/incubators (we are convinced that local parties will join offering the knowledge and structure as written in this proposal) and R&D.

Why a stronger organizational form than a network?

- to create stronger focus, clearer vision on how labs work, creating space for different propositions, and to organize support for local participants,
- scale, sharing of costs,
- to create a scale that is interesting for R&D,
- European: there is a need to connect grassroots to policy and research.

Building knowledge

The organization will generate lots of worthy knowledge for institutions, (local) government for creating policy, R&D and in the end systemic change. Just like the SIF does right now for the Belgium government. Talking with the Social Innovation Factory confirmed this and told us that at this stage answering questions from (local) government officials could be a persons' fulltime job. The factory does also research on better solutions for social innovation.

All participants will use the same type of CMS, so data can be connected and used for research and better insights. Together, joint in a cooperative, we built the capacity to create knowledge, insight and practice for more effective labs and to connect to research on better solutions for social innovation.

Partners:

- Kaat Peeters, Belgium
- Erna Bosschart / Arjan Biemans, Netherlands
- Lukas Weiß, Austria
- Nora Inwinkl, Italy
- László Ágoston and Zsófia Rét, Hungary

Next steps:

- Interviews SIF and writing blueprint SIF
- analysis and proposals on revenue models
- informing and inviting all SEiSMiC-partners
- establishing network, meeting 20th April 2015

Timeline:

- | | |
|---|-------------|
| - realisation blueprint SIF (incl. CMS, virtual coin, etc.) | Summer 2015 |
| - revenue models and different propositions participants | Summer 2015 |
| - establishing the organizational form | End 2015 |
| - 7 accelerators/incubators in action, R&D, lessons learned | 2016 |

ANNEX.

Details SIF:

The Social Innovation Factory is a networking organization that promotes, coaches and supports social and societal innovative concepts. Our network was set up by civil society organizations and social entrepreneurs. The Social Innovation Factory was founded in 2013.

We strongly believe that businesses and organizations (both profit and non profit) have the power to create new strategies, products, services and concepts that provide answers to societal challenges such as poverty, climate change, aging and loneliness, The Social Innovation Factory supports these 'entrepreneurs' in the designing and launching of their innovative concepts and projects. We give them access to knowledge and expertise through our learning network.

How we usually work

People, organizations, corporations working on an innovative concept request an intake interview. During this interview we get an understanding of their concept, their challenges and questions. What is their mission? Is the social impact that they strive for clear? What is their revenue model? Which partners and stakeholders are involved? In order to enhance their concept and help them move forward, we provide custom designed coaching. We connect them to our learning network and introduce them to the experts and potential partners who can help them solve their questions and accelerate the development of their concept.

The Social Innovation Factory hosts a learning network. In exchange for knowledge and expertise, participants commit to sharing their own knowledge and expertise with future participants. This way, we make sure that the Social Innovation Factory's network grows continually; allowing the concepts an even greater chance to succeed.

Social innovations in the context of the Innovation Factory, are in short, concepts to solve problems from which society benefits, owned by one or more persons. All concepts are welcome without restrictions. From idea to actual realization can be a quite a challenge. That's where the Social Innovation Factory comes in. By guiding at a very personal level, anyone that has a great concept can get support. At this moment 150 Social innovations/innovators are being supported every year by the SIF.

A lab like this can thus work as an accelerator. Especially when the ideas are very locally based for very local problems. Most of the time these people lack resources and specific knowledge about running businesslike organizations, or could be very well helped with the right connection, right knowledge etc.

At the core of the SIF you find the exchange of knowledge by peers. Everybody has valuable knowledge. The Factory creates a community, a peer to peer network. The Factory connects potential partners and finds the right sparring partners within the network.

The SIF created an innovation themselves: this knowledge exchange has value. The support is not without obligation. The Social Innovation Factory created a virtual coin to register the trade of knowledge. In this way missing knowledge is accessible (and social innovation doesn't depend on knowledge owned by consultants or institutions). The exchange takes place on a informal-formal scale and prevents free-riding in the network.

So the support is not for free. In order to get the support you are in debt for your time, knowledge or expertise. You give that back to other starting social entrepreneurs in due time. And this value is monetized in a virtual coin.