

**SOCIAL VENTURES AND SOCIAL ENTREPRENEURS:  
FACTORS FOR SUCCESS**

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Project submitted as partial requirement for the conferral of

Master of Science Business Administration

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April 2010

## **Abstract**

This project aims to study the factors for the success or failure of social ventures. Factors that may affect social entrepreneurs who act on such organizations. Hence, and in a more practical way, it aims to reply to the challenge of *Instituto de Empreendedorismo Social* on identifying a set of some recommendations for social entrepreneurs starting a social venture.

The main topics in literature, still divergent on the subject, are: context, network, innovation, metrics, leadership, ethics, funding and skills.

In order to understand the role of these factors on the development of social entrepreneurship projects, four social projects and respective social entrepreneurs were selected, encompassing different realities and characteristics.

The main conclusions are: Social entrepreneurs' characteristics vary much from case to case and are not limitative to one's actions. The course of a social project is highly shaped by their background and previous experiences.

The more relevant factors contributing for the success are: *project's innovation, ethical behavior, relationship with society, network, leadership* and *local institutions* were the most relevant ones. Some barriers to success were also detected, being the more impactful the *lack of funding, perceived project's image* and *lack of human resources*.

Metrics used to measure this success/failure are still in a baby stage and need to be developed further since are highly centered on project's activity, and not that much on its impact.

Although findings point out the inexistence of a *recipe* on doing social entrepreneurship, common factors were identified in the studied cases, in spite of being very different situations. Then, although it is not possible to generalize the conclusions of four cases studies only, some recommendations for social entrepreneurs starting up a social venture may be formulated: a) Learn about social entrepreneurship concept; b) Value people; c) Manage volunteer hands wisely; d) Be ethical; e) Create commitment to the project; f) Give proper value to the network; g) Communicate effectively with society; h) Define well the sources of funding, and aim self-sustainability at least in the long-term; i) Define proper and useful metrics; j) Highlight complementarity; k) Be strong and resilient.

Este projecto surge com o objectivo de estudar os factores que contribuem para o sucesso ou insucesso de organizações sociais. Pretende também dar resposta ao desafio colocado pelo *Instituto de Empreendedorismo Social* para a elaboração de um conjunto de recomendações para empreendedores sociais que queiram iniciar uma empresa social.

Da literatura, ainda divergente no tema, decorrem alguns tópicos relevantes: o contexto, a rede de contactos, a inovação, as métricas utilizadas, a liderança, a ética, o financiamento e as competências das pessoas.

Com vista a perceber o papel destes factores no desenvolvimento de projectos de empreendedorismo social foram escolhidos para estudo de casos quatro projectos e respectivos empreendedores sociais de distintas realidades e características.

As conclusões a que se chegaram foram as seguintes: As características do empreendedor social variam de caso para caso e não limitam as suas acções. O percurso de um projecto social é fortemente influenciado pelas experiências anteriores destes. Os factores que contribuem mais para o sucesso são o *comportamento ético*, a *inovação contida no projecto*, as *instituições locais*, a *rede de contactos*, a *liderança por trás do projecto* e a *relação com a sociedade* destacam-se. Como barreiras ao sucesso surgem o *financiamento*, a *imagem percebida do projecto* e a *falta de recursos humanos*.

As métricas utilizadas na medição deste sucesso/insucesso carecem ainda de desenvolvimento pois estão demasiado centradas na actividade do projecto e pouco no impacto que este tem. Embora não exista nenhuma *receita* no que toca a empreendedorismo social, foram identificados factores de sucesso e insucesso comuns aos quatro casos analisados. Assim, embora não seja possível generalizar as conclusões obtidas a partir destas experiências é possível formular algumas recomendações para empreendedores sociais que queiram dar início ao seu projecto: a) Aprender sobre o conceito de empreendedorismo social; b) Valorizar as pessoas; c) Gerir inteligentemente o trabalho voluntário; d) Ser ético; e) Criar sentido de pertença para com o projecto; f) Dar o devido valor à rede de contactos; g) Comunicar de forma efectiva com a sociedade; h) Definir correctamente as fontes de financiamento e fazer um plano tendo em vista a sustentabilidade própria pelo menos a longo prazo; i) Definir métricas adequadas e úteis; j) Apostar na complementaridade; k) Ser forte e resiliente;

**Keywords: social; entrepreneurship; entrepreneur; venture;**

**JEL Classification: M00; M13**

## **Acknowledgments**

It is a pleasure to thank the people who helped making this project possible.

Firstly a word of gratitude towards Prof. Dr. Isabel Nicolau whose guidance and supervision were essential for writing this essay.

I am grateful to Dr. Miguel Alves Martins from *Instituto de Empreendedorismo Social* for the support given on the empiric part of my work. A word of gratitude to Dr. Filipa Nunes on the same purpose.

I would like to gratefully acknowledge to those social entrepreneurs who were interviewed: Ana Quintas, Maria Gaivão, João Rafael Brites and Rosa Maria Neto. Thanks for your time and hospitality. Your contribution was essential for my findings. Thanks to all the people I spoke with when visiting the social organizations. Your testimonials were positive contributions, too.

A truly meaningful thanks to my family who always supported and encouraged me, even on the most difficult times. A special word of gratitude to Florinda and Fernando, my parents, whose love and inspiration always guided me.

Many thanks to my friends, too. You know who you are.

A particular and warm thank you word to Cedo. For the opinions, for hearing me out, for the support, for the patience, for being by my side.

On a different note, many people have been a part of my education and I am highly grateful to all of them.

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## **Executive Summary**

A área do empreendedorismo social está em franca expansão e os conceitos a esta inerentes ganham relevo e tornam-se cada vez mais essenciais. Desta forma, não só as organizações que se incluem neste ramo assumem cada vez mais protagonismo, mas também as pessoas que as gerem e as caracterizam merecem também particular atenção. São os empreendedores sociais.

Este projecto surge da necessidade de conhecer melhor o conceito e as práticas de empreendedorismo social e quem actua nesta área. Tem por objectivo, a identificação dos factores que contribuem para o sucesso ou insucesso de organizações sociais.

Num sentido mais prático, este projecto surge também como resposta ao desafio colocado pelo *Instituto de Empreendedorismo Social* para a elaboração de um conjunto de recomendações e práticas recomendáveis para empreendedores sociais que queiram iniciar uma empresa social.

O tema é ainda nebuloso na literatura e a discussão acerca do tema é vasta sendo que grande parte dos tópicos não é consensual. Mesmo para as pessoas em geral o conceito de empreendedorismo social tem diferentes significados. A definição e concepção do termo são bastante modeladas pelos empreendedores sociais que têm o papel de agentes da mudança num determinado contexto e que actuam na área. Estes, adoptam uma missão social, procuram e reconhecem oportunidades para atingir essa missão, estão alerta para a inovação, adaptação e aprendizagem necessárias, correm riscos e assumem a responsabilidade nas acções tomadas ao longo do tempo.

Da literatura decorre que alguns dos tópicos mais relevantes afectos ao empreendedorismo social e que influenciam a criação de organizações sociais são: o contexto, a rede de contactos, a inovação, as métricas utilizadas, a liderança, a ética, o financiamento e por fim mas não menos importante as competências das pessoas a actuar no terreno. Tem em conta os contributos da literatura e tendo em vista a identificação dos factores que contribuem para o sucesso dos projectos de empreendedorismo social, algumas questões centrais podem ser nomeadas, dando rumo à investigação:

1. Características mais relevantes dos empreendedores sociais.
2. Criar uma organização social: Factores de sucesso e barreiras ao sucesso.
3. Métricas do sucesso.



Desta forma e já tendo a revisão literária feita, torna-se de extrema relevância falar com quem mais percebe do assunto e está no terreno. Assim, adoptou-se o método de estudo de caso, seleccionando-se quatro casos que reuniam as características adequadas e que à partida seriam os mais proveitosos para o estudo a ser realizado. Nesta etapa a contribuição do *Instituto de Empreendedorismo Social* foi vital para a correcta escolha dos casos a observar mais detalhadamente. Foram escolhidos quatro projectos de âmbito social de distintas realidades, tendo os respectivos empreendedores sociais também experiências, vivências e características bem distintas.

A esses mesmos empreendedores realizaram-se entrevistas donde se extraiu grande parte da informação para as conclusões do presente trabalho. Recorreu-se também a outras fontes de informação, como publicações dos projectos estudados, comunicação, imprensa, presença na internet.

Através destas entrevistas foi possível verificar que as características do empreendedor social variam de caso para caso sendo distintas e não limitam as suas acções (por ex. a formação académica). O percurso de um projecto social é fortemente influenciado pelas experiências anteriores destes

Foi possível também identificar alguns factores considerados como importantes influenciadores do sucesso deste tipo de projectos:

- Factores de natureza pessoal e comportamental: *comportamento ético* e a *liderança por trás do projecto*;
- Factores de natureza contextual: *as instituições locais*, a *rede de contactos* e o envolvimento da *sociedade civil*;
- Características do próprio projecto: a *inovação contida no projecto*.

Sobre a forma de medir este sucesso, observa-se que as métricas utilizadas estão ainda numa fase bastante prematura estando centradas sobretudo na actividade do projecto, colocando pouca ênfase na medição do impacto deste.

Por outro lado, os principais factores identificados que condicionam e podem pôr em causa estes projectos na área social foram: as questões do *financiamento*, da *imagem percebido do projecto* e da *falta de recursos humanos*.

Conclui-se então que, embora não exista nenhuma *receita* no que toca a empreendedorismo social, existem factores que se apresentam comuns aos projectos analisados. Deste modo, embora a possibilidade de generalização dos resultados não seja possível a partir destes quatro casos, algumas recomendações podem ser feitas aos

empreendedores sociais que queiram dar início ao seu projecto nesta área, nomeadamente:

- a) Aprender sobre o que é e em que consiste o conceito de empreendedorismo social;
- b) Valorizar as pessoas;
- c) Gerir inteligentemente o trabalho voluntário;
- d) Ser ético e actuar eticamente;
- e) Criar sentido de pertença para com o projecto em causa;
- f) Dar o devido valor à rede de contactos;
- g) Comunicar de forma efectiva com a sociedade;
- h) Definir correctamente as fontes de financiamento e fazer um plano tendo em vista a sustentabilidade própria pelo menos a longo prazo;
- i) Definir métricas adequadas e úteis;
- j) Apostar na complementaridade;
- k) Ser forte e resiliente;

## 1. Introduction

The subject of social entrepreneurship is an emerging one. The social problems both in developed and developing countries contribute to increase the relevance of social entrepreneurship as a way to solve those problems (Urbano, Toledano and Soriano, 2010).

This essay aims to infer about social entrepreneurship, specifically: about relevant characteristics of the people acting in it – the so called, social entrepreneurs; about the factors that contribute for the success and/or failure when creating a social venture; and finally, about the metrics used in those social ventures. This intends to be a positive contribution on the academic side, constituting a great piece of research. However, it has also a more practical objective: respond to the challenge posed by the *Instituto de Empreendedorismo Social (IES)* that was to identify some recommendations to social entrepreneurs who are starting a social venture from the scratch.

Firstly a literature review on the subject will be made in order to identify the main topics on discussion.

After, a conceptual framework will be done, designing the core issues to approach within this study.

To address those issues the case study method will be used, interviewing a few selected cases. As Quivy and Campenhoudt (1998) mention, the investigation on social sciences is possible to be seen as an analogy with a petroleum researcher. It is not perforating randomly that he will get the product. The terrain is studied previously and the areas with highest probability of having oil are determined. So, the studied cases are the ones with the bigger potential on having a strong and fruitful contribution on inferring about the desired factors.

The case studies will be presented being followed by an analysis of the data collected. Regarding those findings, and bearing in mind the made research, discussion will be presented with the underlying issues coming from the conceptual framework. Wrapping up conclusions will be made considering all the work done and the pursued objectives mentioned earlier on. It will also include still recommendations for future research with some hints and teasers on using this paper for forthcoming studies and investigations.

## 2. Literature Review

### 2.1. Social entrepreneurship definition

#### 2.1.1. Definition of the concept

As pointed out by Weardena and Mort (2006) research the conceptualization of the social entrepreneurship construct is not a pacific matter. Although many efforts and time were put into defining what social entrepreneurship really is on the last few decades there is still a lack of consensus among researchers in the area (Vega and Kidwell, 2007; Hoogendoorn, Pennings and Thurik, 2010). Hence, it has different meanings to people (Dees, 2001).

Social entrepreneurship is a broad (Turner and Martin, 2005) bounded multidimensional construct (Weardena and Mort, 2006; Nga and Shamuganathan, 2010) In fact as shown by Leadbeater (1997), social entrepreneurship may be expressed in a vast array of economic, educational, research, welfare, social and spiritual activities engaged in by various organizations.

The social side on this entrepreneurship goes beyond the traditional field of charity – that many times lacks continuity in the future (Dees, 2007) - and philanthropy actions since it has more lasting effects on social issues (Nga and Shamuganathan, 2010). Another issue to take into account when defining social entrepreneurship is the context and environment surrounding these area initiatives. Mair and Martí (2004) state that is quite complex to detach the actors on the scene with the scene itself. This implies that a community or a society where social entrepreneurship is applied may not be despised.

In line with this, Weerawardena and Mort (2006: 28) pointed out that the social entrepreneur is “*responsive to and constrained by environmental dynamics*” and “*strives to achieve social value creation through the display of innovativeness, proactiveness and risk management*”.

Dees (1998: 4) defines social entrepreneurship mentioning the people who act on it: the social entrepreneurs. For the author they “*play the role of change agents in the social sector, by: 1) adopting a mission to create and sustain social value (not just private value); 2) recognizing and relentlessly pursuing new opportunities to serve that mission; 3) engaging in a process of continuous innovation, adaptation, and learning; 4) acting boldly without being limited by resources currently in hand; and 5) exhibiting heightened accountability to the constituencies served and for the outcomes created.*”.

Hence, Instituto de Empreendedorismo Social (2010) considering the same authors goes further saying that social entrepreneurship is an approach with a strong social component that has a clear, sustainable social mission which will lead to a strong and wide social impact.

Going broader and deeper we have social entrepreneurship as a process catalyzed by certain people – social entrepreneurs – with innovative solutions to important issues on the social side through the application of traditional business and market oriented models. (Zahra, Gedajlovic, Neubaum and Shulman, 2009; Alvord, Brown and Letts, 2004). It is noteworthy the key role of the social entrepreneur on the social entrepreneurship process.

So, the definition of social entrepreneurship has a multidisciplinary approach, with unconstrained boundaries and has social entrepreneurs as key players, acting within a context with a strong and intense aim on social causes and/or problems having behaviors and models of action to solve and/or tackle those in many kinds of ways.

#### 2.1.2. Business entrepreneurship vs. Social entrepreneurship

Traditionally social entrepreneurship tends to be more recognized as going along with the non-profit sector, voluntary organizations, philanthropy and charity but it also can happen across business world (Urbano, Toledano and Soriano, 2010). In order to fully understand the concept behind social entrepreneurship it is important to understand the differences between business entrepreneurship and social entrepreneurship. Although the discussion on this topic is still scarce in literature as stated by Hoogendoorn, Pennings and Thurik (2010) this distinction is important to fully understand the entrepreneurial behavior on the social side (Boschee and McClurg, 2003).

Sharir and Lerner (2006) found some similarities namely on initiation, establishment and development of the initiatives on both kinds of entrepreneurship.

Boschee and McClurg (2003) highlighted for this distinction, the way traditional or business entrepreneurship is measured when compared with social entrepreneurship. While the first aims to financial results and profit generation, the latter cares not only about those indicators but also about the social impact. Profit is not the only goal on a social entrepreneurship venture. Going further, we can say that social entrepreneurship does what all business entrepreneurship does but, these ventures/initiatives/projects have a social mission. There is a sense of creating social value within that social mission (Mair and Martí, 2004; Drayton, 2002; Dees, 1998). Due to this social mission

faced challenges are different and the way to assess opportunities and resources is distinct from other projects on the field of business entrepreneurship. For social entrepreneurship side the focus is on mission-related impact rather on wealth creation as it is on business entrepreneurship (Dees, 1998). In line with this, Urbano, Toledano and Soriano (2010) state that the focus is on the creation of social value rather than personal wealth. This mission does not have to be accomplished in a not for profit way but also with profit mindset. The key is to set the course of action in accordance with “*the nature of the social needs addressed, the amount of resources needed, the scope for raising capital and the ability to capture economic value*” (Mair and Martí, 2004: 7). This flexibility and multitude of options is yet another distinctive feature of social entrepreneurship itself. Moreover the trend is for social ventures to aim towards a hybrid kind of organization falling between the non-profit traditional ventures and the business/commercial ones. As Martin and Osberg (2007: 34) authors state: “*critical distinction between entrepreneurship and social entrepreneurship lies in the value proposition itself*”. Hence, social entrepreneurship is important to economic development policies and can play a vital role on the side of both society and economy development (Nagler, 2007).

## 2.2. The social entrepreneur

### 2.2.1. Characteristics

Hoogendoorn, Pennings and Thurik (2010), referring Nicholls (2006) state that originally the term *social entrepreneur* mounts back to 1972. Since then it has evolved quite differentially through times as mentioned by Dees (1998). Initially the leaders of social entrepreneurship organizations were driven to different ends using others means and ways than the ones used today. For instance on the funding question of the businesses: before there was a bigger willingness towards philanthropy and classic donations to those social entrepreneurship ventures. However as time goes by, the seeking of financial self-sustainability by social entrepreneurs for their projects is increasing. Accordingly to Dees (1998), the social entrepreneur sees on earned-income-generating activities a much more reliable source in matters of funding than donations or traditional grants. In fact, Vega and Kidwell (2007:16) differentiate “*social entrepreneurs from traditional nonprofits, nongovernmental organizations and philanthropists.*”. This is a signal of how social entrepreneur concept is evolving. Going

even further, it is possible to be said that the society, at least the social half of it, on the last 25 years has changed significantly (Drayton, 2002). These movements are also a matter of being needed accordingly to other phenomenons happening. The appearance of social entrepreneurs has been boosted recently as the traditional ways of acting on the side of getting resources social initiatives provisions are changing with the global movement towards privatization and marketization. Leading organizations – especially non-governmental organizations and not-for-profit organizations – are seeking surviving methods in different ways (Zahra, Gedajlovic, Neubaum and Shulman, 2009). The same author (Drayton, 2002) also mentions that social entrepreneurs have very special traits and a strong ethical fiber among other characteristics (Mair and Martí, 2004). The question is if, when and where these social entrepreneurs differentiate from their *traditional* business peers. This is an issue with scarce evidence among research and literature as stated by Hoogendoorn, Pennings and Thurik (2010). At a first glance social entrepreneurs drive their behavior on solving social problems (Alvord, Brown and Letts, 2004); on the other hand social entrepreneurs are similar to the mentioned business peers due to their willingness on changing something in society. (Drayton, 2002). Still, the social entrepreneur is *married* to its vision and must have: “*creativity, widespread impact, entrepreneurial quality, and strong ethical fiber*” (Drayton, 2002: 124).

When defining the social entrepreneur, besides distinguishing them from their business peers, it is relevant to bear in mind their skills. From this point view Boschee and McClurg (2003) consider three types of skilled individuals that are equally important to run social projects: the entrepreneurs, the innovators and the professional managers.

Going back to social entrepreneurs themselves, they should focus on key factors in order to concretize their so wanted vision, as it is advised by social entrepreneurs with large experience in the field (Boschee, 2001).

According to the same authors, social entrepreneurs today need: 1) to be more driven into earning income in order to develop their initiatives<sup>1</sup> than trusting in other ways of having funds; 2) to be patient in order to see their efforts having some return. The investment on the social entrepreneurship must be fearless and 3) taking action, doing, is a must. Saying and planning is not enough to be a successful social entrepreneur.

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<sup>1</sup> As approached on social entrepreneurship definition topic;

<sup>2</sup> Ashoka is a leading organization on gathering, aiding, helping and addressing social entrepreneurs

Bearing in mind the lack of resources social entrepreneurs face many times (Waddock and Post, 1991; Alvord, Brown and Letts, 2004), we can consider the social entrepreneur as a “*change agent to create and sustain social value without being limited to resources currently in hand*” (Sharir and Lerner, 2006: 7) with the ability to see opportunities, working in teams, to be collaborative, to be committed (Korosec and Berman, 2006) and generate commitment among others (Waddock and Post, 1991). The value and challenge on how successful the process of social entrepreneurship is, - (i.e. success on starting a social venture), - lies on the ability and willingness of the social entrepreneur to do so (Sharir and Lerner, 2006). Hence, social entrepreneurs are active people when seeking and pursuing to create that added value on the social side to both existing and potential clients (Weardena and Mort, 2006). As Ashoka Organization<sup>2</sup> (2007) states, social entrepreneurs are the ones who lead and tackle the most pressing social problems. They address major social issues and create and develop solution with wide impact for those questions.

In conclusion social entrepreneurs may assume very different backgrounds and characteristics (Ryzin, Grossman, DiPadova-Stocks and Bergrud, 2009). The action of putting all of them in the same pot is quite complex and difficult. In a more general and broad perspective, accordingly to Thompson, Alvy and Lees (2000) mentioned by Nga and Shamuganathan (2010:260) the social entrepreneurs “*are often distinguished by their ability to envisage, engage, enable and enact transformational change efficiently in the face of scarce resources, risks and diverse contexts*” (Nga and Shamuganathan, 2010: 260).

### 2.2.2. Entrepreneurs’ traits

Literature shows how complex and hard it is to distinguish between different kinds of entrepreneurs and their course of actions. Their motivations, beliefs, and environments are wide and diverse (Zahra, Gedajlovic, Neubaum and Shulman, 2009). There is no evidence, scientific or anecdotal, on whether a typology is better than the other (Vega and Kidwell, 2007).

One approach, is distinguishing those with entrepreneurial practices between social ones and business ones (Vega and Kidwell, 2007). On that topic still accordingly to the same

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<sup>2</sup> Ashoka is a leading organization on gathering, aiding, helping and addressing social entrepreneurs worldwide in order for them to tackle social matters and issues. (<http://ashoka.org/about>).



authors, entrepreneurs could differ on their motivation and the desired return (i.e. social or profit return). However, it is shown that the typologies defined in literature through such dimensions (e.g. motivation, objectives) are not mutually exclusive being the context issue one big influencer on the entrepreneur himself. Hence, individuals going from one area (from business to social and other way around) to other is a common situation – meaning, changing their main motivations. Another issue on the entrepreneurs is whether their skills go toward a managerial type, just an entrepreneurial one or a blend of those. In fact, evidence shows that having both is vital to build and develop successful projects (Turner and Martin, 2005; Hoogendoorn, Pennings and Thurik, 2010).

Hence, personality traits impact on explaining the intentions on entrepreneurship startups (Nga and Shamuganathan, 2010) and on the strategy formation for those ventures (McCarthy, 2003).

As a matter of fact when speaking about the social entrepreneur himself is crucial to always bear in mind the diversity of motives, the type of ventures created and organizational activities (Zahra, Gedajlovic, Neubaum and Shulman, 2009, 2009).

### 2.3. Starting up a social venture

Creating a venture is a complex phenomenon. Both entrepreneurs and their enterprises vary widely, paths taken as well the context they are inserted are bring diversity to the occurrence (Gartner, 1985).

There is not a magic formula when it comes to starting up a social venture. Social entrepreneurs take many courses of actions. In fact as pointed out by Nga and Shamuganathan (2010) social entrepreneurship appears in many models ranging from leveraged non-profit ventures, hybrid ventures to social businesses. Nonprofits often rely on donations and private funds to accomplish their social mission while social businesses are founded as a profit venture but besides stressing the economic revenue on it, they care about emphasizing the social dimension of those ventures. With hybrid ventures assume a model that can either partially recover their costs through profits generated by their services or products, and at the same time use private funding sources as grants and donations or even support from governments, municipalities and so on for that recovery, too. (Nga and Shamuganathan, 2010).

In fact, there are some differences when comparing a social venture creation with a commercial one. As pointed out by Haugh (2007) some dissimilarities are the use of

resources not available for for-profits, the longer timescale, the greater number of stakeholders involved, the absence of financial loss for some of those stakeholders, the management volunteer labour and a nondistribution constraint inherent to nonprofits. Also, when comparing a nonprofit – in its most pure concept – with a social venture it is possible to determine dissimilarities. Even though both share the social driven mission and orientation, they differ in terms of their strategy, norms and values. Norms and values are distinct as the philosophy behind each kind of organization is different. Hence another traditional major difference lies on the source of their financial sustainability: using business like models (social ventures) or relying only on grants and donations (nonprofits case) (Haugh, 2007).

The social entrepreneur characteristics are also a big influencer for the process of creating a social venture (Nga and Shamuganathan, 2010). Social entrepreneurs when having initiatives as those, intent to be catalytic , meaning incentivizing other efforts at problem solving, creating awareness on it and, even if not solving the problem directly, creating the networks and linkages previously inexistent, that enable and permit solving those issues (Waddock and Post, 1991).

#### 2.4. Success of social ventures: Relevant topics

Social enterprises must be able to achieve financial autonomy, that is to say, to provide the resources to pursue their goals, ensure the continuity and sustainability of the projects (Sharir and Lerner, 2006).

What kind of dimensions and factors are important to their success?

Scientific studies and anecdotal evidence – anecdotal evidence is quite current on the field on social entrepreneurship and social entrepreneurs (Hoogendoorn, Pennings and Thurik, 2010) - brought to discussion variables and dimensions that combined contribute to the successful existence of social ventures (Nga and Shamuganathan, 2010).

Sharir and Lerner (2006) found that variables as social network, total dedication, the initial investment on the establishment phase, the social acceptance of the venture, the team in action, the long-term cooperation, the ability to deal with market forces and existing managerial skills are variables contributing for a social venture success. Hence, it is important to keep issues in perspective as we speak about such wide topics and fields as it is the behavior and possibilities when creating an organization from the scratch. As mentioned by Gartner (1985), a moment which encompasses a framework

containing the environment, the process, the organization and the individual(s). All those are connected to the social dimension what brings complexity and new terms into the equation as well diverse societal consequences (Drayton, 2002).

From the existing research, some topics, dimensions, characteristics or factors are better noticed than others. Some topics emerge as dominants and will be discussed below.

#### 2.4.1. Context

The contexts and situations in which the social entrepreneurs operate are diverse (Gartner, 1985; Weerawardena and Mort, 2006). Some socio-cultural factors of the context can be more appropriate to enhance social entrepreneurs' activities (Urbano, Toledano and Soriano, 2010) and as Mair and Martí (2004:9) state: "*it is impossible to detach the agent (social entrepreneur) from the structure (community, society, etc.)*". The context must not be despised since besides affecting the initiatives and activities on the entrepreneurial side, it also influences the way communities and society responds to them. So, it is easily understood that it is crucial to understand the interaction between the individual and the context itself (Mair and Martí, 2004).

The same context can play different roles when considering about social entrepreneurship rather other kinds of entrepreneurship, for instance the way markets respond to social entrepreneurs or business entrepreneurs. Accordingly to Dees (2001), usually markets do not do a good job when giving value to what social entrepreneurship does. This brings problems when measuring and assessing what value an initiative is creating or not on the social side. Still on markets, many times they are not aligned with what the social venture is creating or who is helping because often, the payers are not the consumers of the service (Dees, 2001).

However the environment can also aid social entrepreneurial initiatives. Korosec and Berman (2006) findings shows that municipalities help social entrepreneurs. On one hand on creating awareness for their causes, and on the other hand helping them to create, develop and establish their initiatives. As identified by Weerawardena and Mort (2006) social entrepreneurship is responsive and constrained by variables of the context where it operates. As is widely known, one clear truth for a certain culture might not be so clear and flawless for other (Klyver, Hindle and Meyer, 2008).

There are communications and relationships in two directions. Not only is the context affects social entrepreneurship, but the inverse is also true. Social entrepreneurship –

and the increase on this activity – will have more and more impacts on what surrounds it (Drayton, 2002).

In conclusion, challenges caused by environment are huge. The constant changes, increasing competition, fewer donations and rising costs lead social entrepreneurs to seek new ways to act (Dees, 1998). The context definitely brings many ingredients to the pot, because - “*entrepreneurs do not operate in the vacuums*” (Gartner, 1985: 700).

#### 2.4.2. Network

Recent literature places the social entrepreneurs not only as isolated individuals but inserted in a certain context, namely within networks and the net of contacts they build (Klyver, Hindle and Meyer, 2008). These social networks aid the entrepreneur to get resources inaccessible otherwise or to build knowledge based on previous experiences (Klyver, Hindle and Meyer, 2008). Among others, some important resources that networks can provide are: “*information; access to finance; access to skills, knowledge and advice; all aids to competency; social legitimacy; reputation and credibility*” (Klyver, Hindle and Meyer, 2008: 332). As noted by these authors, it is possible to find on entrepreneurship research findings that opportunity recognition and entrepreneurial intention and orientation are influenced by social networks. Hence, one of the main conclusions is that when someone belongs to a social network with an entrepreneurial attitude, tend to behave in a more entrepreneurial way, too (Klyver, Hindle and Meyer, 2008). However it is important to say that cultural boundaries and characteristics of the context influence these networking practices (Klyver, Hindle and Meyer, 2008) as well the communities where action takes place (Waddock and Post, 1991).

In line with this, Sharir and Lerner (2006), state that networking is on the most important resources for a venture. When creating the venture, the networking - on a broad perspective - can be put into action in one of two ways: the social entrepreneur uses the resources of the network that already exist or, second option, proactively creates the network accordingly to his needs (Sharir and Lerner, 2006). Letts (2004), referred by Hoogendoorn, Pennings and Thurik (2010) highlights the importance of networking abilities based on the diversity of stakeholders social entrepreneurs have to cope with. In fact, networking becomes relevant and gains importance not only at an individual level but also on the process level of social entrepreneurship e.g. creating a social venture (Nga and Shamuganathan, 2010). So, using and building networks is very

important to a social entrepreneur and their ventures (Hoogendoorn, Pennings and Thurik, 2010; Urbano, Toledano and Soriano, 2010).

#### 2.4.3. Innovation

Innovation is a topic widely discussed on literature regarding social entrepreneurship but a consensus about it was not reached still. In other words, agreeing whether it is a must or a secondary variable on entrepreneurship is still an ongoing discussion. As Dees (2001) mentions, the act of starting a business by itself is neither necessary nor enough for entrepreneurship. On the action itself there is nothing that creates true value on the innovation side. Being innovative has to do with the way you do it: which organization is built from the scratch, from where/whom the resources are got, the manner it is managed (Dees, 2001). This is where entrepreneurship appears. “*Entrepreneurs are innovative*” (Dees, 2001: 4). This innovation can appear under multiple forms, – for instance on how entrepreneurs structure plans, the way they fund their venture – but in the end it will be always present on entrepreneurs’ paths.

Specifically on social entrepreneurship, there are authors mentioned by Weardena and Mort (2006) as Borins (2000), Prabhu (1998) and Covin & Slevin (1986) that emphasize and put innovation as a main variable on social entrepreneurship. Hence, social innovation unlocks value as told by Nga and Shamuganathan (2010). On the funding side, the profit made only from the social venture, if any, is never sufficient to get access to the desired resources (Dees, 2001; Weardena and Mort, 2006) and as pointed out by Dees (2001) there is a need of being innovative in order to find other ways to get resources, since donations and grants are going lower. Weardena and Mort (2006) and Alvord, Brown and Letts (2004), findings show also that social entrepreneurship while creating social value makes use of innovativeness. As pointed out by Martin and Osberg (2007) in order to be innovative, some characteristics like inspiration, creativity, direct action, courage and fortitude must be present.

#### 2.4.4. Metrics

As mentioned earlier, the main differences between social and business entrepreneurship, is that the first is focused in the contribution and value added on the social side and not the economic profit as the second one is (Sharir and Lerner, 2006). The core question here it is how to measure these social increments, changes or value creation and how to use those measures to quantify the activities of social entrepreneurs

and their ventures (Mair and Martí, 2004). As told by Sharir and Lerner (2006), it is a difficult task. While metrics linked to profitability are commonly straightforward standards by which organizational performance is measured, with social ventures those standards are missing. The absence of these can lead sometimes to a misconception on social entrepreneurship. Hence, not having the right metrics may difficult the process of holding accountable social enterprises for their performance (Zahra, Gedajlovic, Neubaum and Shulman, 2009). On an attempt of creating those standards, Vega and Kidwell (2007) mention the social return on investment (SROI) to measure the achievements of social entrepreneurs. SROI is calculated in monetary terms that express the value of the organization to the society (Vega and Kidwell, 2007).

For some researchers, due to the nature of social ventures, – i.e. the challenges involved, the constant uncertainty, the lack of resources and stability, – survival is viewed as prime dimension for success on this kind of organizations (Van De Ven, 1984). Furthermore, the literature widely recommends the use of multiple measures of performance (Sharir and Lerner, 2006). Considering this, it is possible to define some criteria of success in social ventures: *“1) the degree to which the social venture achieve its declared goals; 2) the ability of the venture to ensure program/service continuity and sustainability by acquiring the resources necessary to maintain current operations; and 3) the measure of resources available for the venture’s growth and development”* (Sharir and Lerner, 2006: 8).

#### 2.4.5. Leadership

Leadership on social entrepreneurship grounds contemplates everything but the common definition of a leader. On the area of social entrepreneurship the issues cannot be reduced to some followers going after a certain individual. The social problem is characterized by extreme complexity, that the social entrepreneur tries to handle with a certain vision that later will have the potential to reshape attitudes and behaviors on people who surrounds him/her; secondly, social entrepreneur while a leader needs and must have credibility which he/she puts into use when acquiring resources or making his network valuable for instance; and third, he generates commitment on the followers not by economic reasons, but instead by putting the social cause, mission and problematic as the central question (Drayton, 2002). This leads to a sense of collective purpose among the social entrepreneurs and also causes others to join the initiative (Waddock and Post, 1991). As pointed out by Waddock and Post (1991), the leadership

arising from social entrepreneurship has a rather transformational component than a transactional one.

Leaders on social entrepreneurship work as enablers, starters, and even if many times do not solve the problems directly, they contribute indirectly for its solution by bringing resources, people together and providing possible paths to do so (Waddock and Post, 1991). They must have a “*powerful, new, system change idea*”, be creative and have entrepreneurial quality (Drayton, 2002).

#### 2.4.6. Ethics

Ethics must be present when dealing with social entrepreneurship and specifically about the actors, the social entrepreneurs. (Zahra, Gedajlovic, Neubaum and Shulman, 2009). Regarding the social entrepreneurs trust is crucial. On one hand, social change often asks for several leaps of faith – only manageable if the leader who is enabling that change has the confidence of the ones affected; on the other hand there is a general negative reputation of leaders claiming for changes worldwide (Drayton, 2002). Hence, trustworthiness is vital for the world of social entrepreneurship when it comes to matters of sharing ideas and contents openly and building strong and effective communities.

As told by Zahra, Gedajlovic, Neubaum and Shulman (2009: 528): “*While social entrepreneurs are driven by an ethical obligation and desire to improve their communities and societies, egoism can drive them to follow unethical practices*”. Ethics on social entrepreneurs depend not only on the overall context but on their motives, the resources needed to achieve their social mission, and the regulation and mechanisms in place to affect positive or negatively their behaviors (Zahra, Gedajlovic, Neubaum and Shulman, 2009).

#### 2.4.7. Funding

As previously mentioned on this project social entrepreneurs and their ventures are facing new challenges and modifications regarding the way they fund their projects.

The rising costs, the bigger competition for fewer donations and grants and the increasing competition on social sector are factors leading social ventures into moving towards a business like way to exist. They are replacing and changing their sources of funding (Dees, 1998). Leaders of social ventures look to self-sustainability funding, in a more commercial style, with the belief that market based revenues can be easier to grow and more trustable than philanthropic funding (Dees, 1998). Many social entrepreneurs

feel that depending too much on philanthropic sources is a sign of weakness and vulnerability. Besides this, commercial funding has is attractive due to its unrestricted potential: when money is provided from a donation his purpose is usually restricted and defined while with commercial funding it is not the case (Dees, 1998).

Funding is yet a sensible topic since it may pull away the venture from its core social mission, as for instance concentrating too much on financing process and leave the rest aside (Dees, 1998). This changing course of action is also due to the difficulty of the entrepreneur to attract bets from the investors' side. Specifically if the individual is still starting his life as an entrepreneur it is even more difficult persuading investors due to the few well succeeded activities (if any) on the entrepreneurs' portfolio (Martin and Osberg, 2007).

#### 2.4.8. The Skills

Skills of the social entrepreneur are also approached within literature, assuming some relevance on the ongoing discussion.

With challenges and changes on the social sector, organizations on the field and people intervening on them must be adjusted. With the tendency on approaching the commercial alike style it is need that social ventures build business capabilities and know how to manage organizational culture. Management skills are important but when dealing with the commercial challenges there is an urge on expertise, experience, and knowledge – abilities and know-how are traditionally on the side of the business sector (Dees, 1998). However business skills are not enough. *“Organizations can hire employees with business skills, but they will need to address the cultural conflicts and compensation problems that could arise”* (Dees, 1998: 66). So, is understandable that both management and business skills are needed when running such ventures. In fact, literature recognizes bridging as an important skill on the social entrepreneur. The capability to work with and build bridges between the diverse stakeholders – whether they have commercial purposes or not – is a common characteristic on founders in social entrepreneurship activities (Alvord, Brown and Letts, 2004). The kind of skills present can be purely management like, business originated or even a blending between those two.



### 3. Determinants of success and failure in social projects: case studies

#### 3.1. Objectives

This project's main objective is to identify which factors are contributing for having success or failure on social ventures. The specific objectives are to understand the relevant characteristics of the social entrepreneurs; the success and failure factors affecting social entrepreneurship projects; and what kind of metrics are used to measure the success.

#### 3.2. Conceptual framework: research questions

Although is quite easily understandable from the presented literature that many topics are still in an "emergent stage" and information regarding them is diffuse, it is possible to build a framework to conduct the empirical analysis.

Starting from the main topics discussed in literature review, and using some practical experiences, the following issues to be discussed, were identified:

- *Issue #1: Are there some compelling characteristics of social entrepreneurs to be successful?*

This issue concerns more directly to who performs on this area. People performing in social entrepreneurship have the most diverse backgrounds and experiences so the outcomes from their activities are quite influenced by such factors. The way they behave and their path is different from situation to situation, from area to area, from final target to final target, but may be that some personal characteristics of entrepreneurs are common to successful social projects, indicating that they play a critical role on performance.

- *Issue #2: Creating a social venture: Which factors determining the creation of social value?*

As stated earlier, the main topics discussed in literature are: *context, network, innovation, metrics, leadership, ethics, funding and skills.*

Are they truly the most important factors and are they relevant enough for a social entrepreneur activity? On the other hand, which are the other factors that might

represent barriers on the creation of social value? The identification of both success factors and barriers to that success is relevant to understand what affects more one's activity.

Creating a social venture is a major issue. From the theoretical framework previously presented arise some key factors on that process. It is intended to know whether those factors are meaningful in practice or not.

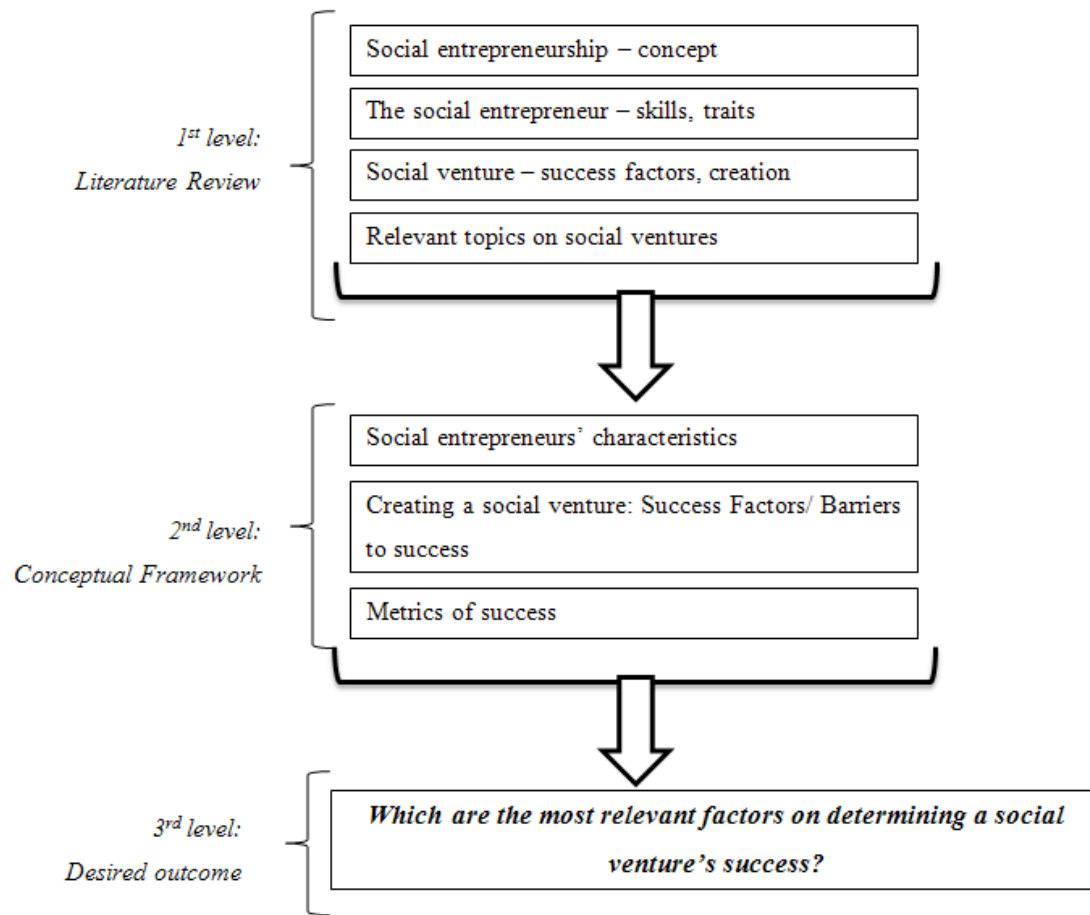
- *Issue #3: What are the metrics used to measure the success and what kind of problems do they rise?*

Due to the nature of their activity this question of measuring the business - for instance: performance, project stability or mission accomplishment – can sometimes become quite tricky since the measurement of the social dimension is not very clear. Therefore, how do social entrepreneurs know their ventures are in good shape and in the right path is a central issue for this framework.

From this set of questions is quite instinctive one bigger question ascending from them that wraps up this framework, and leads us to the desired researched result:

- *Which are the most relevant factors on determining a social venture's success?*

Considering that the creation of social value is the main objective of social ventures, and that its success is influenced by the social entrepreneur characteristics, as well by the way success is evaluated, this question intends to tackle the issue of identifying which factors are most relevant on having a successful social venture and which obstacles may slow it down. It believed also that will be a tool of good use on guiding the social entrepreneur within his first steps on the field when creating a social venture (figure 1).



**Figure 1 - Conceptual framework explained: from literature review to final project question**

Bearing in mind the literature review, the questions arising from it and the presented conceptual framework the methodology that is explained below was defined.

### 3.3. Research method

The research method will be explained below. It takes into account the purpose of this paper and also the type of data collected.

Observing the described research made throughout the previous pages a qualitative approach comes into the picture. Not only is the most suitable for the collected data – gathered by the process of interviewing mainly - but it is also the most appropriate and guaranteeing way to have the desired answers and outputs for posed questions. Hence, those mentioned issues present on this project call for the qualitative approach since it seeks to understand the meanings behind actions (Mair and Martí, 2004).

The research method is based in case studies. The use of case studies as a research method appeared almost intuitively suiting this project. Besides this, the comparative

analysis of the cases can be fruitful to generate understanding of complex phenomena (Alvord, Brown and Letts, 2004).

This research method as well other such as surveys, histories, experiment, etc. has advantages and disadvantages. Yin (2009) mentions three factors conditioning the suitability of a method for doing science research. Firstly is the type of the research question, second is the control the researcher has over actual behavioral events and third is whether the project deals with contemporary or historical phenomena.

Specifically about case studies, it is a method usually preferred from the other ones when the questions being made are "how" and/or "why", the researcher has little influence on the events and finally, the project aim is on contemporary phenomena in a real life context (Yin, 2009). Hence, "*the distinctive need for case studies arises out of the desire to understand complex social phenomena. In brief, the case study method allows investigators to retain the holistic and meaningful characteristics of real life events.*" (Yin, 2009: 4). This research method has been used widely used in many fields such as psychology, sociology and business itself.

As this project's purpose is to identify factors affecting social projects on the field of social entrepreneurship in a positive or negative way, an explanatory vector is needed for that purpose. In consequence, the posed questions are likely to be "how" and "why" as stated above. Such type of questions deal with operational links that need to be traced over time, rather than mere frequencies or incidence (Yin, 2009). As noted, in order to answer this type of questions the best way is through analysis of specific cases in the area.

Do not misunderstand the purpose of the project and its outcome with the needed method. Although this essay main purpose is about seeking factors, the process to identify and discover those has to be questioning how and why were the studied cases successful or unsuccessful and which lessons one can learn from them.

Furthermore, the control over the events by researcher's side is practically none. Although, as mentioned by Yin (2009), when this happens (having no control over events) the preferred method is histories, when speaking specifically for this project this is not the case. Consider the facts being dealt with here. Those are nowadays facts, within the real-life context. Besides, the case study method allows to add more evidence sources to the study than other methods namely interviews to the right people plus direct observation of the events/activities.

The aim on using the case studies method is not to use the studied cases as a sample. The generalization being made here is not about statistics, but an analytic one. As pointed out by Lipset, Trow and Coleman (1956) the goal is to “*generalizing*” and not “*particularizing*”. As Yin (2009) states, case studies are generalizable to theoretical propositions and not to populations or universes.

The case study method also copes with the needed flexible way to handle the issue being studied with this project. As told by Yin (2009: 18): “*the case study is not limited to being a data collection tactic alone or even a design feature alone.*”, the key and essence of it, is the way the method is practiced and the way it attends the proposed central problem for the project in question.

As matter of fact, despite all the other reasons stated above, considering the way Yin (2009) defines the case study research method, is self-explanatory on why it addresses the needs and answer to the challenges posed by the issues studied among this project. Firstly, it is an empirical inquiry that studies nowadays events in depth and within the real-life context, especially when the boundaries between phenomenon and its surroundings are not clearly evident. Besides, it handles the variety of variables relies on multiple sources of evidence and, on the background it has theoretical propositions to guide data collection and analysis.

Hence, case study method can cover multiple cases and in the end, draw a single set of conclusions wrapped up from all the analyzed cases (Yin, 2009). It is what happened with this project. The first phase, the one of definition and design has two steps: the first was the selection of the cases and the second the preparation of the interviews to do. Afterwards, the second phase was collecting and analyzing the data. Finally, cross-case conclusions were made and faced with the theory. The data steaming from each one the cases was schemed and structured in a way it was possible to consider all factors and variables taking into account. Matrixes and tables were drawn manually so information could be properly visualized and compared. From there implications wer built and the cross-case conclusions report could be written, being possible to achieve de aimed conclusions.

### 3.4. Cases selection and data collection

#### 3.4.1. Cases selection: reasons and motives

The case studies present on this essay were chosen accordingly to the purpose and objectives pursued with this academic work. The cases were selected analyzing previously their characteristics and features and in which extent they would have a positive and useful impact on the research and empirical work being done.

The focus was gathering relevant and useful experiences on the field of social entrepreneurship.

Due to reasons of suitability, pertinence and practical application all the four studied cases belong to the Portuguese context. There is a lack of studies in the national context and Portuguese experiences on the field of social entrepreneurship do not have much visibility.

The selected cases have factors and issues linking them, but at the same time have enough diversity and differences among them, so the findings and conclusions reached from them are not referred to a single reality. For instance, they operate in different realities and social issues: integrating people in society, volunteer work, promote sports as lifestyle or intervene in life habits of younger people.

The literature review made initially was also important and influenced the choices made for the empirical research. The interviewees were also picked bearing in mind the topics and most relevant issues found in literature. This way the presented cases and the possible comparisons to be made between them tackle better those issues. For instance, while selecting the projects to study an eye was kept on its nature and concept and of course on the profile of the entrepreneur behind it.

Also the entrepreneurs are people from different ages, backgrounds and with potential different motivations. As a multiple-case study approach that this is, the idea is to select cases that best fit the designed framework, as stated by Yin (2009).

The selection was made with the help and support of *IES* that has a strong network and extended knowledge about social entrepreneurship. Then, the issue of selection was also discussed with a representative of *IES* in order to have a trustable and wise source of information about the cases to elect.

The challenge posed is to identify what unifies and which common features are detectable on the nominated cases.

### 3.4.2. Data collection

The data collection was made having as primary source interviews to social entrepreneurs and secondary sources as documents, archival, websites, press releases and data obtained from various reports regarding the organizations present in the study. As noted by Yin (2009: 98) case study evidence can come from six sources: “*documents, archival records, interviews, direct observation, participant-observation, and physical artifacts*”.

As told, interviews were the main tool to collect data. As Yin (2009) mentions they are one of the most important source of case study information. Hence, it was used in the perspective of being a structured research instrument which is used to collect research data (Bulmer, 2004). The interviews regarding this purpose will be used as guided conversations rather than structured queries.

The interviewees were chosen accordingly to their experience and knowledge in the field. For this selection *Instituto de Empreendedorismo Social*'s information, opinion and database was considered so the best cases were approached and the best people were chosen. This way four social entrepreneurs were selected as case studies and were interviewed. Complementing contents provided by *Instituto de Empreendedorismo Social*, previous research on each interviewee's profile was made in order to extract more and better information from each interview moment. The interview script was the same for all of the social entrepreneurs. Due to the subjectivity and multidimensional realities composing this project's theme, the interviews were structured in an open way with the purpose of not losing and/or missing any relevant information that might be told by the interviewees. Collecting information through these interviews was also done bearing in mind the findings from the presented theoretical framework, since the script was built having in consideration those mentioned issues.

All the interviews were recorded for fully understand and a better analysis of the contents transmitted by the social entrepreneurs. All of them agreed with this before starting the conversation.

The realized interviews were made contemplating the background of the social entrepreneurs and their paths, with the main focus being given to a single project that he/she was deeply involved in a way or another. The interviews were kept relatively open but following a previously made script (approached below). Hence, the location of

the interviews were always on the facilities<sup>3</sup> of the social project being studied which was another important source of data and a privileged way to watch and feel in loco the characteristics of that single project. Interviews had all practically the same duration, ranging from 1 hour and 15 minutes to 1 hour and 30 minutes conversations.

Secondary sources were used both to have a better preparation prior interviewing the social entrepreneurs and to complement the information collected from those interviews. Besides the direct observation when interviewing the social entrepreneurs other secondary sources were used. Data was also sought in publications from the projects contained in the case studies, from their communication with the public in general – social media, press, online portals – and also from other intervenient in the project with whom was possible to speak when in the facilities of each project for the main interview.

During the process it was important to bear in mind that with the performed interviews the cases and examples of projects mentioned by the social entrepreneurs were many and it was needed to deepen that information in order to fully understand them. The information collected and extracted from such moment was very diverse, wide and rich in content. This issue led to an extra effort – proving here the importance of a qualitative treatment of the data - when analyzing that information to be sure that the essay was not drifting from its original purpose.

#### 3.4.2.1. Interviews script

The script used for the interviews (Annex 1) was made accordingly to the purpose of this essay. Its structure was not too closed so the interviewee had enough freedom in order to answer completely and so any relevant element for our study was left outside. It was composed both by open and closed questions. As told by Kelly, Harper and Landau (2008), questionnaires can have closed questions, open questions or even the two kinds. It was sought a balance between open and closed questions since each type has its own merits and demerits (Kelly, Harper and Landau, 2008). Those questions were designed not only bearing in mind our study needs but also the findings presented previously within the literature review. It was aimed to tackle the many issues arising from it and hence, to do the best use of the contents that the interviewees would be able to transmit in the moment of the conversation.

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<sup>3</sup> The only exception was the young entrepreneur João Brites since *Transformers* still does not have its own facilities.



The script was composed mainly by seven groups: identification, background, involvement with the project, main development steps of the project, the success factors for that project, the barriers to success and finally a set of more broad questions about social entrepreneurship and future perspective on it.

The first group is self-explanatory and is meant to identify the entrepreneurs namely with some biographic data and also his/her contacts. The second set of questions relates to the first one since it also aims on getting to know better the interviewee. This one has to do with the backgrounds, both academic and professional, of the social entrepreneur. Through those two sections is possible to understand who the person with whom we are talking is and to draw a general profile of that person.

After this the spotlight is aimed to the main project that was chosen to be studied more deeply and in a more detailed way. From this group the concern was to extract what was interviewee's role on the social project and what were the main motivation on playing such role and intervening in that particular venture. The fourth group, dealing still with the same project is aimed towards its development. Its beginning date, its objectives, the way it works, main milestones on the project are issues handled here. Hence, the funding thematic is also approached along with a comparison between social entrepreneurship venture and traditional businesses.

The fifth set of questions is about the success factor referring to that same project. On a first instance it was asked the social entrepreneurs the way if any (e.g. key performance indicators) he/she has established to measure the venture's success. After the factors of success were approached and it was asked for them to classify a list of factors with a Likert style like scale. (Kelly, Harper and Landau, 2008). The scale ranges from “1 – not important” to “5 – very important” and it must be punctuated by the person accordingly to the contribution of that factor for the success of the project. The list of factors was made bearing in mind the made literature review and the studied matters. The factors asked to classify were: *local institutions, government policy, civil society mobilization, network, project's innovation, leadership of project's promoters, technical preparation for dealing with businesses, ethical behavior, disclosing information to society and communication with society*. Afterwards it was asked an explanation on those factors having a bigger classification or the opposite accordingly to the given answers.

A similar list was made but on this turn about the barriers to success. Factors that could damage or cause project failure. Those factors also arose from the previously prepared

research. The scale used was the same kind. The list of factors which the social entrepreneurs were asked to classify was the following: *lack of funding, legal issues, perceived project's image, lack of human resources, lack of competencies, leadership difficulties* and *lack of network*. Also similar to the previous group referring to success factors, it was asked for the individual to comment on those barriers with a higher or lower given classification.

The last set of questions – seventh group - was about asking the opinion and considerations on the topic of social entrepreneurship and who plays in that field, the social entrepreneur.

### 3.5. Data Analysis

The data analysis made is set to examine, categorize, tabulate, recombine evidence and to draw empirically based conclusions (Yin, 2009). It allowed to, enabled by the gathered data, analyze and infer about the subjects being studied.

The data analysis was guided accordingly to the theoretical propositions stated before. Regarding the technique for analysis the spotlight is on the *cross-case synthesis* (Yin, 2009). Information collected from the different sources was organized in order to be the most complete and accurate possible. Matrixes contemplating the collected data from the four case studies were built in order to make a trustworthy comparison and to identify common factors between cases and associations between the present factors.

#### 3.5.1. Case studies presentation

Below, the studied cases will be presented and described. This presentation will refer not only to the projects approached during the interviews but also about the interviewees themselves.

The information gathered both from the interviews and other sources of research were used.

### 3.5.1.1. Ana Quintas, *Vitamimos*



The *Vitamimos* project intends to tackle the problematic of obesity in children. It works on promoting healthy food habits and in the organization of many events with that purpose. It is currently opening its own healthy space in a garden.

- *The entrepreneur: identification, background and motivations*

The social entrepreneur interviewed was Ana Quintas. Ana, born Portuguese and aged 46, has an academic background starting with a graduation on geography in *Universidade de Letras* (Lisbon) and completed afterwards a post-graduation on the educational field at the same university.

Previously creating *Vitamimos* she did an internship on the municipality of Sintra working in territorial planning. After doing the post-graduation she found her passion in teaching and from then she never lost the link with lecturing. Nowadays she teaches in a public school in Cascais district. Meanwhile, parallel to lecturing, she already gave professional training on the hospitality school in Estoril, worked in a public high school department dealing with the beginning of the youth's active life and during 3 years she worked in the committee of AIDS prevention what influenced greatly her social awareness.

Teaching in an entrepreneurial training initiative, the contact with some previous projects on food education and the European Union's directive in policies towards obesity motivated and inspired her for the creation of *Vitamimos*.

As Ana pointed out, the activity of lecturing and facing many realities within the school context, shaped the way *Vitamimos* was developed. As a teacher she considers that social entrepreneurship is part of her daily life.

- *The project history*

The idea of creating *Vitamimos* came up to Ana as a response to the teasing contest sponsored by Cascais Municipality. Basically the contest would analyze the proposals/projects from participants within categories of competition, and the most voted would be supported and aided by the municipality to make it real. In Ana's perspective this concept of contest was challenging, because besides having a good idea, it was also needed to have a good communication strategy so the message could get through.

Ana made her submission to the contest in the *health category* and won it.

After winning she realized that with this project she got the opportunity and resources to have social impact on the community.

During the conception and creation of the project Ana was the main responsible in charge but nowadays the existing team is considered essential and all the decisions are shared by its members. However the final decision, for instance on resources and budgets, always belongs to Ana, which makes reasonable to say that the role she has now in *Vitamimos* is similar to the one she had when the project was founded.

This way, the project was started in 2007 having as main objective the creation a center for food education and to fight kids' obesity.

One of the first arising questions was the way *Vitamimos* should be organized: like a business company or as a nonprofit? As Ana refers, donations or governmental subsidies sources that provide irregular financing to organizations and this situation would be avoided or minimized with closer business company model. Her original idea was that *Vitamimos* should have financial sustainability with the payments from users with higher income. This one would cover the expenses and the free services provided to the ones who have less financial power. It is a proved fact among studies that obesity increases along with the decrease on the social-economic status of the population, namely children.

In that sense on the first three years of activity Ana tried to make partnerships with private schools since many canteens and bars were not aware of the good practices of healthy food. Establishing contact with parents association she started to spread the message and offering *Vitamimos'* services. They tried many activities such as participating on school year's end events, promoting healthy birthday parties and giving sessions and workshops on how to behave healthier when choosing what to eat.

The spread message created awareness on the *Vitamimos'* concept and also created demand for its services.

The initial investment came from some personal sacrifices on Ana's personal life. She managed to free capital selling her house and going for a smaller one. This way she got the capital to pursue another step on *Vitamimos'* life: opening its own facilities. A place where would be possible for people to eat healthy and have a healthy time. This place was recently inaugurated inside a garden in Carcavelos.

Selling her house ended up as being the main source of money for *Vitamimos* since Ana opted out for not using the proposed loan from a bank that would be due in 5 years. She preferred not having to deal with that pressure. It was a way she found to minimize the risks taken.

At the first year all activities were almost free and only in 2009 the revenues were relevant and made possible to end the year in a good position. About the overall financing Ana considers it is well solved although from now on is still a bit tricky to speak since it is now expected for the project to start generating better and more revenues with the opening of its own space. It is felt among *Vitamimos* volunteer crew that they spent all this time creating their portfolio and now they have the capacity and the demand needed to go one step forward.

For the near future *Vitamimos* expects to increase the number of the *Vitamimos'* classes, organize field trips with school groups, exploring their bar in Carcavelos and promoting and establish their own merchandising line with their own brand.

As milestones on the project it is important to mention: winning the contest of Cascais Municipality and its support, the partnership established with local health related institutions, the moment she got the funding for the project with the disposal of her own house and its appearance on the national television (caused by successful initiatives taken with those institutions). The biggest moment was really the inauguration of *Vitamimos'* own space in the garden.

### 3.5.1.2. João Brites, *Transformers*



The objective of *Transformers* project is to work with a group of people, teaching and training them with a skill, ability or sport. Later, the mentor of that group and the group itself develop an activity that in an innovative and original way will benefit society in general.

- *The entrepreneur: identification, background and motivations*

This project was thought of by João Brites, who was born Portuguese. The inspiration for this project rooted in previous experiences on the field of social entrepreneurship. This young entrepreneur is now 20 years old and is currently finishing his graduation in Management at Nova University in Lisbon. His academic background prior to college (high school path) is also related to economics and management.

Although he is still young, he already has a wide experience on participations and attendance to events on the social entrepreneurship field especially as a volunteer and as a participant in national and international projects. As a volunteer he organized free workshops on one of his passions: breakdance. Together with a group of friends he organized those sessions for the kids of their community, in order to: get them busy and make them to be part of something. While at school, he also took part on a project that changed the outside areas of his school facilities as well as its surroundings. Having as pretext a curricular subject, João and his workgroup organized and promoted a running marathon. That marathon was designed to pass on degraded spots of school and its surroundings needing intervention. The affluence to that marathon was huge what led to a bigger awareness of those damaged places. This awareness was relevant for a quicker action by the accountable entities.

Later on, he had an experience in the European Parliament on a simulation of this institution decision model. This event was really useful to build and improve his network. Also at international level João got the opportunity to participate in the Global Change Makers event that took place at London in 2009 where visions, concepts and ideas were shared creating new and innovative solutions. Through this event João got the opportunity to be present on the World Economic Forum in Davos, where he contacted many personalities on the field and learned about new and unknown realities, but the main contribute of this experience was the creation of the concept behind the *Transformers* project.

- *The project history*

The concept came as an answer to a challenge posed by the World Economic Forum's organization where the participants had to present an innovative idea. João's answer to this challenge was *Transformers*.

The main motivations to create *Transformers* changed over time: before, during and after the World Economic Forum in 2010 (where the idea was conceived). On a first stage his motivations were mostly personal. João felt the need to make something to contribute positively for the community, change some stereotypes that young people have and find his own way to make a difference in society. He got the feeling that he could bring benefits to others through something he was passionate about (breakdance). When in Davos, his motivation became more external since he had to present the idea for the event. After the World Economic Forum he found other motivations. The first one was to start something from the scratch, a second one was João's network and his peers. Throughout time, as previously mentioned, he got the opportunity to engage and get to know many people with different backgrounds, projects, lifestyles. He got the influence from them. He also feels motivated by knowing that there were out there people with the same tastes, values and with a similar willingness of to act, and that pursues their goals with a positive contribution to society.

Some time after the creation of the concept *Transformers* had his kick off in 2010. João formed his team and brought the project into reality. Since then, João has been the main responsible of the project.

The main objectives of the project are basically to turn young people into transformers. The idea it is to use a capacity, talent, sport, a form of art of those young people and put

them into good use for the community. Their objective is to transform the lives of the kids with whom they and mentors work. They have the aim of developing, teaching the kids so in the end of some time they can use the learned skills to contribute in a positive way for the society.

The way it works is the following: João and his team start by getting in touch with institutions, schools, health centers etc. in order to find out what are the interests and needs of the children using those spaces. They do questionnaires, speak with the kids themselves and also with the directions of those places. At the same time they have running on their website the application for the people who think that might have the profile of a transformer. Candidates that fulfill the requirements can apply online through the website for being a transformer and to work once weekly, during 9 months, with a group of kids teaching them a talent, sport or other activity.

After this, the candidates are selected. The one's chosen are called the 'mentors'. Afterwards, the selected candidates have two weekends of intensive training to get them ready, and finally they start the action. Those mentors work on a volunteer basis having just a fixed amount of money for food and transport plus a defined amount of money for using with the activity itself in case it is necessary.

While the mentors do their job (training and teaching the kids), the kids learn skills, and develop their interests which later will be used in the 'payback' – an original and authentic activity organized by those kids that will benefit the community and the society where they are inserted into (e.g. dance show for the community, recovering damaged parts of the city with street art).

The financial source of the project currently comes only from donations from two sponsors, being one of them the main funder. To find those funders was not very difficult. They also applied for funding through European Union youth program that did not worked out.

Due to the heavy reliance on one funder, the financing problem is not well solved. This way João points out some alternatives about the funding as: using the mentors' talents to sell services in the society - but always without losing the identity of the project. Other objective is to make the donations less concentrated in just one entity and apply later on to other grants that they still did not apply since the project is still young.

As for milestones of the project, João points out firstly the creation of the concept in the Economic World Forum at Davos in 2009 and then the creation of the association *Transformers* in 2010. Later on the selection of the current group of 18 mentors was



also important, as well the first class of the project. The first “payback” must be also highlighted since it represents all the steps and effort taken previously. It happened in the beginning of 2011 where kids from the East part of Lisbon recovered damaged outside spaces with *graffiti*.

### 3.5.1.3. Maria Gaivão, *Escolinha de Rugby da Galiza*



The third case study is related with sports. The objective of this project it to build a rugby team of young players that belong to a community with special needs. The values of sports are used as motivators, influencers and shapers on those children lives.

- *The entrepreneur: identification, background and motivations*

The interviewee was Maria Gaivão, born Portuguese, aged 53 and graduated on the field of education. After graduating and while performing already on the field, she attended many workshops and trainings on the social area like community intervention and also technical training about sport and about being a sport agent.

Her involvement with the community started a long time ago, when through the municipality of Cascais she worked on a project about relocation of families on that district. After that, in 1983, she began working at Cascais’ Holy House of Mercy where she created and worked most of her time in the association for children’s free time. This place was built to keep kids out the street and to give them a place to stay every day after finishing the school. Later on, in 2006 – and as a continuation of the concept of the association - the idea of the rugby school was created: the *Escolinha de Rugby da Galiza*.

When creating the project Maria felt motivated by a passion for intervening in the community. The fact of being able to follow up with people and to provide them individualized aid was one of the main motivators. An enhancing factor was the fact that the rugby school would be an important contribution on their integration on the overall society since due to their socio-economic situation and characteristics many times they feel like outsiders. Creating the conditions and support to look for new

opportunities out of borders, not only in their original neighborhood/local community it is possible to dignify that people and make them believe in new ways of life. These are big motivators, says Maria.

This project does not only has impact on the kids but also on their families and relatives that in a way or another end up being involved with the school and/or with the association.

Maria's motivations were mainly on the human side when creating and conceiving the concept behind the school. She is the main responsible for the project since its creation till today.

- *The project history*

The project's objective is to build a team, integrate citizens in social exclusion, mobilize the families for the project and also attract external support (financial and other resources). The intention it to work with the kids, to motivate them, making them trust and believe in their own talents and capacities. It intends to use sports as a way to make a change on their lives by incrementing the values shared by rugby philosophy and on an upper level, to work on citizenship values.

Then the kids are in the center when speaking about the project's objectives.

The project also aims to create better conditions for their development, for their academic and sport lives and hence, to have better and faster access to health assistance. In short, the final objective is to help the kids to grow and become individuals who are able to establish their own objectives and achieve them.

Since the resources of the school itself are very limited the project depends on partnerships and networks to survive.

Partnerships with sports associations, with the local health center, with local universities, with Cascais Municipality and with other institutions within the social reality are vital for achieving project objectives.

The school also encourages people to become volunteers. It turns out that the community is so much involved that not only helps with working hands, but even players' parents already created an association that actively seeks resources for the rugby school. This is a really positive help and for the school.

Maria also highlights the importance of the communication with the external entities. Communicating what they are doing, and the way they are doing it affects the way the

project is perceived which has a direct consequence on the ability of getting resources or not.

Regarding financing, Maria applied for banks and for various grants and subsidies but she only got regular donations from some institutions and other sporadic donations. As own revenue the school has incomings from a symbolic fee of €1 paid by players and from tickets of the annual golf tournament and a gala dinner organized entirely by volunteers. The revenues coming from such events are used for the economic sustainability of the project.

Maria considers the funding of the project to be reasonably solved since they were able to have guarantees of funding from some institutions for a period of 3 years. One of the main difficulties is the budget to pay the human resources. Due to the project's nature and its growth the human resources are now even more vital and technical (e.g. coaches). Due to the demanding characteristics in the activity of coaching a kid, the person doing it cannot be a volunteer. It must be a full time professional doing it since the time and dedication needed are huge.

She stills points out that it is important to keep fighting and working on the existing resources, to adjust the budget to the departments of the school and know how to channel the resources network properly. Allocate the resources to the right department and to know which partnerships support which part of the project is vital. This is a way to tackle the difficulties present on funding the project.

The milestones on the project were: the moment when the kids perceived it as their own, as a project that belonged to them, making it more worthy and more valuable. Other milestone was the consolidation of their partners which led to some sustainability. Related with this is the way communication is handled. This aspect was very important in the moment to create a better awareness of the project. The project uses many channels such as internet or newspapers.

Maria still highlights the moment when the perspective of a continuous training of people – coaches, kids, volunteers – was implemented. It brought an added value for the project that is hard to measure.

#### 3.5.1.4. Rosa Neto, *4 Leituras*



*4 Leituras* appears as an innovative project on the reading world. The objective of this project is making reading accessible to all the people regardless any disability they might have. The contents of a book are available in all manners and materials so everyone, literally, may read them.

- *The entrepreneur: identification, background and motivations*

The interviewee was Rosa Maria Neto from *Cercica* in Cascais. *Cercica* is a cooperative for the education and rehabilitation of the maladjusted citizens from that same district. She is currently the general director of this organization where she began her professional career at the age of 24. She participated on its foundation in the year of 1976 and she devoted virtually her entire life to this cooperative.

Rosa was born Portuguese and is now aged 58. She is graduated in Psychology and all the social activity she developed so far had to do with helping citizens who are disabled, maladjusted or handicapped. That is to say, in a way or another do not have the full use of their capacities as the general population.

Helping these people was actually one of the main motivations on Rosa's side when creating *4 Leituras*. Rosa has been the main responsible behind the project since its creation. From the beginning, she aimed to give these young people access to reading no matter which disabilities they might have. Other factors as the need to integrate people into society and give them more quality of life were relevant. Hence, another motivation was on the side of the organization itself. Through this project it would be possible to create sustainability for *Cercica* since it would be possible to collect revenues from selling the books.

- *The project history*

It was in the context of Cercica's activities that appeared the social entrepreneurship project called 4 Leituras.

The creation of Cercica (back in 1976) appeared as an answer for people with are disabled in some way. It was founded in order to cover the special educational needs of those individuals that, at the time of Cercica's creation did not have access to public school system. It also seeks providing these citizens the support and access to having a job. It has projects like: a gardening company and a company focused on giving home support to elderly people.

Among these projects appears 4 Leituras. It appears as an entrepreneurial answer to the fact that including those kids with special need into the educational system was sometimes difficult because there were not the needed tools and materials many times. This project tackles the issue on the side of creating the necessary resources for the kids with special needs.

The project started in 2008 and has as main objective to give children with special needs, the resources and pedagogical motivation by offering the contents of a traditional book, in a manner that suits their needs. So everybody (literally) can read them, whether they are blind or not, disabled or not. It pursues the objective of integrating those individuals in the public school system, aiding teachers to have the proper resources to teach and, in a bigger picture, to change society and people's mentality.

Books are authored by specialized writers because it is essential that the communication, the writing style and the stories contained on those books are adjusted, proper and suitable to the audience in question. Besides the authors, there is still a vast team working on the conception and production of the books namely illustrators, a speech therapist, a narrator (for audio versions) and all the staff taking care of the multimedia contents.

The relationship with the Portuguese Education Ministry is quite strong and reliable. The books have the ministry supervision and accreditation so they may get into the education system. Education Ministry is actually one of the main clients together with Cascais Municipality. Those are the guaranteed buyers of the books of *4 Leituras*, and are basically the two stakeholders who can bring a bit more financial sustainability. Besides Education Ministry and Cascais Municipality, it also sells in regular stores and it has an online shop, which represent the rest of sales revenues (Cercica, 2010).

Rosa and her team are currently working hard on the *4 Leituras* project to become closer to schools. They are establishing partnerships in order to go to the schools (public and private) to promote their product and to make the books known.

The project funding, comes almost entirely from sales revenues. However, a bank grant application was made with positive results and an application for a grant addressed to the Cascais Municipality was also successful.

Rosa considers the funding situation to be well solved since they always have a certain slice of books and materials produced to be sold to Educational Ministry and to Cascais Municipality as mentioned before, although Rosa is aware that this situation might change since the overall economic situation is not in good shape. Moreover she felt some particular difficulties dealing with funding issues. Those difficulties had mainly to do with the initial investment to be made. That investment was made only using money from *Cercica* itself, what was caused Rosa to take riskier decisions.

As important steps of this project, Rosa considers the release of the first book a quite important event. It showed the public that the project was for real. Secondly the recognition of the first book as one of the best and successful practices on the social entrepreneurship field by the *Instituto de Empreendedorismo Social* was other rewarding milestone. Rosa still highlights the moment they established the partnership with Cascais Municipality that was vital for the project, and also when they had the sponsorship of a big telecommunications company for one of their books. However, above all the most important milestone is considered to be the feedback from the people who read the books, and the gathered testimonials: are very rewarding and prove that *4 Leituras* is going in the right direction.

### 3.5.2. Data analysis

#### 3.5.2.1. Entrepreneurs characteristics

The entrepreneur's profiles are very different in the four cases studied. Aspects as their age, their academic qualifications, previous professional experiences, participations in other social projects earlier in time and international experience, were considered (table 1).

**Table 1 - The social entrepreneur's profiles**

Project/Social entrepreneur.	Age	Nationality	Academic background	Previous professional experiences	Participation in other social projects	International Experience
Vitamimos/Ana Quintas	46	Portuguese	Graduation in geography; Post-graduation in education;	Municipal territorial planning; High school teacher; Member of government AIDS prevention committee;	Projects about healthy food in high school; Lecturing in Cascais Municipality	None
Transformers/João Brites	20	Portuguese	Graduation in management; Economics are in high school;	None	Local volunteering conducting dance workshops ;	Participation in European Parliament decision model simulation game; Participation in Global Change Makers event (London); World Economic Forum (Davos);
Escolinha de Rugby/Maria Gaivão	53	Portuguese	Graduation in education; Various workshops and trainings on social area, on community intervention, on sports techniques;	Relocation project in Cascais Municipality; Working for Cascais' Holy House of Mercy on occupation of kids' free time;	Was part of the team creating the place for kids being occupied during their free times;	None
4 Leituras/ Rosa Neto	58	Portuguese	Graduation in psychology;	Creating and working on <i>Cercica</i> ;	Involved in all projects promoted by <i>Cercica</i> ;	None

*Source: data collected through interviews*

Comparing their backgrounds, some are truly different. For instance about age, João Brites was clearly the youngest studied case aging 20, while other cases were led by more senior social entrepreneurs. Yet, with the advantages and disadvantages for both situations, the social projects are up and running. On one hand, an advantage of being a

senior may be the bargaining power and networks one might have. It is expected that more experience enlarge personal and professional networks, increases the bargaining power with partners and other stakeholders as well as may have a positive influence on the image and reputation of the projects. On the other hand, depending on the project, youth may be an advantage, mainly when a new approach to the problems is needed and/or the recipients are also young people.

Although the academic backgrounds are also different since the four entrepreneurs were graduated in diverse areas as economy, education and psychology fields. All of them have higher education.

Also professional and other experiences have in common the previous involvement with social projects as a volunteer or as a professional.

Collected data shown the many ways a social project can become into reality. Whether it is a project of a lifetime (*4 Leituras*) or a passion found through an opportunity from a public contest (*Vitamimos*) they all drew their own ways. Each entrepreneur's past had quite an important role on the path of their projects as well about their core activities.

#### 3.5.2.2. The perceived advantages and disadvantages of social ventures and traditional businesses

There was a tendency in the interviewees to point out more advantages than disadvantages on running a social venture than a traditional business to make concrete their projects because they are focalized on the value created by having a social mission. However they recognize some advantages and disadvantages of opting by a social venture (table 2).



**Table 2 - Advantages and disadvantages of opting by a social venture**

Project	Advantages of being a social venture	Disadvantages of being a social venture
<i>Vitamimos</i>	Having a social mission; More proximity with people;	Lack of financial sustainability; End user not the payer of the service;
<i>Transformers</i>	Having a social mission; Working mostly with volunteers;	Financial dependency;
<i>Escolinha de Rugby</i>	Having a social mission; Created image;	Lack of financial sustainability; Lack of qualified people;
<i>4 Leituras</i>	Having a social mission;	None;

*Source: data collected through interviews*

Although having a social mission is pointed out as being an advantage it as one problem as mentioned by Ana Quintas. People often associate social venture with free services which causes that, when a social organization asks for some amount of money (even if it is low) for a certain service, the project’s image is possible to change completely in people’s minds. Although it is a cultural issue – since it happens in Portugal - it is an important to be aware of.

One major disadvantage is the financial sustainability of the project. With a social venture this is a complex and hard to manage issue, being on the main difficulties felt by the entrepreneurs. As mentioned in literature, many times the end user of the services is not who is paying for it, and the sources of funding are not similar to a commercial business. This complexity on getting financial sustainability brings difficulties to the management of the organizations. Attracting, motivating and retaining the people involved in the project becomes a central issue when there is no money to pay for their services. It is extremely difficult to retain the talents since most of them are volunteers and it is a big challenge to manage human resources of this type. An extra sensitivity is demanded when dealing with volunteer labor, since it is relevant to understand how far can you push them and how much can you ask from them, since they are not paid.

Moreover the financial dependency influences a project activity being one of the disadvantages mentioned together with the lack of supports, donations, subsidies and

grants especially when the economic situation of the macro context is not the best and, as a consequence the negotiation power is decreasing.

Undoubtedly the main advantage is not having a company label on the organization which could create suspicion about final objectives. Also being a social venture the proximity with people can be more easily accomplished, the right message can be passes and the social impact may be bigger. Social ventures can even be potentially more efficient than business since they sometimes have the same outcome with lower resources and less costs because, they are commonly supported by volunteers.

### 3.5.2.3. Success factors: a comparative analysis

- *The entrepreneur's perception of the success of their social projects*

Considering the four cases studied it is well noted that each one of the interviewed entrepreneurs consider their projects to be a success, some with more resistance and others with a clear and ready "yes!". This was an open question, so no biases were introduced. However, some factors influence their opinions, such as the stage of the life cycle of the project, the age and the background of the entrepreneur and the perception of the concept of social entrepreneurship.

The reasons pointed out by the four social entrepreneurs for considering their ventures a success were very diverse since we were dealing with four subjective people. However, after contemplating their answers it was possible to identify a common line of thought and reasoning among them.

One factor influencing the way success was perceived is the stage of the life cycle of the project in question. The fact of the project is still young was a motive for bigger reservations by João Brites to consider *Transformers* a plain success although it has brought already positive effects for the society as mentioned earlier. Moreover, the youth of the social entrepreneurs may also be a relevant factor when speaking about the success factors, not only because of the way João Brites himself perceives success, but also because the way that youth is seen by society – they are young aged and their experience is growing still.

The other entrepreneurs - Ana, Maria and Rosa, who have a wider experience and manage more mature projects showed not so many reservations about assuming their successes. They were more peremptorily identifying their ventures as successful ones and pointing out the reasons they thought why it was the case. Ana as well Maria

consider their projects to a success for the changes they are able to see on kids they work with. On Rosas's side, she considers *4 Leituras* a success because of the integration she could provide to people with special needs in school.

Another issue influencing the way success was perceived is the understanding they have of social entrepreneurship. The way the four interviewees consider what social entrepreneurship is, and what is the definition of social entrepreneur has influence on the way they comprehend and which factors they do attribute for their ventures being considered successes or not. As mentioned earlier in the literature review on this essay, the subject is not an easy matter. The concept is still diffuse and there is still a lack overall agreement of what is social entrepreneurship and who is considered a social entrepreneur or not. This difficulty on the concept influences also the opinions about success. In fact some of the interviewees said that they only figured out that were considered social entrepreneurs when were told so by other people and/or entities. About this issue of self-identification is still noteworthy that it is possible to see that the characteristics identified on the upper chapters of this essay fit and match with those found on the literature. It is a proof that their background influences and shapes people's perspectives and perception. However it is neither limitative nor restrictive in terms of actions of accomplishment of tasks and objectives. Illustrating: being aware about the concepts on the literature was not essential and that absence did not hold back the social entrepreneurs on their path to success.

The views of their projects as successful were contingent on two aspects: internal and external. The internal aspect relates to the organization itself and the benefits obtained through the development of the project. The external aspect has to do with the social impact of the project (table 3).

**Table 3 - Entrepreneur’s perception of the success of the social projects: internal and external aspects**

<b>Project</b>	<b>Internal aspects</b>	<b>External aspects</b>
<i>Vitamimos</i>	Building of a working team	Impact on society; Institutional and social recognition;
<i>Transformers</i>	Group of people mobilized: mentors and participants;	Perceived image by public; Reputation; Impact on society;
<i>Escolinha de Rugby da Galiza</i>	People who use the services on a daily basis; People perceiving projects as theirs;	Future life of the children; Network/partnerships established;
<i>4 Leituras</i>	Reputation and sustainability for <i>Cercica</i> ;	Integration of people with special needs in the education system;

*Source: data collected through interviews*

Ana considered *Vitamimos* as being a successful project mainly because of its social impact, i.e. the positive influence in the behavior of young people. Besides this effect on the society, she also considers a successful project due to the working team that was built. This team had a positive evolution over time following the development of *Vitamimos*. As last reason, Ana mentioned the recognition by external entities during *Vitamimos*’ existence, it is a successful factor that Cascais Municipality offered *Vitamimos* a space in a public garden with perfect conditions for Ana and her team opening up the facilities for the project. It would not be possible to find a better fit between the location/space itself and the nature of the activities being held by the organization.

For João Brites the *Transformers* project must be considered a success not only for its contribution towards community and in a bigger extent for overall society. He also considers a success the fact of having an organization that can be perceived as credible, transparent and capable of making commitments. The creation of the image and identity of *Transformers* has extraordinary importance and relevance for accomplishing their objectives. Besides this, it is also important to tackle the issue of the project being in such a young stage of its life cycle and for the team being formed by young people only. If they can pass the right message and they are perceived in the right and desired way, their success will be bigger and more impactful, João considers. That way

accomplishing their objectives is easier and more opportunities will appear since their reputation next to entities with whom they (*Transformers*) might work will be more positive.

João identifies as a measure of success the changing attitude of young people involved in the project. Hence, the recent possibility of integrating curricular contents into *Transformers* activities is also an indicator that the project is being successful since it shows that other spheres of participants' lives are being brought altogether through the project – meaning, it is working as a unifier.

Maria Gaivão focuses the success of *Escolinha de Rugby da Galiza* on the people who uses it every day. She considers the main success variable the commitment created by the kids with the school and the way they do now perceive the project as theirs. She stresses out the fact of being able to make those kids committed to something and being capable of making them to pursue their objectives in life. It is the final outcome – seeing the path of those kids while grownups – that makes possible to infer whether the project is being successful or not. Another reason to consider the project as successful is the increasing participation of volunteers and of all the community, even those who do not use the services and activities. Last but not least, the established resources network also points the success achieved by the project. This has not only to do with the number of partnerships involved but above all with the commitment of some of those. Some partners are so deeply involved, and have such a strong belief on the project that committed themselves with their support for a period of three years at least.

Related to *4 Leituras*, Rosa Neto gives emphasis firstly to the gap it was possible to fulfill with the project. The testimonials that are collected indicate the success of *4 Leituras* since they reflect how useful and important those books are for the readers. This success has to do clearly with the social mission side of the project and with the intervention in the society that has proven to be effective through the feedback collected from users.

Another aspect Rosa mentioned was the visibility created for *Cercica* – at a national level – trough the project *4 Leituras*. While promoting the project, *Cercica* was also publicized being promoted at the same as *4 Leituras*. Despite this, *4 Leituras* also enjoyed some of *Cercica's* experience and maturity to gain reputation and credit during its lifetime so far. Having *Cercica* behind it contributed clearly – in a positive way – for the successful path of *4 Leituras* until today.

- *The perceived success factors*

Also noteworthy are the reasons that, social entrepreneurs consider having contributed the most for their ventures success. Firstly they were asked to point out three major factors that for each one of them were fundamental for having a successful initiative with a positive and desired impact. After, they were asked to rank from 1 (not important) to 5 (very important) a list of factors, based on literature. This way, on one hand it was possible to have a spontaneous perception without the limitations imposed by a list and, on the other hand, overpass the limits of partial vision of its experience. The factors mentioned by social entrepreneurs were most of them intrinsically related with the project itself, the concept, values and mission that come along with it and also with the people involved in the initiatives (table 4).

**Table 4 - The perceived success factors**

Project	Factors for success
<i>Vitamimos</i>	Family support; Receptivity by external entities;
<i>Transformers</i>	Authenticity; Professionalism; Informality;
<i>Escolinha de Rugby</i>	Commitment from participants; Human resources competencies; Network established;
<i>4 Leituras</i>	Innovation; Team that design, authors and produces the books;

*Source: data collected through interviews*

For instance, regarding *Transformers*, the factors identified were the loyalty to the project main values, as João says, authenticity, informality and professionalism are core values and characteristics for having a positive outcome from their actions and activities. Maria from *Escolinha de Rugby da Galiza* also claims the importance of their values and beliefs. They are considered vital for keeping the good level of commitment with the project from three kinds of people: kids in the rugby school, society in general and people working in it. The competencies and hard skills, the human resources also

have an important position on the venture's success. The emphasis on this is mostly on the side of their competencies and hard skills due to technical requirements that need to be met for the good functioning of the rugby school. The team formed in *4 Leituras* is also revealed as a central factor for its success, as mentioned by Rosa. Hence, she stresses out the importance of the innovation contained on the project. Releasing such kind of a book was exclusive and innovative, what led to the creation of a new reality in the industry.

External reasons were also mentioned when asking about which factors were the most important contributing for one's project success. It was the case of Maria that referred the importance of the partnerships network to get the needed resources. Ana Quintas also referred the receptivity of the external entities as having a crucial role on the successful of *Vitamimos*. The other factors had to do with the moral support she got from her family when going for the project.

Asking the social entrepreneurs to classify internal and external aspects, it is possible to have a larger picture about the factors that contribute to success (table 5).

**Table 5 - Success factors classification**

	<i>Vitamimos</i>	<i>Transformers</i>	<i>Escolinha de Rugby</i>	<i>4 Leituras</i>	Average
Local institutions	5	5	4	5	4,75
Government policy	3	2	3	4	3
Civil society mobilization	5	4	5	4	4,5
Network	5	4	5	4	4,5
Project's innovation	5	5	5	5	5
Leadership of project's promoters	5	5	5	4	4,75
Technical preparation for dealing with businesses	4	4	5	4	4,25
Ethical behavior	5	5	5	5	5
Disclosing information to society	3	5	5	5	4,5
Communication with society	4	4	5	5	4,5

*Source: data collected through interviews*

The results show that social entrepreneurs consider the success of their ventures as something multidisciplinary, since many of the factors contained in the provided list got a high score.

Referring to internal factors, it is pertinent by starting to note the attention given to the innovation contained on each of the projects. *Project's innovation* got the maximum score being ranked with 5 in all the cases. In a way or another innovation was present on the life of each project. For instance on the side of *Escolinha de Rugby da Galiza* the major innovation was starting with a different and distinct audience than the one considered as a 'traditional public' for this sport. For *4 Leituras* the biggest innovation was about the product released through the project. The prior inexistence of such kind of product made them innovative. On *Vitamimos* the main innovation considered was the fact that through simple actions it was possible to tackle the issue of the obesity in children. In *Transformers*, João sees project's main innovation on being able to transform society using volunteer work, while being coherent with project's values.

The other factor having the maximum score was *ethical behavior* as it was seen by all interviewees as a critical factor for a successful initiative. It was vital since it impacts and affects many other factors as society mobilization or disclosing information towards community. It is considered as a matter of coherence and respect to society.

Another factor considered important for the success was *local institutions* with a 4,75 average score. The entities on the field influence one's project activity whether it is on recognizing the project, providing resources, creating value for the project's network or aiding on the promotion and divulgation of the initiative.

Another important factor was the *leadership of project's promoters*. The scores attributed on this factor did not vary much what shows the wide consensus about it.

The *Technical preparation for dealing with businesses* got a 4,25 average on interviewees' perception, what means that for most of them it is not very important, but only important. They value more the continuous learning of entrepreneurs and the negotiating power that has to be built with experience than the initial preparation to do business.

Relating to external factors, the most important for the success was *local institutions* with a 4,75 average score. The entities on the field influence the projects whether it is on giving positive reputation to the project, providing resources, creating value for the project's network or aiding on the promotion and divulgation of the social initiative.



Still classified with a high score are the factors related with the society. *Civil society mobilization, disclosing information to society* and *communication with society* got an average of 4,5 in the scale ranging from 1 to 5. This shows the relevant weight context and who is around such initiatives has for one's project success. These factors are related to each other. For instance giving importance to the way things are communicated with society is related with the concern on disclosing information to community. Disclosing such kind of information determines the desired proximity to people, but also to comply with values as transparency and clearness on activities performed by the project. Those were values referred by the interviewees when inquired about the communication with society. The only social entrepreneur that ranked lower the factor about sharing information with the society was Ana Quintas and it was due to the maturity of the project. As she says, in previously stage, disclosing information towards society was vital on reaching the population and society in general.

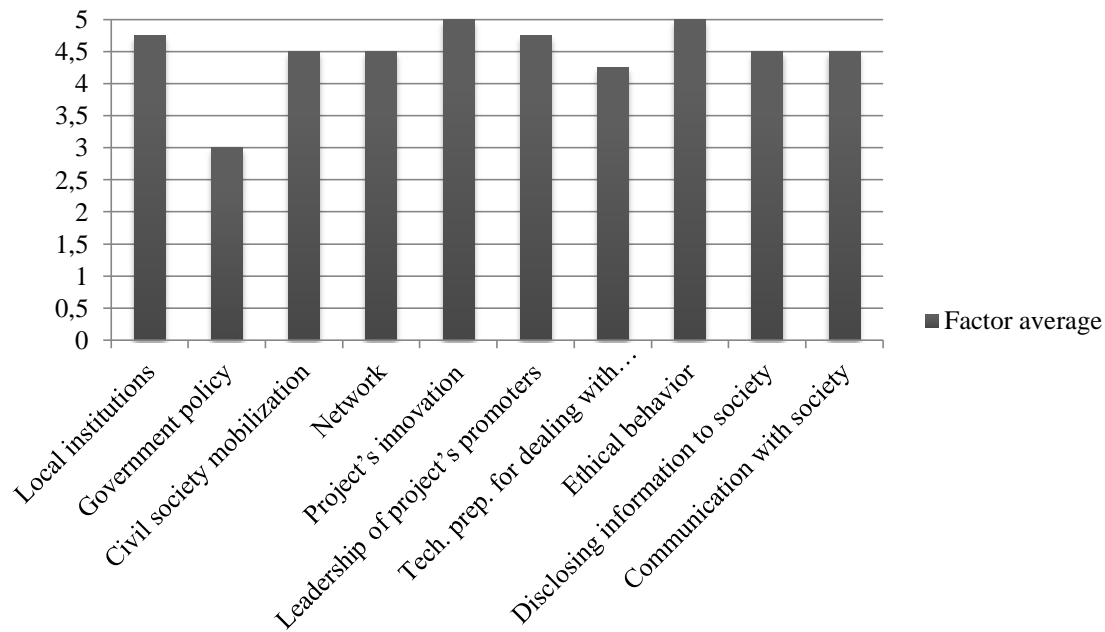
The ways used by to communicate were many, with a special focus on the communication through the emerging channel of social media in internet (e.g. Facebook, blogging etc.).

*Network* was also ranked high in line with what was mentioned previously. The network established and its evolution overtime, are key for a project success accordingly to social entrepreneurs' opinion. It assumes a special impact on resources and on the ability to have information reaching a certain destiny effectively.

The only factor that did not stand as an important factor affecting projects' success was *government policy*. Only for *4 Leituras* it is important because there are government policies that are in line with the project and on account of that they get financial support.

The following graphic reflects the average scores of each factor considering the four studied cases (graphic 1).

**Graphic 1 - Success factors average results comparison graph**



*Source: data collected through interviews*

#### 3.5.2.4. Success barriers: a comparative analysis

Regarding success barriers, a similar procedure was taken. Firstly social entrepreneurs were asked to choose three factors that could contribute for their projects failure. It was possible this way to have a perception on what is the interviewees' vision on this since no restrictions were made when posing the question.

After this open question, they were asked to rank from 1 (not important) to 5 (very important) a list of factors arising from the literature. With this question of a more closed nature, it was possible to limit the individuals' subjectivity.

When speaking about success barriers the collected opinions were diverse in terms that it reached many aspects of the social venture. When asked about factors and issues that could damage the project the interviewees answered with a wide range of topics with different motivations. Some were more focused on potential internal flaws of the projects themselves, others on the people involved in them and in other cases on external entities and/or realities.

**Table 6 - Perceived barriers to success**

Project	Barriers to success
<i>Vitamimos</i>	Health problem; Lack of energy; Not being self-sustainable financially;
<i>Transformers</i>	Many types of targets; A change on the perceived image by society;
<i>Escolinha de Rugby</i>	Lack of funding; Lack of human resources; Perceived project image;
<i>4 Leituras</i>	Unknown authors; Lack of divulgation; Book price;

*Source: data collected through interviews*

Going in a more detailed analysis, about *Vitamimos* for instance, it is observable that Ana points out as a factor contributing for failure, she having a health problem since she is the project's main responsible nowadays. Having such a situation would be a major setback for the project that fights children obesity, she says. This situation leads to the question of the need to become one's project autonomous in order to not having the venture depending in one person only. Moreover, she also highlights the importance of the inner energy felt among team members. If someday it would be gone, the readiness and willingness on passing obstacles would be much lower, what would impact negatively on project activity. It is clear how important it is the human resources here, namely the importance of volunteer work and its quality in terms of, not only skills, but also motivation, drive and inspiration.

Financial issues were other topic frequently mentioned. Funding problems are one of the main concerns for social entrepreneurs when thinking about issues possible to harm their projects. The question of sustainability is an important subject whether it is mentioned in the perspective of keeping current subsidies and donations or even, with an approach to fix ways to have self-financial sustainability through the project services. It is the situation of *Vitamimos* that plans for the near future having a big slice of financial sustainability coming from revenues. If revenues are not enough at least to cover expenses then *Vitamimos* situation might be compromised.

Another barrier has to do with society and public in general. As mentioned earlier, the project's image is an important issue. If a change the perceived image occurs in the

wrong direction, the impact would not be much positive. In fact some of the studied social ventures (e.g. *Escolinha de Rugby da Galiza* and *Transformers*) know that if people start feeling no longer those projects belonging to the community but instead as something external to them (society, public, community), the project would stop having the same meaning, reliability and quality. The concept behind the project would be degraded and that would have consequences on getting resources and establishing networks would have an increased difficulty since there would be a greater resistance by whom the social entrepreneur and the venture in question contacts with. The image is also relevant to the communication with the exterior. Services and products of social ventures also need to be promoted, divulged and publicized so they can reach the final user. So, this was other potential factor coming up to the mind of social entrepreneurs on causing their ventures failure.

Issues dealing about human resources are also nuclear in matters of what could cause projects failure. Not only the question approached above about their motivation, but also their skills, competencies and preparation to execute demanded actions. For instance, as pointed by João, in *Transformers* there is a wide range of activities (e.g. sports, arts, etc.) contemplating a big number of intervention ways. If to this factor it is added the diversity of targets the project has – not only minorities as we have traditionally in this kind of social ventures, but also majorities – we have a big degree of complexity that can only be handled with a corresponding answer on the side of people working on the project. They must have the awareness of that diversity and hence, be skilled enough to play their roles. Sometimes human resources assume such an important role on projects' activity that their reputation is relevant on social venture's performance. For *4 Leituras* if the scenario of having book authors not very known on that industry, or without a good reputation was real, selling the books would be more difficult. Concerning this issue having the human resources that better suit the project is mandatory as says Maria thinking on the experience *Escolinha de Rugby da Galiza* gave her. The human resources must be adjusted to the reality of the project for the best outcome.

As a matter of fact, and connecting both issues discussed here (funding and human resources), it was experienced by social entrepreneurs that many times it was the resilience and dedication on the human side that was able to overcome difficulties on budget side.

About the factors that could jeopardize the work developed on social ventures the interviewees classified them accordingly to the importance they gave to each one of those aspects as mentioned initially. The given classifications as well the average of each factor contemplating the four projects are approached below (table 7).

**Table 7 - Success barriers factors classification**

	<i>Vitamimos</i>	<i>Transformers</i>	<i>Escolinha de Rugby</i>	<i>4 Leituras</i>	Average
Lack of funding	5	4	4	4	4,25
Legal issues	5	2	3	1	2,75
Perceived project's image	3	5	5	4	4,25
Lack of human resources	3	5	5	4	4,25
Lack of competencies	5	5	2	4	4
Leadership difficulties	5	4	5	1	3,75
Lack of network	3	4	5	1	3,25

*Source: data collected through interviews*

Observing the results it is possible to infer that in a general way social entrepreneurs are in agreement about the various factors they were asked to give a classification accordingly to the importance for project failure during the interview.

The factors with a bigger score, meaning to which social entrepreneurs give more importance, go in accordance to the dimensions mentioned previously. *Lack of funding*, *perceived project's image* and *lack of human resources* were the factors having a highest score among the other ones with an average between the four projects of 4,25.

Funding factor was given the same score by all the interviewees whether it was for the relevance it traditionally has, for the key role of finances on the maturity stage of the project or for the self-sustainability perspective. *Vitamimos* got the highest score on this factor as the funding issue is playing a major role on the phase about to be started, which is walking through the direction of having a self-sustainable initiative.

*Perceived project's image* got an average score of 4,25, too. Here the given classification fluctuated a bit, since Ana Quintas did not consider it such a potential factor on disturbing her project activity because her project has a deep integration and commitment towards society. This score was given by Ana having a perspective on the change of the perceived image being caused by an external influence and not a change on *Vitamimos* mindset. For *Escolinha de Rugby* the perceived image is vital, since it seeks to make the people involved to feel the project as theirs. Regarding *Transformers* this image has to do with the values (originality, authenticity) they attribute to the project, the image is a way to keep and promote those. The scores attributed to this were given due to the importance that one's perceived image has for the receptivity of the project. Its positioning towards the public is essential. That said is possible to deduce once again that the four people agreed on the importance of this factor for their ventures.

The third factor having a highlighted role on barriers to success was the *lack of human resources*. The scores attributed were similar between the projects, exception made to *Vitamimos*. Due to the project's maturity stage, Ana considers more important the competencies of the human resources than having any human resources regardless of their skills or competencies.

The great importance given to human resources has to do both with the nature of projects' activity and also with the importance on having people willing to work and making available their time and other resources. This line of thought about human resources working on such ventures is one more evidence on the importance and relevance people have for this social type of organizations.

It is possible to infer that no having the right people to contribute for a certain project, will contribute for its failure.

*Legal issues* is not a very disturbing question whether because laws and regulations do not affect directly and significantly one's social venture activity or because they do have favorable policies from the regulators for the core activity of the project. For instance it is the case of *4 Leituras* that benefits of the government policies regarding the integration of people with special needs in the society and specifically in the public education system (as mentioned before). In fact the only social entrepreneur assigning a greater importance to this factor was Ana Quintas, as she is aware of the lack of regulation present nowadays in Portugal for social entrepreneurship organizations. Besides the direct consequence which is having a lack of regulation, it also leads to

bigger reservations on the side of who regulates. Those (the regulators), tend to be more restrictive and limitative when regulating in order to preserve themselves and the existing laws/regulations.

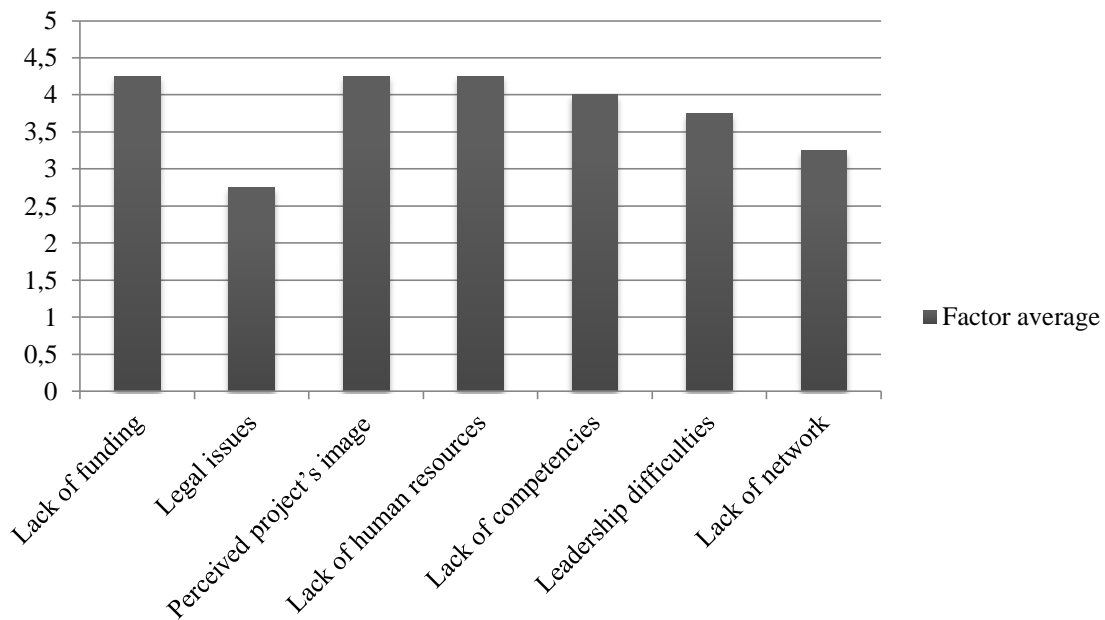
With low average scores there is also *leadership difficulties* and *lack of network*. The interpretation on these factors must be made with caution. The results found on the factor about network vary from case to case, and it has much to do with the maturity stage of each project. When starting the social venture the network seems to be much more relevant and needed than later on. The only exception is when the activity is built on a network of partnerships that is crucial for the organization. Considering this rational, it is natural to verify the wide importance given by Maria to this factor.

*Leadership difficulties* have a similar average score. However, on this factor there is a larger consensus being the average result clearly affected by the lower importance assigned to the factor by Rosa from *4 Leituras*. She considers leadership as not being an issue on provoking damage to the organization as the experience on the field and also the vast people who is ready and competent to be in charge of the project can tackle the problem. As for the other interviewees they see this as a vital topic to keep in good shape for the good sake of their projects. This importance is mainly aimed for the way they interact with their teams and people involved. It can be for motivation reasons, or on the side of being a reasonable leader in order to know how to manage and handle volunteer people.

It is still important to mention the importance of the external situation for instance the global economic situation in matters of barriers to the success of a certain project. It is an issue that social entrepreneurs are aware of.

Below is the graphical representation of the averages got on the discussed success barriers factor between all the four projects (graphic 2).

**Graphic 2 - Success barriers factors average results comparison graph**



*Source: data collected through interviews*

#### 3.5.2.5. Metrics of success

Data about metrics shows mainly the existing indicators being focused on measuring the activities themselves promoted by the different projects. Besides this, the mentioned indicators being used are many times contemplating one part of the process only. So, which measures and indicators were they relying on when saying if their projects were to be considered successes or not? The table below reflects which indicators were told in each one of the four studied cases (table 8).



**Table 8 - Measure of project's success**

Project	Success Indicators
<i>Vitamimos</i>	Indicators specific to each performed campaign; Measuring before and after;
<i>Transformers</i>	Performance appraisal model given by main donator: measuring: inputs, activities, outcomes;
<i>Escolinha de Rugby</i>	Number of kids in clubs; Number of kids still playing after leaving the rugby school; Health reports; School performance;
<i>4 Leituras</i>	Sales;

*Source: data collected through interviews*

Taking a broader look into the indicators mentioned by the interviewees, it is possible to conclude that the main focus lays on measures and indicators steaming from the one's social venture activity itself. This means that those indicators must be read carefully, being aware that it is required to distinguish what are operational indicators from what are the real outcomes triggered by a certain social project activity.

Still in the global perspective most of the indicators tend to be presented as measuring the difference of *before* taking action and the *after* that action was taken. For instance, an approach of measuring by campaigns may lead to concrete results about that campaign but lacks a sense of inclusion on the overall project. This is the case of *Vitamimos* that uses indicators specific on each food campaign they do. Another example is with *4 Leituras* using as main indicator the sales volume of each one of its books. However, as Rosa mentions, the impact of their activity cannot be reduced to the sales power and, being aware of this issue, *4 Leituras* has other indicators being developed. For instance, the degree of satisfaction within the many aspects of the books is an indicator being worked on at the moment. In fact Rosa expects to have a major update and improvement on the key performance indicators when they finish implementing the quality management system (QMS).

Regarding *Escolinha de Rugby da Galiza* and *Transformers* the present measurements already are along all the process that composes their activities. In the case of *Transformers*, their indicators fit into three steps: inputs, activities and outcomes. In the inputs set, are measured the initial resources, investment made and in the second, activities, all indicators about the activities are held: e.g. hours of sessions, number of sessions etc. The last one, outcomes, has to do with the payback that is given to the society: it may be a show for the community, rebuilding old buildings, etc. And it is also related with which changes the participants had for instance on their scholar situation – if they improved or not.

In the *Escolinha de Rugby da Galiza* project, the impact is measured in many aspects. Firstly there are indicators, periodic reports about the health of the players and their situation in the community. Secondly, it has other indicators like: kids going to play rugby for clubs, their scholar situation, how many of them keep playing the sport after leaving the *Escolinha de Rugby da Galiza*, that measure the extent the project is being a success or not.

It is possible to say that not all the studied cases have strong indicators to measure the impact they are having in society. This can be caused by some of the difficulties and/or limitations pointed out by the interviewees.

The main difficulties identified have to do with the human resources who gather and collect the data to build and bring content for those mentioned indicators. People applying the indicators can quite easily be sloppy and careless about those, since it represents more work to do. The motivation and involvement of that people is of key importance and must be an addressed issue in order to make use of the key performance indicators. Another issue is the indicator itself. It was mentioned that many times those indicators were too scattered. The information provided by them was hard to comprehend and getting the overall situation was complex. For instance, a practical example is the one from *Escolinha de Rugby da Galiza* where Maria feels the need of having an indicator and a tool capable to handle kids' information and data from their many realities: health, school, sport and so on.

The limitations pointed out have on their roots the difficulties mentioned above and the hard task that is to apply the indicators on the field. As stated by the entrepreneurs indicators do not reflect in totality the reality observed on the daily basis of a project and that it is complex to manage indicators that to measure changes on peoples' behaviors.

### 3.5.3. Discussion

The results provided by made research were many. The initial done literature review and the collected data regarding the four case studies contained on this essay, contributed with a wide range of pertinent and rich information about social entrepreneurship and also about who acts on it, the so called social entrepreneurs.

From the empiric study it is possible to verify that, some of the dimensions found in literature to be emerging and creating awareness nowadays in the social entrepreneurship field, were also mentioned by people who have the experience and are acting in the real-world.

Early on, three issues were identified when defining the conceptual framework for this essay. Crossing both sources of information - literature and empiric – and bearing in mind the qualitative analysis done, it is conceivable to arrive to the responses and approaches on those questions, knowing on forehand that those responses must not be seen in any thinkable way as universal truths.

Along with each respective topic, the issues identified on the conceptual framework are addressed below.

#### 3.5.3.1. Conceptual framework answered

- *Social entrepreneurs' characteristics*

*Issue #1: Are there some compelling characteristics of social entrepreneurs to be successful?*

On this question the most important to note is that, although it is possible to identify some common points on social entrepreneurs, the reality is that social entrepreneurship projects and activities represent a huge and enormous number of ways, manners and possibilities to do things. These essay findings, bearing in mind its limitations, indicate that there is not a recipe to act on social entrepreneurship or to run a social venture. Although it is possible to mention some advisable practices, each entrepreneur and his/her project is quite peculiar having its own characteristics. Those characteristics come mostly from their backgrounds, experiences and educations. It is also observable that the opportunities that appeared or are discovered by the person influence those characteristics and the course of action.

Each set of one's characteristics has its advantages and disadvantages. For instance a social entrepreneur, who is still aged young, might have a lack of experience that would be of great help in some situations, but on the other hand young entrepreneurs' attitude towards key aspects as *innovation* for instance, favors this young social entrepreneur initiatives.

It is also noteworthy to mention that through the studied cases it is possible to see that one's academic background is not a limitation on social entrepreneurship since there were various and diverse backgrounds, that may have shaped their projects and initiatives in a positive way. However it is important to mention the common aspect of all social entrepreneurs having a college education. It might an indicator that being graduated aids on performing in social entrepreneurship, namely in being able to design a project and develop it.

- *Factors for and against social ventures*

*Issue #2: Creating a social venture: Which factors determining the creation of social value?*

The diversity and multiplicity of factors having impact on the course of social entrepreneurship activity is really vast. It is a hard task to identify strictly a certain number of factors and say which ones are the most important for social entrepreneurship. However, it seems to exist some consensus on some topics that often arise from the social entrepreneurs' speech and that goes in accordance with the relevance given them in literature.

*Context* is an issue that is present on social ventures' activity all along the way. Evidence shows that sooner or later the context of a certain project will have a great impact on it. The context concept encompasses not only the spaces and environment but also the people, the community and the institutions with whom/which such projects have to deal with. The local institutions acting in the same terrain as social ventures are strong influencers on their activities. Furthermore, the society, which is a key player on context issues, was shown to be a fundamental factor to be aware of when dealing in with the entrepreneurship subject. *Context* is a hard question to address and this empirical research can be a start on understanding better how to manage such difficulties.

It is understandable from the social entrepreneurs words that knowing the terrain where the social venture will be built is essential. Here, having previous information, experiences about the local where the project is to be born, is of major importance. It helps on knowing which needs that the community has and where to go seek resources for the project. Other hint on how to deal with this diversity and with the context is about the understanding of other players in the field. The perspective must be of complementarity and not of pure competition (for instance on funding issues). Through complementarity it is possible to be better inserted and integrated in a certain context and situation and hence, making bidirectional winning synergies. Managing the factor of context, whether it is about the terrain itself, or about the public with whom the social venture communicates, is an essential vector on having a successful initiative.

*Ethics* are a fundamental question for who performs on seeking to accomplish a social mission. This is a dimension that steams from literature as a must have and the empiric research goes clearly in that line. This dimension integrates one's activity on many aspects. *Ethics* is a dimension that is behind perceived image of the projects, it influences the communication they have with community and other audiences, and hence it is in the background of the principles and values when characterizing one's project social mission and vision.

For the studied projects, *innovation* proved to be key. It is a dimension with ongoing discussion in literature too. Innovation is evidently to be noteworthy. However it must be approached on a broad perspective not limiting the issue to a couple of aspects, for instance to outstanding technologies or events never seen before. Most of the times the innovation needed on the side of social entrepreneurship have to do with simple things that just need to be put into practice.

Other essential dimension is *people*: not only the social entrepreneur who starts a social venture but all the people involved. The value of volunteer work in social initiatives is high, and the teams formed are essential for the life of those projects. That is, the competencies, experiences and knowledge that are put together make this an important dimension. A special note to *leadership* must be made since it deserves so much attention from the literature and as well from the empiric research. Leadership traits, characteristics and values are relevant elements when performing on social entrepreneurship. Leadership appeared as an important dimension even on social entrepreneurs' self-perception of their path on the social entrepreneurship field.

Last but not least is an already wide discussed and approached on literature question: *funding*. Historically it assumes a great importance since financial resources are needed to keep the ventures running. However the way it is seen is being changed and social entrepreneurs are feeling the urge to move from traditional funding ways such as grants, subsidies and other sources of that kind to more solid, independent and reliable ways of funding. The accurate, proper and meaningful concept of social venture aware of self-sustainability as a key factor is arising. It is positive that the attention being paid to this emergent concept is growing.

- *Metrics*

*Issue #3: What are the metrics used to measure the success and what kind of problems do they rise?*

Metrics is a developing and yet to be further discussed issue. The presented literature had identified the major need of having the metrics for social ventures and social projects, but does not point out still any recommendations on which ones to use. This leads to the use of indicators and metrics really centered on projects' core activities. This way, there is a lack of integration between the many realities and the measurements done by such type of metrics.

Another central question is about to the extent in which metrics are used. This is still an issue to be shaped and explored since, as empirically studied with this work, metrics sometimes are being used with false assumptions. For instance those metrics used to measure the social impact of ventures, are many times based only on one project reality when the people using the services are affected by other realities than that one. Social entrepreneurs tend to measure their impact, and successes with indicators that are straightly referent to projects' activities. This is because there is a lack of better metrics, better tools. Lack of a better integration between what is needed to measure and the indicators to do it. It is clearly an issue to be developed in the future. Creating such awareness is vital in order to know and to be capable of measuring one's social venture success or failure.

#### 3.5.4. Limitations

Even though the findings of this work are pertinent, they must be used cautiously. Despite the studied cases analyzed were meaningful and the best ones for this study,

making a wide generalization is not allowed. There is the traditional concern about the case study method that is it provides little grounds on scientific generalization (Yin, 2009), what has been tackled providing a multiple-case studies approach on this research. Of course, it is not intended to say that the four perspectives studied here must be seen as the opinion of all social entrepreneurs out there.

When dealing with social entrepreneurship is important to bear in mind that definitions on the subject hardly encompasses all the issues since it such a broad topic with such a multiplicity of realities (Mair and Martí, 2004). Integrating and always having present all the issues and realities had proven to be a really hard task.

Hence, qualitative analysis arises the issue about researcher's subjectivity. This has an important role for the analysis being made since having researcher's own judgment rather than other more objective measuring methodologies will affect final results (Ragin, 1994).

#### 4. Conclusions and further research recommendations

Social entrepreneurship is a subject being highly discussed nowadays and its practice is getting more and more attention during time. The matter is not pacific and there is still a large space to evolve.

With this study it is possible to understand some of the key points and practices present in social entrepreneurship that influence who acts within this subject and to identify some factors that are contributing for the success or failure of social ventures. Four cases with distinctive features on social entrepreneurship were studied leading to pertinent and interesting findings in the area. Topics as: important dimensions and factors, how to tackle particular issues and actors on the field - were approached and discussed being the outcome useful and positive.

It was identified that internal factors such as *project's innovation, ethical behavior, network* and *leadership* were the ones that can possibly have a more positive contribute for a project's success. On the external side, is observable that *relationship with society* and *local institutions* are the ones having more relevance. As the ones posing barriers to that success, *lack of funding, perceived project's image* and *lack of human resources* were mentioned as having higher importance.

It is observable that going towards the concept of social company is fundamental nowadays. Organizations need to have a fresh perspective about it since the traditional supports given before on the funding side are not happening in the present. It is demanded to adopt the perspective of self-sustainability on funding issues. The global situation, namely in economic and financial terms is not the most favorable or supportive, so it is crucial on organizations to change their mindsets and seek self-sustainability not depending in others on resources essential for their core activities. It is also notable that an approach between the business side and the social one is happening since traditional type of companies are raising awareness on social issues for instance, via corporate responsibility.

Social entrepreneurs acting on the field assume a key role for the whole process. The existing maturity and experience of individuals which shape the way social entrepreneur behaves. Not only when basing decisions on previously experiences, but also when dealing with others. A project's maturity has influence in the way it is perceived by others and moreover it affects spheres like bargaining power or own credibility.



Hence, social entrepreneurs' qualifications were diverse and from many areas. An unifying aspect is that all were graduated, what might indicate an added value in having college education for the individuals who acts on social entrepreneurship.

There is not a recipe or a single path that can be taken. It was shown that the dimensions and factors regarding the subject are immense and have impact on how things go. One's understanding on what social entrepreneurship is and what does a social entrepreneur do, are questions influencing taken actions. The concept is not only diffuse and with various interpretations in the literature. It also happens in the real world, where many people are still not aware of this subject.

The impact of social entrepreneurs' actions can be huge. However it is notable many times that there is not an effective way to measure it properly. Indicators on their activity measure simply the done or promoted activities and not the full extent of the impact and the success of one's social project. These projects having on their core a social mission are really impactful having those effects to be considered in the overall picture and not only in matters concerning about that specific project. That is, when measuring the influence a social venture might have in population, it is vital to be aware that the project in question is not alone and there are multiple factors taking into account when considering changes on population and community.

A note also to the metrics used by social entrepreneurs to measure their ventures' success. These are not very developed and are much biased by being excessively centered on the project activities and less on the impact those activities might have.

Finally, through the findings it is possible to do some recommendations for who is seeking to start a social venture up:

- ***What are the best and advisable practices/recommendations for a social entrepreneur starting a social venture?***

a) Learn about social entrepreneurship concept. Get to know what it is about and which discussions are happening about the subject. Is not about defining whether one is a social entrepreneur or not. It is about creating a mindset and a set of characteristics positive for future events.

b) Value people. Whether they belong to your organization or are part of the community their role can be truly unexpected. Pay attention on people involved.

c) Manage volunteer hands wisely. It is a sensitive issue that must be handled with care. It is important to know till where is possible to ask for more, and it must be seen as an

advantage since mobilized resources might be less for this kind of labour. Use it with leveraging in mind, but always reasonably.

d) Be ethical. Towards people, towards entities, towards the social mission behind the social venture. Values and perceived image created through an ethical behavior are essential and have a positive impact on building a social venture.

e) Create commitment to the project. From the many sides involved. Commitment on social entrepreneur side, from the people working with him/her and from the people to whom the venture is directed. It is a truly value adding feature having people feeling the project and what is being done as their own. Hence, create commitment from the local institutions on the place they will represent a major aid on the journey of building a social venture.

f) Give proper value to the network. Network is just not about contacts. It is an important matter regarding resources. Most of the time the current network is not suitable to the needs of a creating project, the key is exactly in growing that networking and shaping and adjusting it for having the desired potentialities and being useful for the social venture.

g) Communicate effectively with society. Transmit the social mission, and let others know what is being done. Use meaning and proximate ways to do it people. Keep an eye on social media revolution, it is an emerging channel.

h) Define well the sources of funding, and aim for self-sustainability at least in the long-term. Recurring all the time to grants, subsidies and donations is becoming old-fashioned.

i) Define proper and useful metrics. Metrics not about project activity itself, but ones capable of measuring the success of the venture and its impact in the community and society.

j) Highlight complementarity. Learn to live with the ones already on the field, find synergies among them. Do not establish competition as the only and exclusive way to reach desired outcomes. Play strategically.

k) Be strong and resilient. No one is going to do it in one's place.

These are some recommendations *Instituto de Empreendedorismo Social* can put into good use.

#### 4.1. Further research recommendations

This work led to some interesting conclusions on social entrepreneurship namely about the social ventures' success factors and the role social entrepreneurs have in the subject. The presented recommendations were the final result, wrapping this research. This final outcome must not be seen as a strict and inflexible content but as information to be further explored and even to be used complementarily with other studies for having a better basis for generalization grounds.

This paper intends not only to enlighten social entrepreneurs' path and aid those on creating their social ventures but also creating awareness on the subject opening doors to future research. For instance a topic to be further researched is the one about metrics that need to be deepened and more concretized. It would be also interesting to investigate if the identified factors contributing for success are also the same in other national contexts.

This piece of work brings into light the urge of facing the new reality of social ventures on having to be self-sustainable on the funding side. The transition from the traditional sources of money to this new concept might also be an interesting topic to study.

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## **6. Annexes**

## Annex I

### *Interview with Social Entrepreneurs Script*

#### **I - Identification**

1.1. Name

\_\_\_\_\_

1.2 Age \_\_\_\_\_

1.3 Nationality \_\_\_\_\_

1.4 Contacts: Address

\_\_\_\_\_ Phone \_\_\_\_\_

#### **II - Background**

2.1 Academic Qualifications \_\_\_\_\_

2.2 Previous Professional Experiences (in social area or not)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2.3 Participation in projects of social entrepreneurship (before the current project):

1. “ \_\_\_\_\_ ” (20 )

2. “ \_\_\_\_\_ ” (20 )

3. “ \_\_\_\_\_ ” (20....)

4. “ \_\_\_\_\_ ” (20 )

#### **III – Involvement with the studied project “ \_\_\_\_\_ ”**

3.1 Main motivations

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



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*3.2 Played role in the conception and implementation of the project*

*Collaborator* \_\_\_\_\_

*Facilitator* \_\_\_\_\_

*Other (explain)*

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*3.3 Current responsibility*

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**IV – Developing the project**

*4.1 What is the beginning year of the project?* \_\_\_\_\_

*4.2 Main project's objectives*

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*4.3 Brief description of the working logic of the project (business model)*

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*4.4 What are the milestones in the development of the project?*

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*4.5 Advantages/disadvantages when compared to a commercial business*

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*4.6 Sources of funding*

*Tried* \_\_\_\_\_

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Got \_\_\_\_\_

4.7 *What's the weight of own revenues in funding?*

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4.8 *Do you consider the funding well solved?*

*5 – totally; 4 – well; 3 – reasonably; 2 – badly; 1 – very bad;*

*Why?* \_\_\_\_\_

4.9 *In case it is not, which alternatives do you consider feasible?*

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4.10 *What are the main difficulties on funding?*

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## **V – Success factors**

5.1 – *Do you consider your project a successful one? \_\_\_\_\_ Why?*

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5.2 – *Which way you implemented to measure the degree of your project's success?*

*- I do not have a way to do it \_\_\_\_\_*

*Why?* \_\_\_\_\_

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*- I have the following indicators:*

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5.3 *If you do have indicators, what are the difficulties in their application?*

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- *What are those indicator's main limitations?*

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5.4 Point three factors that you consider the most important ones for the success of your project.

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5.5 Consider now the following factors and classify them within a range from 1 to 5 according to their importance for your project's success.

(1 – not important; 2 – somewhat important; 3- indifferent; 4 - important; 5 - very important)

<i>Local institutions</i>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<i>Government policy</i>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<i>Civil society mobilization</i>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<i>Network</i>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<i>Project's innovation</i>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<i>Leadership of project's promoters</i>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<i>Technical preparation for dealing with businesses</i>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<i>Ethical behavior</i>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<i>Disclosing information to society</i>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<i>Communication with society</i>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>

- *Comments*

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- *Comments about the most important factors (4 or 5):*

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*Other comments*

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## **VI – Success barriers**

*6.1 Considering your project's experience point three factors that could have damaged (or still can) your project:*

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*6.2 Consider the following factors and classify them from 1 to 5 accordingly to their degree of importance for your project's failure.*

*(1 – not important; 2 – somewhat important; 3- indifferent; 4 - important; 5 - very important)*

*Lack of funding* 1 2 3 4 5

*Legal issues* 1 2 3 4 5

*Perceived project's image* 1 2 3 4 5

*Lack of human resources* 1 2 3 4 5

*Lack of competencies* 1 2 3 4 5

*Leadership difficulties* 1 2 3 4 5

*Lack of network* 1 2 3 4 5

*Comments (if 4 or 5, explain why)*

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## **VII – Developing social entrepreneurship**

*7.1 What are the fundamental characteristics of a social entrepreneur for you?*

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*7.2 Which are the main difficulties you consider existing for the development of social entrepreneurship ventures?*

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*7.3 In which way those difficulties might be solved?*

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*7.4 How do you see the future of social ventures in Portugal?*

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*Thank you!*