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**INTERMEDIARIES AND SOCIAL ENTREPRENEURSHIP IDENTITY: IMPLICATIONS
FOR BUSINESS MODEL INNOVATION**

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INTERMEDIARIES AND SOCIAL ENTREPRENEURSHIP IDENTITY: IMPLICATIONS FOR BUSINESS MODEL INNOVATION

Abstract

Purpose: We propose a theoretical basis for understanding the role of ecosystem intermediaries in the configuration of social entrepreneurship identities in social purpose organisations (SPOs) and their business model innovations (BMIs).

Design/methodology/approach: Adopting a retrospective multiple-case study, we offer insights into the paths/elements that determine the building of 44 social entrepreneurship identities in the context of an emerging economy (Mexico).

Findings: Our study sheds light on the role of intermediaries in the configuration of the entrepreneurial identities of Mexican SPOs and BMIs, as well as several externalities generated during the process of capturing the social and economic value, especially when social innovations are focused on solving societal, economic, and ecological social problems.

Originality: Our study enhances the discussion about how intermediaries could encourage social entrepreneurial identity, as well as how intermediary intervention could facilitate the design and implementation of business model innovations (BMI) in the innovation ecosystem.

Research limitations/implications: The first limitation is related to the analysis of intermediaries within the social entrepreneurship ecosystem, which needs more conceptual and empirical evidence. The second limitation is that our analysis focused only on intervened SPOs, as we did not control for non-intervened SPOs. Thus, this allows for future in-depth analysis of intermediary efficiency in a focus group (intervened SPOs) and a control group (non-intervened SPOs).

Practical implications: Our study also provides insights for Mexican SPOs on how a social entrepreneurship identity helps to capture the value creation of social innovations within an innovation ecosystem. Indeed, it is strongly aligned with the United Nations' Social Development Goals.

Keywords: Social Entrepreneurship Identity; Intermediaries; Entrepreneurship Ecosystems; Innovation Ecosystems; Social Innovations; Business Model Innovation

Introduction

Over the last decades, the entrepreneurship literature focused on the environmental factors that determine entrepreneurship diversity inside and across countries (Guerrero *et al.*, 2020; Welter *et al.*, 2017), as well as their impact on regional development (Audretsch *et al.*, 2006). This research line has evolved to now focus on the interconnectedness of organisations working together in innovative ways to act entrepreneurially through collaborative efforts (Pattinson *et al.*, 2018), often termed *ecosystems* (Acs *et al.*, 2017). Although the literature on entrepreneurship ecosystems continues to expand (Aarikka-Stenroos and Ritala, 2017; Liguori *et al.*, 2019), rethinking how intermediaries encourage innovation and entrepreneurship diversity in developing/emerging economies still needs conceptual and empirical discussion (Roundy, 2017; Thompson *et al.*, 2018; Neumeyer *et al.*, 2019). This academic rethinking takes special attention to achieve the Sustainable Development Goals' (SDGs) actions related to end poverty and ensure well-being and prosperity in developing/emerging economies.

We focus on three academic debates to address these research gaps. *The first academic debate* focuses on how intermediaries could encourage social entrepreneurial identity. According to Moore *et al.* (2012), two types of intermediaries have been identified in the literature: the first type supports investment goals within the philanthropic landscape (Pharoah, 2007); and the second type serves as social entrepreneurs, acting as mentors or coaches (Shanmugalingam *et al.*, 2011). Several questions remain about the effectiveness of intermediaries in stimulating and supporting the transformation of social purpose organisations (SPOs) into social entrepreneurs within the context of emerging economies (Eberhart and Eesley, 2018). *The second academic debate* is related to how intermediary intervention could facilitate the design and implementation of business model innovations (BMI) in the innovation ecosystem. According to Bocken *et al.* (2014), the key BMI stages are value proposition, value constellation, and profits. The role of intermediaries in the provision of resources and the development of capabilities required by SPOs across BMI stages still needs analysis (Calic and Mosakowski, 2016). *The third academic debate* is related to how SPOs' strategies to capture the BMIs' social and economic value (Yunus *et al.*, 2010). Several effects and externalities are generated during the process of capturing

social and economic value, especially when social innovations are focused on solving societal, economic, and ecological social problems (Boons and Lüdeke-Freund, 2013).

Inspired by these academic debates, this study explores the role of ecosystem intermediaries in building the social entrepreneurship identity of social purpose organisations (SPOs) and the development of their business model innovations (BMIs). Adopting a retrospective multiple-case study, the proposed conceptual framework offers insights into the paths/elements that determine the building of 44 social entrepreneurship identities in the context of an emerging economy (Mexico). Our results shed light on the role of intermediaries in the configuration of the entrepreneurial identities of Mexican SPOs and BMIs, as well as several externalities generated during the process of capturing the social and economic value, especially when social innovations are focused on solving societal, economic, and ecological social problems. Our study contributes by extending the academic discussions related to the transformation patterns of social entrepreneurship identities (Ibarra and Obodaru, 2016), the role of intermediaries within social entrepreneurship ecosystems (Dey and Lehner, 2017), and the configuration of SPOs' sustainable innovation models (Press *et al.*, 2019).

In this study, we first present the boundary conditions that are assumed by our theorising and then provide a review of the literature focused on social entrepreneurship ecosystems, the role of intermediaries, the building of social entrepreneurship identity, and the BMI stages. We later introduce our methodological design. We then analyse our findings. Finally, we offer a discussion focused on the implications of our model and conclusions with future research.

Theoretical foundations

A conducive social entrepreneurship ecosystem

According to Mason and Brown (2014, p. 5), an entrepreneurial ecosystem is understood as “a set of interconnected entrepreneurial actors (potential and existing), entrepreneurial organisations (corporate venture capitalist, venture capitalists, business angels, banks, crowdfunding platforms), other organisations (universities, public sector agencies, local development bodies) and entrepreneurial

processes (high growth firms, serial entrepreneurs, social entrepreneurs, entrepreneurial mindset) which formally and informally coalesce to connect, mediate and govern the societal, economic, or technological development of territories.” Others have built on the ecosystem foundation to include the term *innovation ecosystem* (Autio *et al.*, 2014; Beliaeva *et al.*, 2019). Even though there is no consensus on how entrepreneurial ecosystems take form (Brown and Mason, 2017; Möller and Halinen, 2017), existent studies have adopted the rationality of the ecosystem into social boundaries.

Prior studies highlighted the role of intermediaries as a useful infrastructure that was needed to support social finance (Pharoah, 2007) or guide potential investment opportunities and reduce legal barriers and fiduciary responsibilities (Shanmugalingam *et al.*, 2011). Then, Barraket *et al.* (2016) provided insights about the social entrepreneurship ecosystem actors identified in the Australian context. Roundy (2017) argued the relevance of dynamic interactions among actors involved in the social entrepreneurship ecosystem. Aisenberg *et al.* (2019) extended this academic debate, focusing on the policy required for developing a stronger ecosystem for social entrepreneurship and social enterprises in the country. Moreover, recent studies have highlighted the important role of intermediaries such as mentors, support infrastructures, and networks on the improvement of the entrepreneurship profile of SPOs or NFPs (Roberts and Lall, 2019). The complexity of the study of social entrepreneurship ecosystems increases when the phenomenon is explored in the context of emerging economies. This complexity is associated with institutional voids (Puffer *et al.*, 2010) that could be reduced by the legitimised entrepreneurship role as the critical driver of well-being and regional development (Audretsch *et al.*, 2006). Consequently, extant studies have recognised that the configuration of entrepreneurship ecosystems in emerging economies is an outcome of triple-helix actor initiatives (Baier-Fuentes *et al.*, 2020; Guerrero and Urbano, 2017b, 2020). In this regard, the insights gathered about the role of social entrepreneurship ecosystem actors from mature economies could be appropriate for explaining the same phenomenon in emerging economies.

The role of intermediaries in social entrepreneurship identity-building

In the entrepreneurship literature, intermediaries are identified as the actors of an entrepreneurship ecosystem (e.g., incubators, accelerators, governmental agencies, mentors, and others organisations) that facilitate the flow of resources, the building of capabilities, the access to social networks, and the connection with funding sources (Eberhart and Eesley, 2018, p. 2644) to facilitate entrepreneurial endeavours (Mahto and McDowell, 2018). In certain circumstances, intermediaries could also offer “certifications” that legitimise the information about the stage of entrepreneurship for potential investors and stakeholders (Sine *et al.*, 2007). In emerging economies, ecosystem intermediaries also legitimise the norms that reduce institutional voids (Mair *et al.*, 2012), entrepreneur’s failure (Dutt *et al.*, 2016), and, if necessary, they could act as market mediators (Lee *et al.*, 2017). With regard to social entrepreneurship, the role of intermediaries has been studied under the perspective of facilitators in the flow of resources for improving social investments (Nicholls and Paton, 2009; Nicholls, 2010) or as connectors between social entrepreneurs with potential social mindset investors who are interested in investing their money into social innovations (Chesbrough and Di Minin, 2014). Few studies have evidenced the role of ecosystem actors/intermediaries as contributors to social entrepreneurship capacity-building or the transformation processes of SPOs or NFPs (Dey and Lehner, 2017); in other words, the configuration of a social identity (philanthropic perspective) into a social entrepreneurial identity (sustainable perspective).

Typically, in an emerging economy, SPOs or NFPs are preoccupied with developing social innovations to address the most complex societal, economic, or environmental challenges (Moore *et al.*, 2012). Given that the sustainability of social innovations is conditioned by the “entrepreneurial” ability of social organisations to access/leverage means (financial, human, physical, technological, medical), the greatest challenge of SPOs or NFPs is shifting their “paradigm” of becoming sustainable and adopting a dual (social and entrepreneurial) identity without losing their philanthropic purposes (Maclean *et al.*, 2013). According to Beech (2011), the dialogue between self and others is a good practice for rethinking or reconstructing an organizational identity. In this regard, social ecosystem intermediaries play an important role through their interventions to build social and entrepreneurial identities into SPOs’ teams. For example, participating in intervention programs, SPOs or NFPs could be able to understand the

relevance of adopting an open perspective or entrepreneurial mindset, as well as of applying tools to improve their governance, human talent development, financial sustainability, legal and fiscal structure, and business models innovation and to achieve their expected social innovation impact (Shanmugalingam *et al.*, 2011). As a consequence, ecosystem intermediary intervention will be useful for reducing the means-ends effect that on SPOs is focuses on either cannot anticipate or cannot understand the outcomes that their “social entrepreneurial” actions will bring after a mimetic adoption of new practices (Bromley *et al.*, 2012). According to Ashforth and Schinoff (2016), the reconstruction of identity implies feelings (desire), actions (behaviors), and thinking (cognitions). In this vein, the interventions of ecosystem intermediaries could ensure that SPOs’ teams/beneficiaries assimilate the introduction of business practices without altering the philanthropic purpose and learn the required skills or knowledge to implement those business practices into new business models innovations (Eberhart and Eesley, 2018).

Business model innovations (BMIs)

Based on previous studies, in this paper social innovations are understood as ideas, products, programs, or initiatives oriented to reduce social challenges or to improve systems of values/beliefs (Rabadjieva and Butzin, 2019). Assuming a social entrepreneurship identity, SPOs or NFPs should be able to improve the elements and organisational structures associated with their social innovations initiatives and be able to adopt a sustainable strategy to increase beneficiaries’ added value and to achieve expected societal impacts (Zott and Amit, 2007). Despite ever-growing literature on the concept of the BMI, there is no consensus as to the definition (Foss and Saebi, 2016). In this paper, therefore, BMIs represent a consistent and integrated picture of the way social entrepreneurs could capture the value created by their social innovation initiatives. In general, BMIs comprise several elements: (a) value proposition; (b) value constellation; (c) social profit equation; and (d) economic profit equation (Yunus *et al.*, 2010, p. 312; Boons and Lüdeke-Freund, 2013, p. 16).

The ecosystem intermediary intervention may be focused not only on shifting the “social enterprise” paradigm but also on supporting SPOs or NFPs across the configuration of the BMIs’ elements, as well

as providing linked legitimacy to the firms (Press *et al.*, 2019). First, in the value proposition stage, SPOs or NFPs should acquire the necessary skills/knowledge or tools to define the value proposition based on a solid understanding of the societal “problems” or “needs” of their potential “clients” (Bromley and Orchard, 2016). Based on this learning and data-collection process, SPOs or NFPs may be able to (re)design the packages of “products” or “services” to deliver according to the profile of their “clients”, “current beneficiaries”, or “other groups of interest” related to the social innovations’ initiatives (Rabadjieva and Butzin, 2019). Simultaneously, with the validation of the value proposition with potential clients, in the value constellation stage, SPOs or NFPs should be able to explore the necessary internal/external means/resources for developing their products/services (Yunus *et al.*, 2010). In this second stage, the social entrepreneurship ecosystem intermediaries should connect SPOs or NFPs with specialised mentors involved in the ecosystem who help them to acquire knowledge about their potential market, to prepare their pitches in kicking-off rounds with potential social innovation investors (Zhang and Watson, 2020), or to connect them with crowdfunding platforms oriented toward social entrepreneurs in the ecosystem (Calic and Mosakowski, 2016). They also may be able to use digital tools to improve their business models and to cover digital clients (Khanagha *et al.*, 2014). The expected value from previous BMI’s stages may be captured in the third BMI’s stage in the way of social profits (Boons and Lüdeke-Freund, 2013) and economic profits (Yunus *et al.*, 2010). It is the way to capture the contribution of BMI to the sustainability of SPOS’ societal purposes when adopting a hybrid social and entrepreneurial orientation (Dacin *et al.*, 2011). Although the social entrepreneurship ecosystem actor’s intervention facilitates the BMI’s trial-error learning process (Sosna *et al.*, 2010), the BMI’s success depends on the decisions made by the potential “clients”.

The (in)direct impacts of BMIs

The literature on social entrepreneurship BMIs recognises the (in)direct contribution of social innovations as a way to analyse additional impacts beyond the solutions of the social problems that are the initial focus of concern (Alvord *et al.*, 2004, p. 206). Regarding societal impacts, in medium or longer term, the sustainability of BMIs and the introduction of a social entrepreneurship orientation contribute incrementally to more SPOs’ beneficiaries (Mair and Marti, 2006). In other scenarios, if

SPOs' beneficiaries are part of the execution of the BMIs (not as clients but as participants in the development of products/services), certain economic externalities are also produced in the economy at the family level. In the long term, social entrepreneurship generates a major societal transformation through regulations or cultural/social norms by reducing the stigma in the change of the paradigm about what philanthropy does not only means as a social service but it also represents sustainable resources to provide that social service (Sullivan *et al.*, 2003). Similarly, recent overviews also associate several ecological impacts beyond social entrepreneurship BMIs (Carrillo-Hermosilla *et al.*, 2010). In this sense, BMIs are also linked with superior ecological performance.

Methods

Research setting

Mexico is a federal republic comprising 31 regions and a capital that is the Federal District, with a population of 122 million. In the past two decades, Mexico has faced several institutional voids that have influenced the stability of macroeconomic conditions (Guerrero and Urbano, 2017a, 2020). The research is set in Mexico for several reasons. At the political level, Mexico faced a political transition from 70 years of being dominated by a one-party system (the Partido Revolucionario Institucional) toward the establishment of a multiparty system in 2000 (Bunker, 2013). During the past two decades, Mexico was administrated by the Partido Acción Nacional (2000-2012), then by the return of the Partido Revolucionario Institucional (2013-2018), and in the recent election by the Partido Morena (2019-2024). Directly or indirectly, the immature democratic transition has dramatically influenced socioeconomic stability by the lack of continuity of successful programs developed by predecessors.

Consequently, at the economic level, the main challenge has been not only to produce innovative products/services to compete on the global technology frontier but also to reduce the accumulation of socioeconomic problems of poverty and inequality (Bancomer and Colegio de México, 2018). As a consequence, these societal problems have generated several externalities, such as (i) institutional weakening, distrust, and social disintegration; (ii) inhibition of human capital development, a weak educational system, and migration because of the rigid rules of the labour market and lack of

opportunities; (iii) inhibition of economic development because of inequitable income distribution; and (iv) an increase in the violence/crime rates, social tensions, rampant crime, and low levels of trust in the security system (Hausmann *et al.*, 2009; Kan, 2011; Heinle *et al.*, 2015). If national strategies are not enough to reduce their institutional voids and socioeconomic problems, emerging social innovations must be developed by motivated individuals or organisations to reduce or “solve” the socioeconomic problems that communities or group of individuals are facing (Mulgan, 2006; Guerrero and Santamaría-Velasco, 2020; Guerrero and Urbano, 2020). Based on this evidence, this study analyses in-depth the development of social innovations and business model innovations by Mexican SPOs.

Qualitative analysis

We used a qualitative grounded theory methodology (Eisenhardt, 1989). This qualitative approach is appropriate for developing theory and a highly textured view of the intervention of social entrepreneurship ecosystem actors on the development of BMIs by SPOs that assume a hybrid social and entrepreneurial identity in emerging economies (Roundy, 2017; Roundy and Fayard, 2019). Specifically, we designed a retrospective multiple-case study analysis that is a type of longitudinal case design in which all data, including first-person accounts, are collected when the majority of the events and activities under study have already occurred and the outcomes of these events/activities are known (Street and Ward, 2010).

Research is focused on three intervention programs between 2015 and 2017 oriented to SPOs that were implemented by a Mexican entrepreneurship ecosystem’s social organisation. First, the intervention to “transform” was focused on to explore the evolution of social enterprises into more sustainable organisations that achieve greater impact in their localities. This program had two editions: in 2016 (3 SEs) and 2017 (1 SEs). The six to twelve months of intervention represented an excellent opportunity to define a solid organisational structure and the strategic planning for implementing BMIs with defined financial and economic aspirations. Second, the intervention to “accelerate” was oriented to consolidate SPOs with the aim to reduce the dependence of donatives and increase the impact in their localities. This program had two editions: in 2016 (36 SPOs) and 2017 (12 SPOs). The six months of intervention

represented an auto-evaluation, the re-definition of BMIs, the design of crowdfunding campaigns, the validation of new BMIs, the estimation of sustainable financial projections, and the communication of this new paradigm to potential investors and partners. Third, the intervention to “replicate” was oriented to implement existing BMIs that have generated higher impact in one part of the world. This program had two editions: in 2015 (1 SPO) and 2016 (1 SPO). During six months of intervention, these two SPOs interacted, negotiated, and adopted two BMIs/identities with different impacts (the previous one vs. the new one).

The data-collection process adopts the triangulation suggested by Yin (2014), which consists of mixing multiple sources to gather data, such as interviews, as well as information from secondary sources, such as prior records, SPOs websites, official reports, and social media records. Table I shows the data-collection strategy.

-- Insert Table I here --

We interviewed the SPOs that were intervened during the programs outlined in the previous section (see their general profile in Appendix 1). Following our literature review, we designed a semi-structured interview protocol to explore the SPOs transition into a social entrepreneurship identity (Shepherd and Patzelt, 2018; Harrington and Clarkson, 2019), the BMI development process (Zott and Amit, 2007; Chesbrough and Di Minin, 2014), their perceptions about the social entrepreneurship ecosystems and its intermediaries (Moore *et al.*, 2012; Eberhart and Eesley, 2018), and the results and impacts obtained in this process (Yunus *et al.*, 2010; Boons and Lüdeke-Freund, 2013). On average, each one had a duration of two and a half hours, which was recorded and transcribed. This fieldwork was developed during the first quarter of 2019. Confidentiality agreements ensured that the identity of each organisation was kept anonymous. The interviews allowed us to capture details about the pre-intervention stage (the initial financial statements, organisational auto-evaluation, expectations/purposes), the intervention stage (learning process, the development BMIs, the experience with diverse social entrepreneurship ecosystem’s actor), and post-intervention stage (outcomes, impacts, and success/failure). Also, we interviewed ten social entrepreneurial actors who had participated in the intervention process (Roundy

et al., 2017). Moreover, we complemented the analysis with data from annual reports, official documentation, and websites. The secondary information allowed us to reconstruct the transformation of a social identity into a social entrepreneurship identity.

Regarding the data analysis, the information was coded and analysed according to the patterns identified in the literature (Miles and Huberman, 1994). The analysis of the encoded data involved the search for common patterns among interviews (Eisenhardt and Graebner 2007) in order to identify findings that were framed in the previous literature, thereby strengthening the internal validity of the research.

Results

Mapping the Mexican social entrepreneurship ecosystem (SEE)

-- Insert Table II here --

Table II shows some insights about the Mexican social entrepreneurship ecosystem identified in our analysis. Similar to previous studies about entrepreneurship and innovation ecosystems (Guerrero *et al.*, 2020), the Mexican social entrepreneurship ecosystem comprises interconnected government agencies, support infrastructures, philanthropic investors, higher education organisations, beneficiaries, society, SPOs and other types of social promoters. The unique characteristic, given the size and nature, is that the Mexican SEE has emerged as a social initiative of proactive actors (intermediaries) to stimulate connections and to facilitate actions among SPOs, private and public agents, and human promoters who are sharing motivations, objectives, and synergies. A simple example was to consider social service as an obligatory requirement for graduation in technical and higher education degrees at the national level many decades ago. Directly or indirectly, this type of educational initiative not only returns something to their communities but also configures the students' social character. The bright side, according to the interviewed SPOs, is the invaluable support from universities' students and volunteers. The dark side recognised by SPOs is the existence of social norms, behaviours, or taboos about philanthropy, social entrepreneurship, and ignorance about specific diseases, additions, or social problematics. Nevertheless, according to the SEE's Alpha actor,

...the culture of cooperativity and solidarity, it is in the Mexicans' DNA. Therefore, economic history has evidenced the relevant contribution of social innovation initiatives to respond to the inequality and poverty crises that we live in this country. We are building a large and diverse ecosystem for supporting the emergence of social enterprises...

Exploring the SPOs' perceptions, the greatest SEE weakness is the lack of legal/fiscal frameworks that clarify and regulate the development of social innovations with an economic return. The existing framework that adopted social entrepreneurs comprises a few articles in the Mexican Constitution about their specific purposes (i.e., education, health, poverty, agriculture, environment, urbanism) as well as the law of social and solidarity economy that includes regulations for social organisations (Chamber of Deputies, 2015). Moreover, the administration has implemented different legal figures, fiscal regulations, and specific social programs in the national development plans over the past decades (INAES, 2015 and 2017; Robleda, 2015). According to the SEE's Beta actor,

... from a legal standpoint, the legal figure of the social enterprise does not exist in Mexico. There is not a model defined in the law, and there are no guidelines for its legal constitution. As a consequence, there are no regulations about the social, economic and environmental impacts generated by its BMI or a specific fiscal regime with certain incentives and obligations. Therefore, social entrepreneurs could adapt their activities to the actual legal figures such as Anonymous Society (SA), Limited Responsibility Society (SRL) or Anonymous Society that Promotes Investments (SAPI)...

Another SEE weakness, according to the SPOs, is the sources for funding social initiatives. Traditionally, the Mexican SPOs received financial support by applying to international/national calls for social innovation or by the donations from philanthropic investors and society (Martínez and Dutrenit, 2018). However, SPOs have faced several barriers from Mexican administrations that have implemented mechanisms to control donations and to avoid tax evasion or drug money laundering (Monroy, 2015). Moreover, influenced by digitalisation, several crowdfunding platforms have emerged to support social innovations of Mexican SPOs. In this regard, the SEE's Gamma explained that

... proactive and commitment actors with social problematics have led the creation of philanthropic business angles networks as well as social investors groups for supporting social innovations initiatives but also promoting legislative initiatives to regulate and to provide security to all actors involved in the social entrepreneurship ecosystem. The relevant promoter of this legislative initiative has been the intermediary based on the results obtained after its intervention on SPOs...

The social entrepreneurship ecosystem intermediary intervention

Building a social entrepreneurship identity: Building or rebuilding the fundamentals of the social and entrepreneurial identity was the most critical challenge for SPOs during their involvement in their intervention programs (see Appendix 2). According to previous studies (Shepherd and Patzelt, 2018; Harrington and Clarkson, 2019), there are some “ingredients” for transforming the social identity into the social entrepreneurship identity. In this regard, the intermediary designed several activities for working each ingredient. The first ingredient was the explicit or implicit theory of change that later will be manifested in strategies, tactics, and business models (Mair and Mair, 2006; Mair *et al.*, 2012). Based on the interviews, SPOs with a solid/robust social identity were the most open to incorporating the entrepreneurial identity into their DNA. Even then, the assimilation was not easy, they assumed that become sustainable allows for the reduction of financial stress at the end of each month, increment of the sources of capital/funds (not only donatives), focus on the achievement of their objectives, and validation of expectative to assistance more beneficiaries and their facilities/communities. It is aligned with the auto-evaluation, as evidenced during our interview, where the majority of SPOs self-recognised as proactive organisations but avoided assuming higher risks. The second and third ingredients are very connected. The second ingredient was analysing the resources and organisational governance. In this regard, the majority of the participants were consolidating SPOs with strong knowledge and understanding of their “value-chain”. Therefore, they recognised strong governance and structure but also the lack of professionalisation in critical areas such as communication and finance. The third ingredient was the revision of the financial, economic, fiscal, and legal situations. It was the most challenge part for the majority of the SPOs, who did not have an idea about how to convert red numbers

into black numbers. In this stage, they recognised the dependency on donations and the limitations on the execution of social services. Based on that, the participants started to understand the relevance of capturing economic value without losing their social purpose. Moreover, they explored the legal and fiscal alternatives that allow for the capture of the economic value of their social innovations. The fourth ingredient was translating this “new paradigm” for the diverse stakeholders: employees, volunteers, advisory committees, beneficiaries, families, and society. For that purpose, the theory of change was also useful in this stage. In sum, after the intervention process and during our interviews, the SPOs summarised the “conditions” associated with the success/failure in the configuration of the social entrepreneurial identity (see Table III).

-- Insert Table III here --

The BMI's components: Based on Yunus *et al.* (2010) and Boons and Lüdeke-Freund (2013), we analysed the three components of the BMI: value proposition (identification of client/problem and definition of the package of products/services), value constellation (validation based on own resources and in the “market”), and economic/social profits (see Appendix 2). During the intervention, the SPOs received mentorship, training, and advice from experts involved in the Mexican social entrepreneurship ecosystem. As a result, regarding the value proposition, 90% of the SPOs identified potential needs or problems associated with their social purpose. By understanding these opportunities, the next step was collecting data about innovative solutions that generate value by offering new products/services. Then, the majority of SPOs identified potential clients open to pay for these products/services. Moreover, concerning the constellation, the SPOs validated the positivity to offer these products/services with their available resources (knowledge, team, funding). Simultaneously, SPOs developed a validation with potential clients and collected information to redesign their BMIs. Concerning the social/economic profit, during the intervention and a few months later, 50% of the SPOs sold the products/services that represented between 2% and 30% of their current annual incomes. According to the opinion of a participant,

...we understand the social problem that we wanted to address, and we were also able to identify our client. However, when we started to validate our proposal in the market, we discovered that

our service did not have any differentiating element to be competitive on price/service. After this experience, we understood that we did not want to offer a service with a social cause that only buys people for charity. Then, we broke the wall, and we were close to giving up...

Post-intervention and self-evaluation

Their current BMIs' stage: Based on the information collected from the 44 SPOs that were intervened (see Appendix 2), Figure 1 shows the current stage of the SPOs' BMI. 50% of the intervened SPOs have confirmed the successful implementation of their BMIs, and some of them have achieved a certain degree of financial sustainability. 32% of the intervened SPOs redefined their BMIs; in particular, they are reconsidering new packages of products for different clients (i.e., the previous target of clients did not work very well). 11% of the intervened SPOs did not have success in the validation of their BMIs and declined to modify them (i.e., they considered that they did not have the time and the resources for rebuilding because they are supported only by volunteers). 7% of the intervened SPOs decided to exit for diverse circumstances, such as the death of or the retirement of their founder. We observed maturity in the social entrepreneurship identity as well as the consolidation of BMI in those organisations that participated during the 2015 and 2016 intervention programs. They have not only reinforced their BMI but have also replicated them into new social purposes. Interestingly, the graduates of replication and transformation programs have obtained better results than what the graduates of acceleration programs derived from their particularities at the beginning of the intervention.

-- Insert Figure 1 here--

The BMIs' value creation and impacts: Table IV summarises the self-assessment of the impacts and challenges that currently face intervened organisations. Regarding the impacts, we identify several trends. First, the organisations with successful BMIs recognised more significant economic impacts as the reduction of dependence on donations and the reduction of red numbers. At the organisational level, the organisations recognised organic growth in terms of employees and the professionalisation of their employees. At the stakeholder level, the organisations recognised the satisfaction of their clients and the

increment in support of new beneficiaries, families, and communities. Second, the organisations that are reconfiguring their BMI or are not implementing the BMI reported minimal outcomes/impacts. However, the most crucial insight was to confirm that at least some organisations are operating with positive numbers. Third, the fundamental challenges focus on gaining financial security, sustainability, and growth. After covering these economic issues, these organisations will be able to assume internal challenges, such as offering better salaries to their teams, multiplying beneficiaries, and improving physical infrastructures.

-- Insert Table IV here --

Evaluation of the intermediaries: The evaluation of the intervention processes evidenced that 66% of the participants recognised a positive intervention that enriched capabilities, strategies, tools, and allowed connecting with diverse actors of the social entrepreneurship ecosystem (mentors, other social enterprises, investors, strategic allies). 25% of the participants had a neutral perception of the role of intervention. They recognised a contribution but also recognised that the intervention could be improved in terms of the duration (they required more time to assimilate what they have learned) and the mentoring (they needed mentors to solve individual needs rather than the group needs). Finally, 9% of the participants faced a negative opinion, arguing that they dominated the tools and that mentors did not cover their needs.

Discussion

Contributions to the theory

This study enhances the discussion of four current academic debates on social entrepreneurship, social entrepreneurship ecosystems, business model innovation, and social entrepreneurial identity summarised in Figure 2.

-- Insert Figure 2 here --

First, the study provides insights into the role of ecosystem actors in the dynamics of social entrepreneurship capacity-building in the region. It also identifies the environmental conditions that influence social entrepreneurship in economies such as Mexico (Guerrero and Urbano, 2020). In this regard, we enhance the discussion about how social entrepreneurship ecosystems are configured in the context of emerging economies (Roundy, 2017) as well as how ecosystems are supporting the creation of regional capabilities (Espinoza *et al.*, 2019; Roundy and Fayard, 2019). In this assumption, we propose the following proposition:

P1: In emerging economies, the involvement of proactive social-mindset actors contributes positively to the capacity-building of conductive social entrepreneurship ecosystems.

Second, the study provides insights into the role of ecosystem intermediaries in the transformation of philanthropic identity to a sustainable and social entrepreneurship identity. The analysis also provided elements about how SPOs manage the adaptive tension arising from dual-mission focus and how intervention programs could reduce this tension. Dutton *et al.* (2010) highlighted that a positive work-related identity construction should strengthen employees through building social resources. However, individuals' liminal experiences limit the reconstruction or growth of organisational identities (Ibarra and Obodaru, 2016). Therefore, our insights enhance the academic debate about how ecosystem intermediaries are contributing to the configuration of the dual and hybrid nature of social entrepreneurs (Haigh *et al.*, 2015), as well as how ecosystem intermediaries are contributing to the development and implementation of BMIs (Yunus *et al.*, 2010; Boons and Lüdeke-Freund, 2013). In this sense, we propose the following proposition:

P2: In emerging economies, the proactive intervention of social entrepreneurship ecosystem intermediaries contributes positively to the building of the social entrepreneurial identity of social purpose organisations.

Third, the study provides insights about the three critical stages involved in the SPO BMI processes (value proposition, value constellation, and profits), with particular emphasis on the relevant participation of three agents: the team, the ecosystems, and the client. The team represents the internal

determinant in success/failure. If the new social entrepreneurship identity is not well understood and integrated into the DNA of the SPO, it will represent the main internal barrier during the configuration of the SPO components (Zott and Amit, 2007; Bocken *et al.*, 2014). Also, without a conducive and supportive entrepreneurial ecosystem, SPOs will not be able to ensure the required resources (talent, funds, information, infrastructures) and the capabilities (advisors, partners, alliances, collaborations) for creating/testing their innovative value propositions (Moore *et al.*, 2012; Calic and Mosakowski, 2016). However, most importantly is the identification of the client who understands the new social entrepreneurship paradigm and is able to pay for the product/service that is offered by the SPO (Weerawardena *et al.*, 2010; Barinaga, 2013). In this sense, we propose the following propositions:

P3a: In emerging economies, the proactive intervention of social entrepreneurship ecosystem intermediaries contributes positively to the configuration of SPOs' business model innovations.

P3b: In emerging economies, the moderated intervention of social entrepreneurship ecosystem actors on the SPOs' business model innovations value-creation is positively/negatively determined by the clients' reaction to their social entrepreneurship identity.

Four, the study provides a few insights about the ways to capture the social and economic value of BMIs, as well as some external impacts generated at regional level (Yunus *et al.*, 2010; Boons and Lüdeke-Freund, 2013). In the assumption that BMIs produce several societal, economic, and ecological externalities, we propose the following proposition:

P4: In emerging economies, the SPOs' business model innovations value-creation produces positive (in)direct societal, economic, and ecological impacts.

Implications to Mexican SPOs and to policymakers

This study also provides insights for Mexican SPOs on how a social entrepreneurship identity helps to capture the value creation of social innovations within an innovation ecosystem. First, our insights show how certain elements are required for building this identity. Specifically, the elements are: the openness

to change, the governance and talent development, the antecedents of sustainability (economic profile, legal figures, fiscal regulations, labour market regulations), and the social impact. Second, SPOs should also consider the involvement and engagement of their team across stages. The transformation will not be possible without positive attitudes from the team toward the dual identity (social and entrepreneurial) and without the tolerance that will be relevant during the complicated/different moments. Third, SPOs also have some role models, as well as insights about useful strategies (crowdfunding, partnerships), key stages (proposition, constellation, and profits), innovations, and resources (people, funds, networks, voluntaries), associated with the design, validation, and implementation of BMIs. Indeed, SPOs may also consider their involvement in programs promoted by the agents of social entrepreneurship ecosystems. Often, SPOs do not participate in their cost-benefit analysis. This study shows how SPOs not only received mentorship from intermediaries but also received access to critical agents of the social entrepreneurship ecosystem who are now part of their advisory committees or their social business angels. In sum, become social enterprise does not disconnect with the philanthropic nature of SPOs, it in fact does help to increase the number of beneficiaries and quality of the services adopting a sustainable vision.

With regards to policymakers, our insights also offered some implications that are applicable in the Mexican context and may be similar in Latin-American countries. At the legislative level, several adjustments must be made to the current law. First, the law of social and solidarity economy provides several elements that respect the autonomy of social entities, but it is essential to recognise the contribution of these organisations to society. Second, fiscal legislation should also be reformed to recognise instruments that promote the inclusion of social enterprises and also ensure adequate taxes and incentives according to their activities. It legitimises the culture of social development. Third, if Mexico wants to achieve sustainable development goals, social enterprises should be considered as a part of this strategic objective. It would imply budget allocation and innovative instruments to boost this sector.

Conclusions

Our study sheds light on the role of intermediaries in the configuration of Mexican SPOs' entrepreneurial identities and BMIs. Given the exploratory nature of our study, three limitations open a promising research agenda in emerging economies. *Our first limitation* is related to intermediaries' role within the social entrepreneurship ecosystem through their intervention within 44 Mexican SPOs. It suggests that our findings are directly applicable to understanding the phenomenon in analysed cases. This limitation opens new avenues for future research in social entrepreneurship ecosystems (Guerrero *et al.*, 2020) by testing the proposed model or replicating the proposed methodology (Mueller-Langer *et al.*, 2019). *Our second limitation* is related to the unit of analysis. It was integrated by intervened SPOs (focus group) without analysing non-intervened SPOs (control group). Thus, this allows for future in-depth analysis of intermediary efficiency in a focus group (intervened SPOs) and a control group (non-intervened SPOs). Specifically, an in-depth identification of similarities/differences among patterns, determinants, and outcomes contrasting both groups. *Our third limitation* is related to social and entrepreneurship identity construction. A quantitative analysis will also be useful for testing the direct and moderation effects proposed in our conceptual framework (Figure 2). Indeed, one interesting point for further exploration would be the notion of the connections between creating social entrepreneurship and the new behavior feeding back into the ecosystem as a cultural aspect that might drive more individuals to follow this path. An evolutionary perspective of ecosystems can help to understand and legitimize this particular type of entrepreneurial behavior.

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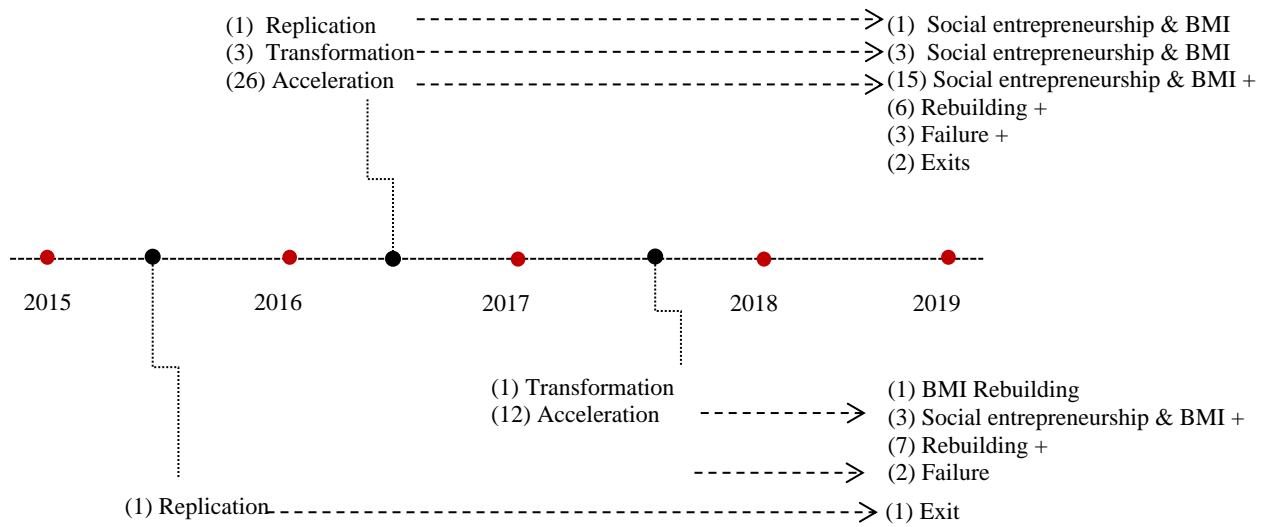
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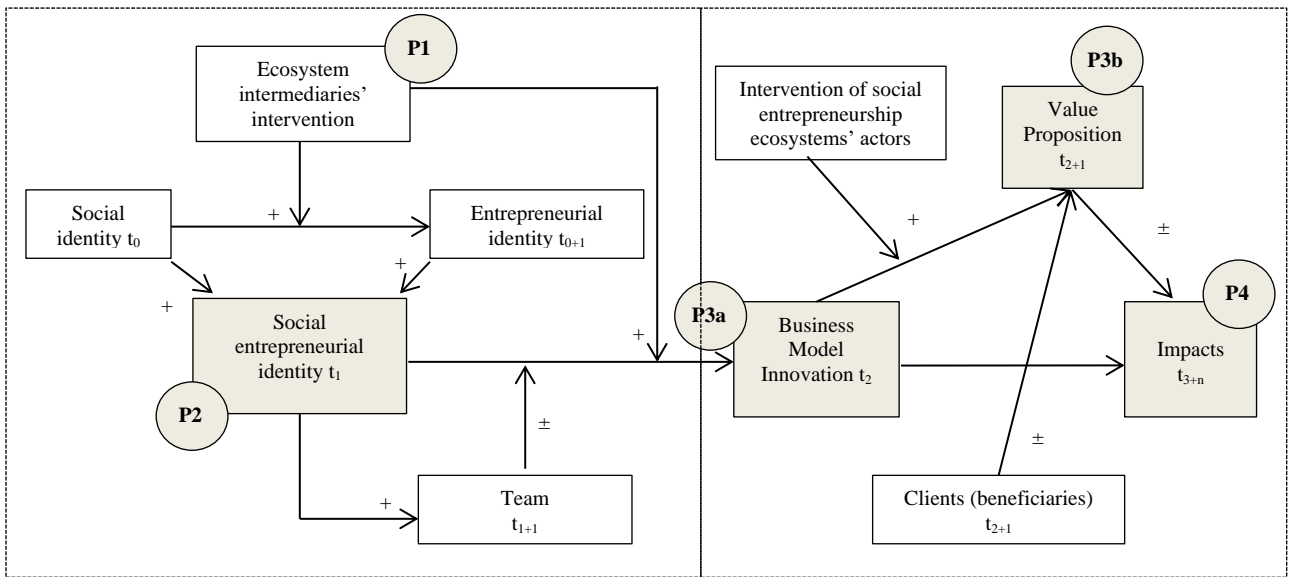
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Figure 1: BMIs' success/failure patterns identified in the intervened SPOs



Source: Authors.

Figure 2: Proposed conceptual framework



Source: Authors

Table I: Data-collection strategy

Program	Pre-intervention	Intervention [records]			Post-intervention	
		Duration	2015	2016		2017
Transformation	Organisational records and data submitted during the applications	6-12 months		3	1	Follow-up interviews Jan 2019-March 2019 plus data from websites, reports, social media
Acceleration		4-6 months		26	12	
Replication		6 months	1	1		

Table II: Mapping the Mexican social entrepreneurship ecosystem

Source of information	Social Entrepreneurship Ecosystem Actors				
	Government programs	Infrastructures of support	Funding	Human capital	Culture
Primary data (interviews: SPOs and ecosystem actors)	<ul style="list-style-type: none"> - Support from several government agencies and programs - Lack of regulatory and fiscal framework - SPOs' negative perception 	<ul style="list-style-type: none"> - Calls from public/private incubation programs - Mentorship from national and international organisations - SPOs' neutral perception 	<ul style="list-style-type: none"> - Funds from national and international calls - Subsidies - Crowdfunding platforms - Small beneficiaries' contributions - SPOs' negative perception 	<ul style="list-style-type: none"> - Social service and professional practices of university students - University voluntaries: researchers, doctors and specialists - SPOs' positive perception 	<ul style="list-style-type: none"> - Taboos about social entrepreneurs - The paradigm of social services and the need for being sustainable for providing them - SPOs' negative perception
Secondary data (INAES, 2015, 2017; Chamber of Deputies, 2015; Monroy, 2015; Robleda, 2015; Martínez and Dutrenit, 2018)	<ul style="list-style-type: none"> - Law of social and solidarity economy - Few fiscal regulations - Social programs included in the national development plans per administration 	<ul style="list-style-type: none"> - Incubation and acceleration programs within private universities' infrastructures - Foundations - International organisations - Intermediaries 	<ul style="list-style-type: none"> - Philanthropic investors or business angels - Private sector' donations - Stakeholders' donations - Crowdfunding platforms 	<ul style="list-style-type: none"> - Social service programs at technical and college - National and international training 	<ul style="list-style-type: none"> - Historical roots of social cooperation and solidarity - Crucial to shift the mindset about SPOs' with a dual social and entrepreneurial identity

Source: Authors.

Table II: Conditions associated with the configuration of the social entrepreneurship identity

	Conditions	
	Internal	External
Successful transition	<ul style="list-style-type: none"> (+) Implementation of tools for reinforcing governance and structure (+) Sharing their social entrepreneurs' vision (+) Effective communication channels (+) Improving the professionalisation of teams (+) Exploiting their external reputation and positioning (+) Communicate the expected social impacts (+) Build trust relationships with partners and new alliances (+) Commitment in the team 	<ul style="list-style-type: none"> (+) Communicate the philanthropic vision plus the sustainability need (+) Increment in the number of partners (-) Exploring affectations in legal and fiscal issues (-) Facing several cultural taboos (-) Facing external problems as the criminality and insecurity (-) Facing economic uncertainty
Neutral transition – still in the process of building	<ul style="list-style-type: none"> (+) Rebuilding the business idea (-) Lack of funding (-) The team integrated only by voluntaries (-) Lack of time for introducing entrepreneurial orientation (-) Not clear idea about the BMI (-) Not transference of knowledge in the team 	<ul style="list-style-type: none"> (-) Limited sources of funding (-) Lack of legal framework (-) Market not opened to social enterprises (-) Insecurity (-) Macroeconomic conditions
Not a successful transition	<ul style="list-style-type: none"> (-) Lack of leadership (-) Lack of funding (-) No positive attitudes and organisational climate (-) Lack of interest (-) Lack of time (-) Lack of professionalised team (-) Lack of vision 	<ul style="list-style-type: none"> (-) Lack of legal framework (-) Insecurity (-) Macroeconomic conditions

Source: Authors.

Table IV: BMIs' value and current challenges

	Profits / Impacts	Current challenges
Successful BMIs validation and implementation	(+) Decreased dependence on donatives (+) Not more red numbers and with "profits." (+) Organic growth in terms of employees vs voluntaries (+) More strategic alliances and partners (+) Positive economic externalities (more beneficiaries and their families) (+) Satisfaction of stakeholders	* 34% defined them as social enterprises * Ensuring financial stability and investors * Sustainability and growth * Introduce the digitalisation in their BMIs * Offer better salaries for their employees * Multiply beneficiaries * Own buildings and equipment * Expected clarity in laws and taxes * Reduce the political uncertainty
Redefinition after the BMIs validation	(+) Minimum impacts (+) At least reduced the red numbers (+) Positioning and reputation (+) Improved their communication channels (+) New partners and alliances (+) Increment in the number of beneficiaries and their satisfaction	* Looking for diverse sources of funding for achieving their social purposes * Implementation of the redefined BMI * Consolidation of their social programs and team * Own buildings and equipment * Expected clarity in laws and taxes * Reduce the political uncertainty
Failure BMIs and Exits	(-) No impacts (+) At least maintained the number of beneficiaries	* Not applicable

Source: Authors.

Appendix 1: SPOs' general profile

Intervention				SPOs' characteristics							
Program	Year	Time	Motivation	Age	Purpose	Focus	Scope	Dependency on donations	Leader	Orientation	Size
acceleration	2016	6	BMI	10	Integral development	General population	local	50%	men	proactive	10
acceleration	2016	6	BMI	10	Integral development	General population	local	50%	men	proactive	1
replication	2015	6	sustainability and BMI	2	Poverty - food security	Young people	local	50%	team	innovative, proactive, risky	3
acceleration	2016	6	BMI	33	Integral development	Women	National	100%	women	proactive	100
acceleration	2016	6	BMI	32	Integral development	Women	State	80%	women	innovative, proactive	15
acceleration	2016	6	BMI	5	Environmental care	General population	local	100%	women	proactive	5
acceleration	2017	4	sustainability	18	Mental health – Pregnancy loss	Women	State	97%	women	innovative, proactive, risky	6
acceleration	2017	4	sustainability	43	Mental health - disability	Young people	State	80%	women	innovative, proactive	40
acceleration	2016	6	sustainability	6	Mental health - disability	Young people	State	20%	women	proactive, risk taking	10
acceleration	2016	6	sustainability	4	Environmental care	General population	State	20%	women	innovative, proactive	5
acceleration	2016	6	BMI	6	Re-design urbanism	General population	local	20%	men	innovative, proactive	7
acceleration	2016	6	BMI	14	Education	General population	local	50%	women	proactive	5
acceleration	2016	6	sustainability	18	Education	Young people	State	30%	team	proactive, risk taking	11
acceleration	2016	6	BMI	7	Integral development	Young people	State	50%	women	proactive	7
acceleration	2017	4	sustainability	21	Poverty - food security	Children	State	100%	women	innovative, proactive	11
acceleration	2017	4	BMI	14	Mental health - Alzheimer	Adult people	State	35%	women	proactive	19
acceleration	2017	4	BMI	22	Integral development	Children	Regional	90%	women	proactive	130
acceleration	2017	4	sustainability	15	Addictions	Adult people	State	80%	women	proactive	30
acceleration	2017	4	BMI	15	Health – Services	General population	State	100%	men	proactive	40
acceleration	2017	4	sustainability	26	Health – Palliatives	Adult people	local	100%	men	proactive	2
acceleration	2017	4	BMI	7	Education	Young people	local	100%	team	proactive	8
transformation	2017	8	sustainability and BMI	8	Integral development	Women	local	80%	women	innovative, proactive	15
acceleration	2016	6	sustainability	6	Health –VIH	General population	State	100%	men	proactive	30
acceleration	2016	6	BMI	8	Health – Cancer	Children	State	100%	men	proactive, risk taking	11
acceleration	2016	6	sustainability	9	Gender rights	General population	State	100%	men	proactive	10
acceleration	2016	6	BMI	9	Mental health – down syndrome	Children	State	40%	men	proactive	12
acceleration	2016	6	sustainability	30	Health – diabetes	General population	State	10%	women	proactive	10
acceleration	2016	6	BMI	2	Mental health -autism	Young people	State	20%	women	innovative, proactive	24
acceleration	2016	6	BMI	33	Integral development	Women	National	50%	women	proactive, risk taking	15
acceleration	2016	6	BMI	17	Education	Young people	State	30%	women	innovative, proactive	14
acceleration	2016	6	sustainability	9	Health – Transplants	General population	State	90%	women	proactive	8
acceleration	2016	6	sustainability	31	Mental health – disability	General population	National	60%	women	innovative, proactive	10
acceleration	2016	6	sustainability	9	Environmental care	General population	State	60%	women	innovative, proactive	2
acceleration	2016	6	BMI	4	Education	General population	State	100%	women	proactive	5
acceleration	2016	6	sustainability	18	Integral development	Women	local	100%	women	innovative, proactive	7
acceleration	2016	6	sustainability	29	Integral development	Children	local	100%	women	innovative, proactive	8
acceleration	2016	6	BMI	6	Environmental care	General population	Regional	50%	women	innovative, proactive	15
acceleration	2017	4	BMI	47	Integral development	Young people	Regional	33%	women	innovative, proactive	170
acceleration	2017	4	sustainability	14	Mental health – disability	Young people	State	60%	women	proactive	11
acceleration	2017	4	BMI	44	Integral development	Women	State	50%	women	proactive	12
replication	2016	6	sustainability and BMI	16	Energy	General population	National	100%	team	innovative, proactive, risky	60
transformation	2016	6	sustainability and BMI	4	Agriculture	General population	Regional	100%	men	innovative, proactive	10
transformation	2016	12	sustainability and BMI	26	Mental health – disability	General population	State	100%	women	proactive	16
transformation	2016	6	sustainability and BMI	12	Water	General population	State	100%	men	innovative, proactive, risky	60

