

**SOCIAL ENTREPRENEURSHIP AND GOING TO SCALE:  
ASSESSING THE IMPORTANCE OF STRATEGIC ACTION FIELDS**

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Emerging as a global phenomenon over the last couple of decades, social entrepreneurship is a dynamic and innovative approach to grappling with community problems. By leveraging positive outcomes from efforts directed at specific social targets, social entrepreneurs seek to deliver sustainable social impact from their work. One of the central goals and constructs of social entrepreneurship is going to scale, the replication of an organization in another community intended to increase stakeholder involvement, improve efficiency, and enhance the effectiveness of programming.

However, when examining the extant literature on social entrepreneurship and going to scale, both a theoretical and methodological deficit emerges in efforts to interpret this phenomenon. Largely absent from this literature are the crucial theories of the social: field theory, institutional theory, network theory and embeddedness. Additionally, the extant typologies of social entrepreneurship and the methodological approaches to modeling going to scale, fail to account for the nonlinear, complex and dynamic nature of the social entrepreneurship organization going to scale in a new community. Because of this, we may not have a clear and adequate grasp on the strategic behavior that occurs between various actors among various nodes at the different operational levels of a social entrepreneurship organization as it goes to scale.

By applying a theory of fields and a methodology rooted in the triangulation of data, we can better understand the both the contextual foundation and the strategic action occurring between the clientele and the organizations (microlevel), the client, the organization and the donor (mesolevel) and the funders/donors (macrolevel). In doing so, this research study not only makes a meaningful contribution to the literature on how to successfully model social entrepreneurship going to scale, but also serves as a meaningful contribution to philanthropic and organizational learning.

## TABLE OF CONTENTS

<b>1.0 INTRODUCTION .....</b>	<b>1</b>
<b>1.1 SOCIAL ENTREPRENEURSHIP AND GOING TO SCALE – THE PROBLEM .....</b>	<b>3</b>
<b>1.2 SOCIAL ENTREPRENEURSHIP DEFINED.....</b>	<b>3</b>
<b>1.3 TYPE OF SOCIAL ENTREPRENEURSHIP: DEFINED.....</b>	<b>6</b>
<b>1.4 GOING TO SCALE: DEFINED .....</b>	<b>8</b>
<b>1.5 LIMITATIONS.....</b>	<b>9</b>
<b>1.6 GOAL OF THIS RESEARCH STUDY.....</b>	<b>10</b>
<b>1.7 RESEARCH QUESTIONS .....</b>	<b>11</b>
<b>1.8 OPERATIONALIZATION OF RESEARCH QUESTIONS .....</b>	<b>12</b>
<b>1.9 CONCLUSION.....</b>	<b>16</b>
<b>2.0 PRIVATE ENTREPRENEURSHIP SECTOR AND SOCIAL SECTOR ENTREPRENEURSHIP: IDENTIFYING SHARED AND DISSIMILAR CHARACTERISTICS IN STRATEGY AND SKILLS .....</b>	<b>17</b>
<b>2.1 LITERATURE REVIEW.....</b>	<b>17</b>
2.1.1 Private Sector Entrepreneurship and Going to Scale .....	18
2.1.2 Social Entrepreneurship and Going to Scale .....	22
2.1.3 Convergent and Divergent Themes .....	28
<b>2.2 THEORETICAL FRAMEWORK: THEORETICAL AND CONCEPTUAL LIMITATIONS ON IMPACT MEASUREMENT AND IDENTIFYING A NEW THEORETICAL APPROACH .....</b>	<b>30</b>
2.2.1 Field Theory.....	31
2.2.2 Institutional Theory.....	31
2.2.3 Social Network Theory .....	32
2.2.4 Embeddedness Theory.....	33
2.2.5 Theory of Fields.....	34
<b>3.0 METHODOLOGY, METHODS AND DATA.....</b>	<b>39</b>
<b>3.1 METHODOLOGY.....</b>	<b>40</b>
<b>3.2 METHODS.....</b>	<b>40</b>
3.2.1 Exploratory Small-n Comparative Case Study .....	41
3.2.1.a Case Selection/Sampling .....	43
3.2.1.b Unit of Analysis .....	47
3.2.1.c Unit of Observation .....	47
3.2.2 Documentation Review and Analysis .....	48
3.2.3 Semi-Structured Interviews .....	49
<b>3.3 DATA COLLECTION.....</b>	<b>50</b>
3.3.1 Process of conducting documentation review and analysis .....	50

3.3.2 Process of conducting semi-structured interviews.....	51
<b>3.4 DATA ANALYSIS.....</b>	<b>52</b>
3.4.1 Qualitative documentation analysis.....	53
3.4.2 Qualitative analysis of semi-structured interviews .....	53
<b>3.5 THREATS TO VALIDITY AND RELIABILITY.....</b>	<b>55</b>
3.5.1 Validity.....	55
3.5.2 Reliability.....	57
<b>4.0 STRATEGIC ACTION FIELDS AND THE CONTEXTUAL ENVIRONMENT OF SOCIAL ENTREPRENEURSHIP ORGANIZATIONS GOING TO SCALE: 2000 – 2015 .....</b>	<b>58</b>
<b>4.1 EXPLAINING THE CONTEXTUAL ENVIRONMENT OF STRATEGIC ACTION FIELDS AND SOCIAL ENTREPRENEURSHIP ORGANIZATIONS .....</b>	<b>59</b>
<b>4.2 THE MACROLEVEL CONTEXTUAL ENVIRONMENT OF SOCIAL ENTREPRENEURSHIP ORGANIZATIONS GOING TO SCALE IN THE UNITED STATES (2000 – 2015) .....</b>	<b>62</b>
<b>4.3 IDENTIFYING THE CONTEXTUAL ENVIRONMENT: UNDERSTANDING STRATEGIC ACTION FIELDS AT THE SOCIAL ENTREPRENEURSHIP ORGANIZATIONAL LEVEL.....</b>	<b>64</b>
4.3.1 Year Up .....	65
4.3.2 KaBOOM!.....	68
4.3.3 Playworks .....	70
4.3.4 Manchester Bidwell Corporation .....	73
4.3.5 The Future Project .....	75
<b>4.4 IDENTIFYING THE CONTEXTUAL ENVIRONMENT: UNDERSTANDING STRATEGIC ACTION FIELDS AT THE SOCIAL ENTREPRENEURSHIP ORGANIZATIONAL LEVEL: A CROSS- CASE COMPARISON.....</b>	<b>76</b>
<b>5.0 STRATEGIC ACTION FIELDS: IDENTIFYING THE ETHNOGRAPHIC CHARACTERISTICS THAT PROMOTE GOING TO SCALE IN SOCIAL ENTREPRENEURSHIP ORGANIZATIONS .....</b>	<b>78</b>
<b>5.1 OVERVIEW OF ORGANIZATIONS .....</b>	<b>81</b>
5.1.1 Year-UP.....	81
5.1.2 KaBOOM!.....	82
5.1.3 Playworks .....	83
5.1.4 Manchester Bidwell Corporation .....	84
5.1.5 Future Project .....	85
<b>5.2 CODING AND ANALYSIS OF SEMI-STRUCTURED INTERVIEW DATA.....</b>	<b>85</b>
5.2.1 Coding procedures .....	86
5.2.2 Analysis of Codes .....	87
<b>5.3 COMMON ETHNOGRAPHIC CHARACTERISTICS IDENTIFIED: A CROSS-COMPARISON AMONG CASE ORGANIZATIONS.....</b>	<b>93</b>
5.3.1 Social Entrepreneurship Organizations and their Funders: Examining the dynamic and complex nature of strategic action fields at the Macrolevel.....	93
5.3.2 Intra-organizational Learning: Examining the dynamic and complex nature of strategic action fields at the Mesolevel.....	105
5.3.3 Social entrepreneurship organizations and the clientele they serve: Examining the dynamic and complex nature of strategic action fields at the Microlevel .....	123
<b>6.0 CONCLUSION .....</b>	<b>125</b>
<b>6.1 LIMITATIONS OF EXTANT LITERATURE IN SOCIAL ENTREPRENEURSHIP ORGANIZATIONS AND GOING TO SCALE: THEORY AND METHODOLOGY.....</b>	<b>126</b>

<b>6.2 OVERVIEW AND CONTRIBUTIONS OF THIS DISSERTATION .....</b>	<b>127</b>
6.2.1 Theoretical Contribution .....	129
6.2.2 Methodological Contribution .....	129
6.2.3 Organizational and Philanthropic Learning and Development Contribution .....	129
<b>6.3 OPPORTUNITIES FOR FUTURE RESEARCH .....</b>	<b>131</b>
6.3.1 Further exploration of the Macroperspective .....	131
6.3.2 Follow-up research with the Future Project.....	132
6.3.3 Conducting a principal component analysis of data .....	132
<b>7.0 APPENDIX A.....</b>	<b>134</b>
<b>7.1 SEMI-STRUCTURED INTERVIEW PROTOCOLS.....</b>	<b>134</b>
7.1.1 Mesolevel Interview Protocol.....	134
7.1.2 Macrolevel Interview Protocol.....	136
7.1.3 Microlevel Interview Protocol .....	138
<b>8.0 APPENDIX B.....</b>	<b>140</b>
<b>8.1 SEMI-STRUCTURED INTERVIEW TRANSCRIPTS .....</b>	<b>140</b>
8.1.1 Year Up .....	140
8.1.2 KaBOOM! .....	189
8.1.3 Playworks .....	235
8.1.4 Manchester Bidwell Corporation .....	289
8.1.5 The Future Project.....	342
<b>9.0 APPENDIX C.....</b>	<b>402</b>
<b>9.1 SKOLL FOUNDATION TIMELINE.....</b>	<b>402</b>
<b>10.0 REFERENCES.....</b>	<b>405</b>



## LIST OF FIGURES

Figure 1. Key Driving Factors of High Growth Firms .....	20
Figure 2. Learn/Build/Measure Feedback Loop.....	21
Figure 3. Typology of Social Entrepreneurship and Going to Scale .....	22
Figure 4 Sequence of 12 Scaling Strategies.....	25
Figure 5. Bloom’s Model for the Successful Scaling of Social Entrepreneurs .....	26
Figure 6. Strategic Action Field.....	60
Figure 7. Strategic Action Field: Social Entrepreneurship Organization Going to Scale .....	61
Figure 8. Year Up Revenue and Assets.....	65
Figure 9. KaBOOM! Revenue and Assets.....	69
Figure 10. Playworks Revenue and Assets.....	71
Figure 11. Manchester Bidwell Corporation Revenue and Assets.....	73
Figure 12. The Future Project Revenue and Assets.....	76
Figure 13. Funders and Strategy .....	94
Figure 14. Funders and Partners .....	100
Figure 15. Reciprocity Among Macrolevel Relationships .....	101
Figure 16. Funders Co-occurring with Other Codes .....	104
Figure 17. Human Capital .....	105
Figure 18. Push vs. Pull Strategy to Scale .....	109

Figure 19. Co-creation.....	111
Figure 20. Organizational Culture .....	115
Figure 21. Systems Change.....	118
Figure 22. KaBOOM! Organizational Evolution to Systems Change .....	121
Figure 23 Partners as Relationships.....	123
Figure 24 Skoll Foundation Timeline .....	403
Figure 25 Skoll Foundation Timeline (continued).....	404

## LIST OF TABLES

Table 1. Strategies for Scale and Skillsets.....	24
Table 2. Five Themes of Social Entrepreneurship.....	29
Table 3. Documentation Review - KaBOOM! .....	48
Table 4. Research Design .....	54
Table 5. Contexts for Social Entrepreneurship.....	63
Table 6. ATLAS.ti Thematic Codes (Families) and Categorical Codes .....	86
Table 7. Code Co-occurrence Table with Coefficients.....	88
Table 8. Code Co-occurrence Table with Aggregate Number of Codes.....	90
Table 9. Human Capital Themes.....	109
Table 10. Organizational Culture Elements .....	115

## 1.0 INTRODUCTION

Social entrepreneurship, gaining powerful exposure and influence with each year over its relatively young life span of a few decades, has become the zeitgeist that fuels the collective imaginaries of bold-thinking innovators motivated to create social value, challenging them as agents of change to forge new ways and means to grapple with the world's most intractable problems.

One of the central constructs of social entrepreneurship is the desire to achieve scalability – the maximization of social impact achieved through the efficient and effective expansion of its innovation (Bloom, 2012). The focus on scaling for impact among social entrepreneurship organizations is hardly surprising: much like corporate entrepreneurship seeks to broaden and deepen its availability of products and services so that as many people as possible can enjoy them, social entrepreneurship, by offering savvy market-oriented solutions to social problems, seeks to broaden the depth and breadth of the people and communities that can benefit from their innovation. However, going to scale is a complex undertaking, and understanding just how to go about doing it is very difficult (Bloom, 2012).

Current scholarly approaches to explaining the phenomenon of social entrepreneurship organizations going to scale are attempted through several different typologies, models and techniques. Additionally, several case study analyses of social entrepreneurship organizations going to scale have been conducted in recent years. However, guided by theories and methods borne primarily from the disciplines of economics and business, both the literature on going to scale and the methods applied in analysis fail to illustrate the dynamic and complex strategic actions that inform organizational learning and development as a social entrepreneurship organization goes to scale in new communities.

The following research study presents a new theoretical and methodological framework to better apprehend the phenomenon of social entrepreneurship organizations going to scale. By applying the Theory of Fields and its conceptual framework of strategic action fields (Fligstein & McAdam, 2012, 2011), this study contributes a better understanding of both the context and the ethnographic characteristics that enable strategic actions and behaviors throughout all operational levels (macrolevel, mesolevel and microlevel) of a social entrepreneurship organization as it goes to scale. In doing so, this study yields new insight into both philanthropic and nonprofit organizational learning and development.

Guided by this Theory of Fields framework, I employ a small-n exploratory case study of five prominent social entrepreneurship organizations, triangulating data through conducting a thorough documentation review and by conducting interviews at three different leadership levels within each organization being researched. In doing so, this dissertation makes a substantive and meaningful contribution to understanding the

phenomenon of social entrepreneurship organizations going to scale by conducting a primarily qualitative study on social entrepreneurship organizations in the United States, focusing on the identification of the ethnographic characteristics that promote or inhibit the strategic actions that inform an organization's structure and process as it goes to scale.

### 1.1 SOCIAL ENTREPRENEURSHIP AND GOING TO SCALE – THE PROBLEM

Current scholarly approaches examine the phenomenon of social entrepreneurship organizations going to scale primarily through the conceptual models rooted in business planning and strategy and the theoretical lens that informs such conceptual models (Bloom, 2012; Bloom & Skloot, 2010; Dees, Emerson, & Economy, 2002; Nicholls & Cho, 2006; Zahara et al., 2009). Because of this, little is known about the ethnographic characteristics that inform strategic actions made by leadership agents in a social entrepreneurship organization as it goes to scale in new communities.

As such, this study seeks to grapple with the following question: *What are the ethnographic characteristics that promote strategic action when a social entrepreneurship organization goes to scale?*

### 1.2 SOCIAL ENTREPRENEURSHIP DEFINED

Starting in the 1980s, social entrepreneurship emerged as a concept through the work of Ashoka's Bill Drayton and his efforts to support social innovators on a global stage (Bloom

& Skloot, 2010; Bornstein 2004; Dees, Emerson & Economy 2002; Dees 2007; Nicholls 2006; Praszkie & Nowak, 2012). Social entrepreneurs are characterized by their ability creatively to address a critical social problem by employing an entrepreneurial orientation to produce meaningful change, however small it may appear in the short-term, which can ripple throughout a system and catalyze lasting change (Bornstein, 2004; Nicholls, 2006; Praszkie & Nowak, 2012). As a dynamic way to grapple with seemingly intractable societal problems, social entrepreneurs are united by a common philosophical orientation to the work that they do called strategic service vision – ideas and actions intended to leverage optimal outcomes from efforts directed at specifically defined social targets and buttressed by sophisticated, focused and efficient strategies of operations (Bloom & Skloot, 2010; Bornstein, 2004; Dees, Emerson & Economy, 2002; Heskett, 1987; Nicholls, 2006). Social Entrepreneurship begins with the motivation and commitment of individuals, whose vision and efforts engender and foster growth-oriented, entrepreneurial organizations (Frumkin, 2004).

Over the last two decades, the field of social entrepreneurship has grown exponentially (Amoros & Bosma, 2014; Bornstein, 2004; Nicholls, 2006;), firmly establishing social entrepreneurship as a powerful new global phenomenon that redefines the way we approach creating social value (Nicholls, 2006; Praszkie, R. & A. Nowak, 2012). Social Entrepreneurship, as a phenomenon, does not appear to be losing momentum.

Over the last decade, social entrepreneurship start-ups have been emerging at a more rapid rate than traditional commercial enterprises (Amoros & Bosma, 2014; Nicholls, 2006). This rapid uptick in social entrepreneurship is viewed according to an increase in demand, in part due to: governments' increasingly yielding to free market approaches,

governments' providing inefficient or ineffective public services, a deepening of economic inequality globally, and worsening crisis in environment and health (Praszkier, R. & Nowak A., 2012; Nicholls, 2006).

Additionally, the philanthropic community has become increasingly enamored of generously supporting social entrepreneurship organizations. Over the past decade, both major foundations (Robert Wood Johnson Foundation, Annie E. Casey Foundation, Edna McConnell Clark Foundation) and mega donors (Bill and Melinda Gates, Mark Zuckerberg) have joined the likes of traditional social entrepreneurship funding mainstays Ashoka and Skoll Foundations in providing significant financial investment in the field.

For the purposes of this study, it is crucial to make several important distinctions to clarify how social entrepreneurship is defined. This is done by demarcating the differences between three often conflated concepts: social enterprise, social innovation and – the focus of this research study - social entrepreneurship.

Social Enterprise is defined as an organization or a subset of an organization - either nonprofit or for-profit - that leverages commercial strategies to maximize social value (Ridley-Duff, R. J. & Bull, M., 2011). Unlike corporate social responsibility, which indirectly exacts positive social change, social enterprise aims to directly grapple with social needs through the products and services that they offer (Ridley-Duff, R. J. & Bull, M., 2011).

Social innovation refers to activities or services that present an original solution to a social problem, offering a more effective, efficient, and sustainable result than any existing, current solutions do (Mulgan et al., 2007). Unlike social innovation, social enterprise need not be completely original or necessarily sustainable in its approach to addressing social needs through commercial activities. Social innovation seeks to create value to society as a



whole by focusing on the ideas, solutions and processes involved in generating social value, not just the organization (social enterprise) or the individual (social entrepreneur) (Mulgan et al., 2007).

Social entrepreneurship is defined as a type of social innovation, characterized as an entrepreneurial agent of change in the social sector (Dees, 1998; Dees, Emerson & Economy, 2002; Praszquier, R. & Nowak, A., 2012). Social entrepreneurship begins with the bold and innovative entrepreneurial approach of an individual focused on a mission to innovate and sustain social value through the products or services offered, while always being acutely aware of opportunities to adapt and learn to better achieve social impact (Dees, 1998; Dees, Emerson & Economy, 2002; Praszquier, R. & Nowak, A., 2012).

### 1.3 TYPE OF SOCIAL ENTREPRENEURSHIP: DEFINED

For the purposes of this research study, I draw primarily from the Zahara et al. typology that identifies three types of social entrepreneurship processes that identify opportunities and leverage market forces to exploit those opportunities. The three-part typology consists of the following: The Social Bricoleur, The Social Constructionist, and the Social Engineer (Zahara et al., 2009).

The Social Bricoleur is a social entrepreneur that maximizes local knowledge and local resources to leverage local entrepreneurial opportunities in a community (Zahara et al., 2009) Undergirded by Hayekian theory of the entrepreneur as an agent knowledgeable of the private, local and contextual elements of the local market (Zahara et al., 2009), this

type of social entrepreneur is accented by the concept of bricolage - using whatever ways and means at one's disposal to perform the task at hand (Zahara et al., 2009).

The Social Constructionist is a social entrepreneur that establishes social ventures by being keenly alert to the opportunity to provide services that address social needs not being adequately addressed by corporate, nonprofit and government institutions (Zahara et al., 2009). This type of entrepreneurship is rooted in Kirzner theory that entrepreneurs act less according to the gathering of local knowledge and more according to recognition of opportunities created by developing products and services that fill an institutional void (Zahara et al., 2009).

The third type, Social Engineers, identifies failures in institutional systems and catalyzes revolutionary change to these systems by applying an entrepreneurial process (Zahara et al., 2009). The theoretical undergirding of this type of Social Entrepreneurship is supported by Schumpeter's theory of the entrepreneur as an agent of innovation and change that has the power to shape, reshape and take down existing systems (Zahara et al., 2009).

For the purpose of this research study, most of the organizations under examination are classified as Social Constructionists. With that said, we will discuss later in the analysis how some Social Constructionist organizations look to pivot to the Social Engineer when the context is appropriate.

Complementing the Zahara et al. typology, Smith and Stevens (2010) propose that by stressing the varying degrees of geographic locations and the social networks in which social entrepreneurs are embedded is essential to understanding the entrepreneurial processes in which they operate (Smith and Stevens, 2010; Zahara et al., 2009). In this

attempt to better establish a substantive scientific knowledge of the rapidly expanding and diverse phenomenon of social entrepreneurship, Smith and Stevens' suggest that the structural embeddedness of a social entrepreneurship organization is likely to influence its ability to measure and scale impact (Smith and Stevens, 2010, Zahara et al., 2009).

#### 1.4 GOING TO SCALE: DEFINED

Scale is defined as the depth and breadth of an organization's services, the number of clients that their programs serve, and the geographic span the organization inhabits (Bloom, 2012; Frumkin, 2004; Dees, Emerson & Economy 2002). For the purposes of this research design, we will be focusing more on breadth and replication, what is referred to as "scaling-up" or "going to scale," instead of depth of scale (Bloom, 2012; Dees, Emerson & Economy, 2002). Scaling up, or going to scale, refers to a social entrepreneur's creation of new service outlets in new geographic locales under the same organizational name, mission, commonality in approaches to services and that represent either a branch of the original organization or a closely-related affiliate (Bloom, 2012; Dees, Emerson & Economy, 2002). Conversely, scaling deep occurs when social entrepreneurs build internal capacity in their home community, improving the quality service delivery, reaching more of the community's population, broadening innovative financial and management strategies, and striving to be emblematic of best practices in the field, to increase social value in their own communities (Dees, Emerson & Economy, 2002). This is not to say that scaling-up and scaling deep are mutually exclusive approaches to the scaling of social entrepreneurship. However, because this study is focused on elucidating the complex and dynamic nature of

strategic action fields and the contextual foundation informing the successful scaling of a social entrepreneurship organization into new communities, my focus is on the phenomenon of scaling-up/going to scale.<sup>1</sup>

As an inherent goal and central construct of social entrepreneurship, many social entrepreneurs, as well as their funders, have turned an intense focus to scaling up the social impact of programs and initiatives by introducing them to new communities (Bloom, 2012; Bloom & Skloot, 2010; Dees, Emerson & Economy, 2002). Going to scale is seen as having several potential benefits. These benefits include: 1) increasing an organization's chances for survival through diversifying sources and creating more stakeholders, 2) improving efficiency by diffusing shared costs among several operations and by benefiting from cumulative experience curve effects, and 3) achieving enhanced effectiveness by promoting innovation at all operations by broadening the development of specialization, forging a recognizable name brand, and better discovering and understanding systemic solutions to systemic problems (Bloom, 2012; Bloom & Skloot, 2010; Dees, Emerson & Economy, 2002).

## 1.5 LIMITATIONS

As noted in the introduction, the bulk of scholarly approaches intended to examine and explain the phenomenon of social entrepreneurship organizations going to scale are guided by the theories and conceptual models of the business world (Bloom, 2012; Bloom

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<sup>1</sup> "Going to scale" and "scaling-up" describe the same phenomenon, and will be used interchangeably throughout the course of this research study.

& Skloot, 2010; Dees, Emerson & Economy, 2002; Nicholls & Cho, 2006). Because of this theoretical and methodological orientation, we are limited in apprehending the nuanced social dimensions of an organization's capacity to change, consequently missing out on the strategic thought that informs collective action in an organization (Fligstein & McAdam, 2012) or of the power of embeddedness and social networks in influencing the success of an organization going to scale (Dacin, Dacin & Tracey, 2011; Smith & Stevens, 2010). By refocusing through a new theoretical lens and through applying a different methodological orientation to understanding the phenomenon of social entrepreneurship organizations going to scale, we can better identify the keys to operational success, while also gleaning a greater knowledge of the complex and dynamic nexus of interactions amongst actors at key organizational levels (macrolevel, mesolevel and microlevel).

## 1.6 GOAL OF THIS RESEARCH STUDY

The goal of this exploratory small-n comparative case study<sup>2</sup> is to better understand strategic actions and organizational learning involved when social entrepreneurship organizations go to scale. In doing so, I examine the ethnographic characteristics that promote strategic action at the macrolevel, mesolevel and the microlevel of an organization, establishing the assumption that the complex and dynamic nature of interactions between actors at all of these levels influences an organization's ability to remain stable or change. This research goal is met through establishing a contextual foundation by conducting a thorough documentation review and analysis, and through

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<sup>2</sup> See Chapter 3 for an in-depth explanation of the logic informing the research design.

interviews with key actors that oversee operations and observe behaviors at the mesolevel, the macrolevel, and the microlevel.

## 1.7 RESEARCH QUESTIONS

Research Question 1:

*What is the contextual foundation of existing strategic action fields and how do they inform the phenomenon of social entrepreneurship organizations successfully scaling up in new communities?*

Research Question 2:

*In a social entrepreneurship organization that successfully scales-up, who are the key actors and what are the ethnographic characteristics that promote strategic action at the mesolevel of the organization?*

Research Question 3:

*In a social entrepreneurship organization that successfully scales-up, who are the key actors and what are the ethnographic characteristics that promote strategic action at the macrolevel of the organization?*

Research Question 4:

*In a social entrepreneurship organization that successfully scales-up, who are the key actors and what are the ethnographic characteristics that promote strategic action at the microlevel of the organization?*

Research Question 5:

*In a social entrepreneurship organization that successfully scales-up, are the ethnographic characteristics that promote strategic action different or similar to those of a private sector entrepreneurship organization as they successfully scale-up?*

## 1.8 OPERATIONALIZATION OF RESEARCH QUESTIONS

*Question 1: What is the contextual foundation of existing strategic action fields and how do they inform the phenomenon of social entrepreneurship organizations successfully scaling up in new communities?*

In addressing the first research question, I explore the phenomenon of social entrepreneurship organizations going to scale according to the broader contextual environment and according to the strategic action fields emergent among organizations in the documentation review and analysis. In doing so, I answer the following questions:

- 1) What is the context of broader macro-perspective of the field of social entrepreneurship?*
- 2) What are the strategic action fields identified among each organization?*
- 3) What how do macro-situations and micro-conditions inform the strategic action among organizational actors?*

*Question 2: In a social entrepreneurship organization that successfully scales-up, who are the key actors and what are the ethnographic characteristics that promote strategic action at the mesolevel of the organization?*

In addressing the second research question, I examine the dynamics that occur amongst the actors in a strategic action field of an organization. In doing so, I answer the following questions:

- 1) What is the structure and agency involved in the successful scaling-up of operations in an organization?*
- 2) What are the social processes and skills that various actors at the mesolevel (incumbents, challengers, and governance units) require to ensure the successful scaling-up of operations?*
- 3) What are the complex characteristics that influence the relationships between key actors in these strategic action fields, and how do these complex characteristics inform the successful scaling-up of an organization?*

*Question 3: In a social entrepreneurship organization that successfully scales-up, who are the key actors and what are the ethnographic characteristics that promote strategic action at the macrolevel of the organization?*

In addressing this third research question, I examine the external factors that promote and inhibit the successful scaling-up of social entrepreneurship organizations. In doing so, I answer the following questions:

- 1) Are the relationships with the proximate field of major donors (foundations, corporations or government) hierarchical or reciprocal?*
- 2) How dependent is the organization on the proximate fields of these major donors to successfully scale-up operations?*
- 3) What are the actions linking the mesolevel to the macrolevel: resource dependence, mutually beneficial interactions, power-sharing, information flow and legitimacy?*



- 4) *Have there been any exogenous shocks coming from the macrolevel that have influenced the successful scaling-up of operations?*

*Question 4: In a social entrepreneurship organization that successfully scales-up, who are the key actors and what are the ethnographic characteristics that promote strategic action at the microlevel of the organization?*

In addressing the fourth research question, I examine the interactions that occur between actors – for example, the Chief Operations Officer (COO) specialist in a social entrepreneurship organization and the actors involved with the scaling-up of the organization in a new community-- and how these interactions affect the organizational learning process on the microlevel of operations that promotes the successful scaling-up of social entrepreneurship operations. In doing so, I answer the following questions:

- 1) *How does the social entrepreneurship organization determine the clientele to serve (dependent fields) in the scaling-up of operations? Do the clientele reach out to the social entrepreneurship organization in search of their services, or are new clientele identified by an actor within the organization?*
- 2) *What are the criteria the organization uses to assess the dependent fields that require the products or services that promote the successful scaling-up of operations?*
- 3) *How does information exchanged at the microlevel between clientele and actors on the mesolevel of an organization change the behavior that occurs in strategic actions fields?*
- 4) *How has the process of going to scale in several communities changed the structure of going to scale for an organization?*

*Question 5: In a social entrepreneurship organization that successfully scales-up, are the ethnographic characteristics that promote strategic action different or similar to those of private sector entrepreneurship organization as they successfully scale-up?*

In addressing this fifth and final research question, I delineate the distinctive strategic actions of the social entrepreneurship organization going to scale and firmly demarcate where these similarities in strategic actions taken generally converge or diverge private sector entrepreneurship organizations as they go to scale. In doing so, I answer the following questions:

- 1) What are the similarities or differences in entrepreneurial processes between private sector entrepreneurship and social entrepreneurship?*
- 2) How does embeddedness in a social network similar or different between private sector entrepreneurship and social entrepreneurship?*
- 3) How does the nature of financial risk and loss differ between private sector entrepreneurship and social entrepreneurship?*
- 4) How does the role of the individual versus collective action in structuring and managing organizations differ between private sector entrepreneurship and social entrepreneurship?*
- 5) What are the similarities or differences in how a private sector entrepreneur and a social entrepreneur use creative and innovative approaches to market exploitation?*

## 1.9 CONCLUSION

Social entrepreneurship is a dynamic, innovative and powerful means of grappling with some of the world's most pressing problems. However, by not adequately explaining the phenomenon of social entrepreneurship organizations going to scale we are inhibiting the process of learning, therefore impeding the maximization of scaling for social among social entrepreneurship organizations.

By focusing on identifying the ethnographic characteristics that inform the strategic actions and behaviors that promote the successful scaling-up of social entrepreneurship organizations – observed through the a new theoretical lens and by employing a new methodological toolkit – we can better understand how to equip the world's innovators with the knowledge they need to maximize social impact.

## 2.0 PRIVATE ENTREPRENEURSHIP SECTOR AND SOCIAL SECTOR ENTREPRENEURSHIP: IDENTIFYING SHARED AND DISSIMILAR CHARACTERISTICS IN STRATEGY AND SKILLS

A great deal of scholarly literature is dedicated to better understanding the phenomenon of social entrepreneurship and going to scale. An even more expansive body of scholarship exists on private sector entrepreneurship and growth.<sup>3</sup> This literature review, following the contours of this study, distills the literature on private sector entrepreneurship literature and growth, as well as that of social entrepreneurship literature and going to scale, identifying where the strategic skills and behavior in the different sectors intersect and where they diverge.

### 2.1 LITERATURE REVIEW

As expansive as the literature on social entrepreneurship is, there is a paucity of literature that substantively gets at the strategic actions taken by leadership at the various operational levels that inform the successful scaling up of the organization. To substantiate this assumption, a comprehensive review of various scholarly approaches to scaling social entrepreneurship organizations is given.

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<sup>3</sup> In literature on private sector enterprise, “growth” is the preferred nomenclature over “scale”.

Before the delving into a review on the literature on social entrepreneurship and scale, this study first undertakes a review of the literature on private sector entrepreneurship and scale to better understand the conceptual foundation that informs the literature on social entrepreneurship and scale. As it relates to the context of the broader research study, this literature review identifies the private sector enterprise that is most aptly analogous to the characteristics inherent in social entrepreneurship organizations – the High Growth Firm (HGF) – and gleans from the scholarly literature the skills and behavior that inform the strategic actions leaders take as they grow their HGFs.

As such, this literature review is designed to distill the essence of both fields of literature, while identifying both where the two fields intersect conceptually and where they diverge.

#### 2.1.1 Private Sector Entrepreneurship and Going to Scale

For the purposes of this research study, private sector entrepreneurship (more often referred to as *enterprise* in this domain of literature) is examined with a keen eye toward identifying the strategic actions that key company leaders employ to promote successful scaling-up (referred to as *growth* in this literature). This literature review of private sector entrepreneurship examines the analogous model of the High Growth Firm (HGF) to compare and contrast the strategic actions promoting growth/scaling between private sector enterprise and social entrepreneurship organizations.

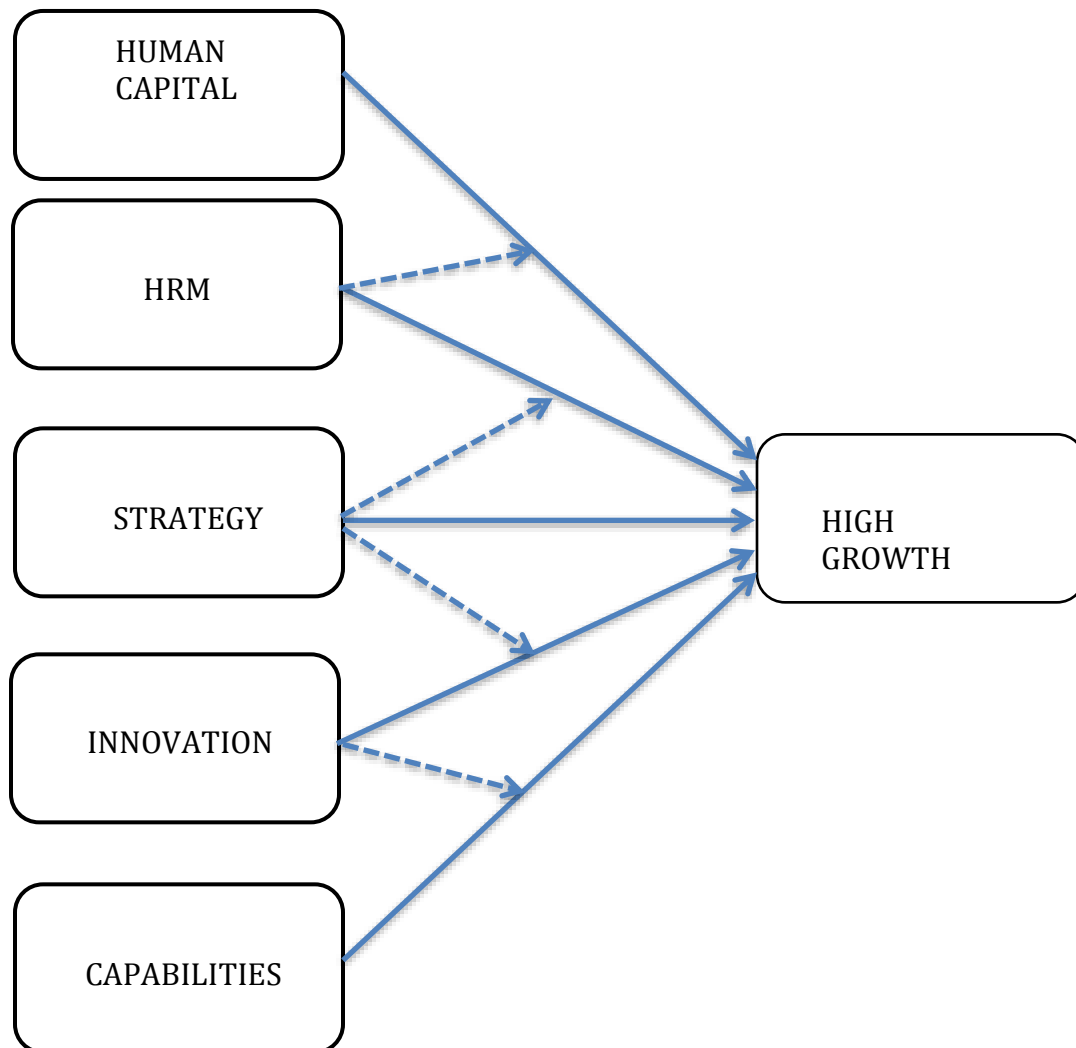
Not unlike Social Entrepreneurship, the definition of the High Growth Firm has been subject to a variety of nuanced interpretations of the phenomenon, including the types of firms being described and the specific measures and modes of growth involved (Daunfeldt

et al., 2016 & Demir et al., 2017). This study opts for the OECD's definition of the High Growth Firm as "all enterprises with average annualized growth greater than twenty percent per annum, over a three-year period, and with ten or more employees at the beginning of the observation period" (Petersen & Ahmad, 2007).

The rapidly growing research on the High Growth Firm spanning scholarly fields from business management to economics offers little account of the skillsets, behavior and strategies informing the leadership of successful High Growth Firms (Demir et al., 2017). This deficit in scholarly literature is largely thought to be due to both the inherent nature of the HGF being difficult to track and sample and its often rapidly changing organizational structure (Demir et al., 2017; Daunfeldt et al., 2016; Powell and Sandholtz, 2012; Nicholls-Nixon, 2005). Looking at the phenomenon of High Growth Firms provides a context in which to better understand the unique nature of associated with rapid firm growth and the organizational challenges that accompany such growth (Demir et al., 2017 and Delmar et al., 2003).

A recent systematic review of literature conducted on High Growth Firms identifies the strategic aspects contributing to high growth over 39 scholarly articles (Demir et al., 2017). By mining theories of strategic management, the study resulted in proposing a conceptual framework for high growth oriented around 5 key drivers: human capital, human resources management, strategy, innovation and capabilities. *Human capital* emphasizes the importance of a leader's education, skillset, cognitive ability, management experience and domain expertise; *HRM* (human resources management) emphasizes the importance of employee selection, training and the creation of incentive programs; *strategy* emphasizes the importance of strategic planning and differentiation strategy; *innovation*

emphasizes the importance of product and process innovation; and *capabilities* emphasizes the importance of leveraging resources, practices and processes that ensure the meeting of goals (Demir et al., 2017).



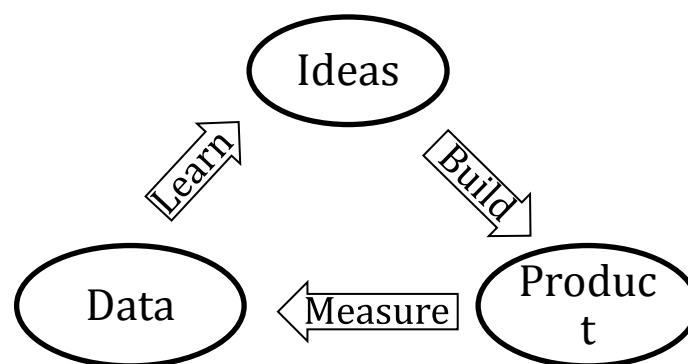
**Figure 1. Key Driving Factors of High Growth Firms**

Reproduced from "The Strategic Management of High-Growth Firms: A Review and Theoretical Conceptualization," by R. Demir, K. Wennberg, & A. McKelvie, 2017, *Long Range Planning*, 50(4), p. 431 - 456.

The Lean Startup Model of entrepreneurship, a type of high growth firm, shares several structural similarities to a social entrepreneurship organization. Developed by Eric

Reis in 2011, the Lean Startup Model views the traditional approach of business planning as anathema to product innovation and scaling success (Blank & Dorf, 2012; Reis, 2011). Predicated on favoring experimentation over broad planning, feedback over inference, and iterative design over big upfront products, the Lean Startup model promotes the discovery of a business model instead of the implementation of a plan based on forecasting outcomes (Blank & Dorf, 2012; Reis, 2011).

Central to the Lean Startup methodology is the Build/Measure/Learn feedback loop (Blank & Dorf, 2012; Reis, 2011). The Build–Measure–Learn feedback loop champions swift product development, punctuated by a company’s ability to ideate and translate the idea with agility into the creation of a minimum viable product (mvp) of that idea, the precise measure of that product’s market viability and to learn from the measurement of the experiment to determine strategy for growth (Blank & Dorf, 2012; Reis, 2011). This Build/Measure/Learn feedback loop informs a company’s decision on whether to “persevere” or “pivot” the product through an iterative process intended to be repeated as many times as necessary to leverage market growth (Blank & Dorf, 2012; Reis 2011).



**Figure 2. Learn/Build/Measure Feedback Loop**

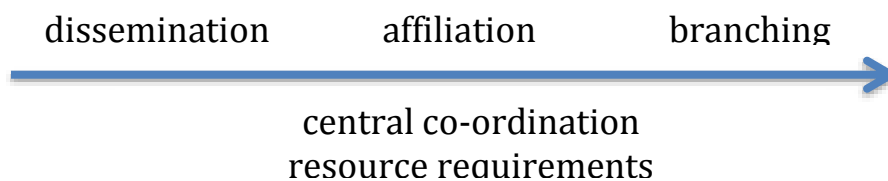
Adapted from Reproduced from *The lean startup: How today’s entrepreneurs use continuous innovation to create radically successful businesses*, by E. Reis, 2011, New York: Crown Business.



### 2.1.2 Social Entrepreneurship and Going to Scale

The scholarly literature on social entrepreneurship organizations and going to scale is heavily oriented around addressing the context and strategies of growth by creating typologies and explanatory models.

One early typology of scaling developed by Dees, Anderson and Wei-Skillern establishes three different mechanisms in which social entrepreneurship organizations go to scale: dissemination, affiliation and branching (Dees et al., 2004). Conceived as a continuum of mechanisms, this typology posits that central coordination and resource mobilization requirements increase as you move laterally from the dissemination end toward the branching end (see Figure 3).



**Figure 3. Typology of Social Entrepreneurship and Going to Scale**

Reproduced from "Scaling Social Impact: Strategies for Spreading Social Innovations," by J. G. Dees, B.B. Anderson, & J. Wei-Skillern 2004, Stanford Social Innovation Review, 1, p. 24 – 32.

Dissemination describes when a social entrepreneurship organization goes to scale by sharing information and providing technical support to individuals or other organizations that seek to introduce the social entrepreneurship organization's product or program in their community (Dees et al., 2004). Affiliation describes a formal agreement that is forged between the social entrepreneurship organization and one or more other organizations to be a part of a functioning network that is oriented around the same set of goals (Dees et al., 2004). According to this particular scaling mechanism, affiliations can

range from loosely knit coalitions to the more tightly bound operating system of a franchise (Dees et al., 2004). Lastly, branching describes going to scale through the creation of new sites in new communities that offer the same products and services provided by the central social entrepreneurship organization (Dees et al., 2004).

Not dissimilar to Dees et al. in its approach to explaining how social entrepreneurship organizations scale for impact, a typology developed by Lyon and Fernandez in 2012, distinguishes three types of scaling: growth within an organization, formalized relationships with other providers and open access (Lyon and Fernandez, 2012). However, unlike Dees et al. (2004), Lyon and Fernandez (2012) go into greater depth in explaining the different strategies and specific skills involved in going to scale (see Table 1).

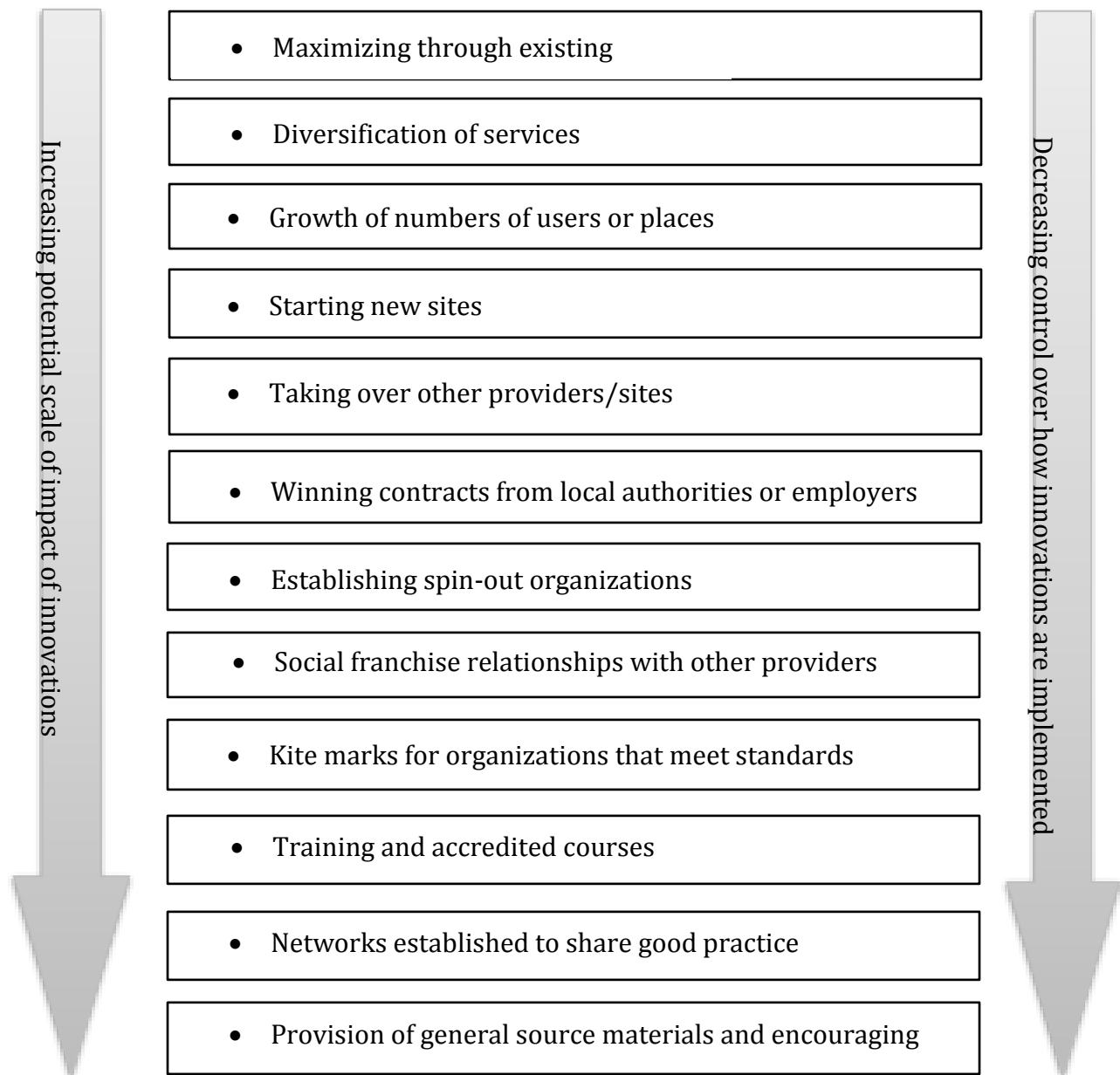
Among the 3 types of scaling outlined by Lyon and Fernandez, 12 strategies for scale – viewed as a sequential process - are explained. The strategies for scale involved in growing within an organization include 1) maximizing impact through existing provision, 2) diversification, 3) in-house growth of existing sites, 4) starting new sites, 5) taking-over other providers/sites, and 6) winning contracts from local authorities and employers; strategies for scale involved in creating formalized relationships with other providers include 7) starting spin-out organizations, 8) developing social franchise relationships with other providers, and 9) developing kite marks and quality standards; strategies for scale to provide open access to products and services include 10) providing training and accredited courses, 11) establishing networks to share best practices and 12) providing open-source materials (Lyon and Fernandez, 2012). As an organization follows this strategic sequence, a double helix effect occurs: as the potential scale of impact of innovations increases, the

control over how the innovations are implemented decreases (see Figure 4) (Lyon and Fernandez, 2012).

**Table 1. Strategies for Scale and Skillsets**

Adapted from Reproduced from “Strategies for scaling up social enterprise: Lessons from early years providers,” by F. Lyon & H. Fernandez 2012, Social Enterprise Journal, 8(1), p. 63-77.

<b>Strategy for scale</b>	<b>Skills and approaches required</b>
Maximizing through existing provision	Internal leadership and management skills
Diversification	Relationship building skills
In house growth of existing sites	Marketing skills to increase customers and fundraising skills (e.g. if refurbishment is needed)
Starting new sites	Growth management skills Capacity to have a central head quarters which offers support to different sites
Taking over other providers/sites	Ability to manage pre-existing staff and work cultures Ability to manage central resources over additional sites
Winning contracts from local authorities	Bid writing skills Able to invest time without definite outcome
Establishing spin-out organizations	Business planning Investment in market research
Social franchise relationships with other providers	Ability to identify business theory of change and what needs to be replicated Significant central co-ordination and management Investment in the identification and development of franchisees Capacity to provide training and business support as part of package
Kite marks and quality standards	Ability to formulize core qualities, marketing skills to attract users, capacity to inspect others and enforce standards
Training and accredited courses	Training skills, marketing skills to attract students and learners
Establishing networks to share good practices	Networking skills Ability to define and deliver on benefits of belonging to network
Provision of open source material	Time to invest without financial recompense



**Figure 4 Sequence of 12 Scaling Strategies**

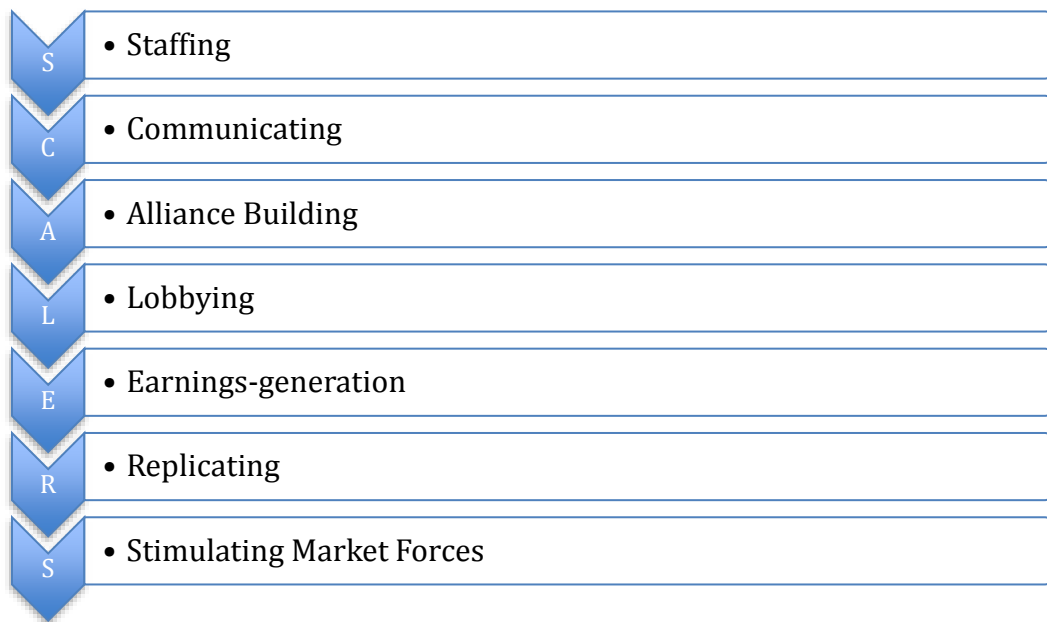
Adapted from Reproduced from “Strategies for scaling up social enterprise: Lessons from early years providers,” by F. Lyon & H. Fernandez 2012, *Social Enterprise Journal*, 8(1), p. 63-77.

This typology marks an important first take at understanding the strategies and skillsets of social entrepreneurship leaders, but doesn’t adequately depict the dynamic and complex nature of the strategic action field. The study more or less acknowledges this

deficit, and calls for a greater scholarly focus on the “need to go beyond a preoccupation of growth within specific organisations to also consider how scaling of social impact can be achieved through building networks, sharing approaches and supporting other organisations to replicate, develop and adapt approaches. Social enterprises need to develop a range of strategies to maximise their social impact that can include growth within their organisations as well as supporting scaling of social impact outside the organization” (Lyon and Fernandez, 2012).

The SCALERS model (an acronym for Staffing, Communicating, Alliance Building, Lobbying, Earnings-generation, Replicating and Stimulating Market Forces) is a logic model-oriented approach designed to guide social entrepreneurship organizations in going to scale (Bloom, 2012) (See Figure 5).

### **Bloom’s Model for the Successful Scaling of Social Entrepreneurs**



**Figure 5. Bloom’s Model for the Successful Scaling of Social Entrepreneurs**

Reproduced from *Scaling Social Impact: New thinking*, by P. Bloom & E. Skloot (2010). New York, NY: Palgrave Macmillan.

Its recipe for creating a development strategy so social entrepreneurship organizations can achieve a successful scaling-up of operations includes: 1) Staffing: building an organization's human resources capability; 2) Communicating: achieving buy-in from Key Stakeholders; 3) Alliance Building: creating synergies with others; 4) Lobbying: using advocacy to create social change opportunities; 5) Earnings-generation: attracting and replenishing financial resources; 6) Replicating: creating evidence and systems to support more of the same and 7) Stimulating Market Forces: getting incentives to work for the organization (Bloom, 2012).

The existing typologies and models explaining social entrepreneurship organizations as they go to scale cover a lot of ground. However, they share a common shortcoming in presenting a linear, cookbook-like treatment of the scaling process, thereby failing to account for the complex and dynamic nature of the phenomenon. Although they delineate the difficult nature of scaling-up and its experiential variability among organizations is alluded to, the depth and complexity of the nature of scaling-up and the variance of the structure and process inter-organizationally is not adequately examined (Bloom, 2012).

By applying a more in depth and varied approach to analysis of leadership and strategic decision-making in the intra-organizational environment of the social entrepreneurship organization, this study builds insight into the nature of strategic action fields as organizations go to scale. This process begins with the identification of convergent and divergent themes among private sector entrepreneurship and social entrepreneurship.

### 2.1.3 Convergent and Divergent Themes

Shaw and Carter (2007) use in-depth interviews with social entrepreneurs to induce five key themes (see table 2) that unite social entrepreneurs and for profit entrepreneurs, while also accounting for the ways in which they are alike and dissimilar (Shaw & Carter, 2007). The five themes outlined in this work are: the entrepreneurial process, network embeddedness, the nature of financial risk and profit, the role of individual entrepreneurs in managing and structuring enterprise, and creativity and innovation (Shaw & Carter, 2007). This study serves as a crucial guide to the analysis stage, informing the development of thematic codes and categorical codes in analyzing the content of the semi-structured interview transcripts.

In developing a positive theory of Social Entrepreneurship, Felipe Santos contributes to the conceptual understanding of the differences between commercial and social entrepreneurship by characterizing the distinction between value captured (commercial) and value created (social) (Santos, 2012). Additionally, Santos makes the distinction between the private entrepreneur's logic of control in contrast to the social entrepreneur's logic of empowerment.

**Table 2. Five Themes of Social Entrepreneurship**

Reproduced from "Social entrepreneurship: Theoretical antecedents and empirical analysis of entrepreneurial processes and outcomes," by E. Shaw & S. Carter, 2007. Journal of Small Business and Enterprise Development, 14(3), pp. 418- 434

Theme	Likeness	Differences
Theme 1: The entrepreneurial process	Opportunity recognition	A social, community or public need which remains unmet by both the public sector and the established charity sector.
Theme 2: Network embeddedness	Maximize local network embeddedness	Utilize networks to build local credibility and support for their social enterprise.  Personal contact networks of the founders, managers and volunteers of social enterprises were important in developing relationships.
Theme 3: The nature of financial risk and profit	Have multiple sources of funding	Rarely invest or risk personal finance in their ventures neither do they seek profit maximization for personal gain. Personal risk is personal local credibility and reputation, rather than finance that is jeopardized by their entrepreneurial actions.  Personal satisfaction is key benefit.
Theme 4: The role of individual entrepreneurs in managing and structuring social enterprise	Share a belief in the centrality of their role	More clearly must include and, indeed must share credit for success with, a collective of volunteers and beneficiaries.  Diverse funding structure, focus on local communities and client beneficiaries. Social context, collective rather than individual activity.
Theme 5: Creativity and innovation	Requires creativity and innovation	Manifested mainly in managerial actions by



		applying novel solutions to intractable social problems.  Culture is open and creative
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## 2.2 THEORETICAL FRAMEWORK: THEORETICAL AND CONCEPTUAL LIMITATIONS ON IMPACT MEASUREMENT AND IDENTIFYING A NEW THEORETICAL APPROACH

Currently, there exists no unifying theory for entrepreneurship, let alone one for social entrepreneurship (Bull and Willard, 1993). Instead, there exists an amalgam of theories attempting to explain the phenomenon, rooted primarily in theories of economics, management and business.

The Theory of Change/Logic Model exerts a powerful influence across society's three main sectors (private, public and nonprofit) when it comes to outcome/impact measurement, and looms large among existing models' explaining social entrepreneurship organizations as they go to scale. However, through its simple causal linkages, the Theory of Change/Logic model approach has the potential to discourage learning at various levels of organizational operations by not prioritizing feedback loops, thereby preventing access to crucial domains of knowledge (Knowlton and Phillips, 2013). In this sense, a linear and sequential approach to outlining and explaining organizational development falls short of illustrating the complex, dynamic and nonlinear nature of social entrepreneurship organizations successfully going to scale in new communities.

In an effort to grapple with these perceived deficiencies in how the extant literature explains the phenomenon of social entrepreneurship organizations going to scale, I propose and employ a greater development in the application of social theories, focusing

on field theory, institutional theory, social network theory and ecological theories of embeddedness to better explain how prominent social entrepreneurship organizations can successfully go to scale in new communities, assembling a theoretical framework that is encompassed by Theory of Fields (Fligstein and McAdam, 2012).

### 2.2.1 Field Theory

Elemental to the theoretical orientation of this dissertation is the field theory developed by Bourdieu. Bourdieu's field theory introduces the concept of how the action situations of individual actors influence the structure of creating and process of maintaining order (Bourdieu and Wacquant, 1992; Fligstein and McAdam, 2012).

Central to Bourdieu's theoretical orientation is the concept of habitus, the subjective orientation of the individual as a vessel of cultural norms and values (Bourdieu and Wacquant, 1992; Fligstein and McAdam, 2012). In merging the concepts of Habitus, the Field and Capital (resources), Bourdieu postulates the axis of the individual actor's decisions and how these actions influence the development of fields of learning and development.

### 2.2.2 Institutional Theory

Institutional theory, particularly neo-institutional theory, is the second key theoretical framework. Neo-institutionalism examines the broader field environment as comprised of sectors that contain arrays of organizations that interact with one another in some way or another (DiMaggio and Powell 1983; Scott and Meyer 1983). The theory posits that all

organizations are influenced or forced into similar institution patterns of identities (mimetic, coercive or isomorphic) that result from organizational uncertainty or instability throughout the sector (Dimaggio and Powell, 1983). This important theoretical framework has provided a unique lens into how patterns and trends emerge and influence the organizational sectors.

An important concept to emanate from institutional theory is the concept of the institutional entrepreneur (Dimaggio, 1988). Institutional entrepreneurship refers to the activities of organizational actors leveraging resources to create new institutions or to transform existing ones according to their interests and priorities (Dimaggio, 1988). Institutional entrepreneurs illustrate the paradox of embedded agency, where organizational actors – despite the constraints of rules, norms and regulations – are capable of envisioning new practices and catalyze change (Seo and Creed 2002; Friedland and Alford 1991).

### 2.2.3 Social Network Theory

In the extant literature on Social Entrepreneurship Organizations going to scale, the crucial topic of social networks is given an almost tautological treatment. The importance of networking is addressed (Bloom & Skloot, 2010; Bornstein, 2004; Dees 2007; Dees, Emerson & Economy, 2002; Nicholls, 2006), alliance building is stressed as crucial (Bloom, 2012; Bloom & Skloot 2010) and building social capital is treated perfunctorily (Bloom & Skloot, 2010; Bornstein 2004; Dees, 2007; Nicholls, 2006; Dees, Emerson and Economy 2002). But what is missing from the literature is a lucid understanding of the roles, actions

and behaviors occurring among actors within these social networks and how this influences organizational change.

Social network theory is useful in assessing the importance of networks in both the formation of social entrepreneurship and their replication in other communities. Social network theories help to explain both how the structure and the process of a network influence the success of organizations and the impact of relational structures in organizations (Scott & Carrington, 2011; Newman et al, 2006; Carrington et al., 2005; Watts, 2003). This theoretical framework can help illustrate the role of interdependent relationships among diverse actors – actors that provide specific resources, skills, leverage of other community stakeholders and technology to enable the process of going to scale.

#### 2.2.4 Embeddedness Theory

The theory of embeddedness – how an institution's actors' deliberate actions are couched in existing interconnected social systems and relationships that influence behavior, motives and decision-making (Dacin, Ventresca & Beal, 1999; Granovetter, 1985) – is crucially important in better understanding the characteristics that inform the phenomenon of a social entrepreneurship organization going to scale (Dacin, Dacin & Tracey, 2011; Smith & Stevens, 2010). Embeddedness theory challenges the classic economics theory that organizational decisions are made in isolation, positing instead that decisions made by organizations are the result of a series of interconnected and reciprocal relationships (Granovetter, 1992; Granovetter, 1985). Because embeddedness theory has several variants, for the purposes of this research study I focus particularly on structural embeddedness.

Structural embeddedness focuses on how the structure and quality of social ties can determine actions that both creates opportunities and provide access to them, linking the macro-condition of exchange with the micro-foundation of decision-making (Smith & Stevens, 2010).

According to this theoretical framework, we can view entrepreneurship as consisting of social behavior defined by a close examination of characteristics embedded in networks of ongoing social relations; facilitated or constrained by linkages between aspiring entrepreneurs, resources, and opportunities; and influenced by the interaction of chance, necessity, and purpose in all social action.

#### 2.2.5 Theory of Fields

The theory of fields is an integrated theory that seeks to understand how stability is achieved and how change occurs amongst social actors within the bounds of social arenas (Fligstein & McAdam, 2012). As an integrated theory of the social sciences, the theory of fields synthesizes and expands a broad theoretical terrain: social network theory (Scott & Carrington, 2011; Carrington et al., 2005; Newman et al., 2006; Watts, 2003), embeddedness theory (Aldrich & Zimmer 1986; Granovetter 1985; Granovetter 1983), institutional theory (Dimaggio & Powell 1983), and field theory (Bourdieu and Wacquant 1992). Additionally, Fligstein and McAdam's theory of fields is a bold attempt to synthesize extant theories on how actors behave under certain conditions, building on a rich theoretical lineage that grapples with creating a knowledge base for action: Bounded

Rationality (Simon, 1956), Common Pool Resources (Ostrom, 1990), Distributed Cognition (Hutchins 1995) and Subsystems (Sabatier & Weible, 1997).

The theory of fields framework is comprised of 7 guiding elements: 1) strategic actions fields, 2) incumbents, challengers and governance units, 3) social skill, and the existential function of the social, 4) the broader field environment, 5) exogenous shocks, mobilization and the onset of contention, 6) episodes of contention, and 7) Settlement (Fligstein & McAdam, 2012). What follows is an explanation of these seven central elements in detail, as they will inform the operationalization of the research questions of this study.

*Strategic action fields* are mesolevel social orders in which actors interact with one another according to shared norms of understanding about the purposes of the field, relationships to others in the field and the rules governing legitimate action in the field (Fligstein & McAdam 2012, 2011). At this mesolevel is the essential structural foundation of organizational life, where all actors from the microlevel to the macrolevel intersect at certain nodes, constantly maintaining or changing the dynamic of the organization. As such, strategic action fields enable the observation of the complex and dynamic behavior amid an environment of both stability and change (Fligstein & McAdam, 2012). Not unlike several other theoretical concepts from previous literature, strategic action fields can be likened to organizational fields (Dimaggio & Powell, 1983), sectors (Scott & Meyer, 1983), common pool resource institutions (Ostrom, 1990), fields (Bourdieu & Wacquant, 1992), interstices (Rao, Morill & Zald, 2000), networks (Powell et al., 2005), and subsystems (Sabatier & Weible, 2007). In this study, the strategic action field is the environment where a social entrepreneurship organization's actors' relationships with one another - their shared

norms, adherence to rules, and ability to adapt/change around one another due to changes in an environment – illustrate the structure and process involved in an organization successfully going to scale.

*Incumbents, challengers and governance units* describe the actors and their level of power in influencing stability and change in the mesolevel. Incumbents are viewed as the most powerful actors within a strategic action field, where their values and interests imbue the very structure of the organization. Conversely, challengers are the less powerful actors in the field, yet have the opportunity to offer alternative perspectives to influencing the structuration of a field. Governance units are actors that monitor the compliance with the rules that structure a system (Fligstein & McAdam, 2012). In this study, the primary incumbents are the Founders/CEOs/Presidents and, when appropriate, the key organizational actors that influence and maintain the norms and rules of an organizations operations. The challengers can be any organizational actor beneath the CEO of the organization.

*Social skill, and the existential function of the social* is the central element that seeks to explain how the roles that organizational actors play construct the social fabric of an organization. By examining the evolution of social conduct amongst actors on the mesolevel of operations, this element examines the possibility, or lack thereof, of change occurring in strategic action (Fligstein & McAdam, 2012). In this study, there will be close attention paid to the social skills required to influence the successful scaling-up of operations for an organizations.

*The broader field environment* goes beyond the internal workings of a field to examine the broader external field environment at the macrolevel. It focuses attention on

actions that occur in proximate and distant fields, as well as dependent and independent fields (Fligstein & McAdam, 2012). Proximate fields are described as strategic action fields that have recurring linkages to, and whose actions influence, the field. Unlike proximate fields, distant fields lack linkages, and have little to no influence on a strategic action field. Dependent fields are fields largely influenced by another (resource dependence), whereas independent fields share an equitable relationship with one another. Additionally, the broader field environment calls attention to the interaction between state fields (governing fields) and non-state fields (companies, organizations, civic associations). As a governing field, the influence of the state carries significant macro-implications for the founding of, the maintaining of, the reproducing of and the transforming of non-state fields (Fligstein & McAdam, 2012). As such, the state can pose both threats to existing non-state fields and provide opportunities for existing non-state fields. In this study, the broader field environment encompasses the roles of the major donors (foundation, corporation or government) in providing resources to a social entrepreneurship organization in its efforts to go to scale.

*Exogenous shocks, mobilization and the onset of contention* seek to capture the changes occurring to the stability of a strategic action field. Exogenous shocks are dramatic changes happening outside of a field that affect the stability of proximate fields. These exogenous shocks can forge a moment for challengers to mobilize around a different approach to a system, and potentially lead to an episode of contention (Fligstein & McAdam, 2012). In this study, the exogenous shocks to a system would be changes in the broader field environment (changes in funding, political environments and policies) that affect the organizations ability to scale-up operations.



An *episode of contention* describes a period of conflict where emergent contention begins to sustain itself, leading to interactions between actors in a field where utilizing new approaches to action are considered. This element of the theory of fields' framework can consequently influence the strategic interactions occurring on the microlevel of a field (Fligstein & McAdam, 2012). In this study, an episode of contention may be a moment when the structure and process of an organization's approach to scaling-up is challenged and new approaches are considered. An example of this could be an organization scaling into a new community that finds that the demand for their programming is weak because of a previously unidentified overlap with existing programs and services.

The last of the seven elements is *settlement*, the central element that describes how a new field is established through sustained opposition by challengers or the status quo of an existing field is reestablished by incumbents or state actors settling into a new or reinforced structure of rules and norms (Fligstein & McAdam, 2012). In this study, settlement would be either the adoption of a new approach to scaling-up operations or a reinforcement of the existing structure and process.

These seven elements provide the conceptual foundation through which to analyze the case studies across a tripartite model of organizational levels: the macrolevel, mesolevel and microlevel. In outlining the core elements of the theory of fields' framework, I have provided the theoretical overview that informs my conceptual approach to understanding the strategic actions and behaviors that inform the role of social networks and embeddedness in the successful scaling-up of social entrepreneurship organizations.

### 3.0 METHODOLOGY, METHODS AND DATA

In the preceding chapters, I have explained the problem that informs the basis of my research. In doing so, I have carefully defined the central constructs of this research study and deliberately set boundaries around the meaning of these constructs. Additionally, I have explained how the extant literature treats my subject matter and have introduced the theoretical lens that I employ to buttress the assumptions of my research.

This chapter is designed to explain the methodological approach I employ in grappling with my research problem, and why it is the appropriate fit in exploring the research questions that I pose. This exploratory study uses a qualitative methods approach to understanding the contextual environment and the ethnographic characteristics that determine the strategic action involved when social entrepreneurship organizations go to scale. This qualitative methods approach, in sync with my guiding theoretical framework, analyzes my research questions at the macrolevel, mesolevel, and microlevel of a social entrepreneurship organization's operations.

### 3.1 METHODOLOGY

As stated in the preceding chapters, the central goal of this research study is to better understand the strategic actions involved in a social entrepreneurship organization successfully going to scale. After carefully considering the gaps in the extant literature on this research topic, it became clear that this field of study was lacking-in qualitative exploratory small-n comparative case studies. Additionally, among these existing studies, there is a deficit in a triangulation approach to analysis.

Because understanding how social entrepreneurship organizations successfully go to scale in new communities is paramount to this study, identifying the ethnographic characteristics that promote the strategic actions and behaviors that enable scaling to happen is essential. The identification of characteristics must in turn occur at three organizational levels (macrolevel, mesolevel and the microlevel of an organization). As such, it is necessary to employ a deliberate mixed-methods approach to this multi-level analysis to best get at that the complex and dynamic nature of the interactions among actors at all of these levels to better understand the differing influences on an organization's ability to remain stable or change.

### 3.2 METHODS

The research methods employed for this qualitative multi-level analysis of an exploratory small-n comparative case study of five prominent social entrepreneurship organizations

involved two stages of data collection and analysis. First, I conduct a systematic documentation review/analysis of scholarly case studies, federal tax reports (990s), annual reports, and internal documents of each organization and of its major donors, allowing me to define and operationalize the contextual environment of the strategic action fields and social entrepreneurship organizations going to scale. Additionally, a documentation review/analysis helps me to systematically identify each of the organization's key actors and begin to understand the dynamics involved in each organization's cycles of scaling-up. Second, I conduct semi-structured interviews of key actors across the mesolevel, macrolevel and microlevel of each organization. The selection of the interviewees was in part guided by information gleaned from the documentation review and analysis. Finally, the completed case studies of five social entrepreneurship organizations and their respective experiences in going to scale are reviewed and compared to identify patterns of shared characteristics and to document contrasts that exist between the cases organizations. Each of these cases is described in Section 3.2.1.a.

### 3.2.1 Exploratory Small-n Comparative Case Study

This dissertation employs an exploratory small-n case study of five successful social entrepreneurship organizations. As such, it is important to delineate the several advantages for employing this type of analytical approach in examining these organizations.

Small-n comparative case studies are particularly useful for getting at unrevealed connections existing among several facets of certain phenomena (George and Bennett, 2005;; Ragin, 1987; Yin, 2013).

Additionally, case studies are useful in the identification of existing working mechanisms operating under given conditions, providing a means to examine, model and assess complex interactions among the actors in a system (Yin 2013; George & Bennett, 2005). In this way, the exploratory small-n comparative case study is a research vehicle to unearth characteristics that determine strategic action and change when a social entrepreneurship organization successfully scaled-up. Lastly, using an exploratory small-n comparative case study approach guides my research in identifying the mechanisms that explain the complex dynamic process of social entrepreneurship organizations going to scale (George and Bennett; Yin, 2013).

To overcome the potential limitations of the small-n comparative case approach (chiefly the potential for bias in case selection), I apply an integrated case study method approach combining within-case analyses and cross-case comparisons (George and Bennett 2005; Yin, 2013). The within-case analyses examine the behaviors occurring at each of the five selected organizations in an inter-organizational capacity according to a multi-level analysis of the tripartite levels established (macrolevel, mesolevel, and microlevel of operations). The cross-case comparisons enable me to identify patterns emerging from comparative analyses of the five different social entrepreneurship organizations, illustrating the strategic actions and behaviors that determine the successful scaling-up of operations.

Applying an exploratory small-n comparative case study approach enables me to both establish a contextual foundation for the social entrepreneurship organization when it goes to scale and to get at the ethnographic characteristics that promote strategic action among the three levels of the organization: mesolevel, macrolevel, and microlevel. What are

does the structure and process of scaling-up look like to each of the five organizations in this research study? Who are the key actors that oversee this process and what are their roles? What have been the greatest challenges experienced when going to scale? What are the key social dynamics, actions and behaviors among actors within the organization that promote scaling-up? What are the key skills that are required of these actors? Taking the nature of questions like these into consideration, the exploratory small-n case study approach allows access to a rich and robust domain of knowledge not afforded by other social science research methods, illustrating where strategic actions across the various levels of operations can be more accurately interpreted, while also lending validity to my findings (George and Bennett, 2005; Yin, 2013).

### ***3.2.1.a Case Selection/Sampling***

To make sure that the integrity of the case selection process aligned well with my research objectives, I established the following set of case selection criteria for the five case study organizations that I sought to analyze:

- 1) A Founder/CEO, President or Central Leadership Actor must be interviewed.*

This criterion is important to capture a broad, over-arching view of the evolution of the organization and the changing dynamics in strategic action fields over several years of growth.

- 2) The 5 organizations should represent different geographically located headquarters.*

This criterion was selected primarily to glean insight into the macrolevel, primarily whether certain donors show strong preferences for Social Entrepreneurship organizations according to their geographical location. In the end, the five

organizations chosen represent different geographical areas: Washington D.C, New York City, Oakland, CA, Boston, MA and Pittsburgh, PA.

3) *The five organizations should be representative of a diversity of sectors.*

The sample of five should ideally span the breadth of sectors in which social entrepreneurship is working so that I can compare and contrast the scaling-up across sectors. In the end, the 5 organizations that participated in the study fell into three categories: youth development, educational development and workforce development.

4) *Each organization should have a minimum of revenue totaling at least \$4 million.* This criterion was set to establish a baseline minimum budget for organizations engaged in scaling for social impact. This baseline is important because it indicates an organization with a large financial apparatus that has likely scaled into several different communities.

5) *If possible, each organization should be the subject of a scholarly case study.* This criterion was selected as a strong preference because of its clear ability to assist my research in providing crucial background information and establishing context. Each of the five organizations chosen as cases have one or several scholarly case studies dedicated to their organization.

The intended foundation for my case selection was the Forbes Impact 30 list from 2011, detailing the 30 most successful social entrepreneurs in the world. The creators of the list sought to identify these successful social entrepreneurs across several sectors (education, health, finance and others), through the eyes of a panel of experts that included: Bill Drayton - Ashoka's Founder and CEO, Dean Karlan - Yale economics professor and MIT

Poverty Action Lab Research Fellow, Deb Nelson - Executive Director of Social Venture Network, Anthony Bugg-Levine – CEO of Nonprofit Finance Fund, Jed Emersen – Executive Vice President of Impact Assets and Helen Coster – Forbes Contributor on Social Entrepreneurship.

I initially designed my research to follow a purposive sampling model. Purposive sampling is an informal approach to making causal generalizations (Shadish, Cook & Campbell, 2002). Purposive sampling of typical instances, the type of purposive sampling that I employ, seeks to identify the different types of units, treatments, observations and environments in which to generalize and then to select cases according to impressions (Shaddish, Cook & Campbell, 2002). However, because my research targeted larger social entrepreneurship organizations, being granted access to the key leadership team of each organization proved extremely difficult, prompting me to adopt the snowball sampling method.

Snowball sampling is a non-probability sampling method used to gain access to your most conventionally hard to reach subjects. As such, when employed for the purposes of my research study, it worked exceptionally well. This is in part due to the existence of a fraternity-like culture that exists among the larger social entrepreneurship organizations. Many of the leaders of these organizations are both colleagues and friends with one another, so a referral to another organization was typically welcomed and granted. Switching to the snowball method of sampling made it possible to reach a target population that had previously been “off-limits”.

After applying this snowball sampling criteria to my case selection process, I selected the following organizations as my five cases:



- 1) KaBOOM!, Washington DC, (Health), Budget \$26 million. Founded in 1996, KaBOOM! has been working with community partners and large corporations to bring playgrounds to neighborhoods that need them. Scaling-up of operations has resulted in hundreds of playgrounds in dozens of states nationwide. The scholarly case studies I will use for KaBOOM! are a 2002 Harvard Business Review Case Study and a 2010 Monitor Institute Case Study.
- 2) Playworks, Oakland, CA (Education), Budget \$20 million. Founded in 1996, Playworks provides structured playtime in schools serving low-income students, by offering a coach to supervise games and activities during recess and after-school activities. Scaling-up of operations involves establishing the Playworks program at a new school. The scholarly case study I use for Playworks is a 2007 Harvard University School of Education Case Study.
- 3) Year Up, Boston, MA (Education, Workforce development), Budget \$70 million. Founded in 2000, Year Up's mission is to close the opportunity divide by providing direct service programs of job training and placement for lower-income Americans by partnering with corporations and community colleges. The scholarly case study I will use is a 2007 (revised 2011) Harvard Business Review Case Study.
- 4) Manchester Bidwell Corporation (MBC), Pittsburgh, PA (Education, Workforce Development), Budget \$4.5 million. Founded in 1972, MBC's National Centers for Arts and Technology's (NCAT) mission is to "develop communities through hope, inspiration and innovation" by creating community education centers for disadvantaged youth and young adults prosper by gaining the skills they need enter

a community-specific job force. The Case Study I use for MBC is a 2007 Harvard Business Review Case Study.

- 5) Future Project, New York, NY (Education), Budget \$15 million. Founded in 2011, The Future Project works with dozens of schools across the country by installing an on-site “dream director” to guide students through an inspiring process of discovery in looking to their lives and careers beyond school. There are currently no academic cases available due to the relative youth of the organization. However, as outlined in the concluding chapter, this represents an excellent opportunity for a continuation of research with an academic case study as the end-product-goal.

### ***3.2.1.b Unit of Analysis***

The unit of analysis in this research study is the operational headquarters of a social entrepreneurship organization.

### ***3.2.1.c Unit of Observation***

The unit observation used to elucidate my unit analysis consists of a tripartite framework of individual perspectives: the CEO/President or applicable Leadership role (mesolevel), a Chief Financial Officer or Chief Development personnel (macrolevel) and the Chief Outreach Officer/Chief Programming Officer or the most relevant actor (microlevel).

Through observing data culled from this tripartite, my dissertation ascertains the importance of social networks and embeddedness in organizations successfully going to scale and better understand the strategic actions and behaviors occurring at each of the three levels.

### 3.2.2 Documentation Review and Analysis

A systematic documentation review and content analysis is used to identify the key actors and ethnographic characteristics existing at the various levels of an inter-organizational network that promote strategic action in the scaling-up of operations. To elicit this information, reviewed and collected data from key documents from the organizations I am targeting annual reports, case histories, financial statements and disclosures, reports by funders, websites, and additional internal documents that are available and relevant to my research.

#### **Documentation Review: KaBOOM!**

**Table 3. Documentation Review - KaBOOM!**

1) Annual Reports and publications, including: a recent Knight Foundation report, A Monitor Institute report on Using the Internet to Scale: a Case History of KaBOOM!
2) Financial Statements and Disclosures, including: 990s and consolidated financial statements
3) Web Site Review
4) 2002 Harvard Business Review Case study, 2010 Monitor Institute Case Study

In implementing a systematic documentation review and content analysis, I will collect crucial information informing both the identification of key actors and the antecedents and consequences of interactions occurring throughout the inter-organizational levels (mesolevel, macrolevel and microlevel) that inform the structure and agency of the organization's environment. In doing so, I will better understand the processes and skills

that various actors require to successfully scale-up operations, as well as the complex characteristics that influence the relationships between actors within strategic action fields. Additionally, identifying the key actors at each level will inform whom I will target for my semi-structured interviews.

As part of my documentation review, I will conduct a thorough documentation analysis, identifying the emergence, frequencies and covariance of themes within and across the case study organizations. In doing so, I will identify the mental models of individuals and groups in the organizations I am analyzing and compare them to one another. This thorough analysis of key documents will also allow me to better understand the structure of the organization as a system.

### 3.2.3 Semi-Structured Interviews

Once I identified the key actors that best represent the mesolevel, macrolevel and microlevel of an inter-organizational network, I will target these actors to conduct on-site interviews. If on-site interviews are not a viable option, I will settle for interviews over the phone. These interviews will take place at 10 organizations, with three interviews conducted at each organization, yielding a maximum total of 15 interviews.

As stated, the interviews will be semi-structured in their nature. This instrument allows me to design three separate uniform interviews (one for each of the tripartite levels: mesolevel (CEO/President/Primary leadership actor), macrolevel (Chief Financial Officer, Chief Development Officer, Finance Manager) and the microlevel (Chief Operations Officer, Chief Program Officer, or a qualified Outreach Director) as a means to assemble coherent and comparable interview data sets that respond to my research questions. Most

importantly, these semi-structured interviews will provide access to the varied levels of the domain in which a successful social entrepreneurship organization exists. Through the interviews, I will determine the network and embeddedness factors involved in the criteria for success and the obstacles that inhibit the success of going to scale, I can better understand the strategic actions that occur in the various operational fields, and I can better understand the mechanisms that produce change or promote stability in an organization.

### 3.3 DATA COLLECTION

My data collection process involved in my small-n comparative case study involved two parts: the thorough review of all documentation that is pertinent to my study and the conducting of semi-structured interviews

#### 3.3.1 Process of conducting documentation review and analysis

Through my systematic documentation reviews of annual reports, case histories, financial statements and disclosures, reports by funders, websites, and whatever additional internal documents are available and relevant to my research, I identified the themes, concepts and key actors that I should interview at each of the three levels of an organization. While I expect that specific themes will vary across the case study organizations, documentation review will identify key organizational dynamics to explore in interviews, such as:

- structural changes associated with scaling-up;

- new staffing requirements or additional skill sets required within the organization;
- roles of key funding opportunities, funding sources, or constraints;
- decisive roles played by community organizations or networks outside the organization;
- challenges to organizational culture and systems.

As part of my systematic documentation review and analysis, I identified, analyzed and compared the themes, concepts and behaviors among the actors in the organizations through process tracing. The themes identified and coded through this process will in turn shape the semi-structured interviews of key actors at the three levels of each organization.

### 3.3.2 Process of conducting semi-structured interviews

During this phase of the research study, I conducted semi-structured interviews on-site at each organization's headquarters, triangulating the collection of my data according to the multi-level tripartite approach to my analyzing unit of observation. All of my subjects were interviewed in person and on-site, with one telephone interview being the exception to this rule. At each of the five organizations, I was able to triangulate my responses and glean interviews from each of my targeted organizational levels.

Drawing from the systematic documentation review and analysis of my five case study organizations, I identified a leadership actor at each organizational level (mesolevel, macrolevel and microlevel) to target for an interview. At each case organization, I followed through and conducted semi-structured interviews each of the key leadership actors

representative of the three organizational levels. At the mesolevel, the leadership actor interviewed was either a CEO, President, Founding Board Member, Chief Director or chief leadership position. At the macrolevel, the leadership actor interviewed was a Chief Financial Officer, Director of Development, Director of Fundraising, Director of Policy, or a Founding Board Member. At the microlevel, the leadership actor interviewed ranged from the Chief Operations Officer, Chief Programs Officer, Director of Programming, Director of Outreach or another key leadership position with a depth of knowledge of the microlevel interactions of the organization. Though each interview protocol was tailored to the level it is assessing, the interview protocol that I administer to each of these levels was consistent across the five organizations serving as case studies. Each interview was recorded with dictation software, transcribed and coded.

### 3.4 DATA ANALYSIS

This small-n comparative case study adopts a qualitative methods analytical approach through rigorous documentation review and the conducting of semi-structured interviews. Throughout the analysis of qualitative data, I follow the general guiding strategy of relying on my well-established theoretical propositions of strategic actions fields (Yin, 2013). Detailed explanations about the application of the analysis methods are provided below.

### 3.4.1 Qualitative documentation analysis

In conducting the qualitative analysis of my documentation review, I employed a process tracing method, reviewing all pertinent organizational documentation to establish linkages between causes and outcomes (George & Bennett, 2005). In doing so, I was able to assemble the contextual environment of each case organization's strategic action fields, as well as identify the emergent themes and characteristics that inform strategic action and learning among these mesolevel social orders. This included the analysis of the interactions occurring throughout the strategic action field between the macro-conditions of the broader field and the micro conditions of the proximate fields (Fligstein & McAdam, 2012).

### 3.4.2 Qualitative analysis of semi-structured interviews

All of the interviews were recorded with the consent of the interviewees. Once the interview was recorded, each file was transcribed over a strict two-phase process. First, each interview was transcribed with the help of Rev, a transcription app/service. Second, I reviewed each of the Rev generated transcripts for errors by carefully pairing the audio file content with what was recorded. If any errors were detected, I made sure to make the necessary amendments.

Once the interview transcripts were complete, I used the qualitative analysis software ATLAS.ti to systematically analyze all of the interview data. This included uploading all of the interview transcripts, building and applying both thematic and categorical codes based on my literature review, and comparing and contrasting the transcripts according to the co-occurrence and interactions between the codes. By using



ATLAS.ti to code interview data, I establish a structure and process to identify the common and different ethnographic characteristics that determine strategic actions when each organization goes to scale, allowing me to identify conceptual themes that emerge among the organizations, quantify the emergent-shared characteristics, and applying my theoretical and conceptual framework in qualitatively analyzing these results.

For a summary of the research design, please refer to Table 4.

### **Research Design**

**Table 4. Research Design**

<b>Case</b>		<b>KaBOOM!</b>	<b>Future Project</b>	<b>Playworks</b>	<b>Year-up</b>	<b>Manchester Bidwell Corporation/NCAT</b>
Case study Strategy		Longitudinal within case analysis + across case comparisons				
Study Period		January 2002- December 2015				
Unit of Analysis		Social Entrepreneurship Organizations				
Unit of Observation		Organizational Actors at the macrolevel, mesolevel and microlevel of a social entrepreneurship organization				
Contextual environment (RQ1)	Data	Documentation review				
	Analysis	Documentation analysis				
Strategic Action Fields (RQ2, RQ3, RQ4)	Data	Semi-structured interviews				
	Analysis	Qualitative Data Analysis using ATLAS.ti				

### 3.5 THREATS TO VALIDITY AND RELIABILITY

When conducting qualitative research like my dissertation, the researcher serves as the primary collection instrument. To protect the integrity of the research, it is crucially important to identify any potential threats to validity and reliability posed to your research design.

#### 3.5.1 Validity

Because I am conducting an exploratory small-n case study that relies on documentation review/analysis and semi-structured interviews, to minimize threats to validity and reliability I adhered to Robert Yin's Case Study Tactics for Four Design Cases (Yin, 2013).

##### Construct Validity

In an effort to minimize any threats to construct validity posed to my research design, I made sure to establish a sufficient set of operational measures for the concepts being researched by using multiple sources of evidence during the data collections phase (Yin, 2013). This was done through conducting a thorough documentation review and analysis of case studies, annual reports, funder reports, tax documents and miscellaneous organizational, and by administering semi-structured interviews to key actors at the organizational level.

As an additional bulwark against treats to construct validity, I made sure to establish a chain of evidence during the data collection phase (Yin, 2013). I accomplished

this by creating and maintaining clear linkages between the research questions posed, the data being collected and the inferences drawn (Yin, 2013). The analysis offered in the following chapters is deliberately assembled to clearly reflect the integrity of the data collection process. To reinforce the veracity of the interview transcripts and their content, I have retained audio files of each interview.

Lastly, I made sure to control for the potential threat to construct validity of *Experimenter Expectancies*: when a researcher influences the behavior of participants in the research study by conveying expectations about what responses may be desirable, thereby influencing the treatment construct as it is tested (Shadish, Cook & Campbell, 2003). By carefully designing my interview protocol according to my theoretical framework and according to the results of the documentation review and analysis, I blunted the potential for subjective creep in my research.

### Internal Validity

To prevent the internal threat of validity of *Biased Selectivity* - the incomplete collection of data (Yin, 2013; Shadish, Cook & Campbell, 2003), I triangulated both the collection of my documents and the semi-structured interview process. When conducting the documentation review and analysis phase of my research, I utilized both internal (annual reports, newsletters) and external (funder reports, 990s, academic case studies) documents. The documentation review and analysis of these documents informed both the tactical approach of targeting the right organizational actor to interview and the content of my interview protocol for the open-ended question portion of the interview. During the interview phase of my research, I conducted an interview with a key organizational actor

across the tripartite organizational levels (mesolevel, macrolevel and microlevel) at each of the five organizations serving as my case studies.

### External Validity

Though the generalizability of my research study is limited according to the small-n case study design, I paid careful attention crafting and maintaining a research design that clearly established both the contextual foundation of the phenomenon being researched and identified the ethnographic characteristics that inform strategic action. Because of this, I was able to minimize any threats to external validity potentially posed to my research study.

### 3.5.2 Reliability

It was paramount that this study maintained its reliability through ensuring the stability of the research instruments of measurement and the integrity of the analysis of data. I oversaw all of the data collection and coding procedures. Though I administered a transcription service, I made sure to match the transcriptions to the audio recordings to assure their accuracy, carefully reviewing each interview twice-over and making amendments to the transcriptions where it was necessary. Amendments were needed infrequently, as the initial transcript proved to be predominately accurate. Additionally, I administered the same interview protocol for each of the organizational levels targeted (mesolevel, microlevel, and macrolevel).

#### 4.0 STRATEGIC ACTION FIELDS AND THE CONTEXTUAL ENVIRONMENT OF SOCIAL ENTREPRENEURSHIP ORGANIZATIONS GOING TO SCALE: 2000 – 2015

This chapter is discusses the nature of strategic action fields and the broader contextual environment of social entrepreneurship organizations going to scale in new communities through the lens of examining the five social entrepreneurship organizations selected as cases for this exploratory case study. In doing so, I aim to better apprehend and elucidate the actors, policies, actions and behaviors that comprise the strategic actions fields that exist as social entrepreneurship organizations go to scale in new communities and to begin to get at the ethnographic characteristics that determine the successful scaling-up of operations among social entrepreneurship organizations.

In exploring this phenomenon, I employ a thorough qualitative document analysis of annual reports, academic case studies, financial/tax statements, donor reports and websites. The research question that guides this portion of the study is *“In a social entrepreneurship organization that successfully scales-up, who are the key actors and what are the ethnographic characteristics that promote strategic action at the macrolevel of the organization?”*

The chapter encompasses three parts: first, I establish the definition of and elucidate the operationalization of the construct of the contextual environment as it pertains to strategic action fields. Second, I examine for each of the five cases the strategic action fields

existing in each of the social entrepreneurship organizations and identify the structure and process involved when these organizations go to scale in new communities. Lastly, I provide cross-case comparative analysis of how organizations successfully go to scale in new communities and illustrate the similarities and differences that exist among the cases under examination.

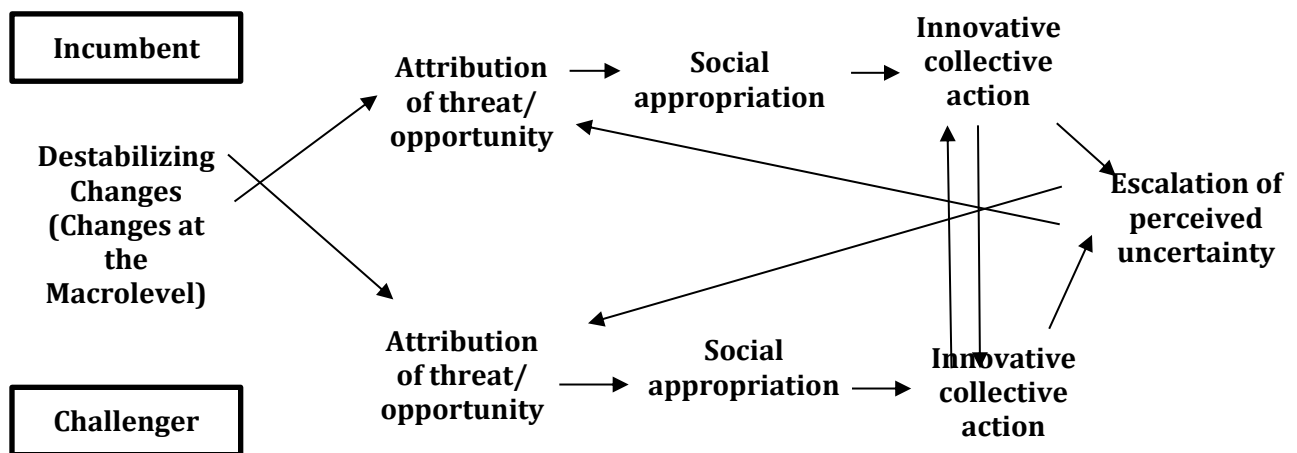
#### 4.1 EXPLAINING THE CONTEXTUAL ENVIRONMENT OF STRATEGIC ACTION FIELDS AND SOCIAL ENTREPRENEURSHIP ORGANIZATIONS

In an effort to clarify the construct of the contextual environment of Social Entrepreneurship Organizations, it is imperative for the purposes of this study to specify both the definition and the operationalization of strategic actions fields in greater detail.

As the central element in the Theory of Fields' conceptual framework, strategic action fields illustrate the dynamic arena of collective action (Fligstein & McAdam, 2012, 2011). Strategic action fields are mesolevel social orders in which actors interact with one another according to shared norms of understanding about the purposes of the field, relationships to others in the field and the rules governing legitimate action in the field (Fligstein & McAdam, 2012, 2011).

Beyond the fundamental and central element of strategic action fields, the Theory of Fields conceptual framework includes six other elements. *Incumbents, challengers and governance units* describe the actors and their level of power in influencing stability and change in the mesolevel. *Social skill, and the existential function of the social* is the central

element that seeks to explain how the roles that organizational actors play construct the social fabric of an organization. *The broader field environment* goes beyond the internal workings of a field to examine the broader external field environment at the macrolevel. *Exogenous shocks, mobilization and the onset of contention* seek to capture the changes occurring to the stability of a strategic action field. An *episode of contention* describes a period of conflict where emergent contention begins to sustain itself, leading to interactions between actors in a field where utilizing new approaches to action are considered. The last of the seven elements is *settlement*, the central element that describes how a new field is established through sustained opposition by challengers or the status quo of an existing field is reestablished by incumbents or state actors settling into a new or reinforced structure of rules and norms (Fligstein & McAdam, 2012). Figure 6 illustrates the dynamic elements that comprise a strategic action field.

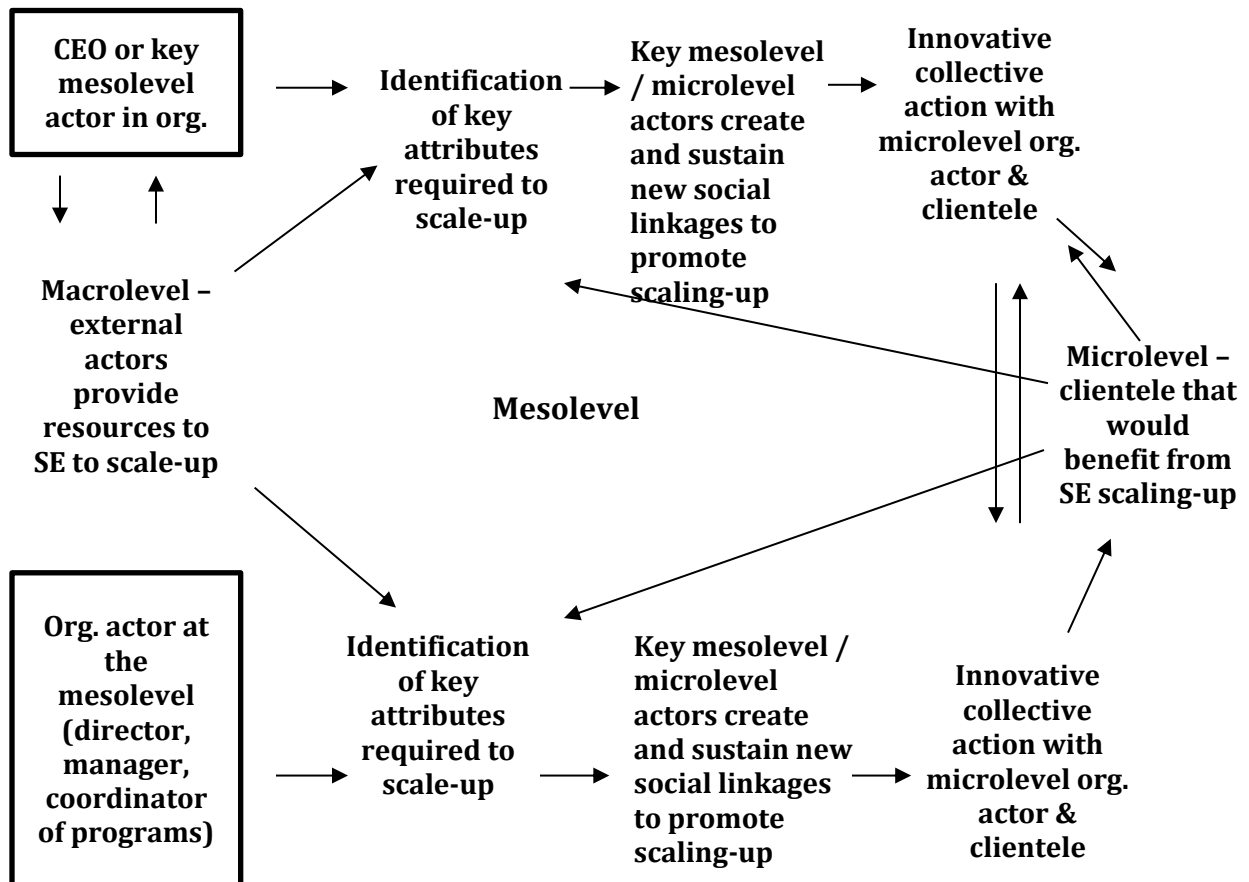


**Figure 6. Strategic Action Field**

Reproduced from *A Theory of Fields*, by N. Fligstein & D. McAdam, 2012. New York, NY: Oxford University Press.

When applied to the contextual environment of a social entrepreneurship organization undergoing the process of scaling-up into new communities, the strategic

action field provides a conceptual boilerplate to better understand the dynamic complexities of organizational learning. Figure 7 below illustrates the application of this conceptual framework to the phenomenon of social entrepreneurship organizations going to scale in new communities.



**Figure 7. Strategic Action Field: Social Entrepreneurship Organization Going to Scale**

Adapted from A Theory of Fields, by N. Fligstein & D. McAdam, 2012. New York, NY: Oxford University Press.

In this strategic action field, we see how complex and dynamic the interplay can be between actors across the tripartite organizational levels (Microlevel, Macrolevel and Mesolevel). Actors at each level have the ability to disrupt the stability of an organizational order by providing insights and feedback, thereby catalyzing change.



## 4.2 THE MACROLEVEL CONTEXTUAL ENVIRONMENT OF SOCIAL ENTREPRENEURSHIP ORGANIZATIONS GOING TO SCALE IN THE UNITED STATES (2000 – 2015)

As described in section 1.2 of this research study, social entrepreneurship is defined according to the “American” or “narrow” definition (Bjerke & Karlsson, 2013; Dees, 1998).<sup>4</sup> Additionally, the context of the social entrepreneurship organizations included in this study is of what Alex Nicholls refers to as a “Grassroots” origins (Nicholls, 2006). The “grassroots” origin describes social entrepreneurship organizations that identify a problem existing in institutional support and apply critical social innovation to coordinate collective action to address the problem (Nicholls, 2006). This is an important distinction to make for the purposes of this study. Though all of the organizations (as it will become clear in chapter five) evolve to make a strategic pivot toward impacting systems change – oftentimes forging new alliances with institutions, government and philanthropy - this does not change the fundamental Grassroots origins of the organization. See Table 5 (Nicholls, 2006) to understand the varying contexts of social entrepreneurship according to Nicholls’ perspective.

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<sup>4</sup> For the purposes of this study, social entrepreneurship is defined as a type of social innovation, characterized as an entrepreneurial agent of change in the social sector (Praszkier, R. and A. Nowak 2012, Dees, Emerson and Economy 2002, Dees 1998). Social entrepreneurship begins with the bold and innovative entrepreneurial approach of an individual focused on a mission to innovate and sustain social value through the products or services offered, while always being acutely aware of opportunities to adapt and learn to better achieve social impact (Praszkier, R. and A. Nowak 2012, Dees, Emerson and Economy 2002, Dees 1998).

**Table 5. Contexts for Social Entrepreneurship**

Reproduced from *Social entrepreneurship: New models of sustainable social change*, by A. Nicholls (ed.), 2006. New York, NY: Oxford University Press.

<i>Origins</i>	<i>Social market failure</i>	<i>Means</i>	<i>Ends</i>	<i>Example</i>
Grassroots	Lack of institutional support	Critical social innovation	Coordinated creation of social capital through local/community action	Housing associations
Institutional	Changing social landscape	Normative social innovation	Social entrepreneurship champions new social Institutions	Open University
Political	Retreat of centralized government control from society	Market socialism	Introduction of enterprise/private sector market philosophy into public sphere	Public-private finance initiatives (e.g. London Underground)
Spiritual	Decline of church influence in society	Commercialization of congregation and church-based activities	Revitalize role of faith in public affairs	CAFOD/Fair Trade Foundation)
Philanthropic	Lack of finance for development of social capital	Foundations coordinating charity giving as social entrepreneurial start-up funding	Link business and social innovation	Skoll Foundation and community education

The observation period for this research study spans from 2000 (the year that Year Up became an organization) until 2015. This particular span in time oversaw dramatic growth and change in the world of social entrepreneurship, watching a nascent field transform into a vibrant and dynamic zeitgeist.

This transformation was punctuated by the emergence of philanthropist thought leaders like the Skoll Foundation, founded by billionaire Ebay founder Jeffrey Skoll in 1999.<sup>5</sup> Today, the Skoll Foundation makes grants to social entrepreneurs in excess of \$80 million a year.

#### 4.3 IDENTIFYING THE CONTEXTUAL ENVIRONMENT: UNDERSTANDING STRATEGIC ACTION FIELDS AT THE SOCIAL ENTREPRENEURSHIP ORGANIZATIONAL LEVEL

After conducting a thorough documentation review and analysis of each of the social entrepreneurship organizations highlighted as cases, the contextual environment of the strategic action field that exists amidst a social entrepreneurship organization going to scale begins to emerge. The following analysis explores the content of financial documents (990s) organizational documents (annual reports, newsletters and websites), and academic case studies, to begin to apprehend the strategic action field of each organization.

Throughout this process, a careful eye was fixed on the periods where the organization undergoes change or instability in its revenue streams, and through a careful documentation review and analysis of that period, identify the key inflection points experienced among each organization. By inflection points, I mean a crucial node in the organization's learning and development nexus that catalyzes strategic action and change. For example, this interpretation could be made through the identification of a paradigm shift in how products and/or services are delivered to its clientele (whether through

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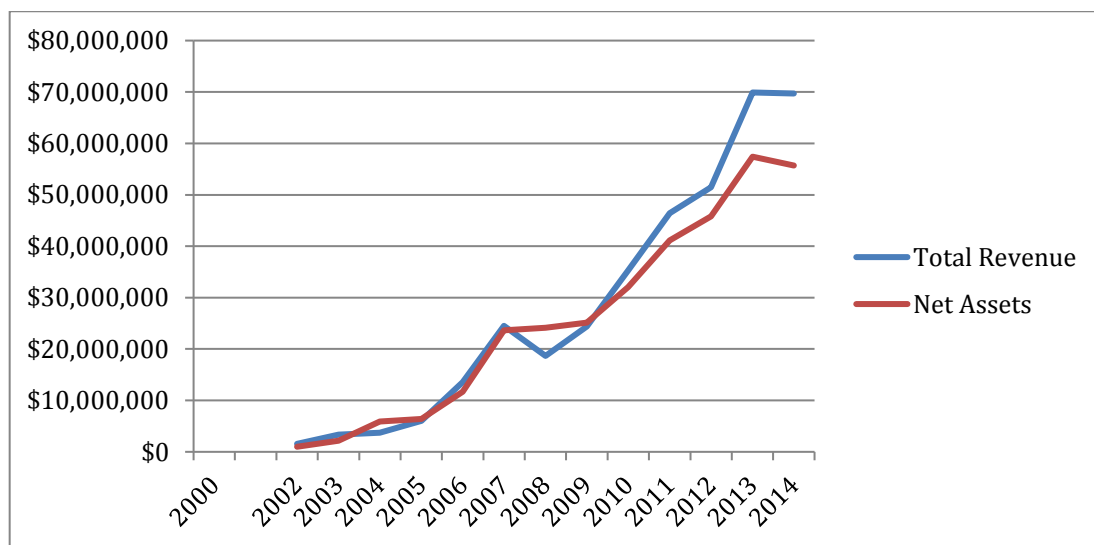
<sup>5</sup> See the Skoll Foundation Timeline in the appendix.

expansion or retrenchment) or powerful new partnerships being forged in efforts to scale for greater impact (corporate, institutional, political or philanthropic).

#### 4.3.1 Year Up

*“Gerald got smarter after hiring us. Ty and I had two things working against us: we were both new to management roles and new to the cities we were moving into.” – Sara Enright, Executive Director at Year Up – Providence, RI. (Harvard Business Review Case Study, 2008)*

Of the five cases highlighted in this research study, Year Up is easily the largest organization, having experienced meteoric growth over its relatively short organizational life span, with revenue sitting at around \$70 million dollars for the 2014-15 fiscal year (see Figure 8).



**Figure 8. Year Up Revenue and Assets**

According to this graph of revenue and assets, Year Up has overseen a steady and swift incline. The one dip in this ascendant trend in growth is seen between 2007 and 2009 – a time period where both an aggressive new growth phase was underway for Year Up and

in which the United States was in the midst of a financial crisis (Harvard Business Review Case, 2011).

In 2007, Year Up expanded to both Providence, RI and Washington D.C. Year Up had always taken pride in hiring the very best and was known for its exceptionally accomplished staff. As recent Harvard Business School graduates, the executive directors chosen to lead each new site were no exception to this rule. Though both shared similar training and accomplishment according to their educational pedigrees, both new executives shared other things in common: they were both new to their respective cities and to the organization itself (Harvard Business Review Case, 2011).

Negotiating the complex dynamics of a new community and its norms while adapting to the culture of a new organization and its norms was a challenging undertaking for the new executive directors (EDs). Additionally, both EDs realized that, though the value of their background and education in business-functional skills was applicable, to lead the type of organization like Year Up required a set of emotional skills like compassion, patience and empathy as well (Harvard Business Review Case, 2011).

Though both EDs eventually adapted to the immense challenges of their new roles and went on to lead successful new sites, the openness and thoroughness in feedback given to the CEO of Year Up dramatically influenced how Year Up goes about its hiring process and its cultivation of organizational culture and human capital. From this point on, when hiring a new executive director in a new community, the leadership team emphasized both the importance of background in workforce development and a deep knowledge of the local talent pool. Additionally, Year Up identified the need to improve the structure and processes of its broader human resources strategy by designing better inter-site learning

mechanisms. This led to the development of a Roles, Goals and Accountability tool to promote from leadership on down the understanding of both short-term and long-term priorities for the organization (Harvard Business Review Case, 2011).

Viewed through the context of a strategic action field, this lull in growth came amid an episode of contention in which challengers (new executive directors at recently scaled sites) providing crucial feedback (social skill and the existential function of the social) to the incumbent (CEO Gerald Chertavian), on what is not working according to the broader field amid its organizational efforts to expand its scale for a greater social impact (Harvard Business Review Case, 2011). This episode of contention occurred amid the exogenous shock of the 2008-2009 financial crisis, universally rendering an impact on organizational revenue streams throughout the social sector.

This proved to be a key inflection point for the organization as it reached a state of settlement within a new field, as Year Up went on to experience dramatic growth in both revenue and assets between the years of 2008 – 2013. Key highlights culled from annual reports and newsletters from this period of growth include:

- In the spring of 2011, Year Up launched its Opportunity Campaign to raise the \$55 million in growth capital needed to support its primary impact strategies and cover other growth-related expenses.
- In 2011 Year Up continued to execute on the key strategic initiatives of its five-year strategic plan by launching its Million-Person Model and fostering new college partnerships with Baltimore City Community College and Miami Dade College.
- In 2012, Year Up introduced new academic tracks to sites' curriculum: Project Management and Quality Assurance (in addition to Information Technology and Financial Operations).

This gave students more options and an opportunity to enter the labor market in a field that truly interests them.

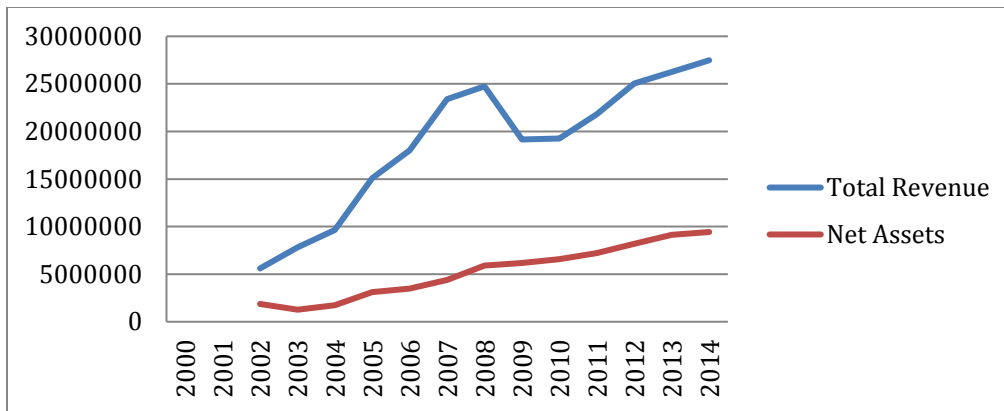
- In March 2013 Year Up opened of a Silicon Valley location (an extension of Year Up Bay Area). Leading Bay Area businesses such as LinkedIn, Facebook, eBay, Mozilla, Salesforce.com, and JPMorgan Chase supported the launch and are looking to Year Up to provide a pipeline of highly trained and motivated talent.
- In 2013 Year Up Developed an Ad Council PSA campaign (set to launch in 2014) to educate businesses on the benefits of working with Opportunity Youth (Year Up clients), illustrating these young adults as economic assets, not social liabilities.
- Year Up launched its third Professional Training Corps pilot program at Peirce College in Philadelphia, PA, in August 2013

#### 4.3.2 KaBOOM!

KaBOOM! <sup>6</sup> has experienced steady growth over its organizational life span. In the fiscal year of 2014 – 2015, KaBOOM! reported a total revenue of nearly \$27.5 million (see Figure 9).

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<sup>6</sup> KaBOOM! – though founded in 1995 – is not examined for the purposes of this research study until 2001 when total revenue rose above \$4 million.



**Figure 9. KaBOOM! Revenue and Assets**

By the year 2004, KaBOOM! had established itself as a household name by bringing playgrounds to communities throughout the country. At this point in the organizational arch, they had developed a tremendously popular fee-for-service model where corporations would underwrite the expenses involved in building a playground in a community while KaBOOM! would oversee the management of each new project (Monitor Institute Case, 2010). This fee-for service model yielded compelling outputs - over the last ten years since the organization was founded they experienced double-digit growth while partnering with several high profile corporations like Sprint, Target and Ben and Jerry's (Harvard Business Review Case, 2005).

But as successful as they were in carrying out their mission, founder/CEO Darrel Hammond was not content with the extent that the organization had gone to scale. A supply and demand asymmetry emerged: though the organization was building hundreds of playgrounds, they were fielding thousands of requests for building playgrounds (Monitor Institute Case 2010). It became clear to the leadership team that KaBOOM! was not scaling for impact according to its mission; though the current fee-for-service model was effective it had its limitations (Monitor Institute Case Study 2010).



As the management team discussed ways to improve the delivery of its products and services (episode of contention), vice president Kate Becker (challenger) suggested to Hammond (incumbent) that they simply give their products and services away through open sourcing online. Soon after, the board of directors approved this dramatically different tactical approach to carrying out its mission.

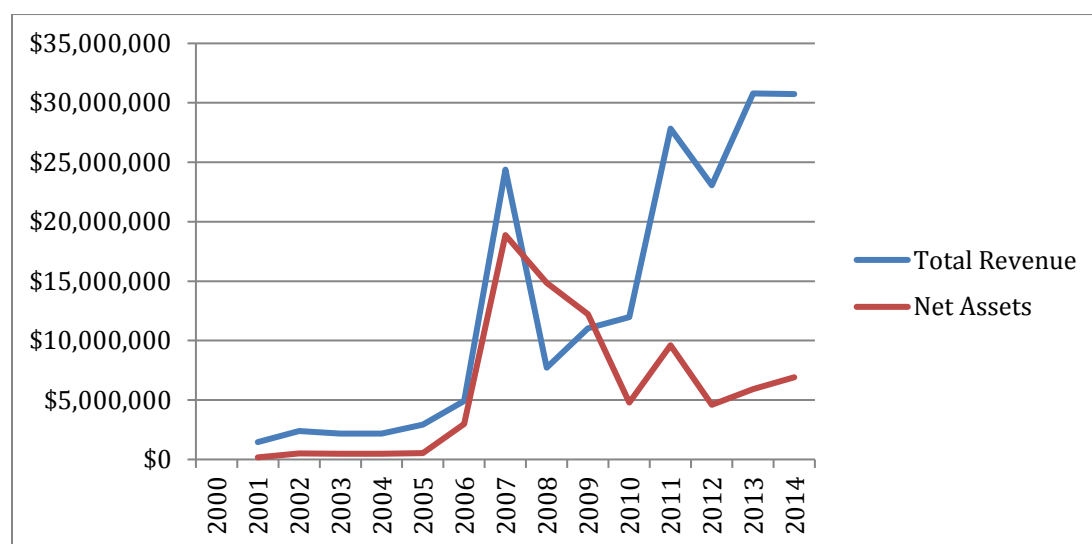
Once this episode of contention had settled, a key inflection point had been reached for the organization. Since the merging of online and offline networks to carry out its mission, the organization has continued to grow and innovate in new ways:

- In 2014, KaBOOM! partnered with the non-profit research firm ideas42 to identify the structural and behavioral barriers to play that kids and families face in order to develop scalable solutions to effectively address them. What we found was that to reverse the current declining state of play, we needed to drive what we call Playability—the extent to which a city makes it easier for all kids to get balanced and active play.
- In 2015, KaBOOM! established a new initiative - Play More B'More - that enlists Baltimore youth as a critical part of the solution to ensure the next generation of Baltimore kids have the opportunity to play.
- In 2015, KaBOOM! teamed-up with TODAY Show anchors Matt Lauer and Savannah Guthrie to help the city of Passaic reimagine the town square with kids and families in mind.

#### 4.3.3 Playworks

Playworks, with revenue totaling nearly \$31 million dollars for the 2014 – 2015 fiscal year, has also enjoyed dramatic growth over the span of its organizational life cycle (see figure

10). One of the major contributing forces propelling this sustained growth over the past decade has been the ongoing generous support of the Robert Wood Johnson Foundation.



**Figure 10. Playworks Revenue and Assets**

Starting in 2005, the Robert Wood Johnson Foundation awarded Playworks a 4.4 million dollar grant to expand its services, thereby kicking-off a dramatic spike in both total revenue and net assets over the next couple of years until the financial crisis of 2008 – 2009 sets in. In 2011, The Robert Wood Johnson foundation underwrote a rigorous evaluation of Playworks programs across its several programmatic sites, contracting with Mathematica Policy Research Center and subcontracting with Stanford University’s John W. Gardner Center for Youth to complete the research undertaking.

As a key tool used in measuring impact across Playworks sites, both teachers and students were administered a survey on key outcomes in five domains: (1) school climate, (2) conflict resolution and aggression, (3) learning and academic performance, (4) youth development and (5) student behavior. Interestingly, the results of this survey illustrated a cleavage between positive impacts observed on outcomes reported by teachers and

positive impacts on outcomes observed by students, with seven of eight significant impact findings observed by teachers and just one of eight by students. Most saliently perhaps, where teachers reported significant impacts in school climate (improving safety both during school and during recess) and in conflict resolution and aggression (reports of bullying), students reported no significant impact in either of these areas (Robert Wood Johnson Foundation ,2013).

In the year following the study, a close examination of documents illustrates how Playworks is processing the results of the Robert Wood Johnson study. First, Playworks started a new initiative called Team Up, where a site coordinator works with four participating schools, spending one week a month at each school providing additional leadership and support designed to empower the recess team and to promote a safer, more inclusive play environment for all students. Additionally, the 2015 annual report address from CEO Jill Vialet (entitled “The Kid’s-Eye View) resonates as a reaction to the Robert Wood Johnson Report:

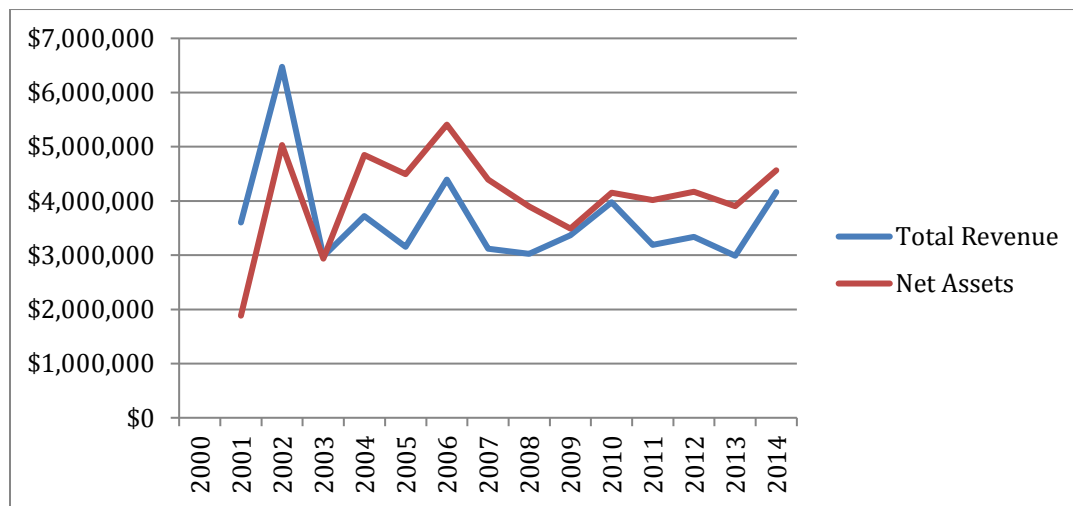
*“....We often celebrate the amazing grown-ups of the Playworks community, but sometimes, we forget to take the kid’s-eye-view. On the playground, children are not only the leaders of the future: they are already the leaders of today. Through safe, healthy play, children develop the social and emotional skills they need to lead with inclusion and respect. They create healthy community and take that experience into their homes and into the classroom. In this year’s annual report, I want to celebrate leadership development on the playground: from kids who teach peers at other schools how to play four-square, to Playworks Coaches who help Junior Coaches develop the social and emotional skills to lead well, to the Playworks TeamUp*

*and Playworks Pro staff who help schools lead the movement for play.”* (Playworks Annual Report, 2015)

We can interpret from the establishment of this new program and through the 2015 annual report rhetorical focal point that the Robert Wood Johnson Foundation catalyzed a new inflection point. What makes this case different from the previous two in this chapter is the presence of macrolevel actor – the Robert Wood Johnson Foundation – in the role of a challenger to the incumbent, in creating the onset of contention in a strategic action field.

#### 4.3.4 Manchester Bidwell Corporation

Manchester Bidwell Corporation MBC, with total revenue just shy of 4 and a half-million dollars, is a much smaller organization than the three previous organizations highlighted in this exploratory case study (see Figure 4.6).



**Figure 11. Manchester Bidwell Corporation Revenue and Assets**

Ever since 1997, when Jeff Skoll (cofounder of EBay and founder of the Skoll Foundation) – a board member and major funder of Manchester Bidwell Corporation –

suggested that the MBC could be scaled, the organization has been in the throes of finding the right formula for its replication process. Though they eventually created the National Center for Arts and Technology as an MBC-subsidary to oversee reproduction, the evolution of the complex learning process involved in going to scale in new communities had several inflection points (Harvard Business Review Case, 2010).

One crucial inflection point came in 2003, as Lee Ault Carter sought to replicate the MBC model in Cincinnati. Initially, Carter had sought to emulate the MBC model's workforce development component, but found the demand to be lacking in Cincinnati. Instead, Carter decided to primarily focus on the youth arts programming up front and address the development of a job training for adults curriculum via a piecemeal approach based on gleaned feedback from major stakeholders in the business community on what their most pressing workforce needs are and to tailor training programs accordingly. This approach, based on diagnosing the unique needs of the community instead of prescribing them through a franchised training model, became crucial feedback to MBC president Bill Strickland, eventually leading to the establishment of the NCAT and its more thorough and patient diagnostic process of going to scale.

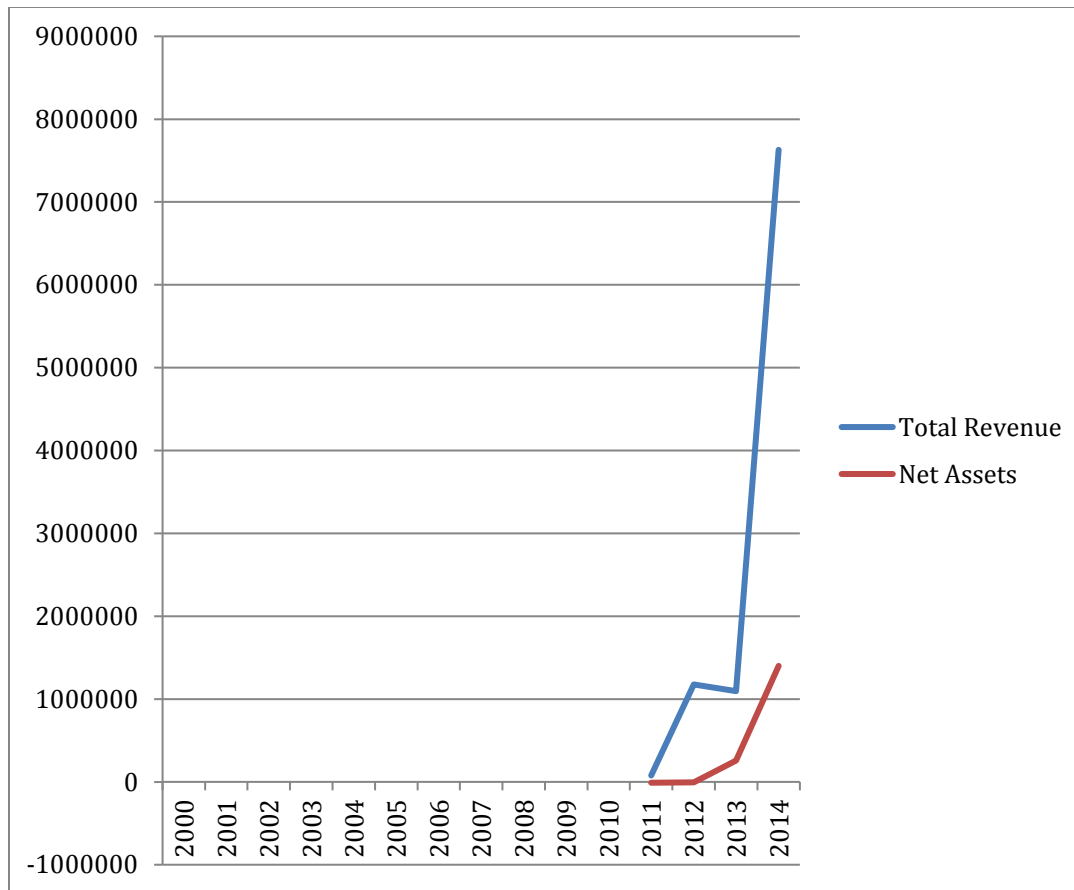
Looked at as a strategic action field, Mr. Carter, through conducting the replication process in Cincinnati, challenged the incumbent approach to scaling by providing feedback on where the current prescriptive approach failed. This onset of contention led to the dramatic restructuring of MBC and the replication process, founding the NCAT and moving away from a push-oriented scaling strategy (the deliberate push to scale into communities) to a pull-oriented scaling strategy (where organizations demonstrate the feasibility of

replication – the securing of operational funds of \$150,000 each year over a five year period - before scaling in earnest in a new community.

#### 4.3.5 The Future Project

The Future Project, founded in 2011, is the youngest organization included in this study. The reasoning involved to include the Future Project as a case in this exploratory study was the hope of identifying the ways in which the broader field environment has changed or stayed the same by historically comparing strategic action fields in the context of social entrepreneurship organizations going to scale in new communities

Unfortunately, the paucity of documents of this young organization inhibited any abundantly meaningful and substantive documentation review and analysis, beyond observing the phenomena of the organization's rapid scaling-up and the role of major donor in catalyzing this process (McCourt Global donated \$10 million dollars in 2015).



**Figure 12. The Future Project Revenue and Assets**

#### 4.4 IDENTIFYING THE CONTEXTUAL ENVIRONMENT: UNDERSTANDING STRATEGIC ACTION FIELDS AT THE SOCIAL ENTREPRENEURSHIP ORGANIZATIONAL LEVEL: A CROSS-CASE COMPARISON

When comparing across case organizations, the macrolevel looms large in its ability to disrupt and stabilize each organization's strategic action field. This is illustrated through the exogenous shock of the 2008-2009 financial crisis and its aftermath, and through the macrolevel as the challenger to the incumbent, mobilizing the mechanic of going to scale in new communities and introducing the onset of contention for each organization,

The financial crisis of 2008-2009 reverberated throughout the social sector, sending revenue accrual plunging for most nonprofit organizations. Through comparing the Figures of each organization documenting the trajectory of total revenue and assets over the years, it is clear that each organization<sup>7</sup> was rattled immensely by this exogenous shock at the macro level.

A second like-comparison across all of the case organizations addresses the diverse ways that major philanthropic partners have shaped the process of scaling-up at each organization. Additionally, each organization<sup>8</sup> experienced growing pains amid this process that led to the manifestation of critical inflection points that inform future scaling strategies.

In the following chapter, these cross-comparison of case will be fleshed out in greater detail through the analysis of semi-structured interview data.

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<sup>7</sup> This excludes The Future Project, founded in 2011.

<sup>8</sup> No documentation data indicating this yet for the Future Project.



## 5.0 STRATEGIC ACTION FIELDS: IDENTIFYING THE ETHNOGRAPHIC CHARACTERISTICS THAT PROMOTE GOING TO SCALE IN SOCIAL ENTREPRENEURSHIP ORGANIZATIONS

*“In the world of philanthropy, one of the big, complicated pieces of philanthropy is how to tell a story about how effective and smart you were as an investor to make good decisions, not as candid a story as is often the case, which is all the failures and all the learning, which is a much more interesting story. We would all be moving more quickly with our learning if everybody could get out of their ego of needing to look good.”*

- Excerpt from a mesolevel interview

In the previous chapter, by employing a documentation review and analysis, I explored the broader contextual environment of the strategic action fields involved when social entrepreneurship organizations go to scale in new communities. However, because of the inherent limitations of documentation review and analysis, this research requires methodological triangulation to better identify the ethnographic characteristics that inform the actions and behaviors of the actors throughout a given strategic action field.<sup>9</sup>

In the current chapter, I employ the qualitative analysis of semi-structured interviews to yield a more robust understanding of the dynamic interactions occurring within a given strategic action field. In doing so, the ethnographic characteristics that

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<sup>9</sup> Limitations of documentation review/analysis and an explanation of triangulation explained in Chapter 3

inform the process of going to scale at the intra-organizational level and the inter-organizational level begin to emerge.

Within each of the five organizations, I triangulate my research by interviewing three organizational actors representative of different leadership levels of the organization: the mesolevel (CEO/President/Senior Strategic Leader), the macrolevel (CFO/CDO), and the microlevel (COO/CPO). In structuring the interviews this way, I am guided by the three remaining primary research questions of this study: “In a social entrepreneurship organization that successfully scales-up, who are the key actors and what are the ethnographic characteristics that promote strategic action at the mesolevel of the organization?” (RQ2), “In a social entrepreneurship organization that successfully scales-up, who are the key actors and what are the ethnographic characteristics that promote strategic action at the macrolevel of the organization?” (RQ3), and “In a social entrepreneurship organization that successfully scales-up, who are the key actors and what are the ethnographic characteristics that promote strategic action at the microlevel of the organization?” (RQ4).

Guided by the Theory of Fields conceptual framework<sup>10</sup>, I seek to better explain how strategic action fields form, transform, settle or disappear according to the micro-foundational conditions and the macro-perspective conditions involved in the phenomena of social entrepreneurship organizations going to scale. Strategic action is the effort by social actors to create and sustain social orders through ensuring the cooperation of other

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<sup>10</sup> As outlined in prior chapters, the Theory of Fields conceptual frameworks seven central elements: strategic action fields, incumbents/challengers/governance units, social skill and existential function of the social, the broader field environment, exogenous shocks/mobilization/onset of contention, episode of contention and settlement Fligstein and McAdam (2011, 2012)

actors (Fligstein , 2001). This ability to forge agreements among actors and hold them accountable to these agreements requires the strategic actor to transcend their own mental model, assume the role/perspective of other actors, and to apply this understanding to create mutually enforced norms and identities (Fligstein & McAdam, 2012). Strategic action is fundamentally connected to the core human capacity and need to create mutually understood norms and identities to validate the existential foundation for existence (Fligstein & McAdam, 2012).

To get at this, I use process tracing to explore the microfoundations within and across each organization's strategic action fields, particularly focusing on the central element of social skill and the existential function of the social and "the ways in which skilled actors use empathy and the capacity to strategically deploy shared meanings and identities in the service of institutional projects within fields" (Fligstein & McAdam 2012, 2011). In doing so, I explore how each organization's culture promotes the emergence and sustaining of strategic action fields through the establishment of shared norms, principles and values, and identify commonalities and differences among the organizations and how they approach the process of scaling-up.

Additionally, I explore the macroperspective that influences the strategic action fields of each organization throughout its chronological scaling process and identify commonalities and differences among the cases. This macroperspective is predicated on the assumption that each organization's strategic action field is embedded in a broader strategic action field of relationships (unconnected, hierarchical or reciprocal) that have the ability to disrupt, shape and transform intra-organizational strategic action fields (Fligstein & McAdam 2012, 2011).

## 5.1 OVERVIEW OF ORGANIZATIONS

The interview protocols, designed according to each of the tripartite levels of an organization's strategic action field, were intended to elicit the explanation of inflection points amid moments of disruption or instability in a strategic action field. Before analyzing the interview evidence, each organization's status and trajectory is briefly reviewed in the following pages.

### 5.1.1 Year-UP

Year-up (the largest organization among the cases explored in this study), as of when my interviews of their leadership staff were conducted in June of 2016, now reports total revenue of around \$115,000,000. Even coming from an organization that has demonstrated a steady ascent in total revenue and net assets since its founding in the year 2000, this indicates \$45,000,000 in revenue growth since the reports tendered for fiscal year 2014 – 2015.

This sustained success can be attributed to several characteristics. Most prominently of all, its already successful direct service model, heavily reliant on the funding of corporate partners, has evolved to include several highly effective partnerships with community colleges – Professional Training Corps (PTC) throughout the country, resulting in both the streamlining of its services and a significant reduction in operational costs.

This partnership with community colleges was envisioned amid a crucial inflection point in scaling the organization. Once Year Up had seen itself successfully scale into several cities nationally, there was a deliberate rhetorical and subsequent organizational pivot away from the supply/demand model of scaling up into new communities to a more

systems-oriented mission of “bridging the opportunity divide.” In doing so, Year Up shifted to thinking differently about scaling for impact, seeking a broader, more efficient and effective delivery system of its programming. This was the catalyst that prompted Year Up leadership to envision a remodeling of their direct service programs according to primarily fostering partnerships with local community colleges. In many ways this organizational evolution was a seamless transformation n: community colleges represented the existing system for the education and training for our nation’s socioeconomically depressed demographic, so embedding Year Up within that system to scale for greater impact dramatically increased Year Up’s capacity to “bridge the opportunity divide.”

Additionally, Year Up has made great strides in fostering a middle-donor base – successfully grooming legions of individual donors to add to its existing rich and diverse cornucopia of funding streams. This ability to leverage its individual donor base is in part seen as the result of maintaining the integrity of its organizational culture, thereby maintaining the integrity of its “brand.”

#### 5.1.2 KaBOOM!

In 2004, KaBOOM! had enjoyed nearly a decade of mounting success according to its playground building model. Despite the success, KaBOOM! did not feel as if they were adequately carrying out their mission and addressing the broader field of “play.” This inflection point led to the innovative decision to open-source their products and services online, effectively creating a free toolkit for communities to build new playgrounds.

Initially, this new strategy to scale was viewed as successful; after all, the number of communities using the KaBOOM! exponentially increased. But it took several years beyond

the implementation of the open sourced model to arrive at another inflection point: an increase in numbers did not necessarily align with the organization’s mission of providing playgrounds to the socioeconomically underprivileged communities. Although the open source model scaled KaBOOM!’s model into several new communities it otherwise may not have scaled into, the communities leveraging the open source toolkit were overwhelmingly white and upper-middle class.

This inflection point prompted leadership to look beyond the orientation towards the building of the palpable playground and to pivot into the broader context of systems change by working with actors at the city level on crafting community wide approaches to play-friendly spaces through promoting the concept of “playability.”

### 5.1.3 Playworks

Playworks is a textbook “pull strategy” organization – one that waits for proof of criteria of fit before committing to a “co-creative<sup>11</sup>” relationship with its customers before initiating scaling up into new communities. However, the organization wasn’t always like this, undergoing an intensive period of growth oriented around a “push strategy” – the converse of the “pull strategy” – marked by an aggressive foray into new markets.

In 2005, graced with a 4.4 million dollar expansion grant from the Robert Wood Johnson Foundation, Playworks had the epiphany that their programmatic model is very agreeable to scaling-up in new communities. The onset of rapid growth associated with the “push” into new communities had its fair share of growing pains, dealing hard lessons in

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<sup>11</sup> See Figure 19

the importance of maintaining organizational capacity through human capital and organizational culture.

But once this episode of contention had reached settlement, Playworks experience another serendipitous epiphany: by growing and scaling into new cities and becoming embedded in the institutions of our nation's public schools, Playworks had seamlessly made the transition into scaling for systems change level social impact.

#### 5.1.4 Manchester Bidwell Corporation

Manchester Bidwell Corporation (MBC) and the National Center for Arts and Technology (NCAT), despite their renown as a household name in the industry and despite the fame of its founder CEO, Macarthur Genius Grant Award Winner Bill Strickland, have always sought to locate the sweet spot to facilitate replication of its programming, but the locus of such a configuration has been vexingly elusive.

There had once been a time when the organization had robust hopes of being worked into the federal budget as a line item, potentially expanding their programmatic model into over a hundred communities. But political trade winds sent exogenous shocks to the system, and MBC/NCAT had to go back to the drawing board.

The current model, though firmly rooted in a pull strategy that values co-creation with its customer, MBC/NCAT still moves glacially when going to scale when compared to its longtime peers Playworks, Year Up and KaBOOM!, as well as its insurgent upstart peer The Future Project.

Because of this slower pace of change, there does not appear to be a substantive pivot yet toward systems change. As the director of the Cincinnati Center for Arts and

Technology noted, the MBC/NCAT model is less of a franchise, and more of a loose confederation.”

#### 5.1.5 Future Project

The Future Project, a young organization experiencing meteoric growth, is currently experiencing growing pains not dissimilar to its elder peer organizations in this study.

Rhetorically speaking, the Future Project is in sync with the characteristics outlined among the case organizations explored: human capital, organizational culture, reciprocal relations with funders, the aspirational curve to systems change. However, because they are currently in the midst of a particularly frenetic and capacity draining “push strategy,” these characteristics, though held holy and revered, remain very much in flux as they strain to meet the demands of the grueling “push” phase of their organizational development.

### 5.2 CODING AND ANALYSIS OF SEMI-STRUCTURED INTERVIEW DATA

In order to systematically code and analyze the data yielded from the semi-structured interviews data, I use the qualitative analysis software ATLAS.ti. As an analytical tool, ATLAS.ti facilitates the structuring of coding the data and provides a process that guides the analysis of the data to better illustrate the complex and dynamic relationships occurring within and between the data (Lewins and Silver, 2007). By establishing co-occurring codes as nodes of learning, ATLAS.ti can provide rich understanding of the power of association among codes and its role in explaining complex phenomenon.



### 5.2.1 Coding procedures

To bound and validate the coding and analysis of the semi-structured interview data, I designed my code families (core themes) and the categorical codes that comprise the code families after the Shaw and Carter's 2007 article "Social entrepreneurship: Theoretical antecedents and empirical analysis of entrepreneurial processes and outcomes." This decision was made because Shaw and Carter is the only other known study that uses in-depth interviews with social entrepreneurs to induce five key themes (see table 6) that unite social entrepreneurs and for profit entrepreneurs, while also accounting for the ways in which they are alike and unlike one another (Shaw and Carter, 2007).

**Table 6. ATLAS.ti Thematic Codes (Families) and Categorical Codes**

Reproduced from "Social entrepreneurship: Theoretical antecedents and empirical analysis of entrepreneurial processes and outcomes," by E. Shaw & S. Carter, 2007. Journal of Small Business and Enterprise Development, 14(3), pp. 418- 434

<i>Creativity and Innovation</i>	<i>Entrepreneurial Process</i>	<i>Financial Risk and Profit</i>	<i>Managing and Structuring Enterprise</i>	<i>Network and Embeddedness</i>
1) Experiment 2) Innovation/ Creativity 3) Liberating 4) Novel Solutions 5) Openness 6) Opportunity Identification 7) Organizational Culture 8) Strategy 9) Thinking Differently	1) Experiment 2) Exploitation of Need 3) Gap in Market 4) Innovation and Creativity 5) Opportunity Identification 6) Push vs. Pull 7) Scale 8) Strategy 9) Systems	1) Accountability 2) Credibility 3) Investment 4) Reputation 5) Scale 6) Social Capital 7) Social Impact 8) Social Value Creation	1) Coalition 2) Collaboration 3) Collective 4) Community 5) Connections 6) Experiment 7) Human Capital 8) Partners 9) Push vs. Pull 10) Reciprocity 11) Relationships 12) Scale 13) Support 14) Volunteers	1) Clients 2) Connections 3) Credibility 4) Funders 5) Networks and Embeddedness 6) Partners 7) Relationships 8) Social Capital 9) Trust

### 5.2.2 Analysis of Codes

My analysis starts with identifying the co-occurrence and interaction of the codes, and how the co-occurrence and interaction among the codes informs learning among the tripartite levels of analysis according to an inter-organizational comparative capacity. ATLAS.ti allows for the bundling of codes in co-occurring proximity to encourage substantiating meaningful interactions between codes across different nodes.

Using ATLAS.ti, I generated a code co-occurrence table that illustrates the frequency of correlations between codes. This process provides a normalized co-occurrence coefficient table, each code co-occurrence demonstrating a greater power of association the closer the coefficient is to 1. The co-occurrence of codes is detailed according to quantity in table 5.2 and coefficients in Table 5.3.

**Table 7. Code Co-occurrence Table with Coefficients**

	accountability	clients	coalition	collaboration	collective	connections^	credibility@	Experiment+	exploitation of need	funders	gap in market	human capital	innovation and creativity*	investment	liberating	networks and embeddedness	novel solutions	openness
accountability	0	0	0	0	0	0	0	0	0.01	0	0	0	0.02	0	0	0	0	0
clients	0	0	0.66	0.01	0.02	0.01	0.01	0.01	0.19	0.18	0	0.01	0.06	0.08	0.02	0.02	0.03	0.04
coalition	0	0.66	0	0	0.02	0.01	0.01	0.01	0.18	0.13	0	0.01	0.06	0.09	0.02	0.03	0.04	0.04
collaboration	0	0.01	0	0	0	0	0	0	0	0	0	0	0.06	0.02	0	0	0	0.08
collective	0	0.02	0.02	0	0	0	0	0	0.01	0	0	0	0	0	0	0.05	0	0
connections^	0	0.01	0.01	0	0	0	0	0	0.01	0.03	0	0	0.03	0.03	0	0.07	0.06	0.02
credibility@	0	0.01	0.01	0	0	0	0	0	0	0.01	0	0	0	0	0	0	0	0
experiment+	0	0.01	0.01	0	0	0	0	0	0.01	0.01	0	0	0	0.04	0	0	0.03	0.02
exploitation of need	0.01	0.19	0.18	0	0.01	0.01	0	0.01	0	0.19	0	0.01	0.1	0.08	0.01	0.04	0.06	0.08
funders	0	0.18	0.13	0	0	0.03	0.01	0.01	0.19	0	0.01	0.02	0.08	0.22	0.01	0	0.04	0.07
gap in market	0	0	0	0	0	0	0	0	0	0.01	0	0	0	0	0	0	0	0
human capital	0	0.01	0.01	0	0	0	0	0	0.01	0.02	0	0	0	0	0.04	0.06	0	0.02
innovation and creativity*	0.02	0.06	0.06	0.06	0	0.03	0	0	0.1	0.08	0	0	0	0.04	0.02	0.05	0.03	0.05
investment	0	0.08	0.09	0.02	0	0.03	0	0.04	0.08	0.22	0	0	0.04	0	0	0	0.01	0.1
liberating	0	0.02	0.02	0	0	0	0	0	0.01	0.01	0	0.04	0.02	0	0	0.04	0.04	0
networks and embeddedness	0	0.02	0.03	0	0.05	0.07	0	0	0.04	0	0	0.06	0.05	0	0.04	0	0.03	0
novel solutions	0	0.03	0.04	0	0	0.06	0	0.03	0.06	0.04	0	0	0.03	0.01	0.04	0.03	0	0.04
openness	0	0.04	0.04	0.08	0	0.02	0	0.02	0.08	0.07	0	0.02	0.05	0.1	0	0	0.04	0
opportunity identification*	0	0.08	0.08	0.02	0	0.03	0	0	0.1	0.06	0	0.03	0.09	0.07	0	0.03	0.05	0.04
organizational culture	0	0.16	0.08	0.01	0	0.02	0	0	0.12	0.23	0	0.03	0.05	0.07	0.01	0.03	0.03	0.02
partners^	0	0.68	0.97	0	0.02	0.01	0.01	0.01	0.17	0.13	0	0.01	0.07	0.09	0.02	0.03	0.04	0.04
push vs. pull#	0.06	0.04	0.04	0	0	0	0	0	0.04	0.05	0	0	0.05	0.05	0	0	0	0.06
reciprocity	0	0.02	0.02	0	0	0	0	0	0	0.03	0	0	0	0.02	0	0	0	0.02
relationships^	0	0.08	0.1	0.04	0.04	0.01	0.02	0	0.05	0.1	0	0	0.09	0.06	0	0.05	0.03	0.08
reputation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
scale=	0	0.14	0.07	0	0.01	0.02	0	0.01	0.11	0.26	0	0.03	0.05	0.06	0.01	0.02	0.04	0.05
social capital@	0	0.07	0.01	0.02	0.02	0	0	0	0.04	0.11	0	0.05	0.06	0.09	0	0.03	0.01	0.03
social impact	0	0.06	0.09	0.02	0.02	0.02	0.03	0.02	0.07	0.05	0	0.04	0.05	0.01	0	0.02	0.07	0.03
social value creation	0.02	0.04	0.04	0.06	0	0.06	0	0	0.12	0.08	0	0.03	0.54	0.06	0.02	0.03	0.03	0.06
strategy*	0.01	0.11	0.05	0.01	0	0.01	0	0.01	0.09	0.18	0.01	0	0.14	0.05	0.01	0.01	0.01	0.05
support	0.02	0.07	0.09	0	0.02	0.02	0	0.04	0.07	0.1	0	0	0.1	0.05	0.02	0.05	0.05	0.04
systems	0	0.03	0.04	0	0	0	0	0.07	0.03	0.02	0	0.03	0.05	0.03	0.04	0.06	0.03	0.02
thinking differently	0	0.03	0.04	0	0.03	0	0	0.05	0.06	0.04	0	0	0.07	0.04	0	0.02	0.04	0.04
trust	0	0.01	0.01	0	0.06	0	0	0	0.01	0.02	0	0.03	0.02	0	0	0	0	0.02
volunteers	0	0	0	0	0	0	0	0	0.01	0.01	0	0	0	0.02	0	0	0	0

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Network and Embeddedness	^ Denotes overlap with Managing and Structuring Enterprise theme and @denotes overlap with Financial Risk and Profit theme

Table 7. (continued)

	opportunity identification*	organizational culture	partners^	push vs. pull#	reciprocity	relationships^	reputation	scale=	social capital@	social impact	social value creation	strategy	support	Systems*	thinking differently	trust	volunteers	TOTALS:
accountability	0	0	0	0.06	0	0	0	0	0	0	0.02	0.01	0.02	0	0	0	0	0.16
clients	0.08	0.16	0.68	0.04	0.02	0.08	0	0.14	0.07	0.06	0.04	0.11	0.07	0.03	0.03	0.01	0	2.93
coalition	0.08	0.08	0.97	0.04	0.02	0.1	0	0.07	0.01	0.09	0.04	0.05	0.09	0.04	0.04	0.01	0	3.04
collaboration	0.02	0.01	0	0	0	0.04	0	0	0.02	0.02	0.06	0.01	0	0	0	0	0	0.35
collective	0	0	0.02	0	0	0.04	0	0.01	0.02	0.02	0	0	0.02	0	0.03	0.06	0	0.33
connections^	0.03	0.02	0.01	0	0	0.01	0	0.02	0	0.02	0.06	0.01	0.02	0	0	0	0	0.47
credibility@	0	0	0.01	0	0	0.02	0	0	0	0.03	0	0	0	0	0	0	0	0.08
experiment+	0	0	0.01	0	0	0	0	0.01	0	0.02	0	0.01	0.04	0.07	0.05	0	0	0.36
exploitation of need	0.1	0.12	0.17	0.04	0	0.05	0	0.11	0.04	0.07	0.12	0.09	0.07	0.03	0.06	0.01	0.01	2.09
fundors	0.06	0.23	0.13	0.05	0.03	0.1	0	0.26	0.11	0.05	0.08	0.18	0.1	0.02	0.04	0.02	0.01	2.47
gap in market	0	0	0	0	0	0	0	0	0	0	0	0.01	0	0	0	0	0	0.03
human capital	0.03	0.03	0.01	0	0	0	0	0.03	0.05	0.04	0.03	0	0	0.03	0	0.03	0	0.45
innovation and creativity*	0.09	0.05	0.07	0.05	0	0.09	0	0.05	0.06	0.05	0.54	0.14	0.1	0.05	0.07	0.02	0	2.02
investment	0.07	0.07	0.09	0.05	0.02	0.06	0	0.06	0.09	0.01	0.06	0.05	0.05	0.03	0.04	0	0.02	1.5
liberating	0	0.01	0.02	0	0	0	0	0.01	0	0	0.02	0.01	0.02	0.04	0	0	0	0.33
networks and embeddedness	0.03	0.03	0.03	0	0	0.05	0	0.02	0.03	0.02	0.03	0.01	0.05	0.06	0.02	0	0	0.79
novel solutions	0.05	0.03	0.04	0	0	0.03	0	0.04	0.01	0.07	0.03	0.01	0.05	0.03	0.04	0	0	0.83
openness	0.04	0.02	0.04	0.06	0.02	0.08	0	0.05	0.03	0.03	0.06	0.05	0.04	0.02	0.04	0.02	0	1.15
opportunity identification*	0	0.05	0.08	0.02	0	0.05	0	0.05	0.05	0.04	0.09	0.04	0.03	0.05	0.07	0	0	1.29
organizational culture	0.05	0	0.08	0.02	0.02	0.1	0	0.3	0.11	0.06	0.07	0.13	0.07	0.02	0.03	0.01	0	1.93
partners^	0.08	0.08	0	0.04	0.02	0.1	0	0.07	0.01	0.08	0.05	0.05	0.08	0.04	0.04	0.01	0	3.06
push vs. pull#	0.02	0.02	0.04	0	0	0.03	0	0.01	0	0	0.01	0.1	0.11	0	0	0.04	0	0.77
reciprocity	0	0.02	0.02	0	0	0.09	0	0	0	0	0.02	0	0	0	0	0	0.1	0.36
relationships^	0.05	0.1	0.1	0.03	0.09	0	0	0.04	0.04	0.05	0.14	0.03	0.08	0.03	0.02	0.05	0.02	1.61
reputation	0	0	0	0	0	0	0	0	0	0	0	0.01	0	0	0	0.07	0	0.09
scales=	0.05	0.3	0.07	0.01	0	0.04	0	0	0.13	0.07	0.04	0.11	0.07	0.04	0.04	0.01	0	1.87
social capital@	0.05	0.11	0.01	0	0	0.04	0	0.13	0	0.06	0.04	0.19	0.03	0.01	0.01	0.03	0	1.25
social impact	0.04	0.06	0.08	0	0	0.05	0	0.07	0.06	0	0.03	0.02	0.01	0.06	0.04	0	0	1.11
social value creation	0.09	0.07	0.05	0.01	0.02	0.14	0	0.04	0.04	0.03	0	0.09	0.07	0.04	0.06	0	0.02	1.95
strategy*	0.04	0.13	0.05	0.1	0	0.03	0.01	0.11	0.19	0.02	0.09	0	0.08	0	0.06	0.02	0	1.71
support	0.03	0.07	0.08	0.11	0	0.08	0	0.07	0.03	0.01	0.07	0.08	0	0.05	0.01	0.04	0	1.47
systems	0.05	0.02	0.04	0	0	0.03	0	0.04	0.01	0.06	0.04	0	0.05	0	0.02	0	0.05	0.85
thinking differently	0.07	0.03	0.04	0	0	0.02	0	0.04	0.01	0.04	0.06	0.06	0.01	0.02	0	0.02	0	0.9
trust	0	0.01	0.01	0.04	0	0.05	0.07	0.01	0.03	0	0	0.02	0.04	0	0.02	0	0	0.47
volunteers	0	0	0	0	0.1	0.02	0	0	0	0	0.02	0	0	0.05	0	0	0	0.23

## Five Themes of Codes Color/Indicator Key

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Network and Embeddedness	^ Denotes overlap with Managing and Structuring Enterprise theme and @denotes overlap with Financial Risk and Profit theme

**Table 8. Code Co-occurrence Table with Aggregate Number of Codes**

	accountability	clients	coalition	collaboration	collective	connections^	credibility@	experiment+	exploitation of need	funders	gap in market	human capital	innovation and creativity*	investment	liberating	networks and embeddedness	novel solutions	openness
accountability	0	0	0	0	0	0	0	0	2	1	0	0	1	0	0	0	0	0
clients	0	0	84	1	2	1	1	1	41	52	0	1	9	13	2	3	4	6
coalition	0	84	0	0	2	1	1	1	33	34	0	1	8	11	2	3	4	5
collaboration	0	1	0	0	0	0	0	0	0	1	0	0	3	1	0	0	0	3
collective	0	2	2	0	0	0	0	0	1	1	0	0	0	0	0	1	0	0
connections^	0	1	1	0	0	0	0	0	1	7	0	0	2	2	0	2	2	1
credibility@	0	1	1	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0
experiment+	0	1	1	0	0	0	0	0	2	3	0	0	0	2	0	0	1	1
exploitation of need	2	41	33	0	1	1	0	2	0	55	0	2	16	14	2	6	9	13
funders	1	52	34	1	1	7	2	3	55	0	2	4	19	48	3	1	8	17
gap in market	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0
human capital	0	1	1	0	0	0	0	0	2	4	0	0	0	0	1	2	0	1
innovation and creativity*	1	9	8	3	0	2	0	0	16	19	0	0	0	4	1	3	2	4
investment	0	13	11	1	0	2	0	2	14	48	0	0	4	0	0	0	1	8
liberating	0	2	2	0	0	0	0	0	2	3	0	1	1	0	0	1	1	0
networks and embeddedness	0	3	3	0	1	2	0	0	6	1	0	2	3	0	1	0	1	0
novel solutions	0	4	4	0	0	2	0	1	9	8	0	0	2	1	1	1	0	2
openness	0	6	5	3	0	1	0	1	13	17	0	1	4	8	0	0	2	0
opportunity identification*	0	12	10	1	0	2	0	0	16	15	0	2	8	6	0	2	3	3
organizational culture	1	50	23	2	1	5	0	0	38	83	1	7	13	19	2	8	7	5
partners^	0	84	84	0	2	1	1	1	32	34	0	1	8	11	2	3	4	5
push vs. pull#	1	5	4	0	0	0	0	0	6	10	0	0	3	3	0	0	0	3
reciprocity	0	2	2	0	0	0	0	0	0	7	0	0	0	1	0	0	0	1
relationships^	0	13	13	2	2	1	1	0	9	24	0	0	8	6	0	3	2	7
reputation	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
scale=	0	41	18	0	2	5	0	3	34	87	0	6	11	14	2	4	8	11
social capital@	0	11	1	1	1	0	0	0	8	26	0	3	6	8	0	2	1	3
social impact	0	9	10	1	1	1	1	1	11	12	0	2	4	1	0	1	4	2
social value creation	1	7	6	3	0	4	0	0	20	20	0	2	35	6	1	2	2	5
strategy*	1	19	7	1	0	1	0	1	17	43	1	0	15	6	1	1	1	5
support	1	11	11	0	1	1	0	2	12	23	0	0	8	4	1	3	3	3
systems	0	4	4	0	0	0	0	2	5	4	0	1	3	2	1	2	1	1
thinking differently	0	5	5	0	1	0	0	2	10	9	0	0	5	3	0	1	2	3
trust	0	1	1	0	1	0	0	0	1	4	0	1	1	0	0	0	0	1
volunteers	0	0	0	0	0	0	0	0	2	2	0	0	0	1	0	0	0	0

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Network and Embeddedness	^ Denotes overlap with Managing and Structuring Enterprise theme and @ denotes overlap with Financial Risk and Profit theme

**Table 8. (continued)**

	opportunity identification*	organizational culture	partners^	push vs. pull#	reciprocity	Relationships^	reputation	scale=	social capital@	social impact	social value creation	strategy*	support	systems	thinking differently	trust	volunteers	TOTALS:
accountability	0	1	0	1	0	0	0	0	0	0	1	1	1	0	0	0	0	9
clients	12	50	84	5	2	13	0	41	11	9	7	19	11	4	5	1	0	495
coalition	10	23	84	4	2	13	0	18	1	10	6	7	11	4	5	1	0	389
collaboration	1	2	0	0	0	2	0	0	1	1	3	1	0	0	0	0	0	20
collective	0	1	2	0	0	2	0	2	1	1	0	0	1	0	1	1	0	19
connections^	2	5	1	0	0	1	0	5	0	1	4	1	1	0	0	0	0	40
credibility@	0	0	1	0	0	1	0	0	0	1	0	0	0	0	0	0	0	7
experiment+	0	0	1	0	0	0	0	3	0	1	0	1	2	2	2	0	0	23
exploitation of need	16	38	32	6	0	9	0	34	8	11	20	17	12	5	10	1	2	418
fundors	15	83	34	10	7	24	1	87	26	12	20	43	23	4	9	4	2	662
gap in market	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	4
human capital	2	7	1	0	0	0	0	6	3	2	2	0	0	1	0	1	0	37
innovation and creativity*	8	13	8	3	0	8	0	11	6	4	35	15	8	3	5	1	0	200
investment	6	19	11	3	1	6	0	14	8	1	6	6	4	2	3	0	1	195
liberating	0	2	2	0	0	0	0	2	0	0	1	1	1	1	0	0	0	23
networks and embeddedness	2	8	3	0	0	3	0	4	2	1	2	1	3	2	1	0	0	55
novel solutions	3	7	4	0	0	2	0	8	1	4	2	1	3	1	2	0	0	73
openness	3	5	5	3	1	7	0	11	3	2	5	5	3	1	3	1	0	119
opportunity identification*	0	12	10	1	0	5	0	12	5	3	8	5	3	3	5	0	0	152
organizational culture	12	0	23	5	4	26	0	99	27	15	19	35	17	5	8	3	0	563
partners^	10	23	0	4	2	13	0	18	1	9	6	7	10	4	5	1	0	386
push vs. pull#	1	5	4	0	0	2	0	3	0	0	1	8	6	0	0	1	0	66
reciprocity	0	4	2	0	0	5	0	1	0	0	1	0	0	0	0	0	1	27
relationships^	5	26	13	2	5	0	0	9	4	4	13	4	7	2	2	3	1	191
reputation	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	3
scale=	12	99	18	3	1	9	0	0	29	16	9	28	17	9	10	3	1	510
social capital@	5	27	1	0	0	4	0	29	0	5	4	20	3	1	1	2	0	173
social impact	3	15	9	0	0	4	0	16	5	0	3	2	1	3	3	0	0	125
social value creation	8	19	6	1	1	13	0	9	4	3	0	10	6	3	5	0	1	203
strategy*	5	35	7	8	0	4	1	28	20	2	10	0	9	0	6	2	0	257
support	3	17	10	6	0	7	0	17	3	1	6	9	0	3	1	2	0	169
systems	3	5	4	0	0	2	0	9	1	3	3	0	3	0	1	0	1	65
thinking differently	5	8	5	0	0	2	0	10	1	3	5	6	1	1	0	1	0	94
trust	0	3	1	1	0	3	1	3	2	0	0	2	2	0	1	0	0	30
volunteers	0	0	0	0	1	1	0	1	0	0	1	0	0	1	0	0	0	10

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Network and Embeddedness	^ Denotes overlap with Managing and Structuring Enterprise theme and @denotes overlap with Financial Risk and Profit theme

The tables constructed above allow a closer examination of the five themes and their bearing on explaining the phenomenon of how social entrepreneurs go to scale. The color codes allow us to see the number of co-occurrences among the five broad themes by tallying the total number co-occurrences among the indicators associated with a particular theme.

However, co-occurrences of this kind are problematic. A cross-themes analysis of the coding of my data does not necessarily denote a significant interaction, and indeed, is subject to potential pitfalls in determining the quantity of associative links between codes. This can be the case due to a variety of reasons: coding is arranged according to truncated keys, i.e. “creat” and “innovat”, to accommodate for the variety of variations on the key; overlap between codes exists – both intra-theme (i.e. “partnership” and “relationship”) and inter-theme (i.e. experiments in Innovation and Creativity theme and experiments in the Entrepreneurial Process theme; and though proximity is often a powerful indicator of interaction, it is not always the most reliably accurate one.

Additionally, though conducting an analysis according to organizational level (macrolevel, mesolevel and microlevel) seems intuitive, the results yielded in this study proved otherwise. Because of the idiosyncratic nature of the organizations being researched, common skills, behaviors and traits among the various organizational leaders were difficult to group. For instance, the CFO in one organization might occupy a very dynamic and involved role in the organization’s leadership, whereas in another organization the CFO might be relegated to a more narrow scope of duties and strategic actions. As such, the following cross-comparison analysis among case organizations examines the emergent themes as they interact upon all of the levels.

### 5.3 COMMON ETHNOGRAPHIC CHARACTERISTICS IDENTIFIED: A CROSS-COMPARISON AMONG CASE ORGANIZATIONS

*“In general, the process of scaling is just one giant exercise in losing control.”  
- Excerpt from a mesolevel interview*

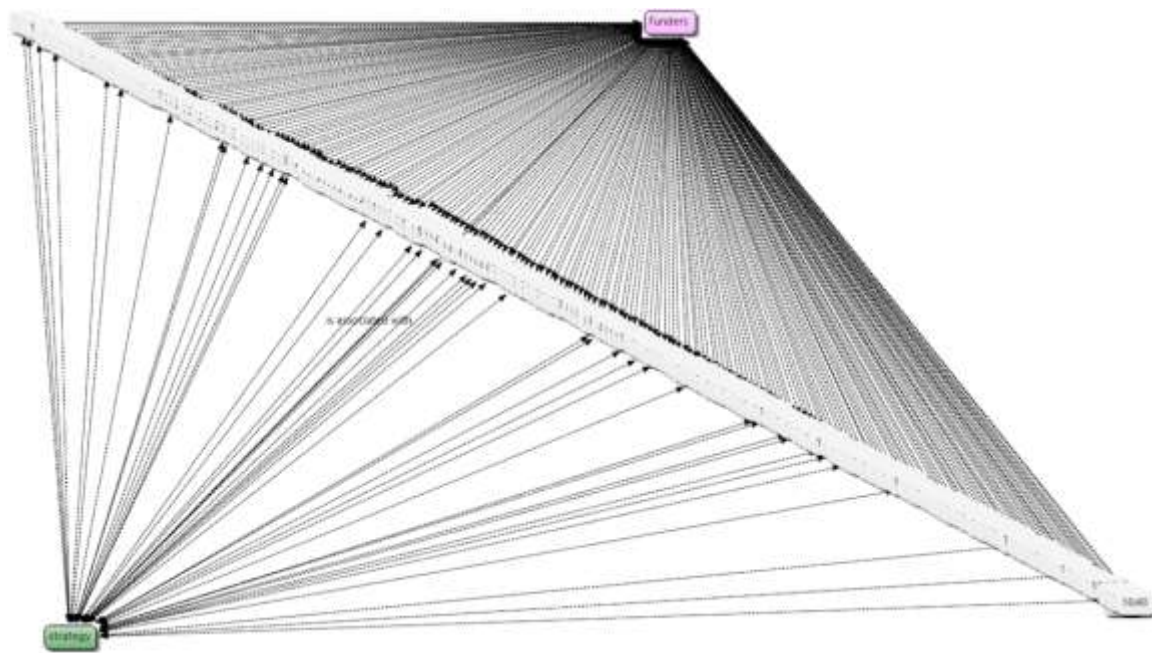
After conducting a between-case analysis among the case organizations explored in this study, common shared ethnographic characteristics gleaned from the semi-structured interview data began to inform the emergence of strategic action fields. The following cross-comparison between case organizations is analyzed according to the examination of the strategic action fields present at each organizational level.<sup>12</sup>

5.3.1 Social Entrepreneurship Organizations and their Funders: Examining the dynamic and complex nature of strategic action fields at the Macrolevel.

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<sup>12</sup> It is important to note that analysis of each organizational level does not exclude the interview data from all organizational actors spanning all organizational levels. For example, in some cases the Macrolevel interviewee provided less insight into the strategic actions of the organization than the Mesolevel interviewee.





**Figure 13. Funders and Strategy**

Funders and Strategy (see Figure 13<sup>13</sup>) co-occurred 43 times, but it is rich variation within this reoccurrence that is of note. Upon examining the interaction between funders and strategy closer, we get a nuanced, and at times, contradictory take on the nature of this relationship. This complex dynamic is perhaps best illustrated through a comparison and contrast of the relative newcomers like The Future Project and seminal mainstays like Playworks.

### *The Future Project*

The Future Project – representing the young, growing and learning case study of this research - is amid the throes of meteoric growth. A window into the various leadership

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<sup>13</sup> The color schemes present in figures 5.1 – 5.6, 5.8 – 5.9, and 5.11, are representative of code nodes being assigned a particular hue according to its groundedness and density. *Groundedness* – the number of co-occurring code nodes – increases the intensity of yellow in a code color, whereas *density* – the number of links to other code nodes – increases the intensity of blue in a code color.

levels and how the relationship between funders and strategy is conceptualized illuminates a paradoxical world.

When considering the macrolevel interviewee response, funders are not considered to be directly guiding strategy:

*"I think a thing that we're fortunate about is our funders are not very activist, in terms of their need to inform the strategic direction of the organization."*

And yet, nevertheless play a significant indirect role in guiding a social entrepreneurship organization's broader strategic orientation:

*"We get excited about the fact that they're excited, and so we're then proportioning out our piece of the pie in credence to that, based on the recentness of our conversation with a group of people rather than on what most directly sets our strategic agenda. That is a different phenomenon than them pushing on us to do that, and a lot more of us being like, "Oh, we think we see a trend here, we think we can get supporters from this." In reality, it may not be a trend at all, may be like two data points....."*

*I think that there's ... I think there's the amount they do that actively, which is negligible, and the amount that they would do stuff like that passively by just the reality of the institutional funding landscape and the fact that we have to spend a lot of time getting these gifts, which puts us in the mindspace of this funding framework. I think that couldn't not affect the sort of strategic path of the organization."*

Complementing this view, from the microlevel interviewee explains how much the organizational strategy is oriented the pursuit of funders:

*"Finding that one person, right now are working hard to proof that concept, but finding that one percent who understands what we do and building a strategy around the idea that there are others like him and his team. That has changed the way that we approach fundraising. The way we approach scale. The way we think about our work. The way we imagine what's possible."*

A closer look at the mesolevel response to funders and strategy, a different perspective emerges where funders wield tremendous influence upon the strategic direction of an organization simply by virtue of their reputation.

*"Sure, well San Francisco was interesting because ... Mark Zuckerberg and his team funded us to go out there..... we'd already been considering it ..... you know how it happens, when there's momentum, momentum just keeps coming. There was a little bit of momentum in San Francisco and it just kept growing but we had decided ... we almost decided we weren't going to go to San Francisco yet, and then the Zuckerbergs ... the head of his education team, his education foundation came and visited our school in Newark, and she was like "I love this, I want to bring it to San Francisco" and we were like "okay, let's have a conversation now" me and Andrew with our leadership team about whether (we could do it) ... like what's the cost, the talent in San Francisco so that's great, we could find talent....."*

This example of a major funder's bearing on the strategic orientation of a social entrepreneurship organization speaks volumes about the age of the organization. In

many ways, they were not ready to receive the Zuckerbergs' courtship, lacking the capacity to accommodate the aspirations and consequent directives and expectations of an ebullient billionaire.

*The question was more operationally, are we ready to do what it will really take? Which is probably send an operational person out there too, make sure there's somebody ... make sure the operational team here is growing and strengthening. We ultimately decided ... we're like 'but can we give up an opportunity to take Mark Zuckerberg's money?' Probably not. We had money conversations about that, we ultimately decided to go because we simultaneously had our team looking for great dream director candidates and we found a lot and had a couple that were really excited to apply. The talent I think helped nudge us over the edge, and decide to do it."*

*"..... I think that there have been times, like the San Francisco example I gave, where it was just ... at the end of the day, we didn't agree really. Our leadership team wasn't all like "this is the best idea ever. Let's just do it" there were definitely people on the team that were like unsure whether it was the right move and unsure if we had the talent and ended up actually, we sent one of the leadership team members to San Francisco and he helped set everything up. At the end of the day.....we're obviously always doing it for students but it was the Zuckerberg money was the leading external factor that was motivating us to decide when we did. We knew we were going to go to San Francisco at some point, but the speed is what made it happen. It had a lot to do with that."*

From the microlevel perspective in Future Project, we see the lamentation of missed opportunities with funders and a need for a greater emphasis on building capacity and operational funds.

*“There’s a money threshold. Right? That’s sustainable for at least the first year. That’s not good enough, frankly. It really needs to be. When we get funding for a city it should really be 3 years. One year is actually not enough to launch ... sustainably it doesn’t make any sense..... Then we had a rapid year, I think it was 2013/14, where we just hired so many Dream Directors. That rapid hiring tells a lot about talent, about what it takes, about quality, about structure, about management. The Chief Dream Director role emerged from that. That we needed hierarchy, we needed leadership, before we could scale rapidly. That was a huge inflection point..... We’ve had problems with ... Capital is always a really limiting factor. Not asking for enough, or the right kind of money, we’re in the part where we’ve asked for sustainable capital way too late in the game. We should’ve had a sustainability strategy in which had had districts and were buying in from the get-go. We’ve subsidized it too much, for too long. As we expand to more schools, we actually can’t expand in our cities because we still have to raise so much every single year just to fund the assisting work. That is really a limiting factor. Both going to new cities and to funding our existing cities because we have to raise so much every single year.”*

### Playworks

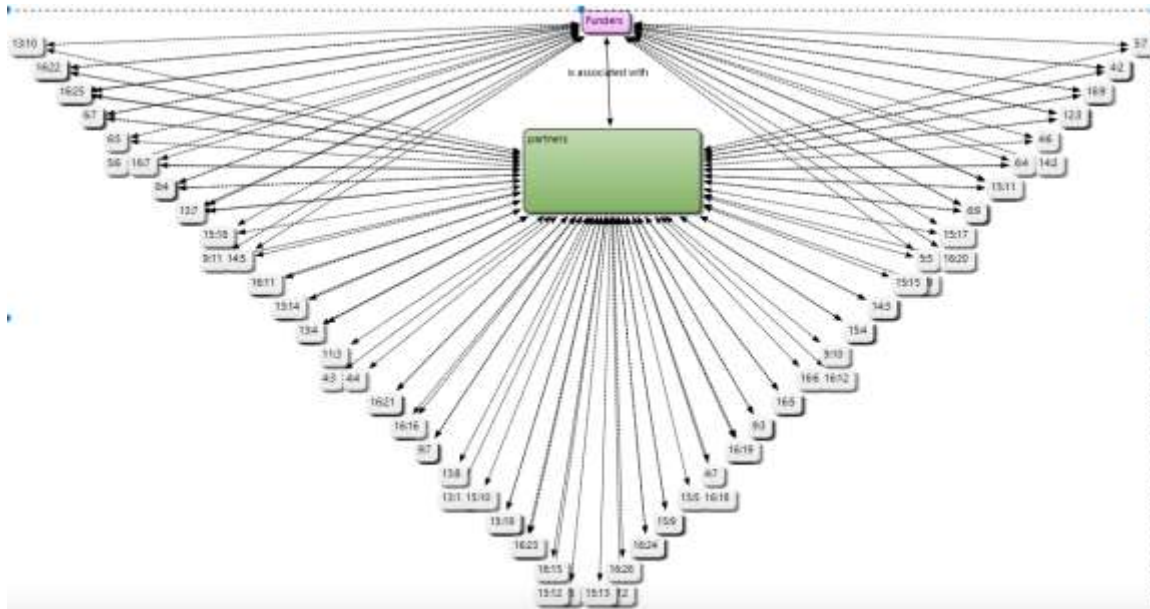
Playworks, much like the Future Project currently, let strategic orientation be guided by the windfall from big funders and the directives that come with it. Here the mesolevel interviewee describes the painful learning that can accompany seismic growth:

*“Getting the Ashoka Fellowship was a huge inflection point and it was because of that that we got Robert Wood Johnson. In fact, Ashoka, for not all of them, but for many, if not most of all are really major investors. There was a connection to Ashoka and an introduction there. Getting the money from the Robert Wood Johnson Foundation was a total game changer. That initial \$4.4 million that we received set us down the path of really growing and compelled us to learn things really in a lot of ways, the hard way. There is nothing quite like growing to learn how to grow..... We had some losses and some bad things happen.”*

Eventually, Playworks forged an innovative new collaborative model around building strategy, engaging their funders in quarterly discussions about how the organization is meeting its mission’s goals and objectives, and what is needed from them to propel the agenda along. The macrolevel interviewee describes this process in greater detail:

*“What we’ve done is create a strategic plan...Powered By Playworks, which includes different elements, such as what we call Movement Building, which is to engage more people in the discussion and understanding the value of "Play" and .....the tactical things we need to do to build this movement. So we went to the funders, the Einhorn, Bechtels, and said, "Please help us do this.....What also is quite unique about this funding that we’re talking about, which we call the Growth Capital Investors, they are funding what*

*other people call "overhead", what I call "infrastructure", so they're paying salaries, employee benefits, facilities, software, so on and so forth, which most foundations and donors do not want to pay for..... Here it's completely different, where they're supporting the organizational growth, so that we can achieve those common goals and fulfill the mission."*



**Figure 14. Funders and Partners**

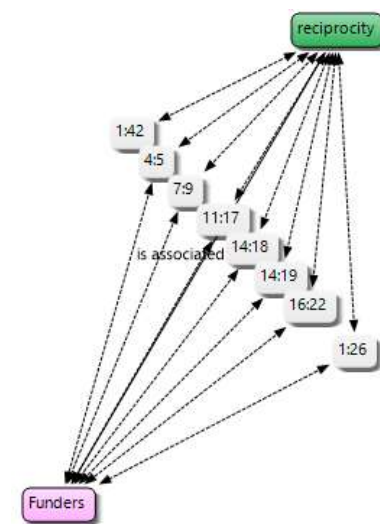
The references to the relationships built between social entrepreneurship organizations and their funders as “partners” or “collaborators” proved to be a significant reoccurrence among the interview data. Below is an insight shared by Playworks’ macrolevel interviewee:

*“Well, in other organizations I’ve worked, there’s always this relationship development with your investors or donors, or foundations, or banks, in my case. Those relationships are always trying to extract the best value for what your organization is trying to achieve. Here, it was completely different experience, where again, Jill and Elizabeth have,*

*before my time, built the relationship up, they had to be very open and transparent, and collaborative, so the dialogue, the tone, is very different here at Playworks, which again, is phenomenal. As I said earlier, I've never seen it before in any venue I've worked in, for-profit, non-profit, in different industries as well.,,, They become partners, not just people giving us money."*

Funders are often spoken of with great warmth and affection by their partnering organizations. Here, the mesolevel interviewee at Year Up fondly highlights the role that a funder has played for not just their organization, but for Playworks as well:

*"...Playworks, for instance, was also funded by a wonderful partner and long-term fan, I guess. We're mutually fans, Genesis. The Genesis group was very instrumental in essentially underwriting the development of our first prospectus. More recently, and what I've been more involved in, perhaps more germane to this scaling up, they've really underwritten the development of the centralized services, the development operations."*



**Figure 15. Reciprocity Among Macrolevel Relationships**



The leadership of each case was asked about the nature of its relationship with its funders, and the response across cases was uniformly one that stressed the reciprocal nature of these relationships. Reciprocity, for the purposes of this research study, is predicated on the theory that the foundations of community life are constructed on the ritualized recognition of interdependence (Mauss, 1966). Taking this theory to greater refinement, where the concept of reciprocity is a form of solidarity, where the concept of the donor as a future recipient is transferred to another group (Molm, Collett & Schaefer 2007).

The macrolevel interviewee at Year UP frames the reciprocity between the organization and donors as an immersion process of sorts. In this case, the donor is actively engaged in some aspect of the mechanics of the organization at large and becomes inculcated with the value proposition that Year Up offers:

*“My experience is that it's very reciprocal. I think that's the nature of some of the long-standing relationships that we have. We may engage with individuals where they begin by coming to a breakfast, and then they may volunteer, be a guest speaker. Then they kind of drink the Koolaid and really see the value of what we're bringing and decide to invest.”*

In the following excerpt, the KaBOOM! macrolevel interviewee is almost incredulous of the question, suggesting that the value proposition brought by KaBOOM! is a given to ensure feelings of solidarity in reciprocity:

*Wow. I mean it has to be reciprocal. That's what they want. ....There has to be something beneficial to them. What serves us both?"*

In the following excerpt, The Future Project's macrolevel interviewee describes the reciprocal relationship with funders, but adds that maintenance of the relationship-end of reciprocal relationships with funders has not been without its challenges:

*"Yeah, it's been very horizontal. I think the one thing that is challenging is making sure that the communication lines remain intact, because we're not only a young organization, I think we're a pretty fast-moving organization, and sometimes you can talk to someone, talk to them 3 months later ... Not really self-perceive how much has changed within the organization in that 3 month time span, and then be like, "Oh, wow!"*

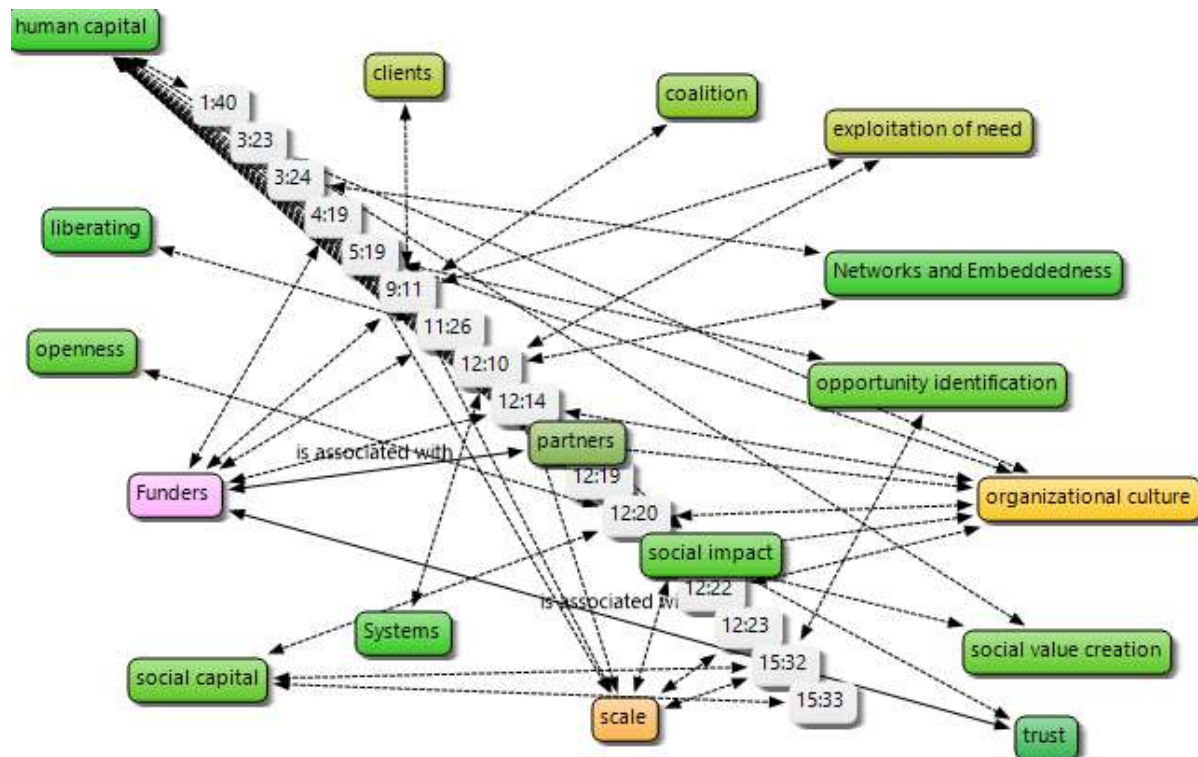
In perhaps the most innovative example of reciprocity in action among foundation actors and organizations, the macrolevel interviewee at Playworks describes how Playworks oversees convenings of all of its biggest philanthropic funders to strategically discuss the issues that Playworks is addressing:

*"(we) have been discussing this growth phase with this funder group, over the last few years. What has been unusual about it is that they have convened them all together. The ones I mentioned, plus the others ones like Rainwater, and a few others that have participated in the convenings ... I've been to one of these meetings, when I first started*



*fund*ers, it became clear that the organizations in this study *trust* their *partner fund*ers, view their partnership as *reciprocal*, and – to varying degrees – share in the building of strategy.

### 5.3.2 Intra-organizational Learning: Examining the dynamic and complex nature of strategic action fields at the Mesolevel



**Figure 17. Human Capital**

The presence of adequate financial capital to undergird the strategic undertaking of social entrepreneurship organizations going to scale in new communities is an obvious precursor to expansion. But in a cross-comparison of the cases explored in this study, there emerges a strong emphasis on another type of capital that was essential for an organization’s scaling efforts: human capital.

The emphasis on the social entrepreneurship organization as an incubator, fosterer, and steward of human capital as a crucial characteristic in going to scale emerged as a leitmotif among the cases explored in this study. To these organizations, developing human capital is about creating a dynamic team that is inculcated with the ethos, values and norms that inform its mission and vision for growth and impact. As illustrated in Figure 17, Human Capital is a powerful node, illustrating an axis in which other codes overlap.

Investment in human capital illustrates and underscores the theory of fields' central element of social skills and the existential function of the social. Investing in human capital promotes the stability of the microfoundation of an organization by engendering and fostering the ethos, norms, values and goals in accordance with its culture's norms, values and goals. This helps to stabilize strategic action during period of optimal functionality, while also creating an environment that openly welcomes strategic challengers when complex and dynamic organizational problems emerge.

Here, the mesolevel interviewee at Year Up elucidates how important the fostering and developing of human capital is to its success. Of particular emphasis is the quality of human capital on the programmatic end, and how critical the relationships between programmatic actors and the actors that manage the relationships with funders are:

*"It's more a question of there's way more opportunity than there is capacity. Certainly I would say, if I think about barriers to growth, I would say it's easy to put financial capital as a top-line, but in fact I think human capital: finding the right staff and getting them on-boarded and trained and ready to go ... The human capital tends to be more of a constraint just in terms of how fast we've been able to build our internal*

*muscles to be really good and bigger and better at hiring, at talent seeking and hiring, which is interestingly the business we're in too. That's just plain hard work..... We also have talent management to make sure we have the right people in the right positions. We've got a whole sophisticated operations infrastructure that we deploy against everything that we're trying to execute. I don't think you could do it without any of those pieces.....I think it's the interplay of the people on the program side with the people who are managing relationships with funders that sort of take over and are critical. Most nonprofits get that balance wrong. “*

Almost completely in sync with this statement, the mesolevel interviewee at KaBOOM! expresses a perceived inability among the broader social entrepreneurship community to reconcile rapid growth in funding with meaningful growth in human capacity:

*“We also have talent management to make sure we have the right people in the right positions. We've got a whole sophisticated operations infrastructure that we deploy against everything that we're trying to execute. I don't think you could do it without any of those pieces. Once we are doing the work, I think it's the interplay of the people on the program side with the people who are managing relationships with funders that sort of take over and are critical. Most nonprofits get that balance wrong. Either the program departments drive the decision making to the point where you can't attract resources, or the fundraisers drive the decision making to the point where you're just chasing dollars. I see both quite often”*

The mesolevel interviewee at MBC illustrates the depth and range of human capital in MBC and NCAT, highlighting the seamless transition one employee makes from one leadership positions to another one because of their depth and breadth of organizational knowledge and their direct experiential learning with the community that participates in their programs:

*“He was the chief operating officer .....for five years. I basically took him and said, your new assignment, you’re going to replication division. Why? You understand the model. He really ran the model. He’s applying that experience, values, and insight, to the replication sites. He has a sense of what the contract will look like. What the performance metrics are. How you set up a vocational program. How you integrate the standard school system. How to work with a board. He brings that institutional knowledge with him. Rather than create a division, they’d have to go out and recruit all these new people, and train them about the model. I have people here who are running the replication division, who had a relationship directly with the parent.....You hire somebody who knows the hell they’re talking about, right?”*

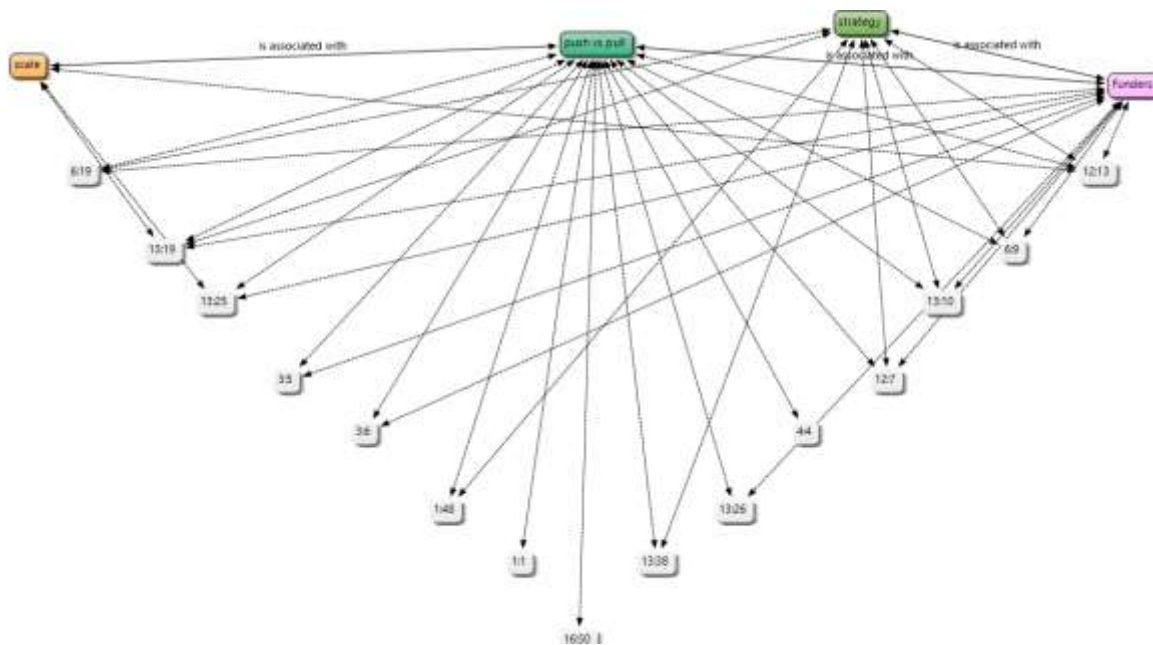
The mesolevel interviewee, in stressing the importance of human capital, underscores the vital role the regional leadership has to Playworks success, as well as their critical role in guiding the organization to systems change. This emphasis on human capital highlights the importance of building trust and capacity through investment in human capital at the regional level, enabling a decentralization of leadership to occur:

*“I think a lot of our success rises and falls on the regional executive directors. They really are the humans out at the regional level who are both tasked with making sure*

*that those offices have the resources they need to be successful and those resources are human as well as monetary as well as network. They also are leading that team, which is made of both our staff as well as the local boards and the stakeholders in a process of really understanding the local environment and then charting a path to really a systems change that is really appropriate for that region.”*

**Table 9. Human Capital Themes**

	Human Capital Theme
Year Up	Relationships between programmatic actors and actors who manage relationships with funders
Manchester Bidwell Corporation	Development of grassroots leadership equipped with direct experience with program constituencies
Playworks	Decentralization of leadership to regional executive directors



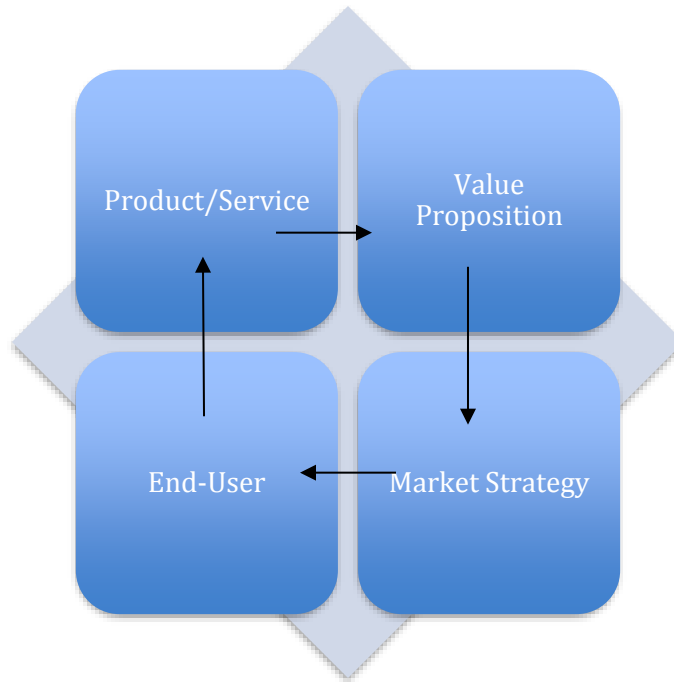
**Figure 18. Push vs. Pull Strategy to Scale**



A recurring phenomenon among the case organizations being explored was the assertion of the eventual transition from a “push strategy” to scaling to a “pull strategy” (see Figure 18). A “push strategy” to scaling is typified by an aggressive and sometimes preemptive foray into a new market environment, whereas the “pull strategy” is patient and calculated responding to contact initiated by the customer (Chahine, 2016). The “push” approach to scaling, oftentimes driven by the influence of macrolevel funders, almost always reinforces what is seen as a social entrepreneurship imperative to strive to expand breadth and depth of social impact.

The emergent theme among the five organizations explored in this study is that once the organizational “learning” has been properly assimilated from the “push stage,” there tends to be a reestablishment of organizational strategy that tilts toward the pull stage, wherein new clientele satisfy a set of criterion established to ensure the validity and success of new scaling opportunities.

The “pull strategy” introduces the concept of “co-creation,” when the products or services that a social entrepreneurship organization is offering its customers are user-driven by design (Chahine, 2016). The process of “co-creation,” through working hand-in-hand with a community to scale-up programming, provides the most informed approach to determining the feasibility of scaling-up because of the direct knowledge experienced (see Figure 19 on the following page).



**Figure 19. Co-creation**

Reproduced from Introduction to Social Entrepreneurship. by T. Chahine, 2016. Boca Raton, FL: CRC Press.

Here, the mesolevel interviewee of Manchester Bidwell Corporation describes the “pull strategy” that its NCAT has had in place over the past decade, describing the dynamics of “co-creation” in action:

*“If that business is successful, their homework assignment, you have to go back to their community, find three, four, five leaders, political, corporate, philanthropic, who would be interested in forming an advisory group to begin shepherding the process forward. First things first, visit the Pittsburgh's, spend a couple days, go back to your community, determine if there's a need, and an opportunity, form that group into an advisory group. Then the next stop is to fins yourselves some funding, and what it really does is it hires our team to come spend six months to a year in your community to determine the feasibility of the idea. Whether there's leadership, whether there's*

*need, whether there's dynamics, what sides, how often, what are the other non-profits doing. Is a political community in-sync with this idea? Could the philanthropic community be in-sync with this idea? Where's your corporate community? Where's employment? What are others doing?"*

The pull strategy described above begins with the establishment of a relationship through participating in an in-depth site visit of Manchester Bidwell Corporation headquarters. Afterwards, a feasibility study begins, with clear instructions given to potential scaling partners on how to assess feasibility in their respective community.

In stark contrast to the “pull strategy” approach and “co-creation” is the “push strategy”. The following excerpt is from an interview with the mesolevel interviewee of The Future Project, the youngest and therefore least-seasoned of the organizations in this study. It illustrates the tensions that arise when a challenger emerges from the macrolevel to disrupt the stability of a strategic action field:

*“Mark Zuckerberg and his team funded us to go out there and it kind of ... we'd already been considering it because there was already ... you know how it happens, when there's momentum, momentum just keeps coming. There was a little bit of momentum in San Francisco and it just kept growing but we had decided ... we almost decided we weren't going to go to San Francisco yet, and then the Zuckerbergs ... the head of his education team, his education foundation came and visited our school in Newark, and she was like "I love this, I want to bring it to San Francisco" and we were like "okay, let's have a conversation now" .....*

This quote illustrates the operational upheaval that can accompany a “push strategy” approach, especially if it is guided by a funder of such renown as the one indicated in the quote. The Future Project had no intentions of going to San Francisco yet, but the influence of a major donor created impelled the organization to go against their knowledge and intuition to go ahead with the scaling-up in San Francisco.

The mesolevel interviewee at Playworks discusses how a “push strategy” propelled Playworks into a complex and dynamic learning process, though painful at times, provided crucial edification on the structure and process of scaling toward the maximum social impact of systems change, as well as ascertaining and demarcating the important difference between growth and scale:

*“...the Robert Wood Johnson Foundation (enabled us) to test the model in three cities outside of California. We had a lot of confidence in what it was going to take to replicate the school-b- school piece and we had just virtually no idea about what it was going to take to provide the administration management support for opening another office, 3000 miles away. That, in fact, was the major pain point and really the learning that has happened as a result of our effort, first to grow, and then to scale, and I would make the distinction. I think the sector uses the term, “scaling,” sort of interchangeably with growth. When we talked about wanting to scale Playworks, what we were talking about really is systemic change....*

*....Our process of getting to a place where we are even moving towards scaling, and I think we are in the scaling process now, was first the process of growth. Growth is*

*already really hard. Growing in new communities required actually fundamentally changing our organizational structure.....*

*I think the basic structural needs of launching a new city, it was initially a big learning process. Bigger isn't just bigger. It is really different. That was key.*

*Now, when we launch in a new city, we went from having a push strategy, where we had investment to go open new offices. Now, we really only go to new cities if they have made a commitment of a certain amount of funding guaranteed over the first 5 years.”*

Here, Playworks illustrates how they arrived at the co-creation through adopting a pull strategy. Once feasibility is determined through a commitment to funding and a buy-in to the ethos of the organization, they “co-create” by hiring an executive director from the new community and inserting a seasoned Playworks veteran as a program director at the new site.

*Organizational Culture: Establishing feedback loops, shared norms and values, trust, empathy, and open-ness*

Organizational culture is the most commonly occurring code in this research study, turning up a total of 563 times. Indeed, organizational culture establishes powerful thread throughout the cases in how organizational leaders emphatically express the role of creating and maintaining of organizational culture as essential to going to scale. Indeed, simply measuring its co-occurrence with *scale* alone yielded 99 associations (see Figure 20).



*“The kids in that school, they have never heard of me. My role as founder is for those kids for at least that year, the human personification of Playworks is that individual and that coach. We do a lot to really make sure that our staff understands the importance of that role and that they are communicating this value of play. The most important way that they get our program across is by norming the values of empathy and teamwork and leadership and inclusion and using play as the vehicle to do that. That is huge.”*

In the following excerpt, MBC’s mesolevel interviewee emphasizes the importance of organizational culture as a vessel of value proposition:

*“They can spend at least one day maybe two getting a feel what this organization is all about, and who runs it, the way that we’ve established our culture, interact with the students. Understand so the inter-dynamics of how we operate this place, the faculty we have, our value proposition. They get a chance to absorb the culture of the organization, not just its programs.....That’s what I created. At the end of the day, that’s what you’re studying. What I’ve gotten good at is creating an organizational culture. Then going out and finding people who understand that and who can operationalize that point of view.”*

Year Up’s mesolevel interviewee on the importance of organizational culture:

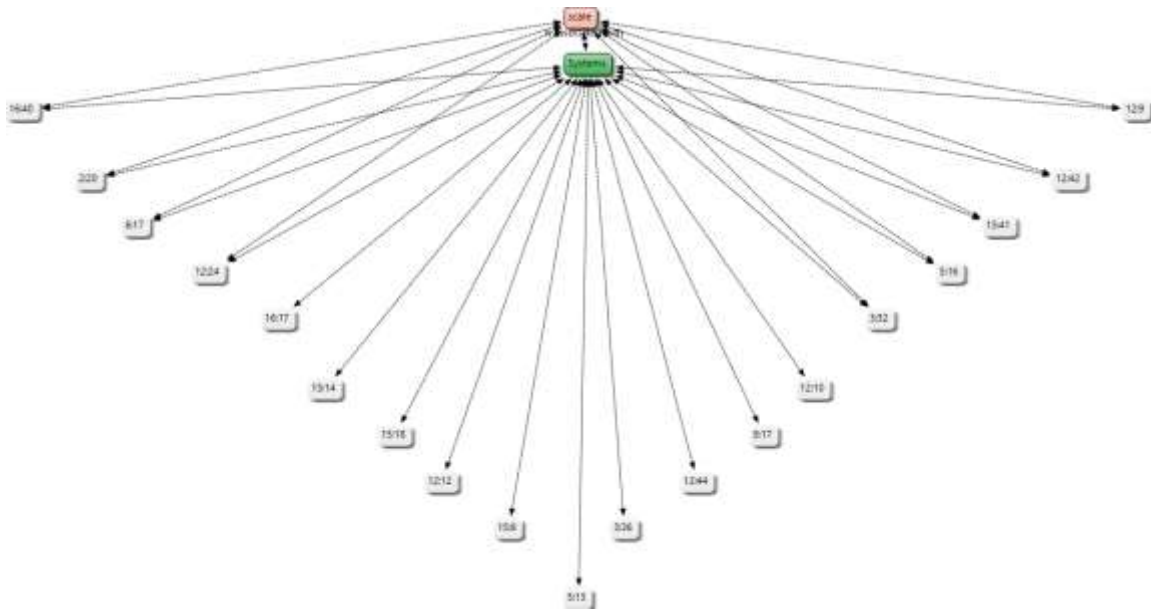
*"You're sitting in a room where, I think, on either side of the screen, where you can see probably way to big of a picture of me. You see, probably, our core values and our feedback guidelines....Those are two fairly deeply embedded kind of DNA, culture of the organization about how we intentionally want to be and be with each other. I think they are central drivers in terms of the behaviors and norms that have been baked in from the very beginning and are very actively honored and socialized around and trained on.....Out of them, I think, come a way of being that's very much about assumed best intentions, transparency, finding comfort in the discomfort of being able to speak up and say when you there's disagreement. Not just sit in silence if you think something is a little off that's being discussed or being proposed....You see it's an open plan. Everyone sits the same. It's very egalitarian and should-to-shoulder."*

The following excerpt is from an interview with the mesolevel interviewee at The Future Project. Unlike the other entries, it provides a "real time" insight into the challenges and growing pains in learning how to fine-tune the characteristics that promote the successful scaling-up of operations:

*"... the other problem that I think about a lot is the cultural problem. The cultural challenge of all this which is, we have a really special cultural around here and have had one from the start and that often ... in the beginning when you start building a team you don't even think about some of this stuff. We also started it when we were so young, and so inexperienced that we definitely didn't think about what kind of culture we were building. We were just like "this is a good culture, we're excited about that."*



*As you grow, preserving that culture, institutionalizing it gets harder and harder and that's something that I think about a lot and something that we're still working on in a big way and trying to figure out how to institutionalize, train people on, provide reminders of the things that we stand for. That's really important." .....I think there's a combination of real trust between people as well as a real willingness to challenge each other and I think those things are actually quite related. I think that there have been times, like the San Francisco example I gave, where it was just ... at the end of the day, we didn't agree really. Our leadership team wasn't all like "this is the best idea ever. Let's just do it" there were definitely people on the team that were like unsure whether it was the right move and unsure if we had the talent and ended up actually, we sent one of the leadership team members to San Francisco and he helped set everything up.*



**Figure 21. Systems Change**

The golden carrot for social entrepreneurship organizations in achieving maximum social value is not through simply executing exceptional innovation, but instead through achieving systems change (see Figure 21), where the very structure of how things work in our world is transformed (Nicholls, 2006). For grassroots social entrepreneurship organizations, arriving at the opportunity for systems change is the result of a keen awareness of the influential points in the market and how they can be leveraged to create a tipping point (Nicholls, 2006). This tipping point can manifest itself amidst an organizational inflection point or simply through a sort of seamless, symbiotic assimilation into institutions.

For KaBOOM!, the pivot toward systems change took , in part, the realization that their direct service model, even when supplemented by the open-sourcing model,<sup>14</sup> was not leveraging the impact they sought (See Figure 22). It turned out that the open source model, though popular among several communities, was not in alignment with KaBOOM's mission:

*"I would say the 2004 shift, which was going from sort of that one-to-one model to one-to-many model required a leap of faith that it wouldn't put at risk the core business. Any business that says we're putting out our intellectual property for the world to see, you wonder whether someone's going to come along and actually really take you up on that. I think calculated risk taking that puts mission over resources was a critical characteristic that embodied the 2004 shift.... What's interesting, though, is what we found, and the way it was primarily implemented was putting the*

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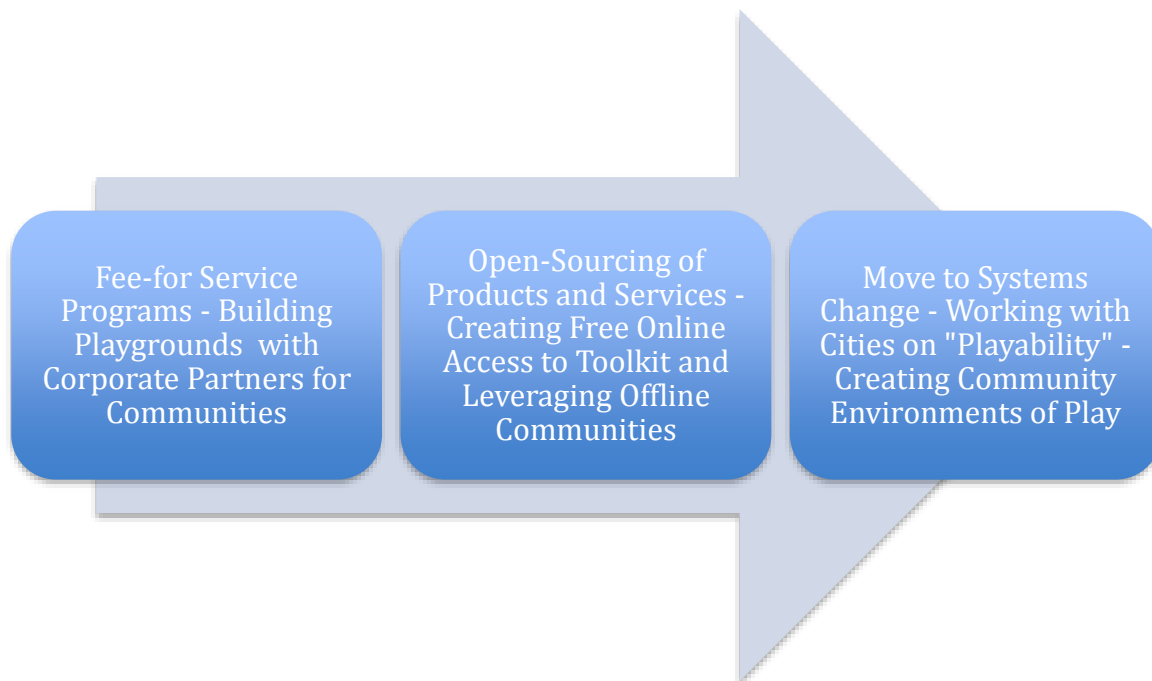
<sup>14</sup> Described in chapter 4

*information out there and creating a platform that anyone could self-organize to build play spaces, was that the communities that were able to do that successfully were higher-income communities. It actually ended up not being a tight mission fit for us. That's not to say that it wasn't the right decision at the time, but there was a lot of unintended consequences that sort of played out. We made the decision, calculated the risk taking to put mission above. When we did it, we found that it actually didn't meet the need of our mission, because our mission is focused on low-income kids....."*

Moreover, despite KaBOOM!'s reputation for success, leadership was troubled that the playgrounds that were representative of the physical evidence of their impact were not having the social impact they had hoped for:

*In the recent years we continued to see playgrounds that aren't getting utilized. While we continue to build playgrounds we've been trying to figure out what the scaling for our organization should be. We underwent, in 2013, a strategic planning process and rolled out the new planning strategy in 2014. This strategy, for scaling, is around trying to figure out how we put play in the path of kids, so it's sort of a play everywhere notion so that we could work with cities to try to get cities to do more around how they're planning those cities so that play exists in places where kids exist. We had done a study with Ideas 42 out of Harvard, and they looked at low income communities and they looked at what the barriers were for kids getting in the playground.....We looked at behavioral economics and we decided that we needed to be really thinking about how we could put play where kids are spending time, particularly low-income kids. Whether it's at the Laundromat, whether it's at the bus*

*stop and how they're getting to school or travelling around their city, how could we focus on that? KaBOOM! has started to work on playability, which is similar to "bikability" and walkability, and trying to get cities to think about their playability as a competitive advantage to other cities, and trying to think about ways in which we can get cities to kind of, in a healthy way, compete with each other to make sure that they're keeping families in their cities. What typically happens is when someone gets married and they start to have kids, they start to move out of the cities to go to the suburbs where notoriously there might be better schools, but also the better recreational opportunities. Trying to help cities think about how to retain their families. We rolled the strategy out in 2014. We're still focused on serving the same end stakeholder of low income communities."*



**Figure 22. KaBOOM! Organizational Evolution to Systems Change**

Playworks experienced a pivot toward “systems change” in some ways analogous to KaBOOM!’s. For Playworks’ mesolevel interviewee, the pivot toward systems change happened without necessarily deliberately leveraging points of power. Instead, the transformation of to systems change happened organically throughout the scaling-up process:

*“When we talked about wanting to scale Playworks, what we were talking about really is systemic change.....I do believe that having the foundation of really walking the walk and not just coming out in from the very get go as someone saying, “This is how you should do it,” but saying, “Look, here it is. We are doing it.” Then, based on that, working with schools and districts and cities and regions to change their practices.”*

A Mesolevel interviewee at Year Up describes the evolution toward systems change:

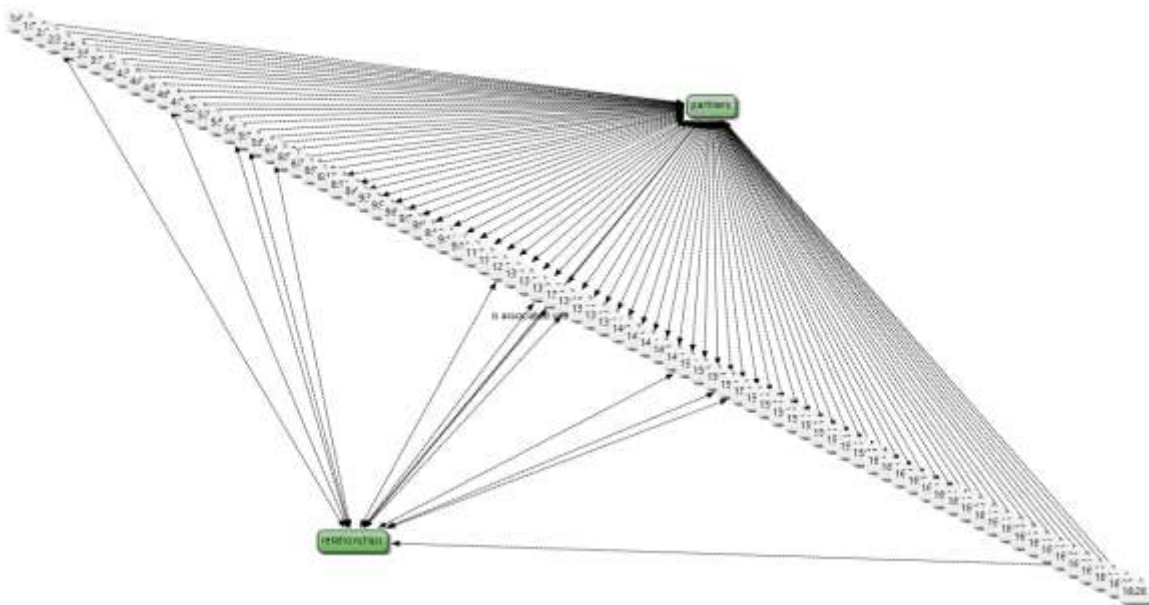
*“At that time Year Up’s ... was really around bridging the opportunity divide. We use that language very consciously. At a certain point there was an inflection point where there was a pivot to close the opportunity divide as opposed to just create a number of strong bridges between supply and demand in X number of communities... That was a pretty dramatic inflection point because it was audacious in a lot of ways, if you think about that scale of problem in the United States and the opportunities. It really, in some ways, shifted the consciousness of what was ours to do: both in thinking about how we were going to do our direct-service business, but also we were going to do in parallel with a set of influence system change activities....*

But a focus on systems change can present challenges to an organization’s grassroots orientation, its base in neighborhoods and communities. A microlevel interviewee at MBC, discusses the pursuit of systems change and the maintenance of its

grass roots orientation:

*Our focus has become more on city leadership, and we continue to work with our grass roots and to these ... To try to get them to move the cities to be taking the action that they want, that we want to see happen. We still work with the grass roots, but the grass tops and the influencers are where we're putting more of our energy.*

### 5.3.3 Social entrepreneurship organizations and the clientele they serve: Examining the dynamic and complex nature of strategic action fields at the Microlevel



**Figure 23 Partners as Relationships**

Not surprisingly, the co-occurrence of partners and relationships illustrated how organizations feel about the people and communities that they serve. In fact, rarely ever

were the words “customer” or “client” ever used in describing this aspect of the organization. A microlevel interviewee at MBC notes:

*“Absent having that granular discourse with the people in the cities who are on the ground, whether it's in the school districts or industry leaders, it's just not going to work. It's more than just a consultation. While we talk about it is that that arm of the business that we do is a consultation offering. It's a partnership.”*

Creating meaningful relationships with partners encourages the organization to adopt a deeper and more sophisticated strategic orientation towards meeting its mission's goals by enabling dynamic learning to occur by becoming “active participants” in a partner's strategy. The microlevel interviewee from Year Up illustrates this:

*“learning to get better with corporate partners around demand analysis and being a much more active participant in that conversation than a passive participant and going to those conversations with our own assessment, our own due diligence, our own research and making presentations and proposals as opposed to waiting to be asked is pretty neat. But also, understanding how all those things are going to work longer term. We have many more multi-site partners than we did before. We find ourselves having to think about being in new locations because of the multi-site strategy of our partners as opposed to just what was on our long list.”*

## 6.0 CONCLUSION

The research on social entrepreneurship organizations and going to scale has been limited according to theoretical misalignments and methodological challenges. Though the comparative case study is traditionally the most prevalent method in researching social entrepreneurship organizations going to scale, the small-N exploratory comparative case study – punctuated by a triangulation of leadership perspectives and a systematic documentation review and analysis - is a rarity in the field.

This study applies a new theoretical orientation and methodological approach to better understanding the characteristics involved that determine the successful scaling-up of social entrepreneurship organizations. By applying the Theory of Fields and its conceptual framework of the strategic action field to the methodological vehicle of an exploratory small-n comparative case study of social entrepreneurship organizations, my study interprets this phenomenon through the collection and analysis of qualitative data, answering the questions: *“What is the contextual environment of social entrepreneurship organizations and what are the ethnographic characteristic at each organizational level (macrolevel, mesolevel, and microlevel) that promote scaling-up in new communities?”* As a result, this research yields key insight into the strategic actions that inform both organizational and philanthropic learning and development.



This chapter concludes by first conducting a brief overview of the theoretical and methodological limitations of the extant literature on social entrepreneurship organizations and going to scale. Second, I outline the contributions made by my research to the fields of organizational and philanthropic learning and development. And last, I propose opportunities for undertaking future research based on the work that has been put forth in this study.

## 6.1 LIMITATIONS OF EXTANT LITERATURE IN SOCIAL ENTREPRENEURSHIP ORGANIZATIONS AND GOING TO SCALE: THEORY AND METHODOLOGY

Explaining the complex and dynamic structure and process involved when social entrepreneurship organizations go to scale has suffered limitations both in the application of theory and in exploring the proper methodology to explain the phenomenon. Current scholarly approaches examine the phenomenon of social entrepreneurs going to scale through theoretical lens contoured according to business and economics (Bloom, 2012; Bloom & Skloot, 2010; Dees, Emerson & Economy, 2002; Nicholls & Cho, 2006).

In many ways, these theoretical misalignments and methodological challenges are due to the powerful influence of the market orientation on the social sector. The very notion that a cookbook-like manual to learning and development can aid scaling for social impact belies the intrinsic complexity and variance among organizations dedicated to creating social value. Unlike the domain of traditional, private-sector-oriented entrepreneurship, where scaling products and services is relatively simple in comparison, organizations that scale for social impact share little consensus on how to both measure

and grow social value (Smith and Stevens, 2010). By universally coopting the theories and tools that guide the private sector, the social sector pivots towards an institutionalization of the misapprehension of ontological truths and an ongoing commitment to perpetuating a mythology of false learning and pseudo development. Simply stating that the scaling process is difficult, varied and complicated does little to synthesize the dynamic learning that occurs among the mesolevel social orders of organizations as they undergo the complex process of going to scale.

Without an in-depth exploration of these elements according to micro-foundational context on an organization, where the nature of its social environment and capacity can be illustrated, the existing typologies and models of social entrepreneurship and scale run the danger of enumerating what amounts to, at times, tautological insights into the scaling process for social entrepreneurship organizations. Additionally, the dearth of the triangulation of intra-organizational data perspectives in the extant literature inhibits a comprehensive and nuanced vantage of the dynamic learning and complex strategic action that emerges among the actors spanning the different operational levels of a social entrepreneurship organization as it goes to scale.

## 6.2 OVERVIEW AND CONTRIBUTIONS OF THIS DISSERTATION

This research study explores the phenomenon of social entrepreneurship organizations by interpreting the contextual environment each organization's strategic action field and by identifying the ethnographic characteristics that inform strategic action. Additionally, this study critiques the theoretical and methodological shortcomings among the typologies and

models that exist currently to explain this phenomenon. By introducing the Theory of Fields framework and the conceptual framework of strategic action fields in exploring this phenomenon, this dissertation provides much needed insight into the dynamic social mesolevel social orders that illustrate the social skills of organizational actors and their collective capacity for strategic action (Fligstein & McAdam, 2012).

To test these theoretical assumptions, I designed an exploratory small-n case study. The study explores five social entrepreneurship organizations in depth (Year Up, Playworks, KaBOOM!, Manchester Bidwell Corporation and The Future Project). I collected and analyzed qualitative data for each organizations, triangulating my analytical approach by both conducting a thorough documentation review and analysis and through conducting in-depth semi-structured interviews of key organizational actors at each of the three operational levels of the organization (mesolevel, macrolevel and microlevel). By conducting semi-structured interviews with leaders at each of the three operational levels on an organization, my research applies an added depth and robustness in the triangulation of key nodes of data. The results of the analysis yielded new insights into not only how social entrepreneurship organizations learn and develop as they undergo the scaling process, but also the parallel process of how their philanthropic funders learn and develop.

In exploring the contextual environment of each organization's strategic action fields and by identifying the ethnographic characteristics that inform strategic action, this dissertation made a significant theoretical contribution to the research field of social entrepreneurship organizations going to scale, provided an important methodological

contribution to the field, and contributed to the broader domain of organizational learning and development.

#### 6.2.1 Theoretical Contribution

By introducing the theory of fields framework and the conceptual framework of strategic action fields, my research offers a significant contribution to better understanding the context and the ethnographic characteristics that inform the complex phenomenon of a social entrepreneurship organization going to scale. The theoretical contribution addresses a void in the literature by exploring the microfoundation of an organization – the dynamic social environment which that illustrates the capacity for strategic actions that shapes the shared meaning, interests and identities of the organization.

#### 6.2.2 Methodological Contribution

Though the comparative case study is the predominant methodology favored in the study of social entrepreneurship organizations, these case studies are overwhelmingly explanatory and reliant on quantitative data collection and analysis. By employing an exploratory small-n comparative case study approach and through conducting qualitative analysis of my research problem, I substantively address a methodological void in the literature on social entrepreneurship organizations going to scale.

#### 6.2.3 Organizational and Philanthropic Learning and Development Contribution

This research study, by exploring the actions and behaviors occurring among key organizational actors throughout each of the five organizations strategic action fields,

provides insight into both the fields of organizational and philanthropic learning and development. The application of the theory of fields and its conceptual framework of strategic action fields provides a unique perspective and opportunity for learning to occur across broad and varied organizational environments. By focusing on the identification of the ethnographic characteristics that inform strategic action when a social entrepreneurship organization scales-up, my research yielded keen insight into the relationships between organizations and their funders, as well as the dynamic and complex learning that occurs in a social entrepreneurship organization's life cycle.

One of the central insights in this study is the role in which philanthropic organizations influence – for better or worse – the going to scale process of successful social entrepreneurship organizations. This is best illustrated through the push vs. pull strategic approach to growth.

Through the analysis of interview data, a problematic portrait of organizational learning and development emerges during the “push” to scale, marred by persistent information asymmetries among organizations and their funders around building capacity to scale optimally. All of the organizations in this study underwent needlessly painful growth as they scaled their operations according to a “push” strategy because of a lack of funding centered on the capacity building of these organizations amid the growth process.

All of the organizations in this research study - with the exception of the Future Project, due to its comparatively short organizational life cycle – eventually adopted a “pull” strategy to going to scale. The “pull” strategy is imbued by a commitment to “co-create” with its partner funders and clients what scaling into a new community would be, resulting in a more informed and sustainable strategic approach to scaling for impact.

Despite the painful shared experiences among the social entrepreneurship organizations in this research study during a “push” strategy to going to scale, there are signs that an inflection point at the macroperspective is emerging among bug funders, changing the ways they think about supporting organizations going to scale. Highlighting this possible strategic shift is the funder “convenings” that now occurs at Playworks. These convenings - where some of the most powerful funders in the country get together on a quarterly basis to discuss strategy and how to support the organization best operationally – promote a new culture of co-creation between the funders and the organizations that they support, enabling a more comprehensive, real-time learning process on what goes into helping an organization grow according to the goals of its mission. As such, this model of convenings could catalyze a new way of thinking among the broader funding community, how they can better understand best practices for bringing organizations to scale, and hopefully spare the next Future Project-like social entrepreneurship organization from cycling through the throes of chaotic growth associated with the “push” strategy.

## 6.3 OPPORTUNITIES FOR FUTURE RESEARCH

### 6.3.1 Further exploration of the Macroperspective

The philanthropic community that funds social entrepreneurship could be the target future research through either 1) conducting a deeper and broader network analysis centered inquiry into how connected funders interact with one another and in support of the same

organization, and 2) by more closely examining the role of philanthropy and its bearing on whether a social entrepreneurship engages in a “push strategy” or a “pull strategy”.

Specifically, it is worthy to note that while the Robert Wood Foundation is participating in the landmark convenings that occur at Playworks, they are also simultaneously supporting The Future Project amid a chaotic “push” phase. Further research into the information asymmetries that result in this major foundation’s pivot to innovate and remain path dependent, could yield crucial insight into the structure, process and temporal nature involved in learning and development at a major philanthropic institution.

### 6.3.2 Follow-up research with the Future Project

The Future Project, the youngest organization included in this study, represents a unique opportunity for future research. Unlike the other organizations in this study, The Future Project is currently in the throes of adjusting to the influence of its funders, specifically the real or perceived directives to engage in a “push strategy” to scale in new communities. Because of where the Future Project is at in its organizational life cycle, it welcomes the application of a multiple-phase case study to examine how it continues to learn and grow while scaling its programming.

### 6.3.3 Conducting a principal component analysis of data

Using the data tables of symmetric matrices I used to analyze codes in ATLAS.ti, a principal components analysis could be conducted to observe how the mathematical loading of the variables’ coefficients and the factors that result compare to the five major themes that

guide the ATLAS.ti. analysis of codes. Because this analysis is not based on content and because I acutely understand the context of the interactions documented in the interviews, I could be able to assess whether the identified factors that emerge from the principal components align with the five themes. If the mathematical relationships yielded from a principal component analysis confirm or in meaningful ways corroborates the five themes that guide my analysis of codes, or even variants of them, this could serve as an important finding, adding rigor to the analysis and further supporting the existing findings of my research study.



## 7.0 APPENDIX A

### 7.1 SEMI-STRUCTURED INTERVIEW PROTOCOLS

#### 7.1.1 Mesolevel Interview Protocol

#### **Interview Protocol – Mesolevel (Founder/CEO/President of organization or other senior leadership)**

*This interview will be either recorded in-person on-site or over the phone.*

Name of Interviewer: Jonathan Livingston    Phone: xxx-xxx-xxxx

Email: jel111@pitt.edu

Date: \_\_\_\_\_

Time interview began: \_\_\_\_\_ Time interview ended: \_\_\_\_\_

Respondent Code:

Introduction:

First, I want to thank you very much for taking the time to meet with me in person today. My name is Jonathan Livingston, and I am a Doctoral Candidate at the Graduate School of Public and International Affairs at the University of Pittsburgh.

The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale. In doing so, I am looking at the behaviors and strategic actions that occur between

fundings and the organization, between individuals across an intra-organizational level, and between the organization and the clientele it serves. To this end, I am interviewing 3 individuals at each organization, each one filling the role of a key organizational actor with insight into the operational level being addressed. As \_\_\_\_\_ of this organization, I am seeking to better understand the dynamics of actions and behavior occurring intra-organizational level during the process of going to scale in new communities.

The interview I am about to conduct with you will take no more than 30 minutes. The interview will be audiotaped to ensure accuracy in the recording of responses. Rest assured, there are no foreseeable risks associated with this project, nor are there any direct benefits to you and you will not receive payment for participating in this study. All responses are confidential, and results will be kept under lock and key. Your participation is voluntary, and you may end the interview at any time. Any questions before we begin?

#### Interview Protocol – Mesolevel (Founder/CEO of organization)

- 1) What are the key structural components involved in the successful scaling of your organization in new communities?
- 2) Who are the key actors that ensure the successful scaling of your organization in a new community, and what are their roles?
- 3) What are some of the challenges that you've encountered in going to scale?
- 4) What are the key social processes required within an organization to ensure the successful scaling-up of operations? What are the strategic actions and behaviors?
- 5) Who are the actors within an organization that oversee and determine the successful scaling-up of operations, and what skills are required of these actors?

- 6) How would you explain the characteristics of the relationships between key actors within an organization, and how do these characteristics promote the successful scaling-up of operation?

### 7.1.2 Macrolevel Interview Protocol

#### **Interview Protocol – Mesolevel (Founder/CEO/President of organization or other senior leadership)**

*This interview will be either recorded in-person on-site or over the phone.*

Name of Interviewer: Jonathan Livingston      Phone: xxx-xxx-xxxx

Email: jel111@pitt.edu

Date: \_\_\_\_\_

Time interview began: \_\_\_\_\_ Time interview ended: \_\_\_\_\_

Respondent Code:

Introduction:

First, I want to thank you very much for taking the time to meet with me in person today. My name is Jonathan Livingston, and I am a Doctoral Candidate at the Graduate School of Public and International Affairs at the University of Pittsburgh.

The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale. In doing so, I am looking at the behaviors and strategic actions that occur between funders and the organization, between individuals across an intra-organizational level, and between the organization and the clientele it serves. To this end, I am interviewing 3 individuals at each organization, each one filling the role of a key organizational actor with

insight into the operational level being addressed. As \_\_\_\_\_ of this organization, I am seeking to better understand the dynamics of actions and behavior occurring intra-organizational level during the process of going to scale in new communities.

The interview I am about to conduct with you will take no more than 30 minutes. The interview will be audiotaped to ensure accuracy in the recording of responses. Rest assured, there are no foreseeable risks associated with this project, nor are there any direct benefits to you and you will not receive payment for participating in this study. All responses are confidential, and results will be kept under lock and key. Your participation is voluntary, and you may end the interview at any time. Any questions before we begin?

Interview Protocol – Mesolevel (Founder/CEO of organization)

- 1) What are the key structural components involved in the successful scaling of your organization in new communities?
- 2) Who are the key actors that ensure the successful scaling of your organization in a new community, and what are their roles?
- 3) What are some of the challenges that you've encountered in going to scale?
- 4) What are the key social processes required within an organization to ensure the successful scaling-up of operations? What are the strategic actions and behaviors?
- 5) Who are the actors within an organization that oversee and determine the successful scaling-up of operations, and what skills are required of these actors?
- 6) How would you explain the characteristics of the relationships between key actors within an organization, and how do these characteristics promote the successful scaling-up of operation?

### 7.1.3 Microlevel Interview Protocol

#### **Interview Protocol - Microlevel (COO, CPO or the equivalent leadership)**

*This interview will be either recorded in-person on-site or over the phone.*

Name of Interviewer: Jonathan Livingston    Phone: xxx-xxx-xxxx

Email: jel111@pitt.edu

Date:

Time interview began: \_\_\_\_\_ Time interview ended: \_\_\_\_\_

Respondent Code:

Introduction:

First, I want to thank you very much for taking the time to meet with me today. My name is Jonathan Livingston, and I am a Doctoral Candidate at the Graduate School of Public and International Affairs at the University of Pittsburgh.

The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale. In doing so, I am looking at the behaviors and strategic actions that occur between funders and the organization, between individuals across an intra-organizational level, and between the organization and the clientele it serves. To this end, I am interviewing 3 individuals at each organization, each one filling the role of a key organizational actor with insight into the operational level being addressed. As \_\_\_\_\_ of this organization, I am seeking to better understand the dynamics of actions and behavior occurring between your organization and the clientele you serve during the process of scaling-up in a new community.

The interview I am about to conduct with you will take no more than 30 minutes. The interview will be audiotaped to ensure accuracy in the recording of responses. Rest assured, there are no foreseeable risks associated with this project, nor are there any direct benefits to you and you will not receive payment for participating in this study. All responses are confidential, and results will be kept under lock and key. Your participation is voluntary, and you may end the interview at any time. Any questions before we begin?

- 1) How does your organization determine whether a community has the clientele to serve to ensure the successful scaling-up of operations? Do you find that clientele in a new community reaches out to your organization to scale-up operations, or are new clientele in new communities determined more by the organization?
- 2) Who are key actors that your organization works with in a new community to promote the successful scaling-up of operations?
- 3) What criteria does your organization use to assess the viability of serving new clientele in new communities?
- 4) What information must be exchanged between your organization and the clientele you serve to promote the successful scaling-up of operations?
- 5) How has the process of going to scale in several communities changed the structure and process of going to scale for you organization?
- 6) What have been some of the greatest challenges that you have encountered in going to scale in new communities, and how has your organization learned from these challenges?

## 8.0 APPENDIX B

### 8.1 SEMI-STRUCTURED INTERVIEW TRANSCRIPTS

#### 8.1.1 Year Up

Date	06/07/2016
Location	Boston, MA
Organization	Year Up (Mesolevel interview)

Jonathan: Okay. First of all, I want to thank you very much for taking the time to meet with me in person today. My name is Jonathan Livingston. I'm a doctoral candidate at the Graduate School of Public and International Affairs at the University of Pittsburgh. The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale.

In doing so, I'm looking at the behaviors and strategic actions that occur between funders and the organization, between individuals across an inter-organizational level, and between the organization and the clientele it serves. To this end, I'm interviewing three individuals at each organization; each one filling the role of a key organizational actor with insight into the operational level being addressed.

Considering your role as xxx, your role in the leadership of this organization, I'm seeking to better understand the dynamics of actions and behaviors occurring inter-organizationally during the process of going to scale in new communities. The interview I'm about to conduct with you will take no more than 30 minutes. The interview will be audio-taped to ensure accuracy in the recording of responses.

Rest assured, there are no foreseeable risks associated with this project. Nor are there any direct benefits to you, and you will not receive payment for participating in this study. All responses are confidential and results will be kept under lock and key. Your participation is voluntary, and you may end the interview at any time. Any questions before we begin?

Interviewee    Nope.

Jonathan:        Okay. Great. Okay. What do you consider to be the key structural components involved in the successful scaling of your organization in new communities?

Interviewee    I'm not sure what you mean by the word structural.



Jonathan: I mean in-

Interviewee ... so maybe you could give me a definition.

Jonathan: Sure. What I'm getting at is, when your organization looks at new communities, scaling up in new communities and you have your model, what are both the structures that enable that scaling to occur and the processes that occur within those ...

Interviewee Why don't I role you back slightly and just say the way we would ask that question would be "What are the criteria that we consider when we're considering going into a new community?"

Jonathan: Okay.

Interviewee That's a precursor to decide whether we're going to go to a new place or not. Then there's a second set of questions that relate to "When and why do you grow what you're doing in a particular community?" Those are related, but two separate things. To the first, we have a set of criteria that have evolved over time based on the joy and the pain of the experience of doing it.

A handful of things are considered and thought about and investigated quite rigorously. I'll just run down the list for you. They include the population that we serve being present in that community, so population in scale and density of opportunity youth, which is the population we serve.

The presence of employers who have challenges with their entry-level,

middle-skill talent needs, which for us is the customer base. That tends to be ... Throughout the life of the organization, but certainly these days, we're working with a lot of companies that are national, so they have physical location and footprint in many, many markets across the US.

For instance, we're in Phoenix now because a handful of our employer partners who we had relationships with said, "Would you consider opening up in Phoenix?" We had enough business there and needs from those customers and there is a population of opportunity youth that that was a place we considered, and we're now operating there. In addition to that, there needs to be a open and supportive philanthropic community.

All of our current future growth, new location and growth will be based in community colleges through something we call our Professional Training Corp or PTC model, which is an adaptation of programmatic model that just is embedded within the community college, so a community college partner that's interested that would be will to partner with us.

Those are the top criteria. I would say another key consideration is transportation. In many locations in the US, many of the top 30 markets, which is really where we focus, where young, low-income people live and where jobs and work actually is aren't necessarily anywhere near each other.

How folks get to and from either the community college and/or to work is a really interesting consideration, so that's another criteria we have on the list. Those are criteria around why we would go some place. Then to the

question of, "Why would you chose to get bigger in a certain location?"

that's really based on, again, demand.

The limiter there usually is around "How fast can we grow and respond to the customer employer needs?" and "How quickly can we effectively get our program up and going and grow?" In the [core-prota 00:05:58] model, we take two cohorts a year in the community college that's been adapted to the academic schedule of community college, so an August start and usually a January start.

They start against an academic calender, so if you're starting in September, can you start a new cohort in the January that follows that or do you need to wait until the following September? We have a certain amount of ramp up in terms of staffing to get people in place and trained and ready to go to be able to effectively deliver the program.

We do a handful of things that are a precursor to programmatic things. We have to secure internship seats for our students who spend the second half of their year with us in an internship. There's a fair amount of work that happens in the nine months prior to a launch once we've chose to go into a city, and that would be true for a growth moment as well.

Jonathan: Who do you consider to be the key actors that ensure the successful scaling up of the organization in a new community? What are their roles?

Interviewee I've just named key constituents and contributors: both customers, beneficiaries, and partners. I would say those are the key ones within the given community. We also rely heavily, in terms of our outreach and

admissions process, both the community college itself, but also local community-based organizations, religious organizations, any place where young people are being served or taken care of.

That's usually a network that we explore and build as we're entering a new city. About a year and a half into being in a particular community, a year and a half to two years, about 60% of incoming young people who are interested in the program come through word of mouth. Pretty quickly a kind of peer-to-peer and, what I lovingly refer to as, the mom/aunt network tends to kick in, and so young people have heard about Year Up already. Sometimes from another city, but within a city that penetration happens pretty quickly. I would say those are all key players. We certainly make contact when we're heading into a new city with local ... like the mayor, depending on the size of the state: the governor, other local politicians, and other organizations that provide services to young people to get a lay of the land.

We bring a unique value proposition, but we're keen to actually be additive as opposed to competitive to what's already going on. Unfortunately it's rarely an environment where there's a lot of competition because there's just not enough good stuff going on to connect the supply and demand.

Jonathan: What are some of the challenges that you've encountered throughout the years in scaling up in new communities?

Interviewee I think there's only so much you can do. It's more a question of there's way more opportunity than there is capacity. Certainly I would say, if I think

about barriers to growth, I would say it's easy to put financial capital as a top-line, but in fact I think human capital: finding the right staff and getting them on-boarded and trained and ready to go ...

The human capital tends to be more of a constraint just in terms of how fast we've been able to build our internal muscles to be really good and bigger and better at hiring, at talent seeking and hiring, which is interestingly the business we're in too. That's just plain hard work. Then there's financial capital.

We have revenue model that 50% of our revenue comes from the employer partners so that corporate engagement: both the sales of internship seats and the relationship building with being a solutions provider of companies ... Again, when we're entering a new location, we usually are doing that at the request and in consultation with a handful of employer partners that we support and work with in other locations.

We've usually done a fair bit of work in advance to help figure out what those particular needs are, for example, in Dallas, which is a city we're opening up in in '16, as we are in LA. Those are interesting cities in the sense that they both have, in both cases transportation is really complicated. They're both big. They're both really spread out.

Not just for Year Up, but in general transportation is really complicated.

Where, in a place like Boston with a good public system and infrastructure: both buses, trains, and the commuter rail, you've just got more. We have some of our partners where it's more complicated, so it sort of depends, but

those are a handful of things that come to mind in relationship to your question.

Jonathan: Okay. Yeah, I guess you could walk the entire city of Boston in a given day and it'd be easy. It's unique like that.

Interviewee Yeah. It depends. You've got employers who have physical locations in a variety of places. We have like Fidelity as an employer partner. Some of their staff locations are in Boston, but some are in like Southern New Hampshire, so it also depends on where the internships and the jobs are going to be and how you help people get around.

Jonathan: Okay. Now sometimes there is going to be some overlap in some of these questions. What do you see as some of the key social processes required within the organization to ensure the successful scaling up of operations? Getting into the strategic actions and behaviors inter-organizationally, that are occurring to enable, to promote the scaling up of operations in new communities?

Interviewee You're sitting in a room where, I think, on either side of the screen, where you can see probably way to big of a picture of me. You see, probably, our core values and our feedback guidelines.

Jonathan: Mm-hmm. (affirmative)

Interviewee Those are two fairly deeply embedded kind of DNA, culture of the organization about how we intentionally want to be and be with each other. I think they are central drivers in terms of the behaviors and norms that have been baked in from the very beginning and are very actively honored

and socialized around and trained on.

Out of them, I think, come a way of being that's very much about assumed best intentions, transparency, finding comfort in the discomfort of being able to speak up and say when you there's disagreement. Not just sit in silence if you think something is a little off that's being discussed or being proposed.

then I would say a very deep culture of what we think of as prove and improve, which is really a learning environment, and a heavy use of data. How are we doing? How do we know? Then what does that tell us about what we might want to do better or more effectively? That's very conscious. We very early on made a big investment in partnership with a private organization called Sales Force, which is essentially our infrastructure and data backbone. We have both contact information, all that kind of stuff, but we also track all sorts of programmatic outcomes and information and resources.

As a manager in the organization, you have a specialized dashboard where all that information literally pops up and you can look at it both all the time if you wanted to, but generally everybody takes a hard look on a Monday and sort of see where we are. That's very conscious.

A lot of what we do is pipeline sales management, so you can think about that on the admissions and outreach side with our young people. You can think about that in terms of the work with corporations around finding internship and job opportunities. You can think about that in terms of

development.

We're really, I would say, pretty focused and on top of how to be good at that. Those are some of the things, I think, that have sort of been part of the organization and we've been advocating. I've been involved since the very beginning, but actively on the team for almost 10 years. I was around when we were a \$15,000,000 organization. Now we're a \$115,000,000, so a lot of growth.

Jonathan: Yeah. Fantastic. Okay. Who are the actors-

Interviewee The other thing I would say, the physical location you're in today, which happens to be our Boston headquarters, if you were to go to a different Year Up site somewhere else in the country, the vibe you get today, you would feel elsewhere. I think the staff is going to take you on a tour and you're going to meet some students.

You happen to be at a very big location. It's our original, oldest city we've been in. It happens to have part of our headquarters there, but you would feel that even in a startup place like in Dallas that's getting up and running, even though it's got a tiny staff. That consistency around our mindset and how we think about what we're doing and who we serve and why it matters is pretty constant.

Jonathan: Yeah. Actually that'd be a great followup research project: to go through the same organizations and just look at culture and the consistency.

Interviewee It's one of the things you need to do around ... that are precursors to all sort of things, but if you think about quality. In our case, since we have a



customer base of employers who might be sourcing talent from different cities, you don't want their experience in Chicago to be radically different than it is in Jacksonville if they're looking for like cyber security talent. It's actually baked in as a ... There's a lot of things baked in around why it matters because you want that quality and that consistency. It's also in relationship to evaluation efforts, which we've been doing for a long time. We're now in the midst of a big randomized control, federally funded RCT that a portion of the government is doing now with about 10 youth-serving organizations.

One of the precursors, you may know, to being able to participate in something like that is the question that research and inquiry has done around in advance of you being able to participate around, "Would you find consistency in all the questions you're asking site-to-site?" We've been looking at that for a long time.

Jonathan: I just have a few more. Who are the actors within your organization that oversee and determine the successful scaling of operations and what skills do you see as being required of those actors?

Interviewee I think we're pretty practical. We have an interesting cultural mix of both people with big-heart, big-mission, big-vision kind of aspiration around the young people we serve and pretty practical, no-nonsense, business acumen. It's an interesting intersection. It's really a social enterprise in that sense. It feels more like that than probably some non-profits do, but more heart than a lot of businesses do. I would say it's a very playful place. Folks who

can be able to look ahead and be planful and also then monitor and be accountable against those plans and then pivot when and as needed, those sorts of skills have been absolutely central.

I would say we've also had a pretty diverse ... When I think about the leadership team, which now numbers 15. You're meeting three of us. I was the third person on what is now a 15-person team. It's a diverse group with really different backgrounds and diverse points of view and ways of interacting and, in many ways, skill sets.

It's also about being open to different points of view and being open to learn together and come up with a good solution as opposed to just everybody singing the same song. That's been, I think, one of the things that's helped us be steady and resilient as we've barreled forward. I think there's a kind of ability to be ... Given the young people that we serve, there's a fair amount of really terrible stuff that our young people encounter.

We've had young people gunned down in front of their homes for leaving their gangs. A fair amount of really complicated emotional stuff that staff then are needing to be responsive to and deal with and manage. I think there's a piece around really caring for each other with the idea that we're growing this important intervention that really is run like a business.

It's still really fundamentally an organization that's with and for and about people and being really present to that and living in the teachable moments with young people and with each other. Which is why feedback, as you see, I

think, probably on your right as you look at the screen, is such a central part of what we do.

That's been baked into our program model on Friday afternoons with our students, but it's also a critical part of what we do staff-to-staff, is really being able to both give and receive constructive feedback: what you're doing well, what your growth areas are, how that meeting went. A very conscious effort of that.

Jonathan: Again there is overlap here, but if there's anything else you can add. How would you explain the characteristics of the relationships between key actors within the organization? How do these characteristics promote the successful scaling up of operations? For instance, thinking of yourself interacting with the COO or the President, what characteristics of these relationships between key actors really promote and ...

Interviewee I think trust is absolutely central and candor. I would say there's not a lot of posturing and not a lot of ... It's so interesting to hear you use titles because we don't really do that.

Jonathan: Right.

Interviewee There's not ... It's certainly now a very big organization, but the idea of hierarchy as it relates to titles is just not a cultural norm. Of course I've been a senior person for the whole time. Having been in much more formal organizations than this one, which is like, "Ooh. You wouldn't go knock on someone's ..." You see it's an open plan. Everyone sits the same. It's very egalitarian and should-to-shoulder.

Not democracy in the sense that everybody's voice matters, but there's interest and people participating. I think, again, that's to answer around learning, which is like, "I know what I know. I know what I don't know, but most of what's out there is I don't know that I don't know," so you've got to be in an inquiry and a listening mode around that because you're going to be sitting in a room ...

The room you're physically sitting in today is a room where we have our executive team meeting every Monday morning for 90 minutes. A similar room in New York is where the bulk of folks are. If people are on the road, there's a handful of people who are on the phone. We do so much like you and I are doing today on Skype that you've got to have trusting, candid relationships with a lot of preparation in order to do business across time zones.

Jonathan: I'll wrap up with this question, which I kind of view, in some ways, as the most important question. When you look at the lifespan of Year Up and you look at, say, a typology of scaling. Now there's been all of these various areas you've occupied on typology scaling. Let's say you've gone through corporate partnerships and you've gotten involved on a lobbying, advocacy level and achieved scale through policy.

Throughout all of these different moments of growth and scaling up in new communities, could you speak to some of the key inflection points that you've had as an organization where you've really, really learned new things about yourselves in the organization and how, sometimes, one type

of scaling may lead to a different type of scaling, how it's not always the way that you expect it to be? I know that's a big question, but just think of in terms of inflection points. That's what I'd like to hear.

Interviewee Yeah. I think you and I spoke, when we spoke on the phone that you use scale in a very particular way that I do not. I'm trying to listen to the question you're asking because I really think about all of this in the context of impact. Bigger is not better. Big does not equal impact. Scale does not equal impact. When I think about impact, I think that's the frame I'll use. I think there have been tons of inflection points.

There was a critical one when we made a decision, having replicated, which is one form of scale, after Boston replicated successful in Rhode Island and then did it again in New York and the national capital region ... We're not quickly, but quickly by some standards being able to figure out that what we had figured out worked in Boston could actually work in other locations that had different characteristics.

Interviewee2 Hi.

Interviewee There was an interesting question. At that time Year Up's mission ... Hey, Con. ... was really around bridging the opportunity divide. We use that language very consciously. At a certain point there was an inflection point where there was a pivot to close the opportunity divide as opposed to just create a number of strong bridges between supply and demand in X number of communities

That was a pretty dramatic inflection point because it was audacious in a lot of ways, if you think about that scale of problem in the United States and the opportunities. It really, in some ways, shifted the consciousness of what was ours to do: both in thinking about how we were going to do our direct-service business, but also we were going to do in parallel with a set of influence and system change activities, which is actually the part of the business I run.

That feels like a pretty critical one. I think another one would be the adaptations. We were looking at efficiency and effectiveness of our direct-service program to think through and figure out how to effectively partner and co-locate with community colleges as an existing, I'll put in quote, "system" that is responsible for, essentially, the education and training of much of the low-income population in the US.

We're still in the midst of that learning and experiment, but I would say the learning there has been rich and deep in terms of what it constitutes to have an effective partnership. The same would be true with going from onesies and twosies with a corporate partner who took a couple of interns and it was sort of a nice-to-do kind of charitable act versus us becoming a solutions pipeline for talent-needs skills, where we're a big player in partnership with a company.

That's a very different value proposition and a very different kind of management set of responsibilities and what you would need to build in terms of infrastructure to be really effective at doing that well not just with

one company, but with many. Those are a handful of inflection points, I would say. You probably have a sense talking to me. We could talk for hours, but..... Now interviewee 2 can talk to you for hours.

Jonathan: One last bit I'm just curious about ... I know that Venture Philanthropy Partners oversaw, they invested money, but also helped the discovery process with the organization for around four years. How important was that partnership in learning more about different types of scaling and learning more about ...

Interviewee We've had the great pleasure of having, really, an embarrassment of riches of amazing investor and philanthropic partners. VPP is certainly one. They were particularly interested in the national capital region, which is where, prior to us, their funding had been entirely focused. Their investment was really in the national capital region with the first ever investment ...

A portion of the overall investment was the first ever investment they ever made in a national systems change effort. They were a ... The learning usually, when it's deep like that, as it has been with New Profit and a whole host of long-term philanthropic partners, it's not a one-off. It's usually a two-sided, multi-headed inquiry around learning and the philanthropy, as in the case of VPP, figuring out what's theirs to do, what they could be effective at doing and what they can't be.

I think having worked with VPP for a long time over the years: both knowing them outside of this relationship and within this one, I think one of the things they've been challenged by is, when they've put big chunks of

money into organizations, "Do they make effective investments to insure the organization?"

In this case, it was ... Year Up's national capital region has a financial sustainability plan beyond the investment of VPP. In the case of VPP in Year Up's national capital region, that was not the most successful piece of their overall investment. That said, we continue to have relationships with a whole host of folks there and, in fact, have someone on our national board how is a VPP peer.

Jonathan: Great.

Interviewee How do you know VPP?

Jonathan: They're one of the several cases that I've read in my documentation review on Year Up because they oversaw ... At least in that partnership, there was such a flurry of activity. A lot of big moments seemed to coincide with that partnership. The Microsoft \$10,000,000 grant happened right around that time.

Interviewee Yeah. I guess I would just say, candidly, everything you read is a sales story about how good everybody wants to look.

Jonathan: Yes.

Interviewee Philanthropy is ... new interviewee 2 will probably smile when I say this. In the world of philanthropy, one of the big, complicated pieces of philanthropy is how to tell a story about how effective and smart you were as an investor to make good decisions, not as candid a story as is often the



case, which is all the failures and all the learnings, which is a much more interesting story. We would all be moving more quickly with our learning if everybody could get out of their ego of needing to look good.

Jonathan: That is spot on. That's precisely why I was curious. I'm always curious to ask about these things for exactly those reasons. That's great.

Interviewee I'm trying to remember having participated in and given my feedback on the various things that were produced in that cycle with them. They were going through a very complicated organizational period at that time as well, which you might not know about, about their efficacy. There's always a story.

Jonathan: Fantastic. This has been wonderful. Thank you so much for taking the time. I hope your son is okay. I hope everything works out for the best. I'll definitely share this report with you once it's finished. It should be done in the fall.

Interviewee Great. I appreciate your interest in us and glad that we could follow through on the connection when Jill reached out to me about you. Good luck with your dissertation.

Jonathan: Thanks so much. Thank you.  
Thanks for making time for this.

Interviewee Sure. Bye.

Jonathan: Take care.

Bye, guys.

Jonathan: Bye.

Date	06/07/2016
Location	Boston, MA
Organization	Year Up (Macrolevel interview)

Jonathan: Okay, we'll get started here. First, I want to thank you very much for taking the time to meet with me today. My name is Jonathan Livingston. I'm a doctoral candidate at Graduate School of Public and International Affairs at the University of Pittsburgh. The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale. In doing so, I'm looking at the behaviors and strategic actions that occur between funders and the organization, between the individuals across an intraorganizational level, and between the organization and the clientele it serves.

To this end, I'm interviewing three individuals of each organization, each one filling a key role. As xxx, I'm curious to better understand, get a better insight into the dynamics of actions and behaviors occurring between funders and your organization during the process of going to scale in the communities. This interview should last no more than 30 minutes. Of the interview, we'll be audio taped to ensure accuracy in the recording of your

responses.

Rest assured there are no foreseeable risks associated with this project, nor are there any direct benefits to you, and you will not receive payment for participating in this study. All responses are confidential and results will be kept under lock and key. Your participation is voluntary, and you may end the interview at any time. Any questions before we begin?

Interviewee: No.

Jonathan: Okay, great. Who are the key funders that influence the successful scaling up of operations, and describe their roles.

Interviewee: You mentioned a couple of names that are familiar, so Playworks, for instance, was also funded by a wonderful partner and long-term fan, I guess. We're mutually fans, Genesis. The Genesis group was very instrumental in essentially underwriting the development of our first prospectus. More recently, and what I've been more involved in, perhaps more germane to this scaling up, they've really underwritten the development of the centralized services, the development operations.

Let me step back a little bit and just talk about how Year Up has developed over time, which I've also seen in other organizations. I most recently with City Air and it was very much similar in that there was the initial site in Boston, and then expansion opportunistically to other sites, where essentially we hired really smart, good people, and said, "Here's the program. Vaya con Dios," and it kind of left people to their own devices and

said, "Try to make a piano."

As we've matured, as we've grown, we've got into the second stage. If we were a true entrepreneurial organization, we would be well beyond that second-stage investment, but this is the time where we've said, "You know, we have the ability now, at this level of evolution, to have some services brought back in, so that things like prospectory search can be done by people who are vertically focused on that activity, who can be very professional in that activity, and more efficient and just better quality, all of that. Let's start developing those centralized services."

That's really where I was brought in, to develop out what those shared services should be, what they should look like, how we would deliver those service level agreements, all of the nuts and bolts of building that platform. I sometimes call it, "building the puppy dog with big paws," so that we can grow into the paws.

Genesis provided the funding to allow us to do that. We still head the sites, and our legacy sites are called our "core" sites. They have a full stack of development professionals. We began by building up our development operations team with prospectory search, with shared services grant writing, with some sales force reporting specifically for the business, rather than the overall IT CRM team, just really a key functionality to have, and then some folks who help with standardizing of stewardship practices, and engagement practices for mid-level and for higher scale donors.

Again, what we did in that case was take a look at how are our donors

arrayed? We have a ton of very small donors with low value aggregated. We have very few but high value donors on the other end, and knew we needed to build out that middle piece, and so also thought this is the opportunity to leverage the shared service, to focus on that middle level piece. We also wanted to move the people who were at the site from doing a lot of activity down here at the low end, and move them up into higher-level activities. By having this framework and a structure of support, we could begin to do that. The final piece that we did was change to a matrix structure. We've just implemented that where we can't declare victory yet, but we're knocking on wood or Formica or whatever I can, but we can't claim 100% success, but I will say that it has gone pretty smoothly, because site staff, our partners, the executive directors, leadership, see the value of having a local executive director manage the day to day and the team dynamics, and having, again, the vertical business expertise of the matrix with me and my partner, Susan. Susan and I divide the world by, again, if you look at that scale, Susan's at the top end of the scale, focused on the senior directors, the philanthropy, who are engaging and stewarding the largest donors. My span is the middle and lower level operations, everything else.

Jonathan: Okay. Could you speak to some of the middle ground. Who are some of the key people that have emerged in that middle ground, some of the key funders. How would you describe them as, you know, so here you have philanthropy, you've got corporate sponsors, the government. In the middle, who occupies that middle. Is it a, just to get some insight-

Interviewee: We're placing our best on developing at an individual level, the 10,000 to 25,000 dollar individual, major gift level. For institutional giving, that's a slightly higher number. That's the nature of institutional gifts, tend to be a little bit higher. It's not that there are individual donors who are influential, it's that we want to build out that category. There's a lot of capacity to build there.

Jonathan: Okay, thanks. Do you view the organization's relationships with key funders as hierarchical? Do the funders issue directives on how to operate or do you view them more as reciprocal, where the organization enjoys more horizontal dialogues?

Interviewee: My experience is that it's very reciprocal. I think that's the nature of some of the long-standing relationships that we have. We may engage with individuals where they begin by coming to a breakfast, and then they may volunteer, be a guest speaker. Then they kind of drink the Koolaid and really see the value of what we're bringing and decide to invest.

Jonathan: Okay, great. To achieve the successful scaling up of operations in a new community, do you see the organization as being reliant on funders that have been supporting the organization for years, or do you see the establishment of new revenue streams as crucial to this process. There's some overlap here, of course. You've already-

Interviewee: Sure, so we've had both. We've had situations where, and again, in our new model for growth, we're co-locating in community colleges, so we don't have the full stack of development services. We have one person on the ground to

deal with the transactional kinds of giving, the lower-level giving, the events, the volunteer management, that kind of stuff. To staff a regional fundraiser at the higher level, we have gate posts before we enter an area, so we won't enter a city unless there are jobs, it's always jobs first. We also need to pass a few milestones for fundraising. The jobs and the fundraising we've experienced, that coming from existing corporations who want to bring us into another community where they're located, or it's been green field. It's worked either way for us.

Jonathan: Okay, great. Beyond providing the resources needed to scale up in new communities, how do funders influence the actions and behaviors of the organization in the process of scaling up? What are the key actions that link the funders to the organization in the scaling process? If you need me to repeat that again-

Interviewee: Yeah, repeat that one again.

Jonathan: Beyond providing the resources needed to scale up in new communities, how do funders influence the actions and behaviors of your organization in the process of scaling up? Additionally, what are the key actions that link the funders to the organization in the scaling process?

Interviewee: I guess they address that in two ways. We, because we are kind of a unique organization, where we have a twinning of earned income and philanthropy, the earned income piece is probably what comes first. We look for funders

who can really engage in a partnership with us, because they have an employment need. They have a sourcing need. That may impact the curriculum that's offered in that region.

On the philanthropy side, I would say there's not an impact in what we're doing in that area on the purely philanthropic side. Perhaps the composition of the board is the most manifest way of saying, you know, if there is a funder at a high level, that may be somebody that we'll bring on to participate in the governance. That's really limited, I would say.

Jonathan: Can I ask you to get into a little more detail on specific actions and behaviors that might be influenced by the individual funders during the process of scaling up?

Interviewee: I'm just thinking of the recent examples, like Dallas and LA, so because we have more wind in our sails for Dallas, we will open more quickly. There's just tremendous excitement; the decision-making process by funders has been very easy, I would say, very quick to say, "Yeah, this is a great idea. We need you. Come." The speed with which we launch is probably the most visible manifestation of how we're influenced. I would say that we don't change our program model in any way, or what the offering is in any way. We don't change our location in any way based on philanthropy. It's more based on where the jobs are, where the college partner is.

Jonathan: Okay. Have there been unexpected changes from key funders that have influenced the successful scaling up of operations?

Interviewee: No. We are growing at such a pace that the only changes in funders is that



they're giving us more. We have aggressive goals and have had the support of our funders, where they're growing their giving over time.

Jonathan: I think the last question I want to ask, which I think is the very, very important one. You came in at the midway through this one, so you know, somewhat, what to expect here, but, in looking at the lifespan of Year Up, and comparing it to typology of scaling and seeing how you've had replication, you've had lobbying advocacy, policy-oriented scaling, corporate partnerships and so on. Looking at these various types of scaling, thinking of the lifespan of the organization, and how you continue to grow and have more impact. What have been some of the key inflection points, where the organization has really learned throughout this process?

Interviewee: Yeah, well we are learning. I think we're living the latest inflection point, which is, up until last year, growth was very tightly coupled with the growth curve of philanthropy. We need to jump to a new growth curve, so we will continue to fund raise in an aggressive clip. We need to be more effective and efficient in our fundraising, which is why we have more shared services. As we grow in our impact and service to students, we cannot continue to fund raise at that same pace. We cannot continue to fund raise at the same cost growth, either.

That, for us, has been a really important reason for a matrix organization for more developed, centralized services, and for more definition in roles. We went from a development group where in January, we had 55 some people in development. We had 55 job descriptions, to now having 7 job

descriptions for field staff. I think that has been a very intentional jumping onto a different curve.

Jonathan: Okay, have there been any other, can you think of any other moments where the organization has gone through scaling up in a new community, done it a certain way, and where there's been an inflection point where things, maybe they didn't go quite the way that was anticipated? Maybe what you thought you were accomplishing, after further, deeper analysis and evaluation, maybe wasn't quite exactly what was intended.

Interviewee: I don't know if others have talked to about the PTC model. I'm only giving you second-hand knowledge, because I wasn't here at the time. My understanding is that when the PTC model was first developed, it was completely walled off from the rest of the organization. It had its own finance department. It was a very separate kind of organization meant to be a pilot, meant to be contained.

From that, we learned things like we really don't need a separate finance organization. We administer the PTC model, and it is, in fact, a method for growth. We've learned a lot about what the staffing needs are for the co-location at community colleges. We have added some staff to just provide more continuity of service, because quality of program is incredibly important to the success and long-term sustainability of the organization at large. That is probably where most of the adjustments and tweaks to original design happened.

Jonathan: Okay, great. I think, I just have one last bit of clarification, if you would, just

so I ... You've mentioned it several times through the matrix that you're operating, according to, could you explain just in greater detail what comprises the matrix? That would be great.

Interviewee: Okay. I mentioned how Susan and I have split our roles. Susan has senior directors of philanthropy. They are the major gift officers, who are located in the core sites. There are also a few regional people. They report in to her, and they also report into their local executive director, and they staff the executive director when it's a local ask. The director of development is the, I call it the COO of development, also located in the sites. That person reports in to my team.

In the core sites, we have that one development person. They report in to me and my team. They report locally in to their executive director, and then in to me and my team for sort of business of fundraising. Does that answer your question?

Jonathan: Yeah, yeah, yeah, definitely. You got at it in a broad sense; I just wanted to have a little more clarification there.

Interviewee: Yeah.

Jonathan: Yeah, your answer was great. Fantastic, well thank you so much for taking the time. Is there anything else you'd like to add before we wrap it up?

Interviewee: No.

Jonathan: Great, great. Well thank you so much for taking the time. I think we, yeah,

look at that, we're even under 20 minutes.

Interviewee: What's with that?

Jonathan: That's fantastic. Great.

Date	06/15/2016
Location	Remote connection via Boston
Organization	Year Up (Microlevel interview)

Jonathan: First of all I want to thank you very much for taking the time to meet with me today. My name is Jonathan Livingston. I am a doctoral candidate at the Graduate School of Public and International Affairs at the University of Pittsburgh

The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale. In doing so I am looking at the behaviors and strategic actions that occur between funders in the organization, between individuals across an intra=organizational level and between the organization and the clientele it serves.

To this end, I am interviewing three individuals at each organization.

Each one filling the role of a key organizational actor with insight into

the operational level being addressed. So as the xxx of this organization I am seeking to better understand the dynamics of actions and behavior occurring between your organization and the clientele that you serve during the process of scaling up in a new community.

Your organization was picked through a snowball sampling method. Jill Violet at Playworks got me in touch with you guys. The interview that I am about to conduct with you will take no more than 30 minutes. It will be audio-taped to ensure accuracy in the recording responses. Rest assured there are no foreseeable risks associated with this project. Nor are there any direct benefits to you and you will not receive payment for participating in this study. All responses are confidential and results will be kept under lock and key. Your participation is voluntary. You may end the interview at any time. Any questions before we begin?

Interviewee: None.

Jonathan: Great. All right. The first question is how did your organization determine whether a community has the clientele to serve to ensure the successful scaling up of operations? And do you find that clientele in a new community reaches out to your organization to scale up operations or a new clientele and new communities determined more by your organization.

I can repeat that if you would like.

Interviewee: No, I got it.

Jonathan: Okay.

Interviewee: And I wanted. You need to focus on clientele in a couple of different ways, right? Because for us there is both the supply and demand representative in terms of clientele and both are important to us. We set a set of criteria around when and how do we think about it before going into a community. When will we open a new site as opposed to when will we expand the current site or when will we add a new channel to it, to the current site. But for us to go into a new site, we have to believe and get convinced that there is probably a 2 to 3 million of available seat capital that investors are willing to put onto the table to bring us there. Which is sort of a change. But it is 2 to 3 million is what know now that it takes to get an opening site with one community which is the way we open a site, initial cohort of 40 students. To get to manage... So what it would get to take that entity to break even. That is first of all.

The second is given that we are talking about one cohort of students or 40 students, we have to know that we have commitment for at least 20 intern seats for that first class. With then a line of sites towards the next one. So there should be a hard commitment on 20 and a pretty good view about where the next 20 are going to come from.

Then a degree of confidence which is more palliative around the supply of opportunity youth and our ability to easily access that network going up. Given that all of our growth going forward is going to be through our college model that is a bit of a shared responsibility between us and the community college. We will attract students to a program, both who are currently at that community college but also other students who will be co-admitted with us and with the community college.

Again, it is looking at both the availability of students as well as the availability of corporate partners. Those corporate partners, that corporate partner identification can come from outside of the new site because it is partners we are working with elsewhere that suggest to us. What is a good example, you know we got a corporate partner that has asked us to be in Wilmington because they would like to do some significant business with us there. Many of our new sites, a big piece of the initial 20 commitment around the interns comes from corporate partners who are elsewhere but also co-located in those sites.

Jonathan: Okay. Are any of them, aside from corporate partners, do you ever have any other actors that are associated with new clientele that initiate the early stages of scaling up in a new community?

Interviewee: Lots of things can serve as activation of interest or the beginning of due diligence. We can be contacted by local government. We can be

contacted by politicians. We can again be referred by corporate partners. We could be contacted by, if you will, suppliers of students. All of them saying we would be a great place. There is a high demand for your service. We really need you here. All of those things, all they do is spark initial due diligence. Now we have due diligence investors will talk to all those stakeholders. But again, all that is about trying to determine can we get to the base criteria because if we do not get to the base criteria our view will be that it should not be an immediate item and it should go on a longer list. We can go back and revisit later. But unless we got the ability to go after that criteria we should not be able opening in that space.

Jonathan: Could you describe the base criteria that you are sighting a little more? Is this essentially a diagnostic tool for scaling up in a new community?

Interviewee: Well, I suppose you could call it that. Again, we have... Now with about 15 years of history have figured out what is the best way to make growth successful because we do not want to make it unsuccessful. The best way to be sure of success and invest, the best way to pick what those targets are going to be is to make sure that those criteria are in place. In our early launches where we did not have those criteria we have had growing pains and you know in some of those cases we have not gotten into a self-sustainable stage and that is a problem. Yes, there are lots of sites that could fit our model and there are places that we think we either have demand and supply. But again the issue is we



have got to be able to represent that we have 2 to 3 million of investible, immediately available, funds, available capital that can be part of what we use to sort of expend and set up the site.

Second, we have to have buy-in for 20 of those internship positions and we can do more, right? That would be sort of fantastic. We qualitatively have to have a pretty strong field that we can identify the right student talent to start taking. If we have got more than one or two sites... We did Dallas and we did Los Angeles this year and we specifically say we will not do more than two. Interestingly in 2017 we are choosing not to open any new sites. We will expand current sites but the view is we need to actually invest in a couple of current sites and make sure that they are up to operating standard in a way that we would like as opposed to diverting energy going to new sites.

Jonathan: Great. By the way, there is just a little bit of feedback on your end. I do not think that it should compromise the recording too much but if there is something that you can identify that could in any way ameliorate that that would be great. But I do not think is that big of a deal.

Okay, moving on.

And again, throughout these questions there will be some overlap naturally so when asked a question you may have already partially answered it at some point.

The next question is who are the key actors that your organization

works with in a new community to promote the successful scaling of the operations? I know you mentioned corporate partners already.

Who are some of the other key actors?

Interviewee: Investors and those can be individual contributors, donors. They can be foundations, other institutional sources of funding. It can also be public money. So talking about... More forceful words... It could be effectively labor organizations. It could be... Again, depending on how that entity is organized, whether it is operations from a mayor's office or whether it is from a governor's office or whether it is from an accounting office or whether it is from a workforce board. But whoever represents, if you will, the public entity focused on workforce development. That is often, again, on both sources of supply for interns, so community organizations, religious organizations, educational institutions. We are in touch with high schools but we are also in touch with community colleges. Again, our new model is only through community college partnerships so we will have done the due diligence to find out who we would prefer as at least our initial community college partner in this effort and that entity becomes a pretty important key stakeholder for us.

Jonathan: Okay, great.

I know we talked a little bit about this but what criteria does your organization use to assess the viability of serving new clientele in new communities? If you could describe in greater detail.

Interviewee: The criteria we talked about are the criteria that again we focus on that need to be present to ensure success. As we look at what I would call an initial target it is very much about are we convinced that there is demand there from the corporate side, right. That is a looser definition for. This is very clearly about what is the representation of corporate partners. What is the representation of what we think our available middle skilled jobs. Have we been able to convince ourselves that there are pinpoints there from the staffing perspective for the types of plants that we would work with.

Second what does it look like in terms of available student base. We know what the, if you will, overall opportunities population is. We work pretty hard to understand what the addressable opportunities market is in that entity. That becomes a factor in terms of how easy is it to access supply and what is our sense of readiness level of that supply to fit again for what we are going to need to place in terms of internships and taking it forward.

Foundation support again is interesting and helpful, right? But again, when... Our view about these markets is that generally if we got it right and we get to two learning communities pretty quickly, current expenses should be self-sustaining against internal revenue. The corporate partners effectively pay for the program and then we are looking profit income in that innovation, R&D and should be on average once every three to five years not every year that we need it.

They are important. Understanding what the level of capacity in that market may be it has got to be important.

Third is absolutely what do we think about community college partners in that site. If we cannot get ourselves convinced that we can identify a partner that we can work with, who shares views about how we might approach working with these opportunities, how we are going to deliver the program, and has the ability to give us what we need out of that partnership we would not proceed.

Jonathan: The next question is looking... Let us look beyond the criteria and let us say that the criteria has been there, it has been diagnosed, established that this is a viable option for scaling up. You are at programming. What information must be exchanged then between your organization and the clientele that you are serving with this new site to promote the successful scaling up of your operations?

Interviewee -  
Microlevel: Yeah, again it is different clientele by clientele. For corporate partners what is being shared is what are their pain points, what are their staffing profiles, what are their staffing needs, what specifically are they looking to hire and place in the next three to five years in middle skills. How do they get access to training now for that talent set? What is their level of interest in participating with us and in what channels? Because we have products and services that get offered through a variety of channels, including, if you will, the standard community college model but also employer models where we go onsite for an

employer and we deliver and we co-develop a curriculum and we deliver it on an employers site.

It can be both leaning towards internships and/or for full-time jobs.

There is a fair amount of value in this space. But that is the... Again, eventually where do we think that the partners interest is in terms of number of internships? Because we are looking to establish an initial LLC that means 40 internships and we would prefer not to have a dominant partner in those 40 interns. We can have two, if you will, dominant partners to host 20 and 20. We felt that if strong and there was room for growth we would go there. Honestly what we are looking for is a number of what can be launch partners for us. We are going to have a vested interest in both seats but also financial wherewithal to sort of make the thing work. That is corporate partners.

Obviously with donors the question is a willingness to think about seat capital. We would much rather like unrestricted funds as opposed to restricted funds. What capacity are those donors going to have. What is the access of federal money and/or other public money to get the entity started. How are we going to have growth requirements out of the public money that we cannot guarantee sustaining the early on. Again, back to the desire for a set of unrestricted funds. Then the conversation around student supply will be very much around working with those organizations that can serve as referral sources.

Helping them understand as much as they can about who we are and the model is. Then helping us understand what are both going to be the best way to attract the talent set and also what are the things that are going to be unique challenges that we need to overcome.

In Dallas for example, transportation is a huge problem. A challenge that we would not have taken on five years ago but now it is just a problem for us to solve. But that means that we need to do a whole lot of work with entities that we probably had not thought about before. Local transportation authority, local transportation providers, trying to think really creatively and differently about how there are other ways to get at things than the normal channel. So can we go do a contract with Uber? Can we do a contract with Lyft? How do we think about sort of re-purposing some current transportation methods in that community?

Lastly, we are back to the community college. It is really about them understating who we are, how we do things, what are our expectations out of them. Our community college model it is the community college will do the technical skills training. We continue to do the pre-skills training. They provide space. It is all about now and growing into two and three and four LLCs. So understanding what their course catalog is, how they can revamp, how we can work on accreditation, how we can work on making sure that credits are available for transfer. What kind of student support resources do they have? There is a fair amount

of dialogue and information flow that has to happen with that stakeholder before we can say we go

Jonathan: Okay, great.

How has the process of going to scale in several different communities changed the overall structure and guiding process going to scale for your organization when you approach each new community? That is I guess a way of asking about how has the ongoing organization learning altered the structuring process of scaling

Interviewee: I would say absolutely yes, right and even more than that. We certainly know a heck of a lot more today and we ask for a lot more to commit to a site than we use to in the past. We have been about to say for the criteria we talked about at the beginning, we can easily demonstrate with those things in place we have a lot quicker chance of success. Not only with the initial 40 but getting to the second LLC in a site which is what we need to do to get the economic sustainability. There is no doubt that we are far better off with those things and we see the success much earlier than when we do not.

We have learned about launch practice. We have changed our launch practice. We have learned about staffing differently and we staff earlier than we use to before. We have a standard staffing model that we did not have three years ago so we know better based on that. We understand what it takes to make these entities work and be successful as opposed to not. We have a whole different approach to

working with the community college and how we engage our planning effort and how we spec out exactly what both sides are going to need to sort of bring to the table as well as deliver at the table. We have a different approach and an earlier approach around convening with the philanthropic community in that community and about how to get brought into that place as opposed to the one office that we arguably use to do in the past. We have got a better and more sensible approach to how to identify supply and access supply both using social networks and other things before we ever show up.

All of those things taken together say to us that we are better at launch practice. We are better at getting this done and they are very much informed how we get it done and planning. Opening in LA was much much much different than opening in Baltimore x number of years ago. The other thing is as we look more and more at how to be impactful not only in the direct service space but in the system change and influence space. We realized that a big part of this work needs to be what are our opportunities over time going to be to leverage a greater way our impact in those communities. So it is not just about the direct impact but how can we influence the partners in those communities to change policies and practices. How can we influence the way that governing organizations approach workforce development in the community. How much of a player can we be pretty quickly after proving that we can be successful. How much of a player are we going



to be allowed to be? How process and policy gets set around workforce development.

How much... What is the ongoing demand and attraction for corporate partners in that entity and in that landscape so that we can look at constant growth? My desire is not to come to a community and stay in one learning community. We have to go to at least two. But we have a strong desire to be much more of an organization that is working with enterprise accounts which means 50 to 100 students a year not one or two. Our ability to get an optimized partner... Not just... An optimized partner mix in terms of number of interns is pretty important to us as we think about getting into locations.

Jonathan: This will most likely be the last question and it is kind of a biggie. Looking at your organization and looking at, in many ways your organization has run a scaling type collage of sorts, right? You said your scaling associated with corporate partnerships. Eventually you had a very generous Microsoft commitment of \$10 million. You also were obviously doing a lot of replication. You also through advocacy lobbying with the America Moves Service America Act really started to scale on a policy level. In looking at all these different types of moments and looking for inflection points what would have been some of the greatest challenges that you've encountered in going to scale in new communities and how has Year Up learned from these challenges?

Interviewee: Again, I think we have talked about some that we have accessed... We are more portrayor based than we were and that is pretty important. We get lots of push and there are lots of things that sort of call us to be places. What we are pretty clear about is that unless we stick to these criteria we cannot ensure success. We are probably in a better place to be able to set out those demands, if you will, in the first place. It is hard.

We have also again, given that the practice has changed the focus in the community colleges we have had to learn pretty quickly about not only how to work with that partner, but also how to help convince both our corporate partners and our investors, who probably do not have deep experience in the community college space, how and why we think that that is a really viable option. And how and why we are pretty convinced that we can sort of make that work. Importantly because we have not only a direct service focus we have got an influence focus helping people understand why we believe that we can influence that channel to get to greater results.

We would say that a lot of the folks that invest with us going forward, invest with us because a) they see us having the ability to change and evolve first. Second that we do have a focus on system change and influence and therefore as interested in how we are going to make that work in the community as not. And along those lines, we often do get a question about are you sure that using community colleges is the way

to both scale your direct service but also as a primary component of how you are trying to scale on the system side. That was sort of our important conversations.

Also, I would think learning to get better with corporate partners around demand analysis and being a much more active participant in that conversation than a passive participant and going to those conversations with our own assessment, our own due diligence, our own research and making presentations and proposals as opposed to waiting to be asked is pretty neat. But also, understanding how all those things are going to work longer term. We have many more multi-site partners than we did before. We find ourselves having to think about being in new locations because of the multi-site strategy of our partners as opposed to just what was our long list.

For example, we have worked with JP Morgan & Chase on the co-development and roll out of the anti-money laundering curriculum. They came to the table and assessed our capabilities and made a pretty big ask and a pretty big commitment. In it they also expected us to act and move much more quickly than what has traditionally been our speed. They said look you know we are willing to go, we are willing to go, we are willing to put this amount of money on the table but we need you in five specific places across the country where we have peak demand in the space. Our best sense is you have, you are in three of those places. We need you in the other two within six months. Six

months means up, running, and delivering. Which arguably was not what we would have suggested had it been our choice. The difficulty there was understanding if our pivot had been to get much more focused on delivering products and services that are relevant but through the market and responding to market demand there is an issue on speed and urgency there that was different than our previous process.

Jonathan: A couple of clarification questions. At what point in the organizations lifespan did those relationships where you are going back to your corporate partners and actually having more of a stake in the analytics and making those relationships more reciprocal, I guess, and more horizontal in their communication, at what point did you see that start to occur as a more of the norm in your interactions with your corporate funders?

Interviewee: We saw it... As we realized that well certainly they are never going to be a client base as we realized that the key to success in the direct service side was going to continue to be our ability to establish proof and demonstrate proof points for larger employers and then larger employers across the industry, we realized that the way to do that was again larger numbers of interns and having larger numbers of partners that have larger numbers of interns. As we did that and made that philosophical switch it became clear that that is harder a sell to a corporate partner and to make that sell you need to make it with data

and you need to make it with proposals. You need to be seen and understood as relevant to them and a part of their sort of talent pool. When it was one and two interns there was a lot of things that could make it happen including appealing and receiving support for what is good for the community, what is good for our philanthropic support, how do we want to be able to profess that we are good people here. When you go from that to professing that you can deliver 20, 30, 50, 100 interns to a corporation then you really do need to understand what their pain points are. Corporates do not have a whole lot of time and energy for a conversation that says tell me what you need. They do not need us to ask what they need without us having any insight ourselves. That is where it became very clear that we need to be doing better to build, better research, be seen as more engaged in understanding market demand for middle skills with those industries and with those corporations and talk about that a variety of ways. They would be very happy if we had a variety of tools and solutions. They can have that conversation but they did not want to have people coming in and saying effectively tell me what you need, explain everything to me and then we will go put a proposal together.

Jonathan: Just one last question. With changing the scaling or the partnership model to exclusively working through and with community colleges has your organization started to... I mean there is obvious benefits that you have discussed. Has the organization had any moments where

there have been perceived potential drawbacks to only working through that model or has there been any ongoing learning on how to... I will leave it at that.

Interviewee: Sure. So there has been ongoing learning everyday. I do not... There has not... I would not argue that there has been drawbacks because there has been a lot of energy that went to getting to make that decision and it was a pretty momentous decision when we made it. But again, it was very much around we are convinced, the funders are convinced that the only way to do this is to make sure that the direct service part of this business is self-sustainable. That does not mean you can use partner revenue to pay for all R&D and research, which is why you need a degree in philanthropic. But lowering the amount of philanthropic need that you need per site was pretty important. I do not think anybody has ever looked back and said really did we make the right choice. I think as we get into it we understand more about what it takes to sort of get this done. I think we probably did not spend as much time thinking initially about on top of everything we wanted to get accomplished, helping our partner institutions understand what is in it for them. It is a lot to take in but as we started to work through this and found that certainly a lot of what drives them is completion rates and continuation and focus on certificate completion. Some of that our program provides and some it does not. How to take our program design and make sure it provides more

positive outcome results for them or in a way that they can see is positive outcomes was pretty important in our thinking. Now we help everybody succeed.

I think the other thing is, you know, we realized that some assumptions in the original model were not perfectly correct either. It did not mean we changed the model. It does not mean we changed our decision about it this guaranteed growth. But it does say that we need to go back and revisit. When we thought student support services for example, which is pretty integral to our high support high expectation model, was going to be regularly present on campuses, we found out that was not as true as we thought it was going to be. We needed to go back and figure out how we can increase supply on campus and that was for everybody including students or how do we increase the provision of supply to our own campus sites. That was continued and was a good learning for us.

Also thinking about how to use the core because we had some pretty significant investments in core sites. We said look we are not going to open anymore core sites. We are not going to grow core sites without growing them through the creation of PTCs. But it was still a significant infrastructure and it covers 2,000 students and we are in x number of sites. So how to make sure we are continuing to use that as an incubation hub is pretty important in putting together what the strategic plan for how we think about core over not the short-medium

term because it will continue to be an incubation hub for a period of time but over the long term needing to decide how we want to think about core and does core continue or do we get to a full PTC model over time.

Jonathan: Great. Well thank you so much for taking the time to meet with me today. This has been very rich and I will certainly share with you the results of the dissertation which should be a few months from now.

Interviewee: Great. The best of luck. If you need anything else you know where to get us.

Jonathan: Hey, thank you so much. I really appreciate it. Bye.

#### 8.1.2 KaBOOM!

Date	12/14/2015
Location	Washington, D.C.
Organization	KaBOOM! (Mesolevel interview)

J. Livingston: All right, we are recording. First, I just want to thank you for taking the time to meet with me today. My name's Jonathan Livingston. I'm a doctoral candidate at the University of Pittsburgh's Graduate School of Public International Affairs.

The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship



organizations successfully going to scale. In doing so, I am looking at the behaviors and strategic actions that occur between funders and the organization, individuals across an intra-organizational level, and between the organization and the clientele it serves.

To this end, I am interviewing three individuals at each organization, each one filling the role of a key organizational actor with insight into one of those three operational levels being addressed.

As he xxx of this organization, I'm seeking to better understand the dynamics of actions and behavior occurring intra-organizationally, on that intra-organizational level, during the process of going to scale in new communities. Insight into the behaviors and actions across the entire span of the organization.

Again, your organization was picked as a targeted participant because of your inclusion in the Forbes Impact 30 list, of the most successful social entrepreneurs.

The interview I'm about to conduct, that will take no more than 30 to 40 minutes. The interview will be audiotaped to ensure accuracy and the recording of responses. Rest assured, there are no foreseeable risks associated with this project, nor are there any direct benefits to you, and you will not receive payment for participating in this study. All responses are confidential and the results will be kept under lock

and key. Your participation is voluntary and you may end the interview at any time.

Any questions before we begin? Okay.

First question. What are the key structural components involved in the successful scaling of your organization in new communities?

Interviewee: I think we're interesting in terms of non-profits because we're a national organization that can be multi-level. A lot of national organizations focus at the policy level and have a lot of indirect benefit on the ground in communities across the country. We combine both that national influence, but also the ability to work in any community in a way that's very project-driven. The way we do that is essentially by being matchmaker. You have a funding partner who's interested in a particular community using us to find a community partner in that community that can actually not only build a playground with us but also maintain and ensure the kids are playing on it, going forward. We're in a matchmaker role, and at the same time, we're project managing the effort to make sure that it has a high degree of quality and has the ability to have a sustainable impact over time.

A funder can come to us and say, "We want to build a playground" anywhere in the US, and our response is usually "Sure." The qualifiers are usually "Can we find a community partner that serves low-income kids in that community," which every community in the country

struggles with. I think that that's unique among national non-profits, to be able to be anywhere in terms of work. Frankly, it's because the need is so great. There's not a community in the country that has enough places for kids to play.

Then, you couple that with the national-level work, which is really about trying to inspire large-scale change, changing the dynamic of how kids are growing up in this country, and that takes on a whole different set of complicated relationships and skills and things like that.

Up to you, do you want to focus on the first piece of it more, then we can shift into the other piece?

J. Livingston: Yeah, that sounds good. Yeah. Who are the key actors that ensure, that you see as ensuring the successful scaling of KaBOOM! in a new community, and what are their roles?

Interviewee: I guess part of it is that we wouldn't define it as scaling KaBOOM! in those communities. We focus on scaling impact, not scaling our organization, which I think is also fairly unique in the non-profit world. I think a lot of organizations are looking to scale their model, and so, take your pick. You're doing social service delivery after school or with kids in one city, proves that the model is effective, and either scale it bigger in that city or you go to other cities and say,

"We're going to do the same thing in your city," and it's all about how you achieve the scale of the organization over time in these different places.

For us, it's never been about that. It's more about the scaling of the impact of our work. We're not trying to exponentially grow the number of playgrounds we build every year. We're trying to radically change the way kids are growing up in this country, and that's not going to be achieved by building twice as many playgrounds as we build now. For us, the question is less about how do we scale in different markets, more about how do we have influence in all those places so that people on the ground are making the right decisions, better use of public and private resources, so that we're not needed, which is a different approach.

J. Livingston: What are some of the challenges that you've encountered in going to scale, in this unique model?

Interviewee: I would say one of the biggest challenges is getting key decision makers to see what we're proposing as something that is critically important to a challenge that they are trying to address in their community, as opposed to seeing play as something that's nice, but not essential. Mayors who have every day people telling them, "You've really got to do this, you've really got to do that," and play could get stacked at the bottom of a list of a hundred things that a mayor could

prioritize. Instead, saying, "What problem are you trying to solve in your community? Play can be a critical part of the solution to that challenge." That's a mind shift for us as an organization about the ecosystem that's relevant for our work, which is also a mind shift for folks who are decision makers like mayors and other city leaders.

You could be trying to address childhood obesity in your city. Play has got to be a critical part of that solution because that's how kids are active. What we see is oftentimes, you focus on the nutrition side of the equation and not focus on the activity side. Cities could be interested in attracting and retaining new families across the socioeconomic spectrum. If you want to attract families, you need to have things that are focused on what families enjoy doing together, like playing. In Baltimore, focused on connecting youth involved more to education and career, and kids who were struggling to do that, play for us involved more as a way to do that effectively while taking care of the next generation. We're launching this initiative next year in Baltimore where we're using youth from Baltimore as apprentices to build playgrounds for the next generation of kids, and so you have this multiple benefit that comes out of it.

The reality is that the problem is not defined in the terms of not enough play. The problem is defined in the city-wide challenge that they're trying to address. We are saying, "We are part of the solution

to what you already care about," and I think the challenge is both for us to see the world that way, because it's a lot easier to say, "We're in the business of play, do you want to build a playground?" It's more difficult to say, "We're in the business of re-imagining cities with kids in mind. What we do is integrate play into cities."

J. Livingston: In the same question, could you briefly expand on some of the strategic behaviors involved with ... counter these challenges with some of the main players, let's say on the funding level, and then on the other end of the level, on the micro level, looking at the clientele that you are really trying to serve and looking at some of the challenges there. Could you briefly speak to both of those ends?

Interviewee: Yeah. The reality is we know that when we build a playground, kids who have access to that play opportunity are better off. There's tons of research that exists that if kids play more, they're going to have better outcomes. Physical outcomes, social and emotional, cognitive, and creative. We know that if we go into a community and build a playground where there isn't one, that that's going to have a benefit for the kids in that community. That benefit can be measured, and it's going to be the same in your community as it is in the community over there. In a discussion with a funder, you have the benefit of a very tangible value proposition. You're going to benefit this community, you're going to get your employees engaged in the process of doing it,

you're going to have friendly local media attention, and it's completely not controversial, because who could be against a playground? Very tangible and very limited in scope. One playground in one community.

On the other hand, the work we're doing trying to get cities to take on more comprehensive approaches to integrating play for the benefit of all kids in their communities, much less tangible, but with a much bigger potential impact. The conversations with funders on that end are less about the direct tangible benefit and more about the potential scale of the impact. That usually boils down to a couple things. One is that it's driving systemic change. We're impacting the systems that affect the ability to play, as opposed to being one part of creating another play opportunity. The second is that it's really about driving, using our influence to drive replication of the best ideas.

If you look at similar scenario with biking in this country ... I know Pittsburgh now is on that second cusp of cities that are focused heavily on biking infrastructure, and it took the New Yorks and DCs and Chicagos of the world to be bold and say, "We're going to do something innovative when it comes to biking infrastructure," and then all of a sudden, hundreds of cities across the country are trying to be the most bikable city, including Pittsburgh. That's an influence strategy. It's, in some ways, some funders are more attracted to it because of the scale of the potential impact, and in other ways, they're

less attracted to it because it's much more intangible. We're not saying we're going to ensure that there's big change that happens in Pittsburgh. It may be Pittsburgh, but it may be Brownsville or it may be.....

We're trying to get that replication engine started and so funders can connect to the work in different ways, but in very, very different value propositions.

J. Livingston: Let's move on to, what are the key social processes required within your organization to ensure the successful scaling of operations? I know it's-

Interviewee: It is. I would say that there are some things that are the glue that form the foundation of everything we do. I saw you had an opportunity to walk around the office. Our culture is a key part of that glue, where everyone who works here embraces the culture. The way I've described the culture is a culture of serious play. We all take our work really seriously because we know it makes a difference in kids' lives, but we obviously don't take ourselves seriously in the process. Making sure that you have a group of people who can work together comfortably in that type of environment where it's not about themselves, it's not about ego, it's about the team environment where people can be playful at work, where we spend so much part of our time as human beings. That's a critical component to it.



The second component to it is common traits. You may have seen on the wall over here, our five Boomer traits: Can do, Will do, Team fit, Damn quick, Damn smart, which obviously require a huge dictionary to define. Right, it's common sense, but it's things that ground us in how we relate to each other. The reason I say that those two things are so important is because that doesn't depend on what you're doing. That doesn't depend on whether you're a project manager building playgrounds or one of our folks working on city initiatives. Those things bind everyone together.

On top of that, folks need different competencies. The folks who are building playgrounds, you can imagine the operational excellence that's required to build a playground in six hours with 200 volunteers. There, there are very complex processes, systems, structures in place to ensure quality.

On the other hand, with our cities work, where it's about influence, it's a different set of competencies. It's about how you get others to speak for you, to do for you. It's how you define an ecosystem, where you have the right relationships that can connect to decision makers. It's a much different set of skills that's required, and the only way one organization can balance those is if it has the glue, the culture, the traits, that bind us all together regardless of what we're doing.

J. Livingston: Fantastic, thank you. We'll do a couple more, and we'll still maintain your schedule here. Who are the key actors within an organization that oversee and determine the successful scaling of operations at KaBOOM!, and what skills are required of these actors? Again, who are the key actors, and what skills do you see as being required to ensure or promote the successful scaling of operations?

Interviewee: For a small organization, we're very complex. We've got everything from the program execution team, and whether that's running our Playful City USA program or is building playgrounds, it's the folks who are actually executing the program or initiative, and they are critical. They're on the front lines of it, with all the external partners, to execute. But before they can even get started on work, there's the fundraisers. For most of what we do, it's our corporate partnerships team. We've got 90%, it's changing over time, I'd say roughly 90% of our revenue has come from corporate. The folks who build those partnerships and bring the partners in the door are key, and they need to know where the guardrails are, so that we're not selling something that's off strategy for us. But they also have to be flexible and creative enough to know that within the guardrails, here's the right fit with this particular funder that's going to get them to say yes. You've got program execution, you've got funders, and then you've got account management once we sell something, who's managing the

relationship going forward with the funding partner. Then on our playground building, you've got our outreach time, they're the matchmakers, they're finding the community partner. Then you've got all the operations infrastructure underneath that. Our finance team that's making sure we keep up our ... you can tell Jerry I said this, our ridiculously high collection rate from our partners. At any given time, we have like 75 funding partners, and things that most people take for granted, like collecting a check, are critical. Negotiating the contract with the funder that's going to ensure that our interests are protected. Negotiating the contract with the community partner, again, to ensure we're protected from liability. All those things are unbelievably important.

Then, that's just one of the operations functions, the finance side of things. We also have talent management to make sure we have the right people in the right positions. We've got a whole sophisticated operations infrastructure that we deploy against everything that we're trying to execute. I don't think you could do it without any of those pieces. Once we are doing the work, I think it's the interplay of the people on the program side with the people who are managing relationships with funders that sort of take over and are critical. Most nonprofits get that balance wrong. Either the program departments drive the decision making to the point where you can't attract

resources, or the fundraisers drive the decision making to the point where you're just chasing dollars. I see both quite often.

J. Livingston: Yeah, yes. Okay. Just have a couple more. Moving on to looking at characteristics of these relationships, of the key actors. How would you explain the characteristics of the relationships between the key actors involved in the successful scaling of operation, and in what ways do these characteristics really promote or ensure that?

Interviewee: It's an indirect way of answering your question, but one of my pet peeves is when you describe functions within an organization as support functions. The reality is to get it right, they have to be partner relationships internally. One example of that is, if we have a funder who's interested in a particular type of PR approach on something that they're funding with us, and our communications team thinks that the message that would get out is completely off message for us, if the communications team is in a support role, they are doing whatever their internal client is saying is the right thing to do, and you know the internal client is going to say, "Let's please this funder." If they're in a partner relationship, then they're at the table negotiating with the funding partner to say, "Here's what our interests are. Let us know what your interests are and we'll find the happy medium." I think that applies across the board.

If finance is seen as a support function and is not a partner in discussions about resolving liability issues with our partners, it's not going to work. I think the key characteristic is internal partnership as opposed to dividing into support functions and the functions that they support.

J. Livingston: Okay. Thank you. Lastly, this is going to be a combination of a question I already had prepared and ad-libbing based on what Kate mentioned, which was new information to me. I wanted you to speak to, when KaBOOM! hit an inflection point of sorts in 2004, you moved beyond solely the fee-for-service model and you started doing open sourcing, could you describe in greater detail the strategic behaviors and actions that were unique to that transformation during that time, and try to explain how those behaviors and those actions occurred at different levels of the organization during that time? Just differentiating between, throughout the gambit of the organization, what was going on in that sense.

Then, secondly and lastly, to talk about, in the same way, describe in greater detail the same thing, the strategic behaviors and actions occurring throughout the different levels of the organization in reference to the most recent HUD project that you're taking on, and that, then, will wrap it up.

Interviewee: Sure. It's interesting. I would say the 2004 shift, which was going from sort of that one-to-one model to one-to-many model required a leap of faith that it wouldn't put at risk the core business. Any business that says we're putting out our intellectual property for the world to see, you wonder whether someone's going to come along and actually really take you up on that. I think calculated risk taking that puts mission over resources was a critical characteristic that embodied the 2004 shift.

What's interesting, though, is what we found, and the way it was primarily implemented was putting the information out there and creating a platform that anyone could self-organize to build play spaces, was that the communities that were able to do that successfully were higher-income communities. It actually ended up not being a tight mission fit for us. That's not to say that it wasn't the right decision at the time, but there was a lot of unintended consequences that sort of played out. We made the decision, calculated the risk taking to put mission above. When we did it, we found that it actually didn't meet the need of our mission, because our mission is focused on low-income kids.

I think the shift from, and I would call it more of an extension, the extension from building playgrounds focused on playgrounds as the unit of measure to focusing on kids playing and ensuring that kids get

the opportunity to play as the unit of measure, and putting a stake in the ground, saying that our goal is that all kids, particularly all 16 million kids growing up in poverty, have the opportunity to play.

For there, I think the strategic characteristic is the ability to move beyond the tangible. The work that we're doing in 2016 with HUD, where we're doing a national competition about integrating play everywhere in a community is embracing innovation, sort of the same way that bike infrastructure has created use, so behavior is changing but it's also creating demand, because people see it and they want it. We're trying to do the same thing when it comes to play.

I think there's an innovation piece there. A comfort level that the action will take place outside the four walls of the organization, that we're the catalyst, but we're not going to be the ones executing. When we build a playground, it's done at our way, and we can guarantee the result at the end. When we unleash cities to integrate play everywhere in their communities, that's out of our control. The hope is that you get enough people doing it, enough cities doing it, and the end result is going to be better than what you even can envision yourself.

That's also calculated risk taking that says because we know we can't get to the impact we're trying to achieve by directing everything, it's saying we've got to open this up and be comfortable that the solutions

that others put forward may not be what we imagined originally, but the scale of it is possible because they're doing it and not us directly.

J. Livingston: That's great. Well, wonderful. We're ending right on time, here. That was an incredibly rich-

Date	12/14/2015
Location	Washington, D.C.
Organization	KaBOOM! (Microlevel interview)

Jonathan: I'm just going to start that over. First I want to thank you very much for taking the time with me, my name's Jonathan Livingston, I'm a doctoral candidate at the Graduate School of Public and International Affairs at the University of Pittsburgh. The purpose of this research studies to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale. In doing so I'm looking at the behaviors and strategic actions that occur between funders and the organization between individuals across an intra-organizational level and between the organization and the clientele it serves. To this end, I'm interviewing 3 individuals at each organization, each one filling the role of a key organizational actor with insight into the operational level being addressed. As a xxx of this organization, I'm seeking to better understand the dynamics of actions and behavior occurring between the organization and



the clientele you serve on the ground level during the process of scaling up in the community. As I mentioned the organization was picked as a targeted participant because of your inclusion in the Forbes 30 Impact list of the most successful social entrepreneurs.

The interview I'm about to conduct with you will take no more than 30 to 40 minutes. It will be audio taped to ensure accuracy in the recording responses. Rest assured there are no foreseeable risks associated with this project, nor are there any direct benefits to you. You will not receive payment for participating in this study. All responses are confidential, and results will be kept under lock and key. Your participation is voluntary, and you may end the interview at any time. Any questions before we begin?

Interviewee: No.

Jonathan: First, how does your organization determine whether a community has the clientele to serve to ensure the successful scaling of your organization?

Interviewee: I'm going to talk for a little bit about scaling. When we started we focused on infrastructure so the kids could have the access to play, so wanting to have a playground within walking distance for every child. Our model is a community playground built model, which is based off of the assets-based community development, that model that was created by Judy Kretzman at Northwestern University. The idea is to go into a low income community, work with the residents to actually empower them to make the project

happen by having them seek assets within their own community. We did stuff that's up as ... Our funding model was to have funders who would come to the table and pay for 90% of the project, the community would raise the 10% of the funds, and then also get in-kind donations like food for the bill bay and things like that. They would be a part of the ... We have a theory of change that was behind that that was around convening people around a common cause. Achievable wins and cascading steps of courage and leadership. In 2006, 2004 to 6, we went through a strategic planning process and we wanted to go to scale.

We knew that using the model that we used, going out and building one playground at a time, we were not going to be able to achieve the kind of scale that we wanted to achieve. We decided to go from a 1 to 1 approach to many to many, and so we, in interim stuff with one to many where we did trainings for community organizers around the country who would then take the tools and go back and build play spaces. We gave away our model for free in those trainings. We also built out an online system so that people could go to our website and follow a planning process to be able to plan their project without ever having to reach out to Kaboom. We were trying to scale the solution to the problem without scaling the organization. We had some moderate success in doing that, and a Omidyar Network was a huge funder in the process of scaling out our online system. Pierre Omidyar is the founder of Ebay. They were a huge supporter, I believe 9 million dollars if not more in helping boom to get all of those tools up and running and to work that way.

In the recent years we continued to see playgrounds that aren't getting utilized. While we continue to build playgrounds we've been trying to figure out what the scaling for our organization should be. We underwent, in 2013, a strategic planning process and rolled out the new planning strategy in 2014. This strategy, for scaling, is around trying to figure out how we put play in the path of kids, so it's sort of a play everywhere notion so that we could work with cities to try to get cities to do more around how they're planning those cities so that play exists in places where kids exist. We had done a study with Ideas 42 out of Harvard, and they looked at low income communities and they looked at what the barriers were for kids getting in the playground. You could imagine all sorts of things including safety issues and the child not being able to roam as far. There were also hassle factors, the parents getting out the door to go play. Sometimes it would be the barrier to doing it, so it's like packing the lunch, did everybody go to the bathroom, get your coats on, get in the car, and go someplace or whatever.

Sometimes that stood in the way. We looked at behavioral economics and we decided that we needed to be really thinking about how we could put play where kids are spending time, particularly low income kids. Whether it's at the laundromat, whether it's at the bus stop and how they're getting to school or travelling around their city, how could we focus on that? Kaboom has started to work on playability, which is similar to bikability and walkability, and trying to get cities to think about their playability as a competitive advantage to other cities, and trying to think about ways in

which we can get cities to kind of, in a healthy way, compete with each other to make sure that they're keeping families in their cities. What typically happens is when someone gets married and they start to have kids, they start to move out of the cities to go to the suburbs where notoriously there might be better schools, but also the better recreational opportunities. Trying to help cities think about how to retain their families. We rolled the strategy out in 2014. We're still focused on serving the same end stakeholder of low income communities.

As we approach to work with cities, we're really looking at it through an equity lens. We're trying to make sure that cities are focused on this from that standpoint. You have a city that's doing a downtown project, and it might be a really awesome downtown project. It's going to be serving the community that lives downtown, it might be more fluent, trying to get the city to be thinking about how they take what they're doing from that recreation or play or aspect, playable or et cetera, and how they get it, how they work to take it into the neighborhoods where kids who are lower income are living. I wanted to talk through that, those key things, why they're happening.

Jonathan: Do you find that clientele in a new community reaches out to your organization to scale the organizations more often, or are new clientele in new communities determined more by your organization? Like, which way does it go, what's the ...

Interviewee: Prior to the new strategy, our funding model was working largely with corporations, and they were focused on where they had a customer base, or where they have an employee base. Where we were able to build our play spaces had traditionally largely been driven by the interest of the funder. We've been able to build a lot in Los Angeles, New York City, Washington DC, Chicago, et cetera. We're not necessarily getting out to the more rural areas, where we know that there is still a need. Baltimore is probably a really good example for us. We've built, over the years, quite a few playgrounds in Baltimore, but we also have a relationship with Annie E Casey Foundation. After Freddy Grey was killed, and everything was starting to happen there, we reached out to all of our past community partners, and we found out that many of them, with the schools being shut down, had opened up their facilities so that the kids who they served could come and spend the day there. They were actually using play as a way to make sure that the kids' needs were being met. We ended up ... We shared that story with Annie E Casey.

We suggested that we work on something with them, so a program got put into place in 2015 where we were able to use underserved youth to help us plan and work on creating play opportunities for both younger kids in the city of Baltimore, so it was sort of a job skill opportunity for the youth, but making sure that play was prioritized for kids. It's not something we know for sure that we're going to want to replicate, because we're not in the business of working with older kids. It was a great opportunity, and Annie E

Casey being in Baltimore helped us identify where we thought we should be serving, which was in Baltimore, and bringing a funder to the table, which is not typically how we work. The only other time we've really done that was after Katrina, down in the Gulf, when we knew the need was high. We had only in our first 10 years of Kaboom had only built 2 playgrounds in all of the Gulf coast. After Katrina hit, when we saw the need, we committed to building 100 playgrounds.

We drove funders to commit their funds to a part of the country where they didn't have employees and maybe their customer base wasn't so high. As the pattern of where the dollars take us is not the same as where the dollars are most needed, and so we continued to try to think creatively about how to scale the solution for the communities who need it most without it being always driven by the funder. Right now, actually, when you talk to James he'll be able to talk a little more than I feel like I can about our newest initiative, which is going to be partnering with HUD around a city challenge. A competition idea where we'll be helping HUD to be able to make sure that their dollars and their CBG, which is billions of dollars, and how that money is being spent to make sure that it's addressing play-related issues, but through an innovative and competitive way, and unlocking dollars that typically don't get spent towards supporting this. That, by working with the federal agency, and working in a way I think we're working with them, I think it's really going to change the dynamic a lot.

Jonathan: Just to expand on that question a little bit, when you had that inflection point in 2004 where you made a ... Went beyond a fee for service model and included the open sourcing model, where would you say right now a percentage point would be between the 2 where you have what you were describing, funders taking the fee per service model, putting an impunity and people actually using the open sourcing model and bringing it to themselves, more or less?

Interviewee: I would say that where we saw the highest use of the online tools was middle and higher income communities, or even people from other countries. We weren't seeing the population we want to be serving get served through that, which is sort of what's led us to this path that we're on now. It was a platform that we built out with the intent for it to be used in a certain way, and what we saw ... If a middle income community reached out to us and said "We want to use a community built model, can you build a playground with us?" We would have had to have said no before. Now we can say "We aren't going to build it with you but you can use the tool." It wasn't getting to the end users that we wanted to be using the online tools, and part of that is a comfort level of connectivity. We have this toolkit that we created that allowed the community to have something hard copy, and not have the connectivity. Even on that, the self-organizing piece didn't seem to be taken off in communities that were the lowest income without us being there to help make it happen.

Jonathan: Moving on, who are the key actors that your organization works with in a new community to promote the successful scaling up of operations, in your mind who ...

Interviewee: Traditionally on a community-built model, it's the community organization, whether it's a boys and girls club, a domestic shelter, a school, whatever it might be, so it's informal or formal leaders that reach out to us. It could be a parent who works, whose kids benefit from the site, who initially reaches out to us. That's who we work with. The newer model, it's more we're working with cities, and we're looking to work with architects and we're looking to work with planners, and we're looking to work with folks outside the park and rec department, in addition to the park and rec department, I should say. Everybody sort of thinks kaboom and immediately goes to park and rec, and with it being play everywhere, we're really trying to look at how cities can work for us, department, to ensure a comprehensive plan around playability. The department of transportation, what's the path kids are walking to school and other playful opportunities along the way, et cetera. Our focus has become more on city leadership, and we continue to work with our grass roots and to these ... To try to get them to move the cities to be taking the action that they want, that we want to see happen. We still work with the grass roots, but the grass tops and the influencers are where we're putting more of our energy.



Jonathan: What criteria does your organization use to assess the viability of serving new clientele in new communities?

Interviewee: I have to answer this from both ... I keep doing this, but I have to. For the community built model, it's the commitment to be able to fulfill all ... The community built playground model, we have a funder who's expecting to bring their employees out to a specific day, and they'll have the employee base. We have to over-deliver on what we tell them that we're going to do if we want them to continue to invest in kaboom and in the cause that we're serving. Some funders are not necessarily working with us because they know how important play is. They might be working with us because we do this phenomenal, done in a day playground build project that is a nice employee engagement opportunity. We need to make sure that we're being good stewards of that money and fulfilling what their expectations are, so the community partner that we're working with, if they're committing on March 7th because there's going to be a playground built, we need to make sure that that's really going to be true. We're looking at the history of the organization, we're looking at who owns the land, their committing to maintain the playground for the lifetime of the playground.

We're looking to make sure ... We're looking at who their board of directors are, we're looking at their budget, where their funding comes from. We're just trying to understand the organization the best that we can. Sometimes we're working with an organization for 2 years to get them to a place that we

feel this is really going to be able to be successful. That's on the community built playground project side. On the other side, it's actually ... I feel like it's still fairly new to us. This is an innovative strategy that we've rolled out. In working with HUD, we're working with somebody that we've actually had a relationship with for actually 20 years. We have every trust in what she's going to be doing with us. We just got funding from Robert Wood Johnson to help support the project, and so we're working now to pull everything together for the first real rollout of this, so it's a little bit different.

Jonathan: Thank you for separating the two, that's very helpful. Next, what information must be exchanged between your organization and the clientele you serve to promote the successful scaling of operations? Again, what information must be exchanged between your organization and the clientele you serve to promote the successful scale of operations?

Interviewee: I'm going to answer that a different way. We rolled out the strategy in 2014, and we've gone through a lot of change management at kaboom as we sort of gotten onto this path. We've gone from an organization that was almost 100% tangible outcomes that everyone could understand, a playground is built, a community and a funder have come together to make it happen, it's a really feel good sort of a day. If you haven't been out to a build you should get out to one. Shifting from that to that plus this interest in playability and play everywhere in a city is less tangible, so we're trying to sell a concept and we're trying to sell something that hasn't happened yet. We can't point to

something and say this is what it's going to look like. When we rolled it out, the organization was going through change management anyway, where we had some staff members who even know they've been involved in the strategic planning process all the way through, and we're supportive of it. We had some folks who were sort of having a hard time with the ambiguity of it, and so decided to leave kaboom.

Then we had our corporate partnerships team, who's really good at selling the community built playground project, who wanted to be selling this new thing, because it was a sexy thing to sell. We were allowing them to go ahead and try to sell the new thing, it was happening, the leadership of the team were letting it happen. Our build numbers dipped because people weren't focused on it, and because the team didn't have the skill of selling something like what we needed to sell, we weren't successful initially in getting funders to support the newer pieces of the strategy. We had to pull back, and we did a deep dive in our organizational development. We looked at how we were structured, and we created some shifts because the organization is moving in a bit of a different direction. We ended up moving, we interviewed 1 on 1 all of the people who were on the corporate partnerships team, and all the people that were in the account management team. We ended up shifting renewals to current funders as a responsibility off the corporate partnership team over to the account management team.

We ended up having people focus on specific things, so everyone in the corporate partnerships team is responsible for selling bills and are part of that funding for that. Only 2 people are identified as people who could really be pitching the newer strategy. The account management team for the first time took on going back to the funding to do the renewals, so that lifted at about 50% of the work off the corporate partnerships team, the corporate partnership team now is a new business development team. We were, as we shifted to the scaling, we didn't shift our structure. We didn't see success happening, in fact our revenue dipped in 2015. We saw this happening, addressed it, made the shifts that we needed to have happen. The corporate partnerships team, now there's a fewer number of people who are focused on this scaling, the aspects of what we're doing. They have a really good understanding of what we're doing, and they're probably the top talent on the team. Not probably, they are. They're working very closely with CEO and president to, as we're pitching this out into the world.

Part of it is I think we can, because of 20 years of history, we can sell what we used to do, or what we continue to do but we're known for doing, without having to have leadership at the table. We have figured out that to sell this new strategy, because it's a leap of faith, because we don't ... We haven't seen this yet work, we had to have heavy engagement of our leadership at the table with these funders, and leading some of those discussions that are happening. I think it's building that trust up in our ability to be successful at this new piece of our work, and I think the reputation that we have around

what we've always done is so high that that's certainly helpful. Also I think the discipline of managing the team around how we're doing our work. For the funder perspective, that's a shift. For the stakeholder or the recipient perspective, I don't feel like we've had to do too much that's different.

Jonathan: Just a couple more questions. How has the process of going to scale in several communities changed the structure and process of going to scale for you, for your organization? You've talked about this a little bit already, if there's anything else ...

Interviewee: Say it one more time.

Jonathan: How's the process of going to scale in several communities, changed the structure and process of going to scale for your organization?

Interviewee: We've participated in something that ... You know who Jeff Bratton? Losing the name of his organization off the top of my head, I'll come up with it in a minute. We've participated ... He picked like 20 non-profits to participate in this sort of impact, series of meetings that take place at Harvard. When people talk about ... I felt like in the room, kaboom was only one of maybe 2 organizations, it might just be 1 organization who, when we talk about scaling, we're not talking about scaling kaboom. We're not talking about scaling the dollars we're raising. We're talking about finding ways to use dollars that are out there in a different way to scale the solution to the problem. We see the problem as, kids aren't getting the play they need, we

think there's all sorts of repercussions happening until we solve it. Toxic stress, kids aren't learning the leadership skills they used to learn, they're playing more on video games. A lot of learning happens at the top of a slide, when you're arguing about who gets to go down first and one person wins that argument, the other one doesn't.

We know that play is critical, and it's also the right of a child to get to play as a kid and not be forced to grow up too soon. We know it's critical. We want to see action happening. We're not trying to grow kaboom, we don't want to be more than a 100 person organization. The partnership with HUD is going to be phenomenal, especially if the outcome is that billions of dollars that are being spend are taking play and the importance of family and recreation time et cetera into consideration, so that when they're working on projects right now, there might be recreational things in the plan that fall out of the master plan at the end, and something else happens and the pieces that are considered to be nice to have don't end up happening. When we're talking about scaling, it's about scaling to the size of the solution that's needed and not scaling our organization. It's very clear to me in the meetings that we were at in Boston with 19 other non profits in the room, and some funders, that people aren't thinking this way, and that kaboom was in a very unique group of people that is thinking this way.

Jonathan: Lastly, what have been some of the greatest challenges that you've encountered in going to scaling and communities, and how has your organization learned from these challenges?

Interviewee: I feel like these questions don't so directly apply to us, I'm trying really hard to answer your question. Some of the challenges we've learned from the scaling, probably I would say biggest challenge was how we sell it. The communities that we're serving are not ... I don't know that I can answer from that perspective. I think our funders are the ones who are probably feeling the impact of the shift that we've made more than anything, because we continue to do what we were doing before in each community, with each build. I don't feel like I can ...

Jonathan: That's fine, that's fine, I feel like you've touched on it a little bit already with some of what you've gone over. I think that's good, that was very rich. I think we can wrap up there, and thank you so much.

Interviewee: That's all right.

Date	12/14/2015
Location	Washington, D.C.
Organization	KaBOOM! (Macrolevel interview)

Jonathan: Okay. All right. We are going to get started here. So again, I wanted to thank you so much for making the time to meet with me today. My name is

Jonathan Livingston, I'm the doctoral candidate at the graduate school of Public and International Affairs at the University of Pittsburgh. The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale. In doing so, I'm looking at the behaviors and strategic actions that occur between funders and the organization, between individuals across an intra-organizational level, and between the organization and the clientele service. To this end, I'm interviewing three individuals at each organization, each one filling the role of a key organizational actor with insight into the operational level being addressed. So as XXX of this organization, I'm seeking to better understand the dynamics of actions and behavior occurring between funders, and your organization during the process of going to scale in new communities.

Your organization was picked as a targeted participant because your organization was included in the Forbes Impact 30 list, of the most successful social entrepreneurs. As I stated before, this interview should last no more than 40 minutes. The interview will be audio taped to ensure accuracy in the recording of responses. Rest assured, there are no foreseeable risks associated with this project, nor are there any direct benefits to you, and you will not receive payment for participating in this study. All responses are confidential and results will be kept under lock and key. Your participation is voluntary and you may end the interview at any time. Any questions before we...this has to be the formal, kind of stuffy part. Okay.



So, first question. Who are the key funders that influence the successful scaling-up of your organization and describe their roles in doing so.

Interviewee: From the origins, or most recently?

Jonathan: Actually, as much as you can provide me with would be fantastic, but if you're more comfortable starting with...

Interviewee: There were two key funders. The Home Depot was a major funder, because they not only funded our core activity, which is our build component, but they funded the origins of our PTSA program which was more aligned with cities, which is our greatest scale opportunity because of the funding and also because of the concentration of who we're trying to serve. They also provided a lot of unrestricted support, the organization, to build off its administrative capabilities. They also funded our grant program, which is another great way to elaborate our dollars. We get much more bang for the buck under our grant program

We were able to develop an expertise in a grant area, as well as recruit people that we needed to in order to do this scaling-up activity, and have operational funds and restricted funds to allow us to do it. So they were key. Then the Omidyar Foundation was really key because they gave us five million dollars to build up the infrastructure. The organization had been mainly operational people involved in our field operations, and we didn't have social media people, we didn't have communications people, we didn't

have research people. We didn't have the type of folks that were going to be necessary to do the scaling that we wanted to do. It was a chicken and egg thing. You can't go out and get funders to fund something you don't have.

"Trust me, we're going to develop this." So what Omidyar did was allow us to go out, and we had hired all these people, and then we could go out to funders and say, "We have this program, and will you fund it?"

Those two were really key. What we realized about the time I started the organization was we were too heavily dependent on The Home Depot, and we needed to broaden our support. There's a life cycle for funders anyhow because they either have changing personnel and different agendas that they want to accomplish, and they also want to freshen their programs. They like new approaches, new things. You have to find new founders, and what we were able to do was go out and do that and diversify, so that no funder provided more than 20 percent of our support after 3, 4, 5 years of trying to diversify. Eventually Home Depot went in a different direction and we were fine because we were no longer dependent on them, so that was really important.

So I did funders that were like Horton, Dr Pepper, became a very important funder for us because they were at a much smaller scale than the Home Depot but they funded our grant program which allowed that to keep going. We were also successful, we had Humana that underwrote our PCOSA program for three years, so they were very important because there was just

no one funding that activity. People loved our direct-impact programs, where you do the build and everybody sees it and it's very concrete. Doing something like, we want to build a program or cities understand the important supply, it's hard to get funders to see either the impact or see the vision on that. That's been probably our biggest challenge. Recently James has a lot of experience in dealing with foundations and the folks and he's also very good at telling the story, so we're starting to get some traction now with funders and with foundations.

Two that were recent were the Annie E. Casey Foundation, where we did "Play More, Be More," big project which really showcased the impact you can have in a city. It's a core where maybe we can build upon that. This chicken and egg thing sometimes to the founders, they don't want to be the first one in. But they want to tag on. So it's an opportunity for us to say, "We've got this Annie Casey funding, how about you guys? You're investing in Baltimore, how about pitching in with us?" We also were able to connect with government leaders and say, "Okay, we can bring this to the table. How can we all partner together?" We're not done, but that's been a major step.

The other one is we just got Robert Wood Johnson Foundation to agree to a grant program, a major program with us for our biannual challenge. What's happened there is, once you get that core, first of all, be able to crack into Robert Wood Johnson's been taking us years. James did a lot of groundwork to help make that work including developing a program with HUD and one

with the National Endowment for the Arts, where we had MOU and now we can go in to Robert Wood Johnson and say, "We've got other partners, and a concept." What our challenge has been then is how can we match that Robert Wood Johnson money. Cause they want to see their money grow leverage and I want to knock on wood but we've got a couple of corporate partners very interested. It looks like that's going to take off.

Right now, those are the keys for us. We've got to keep our core programs operating, so it is kind of an interesting dynamic cause you can't just go in to, you're going to scale without keeping your core business running, for a number of reasons. One of which, it pays a lot of the bills. Number two, it keeps us out there. It gets us known and it gets us into communities. It's not bad. You can invite people and it's something that we can't take right off the ball. That's one of the challenges then, I don't know if you got into it with James, one of the challenges is how do you keep your core business going while you're trying to do this new business? You want to keep your old identity, but you don't want to be pinned to it. Some people argue, you're the build people. It's like, "No, no, we want to do more." "Oh, you don't want to do builds anymore?" "No, no, no, we want to do them both. How about helping us fund it?"

One of the key is you have to have people that can tell the story. We've been really fortunate again, James has been great, Daryl has been on a speaking circuit for years, he's very well-known, but we have a couple people in our

partnership group that have been around for a while, so they can tell the story, and that's really important. James and Daryl can't do it all. You try to build up a corporate partnership thing, but they're new, and they just don't either have the experience to just really pull the stuff out when you need to, and they just don't have the experience that some of our folks have. We've been really fortunate, we have some people who have been with us for a long time, and they're the asset we can call on when we say, "Hey, we have an opportunity here, go speak to these people."

Jonathan: So do you view these relationships with key funders as hierarchical, funders assuring more directives on how to operate, or do you view them as more reciprocal, your organization enjoys more horizontal dialogue with its funders, or both?

Interviewee: Wow. I mean it has to be reciprocal. That's what they want. We have this once a year off-site meeting, and we brought funder in every year, of course it's our right, but we brought hundred in. We have a funder panel, and what they said is, "The corporations are getting away from just being [filling a time frame 00:10:26]. There has to be something beneficial to them. What serves us both?" It doesn't do us good to just develop programs to meet a financial funding. We're not going to accomplish what we're trying to do. At the same time, they don't want to partner with someone that really is not a partner towards what they're trying to accomplish. So the key is to find common ground and work together. That's, then, our focus. It's been somewhat of a

challenge. Sometimes we have to walk away from money and say, that just doesn't fit what we do.

Jonathan: Can you give me an example of that?

Interviewee: Daryl would be better at that. There's been a number, and I don't want to...

Jonathan: This is all confidential.

Interviewee: I understand, but I would say Disney. They're very branded. We could've done a lot more stuff with Disney, but it didn't fit what we wanted to do. We did a Disney tour with them, we did a couple big projects with them in the last year, which generated some money for us but it didn't get us closer to the finish line. Sometimes maybe you want to do a little of that because you want to keep your folks paid for, but you also don't want to be doing things that doesn't get you where you need to go.

We're in a situation now as an organization where we've developed enough financial reserves that we can afford to turn things down that don't fit us on our mission. In fact, we can use some of our reserves to fund stuff that we need to do. But you can't sustain yourself that way. We're a little like, "Yeah, we could go and take our reserves to do these things," but we got to do it in a way that it's going to get funding at some point for us. You've diminished your reserves, then you're nowhere.

Jonathan: Moving on, to achieve the successful scaling of operations in a new community, do you see the organization as being reliant on funders that have been supporting the organization for years, or do you see the establishment of new revenue streams as crucial to this process?

Interviewee: New revenues are crucial. For the reason I said, with the corporations particularly, they have change in leadership. You're not dealing with the same people. You need to keep generating new sources now if you can keep...the one thing about your existing relationships is that they understand you, so it's a little bit easier. I wouldn't dismiss getting the most out of what you currently have, but it's going to...over time you're going to lose that funding, and you need to, in order to stay on mission, you got to find new partners.

One of the beauties for us is people who are around, say, yeah, you might've lost your person, well they went somewhere else.

Jonathan: Yeah.

Interviewee: Keeping track of where all the flyers are is really important and keeping those relationships open...Dr Pepper for instance, that person we knew from another life. Daryl can quote you stories better than I can, but there's a number of relationships that we currently have that came from people that are not with the place that they were when we first got them.

Jonathan: So new revenue is obviously absolutely important, but also getting into what you were saying, addressing earlier in the previous question, that having these long-term funders that turn into vessels of being a champion for the champion program are also really crucial.

Interviewee: One of the challenge for us is getting our messaging through them and then that's the part. They like our cause, that their messaging is related to their work, and if we could ever crack that one where we're jointly messaging, that would be a home run. We're not there yet, and that's been a challenge for us.

Jonathan: Moving on, we have just a few questions left, beyond providing the resources needed to scale up in new communities, how do funders influence the actions and behavior of your organization in the actual process of scaling up? And secondly what are the key actions that link the funders to the organizations in that scaling process? If you want me to state it again, I can.

Interviewee: That's a long one.

Jonathan: Let's just do the first part again. I'll repeat the first part. Beyond providing the resources needed to scale up in new communities, how do funders influence the actions and behavior of your organization in the process of scaling up?

Interviewee: Well, we are partners. They have an interest in making an impact, so I would say that we jointly look with them on how can we make the most impact. So that's a joint effort. We basically combine brainpower. I think that we have



our ideas, but you get new ideas from them as well, because, again, you're trying to accomplish the same thing.

With DPS it's like, what is the most impact we can have for each dollar spent? What are the most number of kids? Well that's, we're also trying to influence the most number of kids with, I don't want to name names because there's a company that really confidential right now, and same deal, they want to have impact. And that's what we want to have. So we have to jointly agree on what's the way we can have the most impact. How can we leverage your dollar the best.

And I've said that we haven't cracked this one, but how can they put their public relations or communications people to work with us? We've got one right now with the Superbowl. Is there any way that we can tap into all the promotion and what's going on there? And then we're talking about an unveiling of the thirty communities that are going to receive grant funds to do this play anywhere. They're going to do a press conference, and we're right now trying to work out with them what's the best way to get this out? It'd be great. They're going to want to talk about the NFL, the NFL, the NFL.

Jonathan: Yeah, naturally.

Interviewee: We're sitting there, "We want to talk about [inaudible 00:17:07] for kids."

Jonathan: Such as the NFL

Interviewee: We had the same thing with the Today Show. It's like, they want to talk about...this is a lot bigger than just the state of New Jersey. We want to talk about the cause, and they want to talk about impact on prosaics...we want to talk about how many more prosaics are there out there, how important is this. It's a struggle to try to get that.

Jonathan: So the second part of the question, so if you could get at, what are more specifically, what are some of the key actions that link the funders to the organizations in the scaling process? Just thinking through the actual...thinking of according to actions that actually assist the process.

Interviewee: I mean from my perspective it's just the funding.

Jonathan: Okay.

Interviewee: How can we link the funding...the funds that they have available to the leverage cost, that's the most that I'm involved with. James could probably give you more on an operational front, but for me, those folks want to know we got x number of dollars to spend, how can we spend this. Our folks have to interact with them to say, "Okay, what are you trying to accomplish? Here's what we're trying to accomplish."

Jonathan: That's what I'm more getting at. I know that all foundations, all funders, can be different. Some like to be a little bit more hands-on, like to hold the hand through the process, see what's going on, maybe suggest some ways to do

things. And others want to give you money because they view you as having a tried-and-true product, they trust you to achieve impact.

Interviewee: We don't have as much...most of the folks, we have to guide them. I don't think anybody's just handing us money. They'll hand us money if we can convince them that what we're going to do with them is going to accomplish something that they want to see. The challenge is, how do we convince them to do something that does what they want to do which matches what we want to do. That is, I mean, like Carrie the senior person I'm talking about, that's where she's really good. Somebody has to really get in there and understand...some people can make a pitch and say...it's off course, and so you lose, when you shouldn't have lost. The money was there, but they didn't like the idea. She'll go back four or five times. Tell me why that doesn't work, and she listens. Then we can come to a happy medium.

Jonathan: Moving on, have there been unexpected changes from your key funders that have influenced the successful scaling-up of operations? At any point in time, has there been a curve ball thrown at you from the funders that has in some way influenced how successful or whether the scaling of operations is successful or not?

Interviewee: Yeah. Again, I'm probably not as involved in that. The only thing that I could say right off is change in personnel, change in assignments. You're working with the director of communications and all of a sudden they got reassigned, and you've got a whole new person. You had a whole program worked out

with the person, and you've got to work with the new people. That's the only one...again, the other folks would probably be better at that. I'm sure it's happened, I'm just not as involved as it.

Jonathan: But from what you've seen, it's more of just a routine institutional change challenges that you've experienced.

Interviewee: It's a lot. It's a big challenge.

Jonathan: We're staying on target here. This last question, which I'm tweaking a bit based on what I've heard today, but I wanted to...there's been a couple inflection points, or maybe more than a couple, that the organization has had throughout its life cycle so far. So in 2004, there was the shift made to include open sourcing beyond the traditional feed paper service model. I'm curious about how this change affected relationships with the funding community and how they saw the organization differently and whether or not they wanted to support you. So looking at that and then also more recently, this is all new, looking at the recent HUD program as being a huge shift for the organization as well. So speaking to both of those, could you discuss how this change, and I already know a bit of this answer based on what you said about Robert Wood Johnson, but how this change affected relationships with the funding community? Negatively or positively.

Interviewee: I mean the first one, it gave us an opportunity to have a different conversation. We were doing builds that were more in the community affairs

area, you know, where they were trying to build up their relationships with communities. We were doing something bigger than that. The hard part is, they knew us as just the build folks, and we were in there in that one area of their organization. How do we get into another area of their organization that might be interested in other...things like cost marketing, or how do you get into those areas? We weren't in those areas. I think we have a fundraising force that wasn't, they didn't know how to sell this. It was a new challenge to have the people who could speak the language, and how do you get into other part of those organizations that are funding various different things, how can you get into that, and sell your message. I think that was the initial challenge.

More recently, how do you capitalize upon the core funding that you have? How do you go after those magic funds? It's easier, I think, but it's...meanwhile, I would say, we've been after this scaling in different flavors since 2004. So now when we're approaching people, it's not like they haven't heard it before. I think how James has been describing it and how we have gotten to that city focus, has been an evolution for us and it's starting to get some traction.

Jonathan: Okay. Fantastic. I think that'll about do it, unless there's anything else you wanted to add? Any questions for me or if there's any holes in these questions that were curious or anything that you want to add or any questions that you want me to repeat along the way...

Interviewee: No.

Jonathan: Fantastic. Well, great. Well, thank you so much for your time. We'll stop it right there.

### 8.1.3 Playworks

Date	04/08/2016
Location	Oakland, CA
Organization	Playworks (Mesolevel interview)

Jonathan: First off, I wanted to thank you very much for taking the time to meet with me in person today. My name is Jonathan Livingston. I am a doctoral candidate at the Graduate School of Public and International Affairs at the University of Pittsburgh.

The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations, successfully going to scale. In doing so, I am looking at the behaviors and strategic actions that occur between funders in the organization, between individuals across an intra-organizational level, and between the organization and the clientele it serves. To this end, I am interviewing 3 individuals at each organization, each one filling the role of key organizational actor with insight into the operational level being addressed. As xxx and xxx of this organization, I am seeking to better understand the dynamics of actions and behavior occurring intra-organizationally during the process of going to scale in new communities.

I picked your organization because you were on the Forbes 30 list and it was like great and also through other people that knew you. The interview I am about to conduct with you will take no more than 30 minutes. The interview will be audio-taped to ensure accuracy in the recording of responses. Rest assured there are no foreseeable risks associated with this product nor are there any direct benefits to you and you will not receive payment for participating in this study. All responses are confidential and results will be kept under lock and key. Your participation is voluntary and you may end the interview at any time.

Any questions before we begin?

Interviewee: No.

Jonathan: Okay. Just make sure we are still recording. Great.

All right. First question: What are the key structural components involved in the successful scaling up of operations for your organization in new communities? Just thinking through the structural components of that process

Interviewee: I started Playworks 20 years ago and we started as a local organization. One of the things about our program, which I think was mostly serendipitous was the nature of what we built was inherently replicable. The widget itself that is sending this earnest young adult into a low-income urban elementary school to be the human nexus of play, it turns out if you train someone how to do that, that part can be replicated pretty well.

When we were running that program and then we were approached by the Robert Wood Johnson Foundation to test the model in 3 cities outside of California, we had a lot of confidence in what it was going to take to replicate the school by school piece and we had just virtually no idea about what it was going to take to provide the administration management support for opening another office, 3000 miles away. That, in fact, was the major pain point and really the learning that has happened as a result of our effort, first to grow, and then to scale, and I would make the distinction. I think the sector uses the term, "scaling," sort of interchangeably with growth. When we talked about wanting to scale Playworks, what we were talking about really is systemic change.

Our process of getting to a place where we are even moving towards scaling, and I think we are in the scaling process now, was first the process of growth. Growth is already really hard. Growing in new communities required actually fundamentally changing our organizational structure. The job that I had done as the executive director in just the Bay area, as the founder, when we had to hire somebody to be that person in the new city, that was 3 people's jobs. Not just because I was Wonder Woman and doing all of this stuff but more because once you actually have someone else doing it for you and there are other demands around reporting in and following protocols and jumping through flaming hoops that are the nature of being connected to a larger organization.

I think the basic structural needs of launching a new city, it was initially a big



learning process. Bigger isn't just bigger. It is really different. That was key. Now, when we launch in a new city, we went from having a push strategy, where we had investment to go open new offices. Now, we really only go to new cities if they have made a commitment of a certain amount of funding guaranteed over the first 5 years. Then, when we go in, we hire an executive director, usually someone indigenous from that community because it is a lot about making sure that you have the resources you need locally to be successful. Then, we like to bring in a program director, who is more from Playworks and who has actually been a part of a successful Playworks program and has lived it. We have a really strong ethos around promoting from within in that role. Then, you are hiring however many coaches, people going directly into the school. Then, you are also looking at we have a spectrum of services that includes both direct service and training. In new communities too, if the training part is going to be a big part from the beginning, hiring a trainer who is local and/or an account manager who has training who can advance that.

Jonathan: Okay. I am going to get into a question [crosstalk 00:05:59] right now because you brought it up. I would like to just keep on it. You mentioned that as you were growing and scaling into new communities that there was a certain way that you were doing it that you learned from. Then, you ended up saying, "Okay. Actually, we are going to wait until we have this much money committed to the program." Could you describe that learning process, when you are scaling and what were some of the hard knocks that

you learned along the way and adjusting to that stuff to realize that the model itself or there needed to be different criteria?

Interviewee: We got funding to open and to go from 5 to 23 cities. We did that and we learned a lot along the way. The decision to switch from the push strategy to the pull strategy was based on we had spent the money in growing to the 23 cities and so it was moving forward from that and recognizing that the regions that were most successful were the regions where there was a lot of local buy-in. There were local champions and there were people locally who had skin in the game. I think probably if we had gotten more money and been given more money with the push strategy, we could have kept going with the push strategy. I like the pull strategy.

I think the heart of the question actually, the question underneath that question gets to this idea of growth versus scaling. At some point, we have grown a lot and we had all of the proof points we needed out there that we could go into a city and work with school districts and make through the Playworks model this really significant contributing part of the school day that really changed the school environment and that had an impact on kids' physical activity and their social-emotional skills and just the whole school climate. Once you have those proof points at enough places and you start to think, "Is going school by school going to really change what is happening in America's 70,000 public elementary schools? What else can and should we be doing to change that system?" I do believe that having the foundation of really walking the walk and not just coming out in from the very get go as

someone saying, "This is how you should do it," but saying, "Look, here it is. We are doing it." Then, based on that, working with schools and districts and cities and regions to change their practices.

Jonathan: Great. Who would you consider to be the key actors that ensure the successful scaling of your organization in new schools and new communities? What are their roles?

Interviewee: I think a lot of our success rises and falls on the regional executive directors. They really are the humans out at the regional level who are both tasked with making sure that those offices have the resources they need to be successful and those resources are human as well as monetary as well as network. They also are leading that team, which is made of both our staff as well as the local boards and the other stakeholders in a process of really understanding the local environment and then charting a path to really a systems change that is really appropriate for that region.

I am not sure these are even legitimate examples but by way of thinking about it, if you look at our executive director in Illinois and contrast that with our executive director in Georgia, in Illinois, all eyes are on Chicago. What happens in Chicago is really going to have this huge impact on the statewide practices. In Georgia, the last thing that people in Georgia want to hear about is what is happening in Atlanta. It is everywhere but Atlanta. I care about Atlanta and we do stuff in Atlanta but ...

Hold on a second. Do you want to stop for a sec?

Jonathan: I can stop a second. Yes.

Interviewee: We're good.

Jonathan: All right resuming.

Interviewee: Resuming.

I think the Georgia and Illinois. It is incumbent upon the executive directors in those 2 regions to be working with their staff and their board to figure out given this sort of local reality, what does a path to systems change in our respective communities look like? It is different. Then at national, we are trying to patch together this quilt of regional because even though it is one country and we are one 501(c)3, it is a big country. I have programs in Detroit and Salt Lake City and Los Angeles and Portland, Oregon, and Durham, North Carolina. The kids are very, very much the same, but how the grownups do business in those different regions is really distinct

Jonathan: Yeah. Okay. Fantastic. Could you describe in detail more of what some of the challenges have been that you have encountered along the way in going to scale in new schools and new communities?

Interviewee: First, I would say there is a sort of persistent challenge of getting people to take play seriously. I envy my colleagues working in literacy sometimes. I really love the work we do and I know it works and we have data and I think people want to believe that with data, we will convince people that we are rational beings. We have a randomized control trial that shows that we reduce bullying and increase vigorous physical activity and increase kids'

sense of safety and we are covering instructional time that financially reflects about a 200% return on the cost of the program. We have numbers that we just kill it on our numbers. My experience is that the people who loved us before we had that data, still love us. The people who didn't love us before we had that data, still aren't interested. That is challenging. It is challenging.

I think scaling and growing, there is an impact on organizational culture that is challenging to manage. I think that would be true for-profit or non-profit, any kind of organization. Humans are messy. Fundamentally, what we are talking about, even though this is non-profit management and scaling, we are talking about getting a whole bunch of humans, all of whom are traveling through life with unresolved childhood issues and personal things going on and weather, whatever it is, and getting them all to share a common goal and to act in a way that reflects the very best and enlightened self-interest. It is just really hard.

Jonathan: Could I hear a little more about the impact on culture and some of the specific challenges on the cultural level?

Interviewee: Yeah. When we first started to open new offices, there was Saturday lot of reticence here, like, "Why aren't we just going to grow more here?" There is still so much work to do in the area. Then, with new offices, they were like, "We still need help. [inaudible 00:13:42] open any more new offices. What about us?"

Then as it got bigger, it went from people would all come over to my house

and now there is 700 employees. They don't all come over to my house. I don't know everyone. I haven't met everyone who works for Playworks. You get more removed. There are more levels of humans managing other humans. There is inherently more bureaucracy.

It is not all bad stuff. I think I feel really good about a lot of the systems we have in place to manage lots of people and to ensure that kids and staff are safe and treated equitably. It does change how it feels.

Jonathan: Great. Next question, moving on, what do you see as the key social processes required within an organization to ensure the successful scaling up of operations? Looking specifically at the strategic actions and behaviors involved that guide those key social processes that help to ensure successful scaling.

Interviewee: I think the first one is going to maybe not be what you are expecting to hear. I actually think having an earned income stream really is a key organizing structure for non-profit services to ensure a whole host of different outcomes. On some level, it bakes in that you keep your eye on to what end and that the decisions you are making if you are charging for it, you really do need to be checking that the people that you are serving value the service you are offering. I think that keeps organizations and systems honest in a way. I also think it gives you more control over how you manage your time and it focuses you on the service itself as opposed to all of the other things that come along with having to raise money and do all of the other stuff. I think that is a really good organizing principal in a weird way around the

structure.

Then, I think beginning the organizing and making decisions, having a north star that is really articulated. At Playworks, we believe in the power of play to bring out the best in every kid. When we talk about to what end we do things, we make decisions but we know that the thing we do that distinguishes us from other non-profits is we make recess great and play at schools. When we are making decisions about to do A or B, or should we do X, checking it against does it help us be the best organization in the country promoting recess and making sure that play schools or healthy or is it a distraction. Being really mission-driven in a way that infuses the day-to-day decision process.

Then, the two other that really just come to mind, I often feel super lucky that we are an organization that is focused on play. We make a really thoughtful effort at having play be part of our organizational culture. I think having humans play together eases trust and communication and I think it builds a social environment where people ... Sometimes when you play with each other, sometimes you are in conflict in a way that is not weird or scary or frightening and it gets resolved and when one builds faith that resolution of conflict is possible. There are all sorts of ways in which having a culture where people play together, it really builds our capacity to take risks and to make mistakes openly and to be transparent. I think that has really helped. Then, I also am just a giant fan of humor. I think it is really hard work and being able to laugh about stuff and especially because with all of these do-

good organizations, there is sort of the slight tendency towards the sanctimonious is so tedious and painful. I think a little bit of wry humor really is a good antidote to that.

Jonathan: Piggybacking on that, when you are looking at scaling, do you have that same sort of approach to those that fund you as well as the clientele you serve?

Interviewee: Yeah.

Jonathan: Okay.

Interviewee: In fact, I think our funders ... We had a big round of funding for our gross cap. We are doing this next. Getting to this next goal of 3.5 million kids having safe, healthy play in 7,000 schools by 2020. We have a group called the Growth Cap Investors and they are some of our biggest funders who come together. We do calls and reports but then they come together for an in-person meeting to talk and they are all funding against this one shared plan. We play with them and we are totally open and very humorous and really practice what we preach. I think having that same open, honest relationship with your partners, whether they are funders or clients or the schools we serve, has been key to our success.

Jonathan: Great. All right. Moving on. Who are the actors within your organization that oversee and determine the successful scaling of operations in new schools? What skills are required of those actors? I know you mentioned the executive directors are really key in how they interact with the board and



within the local groups. Are there any actors besides them or would you like to in greater depth explain some of the skills that are required in those settings

Interviewee: Yeah. It is such an interesting question because even just the way you are framing. The scaling of it in new schools, the coach, like this earnest young adult who has just graduated from school who could be an AmeriCorps member, who is at this school in some ways is very much the first line of our scale. The kids in that school, they have never heard of me. My role as founder is for those kids for at least that year, the human personification of Playworks is that individual and that coach. We do a lot to really make sure that our staff understand the importance of that role and that they are communicating this value of play. The most important way that they get our program across is by norming the values of empathy and teamwork and leadership and inclusion and using play as the vehicle to do that. That is huge.

Similarly, we have trainers, many of whom who are former coaches who now go off into schools all across the country. They train other people on how to norm play in this really healthy way. For the vast majority of people who interact with Playworks, their point of contact and the messaging and our values are conveyed by the folks who are the newest employees and the ones who are looking at an org chart or at the bottom of the org chart in some ways.

Jonathan: It is really dependent upon the executive director being a vessel of the mission and those next linkages to whoever, whether it is a trainer and then AmeriCorps, however it may be. Just as long as that continues to be a representative of the mission.

Interviewee: Yeah, and the values. I really do think that what we have found is that if it really matters that the coach treats the children with kindness and love. I know you are not supposed to talk about love in public discourse. For them to really do that, it really has to start with the local organization being infused with kindness and love and how it works with its staff and the training of them. That also reflects how the folks who are the executive directors feel about when they interact with national.

Jonathan: Great. I just want to make sure [crosstalk 00:23:04]

Interviewee: Still going.

Jonathan: We are still going [crosstalk 00:23:05] Good. Good.

Interviewee: Okay.

Jonathan: All right. Let's do one more question and be mindful of your time here. How would you explain the characteristics of the relationships between key actors within the organization? How do these characteristics promote the successful scaling of operations? We talked about it a lot already. Just really looking at it on the intra-organizational level, what are the characteristics of the relationship that you see and in some greater detail between the various

actors at the different levels in your organization?

Interviewee: Again, it is a human organization. People feel a sense of affinity and belonging with their different regional offices. If you are in the Playworks office in Boston, you feel a first allegiance probably to Playworks Massachusetts. If you are a coach at a school, you are a Playworks person but you also feel like you are a part of the Mother. There is a sense of identity that is fused and sort of forged by your geography. There is the finance team and the finance team, they spend all of their time together by and large. Then, the executive team, we cross-pollinate and stuff like that. There is mix. There is a competition feeling. People in the different regions are definitely like, "We raised more money than you did," or, "We served more kids." They talk some smack. We have our gala coming up in May and we do the rookie of the year award and the different regions nominate their rookie. They compete in the national vote on who is the rookie of the year. We strip the descriptions of school name and location name. If their rookie wins, there is some bragging rights. I think it is playful. People take the work very seriously but we have really tried to build the culture where we try not to take ourselves too seriously.

We are growing. There is a lot of change. I think sometimes that is exhausting and when things aren't going well, there is a, "Why are they getting this and we are not?" All of the normal healthy human sort of behaviors come out in the workplace, I think.

Jonathan: [inaudible 00:25:47] One last question.

Interviewee: Sure.

Jonathan: One last question. Just looking at the overall span of the lifecycle of Playworks so far and looking at what appear to be key inflection points along the way, let's say 2004, when you were an Ashoka Fellow, that is a key moment for the organization's growth. Immediately even afterwards, the next year, there is a dramatic influx from the Robert Wood Johnson Foundation. Could you talk about how some of these key inflection points along the way, a little bit more about how those moments have informed learning in how you scale and go to scale in different communities

Interviewee: Yeah. Getting the Ashoka Fellowship was a huge inflection point and it was because of that that we got Robert Wood Johnson. In fact, Ashoka, for not all of them, but for many, if not most of all are really major investors. There was a connection to Ashoka and an introduction there. Getting the money from the Robert Wood Johnson Foundation was a total game changer. That initial \$4.4 million that we received set us down the path of really growing and compelled us to learn things really in a lot of ways, the hard way. There is nothing quite like growing to learn how to grow. I say that and it sounds like a snake eating its tail. I actually think the more we grew, the better we got it growing. That first year, we opened 2 new cities and then we did 4 cities one year and then 7. Once year, we did 10. The first year, we couldn't have done 10 but having done 2, 4, 7, then you could open 10 cities. There is a lot of

opening new cities skills that you learn by opening new cities, even though they are all kind of different.

We had some losses and some bad things happen. We got de-funded by AmeriCorps at national and that compelled us to retract in some ways and not to be excessively Pollyanna but ultimately made us make decisions that I think were leaner. In conjunction with that happening, I was invited to go visit in Ireland and then that led to some other staff going to Ireland. That got us to test a new model that we call, "Team Up," which is sort of a hybrid of Playworks, the Playworks coach and then the training, where we have a Playworks coach who rotates them on 4 schools. That was huge. It came at a time when we had been really focused on fidelity for a long time. We had success in that and realized that the next phase of growth wasn't going to be possible if we were quite so obsessed with fidelity okay at some point.

In some ways, it is a lot how I think about working with kids. You come out and you are a lot, not tougher or restrictive, but you are uber consistent and you want to establish a set of ground rules and expectations. Then, once you build rapport and relationships and you kind of have your sea legs, then you can try some new stuff and loosen up a little. Starting off loose, it is harder to get control than if you start off with more control and then ...

In general, the process of scaling is just one giant exercise in losing control. The great irony is that if you look at social entrepreneurs and entrepreneurs in general, we are really a sort of collection of misfits with control issues. It is almost this great irony that we have these control issues and that our

greatest success involves us completely compartmentalizing this one aspect of our personality.

Jonathan: It is almost bringing tears to my eyes [inaudible 00:30:04]

Interviewee: Yeah. There we go. Yeah.

Jonathan: That is great. Just so I know, what year did that happen when AmeriCorps de-funded and you made a transition to the Play Coach?

Interviewee: We didn't make a full transition. We just actually tested it. We are in way more schools with Coach than we are with Team Up but it made us, those two things happened, like, "Wow, we lost AmeriCorps." We didn't lose all of AmeriCorps. We just lost the AmeriCorps national.

Jonathan: Really.

Interviewee: Actually, the irony is that it was the year that I was asked to keynote the AmeriCorps national conference. Basically, it turned out the next year they refunded us at 150%, which is as close as Americorps comes to saying that they made a mistake but they left hand didn't know what the right hand was doing. I guess that was like 3 years ago now.

Jonathan: Okay.

Interviewee: Elizabeth would know the year. She is better with that if you ask her.

Jonathan: Then, it did come back a little and then-

Interviewee: It came back a lot.

Jonathan: A lot. Oh okay.

Interviewee: Yeah.

Jonathan: It was just a brief-

Interviewee: It was just a 1 year. We didn't see it coming. It was just painful, like, "What?"

Jonathan: Yeah.

Interviewee: Our funding streams are pretty diverse. A heavy emphasis on earned income. We were able to buffer against that somewhat but it was painful. It was one of those things where it was a painful thing that made us open to doing things differently, which ultimately it was good.

Jonathan: Wonderful. That is fantastic.

Interviewee: Okay.

Jonathan: I think I want to be as mindful-

Interviewee: You want me to top ...

Date	04/08/2016
Location	Oakland, CA
Organization	Playworks (Macrolevel interview)

Jonathan: Okay.

Interviewee: Have you read that paper, What's Your Endgame?

Jonathan: I have not read the ... what, no. I have no read this week.

Interviewee: Read that.

Jonathan: Okay.

Interviewee: It's out there, but it talks about that sort of the diffusion curve and from ...

Jonathan: The diffusion curve.

Interviewee: The diffusion curve.

Jonathan: I know it's here.

Interviewee: I mean, if you come upstairs, I'll give it you.

Jonathan: Great.

Interviewee: Anyway, so in my personal professional experience, I work for another that basically you're trying to move up the diffusion curve from the idea to innovation to early adoption to mass adoption, then of course, like the Blackberry, we're talking about your cell phone. The Blackberry goes out of business and the iPhone takes over. That goes ... You know, that bell curve. Over there on the left side there's a thing called the Social Capital Chasm.

Jonathan: Mm-hmm (affirmative).

Interviewee: Which is the same chasm that you see for-profit businesses face when they're trying to expand.



Jonathan: Oh, can you hold one second? I'm sorry, I-

Interviewee: What I was saying is about the Social Capital Chasm, which is also the same as the Capital Chasm in the for-profit sector. Where I worked previously, we came up with a equally compelling strategic plan, but we thought we could raise money based on the plan. That did not come true, funder did not fund the new plan. Here at Playworks, we came up with a plan, then we got the money, now we're going to execute the plan. That's a really important difference, because we have the money to cross the chasm.

Jonathan: Mm-hmm (affirmative). Okay. Yeah, I see how that is not typically the way that it goes.

Interviewee: Right.

Jonathan: In looking at that, in looking at how you're crossing that chasm, what are some of the actual actions and behaviors that you've seen between the organization and funders that enable that? I know we've talked about it in broad-

Interviewee: Right.

Jonathan: But more specifically, what do you see as some of the actions and behaviors-  
[crosstalk 00:02:09]?

Interviewee: We have talked about it where we presented the plan, we negotiated the plan, we read upon the plan, and we tweak it a little bit for each funder to their liking. Then we went and asked them for the money, then they agreed

to give us the money, now we can execute the plan.

Jonathan: Okay. That's all with ... in as far as the presentation of the plan goes, that is a living, breathing document?

Interviewee: Yes, it is.

Jonathan: [crosstalk 00:02:31] adjust according to [crosstalk 00:02:32].

Interviewee: It does.

Jonathan: [crosstalk 00:02:33] you get back from them [crosstalk 00:02:35].

Interviewee: Right.

Jonathan: Okay.

Interviewee: Yeah.

Jonathan: That's great.

Interviewee: Each foundation has their particular likes and style, so we adapt it to each one's particular style and interest.

Jonathan: Great.

Interviewee: It's essentially the same plan, but you may rearrange things, use different words and so forth.

Jonathan: Okay. Wonderful.

Interviewee: Yeah.

Jonathan: Well, if there's nothing else, that's a great way to wrap it up.

Interviewee: Yeah, great!

Jonathan: I'm glad you mentioned that, because it's nice to ...

Date	04/08/2016
Location	Oakland, CA
Organization	Playworks (Macrolevel interview)

Jonathan: ... Using. All right, here we go. First I want to thank you very much for taking the time to meet me today. My name's Jonathan Livingston, I'm a doctoral candidate at the Graduate School Public and International Affairs at the University of Pittsburgh. The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale. In doing so, I'm looking at the behaviors and strategic actions that occur between funders and the organization, between individuals across an intra-organizational level, and between the organization and the clientele it serves. To this end, I'm interviewing three individuals at each organization, each on filling the role of a key organizational actor with insight into the operational level being addressed. I see a probe of this organization. I'm seeking to better

understand the dynamics and behavior occurring between funders and the organization during a process of going to scale in new communities.

You were picked because your organization was on the list of the Forbes Impact Thirty, that was the initial reason.

Interviewee: M'kay.

Jonathan: It turned out a good mutual friend and colleague helped facilitate [crosstalk 00:01:09] ...

Interviewee: Oh, nice.

Jonathan: ... So that was great. Again, this interview should last no more than thirty minutes, most likely will be between twenty, twenty-five. The interview will be audiotaped to ensure accuracy in the recording responses, and rest assured there will be no foreseeable risks associated with this project, nor will there be direct benefits to you. You will not receive payment for participating in this study. All responses are confidential, and results will be kept under lock and key. Your participation is voluntary, and you can end the interview at any time. Any questions?

Interviewee: No questions.

Jonathan: Okay, fantastic.

All right. First question.

Interviewee: Don't forget to turn it on.

Jonathan: We are still rolling, we're good.

Interviewee: Oh, I thought you had it on pause.

Jonathan: No, no, thankfully we're still going. Yeah, I have to record the audio as well. Who are the key funders that influence the successful scaling up of the organization, and describe their roles. I know there are a lot of people that are funding your organization, but who do you consider the key funders, that really influence the successful scaling up of the organization, in new schools and new communities, and describe their roles, more specifically.

Interviewee: The first phase of growth was funded by the Robert Wood Johnson Foundation, and they have helped Playworks replicate the model that they were working on, several years ago, and have been supporters of Playworks in different ways over the years. They were key, instrumental, in the first phase of growth. Then there's a number of other funders along the way, more significantly, just this past couple of weeks, we've secured a number of foundation donations, grants if you will, that have really funded the second phase of Playworks' growth. Those are the S. D. Bechtel Foundation, the Einhorn Family Charitable Trust, of course Goldsmith Foundation, the Jenesis Group in Irving, Texas, and a couple of others.

Jonathan: Great. You described the Robert Wood Johnson, their role in really igniting that initial larger scale operation. What are the roles of these new funders in what you describe as the second phase of upscaling.

Interviewee: In the second phase, the management team here, primarily Elizabeth and Jill, have been discussing this growth phase with this funder group, over the last few years. What has been unusual about it is that they have convened them all together. The ones I mentioned, plus the others ones like Rainwater, and a few others that have participated in the convenings ... I've been to one of these meetings, when I first started working here, were ... It's quite unusual for a group of funders to come together to talk about the organization they may fund, but more broadly, the issues that the organization is addressing. In this case, it's certainly education, but it also is more targeted with social, emotional learning.

Robert Wood Johnson was also at these meetings, they were part of the convening group, and what's ... From my experience, that never happens. Certainly, funders get together in funder only events, or different conferences, but it's very rare for the funder group to sit down with the potential grant recipient and devise and iterate a strategy to address a particular social problem.

Jonathan: So they're actually having an exchange of strategic, tactical exchanges of how this ...

Interviewee: Yes. Together.

Jonathan: Together.

Interviewee: And in the same room.

Jonathan: Wow.

Interviewee: Then they talked offline when we're not in the room.

Jonathan: Of course.

Interviewee: But it, for me, is mindblowing.

Jonathan: Yeah, that is a rarity.

Interviewee: Yeah.

Jonathan: Yeah

Interviewee: Because it was so unusual, and most funders don't talk to others.

Jonathan: Yeah.

Interviewee: Yeah.

Jonathan: That's fascinating.

Interviewee: It is fascinating.

Jonathan: Jill did, she alluded to the convenings, but I didn't know that it actually was this exchange of ...

Interviewee: Yeah, so there's another one in June, coming up. Jill and Elizabeth proctor these convenings and got everyone to participate, which they now embrace

and look forward to.

Jonathan: That's fantastic.

Interviewee: So it's the program officers that attend, plus other executives from the foundations.

Jonathan: I think this is the same group then, that she said that she gets to engage in some fun competitive play [crosstalk 00:05:48]

Interviewee: Yes, exactly, so there's always that dynamic of playing one off the other.

Jonathan: I love it.

Interviewee: Yes.

Jonathan: All right. That's great. Okay, well let's move on to the next question. Do you view these relationships with key funders as a hierarchical, so funders issuing directives on how to operate, or reciprocal, where your organization enjoys a more horizontal dialogue with its funders, and why?

Interviewee: At Playworks, it's more horizontal. Everywhere else I've had experiences, it's much more hierarchy driven.

Jonathan: Could you give me a little more insight into why that is the way it is, and just what are some of the actual actions and behaviors that are dictating the horizontal linkages?



Interviewee: Well, in other organizations I've worked, there's always this relationship development with your investors or donors, or foundations, or banks, in my case. Those relationships are always trying to extract the best value for what your organization is trying to achieve. Here, it was completely different experience, where again, Jill and Elizabeth have, before my time, built the relationship up, they had to be very open and transparent, and collaborative, so the dialogue, the tone, is very different here at Playworks, which again, is phenomenal. As I said earlier, I've never seen it before in any venue I've worked in, for-profit, non-profit, in different industries as well.

I think I give them the credit for creating these relationships. Because I've dealt with some of these foundations, not these particulars, but other foundations like them, and I've never seen a relationship this way.

Jonathan: Okay. It's definitely the executives influencing the [crosstalk 00:07:45]

Interviewee: Yeah. Basically it comes down to trust.

Jonathan: Okay.

Interviewee: Yeah, I think that's what the essential ingredient here, is.

Jonathan: That seems to be a really, based on Jill's interview, that seems to be a very big cornerstone of that organization and how it seems to imbue a lot of how the operations go the way they go.

Interviewee: Yeah, absolutely.

Jonathan: All right. Just keep rolling here. To achieve the successful scaling up of operations in a new community, in a new school, do you see the organization as being reliant on funders that have been supporting the organization for years, or do you see the establishment of new revenue streams as crucial and essential to that process?

Interviewee: It's both. For startup, you need to have some existing financial resources, to help you startup the region, or new activities, whatever it might be, that may fund this investment. Perhaps we'll pay dividends later and achieve results, but over the longer or medium term, you need to have new sources to support that endeavor, whether that's, you know, donations or other types of earned income, or other revenue streams. What also is unique about Playworks, Jonathan, is that it has a very high proportion of earned income, than a lot of other non-profit organizations.

Jonathan: Could you, in a little more detail, describe the earned income process, and also how these, and after that, describe in detail a little more about how these new funders are specifically guiding the second phase.

Interviewee: All right, so in terms of earned income, one of our long-standing business models is this coach model, where we basically embed a person, a coach, into a school, and the school pays us a fee for that. It's essentially a fee for service business model. Hopefully, at the end of the day, the fee we charge is more than the cost of doing business, and if it's not, it's subsidized by grants and donations, and other types of contributions. That includes the U.S.

Government in our case. That is a very high proportion here, so like sixty-five percent, and that also mitigates the need to always be chasing donations. Right? The donors, one of their foundations, corporations, or others, that helps sustain the organization and build it, and also pay for the expenses.

Jonathan: Great.

Interviewee: The regions, in our case, we call them regions in terms of programs outside of where we're standing today, is that they have to develop local sources to support their operation. That could come from businesses, corporations, foundations, individuals, and so forth.

Jonathan: Great.

Interviewee: The way fundraising works, is that the regional officers have the fundraising responsibility to fund their own operation. Certainly the national office here in Oakland supports them in those efforts in many ways.

Jonathan: Then just back specifically to the Einhorns and the Bechtels, and looking at how they are influencing the establishment of new revenue streams. What exactly are their roles and could you explain a little more of how they're crucial to this process?

Interviewee: Sure, so what we've done is create a strategic plan, which you may have heard about, Powered By Playworks, which includes different elements, such as what we call Movement Building, which is to engage more people in the discussion and understanding the value of "Play" and so part of that

Powered By Playworks strategic plan includes discussion of what are the tactical things we need to do to build this movement. So we went to the funders, the Einhorn, Bechtel, and said, "Please help us do this." So that is a budget line item, if you will, to take care of these newer initiatives, whether they're revenue generating or not.

What also is quite unique about this funding that we're talking about, which we call the Growth Capital Investors, they are funding what other people call "overhead", what I call "infrastructure", so they're paying salaries, employee benefits, facilities, software, so on and so forth, which most foundations and donors do not want to pay for. Yeah, so they ... I call it the Fix The Kid model, where the donor wants to fix the kid or give them the vaccine, or whatever it is, so that's the old fashioned way of the Sally Strutters, if you really donate your twenty-five bucks a month and the kid'll get out of poverty and not live in the slum anymore. Here it's completely different, where they're supporting the organizational growth, so that we can achieve those common goals and fulfill the mission.

Jonathan: That's also a rarity, to get that brick and mortar kind of a ...

Interviewee: It's very rare. Yeah. I miss down to remodeling this building, because this is old, funky, ten year old carpet, and so forth.

Jonathan: Wow.[crosstalk 00:13:44]

Interviewee: It's really, really unique.

Jonathan: That's very cool. Okay, so, beyond providing the resources needed to scale up in new communities, how do funders influence the actions and behaviors of your organization during the process of scaling up, and what are the key actions that link the funders to the organization during this scaling process? Just looking closer at the actual influential actions and behaviors involved in this process.

Interviewee: All right, so it does stem from us being upon a budget, but we have various meetings, discussions and spreadsheets going back and forth with the funders, saying here's what we're going to spend the money on, and so then we craft that budget in a dialogue with the funders, to achieve those elements and other investments. Then, once we get the cash of course, then we have to fulfill the obligation of working with that budget, so that dialogue continues, and as things change, we meet with them.

As I mentioned, we're meeting with them in June, and the same group of funders, again, in a convening, and as time goes by, we report to them. We engage them in various ways by showing them the program progress, either on site or through reporting. There's stipulated reports that we have to do, like any foundation grant, and those conversations continue if we need to make adjustments, or what have you, those are communicated back and forth.

Jonathan: I find this whole concept, the convenings, to be so fascinating because, it seems to be, you're actually providing a more true sense of ownership for the actual fundings in this process.

Interviewee: Exactly. They become partners, not just people giving us money. Some of the ideas of what we're doing came from those convenings.

Jonathan: Okay. So cool.

Interviewee: They also take other ideas that perhaps are being pitched, or bubble up during the meetings, and they go off and do other things as well with it, which earns the same general topic area of what we're actually doing here. It's really fascinating.

Jonathan: It is really fascinating, and it is unlike anything I've really ...

Interviewee: Yeah, me too.

Jonathan: ... experienced.

Interviewee: I'm so glad to be in here.

Jonathan: It's fantastic, it's very cool. All right, so have there been ... I know Jill mentioned one of these, but have there been unexpected changes from your key funders that have influenced the successful scaling up of operations, or just changes ...

Interviewee: I've only worked here for seven months, so in that time frame, no, but I've worked plenty of other places where there's unexpected changes from funders.

Jonathan: I know Jill mentioned particularly, and I know you weren't here yet, but there was the bit of a hiccup of time, where unexpectedly Americorps [crosstalk 00:16:42]

Interviewee: Yes, that's true, yeah.

Jonathan: Could you, based on what you know of that, and how it's affected, from your role as the CFO, of examining that, that moment in time? I know you weren't there. How would you look at those unexpected changes, in [crosstalk 00:17:01]

Interviewee: Yes, so in my role, I have to think about what's a fixed or variable cost, sort of accounting terminology, so that if something does happen, how can I shave off some costs or change things without being committed? For example, we have a small operation in New Orleans, but they want to move the office from point A to point B for various reasons, and I'm like, "Okay, since it's small and it's not doing so well, how does that play into the lease terms?" I think about if we have to take action for example, I'm not saying we are, maybe New Orleans doesn't perform, and we're stuck with a ten-year lease, that would be a very bad thing, so let's try to get a shorter term lease. I look at all those things, maybe so we try to have the flexibility when the time comes, in the business model, if you will, on many levels.

Jonathan: Great.

Interviewee: Yeah, you know, like most non-profits, we don't do employment contracts.

There's no average agreements, those kind of thing. Like many non-profits, most of our costs are people related, so you have to structure your human resources to have that flexibility. That's happened here at Playworks, when funding has dropped off, we had to lay off people. We don't own the building, we rent the building, those kinds of bigger decisions there for those chunkier expense items, too. Most of our software's up in the Cloud, we don't own a bunch of servers and IT department, so those are all quite variable.

Jonathan: In looking at that, in looking at what you understand, and what goes into the successful scaling up of operations, how does that, what you're describing, those potential ... It sounds like they can be both challenges, but also create liberty and there's going to be some elasticity, could you describe a little more about the pros and cons of that, and how that influences the scaling up?

Interviewee: Yeah, so sort of the notion of you, what's your turn-around investment if you build it, versus buy it? Or lease it, in our case. You have to go through this sort of analysis of, how much capital is required to build something, versus go out and lease it, like the Cloud based software, you're paying month-to-month. Certainly some of them have longer term contracts, but you have to do that calculus, where should we invest in something, is that the best use of our capital to go build something versus lease it, or rent it? That is the daily decision making process.

Jonathan: As CFO, when you're looking at a New Orleans, as for instance you indicated



as seems to be one that hasn't been quite performing the way the others have, and then you look at say one of the stronger ones here in the Bay area, what are some of the key actions and behaviors occurring at both of those sites that ... In other words, what do you think is working and what isn't working according to the actions and behaviors above ground?

Interviewee: Part of it is your ability to stay there long enough. Time is important because you build up ... Everything is local, and then it isn't, so for example, our Norther California region is very strong, and it has a long history because we were founded here, so we have a strong base here, so we can leverage that base of relationships and then network in the Bay area, to get more resources directed towards us.

New Orleans, we haven't been there as long, we had a staff change and so on and so forth. That is more challenging because we haven't been there as long, staff turn-over, and it's a completely different cultural environment than the Bay area, so you have to adopt to the local culture and have people that understand it and can use their knowledge and experience to be successful over there. There's lots of different actions and different ways of thinking about it, and we use metrics and financial measures to see how they're doing. Are they what we call sustainable, which means they're earning enough on the top line to pay for all the expenses. What is required for us to invest in lower performing region, for strategic reason, because we want to be there to serve those kids ... But does that make sense? Do we see a way forward?

For example, New Orleans, we were without an executive director, then we decided, "Well, there is potential in that marketplace, there's a need for what we do, so let's invest in hiring someone to run the New Orleans region." Those kinds of decisions are very tactical that we look at on a day-to-day, everyday basis.

Jonathan: If this exact conversation we're having were to be taking place at a convening coming up in June, how would this ... Would it be discussed in the same way?

Interviewee: Yeah, pretty much the same way, because we have this trust level with these convening partners.

Jonathan: Great.

Interviewee: Yeah, other places I've worked, you're not a transparent, you're much more pitching and messaging, but here it's pretty straight up in a refreshing way.

Jonathan: Fantastic.

Interviewee: Yeah.

Jonathan: Well that is about ...

Interviewee: That's all you got?

Jonathan: That was very rich, yeah, that was fantastic. I'm going to end it right there.

Date	04/08/2016
Location	Oakland, CA
Organization	Playworks (Microlevel interview)

Jonathan L.: I'm just going to get this prepped here. Okay, so first I want to thank you very much for taking the time to meet with me today. My name is Jonathan Livingston, and I'm with Doctoral Candidate at the Graduate School of Public and International Affairs at the University of Pittsburgh. The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale. In doing so, I'm looking at the behaviors and strategic actions that occur between funders in the organization, between individuals across an intraorganizational level, and between the organization and the clientele it serves.

To this end, I'm interviewing 3 individuals at each organization, each one filling the role of the key organizational actor with insight into the operation level being addressed. As xxx of this organization, I'm seeking to better understand the dynamics of actions and behavior occurring between your organization and the clientele you serve during the process of scaling up in the community. You initially were picked because you were part of the Forbes 30, which is a convenient list to kind of just-

Interviewee: Oh, yeah.

Jonathan L.: Yeah, and then it turned out we had a friend in common. Andrew Butcher introduced me ... Do you know Andrew-

Interviewee: I don't.

Jonathan L.: Okay. To Jill, and so that's how that came about. These interviews have been clocking in somewhere between 20-30 minutes. I highly doubt it will go to 30. It is audio taped to ensure accuracy in the recording responses. Rest assured, there are no foreseeable risks associated with this project, nor are there any direct benefits to you, and you will not receive payment for participating in this study. All responses are confidential, and the results will be kept under lock and key. Your participation is voluntary, and you may end the interview at any time. Any questions before we begin?

Interviewee: No.

Jonathan L.: Okay, great. All right. The first question I have, how did you organization determine whether a community has the clientele to serve to ensure the successful scaling up of operations?

Interviewee: Okay, so there's kind of a macro answer and a micro answer. The macro answer is that we look at the number of schools, public elementary schools, that are in a community and the economic data around those

schools. The truth is, every school could benefit from investing in safe and healthy play, so really there's need everywhere. That's the macro answer. It's a pretty quick test. The micro answer is when we go to a particular school, we are looking for 2 things. One, we are looking at the state of play in that school now to see if they need us. There are schools that don't need us because they're already investing in safe and healthy play. That's the first thing we're looking at.

The second thing we're looking at is how enthusiastic are the adults in that school about increasing safe and healthy play. If we go to a school and they do have need, then the second question, are the adults interested really, do they mean it, are they authentically looking to provide more play? If they are not, they're not a good partner for us, and we won't go there. It doesn't mean that all of the adults need to be on board, but it needs to be more than just the principal or we're going to have a hard culture to change. We need a little bit of oomph, which is just really enthusiasm.

Jonathan L.: Could you anecdotally just paint a picture of how that might work when you are making these decisions in this content?

Interviewee: Yeah. We'll go into a school, and we do have an assessment that we use to take a look at how play is working or not to determine if there's need. Then we meet people, not necessarily formally, but the teachers when they're coming out to bring their kids out and we'll say, "Hey, how's recess? Do you know about Playworks," and we'll get a reaction. That

reaction, if it's curious, that's good. If it's enthusiastic, that's good. If it's resistant, that's not good. We will then follow up with the principal at the end of our visit and say, "Hey, how would you characterize your staff's interest in safe and healthy play? We've talked to a couple people. It seemed like they didn't feel so great about it. What do you think is going on? Are they outliers? What do you have going on here?"

We really just try to have a really authentic conversation. The fact that the principal is paying for some or all of the service, they're unlikely to pay if they think their school cannot take it in. We have a backstop against the risk of choosing a school that's not going to be a good partner in the earned income strategy itself, and so that generally works really well.

Jonathan L.: Yeah, that's great. On a slightly different note, but still part of this first question, do you find that the clientele in new communities, they've reached out to you first, did you feel like you were more identifying them and going to them?

Interviewee: We really started growing outside of here in 2005, so we had a push strategy for the first 9 years where we would physically travel to new cities, scan them, talk to people, try to figure out if we could come in, and now we don't. Now we have a pull strategy for new regions. We don't have any operation on the ground in Ohio, so if we were going to go to Ohio we would need a funder and some school champions, either district level or principal level, saying, "Please come. Really, we want you." That

happened in Atlanta, and then that happened in Indiana. The last 2 regions we opened were pull regions. Now if you're asking about one of our existing regions, like I was just on the phone with Arizona, we're based in Phoenix, they are looking to go to Tucson.

They're going to go proactively talk to people in Tucson. In an intra-region, we are pushing still, but we don't have to make a financial commitment to Tucson. We have services that can serve Tucson without putting people on the ground through our professional development services, so the risk and the financial commitment is not as big so pushing is okay. Whereas if Ohio wants us, I want to mitigate financial risk to go to Ohio, so that's why the pull strategy is necessary. Now, the lift is very big in terms of employing people. Whereas with Tucson, it's not that much of a risk.

Jonathan L.: Thank you for the cases. That's very, very clear. Thank you. Who are key actors that your organization works with in a new community to promote the successful scaling of operations? I know you mentioned it a little bit, but more specifically just to who those key actors are.

Interviewee: Our first key actors are definitely school principals, and they're both customers and promoters and third party validators of our impact. At the gate, they're the most important. After that, funders. We definitely rely on funders to give us credibility in a new community. The Atlanta Falcons Youth Foundation did communications out to schools and their partners in Boys and Girls Clubs to say, "Playworks is coming," and they

would help us get meetings. That credibility from a funder is really important. Then we start to build relationships with potential natural allies. That does include district level personnel. In smaller districts, we can get to a superintendent or an assistant superintendent and say, "Hey, come look at what we're doing. We thought you might want to know about it."

Speaker 3: Pardon me to interrupt. Real quick

Jonathan L.:

Interviewee: Okay, and then there are partners that are unique to each region. They might be the city parks and rec department, they might be the Boys and Girls Club, they might be the collective impact network around children. Our person, who's leading in a region, starts to meet people and ask the question, "Who else needs to know about Playworks?" Our idea is to position ourselves as contributors to the work that other organizations are doing or want to do. Rather than building relationships that are based on what can you do for Playworks, we're focused on how can we support the work you're doing in this community, and you can get to know us while we're doing that.

Jonathan L.: Fantastic, great. Okay, we'll move onto the next question. What criteria does your organization use to assess the viability of serving new clientele in new communities? You just answered that to an extent, but is there anything else to add about the-

Interviewee: Well, [inaudible 00:09:55] When we had a push strategy, we had to



assess more than with the pull strategy. We would look at how deep is the philanthropic community. We didn't, for example, go to Sacramento originally because we couldn't get a grip on that. Now, with the pull strategy, we let them demonstrate the philanthropic support. If the funder coming to us can say, "Hey, we also have relationships with these other dozen funders," and it looks like there are corporate partners who were doing work in the communities, then we can feel pretty confident that we're going to be able to get the financial support that we need. The other thing we look at, which is a little more of an economic factor, is will Playworks be able to attract and retain talent. There's definitely talent everywhere. I'll use Las Vegas as an example. In Las Vegas, what a Playworks entry level coach would make is we think probably too little in the employment market there compared to all of the jobs that pay just slightly better than that, and so that's a deterrent, when the economies of our operation would be overshadowed by the economy of a particular place.

Jonathan L.: In that particular instance in looking at Las Vegas, have there been adjustments made to that criteria then to compensate for what those would be anticipated there?

Interviewee: Our financial model, it depends on a certain level of compensation. We couldn't increase it by 20% or 25%. At the time that we were looking at Las Vegas, there was a teacher shortage. Just the fact that we wouldn't likely be able to attract talent-

Jonathan L.: There's a lot going on there.

Interviewee: Yeah, and so that wasn't a good business decision. With our current strategy, which is expanded beyond just being a provider of service, there are ways we can absolutely serve Sacramento and Las Vegas. Those just didn't exist when we were adding regions, and so now we have ways of providing professional development services and even supporting organizations that are embedded in those regions that are not Playwork, so that they can contribute to safe and healthy play without us putting boots on the ground. We have better strategies now to deal with a situation like that.

Jonathan L.: Fantastic. All right. Moving on to the next question, what do you see is the information that must be exchanged between your organization and the clientele you serve to promote successful scaling of operations? I know you have talked about this a little already, but-

Interviewee: Yeah, there's a lot though around philosophy. We need to talk in a direct concrete way with the school principal about why we invest in safe and healthy play, what we mean by safe and healthy play, what adults' role in creating safe and healthy play is from our perspective, and what are the outcomes we know we can achieve, and then finally, what's the role of the adults in the school in contributing to that. We have learned that there is a danger in glossing over any of those points because a principal may think that we're going to change everything without the adults in

the school contributing to that change.

If the adults in the school are not also giving high fives and using rock, paper, scissors, and sort of refusing to take the Playworks innovation into the classroom and the hallways, the amount of change they're going to experience will be less. We need them to really understand their role. We also need them to understand that when we say safe and healthy play, that means that some of the practices that they may have allowed are going to have to change. Like, you can't have boys versus girls in a game. They need to really understand that there's a philosophical reason for that. It doesn't create a safe environment when you use gender or ability or team captains

We have to sort of get down into the weeds so they know what we mean, and what we expect from them. We have a pretty detailed conversation and a memorandum of understanding that lays all that out. They also cannot use Playworks staff for other purposes. They can't take a Playworks coach and make them in charge of detention, for example. We have to have those expectations clear upfront.

Jonathan L.: I like that so much, that it is that type of conversation, and that that conversation so often happens later on when you have to talk about that stuff after there's the pitch of saying, "Here are the outcomes that you should ... This is the stuff we do. It's great." It sounds like you get into it very meaningfully and deeply, and that that ... I keep hearing the word trust over and over again, but establishing trust on the local-

Interviewee: Yeah, I think that we learned the lesson the hard way over time when partnerships didn't go well. We want to have everybody succeed in this partnership, and it's not just a transaction, and so we treat our partners like they're partners, they're not just a transaction with them. If you look at our theory of change, which we can share the document with you, the 3 inputs into it, the third one is, "I help the school partnership." We know exactly what that looks like. We're able to review that with the partner and say, "Here's what we're bringing. Our program and our staff, and you're bringing the partnership in. We know what works."

Fortunately, nearly everybody we're forming a partnership with is in this business to serve children, so as long as we can describe how their actions in the work with us will achieve better things for their kids, they're usually more than willing. They just need to know it upfront.

Jonathan L.: What were some of those lessons learned that helped to more specifically as a ...

Interviewee: Well, one is just that understandably, principals are strapped for resources, and if we don't explain what our staff person is available to do and not available to do, I can understand why they would tap them for other things. A principal's day and the crises, the challenges that come up every 5 minutes, it's intense. I think most of us in the working world don't have anything close to that level of stress. It makes sense to me that they would do that, and then we have very earnest, accommodating staff

who want to do whatever it is to help the kids in the school, so they would in the past say yes. We'd learn through our management weeks later that they were doing something that not only were they not trained to do, that's not what they're there to do, and maybe not doing such a great job of managing detention or whatever.

It ended up negatively impacting our staff person in the partnership overall. That would happen, and we realized it was on us for not communicating early.

Jonathan L.: Okay, that's great. Okay. How has the process of going to scale in several communities changed the structured process of going to scale for your organization? Now again, you've already answered this to some extent, but if you can think of just more specifically about the process of going to scale in new communities and how that's changed.

Interviewee: Yeah, it's evolved a lot. Jill may have told you the story of one lesson when we opened our first region in Baltimore, we sent one staff person who worked here, sent them there. It was one staff person supervising 6 new coaches in schools. That one staff person was responsible for hiring, recruiting, training, managing those people, building our brand, fundraising, building a board, setting up an office. I feel terrible for Paul, who no longer works for us. It was an unrealistic expectation. Our bias toward focusing resources on school programs lead us to mistakenly under-resource the start up. When we open new regions now, it's a

minimum of 3 people in the office supporting whatever number of schools we've recruited.

In general, I think we understand a lot more about the infrastructure that's required. The other thing that's changed is at volume, we're at volume now, right? 700 employees. You have to have codified processes for recruiting, for hiring, for onboarding, for training, for managing people in order to ensure that you're going to get fidelity to the program and fidelity to the experience for employees. I think we relied a little too much on the cult of personality when we were first growing, and not enough on those standard processes, which we now have in place, which I feel very good about. The other thing that's changed, and really it's changing last, is investment in national infrastructure. That approach of let's keep all the dollars in the school programs was amplified to let's keep all the dollars in the regions, and we were running incredibly leanly here with the back office operations.

We didn't even have a chief marketing officer until recently, but yet we're trying to sell a service to schools that a customer needs to buy. We just were not staffed up here, especially relative to other organizations. We are now making up for lack of investment in the operation of the national organization, which really does serve every single school program. Now we're getting it, or trying to find excellence or achieve excellence in it.

Jonathan L.: Just so I don't lose this, because it seems like such a salient point an it

seems like it's so universal for other like organizations, but that moment when the cult of personality and how far it's gotten you begins to crest a little and a little. Could you describe, if you can in a little more detail, some of the specific moments in that transition that-

Interviewee: Yeah. I can give you one story. Paul, who I mentioned was our first city leader and we burned him out very quickly, and even after that, when we were hiring new leaders in the regions, which are now executive directors is the title, we were using a set of criteria that were essentially are they passionate about play, do we like them, does our gut tell us they can run with this thing. Now, if you're Jill Violet, and you're the founder of this organization, those criteria were all you needed to be Jill, right, or to be maybe our first leaders here in the Bay Area where we were right with you. We had really no criteria that were rational or based on our analysis of what it takes to be a good ED.

We made hires that were not great, and those people weren't happy either. The individuals weren't well-placed in the role. We looked at it and said, "Okay, we're not doing this right. Our criteria are not good," and so we then had to back up and look at what the job requires, look at what our high performers, what the characteristics of them might be. We actually started using a tool called the predictive index, which is used for hiring all over the world. It's not a skill assessment, it's a style of working assessment. When we looked at what our high performers profile is, and even what Jill and my profile is, they're very similar, so we started using

this tool to weed candidates out.

If they didn't fit that profile, it didn't matter how much we liked them, they probably weren't going to succeed. We even, because Jill is persuasive, hired a few people who didn't fit the profile because she was convinced that they had what it takes, and it didn't work

Jonathan L.: Is this something that is online-

Interviewee: Uh huh.

Jonathan L.: So it's called again the ser-

Interviewee: Predictive index.

Jonathan L.: Okay, that's fascinating

Interviewee: As a practice, candidates find it unnerving that we ask them to take a 10 minute-

Jonathan L.: A psychological-

Interviewee: Survey. They say, "What is a psychological test?" I'm like, "It's not a psychological test. What it is is a set of questions that have been validated against types of work." As an extreme example, if you are a person who loves repetitive work that you then feel like you've accomplished something, then certain jobs are a good fit for you and certain jobs aren't. It's like that. It is, I've got to tell you, on the money. I will no longer consider someone who like an out un-match. I'll look at people who are not perfectly matched, but our experience was it doesn't work if you can't, yeah.



Jonathan L.: I'm going to take a closer look at that.

Interviewee: That's just an example of where we really changed the way we operate based on having failed in many ways

Jonathan L.: Great. One more question to be mindful of your time. What have been some of the greatest challenges that you've encountered in going to scale in new communities? Again, all of these you've touched on to some degree. How has your organization learned from these challenges? If there's anything new to share on the ...

Interviewee: Yeah, I can think of a few. One challenge, in some communities, we have struggled to get schools and/or school districts to pay for the service. A couple times, we made the decision to provide the service for free for the first year. In both of those ... Actually, in all 3, there were 3 regions where we did this in some or all of the schools in year one. In all of those cases, we couldn't stay. We could not convince them in year 2, which we thought we could do, to pay for what they had gotten for free. That is just a recipe for disaster in our experience. That was one challenge that we faced. I think we have ... At one point we faced challenges around growing quickly, which I actually still think was the right decision, we added 7 cities in one year.

I think it was the right decision because scaling is a fatiguing business. There's thought from some other organizations that if you stop and pause, and you think you're only going to pause for a year, you don't actually. You end up pausing for 5 or 6 years. We didn't want to do that,

so we pushed, and it was hard on our people. One of the downsides of it was that our program quality in those new regions was not consistent fast enough, and we didn't simultaneously invest in program quality support in that year, as I wish we would've. We now have invested deeply in program quality, and when we start a new idea, like we launched a new program model 2 years ago called Team Up, we had that quality team in place and they were working alongside our region teams to try something new, and it worked really well.

Not having had made that investment, we had a dip, and then we had to bring everybody back up the following year. There was just a lot of work done around program quality. We've also been challenged by fundraising in regions. It's working better when a funder pulls us in. It has taken us longer in regions than we had hoped. I think some other organizations do a better job of this. They go into a region and raise a million dollars over the first 3 years of operational funding before entering. We haven't done that, not to that degree, and that causes a lot of stress. I think that's a better model than what we've done.

Jonathan L.: There's really been a lot of learning involved-

Interviewee: I could talk to you for 6 hours about the lessons we've learned. I haven't even mentioned culture. This is something we did really right. Culture has been the key to our growth, both for program fidelity, for employee retention, but also for not straying from the north star of why we do this. Our culture is all about the mission in play, and we really use it in making

decisions. If it's not going to result in safe and healthy play happening then why are we talking about it? I think that has enabled us to weather a lot of bumps in the road. Times when fundraising wasn't working as well, or we can't increase pay as much as we would like. It's the culture that has really buoyed the organization.

I think we invested the right amount in that, and I would encourage any organization that's scaling to really take a look at it's culture, and if it's not healthy and productive and embraced by your core operation, it's going to hurt.

Jonathan L.: Really quickly just what were some of the ways that the culture was really invested in-

Interviewee: Well, we play here. We play ourselves. We really care about each other. Caring is considered a good thing. We use check-in questions at our meetings as a way to connect with each other individually and a way to be playful. We really encourage people to physically move to new regions. We made it attractive. We want people to move from existing regions to new regions to help embed the culture. We favored internal candidates as much as we could because they would be the culture-carriers into those new regions. We created a lot of things that we mimic, so recess happens, we have an all organization call every quarter, we start that call with a game, we end it with a game. We play a lot of games like March Madness, there's a pool and anybody in the organization can get into it.

We just do a lot of playing. It's not a lot of investment of money, it's an investment of effort and time

Jonathan L.: That's wonderful. Thank you so much. I'm going to wrap it up there.

#### 8.1.4 Manchester Bidwell Corporation

Date	01/21/2016
Location	Pittsburgh, PA
Organization	Manchester Bidwell Corporation (Mesolevel interview)

Jonathan: All right, so first, I want to thank you very much for taking the time to meet with me. My name is Jonathan Livingston, I am a doctoral candidate at grad school of public international affairs at the University of Pittsburgh. Purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale. In doing so I'm looking at the behaviors and strategic actions that occur between funders in the organization, between individuals across an intraorganizational level, and between the organization and the clientele service.

To extend, I'm interviewing three individuals at each working station. Each one filling the role of a key organizational actor with insight in the operational level being addressed. The XXX founder of this organization, I'm seeking a better understanding of the dynamics and actions occurring

between ... Across the intraorganizational level. During the process, going to see all the communities.

Your organization was picked as a household name in the social entrepreneurship world. The interview I'm about to conduct with you will take no more than 30 minutes. The interview will be audio-taped to ensure accuracy in the recording of responses. Rest assured there are no foreseeable risks associated with this project, nor are there any direct benefits to you, and you will not receive payment for participating in this study. All your responses are confidential, and the results will be kept under lock and key. Your participation is voluntary and you may end the interview at any time. Any questions before we begin?

Interviewee: Not at the time.

Jonathan: All right. First question, what are the key structural components that you see that are involved in successfully scaling in a new ... You're successfully scaling new organization in a new community.

Interviewee: First of all, the disclaimer is, we are in the process of building a national, international strategy. This is a work in progress. We have several cities, in fact, eight cities, whose centers are up and operating. We also are cultivating new opportunities and new studies. There's established programs. There are programs in feasibility who are investigating the possibility. There are centers that have determined they want to move forward, but they're not

established yet. We call those planets organizations. The point is that we have different opportunities along this continuum from interested, feasibility, operational planning, and then the institutional phase where they are actually established, have a program, and begin to try to build the organization to be a permanent institutional solution in a community where they find themselves. For the eight centers that are up and running, the oldest is about 12 or 13 years old. We now at least ... We meaning Matches to [Goodwill 00:02:56] is capable of advising that community how to do this work, get a center established, and so far, all the centers that have gone forward was feasibility, or planning, our implementation, are still operating.

Jonathan: Okay.

Interviewee: We haven't had one fatality yet, out of the eight that we've been directly involved with. Now there have been communities that have decided they did not want to go forward because they didn't have the funding or the leadership, etc. which is fine. I think that's a perfectly valid component of the replications process, is to one, make sure there is a need and opportunity because it avoids a lot of disappointment on the part of the community, the potential recipients, and obviously our organization itself. The key things that we look for, sort of like a cold call. I do a lot of public speaking. Everyone wants to know why there's a community where there's someone in the audience says, that's a great idea, I would like to investigate that as a possibility for my community. Quite literally the first thing we do is

visitPittsburgh. They can spend at least one day maybe two getting a feel what this organization is all about, and who runs it, the way that we've established our culture, interact with the students. Understand so the inter-dynamics of how we operate this place, the faculty we have, our value proposition. They get a chance to absorb the culture of the organization, not just it's programs.

At the end of the day, the program that we're really scaling is a program to solve social problems reflected in vocational education. Arts education, and so on. It's more point of view than this is an actual program. We think we've come up with some unique ways of getting at these impractical problems associated with poverty. Vocational education, arts education, public education, and so on. We want to make sure that each community has the awareness of and bandwidth to go through that process, starting with the visit to Pittsburgh. If that business is successful, their homework assignment, you have to go back to their community, find three, four, five leaders, political, corporate, philanthropic, who would be interested in forming an advisory group to begin shepherding the process forward. First things first, visit the Pittsburgh's, spend a couple days, go back to your community, determine if there's a need, and an opportunity, form that group into an advisory group. Then the next stop is to fins yourselves some funding, and what it really does is it hires our team to come spend six months to a year in your community to determine the feasibility of the idea. Whether there's leadership, whether there's need, whether there's dynamics, what sides, how

often, what are the other non-profits doing. Is a political community in-sync with this idea? Could the philanthropic community be in-sync with this idea? Where's your corporate community? Where's employment? What are others doing?

We get a canvas of that community. We take the guess work out of this stuff because we're much more interested in precision and granularity, particularly when it comes to building a program literally from a blank sheet of paper. You really have to know what you're doing, and the only way to figure that out is to talk to people. Lots of them. Frequently, we talk to 75-100-150 people during the feasibility process. Most non-profits never do that. They end up talking to themselves all the time, but they rarely go out and spend time with the constituents. The customer tries to process this for us, we're concerned. The real deal is, we don't try to impose our structural community, we are particular where our value proposition is in. It is, what we believe in, and see if there's a fit. A logical, comfortable, mutually respectable fit between what we do and what they need. If that's true, then we have the basis to go forward. If it isn't true, experience says tells us it's better off not to move forward. Save a lot of pain, a lot of money. Getting to Pittsburgh, getting a leadership group, getting some local funding to get our center and our team involved, and we do that for a year, year and a half. We're looking at facilities, we're doing the evaluation.



At the end of that feasibility process, if all goes well, we should have in place a core leadership group that would become board of directors. We have talked to the major philanthropies in that community, if there are any, and have an indication whether or not they're prepared to support this thing financially. Get a good sense of the political community of whether or not they would step in to support this thing once it goes beyond the initial phase. Meaning second year, third year of operation. We got to find a funding mechanism to sustain the organization, not just create it. That next step is important if we're going to go from program to institution, and that's a multi year strategy, over a multi year time line, etc. Planning really engages that, and then for a couple of years there's what we call implementation. Where you have thought through the organization, figured out what it's going to do, go to your board of directors, canvassing the political and economic community to [community, implement the program, keep your [burners 00:09:12] for a couple years, get results, and then figure out how to sustain it. That's roughly the sort of time line, and the experience line that we engage with pretty much in every community.

Jonathan: Okay. Great. Next, I wanted to ask you, get a better idea, who are the key actors that ensure the successful scaling of the organization? Both in this organization here and at a potential site, and what are their roles?

Interviewee: You've got to have what we call leaders, in each community. Including this one. Often times that is in the form of board leadership, particularly the

chairman. I kind of humorously say to a new group of directors, when you go home, go find the rich people because you're going to need them. You got to have one rich guy in that town, or rich lady, or somebody. You've got to find leaders who have influence in the community who are decision makers, and who can help you package this idea, and sell it to people in your respective community. That person or persons really forms the nucleus of the leadership of the organization. I've got several examples.

In Grand Rapids it was a guy named Jim Welsch who was the heir of the steel case furniture fortune, along with the chief operating officer at the time, Jim Hakket, very progressive guy, smart company, global player, loved this idea. Jim Hakket and Jim Welsch, really formed a team. They were able to get the DeVoss family, and some of the big philanthropies in Grand Rapids to really get behind this thing. We were immediately were in wide and deep community conversation by virtue of Jim [Welsch 00:11:12] and by virtue of Jim [Hakket 00:11:14]. That program has sustained itself and has grown almost as we speak. It's pretty exciting.

Number two, we had Cincinnati. Cincinnati was the group of black and white folks, 12-13 years ago because Cincinnati was in trouble on racial lines.

Police has shot some people. It was a bad, bad situation. They came here to investigate what a sub program like this would help ameliorate some of the conditions they were experiencing in Cincinnati. Sort of a biracial child. Out of that came Lee Carter, who was a well regarded corporate leader in

Cincinnati, and Bob Castellini who happened to own the Cincinnati Reds baseball team, among other things. Castellini 00:12:10 and Lee really got excited about this idea. They have since formed the nucleus of the board in Cincinnati. They're still engaged. The program's been extremely successful. They've widened and deepened the board. Those are two examples.

We have Cleveland, and in the case of Cleveland was the philanthropic community. Where in particular, I think Cleveland's the third or fourth largest community foundation in the country. Couple of assets. He saw me speak at the national conference of foundations, conference of foundations meeting. As a result of that, this is standard protocol right here.

Jonathan: Sorry.

Speaker 3: Sorry, pardon me.

Interviewee: That's all right.

Speaker 3: This is Ari. Ari is visiting us from California.

Interviewee: Are you a Rabbi?

Speaker 4: I am.

Interviewee: I don't know how I knew that.

Jonathan: All right, we are back. Again, we are talking about the key actors that ensure the successful scaling of your organization, and your community. You

described the actors at the new sites. What about in this organization itself?  
Who are the people on your team that are key actors that are helping ensure  
successful scaling on their end?

Interviewee: Probably the directors of replication division.

Jonathan: Okay.

Interviewee: That's not the question that I was presented with when your office called. We  
understood that you wanted to talk about the current Manchester Bidwell.

Jonathan: Absolutely.

Interviewee: Okay.

Jonathan: The broader corporation for sure.

Interviewee: He runs the replication division. The replication division isn't the Manchester  
Bidwell. It's important I think for you to understand is the connection  
between the current and the division. It's managed by the chief operating  
officer of the current Manchester Bidwell. That's Chad, because he can't have  
this thing sitting out here on a limb someplace unattached to the body,  
because this is the culture. For example, our Rabbi's, if this didn't exist, his  
tool would be virtual. There would be ... Nothing would be here. It's very  
important he see's the model, living, breathing, alive, and operating. That's  
the basis for forming a conversation for what we potentially might do in Los  
Angeles. He's got to understand this first, that's why I wanted you to talk to

Kevin, because I want you to understand how we, meaning the controller, Kevin the operating guy, and myself, the CEO see the replication process.

Without that, you don't have replication process, correct?

Jonathan: Yeah.

Interviewee: Yeah.

Jonathan: Fantastic. Moving on, what are some of the challenges that you've encountered going to scale? You could describe some of the ... I know there have been many, I'm sure, as any organization would tell me.

Interviewee: There's certainly the financial challenge.

Jonathan: Mm-hmm (affirmative)

Interviewee: These programs are not self-funding. They, like the others, have to go out to the community and solicit funding to do all the components that are necessary to establish a center. Starting with feasibility, going into planning, then into implementation. They have to harden those funding reality that this is a start-up not for profit in a community, is already involved with an existing community that has lots of not for profits. All of them are hungry, and in need of support, and here comes another one. Brand new, that's going to need a piece of that support that's already been established in that community. You're creating a new mouth to feed so to speak, in that town.

Secondly, you've got to be able to identify leadership that's unencumbered enough to be able to work almost exclusively on this stuff. You have to find some left-brain, right-brain, types that don't want to get rich any time soon who want to do this stuff for a living. Who bring the best talent, the best insight, the best argument to the job, but, they all make a lot of money, and are willing to put up with this. Start-up as a profession for a number of years. Which means you've got to sort through the sand, to find the gold nugget. Every towns got them, but you've got to go find them. Without that poor leadership operationally, without the board leadership, and the willingness of a community to identify financial resources to make available towards this effort. It becomes problematic. Then assuming all of that is in place, to make sure that the quality is there, the outcomes are there, the metrics to measure are there, etc. In each community that's very labor intensive. The good news about around this place is, if I can walk down the hallway, I can't see what people are doing. When they're in Cincinnati, four and a half hour drive from here, that's not so easy to do, or in San Francisco, where we have the center. That's even more difficult to do.

You've got the reality of how you've managed to gross, and the quality from one central location. When you think of about for profits, like Starbucks and McDonalds, they know, they have the demographics, they have the capital, they have the administrative team to establish these things. They are doing a cookie cutter, meaning Starbucks coffee in New York tastes just like Starbucks coffee in Los Angeles. Our centers are custom fits. The value

proposition is vocational education, arts education. The courses, the way it's implemented, our relation with the public school, our relationship with the other not for profits, etc. etc. Each one of those is a custom fit. One size doesn't fit all. We trained chemistry technicians in Pittsburgh, they trained medical technicians in Buffalo. Completely different program, same constituency, different program. That's fine. The goal is to work with the critically unemployed, get them employed at whatever industry happens to be viable in hiring, in that community. There aren't any chemical plants in Buffalo, so it doesn't make sense to train chemical technicians. You have to factor that customization into the program, and that requires a lot of labor work.

Jonathan: Next question, what do you see as the key social process that are required within this organization to ensure successful scaling in new communities?

Interviewee: The biggest social requirement is to view these as complimentary and not competing, so that the team that works the replication division is in line with the philosophy and the views of the parent. We're in vocational education, and arts education, as a parent. We're vocational, arts education in the replications. The staff works from one common location. We're not having two conversations. We're having one conversation. It's just a bigger conversation. To make sure there's not a ... To compare the forces there, and reset the administrative staff level, but also to get people to understand these are all complimentary, not competing. Meaning, every time we build a center

in Los Angeles or Cincinnati, we create a reservoir of Goodwill to Pittsburgh. We benefit both from their association. Our ability to demonstrate that we have regional and national, and maybe international appeal does not hurt the message getting back to Pittsburgh, which strengthens our circumstances here. People become more excited about what you're doing, and what we ... It's not limited to a neighborhood. They're now investing in a process, a brand, that's contemporary, that's needed, etc. It has a pretty important growth trajectory.

Knowing that all that's important, it's critical to how we operate so that Paulo, our director or replication, knows to give this fellow from Los Angeles the time to see what we're all about. Never knowing when or how that relationship will have an impact on the parent, but instinctively know that's the right thing to do. I created this culture that says, must see you, and that somebody's really interested, come on in. We're a pretty transparent organization and we're a collaborative organization. You won't see any silence here. I don't believe in silence. It's got to be a cross communication, laterally, longitudinally. If everybody feels that they are really a part of philosophy, in a holistic view of how social education takes place. That would apply to any of the floor work that we might potentially do. In real estate, flowers, etc.

Jonathan: Great. Next question, just a couple more. Who are the actors within the organization who oversee and determine successful scaling of an



organization? Specifically, who are those actors, and what skills are required of those actors?

Interviewee: Paulo, who you've met, he's the chief operative officer for the replication work. He was the chief operating officer of Manchester Bidwell for five years. I basically took him and said, your new assignment, you're going to replication division. Why? You understand the model. He really ran the model. He's applying that experience, values, and insight, to the replication sites. He has a sense of what the contract will look like. What the performance metrics are. How you set up a vocational program. How you integrate the standard school system. How to work with a board. He brings that institutional knowledge with him. Rather than create a division, they'd have to go out and recruit all these new people, and train them about the model. I have people here who are running the replication division, who had a relationship directly with the parent. There's no intellectual loss in the transition from COO here, Manchester Bidwell to COO at the replication division. It's been seamless transition. That's the smart play. You hire somebody who knows the hell they're talking about, right? As opposed to starting up the company, and then acquiring the experience. You'll be dead before you make your first payroll.

Jonathan: How would you explain the characteristics of the relationships between key actors within your organization? How do these characteristics promote the successful scaling of-

Interviewee: The key is cooperation and inspiration. I think our guys mutually inspire each other that two plus two actually equals nine, because you get these very bright people running these divisions or components. They interact with each other a lot. Paulo for example is having a symposium where he's bringing people for the first time together all eight of the directors in the centers of these eight cities. Using the JAZZ program to create some fun and learning opportunities through music on the first day of the conference. That we're trying to introduce a different way of thinking about problems, showing a reflection of our attitude, what role Jazz plays in the spirituality of the organization. Since we have Grammys, and we're now selling Grammys in the regional market, it has a business application, in the ways we approach the way we think about music and culture within our organization is very important. They would have a chance to see that, maybe take a little DNA with them back to their own organization. Some day I want to do a Jazz tour with all the sites.

Jonathan: Right.

Interviewee: The best way to get them thinking about that is to experience how we think about it when they come here. That's Paulo and Marty talking to each other, not me. The vocational program, of course, making sure that the people around the vocab stuff understand what the replication people are doing in the vocational space. How we're understanding what current trends, what

new developments, are going on here as we continue to get smarter as a parent.

The whole idea of this is to keep innovating. This is not static. It's very active, it's very organic. If you ask me five years ago, what's our approach to culinary arts, it's much more sophisticated than it would have been five years ago.

We're smart about our teaching. We're smart about building an advisory board. We're smart on how to network with our potential employers. We got a lot smarter about that stuff. Having more symposiums, etc. etc. We're continuing to evolve as an organization, it's important that the replication guys and the institutional guys on the Manchester Goodwill side, both know that. They're interacting with each other, and it's called exchange of ideas really creates a way that lists all the ships both replication and parent.

They're learning from each other. Also they had some technology that's really fascinating, in their mentor program. I happened to see it when I was there.

The minute I got back to Pittsburgh, I called up the vendor and said, get to Pittsburgh. I want this for my farm program. They're actually checking out the Buffalo pharmacy tech program, the parent was able to benefit from that experience because they came in touch with a new technology I wasn't aware of. There's a lot of ways that this experience gets exchanged through people.

Jonathan: Could you talk about the specific actions and activities that promote this dynamic learning environment where you have these feedback loops where you're constantly-

Interviewee: Effects your culture.

Jonathan: Yeah.

Interviewee: That's what I created. At the end of the day, that's what you're studying. What I've gotten good at is creating an organizational culture. Then going out and finding people who understand that and who can operationalize that point of view. I hired Marty back in 1986. I literally gave him the keys to the music hall and said, have a good life man. I got a book, but I can't operate it, because I don't know anything about Jazz music. Except, to like it. I knew we would want a music hall, so I built one. You came along at just the right time, here are the keys, you build the program. He did. All our Grammy's and all that later. That's all because of Marty. I really created an environment that encourages people to think like that, and that it's perfectly okay to talk to each other. It's perfectly okay to come up with ideas for each other. We started with just building a digital imaging center upstairs, 3D imaging, and it really grew out of our art program, and it's being shepherded by the arts program. That whole conversation initially came out of the manufacturing sector that was thinking about 3D imaging as a manufacturing strategy.

We got interested in it for that, but there is a design component. There's a creative component to this technology that had direct application to what we were doing in a 3D ... Not a 3D space, but the ... Trying to think of the title. Our digital imaging center. I put the 3D program right next to the imaging center, and now those two guys are collaborating. Prior to that, there was just the

digital imaging center. Now that we have this 3D component, that opens up our range of vocational possibilities, and career opportunities that we could not have gotten just with digital imaging.

All of a sudden we have a collaboration now. A good one as it turns out. That doesn't happen unless you allow it to happen. You've got to tell your guys, go find stuff. The smart companies in the world are ones that are constantly innovating. Coming up with something new. McDonalds says, they've been selling hamburgers and fries forever, but we heard from our customers they're pissed off because we stop selling breakfast at 10 o'clock in the morning. Right? Now they serve breakfast at 2 o'clock in the afternoon. No problem. After 50 years of selling burgers, and fries, and having breakfast up till 10. They completely change their strategy.

Jonathan: Took them long enough to figure that out.

Interviewee: Exactly. We don't have the luxury of being so wealthy and so profitable, that we don't have to worry. We're the young guys on the block who are scratching and hungry, and ambitious. We have to be clever in order to survive. We've got to be innovative and come up with new strategies, and new ideas, or we're done. The minute I fulfill the marketplace with the people that I'm working with, there's no more need for me. We want to make sure there's a continual need for me. The way I've been able to do it, is to be smarter than everybody else. To figure out an interesting way to train chemical technicians for the chemical industry. By getting the chemistry

industry involved, not their HR guys, but their production managers involved with helping us design the curriculum. We design the curriculum so we can work with people with no background in science, and in 12 months their doing science to work with the Fortune 100 companies, and they're doing fine. The community colleges aren't doing that. The four year colleges aren't doing that. The proprietary schools aren't doing that. Bill Strickland with his little train that could comes chugging along, and we create this program directly with them] and now we got a program that's being looked at across the country, right, because we were smart.

We didn't wait for the government, department of labor to say, we have this big plant, we want somebody in that space. We're already in that space, because we were willing and able to talk to people. The way we get to Behr? Once upon a time, we had pediatric at our place. The plastic that CD's are made out of was developed by Behr here in Pittsburgh. [I was out visiting their chem tech people at Behr ... No I was out visiting the CD manufacturing people at Behr. I asked them, where do you get your employees, that's a problem. We recruit them, but they don't have any skills, and we're really struggling to get them. I said, why don't we form a partnership. I'll train technicians for you. That's exactly where the chemistry tech program came from. 20 years ago. I got out there, investigated what the CD's were all about.

I end up creating this incredible chem tech training program that never existed before. You can't get there unless your environment allows you to go

there. If I said those come back, you're talking about anything but and plastic. That's all I want to talk about, that's all I ever heard. I said, no man. Find out what else they're doing out there. It's that approach and innovation that I think keeps these people working here, and keeps them on their toes. Keeps me on my toes because I know I've got to be bright and clever, and good at what I do at all levels, if I'm going to remain competitive. I don't want to get big, I want to get better. Big doesn't mean a thing in and of itself. Better means a thing.

You have school district and it has a \$500 million a year budget. Second or third highest per unit cost in the United States of America. We have 40% of them black kids don't graduate. There's a bunch of dudes can't read, because I have a bunch of them in my program. Their budget is 20 or 50 thousand times the size of my budget, so what? What matters is who comes out the other end. Our guys are going to college, 90% of the guys graduate from high school. Last year was 99%. We're doing 75-85% in our vocational programs, with people that have been ripped off. That attracts attention. That's in a way what the replication guys are able to see when they come here, and they bring these new guys and say, this is what we're talking about, right?

Jonathan:     Awesome. Great. That is fantastic. Thank you so much.

Date	01/21/2016
Location	Pittsburgh, PA

Jonathan: We are recording now. I don't think we'll have any trouble picking up your voice here. I'm just going to go through the routine introduction here just to get you acquainted with what we're doing.

Interviewee: Okay.

Jonathan: First, I want to thank you very much for taking the time to meet with me today. My name is Jonathan Livingston. I'm a doctoral candidate at the graduate school of public and international affairs at the University of Pittsburgh. The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale.

In doing so, I'm looking at the behaviors and strategic actions that occur between funders and the organization, between individuals across an intra-organizational level, and between the organization and the clientele it serves.

To this end, I'm interviewing 3 individuals at each organization, each one filling the role of the key organizational actor with insight into the operational level being addressed.

As xxx of this organization, I'm seeking to better understand the dynamics and actions occurring between funders and your organization during the process of going to scale in new communities.



Interviewee: Okay.

Jonathan: Your organization was picked because of your reputation, and a lot of people know you as a household name in the social entrepreneurship world. This interview should last no more than 30 minutes, probably around 25, so that should be pretty close to staying on time. It will be audio taped for accuracy, and rest assured there are no foreseeable risks associated with this project, nor are there any direct benefits to you, and you will not receive payment for participating in this study. All responses are confidential and results will be kept under lock and key.

Interviewee: Okay.

Jonathan: Your participation is voluntary, and you may end the interview at any time. Any questions before we begin?

Interviewee: No.

Jonathan: I have 5 broad questions here, and perhaps 1 question at the end that we can ... If there's other things we want to get at.

In looking at the organization, who are the key funders that influence the successful scaling up of your organization? Describe their roles in this process.

Interviewee: Just off the top, it is a fee for service kind of consulting type of organization, so funders are few. We try not to compete with any funders that fund, say,

our youth programming, the adult programs, mainly youth and jazz program are the primary ones we go out and look for, especially foundation funding for corporate funding. NCAT's kind of limited in that way. Primary funders have been Jeff Skoll, who Bill met and who has been the driving force behind the national center for arts and technology.

Also, Steve Sarowitz, who just launched Paylocity. I mean it's actually been out there for a while, but he went public with it. He's interested, and he's helping build a site in Chicago. Jeff is helping build one in Los Angeles, but they both have helped actually just fill in the gaps in NCAT's corporate structure, because the fees are very difficult to project what kind of revenue you're going to have coming in, because it's not like something you're advertising out there. The way traditionally people have gotten interested in building one of these projects in their community is they hear Bill speak, and they get all excited about it and talk to people in the community and reach out to here. They usually come and visit here. Then if they can raise the money and there's enough interest, then we'll start the feasibility phase of the engagement.

There have been a few other funders. McCune has been one that filled in some gaps for a few years. The gentleman who owns the Cincinnati Reds, he's given us some funding to try to get a strategic plan going for, which is very difficult because, again, if you can't project revenues, pretty much everything else is difficult to project also. That's primarily the funding that we've got.

Everything else comes generally from the fee for service that we charge for the engagements.

Jonathan: Do you view these relationships with key funders, whether it's the new sites that you're developing in the community, or with foundations, whoever the funders may be. Do you view the relationships with these key funders as hierarchical? Do you feel like the funders issue directives on how to operate? Or do you feel like they're more reciprocal where your organization enjoys more of a horizontal dialog with your ... ?

Interviewee: Yeah, I'd say they're reciprocal. Generally, there's always restrictions on pretty much any kind of contributions, but in general it's for us. Usually when the funders for NCAT give, they know what it's for. Not all of it. There have been a few grants that we've got more for specific things, but most were just to forward NCAT's mission itself. I don't think there's been too much directive from, say, Jeff Skoll or Steve Sarowitz. I think they're mainly there to help. I think they would like to scale a little bit more, or at least try. Other than that, I don't think there's been too much direction as far as they want it done this way or that. It's been more of a helpful type of contribution.

Jonathan: Could you illustrate that sort of reciprocal relationship with some examples?

Interviewee: Bill could probably do that, because I don't really have much contact with the funding. We have a development department which generally is between finance and the funders themselves. We account for it and all that. I've met

them obviously in the process, but not always right in front of them talking about the funding. In NCAT's case, it's probably even Paulo Nzambi, the CEO of NCAT, who's generally had these discussions because, again, our development department is really here for the guild and some of the other programs, because they have traditionally not really looked nationally for funding. It's been more of a local type of thing. I think Bill or possibly even Kevin could fill in. Kevin comes from the Pittsburgh foundation. He's been here for about a year, so I think they would probably be better suited to answer those questions.

Jonathan: I saw this particular makeup with the different individuals in this lineup and how there's a lot of cross pollination in these various areas with the different individuals.

Interviewee: I don't really ever travel to any of the sites other than if we have a board meeting there or something, I'll go on and see the place, or a grand opening from time to time but, yeah, I have very limited engagement with any of the individuals other than when they hire their EDs They come here to train, and one of the things is we usually go over the financial stuff with them, but pretty limited.

Jonathan: To achieve the successful scaling up of operations in the new community, do you see the organization as being reliant on funders that have been supporting the organization for years? Or do you see the establishment of new revenue streams as crucial to this process?

Interviewee: I think we're at that crossing point in time, whether that ... it's going to be one or the other. I mean, again, it's been very difficult to project revenue, so we've been pretty dependent upon some of those funders, again, to fill in the gaps. When you hire people, the project team itself, you've got to get them up to speed on the culture here, what you want them to know, and all of that. But, of course, they're pretty much a fixed cost at that point once they're hired. Once you get a team together, you don't want to have to lay them off or anything, because there's just a bunch of time you spent training, but you have a certain fixed cost at that point and, again, without being able to predict what kind of revenues you'll have, we're kind of struggling with that, and that's where the funders have kind of filled in the gaps.

Going forward, Bill's been ... I don't know if he told you, he has COPD, so he's had some health issues. He's not traveling as much and, again, he was the primary advertising portion of the whole thing just from his speaking engagements and people knowing his name, so it's going to be interesting going forward, what they do. We still have some cities in the pipeline in various stages, but actually reaching out and cultivate new cities in the future is something where we're at the crossroads of. So we're pretty dependent still, I guess is the short answer, on those funders.

Jonathan: Beyond providing resources needed to scale up in new communities, how do funders influence the actions and behaviors of your organization during this process of going to scale?

Interviewee: At the corporate level, probably not that much. But some of the funders obviously that are paying the fees for a particular engagement, a community, probably do have more influence as far as ... Because they're involved, they might even be part of the startup team that's even looking into it. Again, I think those questions would probably be better answered by either Bill or Paulo who, if you end up talking to him, because I don't have that much of an engagement with them to know exactly what they're directing. I kind of see everything on the backend from the numbers and everything and meetings and stuff where things are talked about, but I don't have any real direct contact or knowledge of what they're really doing, kind of speculating more than anything.

Jonathan: Have there been any unexpected changes from your key funders that have influenced the successful scaling up of operations? Things that have not been anticipated that have either affected positively or negatively the process?

Interviewee: Yeah. The Gates Foundation gave us some money one year unexpectedly. Other than that, that was pretty much kind of giving the extra to keep the organization afloat cash-wise and everything. Then Steve Sarowitz came in the picture, so they've been kind of the driving force lately. We have an advisory board over NCAT, so the owner of the Cincinnati Reds is part of that, and Bill's put together some people, the president of ... I'm trying to think of the employment search firm out there, big one. Anyways, he's on the team. So they've provided services in various ways, not always just funding.

I don't know about any real surprises or anything like that. They've been pretty much there. Even though NCAT's been around since essentially 2006, this is actually a project with NBC before that, but even with 10-plus years, it's still pretty much in its infancy as far as ... Again, just because it's not like selling widgets, you're actually trying to sell a concept to communities. Not really even selling. Bringing them here, showing them that, and seeing if it's something that they really are interested in.

Jonathan: In looking at the overall scaling process over the years, I know that there was a real learning process that occurred with, like all organizations, things that happen the way that maybe you think that they're going to happen, and things that happen maybe the way that you don't expect. I know that initially after the big bridge span issue, there were results and suggestions on how to develop NACT and move forward and start scaling in new communities.

I know there was a look at ... There was this impulse to really scale large and faster initially. Right now, there are 8, if I'm not mistaken, 8 plus a possible 9th being opening in Israel, and initially the idea there was conversations with the consultants and Jeffrey Skoll and so on to buy now and have around a hundred or so. Could you just talk a little bit about from ... Looking at the funding level, how that has influenced this process.

Interviewee: Oh sure. Everything sounds like a good idea on paper, and we'll have a hundred sites or whatever, but if, hey, you don't have the clientele, I mean, to support that, or the revenue to actually scale up that much, it is just that, a

dream, and that's kind of what we've been finding out is there's a lot of people that have interest. We'll go into budgeting every year and everybody will be saying, "Yeah, I feel really good. X-amount whatever city it is, is leadership is there, everything's in place," but you know the feasibility's \$150,000, that's a lot of money especially to a startup nonprofit. I think they get caught up in things, and then the reality of where we're going to find this? There's a lot of times I think probably political implications whatever the community, like there may be something like us, they feel threatened. There's a lot of reasons probably and, again, Bill and Paulo or Kevin could probably explain a lot of those.

From my perspective, though, the revenue just hasn't been there to really expand. Like I said, it's infamously hard to predict what it is, which then makes it difficult to staff properly all of that because, you know, you don't want to hire a bunch of people, train them, and then have to lay them off because you just don't have the work. That, to me, has been the real difficulty. It can really look like a roller coaster if you look at the revenue and even to some extent the expenses, because when we didn't have it, we did have to lay off people in past years and everything just, again, stay afloat and fight for another day.

That, I think it's really been trying to predict the type of engagements that you're going to get has been the most difficult, yet there's been a lot of excitement, a lot of interest but, again, I think people, the reality of raising



that 150, just going down this road, deters some of them at least for a little bit. It doesn't mean a year or 2 down the line they might not be back and be prepared at that point.

Jonathan: This'll be my last question. Even with those that do raise the 150, and looking at some of the sites, once they get in there and they realize that it's a little more of a dramatic learning process like, okay maybe what works here doesn't quite work here and have to maybe just focus more on vocational stuff here. How has that learning process changed how you interact with the funding community?

Interviewee: I think a lot of that is covered in feasibility so, hopefully, there's not any real surprises once they're up and running as far as.

Jonathan: [crosstalk 00:16:22].

Interviewee: Yeah, they take a look and our team will go into a community and see what kind of job ... For the adult part of it, what kind of jobs are out there? What are the big employers? A lot of places, because we have a lot of medical programs here, most places do also, so that's kind of translated a lot. Our culinary program here is very wildly successful mainly because they closed law schools, and there's a lot of jobs in a lot of cities for cooks and chefs, but it's a very expensive program to take on. Just building kitchens is millions of dollars. That's a deterrent to some of what they can and can't do.

I don't think there's any real surprises once they're up and running. I think mostly that has all been looked at, and they know that these are the employers that probably will hire most of our graduates, so they go to medical or whatever it might be in some communities, and it's not always programs that we teach here, but they've looked at that ahead of time, so I don't think there's a whole lot of surprises.

As far as the youth part is, I think it's just whether they go with ... I know ceramics is very popular in a lot of places, because kids, again, can build something and they can take it home with them afterwards, which can be said about most of the studios we have here. I'm sure photography is very popular out there also. One of the new labs that we've just put on, 3-D printing, I know should probably take off across a lot of the sites out there just because, again, kids love computers. They get on there ... We even have something where they can scan themselves and then print out a plastic replica of them. I would see that going forward, too.

I think by the time they actually open up, they're pretty sure of what they're going to do. There are some exceptions. We put a site up at Brockway, Pennsylvania, which isn't a very big city. They've already saturated the community and pretty far outreach with, I think, coders, medical coders. They're probably going to have to switch to some other program because you just can't keep popping out trained people when there aren't any jobs in the community, then they're going to have to leave and even though for them,

they have the experience, and we try and the community themselves want to train and have people stay there. Those are some of the challenges in small places.

I'm sure they all, once they get up and running, face the same hurdles we do here, and that's when you're giving everything away, you have to go out there and find the money for it. That's why I always have to rein people in as far as growth and start all these new programs; well, okay, who's paying for them? People that have that entrepreneurial spirit or whatever, they just want to keep going, but you have to realize when you're giving it away, again, it's not like selling widgets, you have to go out and find the funding somewhere. That could be difficult. There's a lot of nonprofits in Pittsburgh.

Jonathan: There sure are.

Interviewee: Luckily, there's a lot of foundations with money too, but there's a lot of people with their hands out for similar things, and I'm sure all probably noble.

Jonathan: I realized I have 1 last question, actually.

Interviewee: That's fine.

Jonathan: In looking at ... I know that one thing I haven't heard about is any type of relationship with the government when it comes to funding. I've heard about corporate fundings, raising the funds for the feasibility, feasibility funds. I

know that for awhile there were very high hopes that there could be a line item that was ... but being subjected to the political trade winds that things don't always work out the way you want. Is government funding still something that is looked at as a goal?

Interviewee: I'm sure it's a goal. I don't know how realistic it is outside of Pennsylvania. I mean, certainly, within Pennsylvania, there's 2 cities right now that kind of piggyback on Bidwell Training Centers line item, if you want to call it that. It is a line, it's just not in the governor's budget when he issues it. It's usually put in by the legislature.

Jonathan: Are those the 2 cities that before the formal NACT was established, that it already had?

Interviewee: No. They're outside the state.

Jonathan: Okay.

Interviewee: No, this is Brockway, the small town I was talking about, and then a project in Sharon, which is starting up in the planning phase. Probably will be open in a year or so from now. They're both getting some money, and we treat it as like a pass-through so that the commonwealth ... When we submit the proposal and everything to them, we include those pass-throughs on there. Pennsylvania's one that probably that could be looked at as something that's going to have to go forward. It hasn't really happened outside of Pennsylvania too much. I know Bill helped the Boston site get some state

funding. There may be some state funding that comes out of Ohio for the Cleveland and Cincinnati, but it's difficult in a lot of states where we don't have any influence, obviously.

That's one of the things I know they look for when they're looking for a team, a new engagement to help get things started and everything. It always helps to have some political savvy, but I don't know if we've had a ton of success. We tried through the federal level, but you know the way politics are right now at the federal level. There's just nothing going to happen in the foreseeable future, and it's pretty much happening at the state levels, too. We just happen to have some good friends in the state, but a lot of the, especially new startups, don't have any of that. Not as much of that going on as you would hope, if that makes sense.

Jonathan: Well, great. Thanks. This is fantastic.

Interviewee: I hope I answered everything. Like I said, I think a lot of your questions probably Bill or Kevin can maybe answer, because they're a little bit more involved than I am. I'm on the backend pretty much accounting for all of it. I have a good knowledge of it. You have to just to be able to account for, but not the kind of experience I have with it.

Jonathan: Great. Well, thank you so much.

Interviewee: You're welcome.

Date	01/21/2016
Location	Pittsburgh, PA
Organization	Manchester Bidwell Corporation (Microlevel interview)

Jonathan: All right. We are rolling. First, I want to thank you very much for taking the time to meet with me. I have a ... Pardon me. I have to shut down this one. All right. My name's Jonathon Livingston. I'm a doctoral candidate at the Graduate School of Public and International Affairs at the University of Pittsburgh. The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale. In doing so, I'm looking at the behaviors and strategic actions that occur between funders in the organization, between individuals across an intra-organizational span, and between the organization and the clientele it serves. To this end I'm interviewing 3 individuals at each organization. Each one filling the role of the key organizational actor, with unique insight into each operational level. As xxx of this organization, I'm seeking to better understand the dynamics and actions occurring between your organization and the clientele you serve in looking at the process of scaling up at a new community.

Interviewee: Mm-hmm (affirmative).

Jonathan: Your organization was picked because you're a bit of a household name in the social entrepreneurship world, and I really appreciate the opportunity to

do these interviews today. I'll keep it to 30 minutes. Usually we'll clock in around 25, so we should get you out of here pretty soon. We're audio taping it to ensure accuracy. Rest assured there are no foreseeable risks associated with this project, nor are there any direct benefits to you, and you will not receive payment for participating in this study. All responses are confidential and the results will be kept under lock and key. As always your participation is voluntary, and you may end the interview at any time. Any questions before we begin? Great.

All right. I've got 6 questions here. How does your organization determine whether a community has the clientele to serve to ensure the successful scaling of the operations? Do you find that the clientele in your community reaches out to you, or do you actually reach out to new communities that you identify? If you could describe that process, please.

Interviewee: Yes. I don't know how much Bill has gone into this, but he likes this all the time. We're not out there looking for work.

Jonathan: Mm-hmm (affirmative).

Interviewee: As it has occurred thus far, most of the communities that we're doing work in have either heard about the org here in Pittsburgh or more likely have seen bill speak at some public venue on talking about this organization. Most of them at this point know that we have begun to replicate these centers across Pennsylvania, nationally, and internationally now. Most of what occurs now

is folks hearing about the Manchester Bidwell education model and approaching us saying, "Hey, can we speak with you about what you're doing and how might we replicate that model here in our state?"

Jonathan: Okay. Who are the key actors that your organization works with in a new community once they come to you and say, "We want to be a part of this?" Who are those key actors that promote the successful scaling of the operation?

Interviewee: There are different phases of the org. The first phase, starting with feasibility ... I think that's when the varying actors get identified. Let me even kind of back up a little bit because it has happened in a couple instances ... It's kind of tied to the whole fundraising notion that sometimes there's a philanthropic interest. Sometimes it could be a single corporate interest by a single mini individual who may say to Bill, "I'd like to explore this a little bit further," or, "I'd just like a center and I'm willing to put money on the table to do this."

In a perfect world, which as you've already eluded to, this org is not perfect by any stretch of the imagination, what that feasibility phase is supposed to be able to lend us to ... Because first and foremost, it's a community-driven process. Define community however you like, but without school districts, without civic leadership, without governmental leadership, without business leadership, this just doesn't work. It's critically important to identify who are those community leaders within any given city and convening those folks as a first step to say, "This is the model. This is the work that's before us," before



we even get to location of a center, population ... A lot of the work, particularly on the adult career training side, we have to have those industry partnerships in order to ... We can do the curriculum. We can do the course work, if you will, with the folks coming into the program. But absent those industry partnerships, it doesn't work.

For us, it's not a matter of you go through our program and a year later you have a diploma or an associate's degree in whatever. If there's not a job waiting for you, which is our model, it just doesn't work. There's a lot of up-front work that's pretty laborious, pretty time consuming, convening folks, and that back and forth dialogue before we even get to the point where we say, "Okay, now we can enter into the planning phase of the work."

Jonathan: Okay, great. What criteria does your organization use to assess the viability of serving new clientele in new communities? A little more insight into the specific criteria that ...

Interviewee: Again, a lot of the initial work is predicated on what's the landscape by way of industry. Whether it's in healthcare, whether it's manufacturing, kind of what have you. The folks who would attend the center, or adult career training program, what we found is that being unemployed, underemployed, or in a transition point in your life, that kind of transcends demographic, if you will. Whether it's a rural program, an urban program, whether the demographic is primarily African American or male or female ... Folks who are trying to make ends meet. That's the common thread. When we're

looking demographically at varying areas, we can take a look at poverty statistics or unemployment statistics, and it's across the state. It's across the country. We know there are folks out there who want something better for themselves. The piece that's kind of critical is that again, those industry partnerships or kind of what is the job market, if you will, in order for us to kind of move forward.

Jonathan: Mm-hmm (affirmative).

Interviewee: It doesn't make a whole lot of sense for us to go into a community or a city and establish a center if the job market is saturated. For obvious reasons, we work very closely with the healthcare centers here in Pittsburgh. If they're not hiring, then we're just going to churn folks out without a place to go.

Jonathan: Yeah.

Interviewee: Again, I go back to the endgame for us is it's more than getting through a program; it's do you get a job at the end of it? Are you able to make a sustainable wage to take care of yourself and your family? That kind of leads us to whether or not it's a start or a stop if we've already ... Then we've got to kind of project out a couple years. I'll use maybe a little more rural setting as an example. If we go to a rural area and we start a program and we say, "Okay, we have the partnerships with industry regardless of what they are. We have 30 people in our inaugural class," and they go through and all those 30 get a job. We start another class but then we say, "Oops. Those 30 just

saturated the market." There's all of those conversations and projections that need to be had in terms of what's the right number. What's the right mix? It certainly serves nobody any good if we start a center and 3, 5 years later we have a center but the job demand isn't able to accommodate our graduates.

The thing that we're able to do here, which some of our more established centers have figured out is everything is kind of ... You got to nimble and flexible.

Jonathan: Mm-hmm (affirmative).

Interviewee: We could sit here in this room and talk about or predict or try to project what's the next wave or what's needed here in Pittsburgh by way of employment and job opportunities, but absent those industry leaders sitting at the table with us and us being able to say, "What are your needs?" For example, if we say UPMC: what's UPMC's needs over the next year, 3 years, 5 years? What shortages and employment categories do you folks have? Then we can take a look at it and say, "Can we train for those varying areas to meet ... " It's supply and demand.

Jonathan: Yeah.

Interviewee: If you have a need, can we fulfill that need for you by way of our adult career training program? We are nimble and flexible enough to say ... I don't know if Bill told you this story that at one point when he started this, the building trades were pretty prevalent here in Pittsburgh. We have what we call now

the culinary amphitheater. That space was built to accommodate scaffolding and teaching folks those building trades. When that market began to decline, we had this great space and at the same time the culinary arts were on the upswing. As you see now, there's a restaurant popping up a day here in Pittsburgh.

Jonathan: The new food city, apparently.

Interviewee: It's the new food city. Again, we were flexible enough, had enough foresight to say, "Okay, this isn't going to be a dead space or we're just going to keep churning out folks in the building trades who aren't going to be able to get a job." We switched the space to a culinary amphitheater and now we have a waiting list for that area. Absent having that granular discourse with the people in the cities who are on the grounds, whether it's in the school districts or industry leaders, it's just not going to work. It's more than just a consultation. While we talk about it is that that arm of the business that we do is a consultation offering. It's a partnership.

Jonathan: Yeah.

Interviewee: There's a lot of give and take. There's a lot of intimate discussions, not necessarily hand holding, but the team has to be present on the ground in the city to get a feel for what's actually going on in order for it to work.

Jonathan: On that same topic, I know reading the cases on your organization and how the overall learning process as you've gone to scale in certain communities ...

I think it was Cincinnati and Boston, for instance, where you realized, "Okay, wait. Hold on. We might be duplicating if we do this. What do we ... "

Interviewee: Absolutely.

Jonathan: Could you describe how the organization has learned through not just identifying what you're talking about before what the market needs, but also when you're getting into this process and applying what you guys do well, and then kind of taking a step back and be like, "We have got to make sure we don't overlap too much with this-"

Interviewee: Sure, sure. That's a critical piece of what we're doing. As you can imagine, and I'll speak from my social work background, all too often I was involved in initiatives that you go into a community, a city, or what have you, and the folks who live there, work there, play there were feeling like, "Here's an outsider coming in doing something to us versus with us."

Jonathan: Mm-hmm (affirmative).

Interviewee: It's the same kind of thinking when we're entering into these cities. We're from Pittsburgh. Sure, we're invited into your city, but as you can imagine, some of the established leadership in these cities, whether that's on the youth arts side or the adult career training side, most cities have these types of programs in some form or another. They're saying, "Well, who are these guys coming in from Pittsburgh telling us what we need here in our city or what's best for us?"

Jonathan: Especially in Cincinnati, right?

Interviewee: Especially in Cincinnati, yeah. Cleveland was okay, no. It's a valid point in terms of that feasibility study because part of the model is a youth arts after school program. Now whether it's in photography, ceramics, metal work, what have you, we can talk about that in terms of what the kids are interested in or what will benefit them, but most cities have some type of after school program for kids.

It's important for us to again to kind of do that research and look at the lay of the land, if you will, to say, "If we're going to put a center in this particular community and contiguous to our center there are 6 after school programs, does that make sense?" As you can imagine, those established centers or people who are from those cities are going to say, "Who are they coming in here telling us what we should be able to do with our kids or I dare say they believe they can do it better than what we're doing?" Again, that's why it's critically important to have that leadership at the table when we begin the conversations. School officials, nonprofit folks, people from philanthropy and say, "What are the gaps? What are the gaps here in this city? What's missing that we may be able to work with you to fulfill versus we're just going to come in and plop one of our centers down and stamp our name on it and then move on."

Jonathan: That makes more sense. That makes a lot of sense in illustrating the how it's less about you going to communities and pitching an idea; it's more about

people in these communities knowing about you as a known commodity and thinking about it as it applies to their community.

Interviewee: Absolutely. They have to be the on-the-ground leadership. Once we get a green light and the feasibility report says that there's a need, the demographic's right, we have the fundraising is moving in the right direction, and all of these ... The checklist, if you will. Feasibility report tells us that this is a city that can benefit from one of our centers and we enter into that planning phase, that cohort of folks that have been assembled from day 1, they kind of become your ad hoc board, if you will.

Jonathan: Yeah.

Interviewee: They live there. We live in Pittsburgh. Now we can go there weekly. We can go daily to some of the places, but we're not from there. They are the eyes and ears on the ground with our consultation because we know the model. We know what works. We kind of know where the landmines are, if you will, but those folks have to make it happen, particularly when you're talking about building procurement. When you're building a brand new building or you're renovating an existing site, you need that type of leadership on the ground to kind of keep the project moving forward.

Jonathan: Yeah, okay. Excellent. We've talked a little bit about this, but what information must be exchanged between the home organization here and the new clientele in new communities to promote the successful scaling of the

organization? What are just some of the key informational exchanges that you see occur?

Interviewee: From day 1, it has to be 100% transparency. Again, we've learned from the process that ... I hate to say that it's step 1, step 2, step 3, but if you're going to purchasing a \$5 million building without your advisory committees being established, we kind of know that's going to be a recipe for disaster. If our research is leading us to that possibly there's not an industry, whatever it is, or that your industry offering is only going to be able to absorb 5 adults into your career training program over the course of a year, it has to be that open dialogue and that transparency in terms of ... It's not the top down, heavy handed, like you need to do it this way, this way, but there are certain aspects of work where we're saying we know at month 6, for example, that you have to have an executive director in place.

It's that level of conversation saying, first of first, we need to assemble this group of committed leaders. As we're going and doing the presentation in terms of this is what the model looks like, and this is the youth arts piece. This is the adult career training piece. Here are the curriculums that are associated with each. It's that level of dialogue along the way that makes it work. You know what we know, but we also we need to know what your thinking is or what your hesitations are or what conversations you're having.

Jonathan: First step what I hear you saying is ... Would it be fair to say that it's more about just initially sharing the culture, making sure the culture-



Interviewee: That initial talk oftentimes, it's them hearing Bill do a presentation. This place, kind of how he built this place and what we do here and what are our programs and what they look like and so on and so forth. Once there is that interest, however it comes across the transom and the team is mobilized. They'll say, "Okay, we can come and do a presentation." That's where the partnership again starts in saying, "This is what we can offer you. This is how we work. Here's the dollars that are going to be attached to each one of these phases." Again, we're not, "You need to sign this contract." It's a partnership. It's not like, "Oh, we hired a consulting firm," even though you kind of did, but it's not like, "Sign our contract and this is what we'll give you." It's, "There's enough interest. There seems to be enough of the pieces that are moving in the right direction where we can enter into our feasibility phase and let you know."

Often times, even before feasibility, we call it cultivation. That's those types of conversations then the what ifs. Let us tell you a little bit more about what we do in Pittsburgh. Let me tell you a little bit more about what you may think you heard by the talk with 500 people in the room. We can set up the Power Point and we can walk through it in terms of this is how we do it and this is what you think you're interested in or you're absolutely interested in, and so here's kind of where we need to start. Even before we get to, "All right, we're going to begin work on feasibility," it's kind of, "Let's have a conversation about what it may look like for you."

Jonathan: Okay, great. Overall, looking at the broad arch of this process of going to scale in several communities over the years, what are some ways that this learning process ... How it's changed the structuring process of going to scale now? Looking at just over the years and how that actual structure process has changed, what are some key ways?

Interviewee: I think one of the markers in time, if you will, or lessons learned that's kind of an obvious ... It's every city, every community is a little bit different.

Jonathan: Mm-hmm (affirmative).

Interviewee: The work can't be cookie cutter. We've begun to have some conversations recently ... Let me back up, because even for some of the earlier sites, it's difficult for them kind of when we always demand or strongly suggest that you come here and visit this site so you can feel it, you can see it, you can touch it so you know this is what we're talking about. Once that happens, it's hard to kind of hold the reigns in on a lot of folks because when you come here, you get excited. You think, "Yes." You hear of the outcomes you guys are getting. We have 500 kids in our after school program. 99% of them are graduating on time, going on to post secondary things. Over 250 adults are in our adult career training program. Over 85% of them are working. You get excited and you say, "Yes. I want that." When you look at our adult career training program and the number of courses that we have in varying offerings, it's hard for us to say, "Start with one program here, one program here."

Jonathan: Right.

Interviewee: As we like to remind people, this was over 40 years in the making. Bill just didn't wake up one day and this thing appeared; it's been a long labor of love. In that, we are very sensitive to that all of those nuances that make cities unique, just like Pittsburgh is, we have to take into consideration as we're having those conversations and working with people because it's not Pittsburgh. The landscape's different. The people who live there are different. Again, the work isn't cookie cutter. While we can say, "We can help you with the Manchester Bidwell educational model and you get a youth arts program. You get an adult career training program, and maybe there's 2 courses in youth and 1 in adults or 3 in adults and 1 in youth and we're going to start rolling."

We've begun to think about recently that possibly we may need to even customize that model even a little bit more, if for no other reason, kind of what we just talked about earlier. If we're bringing the model to you at your request, but you're saying to us, "You know, we have 3 great after school youth programs and 2 of those programs do a pretty good job in the arts. We don't really need that or we don't want that. We don't need another youth arts program. What we really need are 2 good adult career training programs." We've begun to kind of take a look at the model and say, "Okay, that's fine. Maybe this is the Cadillac version of everything you get, and maybe we can customize it for your city and concentrate our efforts a little

bit more on the adult career training side and partner with those other entities that are doing the youth arts piece. We don't need to recreate the wheel, if you will, if there's something that's already working for you."

Jonathan: Okay.

Interviewee: Conversely, if you have a great adult career training program, even though our motto is it's at financial no cost to you, most of the other places are you're paying something to go through the program. But if it's working for you and your city and folks are getting jobs and that's not an issue, but you're struggling with your high school graduation rates or when kids are graduating they're standing on the corner and not doing anything, and this is what we need help with, then okay. Maybe we can customize the model to gear it towards that a little bit more.

Jonathan: Okay, great. This should wrap it up. What have been some of the greatest challenges that you see the organization encountering over the years and going to scale in the communities? We talked a little bit about this, but how has this organization really learned from these challenges? What are some of the specific examples of that?

Interviewee: The challenge and the blessing is working for a true visionary leader. Bill has said it time and time again. His vision is 100 nationally, 100 internationally. The short answer that I think we, and I'm sure our CFO has eluded to, that we wrestle with kind of 2 things in taking this to scale: capacity of the team as

well as the funding model for the team. Having the financial and human resources to replicate this at scale. As Bill reminds us all the time, we're not out looking for work. We've been fortunate that the engagements that we have have been spaced where it's not such a drain on folks because again it's a partnership. It's not like, here's the documents. Follow this manual and you can do a city. The work is very high touch, and it needs to be.

In that, while it would be a wonderful thing if 10 cities contacted us today and said, "Hey, we want to start tomorrow. We've raised the money; start tomorrow," we don't have the bandwidth right now to be able to respond to 10 yesterday. That's kind of been a little bit of a challenge. The uniqueness of the cities, I think from time to time, the stops and starts and the varying players and getting to know those leaders on that level can be a challenge. It's a small team.

Jonathan: Mm-hmm (affirmative).

Interviewee: Oftentimes if we're looking to open an adult career training program as well as a youth arts program, that's going to be 14 members working specifically on that city over the course of what can be 3-5 years. It's time consuming. In order for it to work properly, our due diligence has to be at that level. It doesn't work if we begin to cut corners and kind of skip steps and say, "Well, we don't really have to do the research and feasibility. Let's just launch into planning." I think that's when we begin to set ourselves up for disaster. I don't believe that we have a workable formula now that says ... It's kind of

happened organically that says we can probably open 2 of these a year. It's happened organically that it's been a slow trickle of cities coming online where we haven't had to say, "Whoa, whoa. We can't handle this rush of folks coming to us." It's a challenge. It's a good problem to have, but if it would happen, we'd have to triple the size of the team and then that gets into how do we pay for this?

Jonathan: On that topic, is there a strategic action plan that's being cobbled together to address the what ifs? Let's say Jeff Skoll sends 10 people your way tomorrow morning ...

Interviewee: That's right. That's right.

Jonathan: That he met at a world conference somewhere. Is that an ongoing sort of a process-

Interviewee: The short answer is yes. I don't know if Bill mentioned to you, but I'm no stranger to this organization, but I will celebrate my 1 year anniversary in this capacity February 2. Over the course of this year I've ... The directors haven't called for my head yet, but 2 of the things that we're working on is 1) we're in the silent phases of a comprehensive capital campaign for operations, facilities, and endowment. From my years in philanthropy, I'm saying, "Well, we're talking with philanthropy. One of the first things they're going to say is, 'Do you guys have an updated strategic plan?'" Which we didn't. Foolishly I've kind of, but very necessary to the cause, I've started the

strategic planning process running parallel to our campaign, but not just parallel, it's this. Our strategic plan is driving our case for support for ... There are varying intersections, but both of these plans.

I think what has come out of some of the preliminary conversations on the strategic plan is this customization of the model that I referenced, that perhaps we made need to take a look at how we respond to cities based on what they're bringing to the table or what they're identifying as their needs are versus saying, "We have 1 model." The other thing that we've talked about, given the uniqueness of cities, the uniqueness of states, and then get into different countries is might we need to think a little bit differently about a Pennsylvania strategy, a national strategy, and an international strategy, and then how we customize the model in each one of those buckets, if you will. Bill and I have had conversations that I believe as we continue this work and learning from doing the work that we have Pittsburgh, Pennsylvania. Sharon has started the work. Erie is well on its way. We're looking at doing some things up in the Country in Laurel Valley. Some folks have come to the table saying, "How about on the fringes of Philadelphia?"

I think if we kind of take a look at the state of Pennsylvania, and if done right and we're covering large swabs of the geographic areas, and again doing the feasibility studies and working with industry partners, that we may be on the verge of building a state-wide model that possibly, through those lessons learned, could be replicated from state to state. Then we kind of take a look

at it's not just one-off cities, which is fine if we want to do one-off cities, but if you're looking at a state-wide model, here's our lessons learned here. Then kind of taking that state-wide national model and saying, "Well, here's lessons learned," which when you get into the cultural differences and payments and all that stuff, "Here's what it may look like," that's a little bit differently in another country as I'm sure Bill talked to you about our site in Akko, Israel, which has been a 15-year labor of love.

Jonathan: Yeah, yeah. It's-

Interviewee: But it's happening.

Jonathan: I've read the recent article in the Pittsburgh-

Interviewee: Yeah. It's happening and it's exciting. Now we have some boots on the ground in a couple of other international cities. Every time we do one of these things, it's another kind of arrow in the quiver in terms of, "We didn't think about that. We didn't think about the cultural differences. We didn't think about this particular barrier. We're building the site in Akko and we deal in dollars and they're dealing in shekels. It's like ... Again, that's what makes the work exciting. It's learning those things so we know. We're having conversations with folks in the U.S. Virgin Islands. The industries aren't set up like they are here in the states, so the meat is there. There are poor folks who need to work. There are kids who need these types of programs. Again, it's like, "How



can we customize the model to meet your need absent these pieces that sometimes I think we take for granted here in the states?"

Jonathan: Okay, fantastic. That was incredibly rich. Thank you so much.

#### 8.1.5 The Future Project

Date	04/06/20116
Location	New York, NY
Organization	Future Project (Mesolevel interview)

Jonathan: Great. First, I want to thank you very much for taking the time to meet with me in person.

Interviewee: Of course.

Jonathan: My name is Jonathan Livingston. I'm a doctoral candidate at the Graduate School of Public and International Affairs at the University of Pittsburgh. The purpose of this research study is to better understand the behaviors and strategic action involved in social entrepreneurship organizations accessibly going to scale. In doing so, I'm looking at the behaviors and strategic actions that occur between funders and the organizations, between individuals across an intra-organizational level and between the organization and the clientele and service. To this end, I'm interviewing three individuals at each organization. Each one filling the role of the key organizational actor with

insight into the operational level being addressed. As XXX of this organization, I'm seeking to better understand the dynamics of actions and behavior occurring intra-organizationally during the process of going to scale. Your organization was picked as a targeted participant because of [inaudible 00:01:04]. He just was like, "You have to talk to them."

Interviewee: I don't even know him, Andrew knows him, my co-founder.

Jonathan: Great guy, really great guy. That was also just a very rich interview.

Interviewee: I can bet.

Jonathan: The interview I'm about to conduct, it will take no more than 30 minutes. The interview will be audio taped to ensure accuracy, and the recording responses. Rest assured there are no foreseeable risks associated with this project, nor are there any direct benefits, and you will not receive payment. All responses are confidential and results will be kept under lock and key, your participation is voluntarily and you may end the interview at any time. Any questions before we begin?

Interviewee: No.

Jonathan: All right, okay. First question, what are the key structural components involved in the successful scaling of your organization in new communities? From your vantage points.

Interviewee: Real quick, there's ... I think two ways I can answer that question. One is, in just sort of describing how we have replicated what we have done ... how we've grown so far, since we launched 4 and a half years ago. The other way is to talk a little bit about how we're thinking about scale in the future, because we have ... it's been a really fun and fast rise over the these couple of years in terms of our growth. It's a drop in the bucket, there's so many more schools, so many more young people. We've been thinking a lot about how to truly scale what we do, which is something I think non-profits often struggle with because of funding and all kinds of things. Do you want me to first to describe ...

Jonathan: I would love to hear about both.

Interviewee: Okay, great. The question was key structural ... key structures.

Jonathan: Yeah, what are the key structural components involved in the successful scaling of your organization in new communities?

Interviewee: When we have gone to a new community, we have chosen the community for a couple of reasons. A couple of things that have intersected in every case, a couple of things have all been true. One is that, we had a funder or a group of funders locally that encouraged us or in 1 or 2 cases nationally but usually locally who were ready to fund the launch of the future project in the community. Two, the way it's worked so far is that the initial cohort of dream directors so the talent, has been really important. The first group in any case, up and sets the standard and so finding really strong talent and

knowing that the city could offer talent, especially in these early years.

That's sort of another really important pillar. Related to that, so the dream directors is also a leader for the city, that's been really important. We call them chief dream directors, whether that's a person on our team, who would go to a city and seed it or a new person that we either recruit from the community or from elsewhere.

The fourth thing is, buy in or interest from the district or from a handful of schools. In most cases when we've been expanding to a new city, after the first year we've started with a partnership with the district but in the early years, we would ... like the first year, second year, we just went directly to schools. We talked to them and asked them to join us, but then as we grew and grew more sophisticated about our expansion we started going to the district and forming a partnership there. Even if the district is on-board, the other pillar is the schools themselves. Even if the district says "we love you all, we want you in every school in our community" if the principal doesn't invite us in, if we don't get buy in from the teachers and the students and the parents, the people inside the community ... inside the community of the school then who cares what the district does. We never want to be an organization that's forced upon a school by a district.

Internally, we've had the most resources in all those sort of pillars that I just described. The most internal resources have gone toward the hiring pillar, because the recruitment, the search the process of selection that's all been a

very involved designed experience that's become a really important cornerstone for the future project. A lot of the funding and the schools, have been things up until now that, my co-founder Andrew and I have been a little opportunistic about. When we ended up launching in Detroit, people had been telling us that Detroit would be a great city for us to be in for a while, neither of us had ties there so we weren't ... and we don't want the future project ever to be a place where we're like swooping in and telling people "this is a new solution, you should adopt it." We heard about Detroit for a while, but it wasn't until we had basically simultaneously a connection to Dan Billburg out there who is a chairman at Quicken loans and all that, and an introduction to the superintendent schools, that we really started considering and that once that happened, both of those looked like they might pan out then we launched the hiring stream in Detroit.

That's how it's worked so far, we haven't had a ... then once we launch, we sort of create a launch sequence in the city that involves building some partnerships on the ground and especially if it's a city like Detroit or Newark or New Haven, or a place where the community is small and pretty ... everyone sort of knows each other, that initial listening toward that we do in a school, we do in the community as well and we really try to get a sense of who's in town and how to make sure that we are learning from and with all those folks and figuring out how compliment and play nice in the sandbox and support each other. The other thing to know is that we've tried pretty intentionally to recruit from the communities in which we're going, and I

think that's a pretty important piece of all this. There's certain events of dream directors that we've asked to move to cities or who wanted to move to cities that weren't where they grew up but it's been pretty powerful to have dream directors who were either born and raised in the city that they're serving or have lived there for a long time and feel very tied to it, for a variety of reasons. Including that it's powerful for the students most of all, to be honest, but it's good from a community relationship perspective as well.

That's sort of how we've been doing it so far, do you have any follow-up questions or should I talk a little bit about how we're thinking about the future?

Jonathan: Yeah just go ahead

Interviewee: In the past 4 and a half years we've grown to about 50 schools across 7 cities, and that's really exciting and I'm proud of our team obviously but there are 25,000 high schools not even other schools, just high schools in the county and we've never really thought that the way to reach those 25,000 high schools was to recruit, hire, put on our pay roll 25,000 dream directors and then manage them every day and manage the outcomes ... manage their performance. Basically one of the big things that over the last 2 years or so we've run little tests on and asked a lot of questions around with how do we start to spread the impact of the future project and how we start to spread dream directing without thinking that the only way to do it is to recruit, train and hire our own dream directors.

We've thought a little bit about recruiting from ... like what if we train teachers to be dream directors, or a coach in the school. There's a lot of questions around like what-if we don't ever go to a city but a city raises the money and says "hey, we just want you to vet these people to be dream directors and train them but we think they're the right ..." whatever, there's a lot of ways to think about it and we're still ... we haven't figured this out yet but one thing that ... the sort of parallel thing we've been learning a lot about, obviously is from within each of our schools how do you create maximum impact in the school community and when we started we didn't even have the role of dream director, we were calling them program directors, there was people who were in the schools and trying to execute on this model. Trying to get young people to build projects, that still remains obviously but there wasn't a dream director, that was sort of 1.0.

We started to realize, our students started to tell us "everything about this is great, I love building a project but the thing that's making a difference in our school is this person is who's standing for something different, who believes in us and who's working with us to change the culture." We were like that's interesting, and we named the dream director one day and went out that next year and looked for the first cohort of dream directors, that was like 2.0.

Along the way of course, and especially because, we've been very committed from the start not just to scale but ... like scale across the country but to scale

within a school, that's really important to us. We know a couple things, one is it's virtually impossible for one person to reach a school of 2,000 for example single-handedly obviously. Number two, that if a dream director has ... if a student has just the most transformative experience with a dream director or with a fellow student as part of the future project or with a coach from the community, and then goes to their algebra class and they hate it and they don't like their teacher, or their teachers great but they don't understand why they're learning algebra. Or, they're being bullied in the class, or whatever, then so quickly the results of that transformative experience can start to erode and so we've always been really convinced if we really want to change the way schools work, we have to look at every single piece of it. Even if we're not the experts in all of it, I'm not saying that we should be writing curriculum but we have to acknowledge that things aren't going to really change systemically address all parts of the system. Where we're headed next, we've been learning a lot from our schools but also working with lots of people has been a big part of this project. We spent like 8 hours with him a couple weeks ago really designing all this. The sort of vision is that we build a platform, a digital platform that we can scale therefore to schools all across the country, that basically brings together educators from all across the country and sources the best interventions that exist, the best tools that exist for changing your school on a variety of different ... with a variety of different levers in mind. We've learned a lot about is the levers that make the most change in the school and all that. A



dream director will certainly be one of them, and maybe they'll even play a role in the customer service around the platform or introducing the platform to a school, or whatever but we just know that the dream director on their own ... this isn't an indictment of them, they're incredible they're just like how can they do it all.

When we look at growth from that perspective, we imagine that we almost have to ... there's two things that we think about. One is, we think a lot about what it will take to start to influence and change the conversation around what really matters in a school and what the purpose of school should be and therefor what tools a school might need to enact that purpose. We think a lot about movement building and how we would get young people in particular to start to change the conversation across the country around what matters and get people to recognize that and then want the tool that will help them change their school in that way. There's a lot of structures that we want to build around ... this larger campaign building, movement building part of our work that'll both be a lot of fun obviously but will also be a lot of new things to learn there.

That's one thing, and the last thing ... the other thing we've been thinking about a little from that perspective, from the platform perspective is like potentially building what looks a little bit more like a sales team. The future project way so it'll be like dream directors but we can imagine if we start the sales process with a big event, we could get a bunch of young people and we could get lots of schools who have come to us in the past and that are

affiliated with this film. I don't know if Zach told you that we're working with an event for and to communities all across the country, if all of those folks say "great, we now want to change our schools too" we have a team that's going out there and try to make that platform available to people. Anyway, that platform doesn't exist, this is very much our thinking on it. There you go, that was probably a lot more than you wanted to know.

Jonathan: It's great, I wanted to hear all about it. Thank you.

Interviewee: Of course.

Jonathan: Moving on, next question. Who are the key actors that ensure the successful scaling of your organization in a new community and what are their roles?

Interviewee: Okay, so there is ... so far either Andrew or I have been really involved with any new community, or at this scaling to any new community. One of us has tended to be the point person, and therefor the person who the district, the biggest funders have interfaced with mostly. We were growing, so it was important for us obviously to try to hand off some of those partnerships and all that. The point is when we've scaled to a new city, there's a senior exec sort of person that has to be involved. So far it's been either me or Andrew but I imagine that over time it could be another senior exec. That's one person, there is a role I think sort of nationally ... and probably a team that we would build around this over time that is focused on ... there's sort of almost the advanced team that's doing a ton of research that is finding

influencers in the community that we'll want to start talking to, to get the lay of the land. Who do a lot of the initial research that leads us too .. that sets up our recruitment effort, there's this advanced team that isn't in the community that just gets things started and that finds us our first ally in the community often. You know?

Jonathan: Mm-hmm (affirmative).

Interviewee: There's always the first person in the community who's like "okay, I'm going to champion this. I'm going to really help make it happen." In some cases that's been a dream director, somebody who then ends up being a dream director but in some cases, it's been someone else who's like "I really love this place, and I really love the future project. I'd love to help." We'll just make a bunch of introductions and help set up the first few trips that we make out to city. There's the founding team of dream directors and their leader, they've been the other of course really important force in all this, because they are the front facing group that establishes the brand and gets things actually started and that represents the future project to the community once we start.

Jonathan: Okay, fantastic. Next question, what are some of the challenges that you've encountered in going to scale

Interviewee: I've started talking about some of them before, the biggest challenges are around ... the highest level challenges are around the kind of scale in the first place. What we want to scale, and what scale actually looks like I think. I

think non-profits sometimes underestimate or undersell what scale looks like so people will say "wow, we've got to scale and it's effecting 2% or 1% or some small small ..." right now we're not even on the map in terms of percent and people are like "wow, you've grown so big so fast" because the market forces it because of the funding model, I get why people say that. I think one of the biggest things to establish is, what is scale actually look like and if what we're committed to is scaling ... solving the problem at the level of scale that actually exists, you know 25,000 high schools 50 million young people, those kinds of numbers then it's a whole different set of challenges. Obviously we've faced challenges that in ... sometimes we've ... early on, in a few communities you just tend to meet with resistance if you're a national organization, sometimes it happens ... Dan Billburg was an amazing first funder who just believed in us and gave us a big check and also is a big corporate guy, so there's challenges in who you associate with right off the bat. It was all fine, but that's something to note.

There's a lot of challenges around your first team members, that they're not the right people or they're not in the right roles. That can really throw things off initially. Those are the normal challenges, but you have the bigger challenges are like how do you build a model that can actually scale. How do you fight that ... destroy that dichotomy between quality and quantity and whatever, however you want to talk about it. I think technology can certainly be helpful for that. I think we very strongly believe that technology exists to facilitate offline impact conversation, whatever it is rather than

technology itself is just the only solution, this how we approach problem solving at least.

All kinds of problems, there's also ... the other problem that I think about a lot is the cultural problem. The cultural challenge of all this which is, we have a really special cultural around here and have had one from the start and that often ... in the beginning when you start building a team you don't even think about some of this stuff. We also started it when we were so young, and so inexperienced that we definitely didn't think about what kind of culture we were building. We were just like "this is a good culture, we're excited about that." As you grow, preserving that culture, institutionalizing it gets harder and harder and that's something that I think about a lot and something that we're still working on in a big way and trying to figure out how to institutionalize, train people on, provide reminders of the things that we stand for. That's really important.

Jonathan: Okay, great. Next question, what are the key social processes required within an organization to ensure the successful scaling of operations and more specifically what are the strategic actions and behaviors that are occurring during this process?

Interviewee: Say the beginning of it, social interactions you said first?

Jonathan: What are the key social processes that are required within an organization to ensure the successful scaling of operations and specifically what are the

strategic actions and behaviors that are occurring amongst those actors?

Kind of a big question.

Interviewee: Yeah. I hope I'm answering these the way you want.

Jonathan: Oh no, everything is good.

Interviewee: Okay, let's see. I think there is ... I guess there are a couple of different levels on which things play out internally, as your starting to scale to a new place or grow your model or whatever. There's sort of a ... there's a process around a vision that is really important, it starts with the why would we expand? Why would we go to this place? Kind of question, and it never ends. You have to keep going back to your vision obviously, but it needs to get to the place where you see, you can literally see why you're going there and what matters and what that's going to add to your business or to your impact goals or to your people or to you whatever, or all of those things. There's that.

Then there is a ... there's a lot of negotiation I feel like that has to happen when you're scaling, there's the inherent tension between wanting to grow, especially with a non-profit, usually growth ... and this is part of what we see as part of the with our current growth model. When we add a dream director in the world, we lose money. That makes no sense, when you offer a service you should make money, or you should ... and I don't even mean so that we can get rich obviously, we would've gone into something else then. You want to bring in money theoretically, so that you can keep funding your

operations or whatever. That's another challenge, you can put that in the challenge category for you last question. It's figuring out how to bring in money when you expand.

There's a lot of negotiation that happens at a lot of different levels, there's the question of what is the impact gained by expanding versus the cost?

There is ... the literal cost. There is the question around, is this talent going to enhance the organization or is it going to become ... are we just adding more people to our team? There's a variety ... it's like a "are we ready to literally handle another team, or people?" When we expand out to California to San Francisco, it was like 3 times of the way, all that stuff. It was like are we ready for this? We probably weren't, but we did anyway. Those questions I think are ... there's a lot of negotiation around that, there's ...

There's the process of needs assessment, like what do we actually need?

Talent wise, resources wise. To launch responsibly in a city and when do you say "screw it, I'm just going even if it's not responsible" and when do you say, "this is literally irresponsible, we can't do it yet." Our board, obviously okays a role in that, especially in the early years the board was helpful but not all over everything. Does that answer your question?

Jonathan: Yeah, I think ... are there more specific examples, for instance with San Francisco and how it felt like maybe it was a little ... I don't want to put words in your mouth.

Interviewee: No no, please.

Jonathan: It sounds like you were indicating or hinting that it at least felt initially maybe it was hasty because you wanted to go through and see what you learned and how the process played out.

Interviewee: Yeah.

Jonathan: Could you explain a little more specifically?

Interviewee: Sure, well San Francisco was interesting because ... Mark Zuckerberg and his team funded us to go out there and it kind of ... we'd already been considering it because there was already ... you know how it happens, when there's momentum, momentum just keeps coming. There was a little bit of momentum in San Francisco and it just kept growing but we had decided ... we almost decided we weren't going to go to San Francisco yet, and then Zuckerbergs ... the head of his education team, his education foundation came and visited our school in Newark, and she was like "I love this, I want to bring it to San Francisco" and we were like "okay, let's have a conversation now" me and Andrew with our leadership team about whether ... like what's the cost, the talent in San Francisco so that's great, we could find talent. There is a leader and all that, there's schools and we'd already made relationships with some of the schools, we weren't worried about that. The question was more operationally, are we ready to do what it will really take? Which is probably send an operational person out there too, make sure there's somebody ... make sure the operational team here is growing and strengthening. We ultimately decided ... or like ... but can we give up and



opportunity to take Mark Zuckerberg's money? Probably not. We had money conversations about that, we ultimately decided to go because we simultaneously had our team looking for great dream director candidates and we found a lot and had a couple that were really excited to apply. The talent I think helped nudge us over the edge, and decide to do it.

I think we ... it was a great year, it was also a year of growing pains in many ways because the ... we scaled faster ... proportionally scaled faster in the field than we did in here and so we just didn't have the ops support for example. It was like 3 people doing the job of what's now 12 people, and that's fine, it's okay but it's not sustainable. It leaves little cracks here and there and we fixed them all, it's not ... none of it was irreparable and it was a really strong start at the end of the day. The questions we had were good questions, a lot of the things that we were worried about, proved to be things we should have worried about.

Jonathan: Fantastic. Couple more questions here.

Interviewee: Of course.

Jonathan: Who are the actors within the organization that over see and determine successful scaling of operations and what skills are required for those actors?

Interviewee: They oversee the successful scaling of ...

Jonathan: Yeah, who are the actors within your organization that over see and determine the successful scaling operations and what skills are required for those actors?

Interviewee: I guess I can talk about how it has been and then how it might be, because like I said ... I've been sharing this pretty openly. It's all been very start-upy and very scrappy. I've lead most of our expansion, up until this past year where it was more distributed but we didn't add any cities, so it was more just a little bit of growth in our existing cities but for the first ... for our first year, we launched in 3 cities. We stayed in 3 the second year, third year we added Newark and then the fourth year we added San Francisco, Detroit and then started to add Philly and then basically had Philly on by the end of the year. I over saw all of that, there were definitely other people working with me but it was like the biggest thing you could do at that point was to focus on how we grew so it made complete sense that I was doing that all personally.

Skill wise, who knows. I was making it all up as I went along, literally. I started this when we were 23 so I was literally making all this up. There's definitely a set of skills that are sort of sales people skills. You have to fund-raise, and that's tough, but great. There's the fundraising sales skills, there's the new customer acquisition which is like recruiting a school, there's that. There's the selling that you have to do to get candidates excited to play the role, especially because in these first few years nobody knew what we were

or what a dream director was. It's a little bit easier now, but it was definitely in those first few years harder

There's the sales people skills, there is ... there's also like a relatively a branding sort of piece of all this. The name dream director is so sexy, and a lot of how we do our recruitment ... we did these meeny little campaigns, they weren't huge national campaigns but we've had 1 to 2% acceptance rates every year since we've started, and part of it's because we were really strategic about ... there's a set of skills around recruitment and thinking about almost like an organizer would, how to tap into the communities where we saw the best dream directors usually came from and bring them together throughout. There was also just a sexiness to the name, and the brand and the website, they went to apply it was beautiful. Those things were important and are important to us. There's a brand thing, there's just a packaging thing there, I think that's really important, we do that a lot for funders too.

The creative piece of that, there's graphic design and sometimes we make videos for funders or for schools, things like that. That's all important.

There's also ... there's a set of analytical skills needed to select schools for example that were going to target. In the first year when we went to all these cities, we would usually try to find a cross section of types of schools. Small schools, big schools, really tough schools, violent schools, staple schools. We try to have one of each, or one of each ... a matrix where we have one of those ... try to cover as many of those categories as possible as well as

geographic ... geographic spread all that. We tried to make sure that we were creating a little portfolio or little laboratory, that required research and thinking about how to ... there were definitely people on the team that worked with me on that. Junior people and interns sometimes, it was great. There's also all the skills required to select team members. The hiring skills, there's ... of course recruitment all that, but there's also the judgement and the identification ... we were trying to find dream directors and hire them before we knew what a dream director was to be honest. We were like "we pretty much get it" but we had a long way to go to really define it, so ... there are all those skills. Should I think if I'm leaving anything major out?

Jonathan: I think that's good.

Interviewee: Okay.

Jonathan: We can move on, I want to be mindful of your time.

Interviewee: Okay.

Jonathan: How would you explain the characteristics ... this will be the last question. How would explain the characteristics of the relationships between key actors within an organization? Within your organization and how do these characteristics promote the successful scaling of the operation? So again, how do you explain the characteristics of the relationships between key actors within your organization and how do these characteristics promote the successful scaling of operations?

Interviewee: I think there's a combination of real trust between people as well as a real willingness to challenge each other and I think those things are actually quite related. I think that there have been times, like the San Francisco example I gave, where it was just ... at the end of the day, we didn't agree really. Our leadership team wasn't all like "this is the best idea ever. Let's just do it" there were definitely people on the team that were like unsure whether it was the right move and unsure if we had the talent and ended up actually, we sent one of the leadership team members to San Francisco and he helped set everything up. At the end of the day, that call was Andrews because we were making it mostly because of ... not because of, because we're obviously always doing it for students but it was the Zuckerberg money was the leading external factor that was motivating us to decide when we did. We knew we were going to go to San Francisco at some point, but the speed is what made it happen. It had a lot to do with that.

It was really important to have all those conversations and to challenge each other, so I think that's really important. I think there's also a respect for ... I was going to say roles and that's part of it, but not even really because when you're a start up roles change all the time, but I think a real respect for the perspectives that different people on the team involved in these decisions bring to the table. When you bring dream directors to the table and you talk to them about why or why not to scale or to not scale, you have to ... the context with which they're coming is as important to consider as their recommendation. You have to almost consider their reasoning more than

their final recommendation in a sense, and same with anyone else. I may be ... if I'm the COO sitting at the table, part of this conversation I'm probably thinking about our cash position, I'm probably thinking about whether we have enough operational support internally all those things. If I'm the head of marketing, I'm probably thinking about what it's going to do for our brand.

Anyway, my point is just that I think the more that we have leaned into our perspectives when we have these conversations and not worried about whether we're going to disagree and become much more interested in the productive debate of all of it, I think that has been really helpful. Once it's go time, once we've made the choice, then the relationships ... then we turn to execution mode and it just becomes much more about who's the right person to do which part of this job, and who's in charge. I think trust, and the willingness to challenge that trust yields is really critical.

One more thing is that, I think it's really important that the team comes together to think about growth, and expansion and scale. Leads with an openness and imagination almost above all else, because to really scale any intervention almost except maybe some of the more straight forward tech where it's people will use it and more people will use it and whatever, but almost anything. It takes a lot of creativity do it right and one of the biggest things I think is important and big relationship thing is that people were ... people don't believe that there's only one right answer or even two possible answers but there's third approaches and fourth approaches and fifth

approaches and we have to be willing to challenge our own assumptions in the spirit of creating the best possible answer. Not the right one or the wrong one.

Jonathan: Expand briefly on that, we talked about in the previous interviews what we'll refer to is inflection points and ... even though you have a relatively young organization, there have been inflection points where the organization and through the scaling process how have those inflection points changed, strategic actions and behaviors of the key ... change the characteristics of the relationships of the ...

Interviewee: I think in some cases ... I think that they have in many ways ... they've shaped ... each of these inflection points have like I think ... there's collective learning but there's also individual learning that happens and they've shaped each of the ... the way that each of us thinks about scale probably a little bit differently, even if we're ultimately united in our decision and so I think what they've done is that they have made us more convicted in terms of how we think about scale each of us. Many ways we're still agreeing and sometimes we're not, I'm just noting that what Zach has learned and what I have learned given the vantage point from which we were sitting looking at the problem is probably expressed slightly differently. I think that's a thing that ... the trust, the willingness to challenge and all that I think is still there but the reason we ... the way we're thinking about the problem, the way each of us are wrestling with the problem has changed over time.

There have been moments ... this always happens, you go in at the beginning

you have the amateur spirit like "of course we can do this, of course we knew that" and then there are moments where we've tried something and it doesn't work out as well as we thought it would and we have to be careful not to be all skiddish, not to be all coming from a place of fear so I think that's the other thing ... it is very easy to change the dynamic and the characteristics and the behaviors all the things you listed, into one fear after you mess something up or even if it doesn't mess up, it just wasn't everything you hoped. I think that's a really important thing for us to keep challenging ourselves around. You can use that.

Jonathan: That was fantastic.

Interviewee: I hope that was helpful.

Jonathan: We actually went a little over.

Interviewee: Oh it's okay.

Jonathan: I thank you for ...

Date	04/06/2016
Location	New York, NY
Organization	Future Project (Macrolevel interview)

Jonathan: Okay. Here we go. First, I want to thank you very much for taking the time to meet with me today. My name is Jonathan Livingston. I'm a doctoral



candidate at the Graduate School of Public and International Affairs at the University of Pittsburgh. The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale. In doing so, I'm looking at the behaviors and strategic actions that occur between funders and the organization, between individuals across an intra-organization level, and between the organization and the clientele it serves.

To this end, I am interviewing three individuals at each organizations, each one filling the role of a key organizational actor, with insight into the operational level that's being addressed. As xxx... I think I got that right. I'm seeking to better understand the dynamics, actions and behaviors occurring between funders and your organization during the process of going to scale in your communities. Your organization was picked because James Siegal at KaBOOM! said, "You've got to meet with these guys. They're fantastic. They're young, but they're great." That's how I ended up here.

Interviewee: That's awesome. He's great.

Jonathan: He's a fantastic guy. This interview, as I said ... They've been clocking in, on average, around 25, so we'll get it under 30 and get you back to the fun stuff. As I said, we're interviewing this to ensure accuracy in the recording of responses. Rest assured, there are no foreseeable risks associated with this

project, nor are there any direct benefits to you. You will not receive payment for participating in this study. All responses are confidential, and the results will be kept under lock and key. Your participation is voluntary, and you may end the interview at any time. Any questions before we begin?

Interviewee: No, sir. Looks good.

Jonathan: Who are the key funders that influence the successful scaling up of your organization, as you see it right now? Describe their roles.

Interviewee: Yeah, I mean, an influence I would interpret to mean kind of capacitize. I think a thing that we're fortunate about is our funders are not very activist, in terms of their need to inform the strategic direction of the organization. I'd say there's sort of an array of funders. The biggest one is McCourt Global, Frank McCourt, specifically. He gave us a ten-million dollar grant a little bit ago, which has really fueled a lot of our growth over the last two years. We've got a big grant from him up ahead of schedule. He's one of the big people.

On a next tier, around all a million dollars each, we've got a pretty dense array of allies. We've got Jackie Bezos, Mark Zuckerberg, Ted Dintersmith ... See if I can do this, Laurene Jobs, although she's given anonymously, several foundations, including Ray Chambers's MCJ Amelior Foundation, the

Einhorn Charitable Trust, and several others. It's written in a database somewhere in my computer. My memory recall is not what it used to be.

The trends are, we've got primarily individual funders with a couple of major corporate partners. We have a tiny amount of deeper surface revenue, and we've got a small but real amount of foundation partners.

Jonathan: Okay. Just talking about any of their specific roles in looking at when you're scaling up the new communities, how would you describe some of those funders, some of the more powerful funders' roles and how they influence that process?

Interviewee: You know, the thing is, there's what happens in theory and what happens in practice. I think one of the things that is high-potential about some funders is their connection with other funders. I think that oftentimes is easier to say than do on their end. I don't really think it plays too much into scalability. I think that we're very good at strategy in terms of, "This theoretically makes sense. This would accomplish this. This is the business model development of it. Here's why that's viable."

I think our funders are basically looking to say is that plausible or not. I don't think they're ... They aren't really sort of driving the process via which that happens, nor are they providing over and above the inside of, "Oh, I've never

thought about that." In a lot of ways, they're looking to us to think about the things that they haven't been able to think of yet.

I'd say the role is chiefly in providing the foundation of further funding that gives credibility to the idea that we'll be able to sustain something meaningful year over year.

Jonathan: Okay. You partially answered the next question. You partially answered it already, which is do you view these relationships with key funders as hierarchical ... You know, funders issuing directives on how to operate, or reciprocal, your organization enjoying more horizontal dialogues and linkages with your funders, and why?

Interviewee: I'd say horizontal as kind of a phenomenological reality of the following transactions. We fund-raise in a very different way than a lot of organizations. I think a lot of organizations kind of are putting forth what they do and are saying, "Someone please come to our end." We sit in front of people and ask what they want to make possible in the world, and then kind of position ourselves as the people that solves for that or the organization that solves for that. We have a lot of leverage in these interactions. We're talking mostly to billionaires who are looking back at their impact on the world and feel like they need ... They want more. They're looking for a young organization who they've seen some of themselves in and who they believe

can be like the vessel toward the kind of impact that they want to leave certain legacies.

That actually gives us a lot of leverage, because it lets us say, "You weren't able to do this, so why do you think that you know best about how to do this?" Support us and let us do this and hold us accountable, but give us some leeway to move forward. They need us not always as much as we need them, but they need us a lot. I think that gives us a lot of ability to push and really sort of set the agenda.

We're also just willing to do a lot more of the work of board meetings and things like that, which gives you that power of primacy. We've created this superstructure. I think the way that funding plays out ... I mean, it is a reality that when you make a commitment to someone, you have to be held accountable to those things and I think that each funder's sort of preference as an angle can influence our organizational strategy more than it really ought to. It's less like, "Oh, they're making us do these things," and more like, "Oh, we had this really exciting conversation with this funder over here. They were super into it and they want to give three million dollars."

We get excited about the fact that they're excited, and so we're then proportioning out our piece of the pie in credence to that, based on the recency of our conversation with a group of people rather than on what

most directly sets our strategic agenda. That is a different phenomenon than them pushing on us to do that, and a lot more of us being like, "Oh, we think we see a trend here, we think we can get supporters from this." In reality, it may not be a trend at all, may be like two data points.

I think that there's ... I think there's the amount they do that actively, which is negligible, and the amount that they would do stuff like that passively by just the reality of the institutional funding landscape and the fact that we have to spend a lot of time getting these gifts, which puts us in the mindspace of this funding framework. I think that couldn't not affect the sort of strategic path of the organization.

Jonathan: Okay, that makes sense.

Interviewee: Yeah, it makes sense.

Jonathan: Okay, great, so next question ... To achieve the successful scaling of the operations in the new communities, and going to a new community, connecting with a new school, do you see the organization as being reliant on funders that have been supporting the organization for years, or do you see the establishment of new revenue streams as crucial to this process? Explain that.

Interviewee: Yeah, I mean, we're 4 and a half years old, right? The idea of veteran funders is kind of an incoherent concept for us, right? Say, "Oh, you funded us once. Please, make it happen."

I think it's like a boring, but accurate answer, which is it's definitely a combination of both, right? I think as we get into our 5th year, the re-engagement of initial funders is going to become increasingly important, and I think there's 2 or 3 people that we're like hitting up on the regular that matter a lot, but I think we kind of focus predominantly on acquisition.

The key right now is to figure out how to balance regional funding for the school, specifically within a city. Again, it's national funding for R&D essentially. A lot of our historical funders want to actually fund the R&D work, so it's like we're pipelining them to that and pipelining our regional support to our schools with cities.

Jonathan: Okay, so could you explain in just a little more detail-

Interviewee: Yeah.

Jonathan: Some of the ones that have been there at the beginning, that are still there

and are transitioning more into the R&D role?

Interviewee: Yeah.

Jonathan: How that's changed ...

Interviewee: I think the big one is Jim Parsons, who gave us our first sort of million dollar to front the future project period, and now is about to fund our ... You know, another ... The second main funds this year were strategic new product design and development.

I think he's a big one, and I think that Maria Vecchiotti and Ted Dintersmith ... Ted's giving a lot more than Maria is. Maria's given about 300 and some thousand so far. Ted's given a million dollars, but they've kind of done stuff year over year, and I think that they're in a reality that, you know, is true to the organization as well, which is like ... We get a lot of our funding from entrepreneurial people, and everybody's kind of wondering what the next big, beautiful thing is, and so I think they've gone from like, "Okay, we've seen you can run a school program. Awesome. How do we translate that into something substantial and sustainable?"

Jonathan: Mm-hmm (affirmative).



Interviewee: Not like take your model and make it sustainable, which is by and large a bad model of doing things, but like how do you design an array of products, services, and initiatives that together add up to the nature of the impact that you want to wind up causing.

Jonathan: Okay

Interviewee: Does that answer your question?

Jonathan: It does, and just to go back to the previous question-

Interviewee: Yeah.

Jonathan: You do ... So far that process has been very reciprocal, very good communication, open communication lines on both ends, where there's no ... Yeah, where there's horizontal linkages made ...

Interviewee: Yeah, it's been very horizontal. I think the one thing that is challenging is making sure that the communication lines remain intact, because we're not only a young organization, I think we're a pretty fast-moving organization, and sometimes you can talk to someone, talk to them 3 months later ... Not really self-perceive how much has changed within the organization in that 3

month time span, and then be like, "Oh, wow!"

Then suddenly you're out of sync with your funder, not because they believe different things actively, but because it's just been like, oh wow, back in January. You know? We're living in a different world, so I think that is, to the extent that it's been integrated, it's because I think that process is pretty straightforward ... To the extent that it's been disintegrated, it's because I think sometimes it's hard to perceive what's going on internally, and then remember to manage that...

Jonathan: Okay, great. Next question ... Beyond providing the resources needed to scale up in your community, to do schools, how do funders influence the actions and behaviors of the organizational process of scaling up? We talked a little bit about it, but a little more about specific actions and behaviors that might be influenced by funders. What are the key actions that link the funders to the organization in the scaling process?

Interviewee: Can you say that last bit again?

Jonathan: Sure. I'll say the whole thing once more, just because it is a big question. Beyond providing resources needed to scale up in new communities, how do funders influence the actions and behaviors of the organization process of scaling up, and what are the key actions that link the funders to the

organizations in the scaling process.

Interviewee: I think the key actions I'll start with first, and then obviously you have things like board meetings. You have like regular routinized meetings where you kind of give briefings to everybody.

I think another big way we integrated are just at our major public events, either with students or just with the organization generally speaking. Those kind of provide a way to engage with the students as well as a pretty exciting moment to get funders invested and excited.

In terms of the first part of the question, I don't necessarily see it as different or distinct from what we've said before. I think that the ... We don't really have them involved in product development and design. I do think that their preferences will inform the kind of tone and timbre of our commitments, right? It's like, if we're thinking about organizing an event, and then we're sitting in the room with them, and they're really excited about that event, or we're thinking about, "Oh, we want to launch this platform," and they get really excited about that platform, I think it can like bend us toward focusing on things that we want to focus on.

Again, I see it as soft rather than hard influence. I think it's less for us like, "This is what we want you to do," and more like, "Okay, here are the things

we're doing. Within our market and ecosystem of funders, here is what this would appeal to." The more of that market is directed towards that direction, I think the more inclined we are to realize that thing.

Jonathan: Okay. Fantastic. Great. Next question ... I've got two more here.

Interviewee: Yeah, great.

Jonathan: [inaudible 00:15:03] have the same unexpected changes from your key funders that have influenced the successful scaling of operations in new communities?

Interviewee: Nothing unexpected, I think. I think that we've ... It's been a pretty steady path. I think we've kind of demarcated what we wanted, and I think we by and large got those things. I think the things that have been unexpected are just how we 've doubled in size almost every year but the most recent year. The Kaplan portfolio and a few other portfolios.

We've had by far the most fund-raising success that any ... Of any organization comparable in size to ours, but we needed to raise ... First year was like 1.8 million. The year after that was like 3.2. The year after that was like 6.4. The most recent two years have been like 10 million, 11 million.

We've raised about that much money each year, so the unexpected things are the moments where it was like, "And we ... Okay, there's a check, thankfully." I think the process has been what we projected and expected. I think the variance and uncertainty as you navigate through that process is expected, right? Because there is sometimes times where it's like, "Yes, here are ideas that are outstanding. Let us focus on fundraising for the next month."

I think that is a business reality when you're growing as aggressively as we are ... Is that sometimes you've got to take a step away from product design and development and like all hands some fundraising challenges. We've done that probably 3 times.

Jonathan: Okay, so you got into this a little bit. This is the last question.

Interviewee: Mm-hmm (affirmative).

Jonathan: Obviously, you're a young organization, dynamically growing, and even though it's been ... There hasn't been many years in the organization's lifespan, has there been throughout the scaling process, and as the mission seems to have gotten a little more robust and a little more expansive, to look at taking on culture in a bigger way ...

Interviewee: Yeah.

Jonathan: More specifically, students and so on ... Have there been any key inflection points? Any key moments throughout that process where there was learning, and that changes the scaling process.

Interviewee: Well, what's interesting is I think our mission has remained very clear for like a first from first principles type of way. Why do you care about school culture? Clearly that's not ordinarily valuable, because that doesn't answer the question, right? It's got to be resolved within young people somehow, so the question is like, "What's the most leveraged strength, direct or indirect?"

School culture is an indirect mechanism that has certain leverage, so I wouldn't view it as a shift or expansiveness in outcome, more necessarily an increase in strategy, because I think each mechanic has occurred to us the whole time. I think it's been like more of a tactics question, like do we have the leverage service to enact this change mechanism?

Jonathan: Mm-hmm (affirmative).

Interviewee: I think that the future project has always cared about every single person in America living on purpose. We focused on education, not because we care intrinsically about education, but because the point of education is

accelerate the trajectory of humans, right? We're incurring costs on the front end, ostensibly for a return on the back end.

Whether that works or not or whether that's effective or not is one of probably many subjects of what you're studying right now, so I think that the question is ... I think what we do is we've shown our light on the areas that we think we can actually enact the most change, but I think the vision, and I think the strategy by and large has been relatively consistent.

What has changed is our capacity and our understanding, right? There is knowledge that emerges about that makes things possible. I think that as we show what we are and are not capable of doing and what our dispositional assets are and what our leverage is, and what our capacity uniquely within the market of the ecosystem is.

I think that causes us to say, "Okay well I love this funnel," or whatever. "We should focus here, here, and here," but I don't think we've ever changed and said like, "Now we see things differently."

In terms of major inflection points, I think a lot of them are fund-raising related. I think there's ... Obviously getting the 10 million was big, obviously getting Jim's one million was big. I think that having DreamCon, which was like a giant event for every single one of our students, made us really see,

"Okay we're capable of really great things."

I think there have been some really ... In this rapid of growth, there have been some personnel challenges that I think really rocked us and made us say, "Okay this is like the real grit and grime of running a business, and if we can get through this, we can get through anything."

I think that was important, given how sort of meteoric our rise was, to add like some real challenges to go up against. Then I think that our expansion from the northeast corridor into like a national organization, like in Detroit and San Francisco, I think really helped us say, like, "Hey, we're a national team. We were something that can work everywhere across America."

It started increasing our ambition to, "Okay, let's build a broader coalition of supporters that ..." kind of an incremental progress model like this. Yeah good question.

Jonathan: I'm going to ask just one more if you don't mind.

Interviewee: Please. Yeah, yeah.

Jonathan: Because you've enjoyed such a lavish-



Interviewee: Yeah, I really have.

Jonathan: Influx of big funds early on ...

Interviewee: Yeah, yeah.

Jonathan: Eventually, you're going to be transitioning out of that. What are some of the ways that you're looking to transition eventually from these huge gifts at the outset to more, you know, sustainable solutions.

Interviewee: Yeah, and the transition came like 3 years in, so it was kind of a midpoint. We got a lot of major gift. I think we're always going to have major gifts as a part of the strategy. I think what really, really exquisite at is getting in rooms with really high leverage people and convincing them that we are their best bet.

Obviously, one big thing is to make the dream director model more self-sustaining, right? We've already got schools paying for it. Within 3 years, we want double the majority of our customers to be paying for their dream directors. I think that's like one big way.

I think the second big way is just setting up sort of a reliable recursive philanthropic revenue engine that is a bit more boring and a bit less sexy

than a lot of what we've done so far, but can produce a reliable 5, 6 million dollars a year through just super traditional outreach efforts that we can rely upon as a pillar for what we're doing, and not have to brainstorm hustle for every single gift.

Then I think a lot of what ... We've got product brand strategies that are ... Have a business model built into them that I think are powerful. I also think indirect leverage strategies are very, very good at and not even like train the trainer ... Not even sort of like wandering out of impact, but our brand is amazing, and certainly more sophisticated than a lot of our other strategies we'd offer, which are ... Other people in the world know how to do them.

Use our brand and leverage our brand to get a lot of the other people in the ecosystem, they're doing really great work around sort of a common set of goals, and bring customers into our brand, that those organizations don't have, and set them up to be successful, right?

I think that'll sort of allow us to have peer organization incur that cost, use as as the demand generation and quality assurance mechanism, and we sort of say, "Okay, here's the holistic things that you need in order to transform someone's life. Let's bring together those networks of partners and start making that happen that way," whether we do that in a brute force way, or whether we do that through our platform I think just depends on what

winds up being more effective, but I think that'll allow us not to just keep trying to escalate the year over year of liability.

I think that's probably a pretty standard answer, but it's something that we thought about from day one, which is like, "Okay, we can't just replicate this. This obviously isn't viable past as certain ceiling, so let's use this to set ourselves up to deescalate on down the line."

Jonathan: Okay. Fantastic. That's great.

Interviewee: Awesome.

Jonathan: We'll make sure that I...

Date	04/06/2016
Location	New York, NY
Organization	Future Project (Microlevel interview)

Jonathan: All right, here we go. First I want to thank you very much for taking the time to meet with me over the phone. Not the phone. This is not the phone. In person today. My name is Jonathan Livingston and I am doctoral candidate at the Graduate School of Public and International Affairs at the University of Pittsburgh.

Interviewee: I love Pittsburgh.

Jonathan: I do too.

Interviewee: Yeah, I really love it, actually.

Jonathan: The purpose of this research study is to better understand the behaviors and strategic actions involved in social entrepreneurship organizations successfully going to scale. In doing so, I'm looking at the behaviors and strategic actions that occur between funders and the organization, between individuals across an intra-organizational level, and between the organization and the clientele it serves.

To this end I am interviewing three individuals at each organization, each one filling the role of a key organizational actor with insight into the operational level being addressed. As XXX of this organization, I'm seeking to better understand the dynamics of actions and behavior occurring between your organization and the clientele you serve during the process of scaling up in a new community. Your organization was picked as a targeted participant because the fine folks, particularly James Siegal at KaBOOM! said

I need to talk to you guys. So that's the genesis of that.

The interview I'm about to conduct with you will take no more than 30 minutes. The interview will be audio taped to ensure accuracy in the recording responses. Rest assured there are no foreseeable risks associated with this project. Nor are there any direct benefits to you and you will not receive payment for participating in this study. All responses are confidential, and results will be kept under lock and key. Your participation is voluntary, and you may end the interview at any time. Any questions before we begin?

Interviewee: No.

Jonathan: Okay. Fantastic. The first question is: How does your organization determine whether a community has the clientele to serve, to ensure the successful scaling up of operations? Secondly, do you find that clientele in a new community reaches out to your organization to scale operations, or are new clientele in new communities determined more by your organization?

Interviewee: Our job is to be honest, right?

Jonathan: Yes.

Interviewee: You don't want the inside market?

Jonathan: No, no. As honest and candid as possible.

Interviewee: Great. Well, Our entry into new communities and to scale has been entirely un-strategic up until last year. We started in three cities because those were the cities our founders knew the most in 2011/2012. Washington DC, where they lived, and where they had friends and networks, New Haven, Connecticut, where they went to school, and New York City where all of their friends lived. Those are the places that we started. Those happened to be interesting places generally, and there were other reasons beyond that.

New Haven is interesting because of an academic center called Yale, and being amidst and integrated into what is essentially a habitually underserved area academically and institutionally. There's an interesting juxtaposition. New York is interesting because it's the financial center of the world. Also a place that is arguably our national capital for innovation. Washington DC happens to be where our laws are made. There are also, and I believe this was part of the calculus, some underlying larger strategic reasons to go there. After that scale was relatively opportunistic.

Not necessarily entirely unstrategic, but sometimes. Instead of looking at our site development strategy and building one, we came to add cities as we found talent in those cities to lead it. Newark is a good example. We found Divine. He was working in Newark. He was a great leader. We found Gemar, who was really a really amazing principal. We really got us immediately when we went to Newark. We found funders who would bring us into those cities, or we would sometimes search for funders to go into those cities.

Quicken Loans in Detroit in the district, Halloran Philanthropies in Philadelphia, startup education in San Francisco. We began to find the anchoring organizations who would begin to fund our work. To go into a new city we need talent, we need resources, and we need to have either a really persuasive need or strategic reason. A city we might go to, even though this city-specific expansion is not part of our next strategy and we won't be in like 25 cities. We're really moving to build a national platform that allows us to move everywhere. We would potentially scale back.

For example, we had somebody come to the table, if we found a really incredible leader, we have somebody come to the table and say, "We're ready to give you 2 million dollars to fund this for the next two years in Chicago or in Miami or in LA."

We thought we were able to take the resources to sustain that over time and it play some kind of strategic reason. Chicago would be strategic because it would allow us to bundle with Detroit. LA would be strategic because there's a lot of investment there, because we're not in a lot of Latino communities. There would be demographic issues that would be sexy and interesting to us. That we would be able to tackle because we want to show proof of concept that this isn't about being in a certain type of school. So we're in magnet schools that you have to test into, that are like very high academically achieving schools.

We're in very, very, very low income schools. We're in schools that are integrated, schools that are entirely segregated, schools that are very urban. We're not in a lot of suburban schools. We're not yet in private schools. Part of our expansion strategy might be to have proof of concept in a rural school, or in a private school, or we're into an international school then maybe we would be in a merging school or something that would just show proof of concept in a different way.

A new use case is really interested to us for expansion. That is not distant more from how we choose to go into new schools. You could think about neighborhoods and communities too, so geographic, diversity is important when we think about going into a community. We wouldn't want all of our



schools in southwest DC. Right? It's very clear we need to be in every quadrant.

Jonathan: Fantastic. Great. Moving on to the next question. Who are key actors that your organization works with in the new community to promote the successful scaling of operations?

Interviewee: The district. Not always the Superintendent, but Superintendent buy-in is great and important, and it's something that we have. Usually it depends on how big the district is. We don't work with the Superintendent in New York City, we don't even work with the District Superintendent in New York City but in Newark, we work with the District Superintendent. The mayor. In San Francisco we work with the Superintendent and the Assistant Superintendent. In DC, we work with the Superintendent. In Philadelphia, we don't have any. It's weird. A lot of the areas that we work are state controlled districts or there's some politics there.

Somebody at a authorization level. It's important for us to legally be in schools. Somebody who can sign an MOU. Sometimes that's the district and sometimes that's the process is very rigorous, very formal, like San Francisco is very centralized, and sometimes it's on a principal level, in a place like Philadelphia where there's not that kind of centralization in the current climate.

District stakeholders are important at the administration level. Teachers are important in the community but only after we're inside of a school. They're typically not the procurement strategy. Same thing with parents. I feel like we like to work with students at every part of the process. We've had students come to us to ask us to be in their school, which is the best thing in the world, and we've done that. Ideally, we like to work with students before they are "our students" although all students are our students in the world because that's why we exist.

Let's think. Other kind of things...Funders and companies, are really important to us. Thinking about the institutions in the city, both the people who are long held "best in the city," like the Heinz family in Pittsburgh or whatever it is, and the new money in the world like Google. The people who are making a very long-term investment, and place. The people who are doing all the stuff in East Liberty. Whoever those developers are, we work with them. People who have said they are interested in investing in the future, right, of a community. Both from fulfilling profit and also a business angle.

Jonathan: Fantastic. What criteria does your organization use to assess the buy-ability of certain clientele and new communications?

Interviewee: Our intuition. We're getting to the point, if this was our pact for scale, we would be working on those kind of rubrics right now, and have a guttural understanding. There's a money threshold. Right? That's sustainable for at least the first year. That's not good enough, frankly. It really needs to be. When we get funding for a city it should really be 3 years. One year is actually not enough to launch ... sustainably it doesn't make any sense. City Year, I don't know if you looked at City Year, it has really good criteria for what you need to do to launch a City Year. Do you know City Year?

Jonathan: City Year. I don't ...

Interviewee: Has really good criteria of what it takes to launch here.

Jonathan: Okay.

Interviewee: We don't-

Jonathan: It's just it sounds like city banking year.

Interviewee: Yeah. It's a fellowship program. They use Ameriport fellows to work in local school systems in support of reading and literacy. They're huge. They have great criteria great rubrics. You hire an executive director, you test the market viability, you get your product, you get an executive director, they

raise X percentage of there persons ... it's amazing. They have really good criteria.

Ours, we don't have that. We have, "yeah you want to work with us at this school? It's so great." Usually we have and on-the-ground champion. Somebody where it's one of our dream directors, or one of our staff members that's from that place. Has moved to that place. Wants to move to that place. Right in there, giving us the insider scoop on, "this city is hungry," "they're spewing stuff up." We have a corporate partner that has a green office there that's really pushing, hustling us to get there. We have a district that's hungry to innovate. Gets what we're doing, where it's a matter when we can get there. We have a funder with a particular geographic passion, focus.

If we worked with SPAN think we would want to be in again. Our metrics would be "does this test something new?" Is this a Navajo reservation or rural community? Does this show universality in a way that our portfolio lacks in this moment? Is there short term money? Is there fast money to get us there now? Is there long term money where we could really deepen that? A place like like New Haven, there might be fast money, but is there long term sustainable money? I don't know. Where as in a place like Chicago and Pittsburgh, yes obviously there's going to be fast money and long term money. Atlanta? Probably. Thinking about short and fast money. It is their

talent.

We've had a lot of trouble recruiting talent in some of our cities. Even if there was incredible funding in Tuscaloosa, Alabama, nothing against Tuscaloosa, but we probably wouldn't be able to have a ... We want our Dream Directors to be from that place, or to live in that place. To have really a intimate familiarity. I don't know if we would get the talent that we would need. That would be a limiting factor. We couldn't ever really open in a place that doesn't have the talent.

Jonathan: You mentioned the variety of different ways, just to expand on this a little bit, that these new communities are introduced at new clientele and new research produced. If you could do a pie-chart of, you mentioned sometimes corporate funders push it, often times your employees that have strong linkages are the real drivers. Is there one that I mean-

Interviewee: I mean-

Jonathan: That seems like the-

Interviewee: I would say, symbolism and opportunity actually are the biggest drivers like diversity of our portfolio. What is iconic? Right? First it would be in Detroit,

yes. Did we get this for our corporate partner? We wanted to be there. Right? There was something iconic about that. There were all these things. San Francisco, we had to be on the west coast. We could not just be a reach-all non-profit. Right? It was symbolic of a certain kind of innovation. It was indicative of a certain national reach.

Jonathan: Okay.

Interviewee: Yeah.

Jonathan: Great. Okay, moving on. What information must be exchanged between your organization and the clientele you serve, to promote successful scaling of developing operations.?

Interviewee: It depends on my view of the clientele that we serve. I think about the clientele that we serve as students. The clientele we serve are also districts and funders. We have different customers for different products. If we're trying out our traditional school service, our customers are really the students because districts and schools are often not paying for our works. So sometimes it's the school, but usually it's actually not the institution that we serve technically, even though we work through that institution. I don't know if you need me to be more of guidance on the questions.

Jonathan: Well yeah. Looking at the school districts for instance, what would be some of the information that's exchanged between your organization and the school district. As opposed to between you and the dream directors, the students, and so forth.

Interviewee: Yeah. It's typically not a lot of information. We negotiate really hard for privacy We talk about student data privacy, how we can conduct research in a legal ethical way, What they will receive, increasing, and trying to name the value of our product. So people actually understand that we're coming from a place of power and resources. We're injecting capital both human and otherwise, into your school. At the rate of 150 thousand dollars a year or more.

Say thank you. Sometimes how I feel. It's not a ton of information. It's a lot of legal and compliance stuff. Sometimes you do quarterly or yearly reports. Its pretty hands off honestly.

Jonathan: Okay. So really you have the authorization at the district level, but then beyond.

Interviewee: Dream Directors are in constant communication with their principals.

Jonathan: Oh, okay.

Interviewee: Constantly. Often times the most successful ones are as embedded as humanly possible into that work. They'll be part of all the teacher meetings. They'll be on a school leadership team sometimes. They'll be part of event planning, or day-to-day routines. The ones that are not as successful are not as integrated into the routines of the leadership and management of their school.

Jonathan: Okay.

Interviewee: So Dream Directors, we put to them to maintain their relationships to their schools. Cheap Dream Directors often times will check in with principals to make sure that Dream Directors are performing. In terms of our organization we have very limited direct contact with districts and principals. Which is not great, we're kind of missing an opportunity. Not for quality, but just for convening.

Jonathan: Okay. No, that's great. That's great. Okay, two more questions. There might be one more, I'm not sure. How is the process of going to scale in several communities change the structuring process of going to scale? In a broader sense for your organization, have there been, to elaborate on that a little bit, have there been throughout the brief maturation, but very meteoric and



dynamic rise you've had in a very short amount of time for a young organization. Have there been inflection points that have changed the structuring process of how you go to scale and other things.

Interviewee: Yeah. Sure. There have been a couple of rapid sale moments. The first was this transition from running basically an after-school program, to inventing the Dream Director. Putting Dream Directors into public schools, definitely changed our trajectory and our approach to scale.

Then we had a rapid year, I think it was 2013/14, where we just hired so many Dream Directors. That rapid hiring tells a lot about talent, about what it takes, about quality, about structure, about management. The Chief Dream Director role emerged from that. That we needed hierarchy, we needed leadership, before we could scale rapidly. That was a huge inflection point.

The last is, an inflection point around capital. The incredible venture philanthropy that we've been the recipients of. In the past couple of years our first 7 figure gift, and our first 8 figure gift, the McCourt investment is transformative. The vision that he has, and the support of the team, have made this all possible. Finding that one person, right now are working hard to proof that concept, but finding that one percent who understands what we do and building a strategy around the idea that there are others like him and his team. That has changed the way that we approach fundraising. The

way we approach scale. The way we think about our work. The way we imagine what's possible.

Jonathan: Fantastic. Great. Possibly, lastly, what have been some of the greatest challenges that you've encountered in going to scale in new communities? How has your organization learned from these challenges?

Interviewee: Oh my god. How much time do you have?

Jonathan: As much as you'd like to share with me.

Interviewee: I haven't been on board as we've done a lot of expansions. I can speak, I guess more broadly. We've had problems with ... Capital is always a really limiting factor. Not asking for enough, or the right kind of money, we're in the part where we've asked for sustainable capital way too late in the game. We should've had a sustainability strategy in which we had districts and people were buying in from the get-go. We've subsidized it too much, for too long. As we expand to more schools, we actually can't expand in our cities because we still have to raise so much every single year just to fund the assisting work. That is really a limiting factor. Both going to new cities and to funding our existing cities because we have to raise so much every single year.

Talent is huge. Talent is a really big challenge. Finding great talent, retaining really great talent, growing really great talent. I wish we would have had, and developed mature people systems sooner. That we had understood really fully our compliance risks. We're passion driven organization, but we're a company. I think, not everything can operate in good faith. All the time.

Cash flow has always been a challenge. Timing. Then the integration of our ... Telling people about our work. We've really been incognito on purpose. We've really wanted something to show for ourselves. One of the challenges to scaling and growing our work, because no one really knows about us. Even though we are one of the fastest growing non-profits in America. Part of that is intentional, and part of it just being strategic. Right? About making sure that everybody even in the cities that we're in knows about us. Let alone nationally. Partially because we just want to do good work in schools.

Again capital is still limited, but for a Dream Director program was sustainable we would be able to get community engagement staff that we need. The PR team that we need to be able to tell those stories effectively. To elevate our students voices to really have a platform for change. So a little bit of a change...

Jonathan: Well I don't have another question because these have been very, very rich answers.

Interviewee: Good.

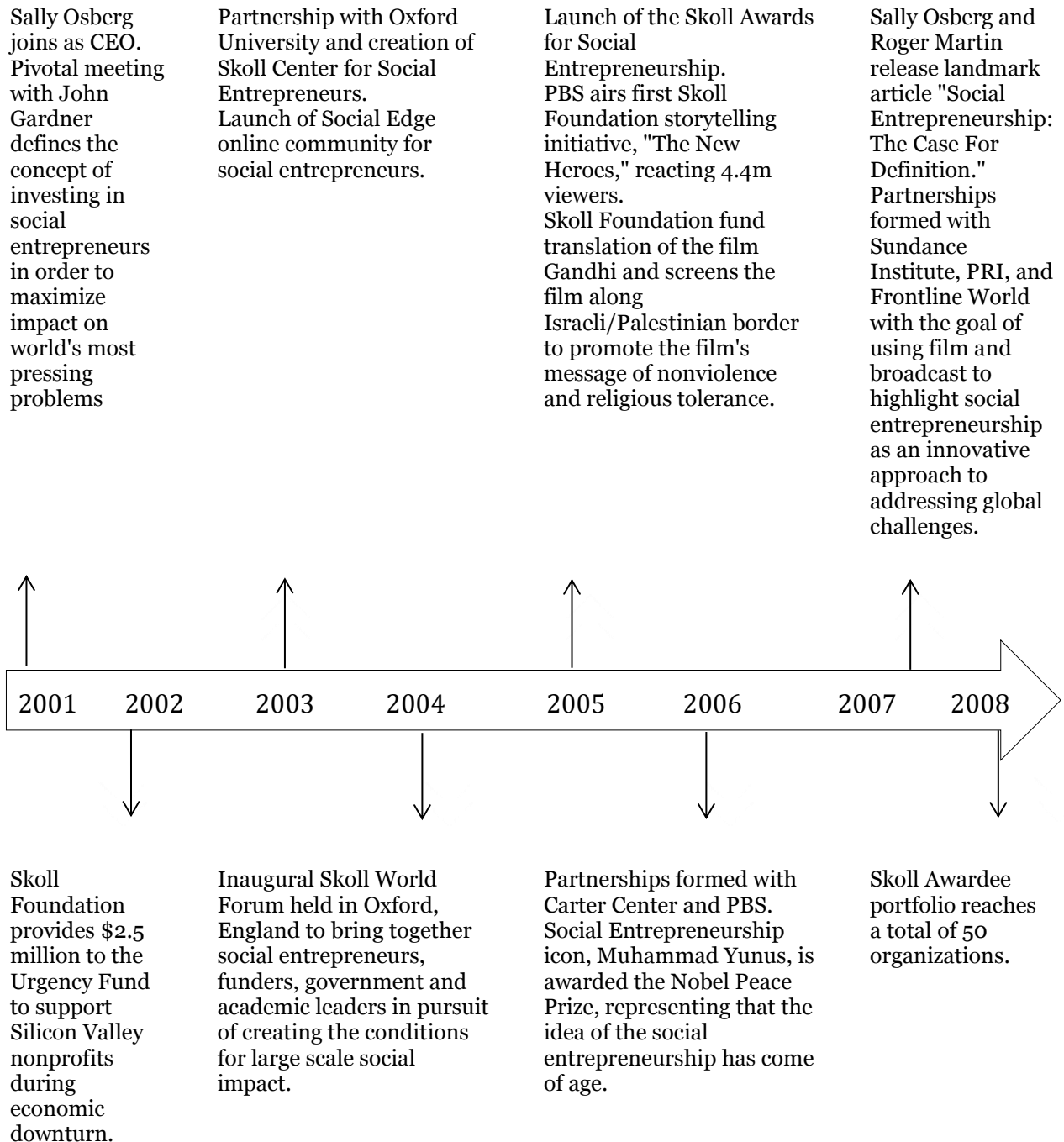
Jonathan: It's very good. Thank you so much.

Interviewee: Yeah.

Jonathan: I can ...

## 9.0 APPENDIX C

### 9.1 SKOLL FOUNDATION TIMELINE



**Figure 24 Skoll Foundation Timeline**

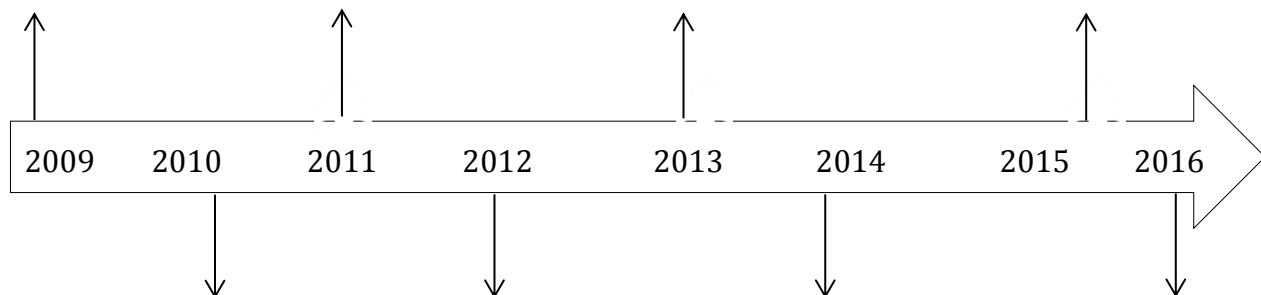
Adapted from Skoll Foundation website, 2017. Retrieved from <http://skoll.org/about/about-skoll/>

Jeff Skoll and Sally Osberg join The Elders in landmark tour of Middle East.  
Creation of the Skoll Global Threats Fund headed by Dr. Larry Brilliant to address urgent threats confronting humanity and the planet.

One-third of Forbes "Top Social Entrepreneurs" are Skoll Awardees.  
Jeff Skoll received the Tech Award's Global Humanitarian Award.  
Skoll World Forum, now in its 7th year, expands to New 2012 Theatre in order to meet demand as the premier convening for social entrepreneurs.

Skoll Foundation invests in the creation of the first global social/wellbeing measurement tool, the Social Progress Index.  
Partnership formed with TED.  
Social Edge merges with Skoll World Forum.

Sally Osberg and Roger Martin present a framework for how social entrepreneurs create transformative change in *Getting Beyond Better: How Social Entrepreneurship Works*.



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**Figure 25 Skoll Foundation Timeline (continued)**

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