

MASTER OF PROFESSIONAL PRACTICE

SOCIAL ENTREPRENEURSHIP: A NOT-FOR-PROFIT PERSPECTIVE

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EXECUTIVE SUMMARY

Background

Social entrepreneurship (SE) is a challenging concept to define (Young, 1983). Its foundations are in the traditional business entrepreneurship model where innovative ideas are used to create profits, however in SE this innovation is used to find solutions to social problems and maximize gains in social satisfaction. Additionally, not-for-profit organisations may aim to generate profit but only for the purpose of increasing their social enterprise. Furthermore, SE can add extra benefit when applied in a broader context to the greater global society. Dees (1998) defines Social Entrepreneurship as combining the passion of a social mission with an image of business-like discipline, innovation and determination.

Social entrepreneurship is important because it adds a level of worth or 'social value' to an organisation. There is growing recognition of the value of SE and increasing public expectation that organisations make a greater contribution to society. As a result, organisations are looking to quantify social value but unlike measuring corporate profits and growth, it can be difficult to measure intangibles that lead to increased social value (Dees, 1998). This Masters project thus focuses on how the concept of SE can be applied to the not-for-profit sector and what methods can be used to measure the social value of intangibles, using the example of an iconic Australian not-for-profit organisation - The Royal Flying Doctor Service (RFDS).

The RFDS has been operating for over 86 years throughout Australia, and currently transports over 54,000 patients every year, has 282,000 patient contacts, covers 26,000,000 kms by air or road across 7,150,000 km² of operating area terrain, with 64 aircraft and 63 ambulances. This is achieved from

34 bases, with over 1200 staff on the ground, and a dedicated rural and remote clinic network servicing locations across Australia. The RFDS has been voted Australia's most reputable charity (Freedmann, 2014) - for the past four years - and continues to innovate and meet the needs of many Australians who would otherwise not access health services or medical care.

Project

The subject of social entrepreneurship in the not-for-profit sector was chosen as the project title as this describes the underpinning of a key aspect to the researchers leadership role (Client Strategy Manager) at the Royal Flying Doctor Service (RFDS) Victorian Section.

This project, as designed through the learning agreement process and consultation with my employer, aimed to:

- Define social entrepreneurship (SE) and determine how to add social value
- Explain the RFDS, its relevance within Australia and the healthcare sector
- Examine/understand what SE means in the context of the RFDS
- Identify and highlight the intangibles of the RFDS organisation
- Develop a framework to implement across the RFDS to use internally and externally to show value of the organisation and its programs
- Evaluate the project outputs/outcomes and review learning outcomes
- Undertake a critical reflection on the professional practice journey

The research for this project is based on an open ended series of questions related to survey participant's experience – both within the RFDS, and also the clients/customers/stakeholders involved in their aspect of the organisation. The participants then rate intangible elements they identify in a matrix of benefit importance, where they rate both stakeholder and customer benefits.

Participants undertaking the survey are from all aspects of the RFDS operation including patient care, primary health care programs, fundraising, donor relations, marketing and education.

Customer's responses are those who either use an RFDS service, or are a donor or contributor to the RFDS. Stakeholders are very clearly commercial customers or partnering organisations that have a vested interest in a shared common goal.

Findings

The results from the survey indicated 24 intangible benefits to be involved with the RFDS, both as customers and stakeholders. These 24 benefits were grouped into six key categories identified as common themes by the research into RFDS Intangible Values. These were: Relationships, Brand/Reputation, Community, Marketing/Media, Integrity/Data and Governance/Leadership.

The results further indicated Customers and Consumers valued governance/leadership (20%), brand/reputation (19%), and community (18%), whereas Stakeholders valued most important in terms of ranking brand/reputation (19%), governance/leadership (18%), marketing/media (17%) and relationships (17%).

These results align very strongly with the national RepTrak[®] survey (Freedmann, 2014) of corporate social responsibility (CSR) undertaken annually across all Australian not-for-profits. That survey ranked the RFDS number one charity across Australia for four years running as the most reputable not-for-profit (far outperforming the nearest five other high scoring charities). The key elements identified as significant across this survey of not-for-profits are: Services – Delivery (18%), Governance – Trust (17%) and Citizenship – 'Feel Good' factor (16%). These results align very strongly with the current research conducted into social entrepreneurship using the RFDS as the example organisation.

Outcome framework

The framework developed from the current research is based on four aspects:

1. The Framework of intangible benefits for partnering with the RFDS

2. Social Return on Investment (SROI) Roadmap of Impact Drivers for the RFDS (with five aspects: Inputs, Activities, Outputs, Outcomes, Impacts)
3. Two figures pictorially showing the Consumer versus Stakeholder priorities when engaging with the RFDS, and an additional figure showing the relationship to RepTrak® survey results (correlative substantiation)
4. RFDS Evaluation Tool for Potential New Stakeholders/Partners, to be used by program managers determining value and opportunity (in relation to risk/reward), of a relationship, contract or agreement

Additionally there are documentation, reporting and review processes in place with contract/MOU/agreement scheduling (including recording of intangible benefits in the document 'schedule'), which would be implemented concurrently.

The SROI analysis produces strong evidence that RFDS provides significant social, environmental and economic value, for a range of stakeholders and customers.

It is also clear that the value created across the organisation has exceeded the investment into the development of the programs as a direct value/output calculation, such that for every \$1 invested, \$2.77 of social, environmental and economic value was created. Thus the SROI Ratio is: \$2.77 : \$1 (For a combined total of all RFDS Victoria Social Value).

The above framework and evaluation tool is also visually presented as a relationship cycle with the RFDS evaluation of the stakeholder/partner at the centre as this is most critical to ensuring it remains central to the theme of engagement throughout the process. This ties the stakeholder engagement process into a complete cause-effect cycle that is crucial to maintaining effective relationship management in the dynamic not-for-profit health care sector.

The framework and evaluation tool has been implemented within the Mobile Patient Care program at the RFDS, for engagement with hospital and health service clients. The program manager of three key primary health care initiatives has also expressed a strong desire to incorporate the framework into her

negotiations and discussions with external agencies – already citing that the framework, roadmap of impact drivers and evaluation tool may make the difference and provide the ‘edge’ she was looking for to convince at least two key external agencies to partner with the RFDS (Arthritis Victoria and government primary health networks – PHNs). The fundraising manager has also indicated a similar desire to incorporate the findings into fundraising initiatives to target audiences with specific messaging – in relation to the emotive reasoning behind giving. The holistic stakeholder engagement cycle is also cited as being particularly beneficial to the fundraising department.

Professional Practice Reflections

In order to review my own professional practice I undertook two processes. Informally I raised my own self-awareness through the journey towards my own practice and how I engaged changes and challenges. Formally at the end of the study I conducted interviews with a 360-degree view with colleagues and managers. I have summarised these reflections in-depth in Section 10 as part of my self-evaluation of the learning agreement. The self evaluation identifies the outcomes in relation to personal, professional, academic and organisational criteria, and examines the benefits and developments of my professional practice through the masters program.

I have learnt that focusing on the RFDS, my role within the organisation, and how I can add value across a number of programs within the RFDS, has led me to gain an in-depth understanding of social entrepreneurship well beyond the initial expectations I had when this project first began.

Explaining the process of social entrepreneurship to staff has enabled me to build a program team that is united in their approach to achieving stakeholder outcomes. I have also learnt that influence through change is a powerful tool, and that aligning social values and intangibles within an organisation is a key driver to the success of individual as well as collective programs.