



# **GROWING PAINS: GETTING PAST THE COMPLEXITIES OF SCALING SOCIAL IMPACT**

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# INTRODUCTION

In communities across the UK, organisations develop new ideas to improve the lives of those around them. And yet despite growing demand for charity services, concerted attempts to take proven approaches to scale are few and far between, and successful examples are rarer still.

In some cases, staying small may be the best and most effective way to operate. But for a large number it can mean competing for scarce resources while duplicating other organisations' efforts and failing to tackle the issue efficiently. To live up to their ambitions, some charities need to grow their impact and deliver their work at scale.

Our research has shown that charities lack information about how to scale—*when* to choose *which* strategy, and when to pass an effective model onto public and private sector partners to take forward. This remains an area full of risk and uncertainty, and without much proof of what works, charities have little on which to base their decisions.

This paper aims to bring about a change in tack by proposing a way of assessing the viability of scaling in different contexts. By guiding practical understanding we hope to encourage more charities and funders to consider *what* we should be scaling and *who* should be leading the charge.

We began this paper with four key questions in mind.

## What are the challenges of scaling social solutions?

A number of systemic and attitudinal barriers to scaling still exist. The nature of the voluntary sector as a system presents considerable challenges, owing to the complexity of social problems, the difficulty of establishing accurate measures of progress, and the absence of investor incentives. At the same time, there is a general lack of will to seriously pursue scale. Funders rarely fund in a way that supports attempts to scale, while charities are often of the opinion that 'small is beautiful'—further ingrained by financial challenges.

## How do we know that social solutions are not scaling?

In 2012, 84% of voluntary organisations had a yearly income of less than £100,000, with more than half of these receiving less than £10,000. Numbering around 150,000, these charities accounted for only 5.3% of the voluntary sector's total income.<sup>1</sup> The charity sector is therefore made up of a high proportion of small organisations. Even those charities that are considered to be very large—such as Cancer Research UK with its annual income of £500m—are dwarfed by the UK's private sector companies. The John Lewis Partnership, for example, saw sales of £7.8bn in the same year.<sup>2</sup>

Clearly charities have a tendency to remain physically and financially small—and though organisational growth is certainly not the only route to scale, there is little indication that effective approaches diffuse from organisation to organisation either. Instead, ideas grow up individually and independently, with different organisations protecting their own ways of doing things, and the most effective approaches taking root in isolated pockets.

## Why is the pursuit of scale so important?

To date, the collective response of government, the voluntary sector, and individuals has fallen short of solving a number of seemingly intractable social problems. So the question is: *'how can we take our impact...to a magnitude that is commensurate with the tremendous need that exists?'*<sup>3</sup>

Scaling up proven approaches may provide the answer to tackling these problems effectively and efficiently—by minimising duplication and concentrating resources on reaching as many people as possible. Currently, a considerable proportion of time and money is spent on ‘reinventing the wheel’ and developing similar approaches in parallel. A focus on scale may create enough space to direct resources away from short-term crisis relief and towards prevention and building resilience, therefore reducing demand over time.

## What is the current state of play?

Research on scale and social innovation has already made significant progress—from understanding different models of scale and how they work,<sup>4</sup> to thinking about the effect of systemic conditions and government involvement.<sup>5</sup> Considerable work has also been done to map the range of actors and intermediaries involved in taking social innovations to scale<sup>6</sup> and to highlight examples of success.<sup>7</sup> Given this level of attention, and the fact that many early recommendations have materialised,<sup>\*</sup> it is a cause for concern that scale is still so elusive.

## The aim of this paper

The majority view is that scale is nice in theory but totally unrealistic in practice. Scale is anything but straightforward, but we believe that by giving it the proper attention in a practical setting we can get past the theoretical complexities and help charities and funders properly assess their options.

In this paper we explore the remaining systemic and attitudinal barriers to scale and consider what practical action can be taken by charities, funders and their partners to expand the reach of successful approaches. Our guidance focuses on:

- Assessing the situation: looking at the context in which you are working to assess the case for scaling.
- Evaluation to support scale: focusing on *how* a particular approach works.
- Choosing what to scale: prioritising opportunities based on risk.
- Allocating responsibility: deciding *who* is best placed to scale.

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<sup>\*</sup> A key recommendation for government had been the creation of markets for social outcomes. As further discussed on page 12, this has been achieved—to some extent—in experiments with social impact bonds and payment by results models; but they have neither been that innovative nor led to significant scaling.

## UNDERSTANDING SCALE

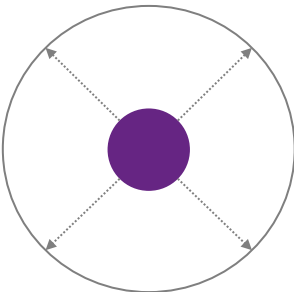
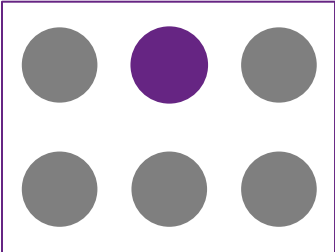
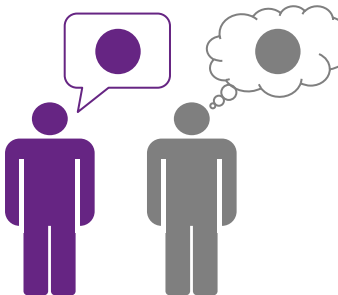
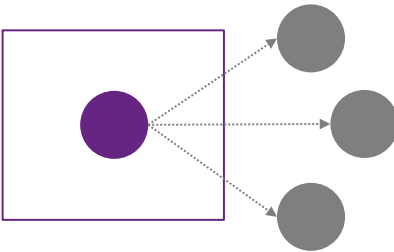
Scale is generally associated with size, but we should be careful not to restrict our definition in this way. Rather, scale is best understood as the attempt to reach more people as an organisation, through a particular project or with a particular way of doing things. The aim of scaling up in business is to reach more customers, while in a social context it is to reach more beneficiaries. A business that reaches more customers sells more goods and services; a social solution that reaches more people ensures that a greater proportion of those in need are supported.

This paper aims to help charities and funders consider the different routes to scale, and the factors that will affect this decision, remembering that whether or not to go ahead with this strategy should ultimately rest on impact. The act of extending reach can introduce any number of complications—from losing touch with local communities and the expertise this relationship brings, to an inability to replicate the impact of dedicated staff teams and inspirational leaders who believe in the cause. *Successful* scaling must therefore extend reach without significantly reducing impact. When successful, the overall result of scaling up should be to reduce the level of need in relation to a particular problem by increasing the number of people whose needs are being met by an effective approach (see Appendix A for more detail).

Organisational growth remains the best known route to scale, with many start-ups prioritising increased market share, unit sales and profit. But thinking in terms of reach acknowledges that *ideas* and *approaches* can scale without any individual organisation needing to grow. Take the example of an inventor who patents an invention and licenses it to a large multinational corporation. Remaining a sole trader, the inventor can sell millions of units to millions of customers by distributing the idea through the corporation's vast delivery networks.

The diagram on page 6 outlines the different routes to scale, from organisational expansion and replication, to the formal and informal diffusion of ideas.<sup>8</sup>

## Routes to scale

| Pursue scale yourself                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Pursue scale through others                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Organisational growth                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Diffusion and distribution                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><b>Expansion</b></p> <p>An organisation can expand its existing operations when its income increases sufficiently, or when it takes the decision to merge with other organisations. Through hiring more staff, opening new premises, or extending the menu of activities they carry out, organisations are able to reach more beneficiaries.</p> <p>Growing in this way may allow organisations to take advantage of 'economies of scale'. For example: more staff means that people can specialise, rather than wearing many hats.</p>  <p><b>Replication</b></p> <p>Organisations can grow by creating new branches that carry out the same activities in different areas. A 'federated' structure, which has been adopted by charities such as Mind and Citizens Advice Bureau, involves a network of local charities overseen by a national headquarters or governing body—though the exact relationship between local and national bodies may vary.</p>  <p>This structure lends itself well to geographical expansion—as it allows each branch to build local presence and expertise, whilst retaining some central coordination of activities and methods of delivery.</p> | <p><b>Informal diffusion of ideas</b></p> <p>Reach can also be improved when an approach is emulated by other organisations, rather than requiring the originator to expand their operations.</p> <p>The informal diffusion of ideas can be achieved through training, campaigning, advocacy and publishing research. Particularly in the age of social media, these approaches can easily reach a wide audience. However, uptake is uncertain and there is nothing to stop approaches being modified by those that do take them up.</p>  <p><b>Formal diffusion and distribution</b></p> <p>More formal methods of diffusion, such as licensing and franchising, allow innovations to be shared in exchange for financial or reputational returns. This provides an incentive to innovate, and maintains the option to control how the approach is delivered.</p>  <p>Organisations may also form partnerships as a way to extend their reach. For example, the government might 'mainstream' an approach by delivering it as a public service, or organisations may make an agreement which allows them to use a partner's existing infrastructure as a distribution network.</p> |

## SCALING IN DIFFERENT CONTEXTS

We do not want to give the impression that scaling is *easy* for businesses—the subject has invited decades of attention from scholars, analysts and entrepreneurs, and is still a matter for debate. But the simple fact remains: the private sector is considerably more successful at scaling both organisations and ideas. One of the questions we seek to explore is the extent to which the relative lack of scaling success in the social sector is explained by a unique set of barriers.

### The similarities and differences between private and social scaling

In both private and social contexts, scaling is not always the right course of action. Any organisation that establishes that an innovation works to solve a particular problem confronts a decision about what to do next. Do you consolidate and improve your product, or roll it out to more people? Will this compromise on quality? How will scale affect your ability to control the way a product or service is delivered? Will relationships and morale within your organisation change as a result? How will you coordinate operations if they increase in size?

The table below summarises these concerns, and how they play out in both private and voluntary sector contexts.

| Stage of development                            | Private sector challenges                                                                                                                                                                                                                                       | Voluntary sector challenges                                                                                                                                                                                                                                                                              |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Establishing an innovation</i>               | <ul style="list-style-type: none"> <li>Refining a product</li> <li>Ensuring that consumers with a use for the product exist ('product/market fit')</li> </ul>                                                                                                   | <ul style="list-style-type: none"> <li>Refining effectiveness</li> <li>Demonstrating that the approach achieves positive outcomes for beneficiaries</li> </ul>                                                                                                                                           |
| <i>Transitioning from innovation to scaling</i> | <ul style="list-style-type: none"> <li>Securing necessary finance</li> <li>Bringing in people with the right skills</li> <li>Assessing the size of the market</li> <li>Developing the market (to increase the size of the total available market)</li> </ul>    | <ul style="list-style-type: none"> <li>Securing necessary finance</li> <li>Bringing in people with the right skills</li> <li>Assessing the extent of need</li> <li>Improving ability to identify and reach those in need</li> </ul>                                                                      |
| <i>Scaling</i>                                  | <ul style="list-style-type: none"> <li>General diseconomies of scale               <ul style="list-style-type: none"> <li>Alienation of staff</li> <li>Poor coordination</li> <li>Insensitivity to cultural specificities in new markets</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>General diseconomies of scale<sup>†</sup> <ul style="list-style-type: none"> <li>The complexity of scale in a social setting</li> <li>The nature of social problems, organisations and markets</li> <li>Attitudes of funders and charities</li> </ul> </li> </ul> |

<sup>†</sup> These general diseconomies of scale (alienation, coordination, and cultural insensitivity) are likely to affect all organisations that reach a significant size, and are much discussed in economic literature. The point at which diseconomies of scale set in, and their magnitude, is likely to vary depending on an organisation's particular circumstances.

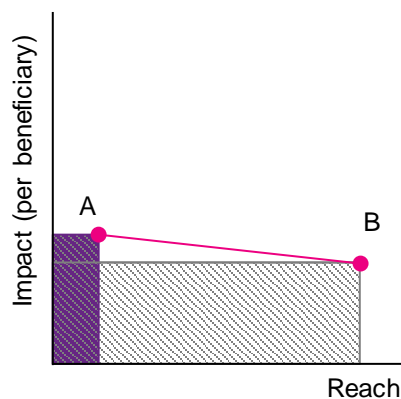
# BARRIERS TO SCALE

So far we have established that the voluntary and private sector share many challenges: the need to prove a concept, identify those who would benefit from it, find the necessary finances and skills, and tackle the general problems of becoming large and potentially unwieldy. But what are the additional barriers holding the voluntary sector back?

## Systemic barriers to scaling

### The nature of social problems: knowing when scale has been *successful*

Successful scale results from a combination of reach and impact; and organisations with a social goal will need to consider the trade-off between the two. The diagram below, for example, demonstrates how a small reduction in effectiveness may be acceptable if it follows a significant improvement in reach, because as more people benefit the net effect is positive.



Estimating the correct balance is rarely straightforward, owing to the complexity of the social problems that many charities are trying to solve. There is rarely a single metric—comparable to profit or sales—that can be used to judge how well this balance is being struck. The complexity of social problems and the difficulty of measuring social outcomes means it is a challenge to know what the best interventions are, and therefore which are the most appropriate to scale; and—once the decision has been taken to scale—it is very hard to judge whether or not further expanding reach will continue to produce positive results overall.

### The structure of social ‘markets’: the absence of natural drivers to grow effective approaches

In a private setting, investors provide the capital for a business to set up and expand its services. Businesses then provide goods and services to customers in exchange for money—which, if all goes to plan, should cover costs and return a profit. Greater demand for the product leads to higher profits and increased company value. This yields a greater return for investors, which in turn attracts further investment. Equally, if people do not buy the product or service on offer, investment soon dries up.

Conversely, individuals who use charities’ services rarely pay for them directly. Instead charities cover their costs with grants or contracts from third-party funders, including government, grant-making trusts, philanthropists,



corporations and the general public.<sup>‡</sup> The connection between beneficiaries using a service and those funding it is therefore much less direct. If beneficiaries do not benefit from a service then there is no direct impact on the funder. Beneficiaries do not signal how far they value the service by parting with any money, and investors do not see an impact on their return as a result. This means that beneficiaries cannot ‘vote with their feet’ to support the growth of the most effective charities in the way that consumers can with a business.

This can create both an under-supply and over-supply of social solutions. Either funds are not directed towards the solutions most valued by beneficiaries (under-supply); or solutions are rolled out to people who may not benefit from them (over-supply). Because, in the charity sector, a project can exist even if beneficiaries see no improvement as a result.

## The motives for funding social projects: the absence of investor incentives to encourage growth

Investors stand to make substantial monetary returns if a project scales up in the private sector. As a result, a whole market has developed around this very activity—filled with business incubators, venture capitalists, angel investors, private equity firms and a host of other parties seeking to foster, and profit from, growth.

Pure charities are not able to offer equity (ie, shares) in return for investment. Even if they could, success would not necessarily bring about a growth in profits or even income, because ‘success’ usually means better outcomes for beneficiaries—not higher profits. Investing in growth involves a considerable amount of risk. Expansion could cause something to go wrong and lead to a loss of the initial investment. Where there is a direct, monetary gain to be made, that risk is calculable and may be worth taking. In a social setting, where returns are social and do not accrue directly to the investor—with the added difficulty that there is no simple yardstick for success—it becomes much harder, and less attractive, to take a calculated risk.

And so we see a general dearth of funds, support and expertise for charities in the growth phase. Without the promise of increased financial returns, funders focus on perfecting an approach in a given setting, rather than looking to apply it elsewhere.<sup>9</sup> This has resulted in a ‘capital chasm’<sup>10</sup> at the point where investment is required to move charities on from dependency on start-up and grant funding.

## The nature of social mission: eradicating need, not building new markets

Unlike for-profit companies, voluntary organisations do not operate in a market which they can broaden to create demand. Two businesses competing in the soft drinks market, for example, can mount simultaneous campaigns to increase the general availability of soft drinks and mutually reinforce the habitual consumption of their product. Or a film actor with a strong personal brand can create new markets by licensing his or her image to poster manufactures, greeting card companies and retailers. Conversely, two competing voluntary organisations draw from the same pot of funding, ultimately working to reduce the demand for one another’s services and their own. Voluntary organisations are not able to create markets to support growth; nor do they want to. While the goal of many for-profits is to *create* demand, for voluntary organisations it is, in theory, to *eliminate* it.

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<sup>‡</sup> This is generally true for all services bar those exceptions where the user can either afford their own intervention or hold their own state-funding (such as individuals with personal budgets in social care, or personal health budgets).

## Attitudinal barriers to scaling

### Few funders of any type fund in a way that allows not-for-profits to seriously pursue scale<sup>§</sup>

Funders have an overwhelming influence over what is funded and how, due to the natural power imbalance between funders and grantees. The majority of funders prefer to support specific items or projects, rather than investing in the core funding of an organisation, and to commit funding for relatively short periods of one to three years. This environment does not support grantees to take interventions to scale, given that the process requires longer periods of time and involves high levels of uncertainty.<sup>11</sup>

In addition, the emphasis in funding decisions is too often on delivering services at the lowest possible cost.<sup>12</sup> This is the inevitable legacy of long-term funder pressure to spend minimal amounts on administration costs and overheads. Here ‘funders’ include not only organisations, but the wider population too: the top five concerns the public have about charities include spending too much on executive salaries and running costs.<sup>13</sup>

Of course, resources are finite and cost effectiveness should help to inform funding decisions; but driving down overheads and surpluses is a short-sighted way of improving efficiency. Sir Ronald Cohen, widely considered to be the founding father of modern venture capitalism, pointed out that this approach would be unheard of in a business setting: *‘If business entrepreneurs had come to me...with business plans that involved investing nothing in overheads I would have shown them the door’*.<sup>14</sup> Essentially, how can we expect an organisation to improve without providing the resources to cover anything other than its day-to-day activities?

*‘The combination of unpredictable funding and lack of investment capital has prevented almost all charitable organisations from realising their potential effectiveness and scale.’*

Sir Ronald Cohen, *Revolutionising philanthropy: impact investment*, 23 January 2014

### Grantees are not supported equally at all stages of development

The charity sector may not have the benefit of private incentives to drive scale, but it should have strong social incentives to do so. Despite this, the vast majority of funders choose not to occupy this space, which has resulted in the ‘capital chasm’ previously mentioned. Greater attention is paid to exciting new pilot projects, but little thought is given to what comes next, beyond a hope or assumption that someone will come in and scale it up—something of a ‘pilot and pray’ mentality.

Though some progress has been made to fill this chasm—by experimenting with venture philanthropy, and building new models of funding that realign incentives towards growth—this kind of support is still very much the exception. In 2012, there was more than £200m of investment in charities and social enterprises.<sup>15</sup> This is an impressive rate of growth since the establishment of the Social Investment Taskforce in 2000, but should be compared with the £5bn in grants made in 2011/12.<sup>16</sup> What is available is also provided by a very small group of funders, notably Big Society Capital, which has invested £150m to date.<sup>17</sup> Among charitable trusts and foundations, a survey by the Association of Charitable Foundations (ACF) found that 90% of social investment in 2012 was carried out by ten large foundations.<sup>18</sup>

If charities with a desire to scale are to be supported, funders need to show greater willingness to operate in the ‘capital chasm’—either by staying with grantees beyond the initial pilot stages, or by working to build a more diverse funder ecology that caters for all stages of development. Some funders may be interested in innovation,

<sup>§</sup> The general public who donate directly to charities might also be considered ‘funders’. Given that there are a whole other set of considerations around donations from the public, this group is considered separately as ‘donors’ rather than ‘funders’. High-net-worth individual donors are referred to as ‘philanthropists’ for the sake of clarity.

and rightly so, but others should develop an interest in the mechanics of taking ideas to scale in order to ensure sufficient diversity.

## **Small is assumed to be beautiful**

Many charities and funders have taken to heart the sentiment that small is beautiful, which has contributed to a cultural aversion to being 'big'.

Some charities are bound by mission to work in local settings, and their origin, boards, and relationships are all set up to support this. These organisations experience and value the personalised nature of their work, with many aiming to perfect their approach by working in depth with smaller groups, rather than seeking to reach more people.

Of course, caution is sensible; but the immediate assumption that growth is incompatible with depth and effectiveness is a dangerous one, as it may prevent an effective approach from fully addressing the need at which it is aimed. It is here that careful consideration of the particular circumstances and different routes to scale is important. The belief that small is *always* better may hold us back from achieving scale.

## **Times are hard in the charity sector, and many are focused on survival**

Funding has become increasingly scarce in the present economic environment. As a result, the focus for many has inevitably—and understandably—drifted towards survival rather than planning for future improvements.

The decision about whether or not scale, or indeed whether to take up an innovation that has originated elsewhere, must always come from a charity's knowledge of its particular circumstances and environment. Assuming, though, that there are some charities who *want* to scale, this should be reflected in their financial planning and income targets, and, importantly, in their grant applications. Building evaluation and reinvestment into proposals is an important part of making sure that funding can accommodate plans to scale—and it is not something we see very often.

This is easier said than done, and will certainly require a shift on the part of funders before a difference can really be expected. The current environment encourages charities to be risk averse, and breeds a fear of failure. Those charities who do plan to scale up often fail to achieve their aims, which significantly affects both their confidence and that of their peers. Every time a charity shares a story of having a promising solution, but no avenue exists to think about scaling it, others are put off from even trying.

## CURRENT RESPONSES

Since the turn of the century, a great deal of work has been done to further our understanding of scale in a social context—cutting through its complexity and addressing the *systemic* barriers identified above. How do you ensure that sufficient capital is available for charities to look up and ahead, and to think about growth? How do you incentivise investors outside the usual bands of mission-driven donors and philanthropists to engage with the voluntary sector? How do you make sure that these models work for pure charities without upfront revenue streams? A number of approaches have grown up in response to these questions:

- **Venture philanthropy** uses many of the same techniques as venture capitalism to promote growth and instil a healthy appetite for risk in social ventures. It is characterised by a willingness to try ‘new’ approaches, a focus on capacity building, funding on a multi-year basis, high engagement, and providing financial as well as non-financial support.<sup>19</sup> This model directly addresses a number of the problems outlined by supporting organisations to develop the skills and capacity required to scale, over a longer period of time than traditional grant-making.
- **Social investment** is *‘the provision of repayable finance to charities and social enterprises with the aim of creating social impact, and sometimes generating a financial return.’*<sup>20</sup> It has been used to attract capital to the voluntary sector, broadening the funder ecology by inviting into the market funders who are more likely to take an interest in scale—because importantly, social investment ties the return made on the investment to the success and reach of the project. Social Impact Bonds (SIBs) have also made up-front investment capital available to charities that rely on payment-by-results models, easing the problems of cash flow that may prohibit scaling.<sup>21</sup>
- **Personalisation** is the process by which users can influence the services they receive. Under systems that provide ‘personal budgets’, service users are given money to spend on services directly, offering them independence and choice. This ensures that user preferences help to identify the most effective services, for which there is the most demand, which better aligns funding with end-user preferences.
- **Shared measurement** involves organisations working on similar issues, and towards similar goals, reaching a common understanding of what to measure, and developing tools to do so.<sup>22</sup> It provides information that can be compared, saving time and resources, and building the evidence base for what works. Being able to compare approaches within a given area is the first step in deciding what to scale, because only then can you have a firm idea of the best approaches to take forward.
- **Licensing and franchising** is the use of a commercial licensing or franchising approach to replicate and share proven models with other organisations. It represents a way to marry preferences towards localism with the need to increase the reach of effective approaches. The potential for financial or reputational gain creates an incentive to be innovative, but pressure is not placed on the originating organisation to raise *all* the capital necessary to scale up. Any existing infrastructure can also be used to scale up without expending unnecessary resources.
- **Funder collaboration** can involve a wide range of activities, from information exchange and co-learning, to strategic alignment, pooled funds and joint ventures. Scale is a journey and different types of funders and funding will be needed at every stage. The more joined up that funding journey is—from pilot, to growth, to operating at scale—the better the chance of enabling charities to scale. Moves towards greater funder collaboration will require funders to be more aware of what others are doing—the projects they are funding, their priorities and the areas of focus. Only then can funders ensure that they, as a group, are supporting grantees across the whole spectrum of needs (including those that are looking to scale).

## Remaining problems

Despite attempts to address a number of systemic barriers to scale, there is still a long way to go. Are these solutions not well enough developed? Do charities and funders not see scale as a sufficient priority to make them work? Or is it that the problems themselves have not yet found a solution, and scale is not the answer?

Solutions like venture philanthropy have not proved to be a good fit in a social setting. The hands on and even disruptive nature of venture capitalism does not transfer well to a voluntary sector context. In the private sector, an investor may come in and refresh staff and management to get a business ready for growth. But many of the people that work for charities do so for highly personalised reasons; and so changes made by an outside investor are much more likely to be resisted. Solutions like these are also hampered by a lack of knowledge about where to focus effort and money. Skipping ahead to the growth phase before getting a proper handle on the approach, and the evidence that supports it, could do more harm than good in making the case for scale.

Other solutions are not yet widely enough adopted to make a difference. Social investment is very much the exception in funding practice—far from the norm. The personalisation agenda is slow moving and yet to be refined, with eligibility criteria and budget levels impeding significant progress.

Similarly, little of any substance has been written about the role of intellectual property in the social sector. The solutions outlined above, which reward innovators, provide a way in which to encourage sharing ideas in a competitive environment. Many charities report that an increasingly competitive funding environment pushes them towards protecting their own ideas. Given the lack of formal mechanisms to do so, there are—ironically—weaker incentives to share ideas than in the highly competitive private sector.

## The prevailing stalemate

So far, we have separated discussion of systemic and attitudinal barriers for the sake of clarity; but in reality the two are closely linked. Funders' hesitance to engage in social investment, for example, is partly attitudinal, as they *could*—in theory—change their funding strategy to pursue this new model. However, in many ways, it is also a rational response to the system as it stands. The voluntary sector does not yet produce the metrics that make social investment a viable option for many, and so most decisions currently focus on the financial side of the equation, rather than the social. But as long as current attitudes persist, the drive to overcome these systemic barriers will lack weight, and scale will remain low on the list of priorities.

By working out what action can be taken now we can begin to shift this stalemate. Taking a deliberate approach to identifying the best opportunities to scale will provide the practical experience needed to move things forward.

# A STRUCTURED APPROACH TO SCALE

Some charities may have a good case for scale simply based on their context and approach—others may need to take extra steps to fully assess the viability of scale. We suggest looking at the following practical considerations:

- Assessing the situation: looking at the context in which you are working to assess the case for scaling.
- Evaluation to support scale: focusing on *how* a particular approach works.
- Choosing what to scale: prioritising opportunities based on risk.
- Allocating responsibility: deciding *who* is best placed to scale.

## Assessing the situation

Rather than stopping at the vague conclusion that scale is *sometimes* appropriate and *sometimes* not, the following sections provide a structure for thinking about *which* factors make scaling more or less appropriate, with the hope of encouraging more successful attempts to scale.

We have identified seven main factors that influence the decision to scale (for detailed discussion and examples of each, see Appendix B):

- **Driver of effectiveness.** What makes your particular approach work so well? Is it the verve and passion of an inspiring chief executive, the strength of local partnerships, or an intuitive digital platform? Once identified, some of these drivers may simply be replicated, while others will not yield the same results in a different context and other options may need to be explored.
- **Nature of the problem.** For some problems, like an immunisable disease, a solution may already exist which could fully solve the problem if properly rolled out (known as a 'technical' problem). In other situations, the problem is clear but the solution is much less straightforward. Needs can be complex, and different solutions may suit different individuals. In such cases (known as 'adaptive' problems), the roadmap to scale is much less clear.
- **Quality of available evidence.** Certain approaches lend themselves to particular types of evidence over others. Approaches that are uniformly applied across a population, like medications, can benefit from evaluation based on large sample sizes and control groups. Here the case for scaling is much easier to make than for small, co-produced interventions, which may look different every time they are applied.
- **Expertise required for delivery.** An approach may rely on the specialist knowledge and skills of staff and volunteers to be delivered effectively. Where this is the case, scaling up has to take into account the extra challenge of up-skilling new recruits. For example, smart-tech solutions might be developed in response to particular problems, but these often require training and expertise to use them properly.
- **Characteristics of the approach.** An approach that depends on a close ratio of staff to beneficiaries to foster close relationships, can mean that expansion is costly and relies on available manpower. Attempting to increase the workload of staff in these cases is likely to undermine their effectiveness. Other approaches (eg, 'social products', such as guidance documents or vaccines) can focus energy on research and development, before rolling the product out to a wider audience at a very low cost for every additional beneficiary.

- **Ratio of cost to social benefit.** Though outcomes should be the primary focus, cost must feature in decisions at some point. The cost 'per unit' might be used in funding decisions as a way to compare which projects to back. Some approaches may therefore be difficult to scale up because the cost of helping additional beneficiaries is so high.
- **Policy environment.** The task of scaling can be made considerably easier where an approach is backed by the government of the day, or is at least on its radar. Government holds resources far in excess of any private funder, presides over an extensive infrastructure and delivery network, and is uniquely placed to address any systemic or regulatory barriers to progress.

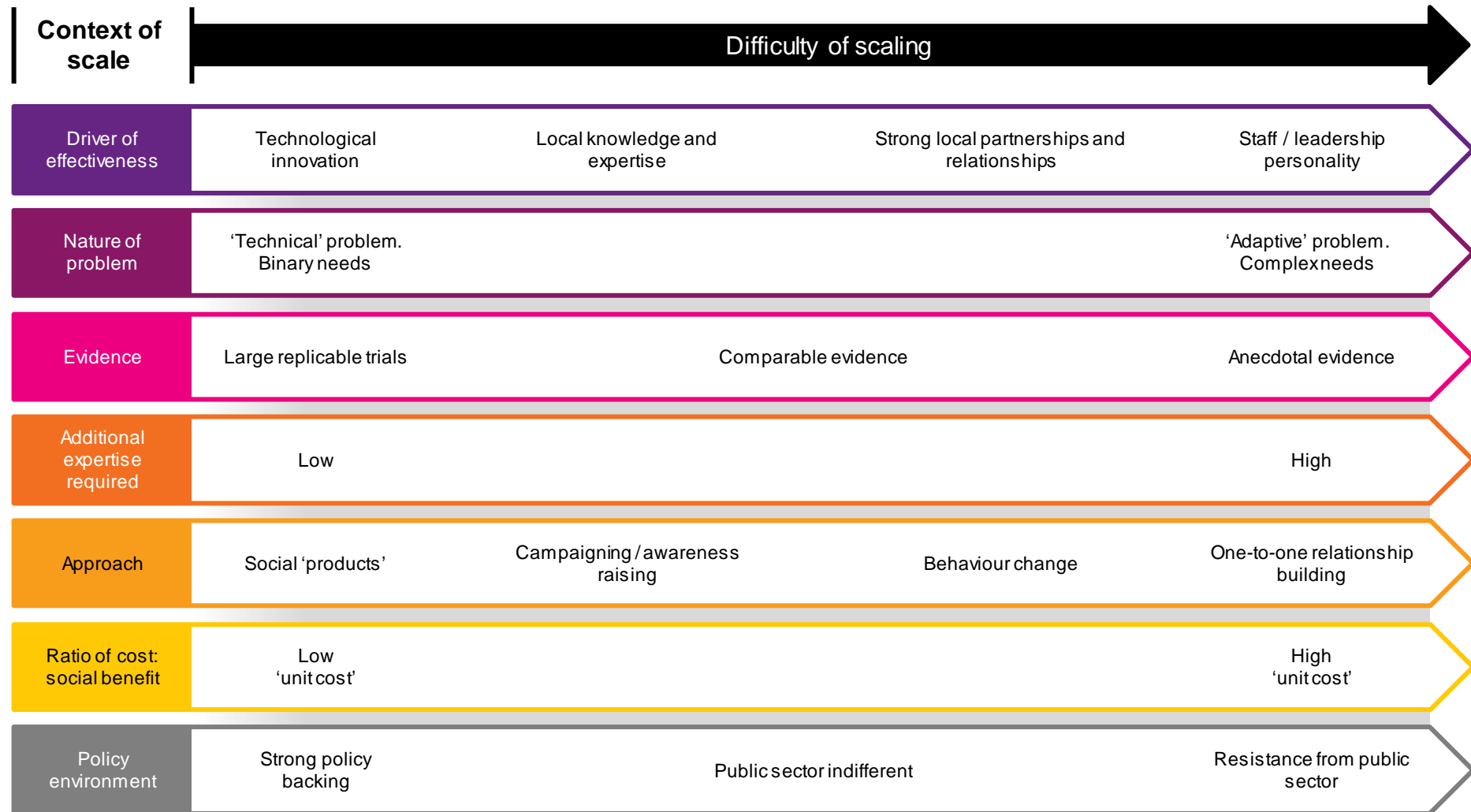
The diagram on page 16 illustrates the way that these factors affect the difficulty of scaling. Within each of these seven areas, certain scenarios lend themselves to scaling much more than others.

Under any of the conditions at the left-hand side of the matrix, taking practical steps towards scaling should be an immediate priority. Where there is a strong policy backing, charities have a responsibility to push the scaling agenda with their public sector partners. Where charities are producing social products, reach and uptake need to be at the top of their agenda. Where a strong evidence base exists, charities need to consider whether this translates into a strong case for scale. These factors can form a starting point for pushing the consideration of scale in discussion about strategy—whether between staff and CEOs, CEOs and trustees, trustees and funders, or organisations and ministers.

Of course, part of the problem is that many charities operate in conditions closer to the right-hand side. Most cater to complex needs and deal with complex outcomes that are difficult to evidence. Many exist because the people they seek to help have a problem that is otherwise overlooked in the public sector. And for most, building a close relationship with beneficiaries is a unique selling point.

The following sections set out an approach to assessing the desirability of scaling, even where a case for scaling is not clear from the immediate context.

## Modelling the factors that affect decisions to scale<sup>†</sup>



<sup>†</sup> This matrix is explained in further detail in Appendix B.



## Evaluation to support scale

Discovering that an effective pilot does not have the same effect when applied elsewhere is a common problem when it comes to scaling. Dealing with diverse local contexts tends to be approached at two extremes: either by creating numerous initiatives that are designed and developed locally; or by rigorously testing an approach in one context and then rolling it out through blanket replication. Whilst the former tends to be an expensive and inefficient approach to solving problems, the latter runs the risk of rolling out interventions that do not work for the majority of the intended beneficiaries.<sup>23</sup> The inability to find a middle ground between these two extremes is the result of an excessive focus on ‘what works’ rather than ‘how it works’.

Methods such as randomised control trials (RCTs), which are generally considered to be the ‘gold standard’ in evaluation, place emphasis on *whether* programmes work. This is a very effective methodology for demonstrating that particular activities have a positive effect on their beneficiaries, but the evidence it provides is specific to the context in which it was applied.<sup>24</sup> In an ideal world, multiple RCTs would be applied in different contexts to provide sound evidence to support scale. But given the costs involved and the very specific conditions required, this is rarely practical.

Before an approach can be applied in a new context, it is important to understand *how* it works as much as *whether* it works. By understanding these mechanisms, approaches can be adapted to new contexts, or relevant aspects of an approach can be adopted by other organisations.

Pawson and Tilly’s ‘realist’ methodology offers a way to approach evaluation.<sup>25</sup> Their theory is that approaches ‘work’ by triggering different change mechanisms, which lead to certain outcomes by changing participants’ reasoning (attitudes, beliefs and values) and resources (information, skills, material resources and support). Outcomes are also partly dependent on context. Macro-contexts such as politics, economics, culture, and social environments affect how well mechanisms work, as well as micro-contexts such as organisational staffing, leadership and geography.

So finding out whether an approach works is an important first step; but if evaluation is to provide a strong foundation for successful scaling, it needs to focus on what it is about those approaches that makes them work. Is it a charismatic leader, a smart-tech solution, strong local partnerships, a receptive audience, a skilful team, or a mixture of factors? Which parts of this recipe are crucial and which parts are flexible? How far can the core of the approach be codified to allow *that* to be replicated and adapted to a local context? How far can the characteristics of beneficiaries and environments be boiled down to work out how they influence the effectiveness of a particular approach?

### Bed nets against malaria: the importance of context

Long-lasting insecticidal nets are widely regarded as being an effective and inexpensive method for malaria prevention. The insecticide-treated nets not only prevent those sleeping under them from contracting malaria from mosquito bites, but also kill the mosquito to avoid further transmission of the disease. In 2010, 145 million nets were distributed in sub-Saharan Africa—roughly 139 million more nets than in 2004.<sup>26</sup> This is a striking example of a concerted attempt to take a solution to scale.

However, widespread distribution is not enough to ensure that these nets have the desired effect. There is a big difference between being given a mosquito net and actually using it—a problem that is often discussed in the context of malaria prevention programmes:

*‘Simply making nets available to villagers does not necessarily make them a desirable commodity. Where malaria is not perceived as a priority problem in a community, the availability and acceptance of nets may not automatically lead to consistent and effective use.’<sup>27</sup>*

In some areas, for example, people may not be aware of the connection between malaria and mosquitoes, or may believe that the causes of disease are spiritual rather than biological.<sup>28</sup> The result is that using bed nets is not seen as a priority—especially given that they can be uncomfortable and impractical.

As a result, simply distributing bed nets on a large-scale would be a poor use of resources, and an example of scaling without taking context into account. And so malaria prevention programmes have delivered nets alongside large-scale communication efforts and community education around the causes and risks of malaria, as well as programmes to improve the capacity of healthcare systems in affected regions.<sup>29</sup>

## Choosing what to scale

Even when taking a more nuanced approach to evaluation, the decision about where to focus finite resources raises further questions. By choosing to scale one approach, you lose the opportunity to implement any other approaches, and may displace those that already exist. If, for some people, the approach is less effective than the alternatives, then there is a significant opportunity cost.

However, this risk can and should be sensibly estimated. Certain situations pose a greater risk than others, and in each case the level of risk needs to be weighed against the potential benefits of scaling. Without perfect information, you can never say with certainty that the approach chosen for scaling is *the* best approach out of all possible alternatives. And without comparable data, there is no way of determining which are the best approaches. But by assessing the risks, it is possible to make a more informed decision.

Below we have outlined some of the factors that may help to estimate the risks involved.

- **Likelihood of displacing other approaches.** Where a large number of localised services with proven effectiveness exist, the likelihood that the approach being scaled will be less effective than existing approaches is higher. Conversely, where few effective solutions currently exist, and where there is a good evidence base of comparable metrics, there can be relative certainty that scaling will be positive overall.

- **Sensitivity of approach to audience values, beliefs and attitudes.** Where the effectiveness of an approach is based on the quality of the relationship between provider and beneficiary, for example, the approach will be highly sensitive to different audiences. This creates a higher risk that scaling up will displace an intervention that was doing a better job. However, where the solution is a 'product' that can solve an identifiable and binary need (eg, a vaccination) it becomes much clearer whether scaling is desirable.

#### **Improving Access to Psychological Therapies (IAPT): cutting out effective providers?**

IAPT is an NHS programme that rolls out services for people with depression and anxiety, offering interventions approved by the National Institute of Health and Clinical Excellence (NICE). The programme places heavy emphasis on talking therapies, such as Cognitive Behavioural Therapy (CBT), which are recommended by NICE based on a good body of evidence for their positive effects.<sup>30</sup>

Though the benefits of CBT can be pointed to with some confidence, it is much harder to tell whether some people would have benefited *more* from other approaches. More people can now access CBT, and many have shown improvements, but how many would have shown *greater* improvements if a different therapy had been rolled out to scale?

*'We recommend that NICE clinical guidance should continue to be guidance rather than instruction. There will always be local variations and doctors and their patients must be able to come to individual judgements about what is the best treatment'.<sup>31</sup>*

It is almost certainly the case that NICE guidelines mean some effective approaches are not used widely enough. But the question here is: what is the alternative? What would happen if there was no guidance on which medications were the most effective? It is easy to get hung up on the possible alternatives. But ultimately, we can never be certain about the full range of alternatives and their relative effectiveness. So as long as it does not make the situation worse, isn't doing something better than doing nothing?

## **Allocating responsibility for scale**

An assumption is often made that organisations should take responsibility for scaling up their own innovations. However, where the risks are too high, organisations that are not themselves, social, can take on the mantle of scaling instead. Businesses could take a lead in disseminating approaches to maintaining good mental health in the work place, for example. The public sector is also well placed to adopt promising approaches, using its size and infrastructure to 'mainstream' them as public services. In these cases, it is the role of the voluntary sector to innovate and then establish 'proof of concept' by testing the effectiveness of an approach on a small scale (see the example of Macmillan Cancer Support on the next page).

This is not to say that it is never appropriate for voluntary sector organisations to drive scale. Given the pressures on public spending, which are likely to continue for the foreseeable future, public mainstreaming can only achieve so much. We can also draw on a few stand-out examples of charities that have made a conscious decision to scale up and have succeeded (see the example of CRI on the next page). It is therefore important to clarify *in which cases* scaling is a viable option for voluntary organisations, and when their role is unlikely to go beyond proof of concept.

## Macmillan Cancer Support: Proving the concept

Macmillan's stated ambition is to ensure that high quality, cost effective models of care and support '*reach and improve the lives of everyone living with cancer*'. The 'reach' criterion highlights a need to ensure that solutions are appropriately scaled; but Macmillan are clear that the actual delivery of these solutions is not part of their aim:

*'Instead of plugging shortfalls in cancer care provision through funding individual posts and services we will think of new ideas, prove they are effective, and then work with the NHS, local authorities, and other partners to sustain and replicate them.'*<sup>32</sup>

Through ten 'Flagship Learning Laboratories', Macmillan works to test new innovations for their sustainability, scalability and ability to meet need. Having established 'proof of concept' through working with local providers and external evaluators, Macmillan works with statutory partners to mainstream certain approaches. Crucially, public sector partners have ownership and responsibility for scaling and sustaining these innovations.<sup>33</sup>

## CRI: Taking the concept to scale

CRI is a health and social care charity that supports individuals, families and communities affected by substance misuse, crime, homelessness, domestic abuse and anti-social behaviour. It has made a conscious effort to increase the '*range and geographical spread of services*' that it offers, growing rapidly through a series of mergers and by increasing the number of contracts it bids for. As a result, it has seen a growth in turnover of almost £98m since 2000, currently working with 53,500 people across England and Wales. David Royce, former Chief Executive of CRI, is clear that this organisational growth has been an engine for increasing both reach and effectiveness:

*'Our growth has enabled us to bring some of our best practices to service users in areas where it was not otherwise possible.'*<sup>34</sup>

To balance a national presence with the need for local sensitivity, CRI has adopted a strategy of devolved management—developing the skills of regional teams so that they can build local relationships and function autonomously.<sup>35</sup>

# CONCLUSION

Funders and charities rarely assess whether or not scale is desirable. Our understanding of scale has come a long way, and the range of opportunities created to deal with problems particular to the voluntary sector are encouraging. However, so far these efforts have not translated into meaningful attempts to scale, and social solutions continue to fall short of the need they hope to address.

This basic lack of will when it comes to scaling up results partly from the low priority attached to scaling by charities and funders—but also because solutions to the fundamental mismatch between scale and social contexts have yet to be addressed with enough confidence to stir greater attention. Attitudinal and systemic barriers are locked in a cyclical stalemate, with each reinforcing the other.

To breach this stalemate, we have developed an approach by which voluntary organisations can consider their role in scaling social solutions. By assessing their situation, evaluating how their approach works, prioritising opportunities based on risk, and then deciding who is best placed to take the strategy forward, we hope to see more charities and funders expand their social impact.

## Key points from this paper

- Scaling is not appropriate in every situation, and it cannot be a priority for everybody. But charities have a responsibility to make a proper assessment of whether or not scaling is a viable option in their circumstances.
- Assuming there is a good case, opportunities to scale up should absolutely be taken forward by the originating organisation.
- Though scaling up may not be possible for the originating organisation, innovators have a responsibility to establish 'proof of concept' and to engage partners that are better placed to take scaling forward.
- Charity boards need to clearly define their appetite for risk, and assess the possible benefits of scaling in that context.
- Funders should openly consider how central the support of significant scale is to achieving their mission.
- In light of these decisions, funders should consider how their funding practices affect charities' ability to scale up.
- Where appropriate, funders should provide consultative and financial support to assess the viability of scaling certain projects.
- Funders can advance the shared measurement agenda by using consistent and comparable metrics in their reporting procedures.
- Funders should also be transparent about their funding preferences (ie, for new, growing or established approaches) and work more collaboratively with other funders to ensure that grantees have viable options once their grant period has ended.
- In the public sector, ministers and commissioners should recognise that scaling cannot always be driven by originating organisations. Once 'proof of concept' has been established, the government should be prepared to take responsibility for building a business case and driving the roll-out of effective approaches.
- Though it is possible for the public sector to take up and run certain programmes, there must also be opportunities for originators to work with the public sector as equal partners.

# APPENDIX A

## Getting to grips with scale as a concept

### Key definitions

**Scaling up**—Attempting to reach more people (as an organisation, through a particular project or with a particular way of doing things).

**Successful scale**—Scaling up *an effective solution* to a given problem so that it meets *a greater proportion of the need* in a target population.

**Perfect scale**—Scaling up *the most effective solution* to a given problem to meet *100% of the need* in a target population. Each beneficiary could not have benefited any more from a different intervention and no other interventions are more cost effective. All approaches that were superseded were less effective than the replacement in their given context.

**Unsuccessful scale**—Scaling up has a negative overall effect and increases, or does not effect, need in the target population. This may be because an ineffective approach is scaled up, because the effective approach displaces better approaches, or because the approach does not work once applied to new contexts.

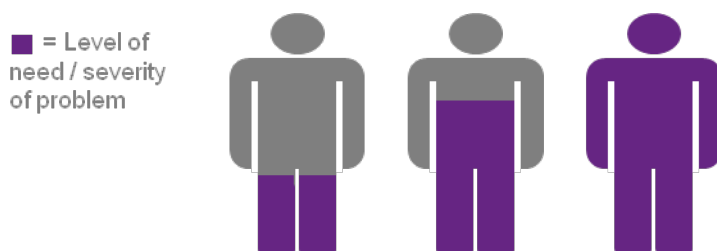
### Understanding ‘need’

In the context of the voluntary sector, ‘need’ is the extent to which people experience a problem that requires support. Some will be addressed by services that are already in place (‘met need’), while some may experience problems for which they are not fully supported (‘unmet need’).

Need is the concept around which the rationale for scaling hinges. Without effectively reducing the level of the need that it is trying to address, an intervention cannot be said to have scaled successfully. Given this centrality, ‘need’ is a concept that needs unpicking if scale is to be properly understood and put into practice.

#### Need as severity

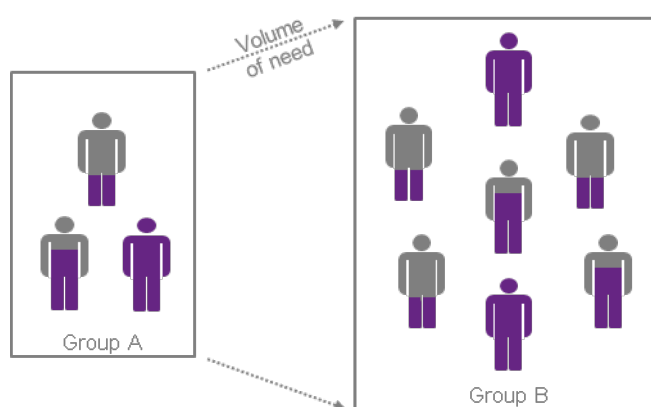
Need can be a concept that varies on an individual level. Take the context of mental health, for example: while one person may experience a severe and debilitating anxiety disorder that renders them unable to leave their home and in need of clinical support; another may have a more moderate anxiety disorder, which is self-managed but presents a different set of problems, such as a difficulty in gaining employment. Both needs should be addressed, but on the basis of the problems it causes, the former is a need of greater severity.



Whilst individual need can vary on a continuous scale, there are cases where need is binary; in other words, it simply exists or it does not. Take immunisable diseases, for example; a person has either been vaccinated or not. An upshot of this scenario is that the impact an intervention can have is also binary (at an individual level). It has either effectively vaccinated a person against disease, or it has not.

### Need as volume

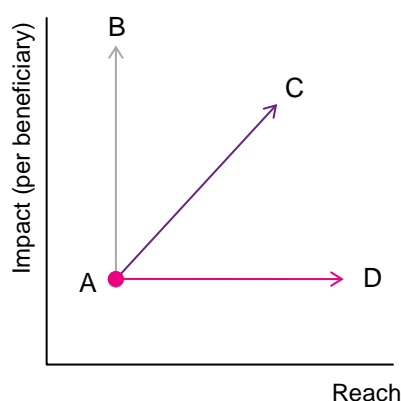
Need can also be approached from a population perspective. In this case, the number of individuals that experience a particular need is what measures its extent. For example, Dementia is estimated to effect 800,000 people in the UK, compared to Muscular Dystrophy which affects around 70,000.<sup>36</sup> Where need is approached in terms of volume, Dementia is the area of greatest need.



A greater volume of need should not be taken (in itself) to reflect a more important issue. Of course, within these populations, individuals will have needs of varying severity. It may well be the case that for a small population of need, the effect that it has on the lives of those that experience it is severe. However, from a theoretical perspective, this distinction gets us some way to pinning down the concept of scale.

### Defining scale

This understanding of need allows a closer understanding of what scaling really means. The first principle is that successful scale must go some way to addressing the *volume* of need. In the diagram opposite, route **A > B** is a scenario where an intervention has been able to improve the impact that it has on its beneficiaries, but within a static population. By addressing the severity of need without addressing its volume, an intervention can be said to have increased its effectiveness, but not to have scaled.

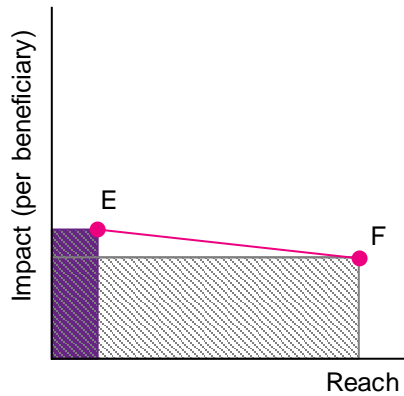


Route **A > D** is a straightforward example of scaling. An intervention (at point A) with a proven impact is rolled out to reach a much wider audience. If its impact is not undermined by the process of extending reach (point D), the intervention has successfully scaled (because need has been reduced through the impact that it has on all those who were not previously reached by the intervention).

Route **A > C** highlights the interaction between severity and volume of need. Though addressing the severity of need alone is not sufficient to constitute scale; addressing severity and volume simultaneously is not only possible but desirable. In some cases the two go hand in hand, due to what Rahman and May call the ripple effects of

awareness. ‘During a pilot, the scope for large-scale influence and behavioural change is smaller, due to limitations in population sizes and the locations they can directly influence’.<sup>37</sup> So though increasing reach, impact is also improved—and scale is achieved by reducing need on two fronts (numbers reached and effect of intervention on them once reached).

### The trade-off between reach and impact



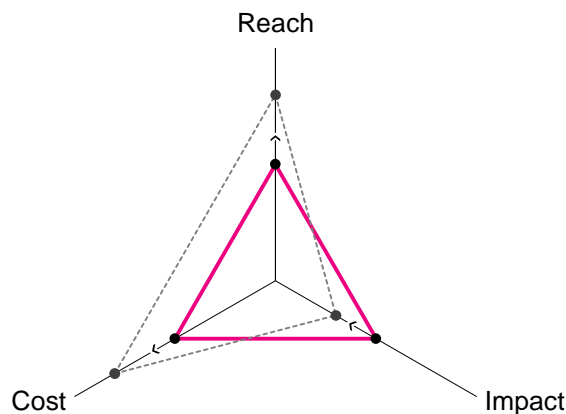
There are few hard-and-fast rules to successfully scaling, and the pros and cons of pursuing scale will depend on particular circumstances. It is not simply the case that any reduction in impact is unacceptable. Rather, it is the net effect on reach and impact that is important. Consider the example below:

In moving from **E** > **F** an intervention may see a small reduction in the impact that it is able to achieve for each of its beneficiaries. In this case, though, the benefit from increased reach considerably outweighs this—and so the net effect is positive.

### Putting scale in a real-world context

At some point, consideration of cost must come into the equation. Much of the thinking here follows the same logic as the Quality Adjusted Life Year (QALY). A QALY, used in health economics, is the product of the years added to somebody’s life by a treatment (akin to reach), and the quality of life that a patient will experience during those years (akin to impact). The QALY methodology then goes on to consider the ‘cost per QALY’ as a way to compare interventions.

Whilst consideration of the benefits of scale need not be so numerical, this introduces an important third dimension when thinking about the desirability of scale. The diagram below demonstrates how the desirability of scaling an intervention will depend on the relative effect that it will have on the three axes of reach, impact (per beneficiary) and cost (per beneficiary)





## APPENDIX B

### Case studies of the factors affecting the ease of scaling

#### Driver of effectiveness

This driver is essentially ‘whatever it is that makes the approach work so well’. Technological solutions—particularly digital platforms—are much easier to scale given that they can be rolled out at a relatively low cost. Technological solutions also tend to be uniform products (ie, once designed in response to a particular problem, they can be produced and distributed at a large scale). At the other end of the spectrum, an approach that works because of the passion and energy of a dedicated team is unlikely to see the same results when applied to a different context, as it will be delivered by a different team. The factors in the middle of the spectrum, relating to local knowledge and relationships, can be built up eventually, but will take considerable time and effort to do so.

##### YouthNet: a digital driver

YouthNet specialises in providing online support to young people. Its online platform enables young people to access advice and guidance at any time, and to draw on each other’s experience and support. Their model makes the route to scale relatively straightforward. Because the digital platform is a central driver of YouthNet’s effectiveness, they can reach a very broad audience without the need to significantly expand physical operations. Resources can therefore be focused on managing the platform, producing high-quality content and training existing staff and volunteers. In June 2013, TheSite.org, one of YouthNet’s main projects, had 1,145,000 users aged between 16 and 25, which is 14% of the UK population of that age.<sup>38</sup>

#### Nature of the problem

For ‘technical’ problems, need is binary (it is either met, or not met) and a solution is known. Solutions can be developed and administered by experts, and the challenge lies simply in how many people you are able to reach. Essentially, once the solution has been rolled out properly, the problem has been solved.

Conversely, ‘adaptive’ problems deal with complex needs, in a population of unknown size, and for whom it is difficult to tell how far need has been met. In these cases, a solution needs to evolve as it is met, and different approaches will be appropriate for different people. Beneficiaries will influence the way that solutions are designed as opposed to experts being able to design a ‘one size fits all’ solution. In these cases, the number of factors that can affect success, and the sensitivity of effectiveness to personal circumstances and context, make scaling much more difficult.<sup>40</sup>

##### Eradicating Polio: solving a ‘technical’ problem

Polio became a major public health concern for much of the developed world in the early twentieth century. Polio is extremely contagious, to the extent that the U.S. alone experienced more than 57,000 cases in 1952. In 1955, a vaccine tested in the field on more than 1.8m children was deemed ‘*safe effective and potent*’ and a mass vaccination programme meant that U.S. Polio cases reduced to 5,300 by 1957.<sup>39</sup> With subsequent improvements to vaccines, global cases of Polio reduced from 350,000 in 1988 to 416 in 2013. This provides a good example of how the top-down rollout of a tested solution can work to solve a technical problem. With the aim of preventing Polio, the act of vaccination is enough to know that the need has been met. Efforts and funding can therefore be focused on making sure that vaccines are available, distributed and administered.

## Quality of evidence

Certain approaches lend themselves to certain types of evidence over others; and some types of evidence form a stronger foundation for scaling. The effectiveness of uniform products, such as medications, can be established through large-scale clinical trials. After this, there is already a good case for taking them to scale. Other approaches, often those that are tailored and personalised, struggle to produce quantitative evidence based on large sample sizes. This is because the tailored nature of the approach may have many manifestations, and only small groups of people will ever experience it in the same way (unlike a uniform product). Available sample sizes are therefore small, and the type of evidence that is collected is likely to be qualitative and difficult to aggregate. In these cases, a great deal of work needs to make the case that the approach will be effective for a larger group.

### Arts on prescription: the problem of sample size

The *Time Being 2* project is a 12 week 'arts on prescription' service run by the Isle of Wight NHS Foundation Trust.<sup>41</sup> The project gives an alternative to prescription medication for patients visiting their GPs with depression. The hope is that through creative expression, participants will develop greater self-confidence, self-esteem and re-engage with social networks. A 2010 evaluation of the project used standardised outcomes measurement tools to measure the effectiveness of the intervention in terms of medical outcomes. However, though the study produced encouraging results, a small sample size—of only 13 people—makes it difficult to make the case for rolling out the approach further. A number of separate evaluations for projects using this approach exist, but only provide evidence on how different variations on the approach have affected small groups of people. It is therefore difficult to make a good case for its expansion, particularly in competition with medications that have been tested on thousands of people.

## Additional expertise required

In some cases, an approach might require the people delivering it and their managers to have a particular specialism or level of experience. This may be in general terms, such as a one-to-one therapy service that requires qualified counsellors, or it may be that people need to be trained in the way that a particular approach works, as is the case with programmes such as Mental Health First Aid.<sup>44</sup> Here scaling up has to take into account the extra challenge of up-skilling those who take on the role in new contexts. If time is not taken to adequately prepare local agents, or if specialists lacking local know-how are parachuted in from elsewhere, then the chances of scaling successfully will be significantly reduced.

### The Nurse-Family Partnership: up-skilling new practitioners

The Nurse-Family Partnership (NFP) uses home visits by maternal and child health nurses to support first-time parents. The programme particularly targets low-income families and aims to ensure a healthy pregnancy, and to improve children's health and development. Starting out in Colorado, NFP now operates in 43 states in the U.S., with 29,600 families enrolled.<sup>42</sup> The key to the success of this approach lies in the skills of the nurses that carry out the visits, and the relationships that they build with the families. A recognition of this fact was clear in NFP's scaling strategy. '*Dr. Olds [NFP's founder] knew he would need to create a series of resources and consultative supports to enable new practitioners around the country to learn how to deliver the model program in diverse families and settings*'.<sup>43</sup> NFP's success in scaling owes a great deal to the time and effort spent on maintaining appropriate skills in their expanding workforce.

## Characteristics of approach

Here the number of people reached by a single member of staff, and the depth of the relationship required to make the intervention work are key. In the context of a campaigning organisation, for example, a single social media officer or media manager would be able to reach a large audience. Conversely, a counselling programme requires sessions to be conducted one-on-one. Any expansion in the number of beneficiaries reached therefore requires an expansion in the number of staff employed. While staff may be able to see more patients, or hold shorter sessions, these decisions may undermine the relationship-building elements at the core of the approach.

### **Sprinkles: scaling a social product**

Sprinkles<sup>45</sup> are micro-nutrient powder sachets designed to address vitamin and mineral deficiencies. Sprinkles were first targeted at iron-deficiency anaemia, which was estimated to effect more than 750 million children.<sup>46</sup> Uptake of existing approaches, such as droplets and syrups, had been poor, given the unpleasant taste of iron, its tendency to stain children's mouths, and the fact that illiterate parents were unable to read dosage instructions. Sprinkles come in sachets that are already measured, and the powders are coated to eliminate taste, staining and the discoloration of food. The pre-measured sachet and coated powders are what makes the intervention work so well—while the contents themselves can be adapted to local needs. Starting out in Mongolia, Sprinkles is now active in 15 countries. Studies conducted in six of these countries so far suggest that scaling has been successful.<sup>47</sup>

## Ratio of cost to social benefit

Some social solutions are more expensive than others. This cost is not necessarily in terms of the overall cost, but the 'unit cost'—that is the cost of treating each beneficiary. There are some problems that affect a very small group of people, but have a huge impact on their lives. In these cases, it is very possible that, if resources were not an obstacle, the problems could be solved in their entirety—scaling a solution to reach 100% of those affected. However, in the context of finite resources, a consideration of cost must feature in decision making. In the case of two projects with the same cost, one of which would reach 1000 people and one of which would reach 100, the decision would most likely be to fund the former. It may be that in the second project, reaching those 100 people would eradicate the problem entirely, but the cost per beneficiary would make it a less attractive option.

### **Neuroblastoma: a high-cost solution**

Neuroblastoma is a rare cancer that affects around 100 children per year in the UK.<sup>48</sup> While its effects are severe, its incidence is dwarfed by other cancers, such as breast cancer (with more than 50,000 cases in 2011)<sup>49</sup> and prostate cancer (affecting more than 41,000 men in the same year).<sup>50</sup> Neuroblastoma has been the subject of attention in recent years, as families have raised money to send their children to the U.S. to receive experimental treatments that are not offered by the NHS. Despite the existence of promising approaches, the low incidence of the disease means that it has not been prioritised in funding decisions. This means that research cannot be undertaken to make the case for the treatment, and the approach cannot be made available more widely through the NHS. As Dr Stephen Lowis from the Bristol Royal Hospital for Children observed, in relation to a proposed trial, though the treatment is potentially 'transformational...we are going to treat 12 patients with this money. That expense is unsupportable'.<sup>51</sup>

## Policy environment

The task of scaling can be made considerably easier where an approach is backed by the government of the day, or is at least on its radar. Government holds resources far in excess of any private funder, presides over an extensive infrastructure and delivery network, and is uniquely placed to address any systemic or regulatory barriers to progress. While this kind of support can considerably accelerate the growth and adoption of some approaches, in cases where approaches do not fit with, or even oppose, the policy priorities of the day, scaling becomes much harder.

### Teach First: government-backed expansion

Beginning in 2003 with the first cohort of 186 graduates placed in 45 London secondary schools, by 2012 Teach First employed 996 recruits in more than 374 primary and secondary schools, across seven regions. Independent analysis has suggested that the presence of Teach First programmes in these areas is, at least, positively correlated with educational attainment.<sup>52</sup> Throughout its existence, *‘Teach First has been supported by the government of the day’*. In 2010 it was allocated a £4m grant by the Department for Education *‘to facilitate Teach First’s expansion into every region of the country and to support its growth in primary schools’*.<sup>53</sup> Government backing not only provided the finances needed to expand, but also a credibility and profile for the programme, to attract the attention from schools and graduates on which the model relies.

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## TRANSFORMING THE CHARITY SECTOR

NPC is a charity think tank and consultancy which occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

**Increasing the impact of charities:** NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

**Increasing the impact of funders:** NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

**Strengthening the partnership between charities and funders:** NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

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