

Section A		
Institution: Middlesex University		
Unit of Assessment: 17 Business and Management		
Title of case study: Creating and Growing Social Enterprise		
Period when the underpinning research was undertaken: 2005-2020		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title)	Period(s) employed by submitting HEI
Professor Fergus Lyon	Professor of Enterprise and Organisation	2000-ongoing
Dr Ian Vickers	Senior Research Fellow	1996-ongoing
Dr Leandro Sepulveda	Associate Professor	2004-ongoing
Dr Sara Calvo	Lecturer/Senior Lecturer	2010-2018
Dr Robyn Owen (Baldock)	Associate Professor	1994- ongoing
Dr Bianca Stumbitz	Research Fellow	2014-ongoing
Period when the claimed impact occurred: 2014-2020		
Is this case study continued from a case study submitted in 2014? No		
Section B		
1. Summary of the impact		
<p>Social enterprises in the UK and internationally face major challenges to their establishment, survival and growth. Research undertaken by the Business School's Centre for Enterprise and Economic Development Research (CEEDR) resulted in changes to practice and public policy, enabling growth of the social enterprise sector and generating impact in three ways:</p> <ol style="list-style-type: none"> 1. <i>Informing and influencing government policy to help social enterprises grow</i> in the UK and internationally through, for example, the UK Office for Civil Society and the EU Social Business Initiative, and particularly in relation to public service mutual; 2. <i>Encouraging SE start-ups and strategic change</i> through online courses, training, and in-depth consultancy/advice. CEEDR's open online courses had over 50,000 registrations between 2016-2020 with an impact evaluation showing 1,945 new social enterprises were attributable to course participation; 3. <i>Improving the services provided by social enterprise support providers</i>, specifically in relation to financial support and service design and delivery. 		
2. Underpinning research		
<p>Since 2005, a series of research projects within the Centre for Enterprise and Economic Development Research (CEEDR) in Middlesex University's Business School have made a significant contribution to understanding how social enterprises grow and how support provision is best designed and organised. Concerns regarding lack of growth exhibited by many small enterprises drove our early research on strategic change in social enterprise with Lyon as a co-investigator in the £10m ESRC Third Sector Research Centre (2008-2014). This work was further developed by Lyon, Vickers and Owen in the £6m ESRC Centre for the Understanding of Sustainable Prosperity (2016-21). A further 18 relevant contract research projects have also been conducted in this period, with non-academic partners and commissioning bodies that include Social Enterprise UK, the Government Office for Civil Society at DCMS, and Joseph Rowntree Foundation. Key research findings from this programme of research comprise:</p> <p>Management for start-up and strategic change CEEDR research identified the key 'hybrid' capabilities needed to combine effectively social and commercial objectives in newly established and growing social enterprises [3.1]. Results on environmentally-motivated social enterprise formed the basis of a typology of scaling processes which advanced understanding of strategies for social enterprise growth [3.2, see also 3.3].</p> <p>Managing innovation Research by Vickers, Sepulveda and Lyon, supported by funding from the ESRC Innovation Research Initiative (2011-2014), provided detailed analysis of social enterprise innovation processes [3.4]. Results showed how successful innovation and subsequent growth was driven by a complex interplay between social and commercial objectives as well as the</p>		

involvement of employees, service users and external partners and funders. The study identified practical ways in which social enterprises can be supported to take advantage of the creative interplay between different 'institutional logics', and how enterprise leaders can encourage and facilitate the ideas and contributions of multiple stakeholders and innovation partners.

Financing social enterprise Analysis of the crucial role of finance in scaling up social enterprises, identified a mismatch between the supply and demand for finance for social enterprises which had not been explored previously. Research, by Owen and Lyon that built on earlier work on innovation and strategic change, clarified the nature of the demand for investment from growing social enterprises, their strategies for obtaining finance and the role of the public sector and philanthropic sources of social investment [3.5]. Conclusions identified how existing policy could be better targeted at those enterprises that face the greatest constraints in accessing finance.

The role of public policy in supporting the growth of the social enterprise sector Findings on the definitions and conceptualisation of social enterprise [3.6] showed that policy development had been limited by confusion over the number and different types of social enterprise. This study revealed how use of different definitions gave rise to wildly different estimations of the scale of the sector in the UK. As a result, policy development for scaling up social enterprise had been misguided. Subsequent Joseph Rowntree Foundation funded research, led by Vickers into cities, the social economy and inclusive growth (2015-2017), identified opportunities and challenges for local and national policy makers to grow the social enterprise sector to achieve inclusive growth. Study of major UK and international cities demonstrated how different policy approaches towards social economy organisations led to the construction of city economies that were variously more diversified, resilient and socially inclusive.

3. References to the research

3.1 Doherty, R., Haugh, H. and Lyon, F. (2014) Social enterprises as hybrid organizations: A review and research agenda *International Journal of Management Reviews* 16(4): 417–436.

DOI: doi:[10.1111/ijmr.12028](https://doi.org/10.1111/ijmr.12028)

3.2 Vickers, I. and Lyon, F. (2014) Beyond green niches? Growth strategies of environmentally-motivated social enterprises. *International Small Business Journal* 32(4): 449– 470.

DOI:[10.1177/0266242612457700](https://doi.org/10.1177/0266242612457700)

3.3 Blundel, R. and Lyon, F. (2014) Towards a 'long view': historical perspectives on the scaling and replication of social ventures. *Journal of Social Entrepreneurship* 6(1): 80-102.

DOI:[10.1080/19420676.2014.954258](https://doi.org/10.1080/19420676.2014.954258))

3.4 Vickers, I., Lyon, F., Sepulveda, L. and McMullin, C. (2017) Public service innovation and multiple institutional logics: The case of hybrid social enterprises providers of health and wellbeing. *Research Policy* 46(10): 1755-1768. DOI: [10.1016/j.respol.2017.08.003](https://doi.org/10.1016/j.respol.2017.08.003)

3.5 Lyon, F. and Owen (Baldock), R. (2019) Financing Social Enterprises and the Demand for Social Investment *Strategic Change* 28(1): 47-57. DOI: [10.1002/jsc.2245](https://doi.org/10.1002/jsc.2245)

3.6 Teasdale, S., Lyon, F. and Baldock (Owen), R. (2013) Playing with numbers: a methodological critique of the social enterprise growth myth. *Journal of Social Entrepreneurship* (April) 4(2):113-131. DOI: [10.1080/19420676.2012.762800](https://doi.org/10.1080/19420676.2012.762800)

Major funding received (excluding other projects totalling £260,000 across 2014-20):

(1) Award to Fergus Lyon, Ian Vickers, Robyn Owen, Middlesex (Co-I); Title: Centre for the Understanding of Sustainable Prosperity; Awarded by ESRC (2016-20); £466,000 of £6m.

(2) Award to: Fergus Lyon PI/ Leandro Sepulveda and Ian Vickers (Co-I) Title: The Role of Mutuals in Public Service Innovation. Awarded by ESRC (2011-2014); £230,000.

(3) Award to: Fergus Lyon, Leandro Sepulveda, Ian Vickers, Bianca Stumbitz, Sara Calvo, Middlesex Co-I; Title: Third Sector Research Centre; Awarded by ESRC/OTS (2008-13); £1.5m of £10 million.

(4) Award to: Vickers (PI), Syrett; Title: Cities, the Social Economy and Inclusive Growth; Awarded by Joseph Rowntree Foundation (2015-17): £37,000.

4. Details of the impact

CEEDR research projects have generated impacts on policy and practice in three ways:

1. Informing and influencing government policy to help social enterprises grow in the UK, Europe and beyond;
2. Encouraging start-ups and strategic change to enable the viability and growth of social enterprises through online courses, training, and in-depth consultancy/advice;
3. Influencing support providers to improve financial support and the design and delivery of their services for social enterprise, thus further enabling the growth of the sector.

Impacts on public policy in the UK and internationally

The Government Inclusive Economy Unit and Office for Civil Society used CEEDR research to develop their strategy for supporting the growth of a particular type of social enterprise - Public Service Mutuals - as part of inclusive growth strategies [5.1]. Our work with Social Enterprise UK has been used by senior civil servants to inform the spending review and strategy for supporting mutuals [5.2]. Recommendations related to how mutuals contributed to innovation in public services were shared and discussed on an ongoing basis, including at key events held by Nesta (2014) for practitioners and policy makers, and at the Cabinet Office (2014) and Office of Civil Society (2018), for policy makers.

The Office for Civil Society contracted CEEDR, in collaboration with Social Enterprise UK, to provide detailed evidence on the strengths of public service mutuals, their strategies for growth, challenges faced, and their support needs. This informed policy and helped refine the support (mentoring and advisory services) provided under the £2.7m Mutuals Support Programme. CEEDR's ongoing work with SEUK also fed into government consultations on how mutuals are officially defined. A senior UK government policy maker stated: *"Insight around the way organisations engage their staff in decision making has been very eye-opening and prompted this set of questions to be included in our upcoming consultation on the future definition of mutuals. Data around profit distribution has also fed directly into the upcoming consultation questions. Additionally, insight into the challenges, which have been echoed in this case study report, are starting to feed into the spending review process and our strategy for supporting mutuals in the future"* [5.2].

The Departments of Business Energy and Industrial Strategy (BEIS) and Digital Culture Media and Sport (DCMS) changed their methodology for assessing the scale of the social enterprise sector in the UK [5.3], with reference to research involving Lyon and Baldock (now Owen) [3.6] and an earlier Social Enterprise Journal paper by Lyon and Sepulveda (2009), which had identified problems with previous mapping exercises. The revised data has been used by national government to focus support on charitable organisations that have moved into social enterprise activity, and also on a broader group of enterprises that includes a large proportion of private for-profit businesses that emphasise a social purpose or mission.

As an internationally-recognised centre of expertise on social enterprise, CEEDR has provided advice to policy makers from Canada, Norway, Philippines, China, South Africa, Bhutan and Australia. Within Europe, CEEDR research on social enterprise in the UK has been used by the European Commission Social Business Initiative (2011-2020) to develop guidance for other member states on how to create an effective enabling environment for social enterprise [5.4]. This led to CEEDR being asked to make recommendations for further policy changes as part of the evaluation team for the Social Business Initiative.

Impacts on start-ups and strategies for growing social enterprises

Insights from our research have been applied by social entrepreneurs to assist their start-ups and by established social enterprises to inform their strategies for growth and innovation [3.1; 3.2; 3.3; 3.4]. Our research findings directly informed the creation of Middlesex University's *Social Enterprise Massive Open Online Courses* (MOOC) on the FutureLearn platform in 2016, that supported learners to start up a social enterprise or grow existing organisations [5.5, 5.6]. By December 2020, there had been over 50,000 registrations for these courses and 72,683 views of clips made available via YouTube. Participants came from 170 countries, with 50% from outside Europe, and 15% actively participating in online discussions. Evaluation results on the impact of the courses, published in a peer reviewed journal [5.5], showed that after three years 34% of the

active learners had founded new social enterprises and 76% (an estimated 1,945 cases) would not have done so without the online course support. Participants reported too that it had helped their job performance (66% of active learners) and career development (25%). Also impacted were a wider group of social enterprises where 79% of all active learners had transferred knowledge and skills gained on the course to other social enterprises.

In addition to the MOOCs, over 70 social enterprises participated in six standalone face-to-face courses on growing a social enterprise delivered by Middlesex University staff for Charity Bank, Impact Hub, and other key support providers. A further 200 UK social enterprises attended workshops on how to grow a social enterprise at 8 sector events. Feedback showed that the courses had shaped how those attending the course thought about strategy in their organisation and helped them develop their own plans for growth [5.6].

A two-year Knowledge Transfer Partnership (KTP) between the social enterprise Holy Cross Centre Trust (HCCT) and CEEDR led to a significant development of their mental health services. An embedded associate employed by Middlesex University working closely with HCCT, drew upon CEEDR research and conducted market research on potential future clients. The social enterprise stated: *“The Knowledge Transfer Partnership has been part of an extensive strategic review and organisational redesign workstream that has focused on developing a genuinely social business within the Health and Social Care field. The KTP has been placed at the centre of this organisational change process...(and)...directly influenced the strategic direction of the organisation. As a result of the KTP the organisation has been able to identify and win certain core contracts”* (p.5) [5.7]. Changes based on the research made possible a turnover increase of 63% with an associated increase in their delivery of client services. The KTP also contributed to other changes such as rebranding, developing business models for wellbeing centres and impact reporting frameworks to drive strategic change.

Ten other social enterprises used our research on combining social and commercial objectives as part of the long-term advisory/consultancy support provided by CEEDR researchers. One of these, AESOP (Arts Enterprise for a Social Purpose), drew on this research to develop social enterprise business models for delivering health services [5.8]. This resulted in changes to the organisation and the support they provided to other social enterprises, as well as the models being shared at a major event attended by over 100 people, including other social enterprises, health providers and government ministers. AESOP has itself grown, with an additional £2.3m expansion of its programme which included over 1,000 older people and 1,000 volunteers across 63 programmes.

Improving the services of support providers

Social Enterprise UK and the Alternative Commission on Social Investment used CEEDR research findings on the significant mismatch of finance supply and demand for SEs [3.5] to inform the establishment of a new Access Foundation, which subsequently distributed £36m [5.9]. The National Council for Voluntary Organisations also used this research in their 2016 report, *Understanding the need to take on Investment*. Lyon was invited to brief Big Society Capital staff and participate in round-table discussions on the role of subsidy in social investment (2017 and 2018), and led an evidence collating panel for the high-profile *Adebowale Commission on Social Investment* in 2020 [5.10].

A variety of providers of advisory services, mentoring and financial support have used Middlesex University research to improve the design of their services for social enterprise growth and to promote wider socially inclusive development. *The School for Social Entrepreneurs*, commissioned CEEDR to evaluate their programmes. Results here were used in the 2016 evaluation report to refine their services for 1,000 people per year, embedding the learning in their ongoing programmes. *Power to Change Trust*, a £150m National Lottery funded programme where Lyon served on the research advisory panel from 2016-2020, improved their support provision based on the findings of research commissioned from CEEDR. Power to Change stated that as a result of this research (led by Stumbitz) on Health and Social Care Community Businesses: *“we’ve launched a Community of Practice [in health and social care] and are investing in this area ourselves. It’s important to have better evidence of both the contribution community businesses can make, and the barriers that hold back growth in the sector”* [5.11].

5. Sources to corroborate the impact

5.1 SEUK (2019) [Public Service Mutuals: State of The Sector 2019](#) (London: Department for Digital, Culture, Media & Sport), demonstrating the use of CEEDR research to design the survey and provide evidence to policy makers.

5.2 Factual statement from Head of Mutuals, Government Inclusive Economy Unit (24/10/18), the senior policy maker leading the *Mutual Support Programme*. This sets out how CEEDR's findings influenced consultation on defining mutuals and fed into the spending review process.

5.3 [Social Enterprise: Market Trends 2017](#) which uses CEEDR research to develop new measures of the number and scale of different types of social enterprise.

5.4 European Commission (2016) [Social enterprises and their eco-systems: developments in Europe](#). As a recognised expert on UK social enterprise policy, Lyon was invited to be a member of the Advisory Board to the European Commission (acknowledged here) and provided guidance to member states on effective policy support for social enterprises.

5.5 Calvo, S., Lyon, F., Morales, A., Wade, J. (2020) Educating at scale for sustainable development and social enterprise growth: the impact of online learning and a massive open online course (MOOC). *Sustainability* 12(8), 3247. <https://doi.org/10.3390/su12083247>. Peer reviewed evaluation of social enterprise MOOC.

5.6 Pybus, J. (April 2020) [How online training is revolutionising social enterprise start-up support](#) in *Pioneers Post* (a leading social enterprise industry magazine), referring to Middlesex research and providing examples of how course participants used this to build connections and grow their businesses.

5.7 Partners Final Report Form, Partnership: KTP009014 (2015) (**confidential** report provided). Middlesex research used by the social enterprise (HCCT) through KTP to enact strategic change <https://info.ktponline.org.uk/action/details/partnership.aspx?id=9014>

5.8 Factual statement from AESOP Chief Executive on its use of CEEDR research to develop social enterprise models for delivering health services, particularly in relation to its Dance to Health initiative [Dance to health: Evaluation of the Pilot Programme](#)

5.9 David Floyd (Social Spider), Dan Gregory (Common Capital), Nikki Wilson [After the Gold Rush – The Report of the Alternative Commission on Social Investment](#) (2015) CEEDR research (p.11) led to recommendations for changing social investment which resulted in the establishment of the Access Fund to address the issues raised.

5.10 National Council for Voluntary Organisations, 2016, [Understanding The Capacity And Need To Take On Investment Within The Social Sector – Report For Big Society Capital](#) (in which Lyon and Baldock research referred to 9 times) and Research panel for the [Adebowale Commission on Social Investment](#), led by Fergus Lyon.

5.11 [PTC Head of Research](#) quoted in relation to impact of MU/SEUK authored report (2018) [The role of community businesses in providing health and wellbeing services: Challenges, opportunities and support needs](#)