



Lessons Learned From Systematic Replication of Social Enterprises

Literature Review 2 for the BALTA Golden Mussel Project

by

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Executive Summary

This literature review describes examples of and insights into the systematic replication of social enterprises, and was completed for the B.C.-Alberta Alliance for Research on the Social Economy's (BALTA's) Golden Mussel Project. The first part of the paper describes specific examples of social enterprise replication and identifies lessons learned while the latter section focuses on general insights from the literature.

Seven examples of social enterprise replication are reviewed and assessed in this review. Two cases of replication from the marine resource sector are described. Insights from a successful example of replication in Japanese inshore fishery cooperatives are identified, followed by lessons learned from an unsuccessful attempt to establish fishing cooperatives in Kerala, India. Three cases of replication from the agricultural sector are described. The spread of a dairy cooperative system throughout India provides an excellent example of successful systematic replication in the agricultural sector on a large scale. This contrasts with the failed replication of producer cooperative resettlement projects in Zimbabwe, though the case still provides important lessons learned. The last agricultural case describes two phases of replication of smallholder-owned-and-operated milk collection centres in Zambia. Two cases of replication in a non-resource sector social enterprise are considered: a group of multi-service cooperatives for small farmers in Nepal and a homecare cooperative in New York.

Various general insights into social enterprise replication from the literature are described. A system for examining possible options and paths for social enterprise scaling out and replication is examined. A program, organization mechanism, principles, or some combination of the above can be replicated through dissemination, affiliation and branching. Several factors may dictate the success of such a replication and thus should be considered before the process begins. These include readiness, resources, receptivity, risks, and returns.

A summary of "lessons learned" with respect to the systematic replication of social enterprises is provided at the end of this review, as well as some suggestions of the implications of these "lessons learned" for the design of the Golden Mussel social enterprises.

Lessons Learned From Systematic Replication of Social Enterprises

BALTA Golden Mussel Project – Literature Review 2

1.0 INTRODUCTION

The social economy can be defined in several different ways. One useful definition suggests that social economy organizations are “animated by the principle of reciprocity for the pursuit of mutual economic or social goals, often through the social control of capital.” (Restakis, 2006, p. 12) Social enterprises, which address specific social goals through the commercial business operations, are one example of such a social economy organization.

When a social enterprise finds success, it, like any other enterprise, must address the question of how it will grow and expand. One option is for it to simply increase the scale of its current operations. A second is to expand by providing new types of services using the same institutional structure that it found success with in its original venture. A third option is to replicate the original venture in other geographic locations, while maintaining some type of connection between the original enterprise and the new ventures. This last method of “scaling up” a social enterprise through replication is the subject of this literature review.

The purpose of this paper is to identify examples, insights and lessons learned from the systematic replication of different types of social enterprises. The literature review which generated the material summarized here was commissioned in support of the BC-Alberta Alliance for Research on the Social Economy’s (BALTA’s) Golden Mussel (GM) Project. The GM project aims to develop an institutional design for a series of mussel aquaculture social enterprises to be developed in interested First Nations communities on the BC coast. In order to increase the relevance of this work to the GM project and in light of limited time and resources, the focus was on examples and lessons learned from the replication of natural resource-related social enterprises.

As this review shows, replication of social enterprises has occurred under a number of different sets of circumstances. In some cases, a single social enterprise has expanded geographically by replicating its structure in another area. A few examples of this type of replication are described in the first sections of this review, which deals with lessons learned from specific cases of replication in different types of social enterprises. Another form of social enterprise replication is the situation where a government or development agency has encouraged or driven the development of local-level social enterprises that serve the same purpose and share the same general structure in towns or villages across a region or country. The first sections of this review describe several cases of this type of replication from different sectors and regions of the world, again identifying specific lessons learned that can be derived from each case.

The last sections of this paper focus on insights from the literature that address the replication of social enterprises more generally, rather than describing a specific case study. The review ends with a brief summary of all of the lessons learned for social enterprise replication identified earlier in the paper as well as with some recommendations for the design of the proposed GM social enterprises arising from these lessons learned.

2.0 REPLICATION IN MARINE SOCIAL ENTERPRISES

2.1 Inshore Fishery Cooperatives in Japan

Inshore fishery cooperatives in Japan are one example of a group of social enterprises that have been replicated throughout a geographic area. In 1881, fishing cooperatives in local villages were made responsible for coordinating the use of coastal fishing areas (Pinkerton & Weinstein, 1995). Subsequent legislation ruled that tenure rights and licenses for different inshore fisheries could only be held by these Fisheries Cooperative Associations (FCA) (Barrett & Okudaira, 1995; Pinkerton & Weinstein, 1995). Fishers therefore had to belong to a cooperative in order to gain access to fish resources.

Each FCA is linked to a prefectural cooperative association and finally to the National Federation of Fisheries Cooperative Association (Pinkerton & Weinstein, 1995). Cooperatives or FCA's are responsible for formulating their own basic rules of operation for the fishing areas they manage and for the organization of their own cooperative. Prefectural associations and the national association set broad management directions and goals for the fishery. At the same time, informal village institutions composed of elected neighbourhood representatives maintain the link between the FCA, the fishers and other villagers.

As resource management institutions, these cooperatives have been very successful in managing the inshore fisheries sustainably over a long period of time. A number of different researchers have written about various aspects of these institutions (Barrett & Okudaira, 1995; Pinkerton & Weinstein, 1995). Several insights from this work identify factors that contribute to the success of replicated social enterprises. First, the linkages between the different groups within this management system provide for effective two-way communication between local and upper levels (Pinkerton & Weinstein, 1995). As Pinkerton and Weinstein describe, "lower levels are able to protect their interests and express their ideas...while the upper levels are able to broadly monitor community, economic and resource health and make policy recommendations based on regular and direct communication with other parties involved in the management process (1995, p. 79)." This idea of the importance of clear, two-way communication is extremely relevant to a situation where you have replicated social enterprises that are all affiliated with the same parent organization. The second element of this case that seems relevant to the question of social enterprise replication is the degree of flexibility and autonomy that individual cooperatives have. Although certain aspects of their structure are similar (for

example, the ultimate authority for all FCA's is the General Assembly of all members), individual FCA's have been able to modify aspects of their organizational structure to suit the specific context of their community and situation (Pinkerton & Weinstein, 1995). This does not seem to have jeopardized the functionality of the cooperatives or their ability to work together at the prefectural or national level. This suggests that successful replication of social enterprises may require that the new enterprises are able to modify some aspects of the original model in order to adapt to their specific circumstances.

2.2 Fisher cooperatives in Kerala

From a successful case of replication of fisheries cooperatives, we move to a less successful example. This case deals with attempts to establish fisheries cooperatives in province of Kerala in India. In 1956, the Kerala Fisheries Department launched a program encouraging the establishment of local-level fishing cooperatives and offering incentives such as the provision of boats and long-term loans (Kurien, 1980). Anyone who had the names of at least 50 fishers and a small amount of share capital would be registered as a primary cooperative. The Department also intended to develop a layer of secondary cooperatives and an apex cooperative that would serve as a coordinating body for all of the cooperatives. Between 1958 and 1974, the number of fisheries cooperatives registered with the government increased dramatically as did the number of boats issued to members of these cooperatives (Kurien, 1980). However, further investigation showed that many of these cooperatives were not actually being operated by fishers and that most of these benefits were not going to the fishers they were intended for. Kurien (1980) goes on to describe the successful development of a fisheries cooperative in Marianad in 1970. After struggling to resist and overcome the hold of a local moneylender, a group of fishers decided that they wished to work together and form a cooperative. They bought the registration for a cooperative in their village, then slowly began to work together to sell and market their fish. This cooperative continued to grow and provide benefits to fishers in the community over the next nine years, which was the period covered by the study.

The contrast between the success of Marianad's cooperative and the failure of the Department of Fisheries' attempts to develop fishing cooperatives points to the lesson to be learned from this case. The two cases illustrate the fact that a top-down approach to creating cooperatives or other social enterprises can sometimes hinder the success of such ventures. A replicated social enterprise will not be successful if the people involved in the venture are not interested and committed to pursuing it. As such, using incentives to spur the development of new social enterprises may be counter-productive as it risks attracting individuals who are more interested in the incentive than in the social enterprise.

3.0 REPLICATION IN AGRICULTURAL SOCIAL ENTERPRISES

Almost all of the examples of systematic replication of social enterprises involved in agriculture found during the course of this literature review were from the developing world, where large-scale projects replicating a social enterprise model seem to be most common. Many of the agricultural cooperatives and social enterprises in the developed world seem to have developed locally and grown by expanding their operations rather than replicating them elsewhere. One example of inadvertent replication, of the adoption of the “new generation cooperative” organizational structure by a series of independent agricultural cooperatives in Renville, Minnesota was found (Cook, Klein, & Chambers, 2005). However, as the replication was not systematic, the case did not provide any relevant insights for this review.

3.1 Dairy cooperatives in India

The Operation Flood project is a good example of the systematic replication of a successful social enterprise on an extremely large scale. The original idea for the project came from the then Prime Minister of India, Lal Bahadur Shastri, in 1964; he was so impressed with the operation of the Anand Milk Union Limited (AMUL) cooperative across India that he suggested that the model should be replicated across the country (OED, 1998). The aim of Operation Flood was to develop a system of cooperatives modeled on AMUL across the country. They would obtain milk in small quantities (1-2 litres) from producers, and then process it for sale in modern dairies. Initially, the project was solely funded by the Indian government, but it later received funds for the expansion of the project from the World Food Program, the European Community and the World Bank (OED, 1997). Overall, the replication project has been very successful. As of 1998, 6.1 million individual small-scale dairy farmers owned 57,000 village-level Dairy Cooperative Societies which owned 172 Milk Producer’s Unions, which controlled 22 state-level federations, with the National Dairy Development Board acting as the national apex organization for the whole system (OED, 1998).

Several aspects of the Project Flood experience point to important factors that can affect the success of the replication of social enterprises. As a World Bank report on the impacts of the projects notes, Operation Flood involved the replication of an indigenous institution that was already in place and successful (OED, 1997). This meant that the project had local ownership and support from the beginning, which was likely a key factor in its success. As well, the replication of an existing model that had been developed and tested in the Indian context increased the likelihood that the enterprise would be successful elsewhere in the country by decreasing the possibility that the model would clash with local cultural values and social norms.

Another point highlighted by the Project Flood experience is the emphasis placed on applying the principles governing the original social enterprise to all of

replicated enterprises. The principles from the original Anand cooperative dictate a three-tier system of cooperatives that is to be owned and controlled by farmers, with professional management (OED, 1997). These cooperatives should be free of government or political interference and should have the right to set prices, to hire and fire staff and to go bankrupt (OED, 1997). However, during the expansion and development of these cooperatives across the country, some states have been reluctant to relinquish their control of these enterprises. Some are still appointing civil servants as managing directors of federations, which often results in misguided pricing decisions leading to losses (OED, 1997). The implication is that the cooperatives where the Anand principles have not been fully applied have been less successful than those where the principles have been applied. This suggests several lessons for the successful replication of social enterprises. One is that the development and application of clear principles from the original enterprise's experience regarding the structure and management of the replicated social enterprises may be necessary for their success. The second possible lesson is that it may be important for each replicated social enterprise to maintain independent control over many of its functions. This may not be the case in all situations, but it certainly seems to have been important for the dairy cooperatives described above. Finally, during the transition period between the development of the replicated enterprise to its independent functioning, there may be a strong temptation for those involved in the replication process to maintain unnecessary control over the new enterprise. It is important that this does not occur if the new enterprise is ever going to succeed on its own.

3.2 Producer cooperative resettlement projects in Zimbabwe

Akwabi-Ameyaw (1997) examines the failure of a series of producer cooperative resettlement projects in Zimbabwe. Although, strictly speaking, this is not a case where a successful enterprise was replicated as none of the projects were ever successful, lessons from this series of failed projects are still relevant to the question of social enterprise replication. One of the lessons Akwabi-Ameyaw (1997) identifies is that policy makers assumed that modern producer cooperatives could be related to the social economy of cooperation in production organization by traditional farmers. This did not turn out to be the case. In actuality, the producer cooperative had no link to traditional agricultural institutions (Akwabi-Ameyaw, 1997). This suggests that the cooperatives might have been more successful had their structure been altered so that it better fit the traditional institutions of the community.

Akwabi-Ameyaw (1997) also produces evidence to suggest that the producer cooperatives did not fail because of a lack of support but instead that they suffered from too much support! He details the broad range of financial and technical assistance in many areas provided by the Zimbabwean government and NGOs, suggesting that the extent and duration of this support actually fostered a culture of dependency within the resettlement projects (Akwabi-Ameyaw, 1997). His suggestion is that such support was necessary during the

initial stages of the projects, but that it continued for too long after the point where the cooperatives needed to learn to operate independently (Akwabi-Ameyaw, 1997). The lesson here for the replication of social enterprises is that support from the original enterprise will initially be very important to the new enterprise's success, but that such support must be phased out once the new enterprise is at a point where it can begin to stand on its own two feet, so to speak.

3.3 Dairy cooperatives in Zambia

Mukumbuta and Sherchand (2006) describe two rounds of replication of smallholder-owned-and-operated milk collection centres in Zambia. Several earlier attempts to establish dairy cooperatives failed when development aid to the projects pulled out. In 2001, the U.S. Agency for International Development (USAID) funded a pilot effort through the Zambia Agribusiness Technical Assistance Center (ZATAC) to see if smallholder producers with surplus milk from their beef cattle could be linked to commercial markets where demand for fresh milk exceeded the current national supply via a dairy cooperative (Mukumbuta & Sherchand, 2006). The pilot effort was successful enough that it was subsequently replicated through the establishment of nine additional milk collection centre cooperatives in 2003. A second round of replication resulted in the establishment of five new milk collection centres in 2004 and 2005 (Mukumbuta & Sherchand, 2006). This two-phase approach to replication of the pilot social enterprise meant that solutions to address problems that had arisen in conjunction with the milk collection enterprises and centres from the first round of replication could be built into the enterprises that were established in the second round. Mukumbuta and Sherchand (2006) identify a number of lessons learned from the first generation of milk collection enterprises that were incorporated into the second round of enterprises. For example, the smallholders' need for access from veterinary services was identified through the first generation of milk collection enterprises, leading to linkages to government vets being set up at all new and existing collection centres. The lesson learned from this example of replication is that replication can be opportunity for learning and improving upon the existing social enterprise model. This suggests that special attention should be paid to evaluating the performance of the social enterprise being replicated, so as to identify areas that could be improved in the new enterprise, and to ongoing evaluation of the newly-created social enterprises, so as to identify areas that could be improved in the next round of replica enterprises.

3.4 FAO experience with producer cooperative development

A final insight into the process of replication of agricultural social enterprises was provided by Rouse (2006) in a review of lessons learned from the United Nations Food and Agricultural Organization's (FAO's) experience with the development of producer cooperatives in developing countries. The focus of the report is on the initial development of such institutions rather than their

replication and many of the lessons learned are specific to FAO's work, but one of the lessons learned was relevant to the idea of replication. This was the idea that three main stakeholder perspectives should be considered when developing, or replicating, a social enterprise (Rouse, 2006). These include the views of the members of the cooperative, the managers of the cooperative, and the government. Although the government is less likely to be a major stakeholder in a social enterprise in the developed country, this idea still serves as a good reminder of the different points of view that will be part of any replication process. The replication is much more likely to be successful if differences in the views and desires of cooperative members and managers are taken into account when planning and implementing the replication of a social enterprise.

4.0 REPLICATION IN NON-RESOURCE-RELATED SOCIAL ENTERPRISES

This section of the paper describes two examples of non-resource related social enterprise replication and identifies lessons learned.

4.1 Micro-finance in Nepal

The first case of replication in a non-resource sector social enterprise to be considered in this review is a group of multi-service cooperatives for small farmers in Nepal. These Small Farmer Cooperative Ltd., or SFCLs, developed from a few joint liability groups of small farmers started by the Agricultural Development Bank of Nepal (ADB) in 1975 (Koch, Maharjan, Sharma, & Wehnert, 2004; Wehnert, 2004). With the assistance of the German Technical Cooperation (GTZ), an Institutional Development Programme was developed to transfer these groups into fully self-managed cooperatives of small farmers in 1987. Between 1993 and 2004, 164 SFCLs that include almost 90,000 rural households were established throughout the country (Koch et al., 2004). These SFCLs are multi-service cooperatives that deliver financial services, such as savings options, loans and livestock insurance, as well as non-financial services, such as irrigation channel construction or nursery programs, to their members (Koch et al., 2004; Wehnert, 2004).

The SFCLs case provides some unique insights into the process of social enterprise replication as they have instituted a farmer-to-farmer replication program specifically designed to facilitate the development of new SFCLs in other parts of the country (Koch et al., 2004). Koch indicates that this approach to the spread of such enterprises was chosen in order to "minimize the institution-building costs of a community based organization through the exclusive involvement of mature and highly experienced SFCLs (2004, p. 7)." The process of replication takes ~3-4 years, during which time the replicators provide microfinance services and training in social mobilization, capacity building, and financial and accounting management to the rural poor in order to establish a new microfinance cooperative that can be registered as a SFCL (Koch et al., 2004; Wehnert, 2004).

The SFCL approach to institutional replication has several strengths. It ensures that people in the existing enterprises who have the most experience and knowledge are directly involved in the passing that knowledge on to the new institution during replication. It also ensures that the process of replication is also an opportunity for learning that has been taking place to be incorporated into the design for the new enterprise. The replicator is able to pass on things that he has learned in his experience within his own SFCL. Finally, this approach to replication also creates a bond between the existing and new SFCL that may be helpful to both enterprises in the future as it gives both of them an additional source of support should they need it. Both points suggest that, wherever possible, people involved in the actual operation of the existing social enterprise should be involved in training those who will operate and participate in the newly-formed enterprise.

4.2 Home care cooperatives in the United States

The second case of replication in the non-resource sector category deals with a homecare cooperative in the South Bronx in New York. As Surpin (1994) describes, Cooperative Home Care Associates (CHCA) is owned, managed and controlled by its employees, who provide home care to the elderly and disabled. The Home Care Associates Training Institute is a nonprofit corporation closely associated with CHCA that has begun to replicate CHCA in other major urban areas (Surpin, 1994). In 1994, two CHCA replications had been opened, one in Philadelphia and one in Boston. Surpin (1994) describes a few key issues that must be considered in beginning each new replication. In addition to ensuring that the market in the new location has space for the replication to grow, the Institute must ensure that they have a new top manager for the replication who has the leadership and technical skills and experience to guide the development of the new enterprise. This highlights the importance of effective leadership to the success of any newly-replicated enterprise. Having the right people in place to lead and grow the new enterprise is essential if it is to succeed.

5.0 SOCIAL ENTERPRISE REPLICATION IN GENERAL

The following section describes the nature of social enterprise replication and provides a systematic model for approaching the replication and scaling up of social enterprises.

5.1 Describing the nature of social enterprise replication

A number of scholars have addressed the question of the replication of social enterprises, approaching the issue from a variety of different angles. Donkervoort (2006) suggests that replication of social enterprises may be rare (an observation that the results of this literature review bear out) simply because some social enterprises may not persist long enough for this to be an issue. He rightly notes that the success of a social enterprise often depends on a unique set of factors, including demand for a product or service, start-up market

conditions, available financial and technical supports, and an entrepreneur willing and able to lead the project (Donkervoort, 2006). Given that it is unlikely that exactly the same set of circumstances will occur again in a different place, replication of a social enterprise will always include a certain degree of adaptation of the original model to the new circumstances. Racine (2003) supports this idea. He argues against those who might suggest that replication and adaptation are opposites, acknowledging that both play a role in the replication of social enterprises and programs (Racine, 2003). The other false duality he examines that is relevant to social enterprise replication is the tension between systems and leadership (Racine, 2003). One extreme here would say that an effective system or organizational structure is the key to the success of the new enterprise, while the other would say that the key to success was actually good leadership. As Racine (2003) suggests, neither viewpoint is entirely accurate as an effective system and a good leader are both needed for the replica enterprise to succeed. In addition to this insight, the other take home lesson from these two papers is that all replication efforts include a certain amount of adaptation.

5.2 A systematic model for approaching replication and scaling up of social enterprises

Dees, Anderson and Wei-Skillern (G. Dees, Anderson, & Wei-Skillern, 2004; 2002) address the replication of social enterprises as part of the broader concept of “scaling out” a social enterprise or innovation. Having suggested that social entrepreneurs often fail to consider the full range of options available to them for scaling out, they proceed to outline a systematic model for approaching these and other questions about scaling out (G. Dees et al., 2004; J. D. Dees et al., 2002). Their approach identifies a number of valuable considerations relevant to the successful replication of a social enterprise, as outlined below. They have created a matrix summarizing the options that are available for answering the two relevant questions: what is to be scaled and how should it be scaled (J. D. Dees et al., 2002). Possible answers to the question of what is to be scaled include a program, defined as an integrated set of procedures and routines for serving a purpose, an organization, which is a self-contained system for mobilizing people and resources, or principles, guidelines and values about how to serve a particular social purpose (J. D. Dees et al., 2002). Relating their model back to the replication of social enterprises, it becomes clear that in some cases all three elements of the original enterprise might need to be replicated and applied to the new enterprise for it to be successful. In other cases, perhaps only the organization would be replicated or the principles.

The second half of the scaling out matrix outlined by Dees *et al* (2002) identifies mechanisms for driving the scaling process. These include dissemination, in which information is actively shared with the new organization; affiliation, where the original and new enterprises agree to be part of an identifiable network; and branching, where the new enterprises are legally part of one organization (J. D. Dees et al., 2002). Again, this model focuses attention on

the need to decide the extent of the relationship and ongoing interaction between the original and new social enterprise before replication occurs. Factors that may influence that decision include the amount of resources available for ongoing interactions, the level of flexibility required in the relationship and whether or not there is a need for central coordination of enterprise activities. For example, affiliation includes the broadest range of possible relationships, as it includes everything from a franchise agreement to a loosely-bound network (J. D. Dees et al., 2002). Branching provides the most potential for central coordination of the new enterprises but also requires the most resources. The particular situation of the enterprise to be replicated will likely dictate which of the options listed above is most appropriate. The important thing is that a decision is made about the ongoing nature of the relationship before the replication occurs. A survey of non-profit leaders in the United States undertaken by Wei-Skillern and Anderson (2003) found a strong preference for branch expansion; however, other results from the same study and from previous studies suggest that expansion via franchises (affiliates) is more effective for achieving large scale growth. This suggests that replication via franchise is the best option if the social enterprise is interested in growing substantially.

In addition to the matrix showing possible paths for scaling out or replication, Dees *et al* (2002, 2004) also identify several factors that may dictate which path is most appropriate for a social enterprise. The first factor is readiness—is this the right time to be replicating? Do the enterprise and its staff have the necessary skills to carry out the replication? Resources are the second factor. The enterprise needs to have the additional resources needed for the replication process and to support the start-up of the new enterprise. The third factor, receptivity, refers to the readiness of other communities to embrace the new social enterprise. This may stem from several different characteristics. Ideally, members of the community already have a demand, a willingness to pay, for the services and benefits the new enterprise will provide. It is also good if the community has high comparability, offering operating conditions similar to those where the original enterprise is located. The community should also possess some openness, or willingness to accept people and ideas from outside the community. The fourth factor, risks, examines the possibility that the replication might fail and what the negative impacts of that might be. Finally, the last factor, returns, considers what the potential benefits of the replication or scaling out might be (J. D. Dees et al., 2002).

All of the factors listed above are relevant to the replication of social enterprises. Before such a project starts, the status of each of these factors should be checked in order to ensure that the replication is occurring under conditions that will promote its success rather than its failure.

6.0 SUMMARY OF RESULTS

The cases and material reviewed provided a range of insights and “lessons learned” regarding the systematic replication of social enterprises. These results of the review are summarized below:

1. Consider factors such as readiness, resources, receptivity, risks, and returns before deciding to replicate a social enterprise;
2. When planning the replication process, identify key elements of the original social enterprise that should be replicated in the new enterprise. It may be useful to identify principles to be applied in the operation of the new enterprise;
3. Replication provides an important opportunity for learning and improving upon the original social enterprise model. The performance of the enterprise to be replicated should be evaluated before replication planning begins so that areas to be improved can be identified;
4. Wherever possible, those involved in the day-to-day operation of the existing social enterprise should be involved in training those who will operate the new enterprise;
5. New replica social enterprises may need to adapt some aspects of the original enterprise’s structure in order to fit their particular circumstances. Where possible, they should be given the flexibility to make the needed changes;
6. Having the right people in place to lead and grow the new enterprise is essential;
7. Social enterprises created through replication should not be imposed on a community in a top-down fashion. They need to garner local ownership and support if they are to succeed;
8. Replicating an enterprise that has already been successful under similar conditions elsewhere can increase the likelihood of success for the replica as well as decreasing the likelihood that it will conflict with local cultural values and social norms;
9. Where traditional management institutions have had an influence on a community, social enterprises that do not fit with such institutions may not be successful;
10. During the transition period after the initial establishment of a new enterprise, there may be a strong temptation for those involved in the replication process to maintain more control over the new enterprise than is necessary, slowing its movement towards independence;

11. Similarly, while support from the original enterprise may be very important during the initial replication process, this support must be phased out once the new enterprise is able to function independently so that it does not become too reliant on such support; and
12. Effective two-way communication between the original and replicated social enterprises can be essential to both of their ongoing success.

7.0 CONCLUSIONS

The following conclusions flow from this BALTA Golden Mussel Project Literature Review: *'Systematic Replication of Social Enterprises: Lessons Learned'*.

1. The case studies and literature reviewed indicate that systematic replication of social enterprises is possible, and has even occurred at fairly large scales;
2. Many factors, however, can impact the success of the replication and the newly-created enterprises; and
3. The lessons learned highlighted throughout the review suggest that all aspects of the replication process and of the desired result of replication should be considered carefully in the planning and implementation of the process to ensure that the resulting group of social enterprises is as successful as the original enterprise.

8.0 RECOMMENDATIONS

A number of considerations and recommendations for the design of the Golden Mussel social enterprises arise from the lessons learned and conclusions highlighted in this review. These recommendations are summarized below:

1. The readiness, resources, and receptivity of Aboriginal communities that are potential participants in the GM enterprises should be assessed carefully before replication occurs;
2. Key elements of the existing private enterprise need to be identified so that they can be replicated in the new enterprises. Principles guiding the "social" aspects of the new enterprises should also be identified;
3. The training system for the new enterprises should be designed so that there are opportunities for existing participants to mentor and train people who will be involved in the newly-replicated enterprises;
4. New enterprises should be given some flexibility to adapt aspects of the original enterprise's structure in order to fit their particular circumstances;

5. Selecting good people to lead and grow the new enterprises will be essential to their success;
6. Securing local ownership and support for the GM enterprises will be vital to their success;
7. The influence of traditional management institutions already present in a community will affect the context in which the GM enterprises will operate. Thus, considering the fit between the GM social enterprise model and traditional institutions could help increase the chances of the GM enterprise succeeding; and
8. Systems should be put into place to facilitate effective two-way communication between the original and replicated GM social enterprises.

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