SCALING SOCIAL ENTREPRENEURIAL IMPACT[1]

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Founded by Kevin McDonald in 1994 in Durham, NC, the Triangle Residential Options for Substance Abusers (TROSA) is viewed by most observers as a very successful substance abuse recovery program. McDonald has nurtured a venture that guides recovering substance abusers through a two-year residential treatment program. The program supports itself financially, in large part, by having successful moving, lawn maintenance, Christmas tree, and other businesses which employ the TROSA residents. According to its management, they generated $5 million from these businesses in 2007. To date, TROSA has graduated more than 500 individuals, with each having a personal savings account, a donated and refurbished car, transitional housing, and marketable job skills. Yet, in spite of all he has accomplished, McDonald is disappointed that TROSA has been unable to scale their impact beyond Durham to serve even more recovering substance abusers. He would at least like to see the TROSA model replicated by other organizations around the country. McDonald wants to scale his social impact, but has been unable to do so.

Scaling social impact has become a major challenge for "social entrepreneurs" such as Kevin McDonald. By social entrepreneurs, we mean *individuals who start up and lead new organizations or programs that are dedicated to mitigating or eliminating a social problem, deploying change strategies that differ from those that have been used to address the problem in the past*. Notable social entrepreneurs include (a) Mohammad Yunus, founder of the Grameen Bank's micro-lending program in Bangladesh, (b) Wendy Kopp, founder of Teach for America, which places recent college graduates as teachers in inner-city schools for a two-year stint, and (c) Paul Farmer, founder of Partners In Health, which has provided low-cost treatment for AIDS, TB, and other diseases throughout the developing world. These innovators – and their social entrepreneurial organizations – pursue scaling because they want to have as big an impact as possible on social problems and because their donors and supporters are hungry to achieve high “social” returns on their investments. To these social entrepreneurs and their funders, helping a few hundred substance abusers in Durham, NC overcome their addiction and become employed is a laudable goal, but helping hundreds of thousands of substance abusers would be even better.

What stops successful social entrepreneurs like Kevin McDonald from scaling their impact? Why has McDonald been stymied, while Dorothy Stoneman, the social entrepreneur who founded YouthBuild in 1989,[2] has been able to scale her job-training, education, and affordable housing program from a small operation in Harlem to a national program with over 225 sites, where thousands of school dropouts are learning the construction trade and obtaining a diploma? What drivers or levers of successful scaling, if any, has Stoneman been able to deploy that McDonald has not? What is different about Stoneman’s and McDonald’s situations that might make certain sets of drivers more effective for one versus another? And what drivers could help YouthBuild scale to even greater impact, since the problems they are addressing still dwarf their many accomplishments? In this article, we identify several potential drivers of successful scaling of social entrepreneurial impact, while also indicating the situational contingencies that might lead some drivers to be more effective in certain situations than others.

We introduce a conceptual model in Figure 1 that proposes seven drivers – or organizational capabilities – that can stimulate successful scaling by a social entrepreneurial organization. These drivers/capabilities are identified by using the acronym SCALERS, which stands for: *Staffing, Communications, Alliance-building, Lobbying, Earnings-generation, Replication,* and *Stimulating market forces.* The model also proposes that the extent to which an individual SCALER (i.e., driver or capability) will influence scaling success will depend on certain situational contingencies. There may be distinctive aspects of the organization's internal and external environment (e.g., intense *Labor Needs* or weak *Public Support*) that will enhance or suppress a SCALER's influence. In some situations, effective deployment of all the SCALERS may be needed for successful scaling. In other situations, strong effectiveness with only a few SCALERS can drive scaling success. By including these contingencies, we aim to make our model more flexible and increase its explanatory power, and hopefully improve its usefulness for both academics and practitioners.

We now define each of the SCALERS and situational contingencies presented in the model, weaving in explanations of the logic, theory, and prior research that support the proposed relationships. Note that, as drawn, Figure 1 depicts only the main relationships or effects that we believe exist for the social entrepreneurial organization seeking to scale its impact. Feedback loops and interactions among the constructs are not shown, although we expect them to exist and will discuss several of them in our explanations. Following the presentation of the model, we offer examples of case experiences that are consistent with the model. We conclude with a discussion of the implications of the model for practicing social entrepreneurs.

SCALERS of Social Entrepreneurial Impact

Much of the early writing about scaling social impact has focused on how changing the people and policies *inside* the social entrepreneurial organization can lead to growth and greater social impact. This work has emphasized the value of leadership, staying on mission, fund-raising, creating a supportive culture, establishing replicable policies and procedures (e.g., franchising), and obtaining evaluation results.[3] More recently, authors have recognized the value for social entrepreneurial organizations of interacting effectively with various players and forces in their *external* ecosystems, creating alliances to acquire resources and political support,[4] building on market incentives to change behaviors of beneficiaries and influencers, and capitalizing on economic and social trends to attract attention and build momentum for their causes.[5] All of this writing has influenced the development of our model, as has other research in strategic management, organizational behavior, and marketing. Moreover, the case material reported later has also influenced our thinking.

Our model proposes that the "Scale of Social Impact" achieved by a social entrepreneurial organization – or the extent to which the organization has been able to scale "wide" (e.g., serve more people) and "deep" (e.g., improve outcomes more dramatically) – is influenced by how effective the organization has been at developing some combination of the seven capabilities discussed in the following sub-sections.

Staffing

We are using the term *Staffing* to refer to *the effectiveness of the organization at filling its labor needs, including its managerial posts, with people who have the requisite skills for the needed positions, whether they be paid staff or volunteers*. A high value on this construct would reflect having little difficulty filling all of its jobs with competent people.

The importance of having the necessary human resources to support organizational growth has long been recognized in the management literature. For example, the strategic human resource management (HRM) perspective argues that the human resource policies and practices inside an organization will influence its performance.[6] When organizations develop capabilities in this domain, they are better able to attract, retain, train, and inspire their employees than their competitors. The insights from this literature are particularly relevant for social entrepreneurial organizations, especially given recent discussions on the talent shortage facing social purpose organizations and how this can inhibit scaling success.[7]

However, we acknowledge that the degree to which staffing drives scaling will vary, depending on the situational contingency of the organization's *Labor Needs* – i.e., *the extent to which the organization's change strategy requires it to provide labor-intensive and skilled services to beneficiaries*. When labor needs are high, such as when the organization is providing counseling or health services to indigent patients, staffing will be crucial for successful scaling. But when labor needs are less severe, either because the organization's change strategy is not based on service provision or because the services can be provided by machines or less skilled workers, then other SCALERS may determine scaling success more than staffing. For example, staffing is a less crucial SCALER for DonorsChoose.org in its efforts to impact educational outcomes. This venture relies on its user-friendly website to match teacher needs, written in by the teachers themselves, with financial donations provided by visitors to the website.

Without adding arrows to the figure, we must recognize that effectiveness at staffing can lead to improved effectiveness at all the other SCALERS and, conversely, effectiveness at communicating, alliance-building, and earnings-generation can lead to improved effectiveness at staffing. For example, the recruitment of a formidable fundraiser can help improve communicating, alliance-building, and earnings-generation, which can, in turn, help to provide the persuasive messaging, contacts, and funding needed to attract other talented staff members. Undoubtedly, there are likely to be effects of the SCALERS on one another, as well as synergies among them, that ultimately affect the scale of social impact the organization can achieve.

Communicating

Our next capability of *Communicating* refers to *the effectiveness with which the organization is able to persuade key stakeholders that its change strategy is worth adopting and/or supporting*. A high value on this construct would mean that the organization's communications have been successful at: (a) persuading potential beneficiaries to take advantage of organization services and/or to change their behaviors in socially-beneficial ways (e.g., becoming more prudent financially, pursuing healthier lifestyles); (b) persuading volunteers and employees to work for the organization, (c) persuading consumers to patronize the earned-income activities of the organization (e.g., TROSA's moving business); (d) persuading donors/financiers to provide funds to the organization; or (e) creating favorable attitudes toward the organization's programs among the general public.

It seems evident that communicating better about an organization's services and/or change strategy should lead to more ability to scale. If you build it, people will not necessarily come, unless they are clearly informed, frequently reminded, and convincingly persuaded that what the organization is doing has value to them. There is a very great tendency for inertia to set in with people, and breaking them out of old ruts is often necessary for achieving social change.[8] Many social entrepreneurial ventures have been thwarted by an inability to get the word out and be persuasive about what they are doing – either because they cannot afford the advertising and publicity or because they do not understand the culture and needs of their audience well enough to "frame" what they are doing in a way that conveys the core benefits the organization is seeking and attracts media and public attention. In fact, when organizations find the "right" framing (e.g., Mothers against Drunk Driving, Teach for America, Habitat for Humanity) they often can scale faster and have greater impact.[9]

There will be some situations where communicating becomes a less important driver of successful scaling. This will occur when high levels exist of the situational contingency of *Public Support*, or *the extent to which the general public already supports the change strategy of the organization*. This is because "ceiling effects" might occur and there is not much room to shift people's views toward the organization's change strategy – and consequently other SCALERS may be more likely to influence scaling success. Such a ceiling may face organizations pursuing popular causes like tobacco control or breast cancer prevention and treatment. These organizations may find their scaling success is more dependent on how effective they are at alliance-building, lobbying, and replication.

As is the case with staffing, communicating effectively can make the other SCALERS more effective and also produce synergistic effects on the scale of social impact. For example, signing up a well-known, credible spokesperson to appear in your communications (e.g., President Jimmy Carter speaking for Habitat for Humanity) can help scale your social impact through a host of different synergistic mechanisms.

Alliance-Building

The capability of *Alliance-Building* refers to *the effectiveness with which the organization has forged partnerships, coalitions, joint ventures, and other linkages to bring about desired social changes*. A high value on this construct would mean that the organization does not try to do things by itself, instead seeking the benefits of unified efforts.

Previous work in strategic management has found that nascent organizations with prominent alliance partners are more likely to succeed, presumably because of the resources provided by their partners and the status that the relationship confers upon the new organization.[10] Moreover, recent research on social entrepreneurship has identified alliance-building as an essential ingredient for successful scaling.[11] In the past, observers have portrayed social entrepreneurs as solo operators, pursuing their agenda quixotically with little support from others. Today, this assessment has changed and it is generally accepted that successful social entrepreneurs are masters at mobilizing alliances of groups and individuals to all work together for a cause. The successful social entrepreneur does not worry about property rights and "owning" the social venture, but instead operates in a collaborative, "open-source" manner, trying to get everyone contributing to the scaling effort.[12] Some alliances are formed chiefly for financial reasons, as when cause marketing programs are formed between businesses and social-purpose organizations that provide funds to the cause every time consumers make a purchase (e.g., The Global Fund to Fight AIDS, TB, and Malaria's Product (RED) program supported by The Gap, Apple, Starbucks, American Express, and others). Other alliances are formed to achieve more political clout or to facilitate replication, which is the ability of an organization to reproduce its programs, a capability we will examine in detail below.

Some social entrepreneurial organizations may face the situational contingency of being low on *Potential Allies*, or *the extent to which other organizations and institutions are potentially available to work with the organization to achieve social change*. Some organizations are pursuing causes that are controversial (e.g., gun control, legalization of drugs, right to choose) and finding allies may be difficult. In those cases where it is necessary to operate in a more solo fashion, other SCALERS may be more important for achieving scaling success.

Still, forming a relationship with a great partner – just like finding that great fundraiser or the super spokesperson – can uplift the effectiveness of all the SCALERS. Think, for example, of how much Timberland Corporation has helped City Year become successful at encouraging thousands of young people to spend a year working on social welfare projects in inner cities.[13]

Lobbying

The capability of *Lobbying* is defined here to mean *the effectiveness with which the organization is able to advocate for government actions that may work in its favor*. We are using the term "lobbying" loosely here and are not referring just to efforts employing registered lobbyists that could jeopardize an organization's tax-exempt status.

A high value on this construct would mean that the organization has succeeded in getting the courts, administrative agencies, legislators, and government leaders to help its cause.

Government actions can frequently make a difference for scaling social impact, and many social entrepreneurs have reluctantly had to concede a need to do lobbying or advocacy work to obtain desired laws, regulations, budget allocations, and taxes. While social entrepreneurship can be an alternative to government action, private and market-oriented social ventures may not be sufficient for solving problems with education, unemployment, and environmental pollution.[14] Research in strategic management has emphasized firms' non-market strategies, or the way in which they interact with the government, pressure groups, and other important stakeholders.[15] Firms that implement successful non-market strategies can shape the institutional environment in their favor, by forestalling regulation, raising the costs of their competitors, or by generating positive public opinion, and scale faster than they would have otherwise. Many of the same non-market challenges facing firms also confront social entrepreneurial organizations, and insights from this literature can be applied in our context as well.

A situational contingency that can moderate the effect of lobbying is *Supportive Public Policy,* or *the extent to which laws, regulations, and policies that support the organization's social change efforts are already in place*. For some social entrepreneurial organizations, public policy is basically neutral or mildly positive, and the potential impact of lobbying on scaling is likely to be minimal. Other SCALERS will drive scaling success more dramatically. But many social entrepreneurial organizations can benefit greatly from shifts in public policy. For example, YouthBuild's success at scaling was definitely enhanced by its success at persuading Congress to pass a special budgetary allocation for the expansion of YouthBuild in 1992. This is one place where the difference in YouthBuild and TROSA is especially apparent, as TROSA has had little success in attracting Federal funds.

Once again, we believe that having some special success with this single SCALER (e.g., getting a generous government budget allocation) – just like acquiring a special fundraiser, spokesperson, or partner – can make all the SCALERS more effective.

Earnings-Generation

The capability of *Earnings-Generation* refers to *the effectiveness with which the organization generates a stream of revenue that exceeds its expenses*. A high value on this construct would mean that it does not have trouble paying its bills and funding its activities.

Earnings-generation emerging from earned-income efforts (e.g., selling ad space on a web site), donations, grants, sponsorships, membership fees, investments, or other sources will primarily have their social impact through how they allow the social entrepreneurial organization to increase the effectiveness of their staffing, communicating, alliance-building, lobbying, replicating, and stimulating market forces. Indeed, there are probably reciprocal relationships between earnings-generation and the other SCALERS for most organizations. For example, effective staffing can cause increased earnings-generation and vice versa. Of course, which drives the other may be unclear, as many chicken-egg situations might exist. Regardless, we believe earnings-generation can still have an impact on its own (as the model shows), in that the organization that is financially-healthy should have more legitimacy and persuasiveness with various influencers of social change.

A situational contingency that could affect the impact of earnings-generation is *Start-Up Capital*, or *the extent to which the organization is starting its scaling efforts with an ample pool of financial resources committed to it*. Scaling success will be driven more by the other SCALERS in situations where the organization has ample financial resources to draw upon when scaling.

Replicating

The capability of *Replicating* reflects *the effectiveness with which the organization can reproduce the programs and initiatives that it has originated*. A high value on this construct would mean that the services, programs, and other efforts of the organization can be copied or extended without a decline in quality, using training, franchising, contracting, and other tools to ensure quality control.

The social entrepreneurial organization that is adept at replicating should be able to reach more people with high quality services and programs, leading to more rapid scaling. Such an organization would have systems, procedures, training, franchise agreements, and branding in place, helping it to scale more effectively.[16] Research in marketing and entrepreneurship has demonstrated that franchising can lead to growth for some organizations, but not others, since important unobserved variables likely impact both the decision to franchise and its relationship on growth.[17] We view the capability of replication in the social entrepreneurship context similarly, in that the ability and desire to replicate might be shaped by other SCALERS and moderated by situational contingencies.

The influence of replicating can be moderated by the situational contingency of *Dispersion of Beneficiaries*, which is defined as *the extent to which variation exists in the* *people the organization is trying to serve, including demographic and geographic variation*. If there is little dispersion of those being served, there may be little need to set up new organizational entities to scale up, as growing the "home" organization may be sufficient. Indeed, such an organization might accomplish more by trying to scale "deep" rather than "wide," and by therefore putting its emphasis on SCALERS such as staffing, communications, and alliance-building.

Being outstanding on this single SCALER can, again, help to make many of the other SCALERS more effective. For example, Girls on the Run, a self-esteem enhancement program for girls 8 to 12, founded by Molly Barker in 1996 and now serving over 40,000 girls per year, has developed an effective "franchise package" to offer its new councils in new geographic areas. The package includes training, fund-raising guidance, and the program's well-tested, twelve-week, after-school curriculum. This package has helped to enhance the whole network's staffing, communications, alliance-building, and earnings-generation, leading to more successful scaling (discussed further below).

Stimulating Market Forces

Our final capability of *Stimulating Market Forces* covers *the effectiveness with which the organization can create incentives that encourage people or institutions to pursue private interests while also serving the public good*. A high value on this construct would mean that the organization has been successful at creating markets for offerings (i.e., products and services) like micro-loans, inexpensive health remedies, inexpensive farming equipment, or carbon credits.

Stimulating market forces can lead to significant social change, as the pursuit of self-interest by consumers, sellers, borrowers, lenders, investors, and others can create outcomes like providing more loan capital to poor people and small businesses, more jobs for the unemployed, or less carbon emitted by consumers or companies.[18] Many of the most praised examples of successful scaling came about because of the development of products and services for which there was great market demand. The low-cost, "MoneyMaker" pump introduced by Martin Fisher and Nick Moon and their KickStart organization has helped to create agriculture and irrigation businesses throughout Africa. Similarly, the "Business in a Bag" created by Jordan Kassalow and his VisionSpring organization has created thousands of vision entrepreneurs providing eye exams and inexpensive reading glasses to people throughout the developing world. Offerings such as these can also enhance the effectiveness of staffing, communications, earnings-generation, and replication by an organization.

The extent to which stimulating market forces will encourage scaling will depend on the situational contingency of the *Availability of Economic Incentives*, which reflects *the extent to which the organization operates in a sector where economic incentives motivate people's behavior*. For example, organizations involved with providing financial services would be higher on this dimension than those involved with encouraging physical activity.

SCALERS in Practice

We now turn toward some additional case evidence that has relevance for assessing the model. We have searched for cases where all the situational contingencies were arranged in a way that gives all the SCALERS a role to play in scaling, and we have also identified cases where the situational contingencies seem to allow only a more limited set of SCALERS to drive scaling. Our goal is to provide cases that illuminate the most salient aspects of our framework rather than to be exhaustive in our coverage, so cases that demonstrate what can happen under every single situational contingency are not covered.

One atypical social entrepreneurial organization that has scaled social impact is AARP, with its successful push over the last 8 years to obtain prescription drug coverage for older Americans. AARP is unique because of its very large size – it clearly wasn't a start-up when it began its campaign for what became Medicare Part D. But under their CEO, Bill Novelli, they have viewed themselves as social entrepreneurs when pursuing path-breaking projects or ventures.[19] With prescription drug coverage, their approach to achieving this goal and scaling impact was very innovative, and they deployed all the SCALERS in the process. They faced a situation where labor-intensive services were needed (to help people enroll, obtain drugs, and process claims), where public support was mixed (as many feared that tax increases would be needed to pay for it), where numerous potential allies were available, where public policy was not particularly supportive, where intended beneficiaries were very heterogeneous and geographically dispersed, and where economic incentives existed that would motivate consumers to seek better coverage options. In addition, while AARP certainly had ample start-up capital to launch this initiative, scaling it up would require substantially more financial resources. AARP therefore had the opportunity to have all of the SCALERS contribute strongly to scaling and it used them all with some effectiveness.

They were able to handle staffing with a combination of member volunteers and paid staff, while communications was done with a substantial advertising and publicity campaign that made use of paid advertising in national media as well as advertising and stories in *AARP Magazine,* the largest circulation magazine in the United States. Formal contractual alliances were formed with major health insurance companies to promote the coverage, building on the brand equity of both AARP and these companies. For example, AARP and UnitedHealth Group joined forces to offer a popular plan. Additionally, a substantial lobbying effort with the U.S. Congress helped to create the enabling legislation, while earnings helped to pay for all this activity. AARP has a for-profit, taxable subsidiary which partners with selected vendors to sell insurance products, mutual funds, travel services, advertising space, and a variety of other offerings, generating almost $1 billion in revenue per year. The profits from these earned-income activities are largely poured back into their social change efforts.

Replication also played a role in their success, as they were able to apply lessons learned about branding, advertising, sales management, and customer service from scaling efforts in one product area (e.g., life insurance) that could be applied to others (e.g., prescription drug plans). Finally, the stimulation of market forces was a key part of their strategy, as they worked to support legislation and conditions that would encourage insurance companies to strive to improve the policies and rates they provide to consumers. Indeed, AARP is now working on a rating system for health insurance products that they will disseminate to the public, hoping that health insurance companies will compete to do better on these ratings. AARP has also notified the partner insurance companies that their alliances will terminate if certain standards are not met.

Another organization that has scaled successfully employing a full range of SCALERS is Self-Help, the community development financial institution from North Carolina. Self-Help has sought to provide access to reasonably-priced credit for small businesses and individuals living in poverty conditions, believing that fair credit can stimulate business development, employment, and wealth accumulation (primarily through home ownership). A key to its scaling success has been the stimulation of market forces. Through operating credit unions and venture capital funds, Self-Help has been able to configure investment products that are attractive to a range of depositors and investors, including those who are willing to take slightly less return on a socially-beneficial investment and those who want only a slightly greater return on a slightly riskier investment. Self-Help has generated good earnings off of these types of offerings, and they have also made money by packaging mortgage loans and reselling them to Fannie Mae. This income-generating activity has allowed it to do the staffing, communicating, lobbying, and replicating it needs to do to have its desired impact.

In addition to supplying millions of dollars of loans to the less wealthy by themselves, Self-Help has formed alliances with the Ford Foundation, Fannie Mae, and major banks to establish a secondary mortgage market where loans are sourced by the banks, packaged by Self-Help, guaranteed by reserve funds provided by a $50 million Ford Foundation grant, and bought and securitized by Fannie Mae. The presence of this market has helped to make hundreds of millions of dollars of mortgages available to less wealthy people that would not be there otherwise. Even in the wake of the financial meltdown of 2008, which has been fueled in part by defaults on subprime mortgages, Self-Help stands behind its approach. They feel the loans they have helped to originate have low default risk and helped many needy people improve their lives. Moreover, Self-Help, through its Center for Responsible Lending, has lobbied extensively for the passage of predatory lending laws and other consumer protection statutes in many states. These laws have made it easier for poor people to hold on to their wealth, protecting them from practices such as “payday lending,” unfair refinance deals, and overly aggressive foreclosure actions. Self-Help has scaled its impact very cleverly, demonstrating skill at deploying all the SCALERS in very complimentary ways.

As our model suggests, there are situations where one would not expect certain SCALERS to be very influential. But in those situations, a social entrepreneurial organization may still be successful at scaling social impact, deploying a few key SCALERS. Take, for example, the Campaign for Tobacco-Free Kids, an organization that has been instrumental in reducing teen smoking in the United States. Launched in the mid-1990s with sufficient start-up funding from a foundation grant, this organization’s theory of change was grounded in trying to make tobacco products less available, less desirable, and more expensive to young people. Their initiatives did not require them to offer labor-intensive services and they faced a situation where they already had considerable public support for what they were doing, so effective communications was not as crucial for them as it might be for other organizations – though they helped to disseminate on their web site some important messages created by allied groups, particularly the message that the tobacco industry was trying to manipulate young people.

The Campaign primarily devoted resources toward alliance-building and lobbying, and in replicating what they were doing with these SCALERS in multiple states. The Campaign mobilized anti-tobacco groups, state attorneys general, and other activists to file lawsuits and fight for legislation or enforcement actions that would make it harder for teens to acquire tobacco in retail stores, make it less likely for teens to see others enjoying smoking in restaurants and workplaces, and make tobacco products considerably more expensive (because of fines paid by the industry after lawsuits or higher state or local taxes). By helping to achieve significant price hikes and by lowering availability, the Campaign was also stimulating market forces effectively.

Another organization that has been successful at scaling social impact without deploying all the SCALERS is Girls on the Run. This organization has gone from serving 13 girls in 1996 to more than 40,000 girls per year in 2008 at more than 160 affiliates throughout the United States. Girls between the ages of 8 and 12 go through a 12-week after-school program designed to build their self-esteem and appreciation for healthy living, with games involving running used as a teaching modality. They cover topics like peer pressure, bullying, and healthy eating.

The program did not have much start-up funding and it provided labor-intensive services (i.e., coaching), so some earnings (primarily from participant fees) were required to support staffing. Fortunately, the public support for the program is very high – as the cause resonates deeply with large numbers of women – and this has made it relatively easy to recruit volunteers to cover many of the staffing needs. The public support also makes communications effectiveness less crucial and less expensive, as so much of the recruiting of beneficiaries (i.e., the girls) and volunteers (i.e., coaches) is stimulated by word-of-mouth comments from satisfied participants. Since public policy does not create any substantial obstacles for this program, lobbying is not a key SCALER either. And the stimulation of market forces has not been a major factor in their scaling. What seems to drive their scaling success the most are skills at alliance-building and replicating. They have formed alliances with YMCAs, Boys and Girls Clubs, 4H Clubs, school systems, and Hospitals to arrange for class sites and for paid supervisory personnel. As for replication, the national organization has proven adept at creating course materials, training, and advising to create uniformity in the delivery of the program.

The validity of our model can also be assessed by examining cases of failure or disappointment, not just success stories. Interestingly, AARP recently failed in scaling up one of its other social entrepreneurial ventures – an effort to promote more physical activity among 50+rs. In 2002, AARP launched the Tri-Umph Triathlon Series, hoping it would encourage thousands of 50+rs around the country to enter sprint triathlons (400 yard swims, 12 mile bikes, and 5K runs). The series lasted only two years (with approximately 20 races) before it was terminated. The program was supported by ample, competent staff and had a workable replication system, as a professional race management team was contracted to run the events. Earnings-generation was also effective, with race entry fees and AARP's earned-income resources easily covering costs. Since lobbying was not really appropriate to scale this program, as public policy cannot really influence triathlon participation, the program essentially fell short on communications, stimulating market forces, and alliance-building.

Public understanding of triathlon is very low, with most people equating it with the demanding 2.4 mile swim, 112 mile bike, and 26.2 mile run done at the Hawaii Ironman. And though training for and competing in shorter triathlons can be a great form of physical activity for 50+rs, it is tough to persuade 50+rs of this if they have never tried it. Although AARP promoted the Tri-Umph series extensively, they were unable to frame the sport as something attractive to less active people and, thus, primarily attracted experienced triathletes to their series races As a set of studies completed in 2004 by AARP discovered, "people age 50+ are motivated by images they can relate to, not by elite senior athletes who make them feel discouraged or overwhelmed…People view increasing physical activity as an extremely difficult, even daunting, task and need affirmation of their struggle and acknowledgment for any amount of effort."[20] Hence, the basic core "product" was not easy to frame in an attractive way, nor could it stimulate demand from new markets that were not already incentivized to buy it.

Difficulties in communications and stimulating market forces were compounded by the failure to build valuable alliances that could have spread the word further and generated more institutional support for having 50+rs pursue triathlon. While collaborations with hospitals and health clubs were formed, these were mainly arranged to gain access to race venues and, occasionally, to have short-term training programs established to prepare a few people for a race. More could have been done to get professional societies of doctors and health care providers to endorse the program – and then to have their members promote this to their patients – and this may have helped to overcome the trepidation of the novice 50+ athletes.

A social entrepreneurial organization that is disappointed, but not discouraged, by its rate of scaling is Kramden Institute, a Durham, NC nonprofit that refurbishes discarded desktop computers and gives them away to poor children. Kramden holds "Geek-a-thons," where in two days a few dozen volunteers can refurbish 200 or more computers with up-to-date software and internet access, using efficient protocols and testing procedures. Since 2005, Kramden has held many successful Geek-a-thons and given away thousands of computers in North Carolina. But the leadership of the organization will not be satisfied until the program can be scaled nationally.

Kramden has a need for labor, but much of this need has been met by volunteers (i.e., geeks), which it seems to have little trouble recruiting. Part of the reason for its success with volunteers is because public support has been high, as people see it as an approach to helping the poor and helping the environment at the same time. So Kramden needs effective staffing and communicating, but not more than the other SCALERS. Indeed, there is a need for more permanent staff, and not just volunteers, yet hiring more staff will require having more earnings to cover compensation, since start-up funding has been limited. There is also a need for better communications with potential donors and supporters so that earnings will improve, though more earnings are needed to help pay for this better communications (i.e., a chicken-egg problem). Earnings are also needed to help pay for replicating – which Kramden seems to do well with its Geek-a-thon model – but it does cost money for parts and software for the refurbished machines. In essence, it seems that Kramden needs to become more effective at generating earnings – perhaps with the help of some effective stimulation of market forces – while also needing to pay attention to how it is doing at alliance-building (as there are many potential allies) and lobbying (as public policy is not yet very supportive).

Thus far, the earnings opportunities for Kramden have proven to be limited. While they have been able to attract small grants and donations from local businesses and individuals, they have not hit on a source of funds to produce a steady, substantial stream of earnings. Market-oriented approaches, like charging fees to take old computers off people's hands, selling spare parts to electronics recyclers, or charging businesses fees for managing Geek-a-thon volunteer days that serve as team-building experiences have generated some funds, but they are probably not going to be the big revenue-generators needed to scale nationally. Better sources of revenue may be found by forming alliances with other organizations that are trying to put computers in the hands of poor kids (e.g., Communities in Schools and Habitat for Humanity, both of which they are working with). A nationwide or world-wide alliance that gives thousands of poor children access to the Internet for the first time may be seen as an attractive corporate social responsibility opportunity or cause marketing venture for a major multinational company. Alternatively, a major lobbying effort might be able to get government funds budgeted to support operations like Kramden. Perhaps environmental protection funds could be allocated that would give Kramden a certain dollar amount every time it saves a computer from going to a landfill. Or manpower training funds could be sought from foundation or government sources.

Table 1 summarizes the scaling challenges faced by the different social entrepreneurial organizations we have discussed. The table indicates the environmental and institutional conditions facing each organization, the key strategic levers that they needed to deploy given the situations they faced, and assessments of how effectively they deployed those levers and scaled social impact.

Managerial Implications

Our SCALERS model offers a kind of roadmap that can guide social entrepreneurial organizations interested in scaling their impact. An organization like TROSA can use the model to do an assessment of its ecosystem and a determination of where its past actions have helped or hurt its ability to scale. TROSA management could take the model's situational contingencies and, one by one, assess whether TROSA's ecosystem creates the opportunities for each SCALER to drive successful scaling. We suspect that in TROSA's case, all the strategic contingencies are lined up in a way that makes all seven of the SCALERS necessary for successful scaling. We believe that TROSA has extremely labor-intensive services, limited public support, numerous potential allies (e.g., other residential treatment programs), limited public policy support, limited start-up capital, dispersed beneficiaries, and available economic incentives. The situation they face with these contingencies probably is similar to what YouthBuild faced when it began its scaling efforts.

After assessing the situational contingencies, TROSA's management could then analyze how well they have doing in deploying each of the SCALERS. Our suspicion is that, when compared to YouthBuild, TROSA falls short the most in lobbying, and that an inability to raise the kinds of funds YouthBuild attracted through Federal legislation prevents TROSA from making all the other SCALERS as effective as they need to be to drive much deeper and wider impact. TROSA has done staffing, communications, alliance-building, earnings-generation, replicating, and stimulating market forces very well – but not well enough to have an impact beyond Durham.

Conclusion

We have offered a model to help social entrepreneurs understand the determinants of scaling impact and growing their organizations. In doing so, we hope to fill a gap in our collective understanding of social entrepreneurship. While we now have numerous examples of successful social entrepreneurs, we have lacked conceptual clarity about the question of why some organizations are more successful than others. We hope that the SCALERS model can help social entrepreneurs identify the strengths and weaknesses in their own organizations, and use these insights to further scale their social impact.

Figure 1: The SCALERS Model

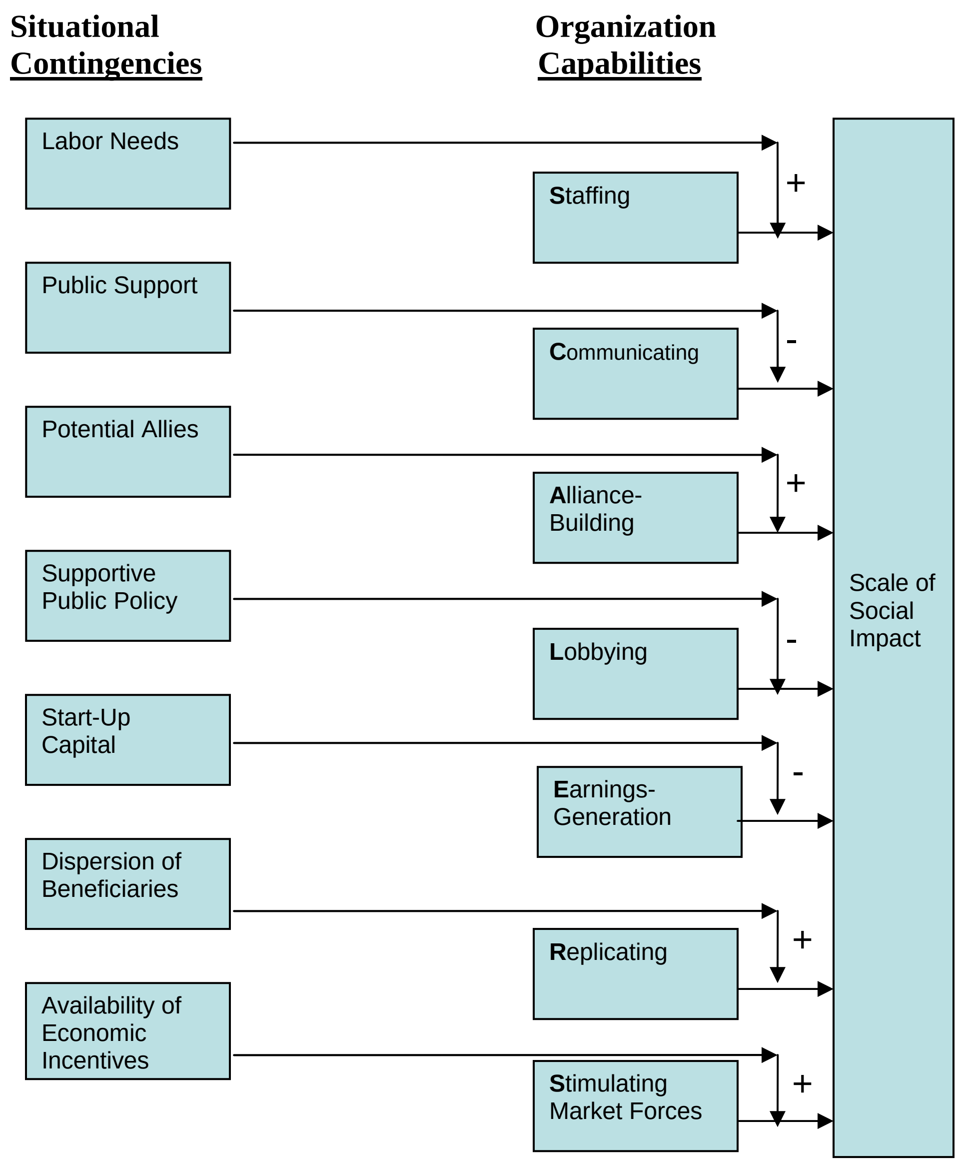

Table 1: Six Case Studies

Situational Contingencies and Organization Resources	**AARP (prescription drug coverage effort)**	**Self-Help (loans for the poor)**	**Campaign for Tobacco-Free Kids**	**Girls on the Run (self esteem for pre-teens)**	**AARP Tri-Umph (triathlon series for 50+rs)**	**Kramden (recycling computers at Geek-a-thons)**
Labor Needs	High	High	Low	High	High	High
Public Support	Medium	Low	High	High	Low	High
Potential Allies	Several	Many	Many	Many	Several	Many
Supportive Public Policy	Weak	Weak	Weak	Adequate	Adequate	Weak
Start-Up Capital	Insufficient	Insufficient	Adequate	Limited	Adequate	Limited
Dispersion of Beneficiaries	High	High	High	High	High	High
Availability of Economic Incentives	High	High	High	Low	Low	Medium
Most Influential Levers (Effective Use = +; Weak Use = -)	S+ C+ A+ L+ E+ R+ SMF+	S + C + A + L + E + R + SMF +	A + L + R+ SMF +	S + (Many vols.) A + E + R +	S + C – A ? R + SMF –	S ? (Many vols.) C ? A ? L – E – R + SMF +
Impact	Got reasonable prescription drug coverage for millions of Americans	Generated millions in loans; new predatory lending laws	Significant decline in youth smoking	Gone from 13 to 40,000 girls per year in programs in 10 yrs.	Program dropped after 2 years. Didn’t attract new triathletes	Have not expanded beyond NC

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