Duke SOCIAL ENTREPRENEURSHIP ACCELERATOR AT DUKE

Decoding the ABCs of Effective Enterprise Acceleration:

10 Lessons from the Social Entrepreneurship Accelerator at Duke (SEAD)

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The ABCs of the Accelerator Process and SEAD's Top 10 Lessons

INTRODUCTION

Like learning a new language, scaling an enterprise is full of unknowns, imperfect attempts and lessons for the future. Enterprise accelerators often serve as translators between their participants and the outside world. In doing so, accelerators must decipher between what they assume will be effective and what the enterprises they serve want and need. How can enterprise accelerators crack the code?

During the five-year period 2012-2017, we[1] ran the Social Entrepreneurship Accelerator at Duke (SEAD), we learned many lessons that we hope other accelerators can benefit from to increase their own effectiveness. This paper describes that learning journey through our top ten lessons.

SEAD was a unique accelerator in terms of the stage of the enterprises (growth-stage as opposed to startup), the length of engagement for each enterprise (three full years as opposed to several months), the makeup of the accelerator team (multidisciplinary, cross-university leadership), and the real-time and longer-term learning efforts wrapped around the accelerator. But in many other ways, SEAD was like every other business accelerator. The core of our work was accelerating the growth and scale of ventures striving to create tangible impact in their customers' lives. Our participants, social impact enterprise CEOs and executive directors, were strained and stretched by everyday pressures of running their ventures; our use of their time had to be really effective or we would be wasting their time and ours. We worked to create tangible value for the enterprises by using the best support mechanisms possible for the least amount of time and effort. We worked to fulfill the core functions of every accelerator: defining our value to attract applicants; selecting participants, designing and delivering a set of support services that serve their needs; helping them to communicate their traction and progress with key stakeholders; and helping them raise the right kind of capital at the right time to fuel their growth. Last, we also had to evaluate and communicate our own effectiveness on all of these functions to our stakeholders, as well as to ourselves.

As our direct enterprise support program under SEAD closed in 2017, we decided that those of us implementing this program had better ways of providing the value that SEAD aimed to bring other than through the formal accelerator program.[2] Indeed, our support for global health and other enterprises has actually expanded significantly since we closed our formal acceleration program, and our touchpoints with the enterprises from SEAD continue in many other forms. As researchers, we truly believe that the goal is to find the best set of services that lead to the best outcomes. Making the tough decision to close our accelerator after operating what nearly every stakeholder agreed was a successful program for five years might have been our most humbling lesson of all. Throughout the process, we learned a tremendous amount from our experience with SEAD, which we are confident can inform other accelerator programs and support organizations.

1: Throughout the paper, "we" refers to the SEAD leadership and program team, which included the Center for the Advancement of Social Entrepreneurship at Duke University's Fuqua School of Business, nonprofit organization Innovations in Healthcare (hosted by Duke Health), the Duke Global Health Institute, and nonprofit angel impact investing network Investors' Circle (now Social Venture Circle).
2: Innovations in Healthcare, a Duke-hosted nonprofit that was one of the primary SEAD partners, continues to run a network of more than 90 innovative health-care organizations around the world; its work includes [include ways in which IIH leverages it and Duke's assets to run network]. Additionally, the Duke Innovation & Entrepreneurship Initiative runs a SEAD-inspired accelerator program in partnership with UNICEF.

In this paper, we organize our lessons learned around the core accelerator functions that we believe are most common. We consider them the ***ABCs of effective enterprise acceleration***:

- **A** **A**ligning your cohort with your change theory
- **B** **B**uilding an effective and efficient enterprise support model
- **C** **C**hampioning the capital needs of your enterprises
- **D** **D**eciphering and disseminating enterprise performance
- **E** **E**valuating and improving your accelerator

In each section below we explore these functions in terms of the significant pivots we made during our program and the lessons they drove home for us. Our hope is that, by sharing these lessons, we can help other accelerators accelerate themselves. In other words, help them get ahead of some of our pivots, and find ways to build in real-time learning.

For more background on SEAD, please read *Highlights from the Social Entrepreneurship Accelerator at Duke* at: https://centers.fuqua.duke.edu/case/knowledge_items/highlights-social-entrepreneurship-accelerator-duke/.

-The SEAD Team

A IS FOR ALIGNING YOUR COHORT WITH YOUR CHANGE THEORY

LESSON 1: REFINING OUR ACCELERATOR THEORY OF CHANGE

How do you create a theory of change for your accelerator that clearly captures the difference you are trying to achieve through successful programming? In Lesson 1, we realized as we implemented the program that our original theory of change lacked some necessary nuance.

Before: Assumptions & Initial Approach

- **The treatment, to whom, and to what end.** We began with the intention of finding innovative ventures were having significant traction on health outcomes for low- to middle-income populations, and that had potential to scale their impact significantly. SEAD's theory of change centered on the assumption that focused support and capacity building could help growth-stage social ventures overcome common challenges to scaling and achieve greater impact. We hypothesized what those key challenges were and identified those that we were best positioned to support, given our university community's knowledge, networks and capacity. In its most simplistic form, our three-part change theory was that we would 1) select ventures with innovative models, some demonstrated traction and success, and most potential for impact at scale, 2) build their expertise and capabilities through training and peer learning, and then 3) help them with execution and financing. *We believed that by applying the knowledge of our multidisciplinary team about scaling impact and health delivery, we could build the capabilities of the ventures in the program, helping them to enhance their impact and scale their breadth (patients or customers served) and/or depth (quality of care and outcomes) more effectively than if they were not in our program.*

- **Defining readiness to scale.** . As we began SEAD, our definition of scaling readiness was admittedly fuzzy. Therefore, our original selection criteria (listed below), lacked precision in articulating the types of organizations that would benefit from our intervention. We looked for innovations in market, with a growing customer base, and some evidence that the model represented a significant improvement from the status quo in terms of access to quality health care. Within our criteria, it was difficult to know what counted as enough, as we had few benchmarks.

  SEAD's original proposal named the following criteria for cohort selection:

  - **Stage**: early-stage organizations or companies with some initial customer validation.
  - **Entrepreneur Readiness**: entrepreneur and team must be committed to scaling their impact and be open to advice and consultation
  - **Market Demand**: significant, growing demand for their product or service, with or without subsidy.
  - **Business Model**: a potentially viable business model with some competitive advantages.
  - **Local Knowledge and Integration**: expertise and attention to local needs and systems.

After: What We Learned

- **A more granular definition of scaling.** Using The Monitor Group and Acumen Fund's "From Blueprint to Scale Framework,"[3] we created our program intending for ventures to enter SEAD at the Prepare stage and to exit in the Scale stage (see Figure 1).

1. The Monitor Group & The Acumen Fund's Blueprint to Scale Framework

We realized within the first year that we needed more granularity on our definition of the stages leading up to Scale; the ventures in our cohort self-identified as ready to scale, but we soon realized they were spread across many different stages of development and thus dealing with very different issues. We expanded the 4-step framework to include 7 more granular steps (see Figure 2) and began to work with each enterprise to determine its key issues and readiness on each level.

Blueprint to Scale	1. BLUEPRINT: Developing the Idea		2. VALIDATE: Testing the Idea		3. PREPARE: Expanding Capacity		4. SCALE: Implementing at Scale
	1	2	3	4	5	6	7
SEAD Test Sub-stages	Product Service Viability	Behavior Change	Customer Demand	Unit Economics	Pre-Scaling Analysis	Capacity Development	Scaling Strategy

2. SEAD's Expanded Blueprint to Scale Framework

- **Scaling impact is not linear.** Even more importantly, we recognized that some of the ventures were simultaneously in different stages across different product and service lines, and they were moving back and forth between the stages regularly. One enterprise, for example, received a large grant to validate a new maternal health product, but the pilot showed it didn't work as well as planned. With these results, the enterprise was back to the blueprint stage within a few months — but just for that particular offering, while being in the prepare stage for other offerings. We saw that for later-stage ventures, this movement was actually quite common. We thus worked to map the ventures and their key initiatives against our seven-step blueprint-to-scale sub-stages, and we worked to gain additional clarity on the unique needs for each and how we could best support those.[4] See figure 3 for an example.

3: Harvey Koh, Ashish Karamchandani, and Robert Katz. https://acumen.org/wp-content/uploads/2017/09/From-Blueprint-to-Scale-Case-for-Philanthropy-in-Impact-Investing_Full-report.pdf. From Blueprint to Scale: The Case for Philanthropy in Impact Investing," Monitor Group, April 2012.
4: The tool that resulted from this process is now called the Business Growth Diagnostic and is available within the CASE Smart Impact Capital online training program. It helps ventures better understand where they stand within the key elements of business growth and provides insights about questions they need to address to move forward to the next stage.

Blueprint to Scale	1. BLUEPRINT: Developing the Idea		2. VALIDATE: Testing the Idea		3. PREPARE: Expanding Capacity		4. SCALE: Implementing at Scale
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Example map of SEAD venture progress across the 7 stages of growth (anonymized); Green indicates stage complete, yellow is in progress, and red is incomplete.

- **Matching enterprise needs with our assets.** With the enterprises in our first cohort mapped along seven scaling steps, we realized that most were in the late blueprint to early validate stages. We adjusted to their needs, reorganizing our program around what was required to get them from initial traction to a profitable unit model that could pinpoint break-even. We also provided the kinds of operating and impact support that ventures at this stage need as they are persuading stakeholders to take the risk of partnering with them. We remained a scaling accelerator — just one for ventures who were slightly less ready for scaling than we had expected. But we also knew that our offerings and core assets (e.g., investment readiness, consulting, connections) best matched the needs of the prepare stage. We had fewer resources for the few ventures who were in the early blueprint stage, and when two of them indicated a willingness to leave the program after the first year, we agreed that it did not make sense for them to continue. Lessons from this process informed our cohort selection approach for the remainder of the program.

Key Recommendations

- **Not all accelerators are or should be alike.** Define the unique theory of change of your accelerator: What services are you giving to what kinds of enterprises, for what result? Use your theory of change to define selection criteria and strategy as clearly as possible.
- **Be clear about the points between which you are trying to move an organization.** What is the initial point? What is the target point? What do they need to do to move from one to the other? How will you know when they have succeeded? How will you know you are not leading them in a direction they do not want to go?
- **Ensure that your accelerator services match the specific needs in the stages between which you are trying to move the organization.** Test that strategy in the first year of your accelerator. Are you meeting the needs of your entrepreneurs? How can you improve that?
- **Transparently communicate your intended theory of change with accelerator member prospects** so that they can better evaluate fit before applying. Before you open up to your second cohort, ask your first cohort if you hit the mark and what you could change to improve your marketing of the actual key value-adds of your program, not just your intentions.
- **Don't be afraid to let some accepted entrepreneurs leave the program,** if they (or you) determine the fit with their needs is not strong.

A LESSON 2: EVALUATING COHORT APPLICANTS IN A MORE ITERATIVE PROCESS

How can you best evaluate your accelerator applicants to identify those who fit your theory of change and could benefit most? In Lesson 2, we recognized that quantitative and self-reported data was insufficient to evaluate applicants' fit and scaling readiness.

Before: Assumptions & Initial Approach

- **Evaluating scaling stage with quantitative data on reach and finances.** We believed we could use data on reach, revenues, expenses and overall financing to illuminate applicants' scaling stage and in particular, to identify those who were growth-stage and "ready for scale." We also relied upon applicants' own reporting on which scaling stage best described their enterprise's current status.
- **Identifying scaling needs.** We developed a very detailed intake survey that we believed would help us pinpoint the enterprises' readiness to scale, the key issues they faced in scaling, their scaling strategies, and the operational areas in which they needed help.
- **Staff-centered review process.** For the first application round, only project staff reviewed applications and selected the cohort from among them.

After: What We Learned

- **Scaling depends on a combination of subjective factors that were not included in our original intake survey,** including team knowledge and motivation, complexity of value chain issues, partnership availability and fit, and local regulatory and market development. As we got to know the enterprises, we found the quantitative data we collected from the first cohort application was often misleading with respect to readiness to scale.
- **Subjective data must be triangulated from a variety of sources,** as the ventures have a different perspective on their scaling stage than others in their ecosystem. Many of those who reported being "ready to scale" were actually in far earlier stages than they reported.
- **Needs assessment is iterative and must be done live.** An online survey turned out to be a very imprecise way of determining stage, readiness or core needs. Most of the entrepreneurs didn't understand the intentions behind our questions, even the ones we initially assumed were straightforward — such as number of people served. We moved to meetings and calls to discuss traction, strategy and the challenges they were facing, which helped us determine both scaling stage and needs in a much more effective way.
- **Outside experts are helpful in the review process — particularly once criteria are clear and more objective.** We realized we were naturally more accepting of innovations that were in areas in which we had less personal expertise in on the team (and, conversely, more critical of those more familiar to us). After our first year, we added expert reviewers to our application process, and with the better-defined criteria that we put into a written rubric, those outside experts were able to help determine fit for our program.

Key Recommendations

- **Use a framework with key milestones to hone in on stage of development.** Use those key milestones within each stage to inform more targeted questions in the application (such as questions about product viability and organizational capacity), and to help serve as a better predictor of stage of development. [See Appendix 1 for the framework that SEAD developed.]
- **During cohort recruitment, engage those well-positioned to identify ventures in your preferred stage.** SEAD recognized that the most promising and best-fit applicants were referred by current SEAD program ventures and funders of growth-stage ventures. The current SEAD ventures were compelled to nominate other ventures from whom they could learn and with whom they could collaborate — and those were likely to be ones in similar stages. Funders of growth-stage ventures were able to quickly identify ventures that fit that description and would benefit from the SEAD program.
- **Don't assume entrepreneurs share your understanding of abstract concepts like "readiness to scale."** Define your terms with as much quantitative and descriptive detail as you can (e.g., ventures with at least $1 million in annual revenue).
- **Bring other informed viewpoints into the applicant review process.** Instead of relying on the self-report of applicants, SEAD brought in external reviewers — including subject and regional experts — to provide broader context and insight to the submission information.
- **Define and share clear and objective evaluation criteria** so that other experts can act as an extension to your team.

B IS FOR BUILDING AN EFFECTIVE AND EFFICIENT ENTERPRISE SUPPORT MODEL

LESSON 3: REFINING CONTENT AND DELIVERY

How can you create a strong match between your program-delivery model and your enterprises' needs? In Lesson 3, we iterated both our programmatic content and how we delivered it, based on participant feedback and our own team observations.

Before: Assumptions & Initial Approach

- **A common curriculum.** Based on our prior research of social ventures' scaling challenges, we believed we needed an overarching framework to define the main accelerator curriculum areas. By moving through each area in an sequential way, we thought we could introduce our entrepreneurs to the necessary breadth of material, give them context for decision points others have faced, and level the playing field for their discussions about business challenges.
- **Coaching model for one-on-one support.** We believed growth-stage ventures could leverage our common curriculum through a 1:1 "coaching" acceleration model. We worked to identify coaches with deep knowledge on broad topics from our curriculum framework and assigned each coach to one to three entrepreneurs for multi-month engagements.

- **Importance of a holistic approach to address scaling challenges.** We believed in the interconnected nature of the key scaling challenges that organizations faced, and that to unlock impact at scale, all needed to be addressed to some degree.

After: What We Learned

- **Growth-stage challenges are more complex than any one coach can support.** The challenges organizations face at the growth stage are both more numerous and complex than those at early stages, and they require many different areas of in-depth expertise. For example, our entrepreneurs requested expert advice on diverse topics such as currency exchange hedges, navigating supply chain issues for medical supplies, managing human-resource challenges as the company grows, investment support, and how to train clinical staff in various locations. We quickly realized our 1:1 coaching model was not ideal for these growth-stage challenges because one coach couldn't provide expertise on so many different in-depth subjects. We pivoted to an engagement manager model, described further below.
- **Accelerator client management should be separated from custom technical assistance.** In order to respond to our entrepreneurs' wide range of needs and to build increased trust, we realized that we needed to assign each entrepreneur to an individual who could connect with them more regularly and then assist them in finding the specific help they needed most. In lieu of our earlier coach model, we created a team of "engagement managers," whose job it was to connect with each enterprise every six weeks, listen to what the entrepreneurs needed, ask probing questions about those needs and progress to goals, and share lessons and needs with the larger SEAD team. The team of engagement managers could now learn together and collectively decide how to nimbly deploy among our entrepreneur cohort the 300+ university and network resources to which we had access. Additionally, this team could discern trends from across the cohort, which helped us discern when an issue required broad training rather than individualized support.
- **Formally tracking and sharing team knowledge is critical.** Once we had a set of expectations and norms for how to engage with the enterprises, we used a project management system to share updates in real time and globally, online. With this platform, any SEAD team member working from anywhere in the world could see and track conversations that any team member had had with the enterprises, which helped significantly with consistency of program delivery and our evaluation effort. We also began regular reviews of each enterprise during team meetings. Both efforts allowed us to share what we were learning and to identify trends and areas for more comprehensive support.
- **Staged support can ensure the most engaged enterprises get the most intensive services.** We were prepared to support the enterprises in many different ways, but not all of the enterprises were equally interested in each offering. Using our tracking system, we decided to focus the first year of every enterprise's engagement with SEAD on building trust. The more we got to know the organization and how well they engaged with our offerings, the more in-depth services we provided.
- **Externally-defined needs, even if research-based, do not always resonate with those doing the work.** Social ventures face many common challenges while scaling, but they organize them in different ways and are compelled to work harder on some over others depending on unique factors. We moved from externally defining the key challenge areas our accelerator would address to a more entrepreneur-driven approach, where we centered the entrepreneur in the work. We did this through regular conversations with the entrepreneurs, separately and together. We organized all learning topics around their needs after the first year and created customized plans for each enterprise.
- **Prioritizing which key challenges to address is highly subjective.** Ventures have different views of their own challenges than do people outside of the organization looking in, including their key partners, advisors, coaches and our own accelerator team. In implementing our programming, we realized we needed to consider both the "wants" from the enterprise's perspective and the "needs" from the outsider's perspective. When we compared enterprise self-reported evaluations to SEAD team

member assessments of the enterprises challenges, we found a very low levels of agreement[5] — which validated for us the importance of assessing capacity based on both external and internal views. We did not believe that the enterprises were being dishonest in their self-assessments, but rather that an entrepreneur facing a challenge for the first time often sees it differently than someone else (outside of the organization) who has seen entrepreneurs face that challenge many times over.

Key Recommendations

- **Stage your engagement, focusing first on relationship-building.** Deepen your understanding of each venture before making assumptions about their needs.
- **Come in with a set of offerings, but be ready to adjust based on cohort priorities.** Bring your accelerator's insights and ecosystem view to bear in designing programmatic supports, but also center your cohort in refining the support work. For the growth-stage ventures in our cohort, we found that their key challenges clustered around the following six areas: strategic planning, performance management, access to funding, product/service development, leveraging the ecosystem, and organizational leadership and talent. [See Appendix 2 for descriptions of the six challenge areas.]
- **Save customized support for the areas where it matters most.** Identify the areas where the enterprises tend to have the same questions, and work to help answer those questions through more standardized, scalable content and support. You can then save the resource-intensive, customized support to address unique needs of the enterprises. For example, with SEAD, we created standardized content to respond to cohort-wide fundraising questions and challenges and then used the customized support to help individual enterprises move to specific next steps in fundraising success.
- **Define the channels through which you will provide support, and test them with your audience.** While you may believe that webinars or a shared knowledge platform will be key in engaging your cohort, pay attention to when and how they engage and make adjustments along the way.

B LESSON 4: LEVERAGING THE LOCAL ECOSYSTEM

To ensure that an accelerator's offerings are highly relevant, what are the critical factors around which to align the cohort? In Lesson 4, we discovered that knowledge of local ecosystems — including networks, policies and regulations, funders, customers, and local market conditions — really mattered to our global health entrepreneurs' ability to scale.

Before: Assumptions & Initial Approach

- **Global geographic reach of program.** Because selection of the first SEAD cohort did not account for geography, selected entrepreneurs came from many regions around the world. We assumed that focusing on one sector (health care) and one stage (growth stage) would be sufficient to deliver an effective program.

5: As part of the SEAD program evaluation, used Kappa and weighted Kappa agreement statistics to measure the agreement in capacity scoring between SEAD SE (self-report) and SEAD engagement manager (observer) ratings. The average Kappa statistic across the capacity questions was 0.10 in Year 2 of the program; a Kappa statistic of 1.0 represents perfect agreement, and a score of 0.0 represents no more agreement than would be expected by chance alone.

- **Global headquarters and virtual support.** We assumed that operating a global accelerator with a "global" headquarters in the United States would provide a more holistic view of the innovation ecosystem in developing countries and allow lessons to be shared across geographies. We established our headquarters in Durham, North Carolina, from which our program leaders engaged virtually with accelerator participants and used the headquarters as a hub of knowledge.

After: What We Learned

- **Region and ecosystem knowledge are critical for entrepreneurs' ability to scale and address key scaling challenges.** When we asked the entrepreneurs about the areas in which they wanted support, they reported a high desire for guidance in leveraging their specific ecosystems. As a result, we decided to engage more deeply in just two regions — East Africa and India — and recruited SEs exclusively from those regions for the second and third SEAD cohorts.
- **Establishing a local office in Nairobi created stronger ties and trust.** In SEAD's second year, the USAID regional mission in East Africa provided the opportunity to open a SEAD office in Kenya. With a presence in close geographic proximity to the program's SEs, we could provide an additional level of support beyond what was possible from the global headquarters.

Key Recommendations

- **Provide ecosystem-specific support, as relevant to your cohort.** In the health-care sector, an enterprise's geographic ecosystem influences its ability to address key scaling challenges, particularly with respect to access to funding, partnerships, and navigating changing regulatory spaces and markets. Ensure you take geography into account when providing support, if its relevance is key to the sector in which you are working.
- **Help SEs leapfrog their own ability to formulate important relationships.** Using our brand, reputation and networks, we created trusting relationships with key stakeholders (e.g., funders, corporations, government representatives) within the ecosystems of interest. Our ability to identify and build productive relationships was bolstered by our in-person presence in that ecosystem (i.e., East Africa). SEs often do not have the time or name recognition to build these relationships themselves, so help them to leapfrog that step by connecting them with the right people at the right organizations to support them along their journey.
- **Identify and leverage differences between ecosystems.** Given our high-level view of the innovation ecosystem in two geographic regions, we had the ability to share lessons from one region to another. For example, what could one venture with a small box health-care company operating in East Africa learn from a similar venture working in a more developed market in India? We also used our view of the two ecosystems to better identify, and share with the field, gaps and opportunities for SEs.

B LESSON 5: MAXIMIZING PEER LEARNING

From whom do the enterprises in your program want to learn? In Lesson 5, we learned to support and facilitate high-quality peer learning across our three enterprise cohorts.

Before: Assumptions & Initial Approach

- **Peer cohort cultivation.** We believed that the ventures in the accelerator would provide valuable insights to each other given their work in the same overall sector and their similar stages of growth — which we were selecting for within the application process.
- **Program-informed topics.** Given the robust knowledge on scaling and health-care innovation from the program team, and the depth of subject matter expertise across the university, we believed that we could select both the topics for learning and the experts who could deliver the content.
- **Virtual peer learning.** We understood that peer learning would be an important aspect of the accelerator experience; we also believed that we could create a virtual platform through which to maintain the level of peer interaction achieved in the yearly in-person summits.

After: What We Learned

- **Noncompetitive environment is a prerequisite for peer learning.** Based on enterprise focus groups and feedback forms, we learned that while sector and stage alignment mattered in cultivating robust peer relationships, just as important was some degree of geographic alignment and the fact that none of them were close competitors of the others. Learning this early in the SEAD program helped us to ensure that the second and third cohorts we selected did not contain direct competitors.
- **Live, in-person sessions were the richest format for peer learning.** Focus group insights and feedback forms from the annual SEAD Summit — our primary face-to-face learning venue —helped us understand that the ventures ultimately wanted to learn from each other. The SEAD team's key role, then, was to curate and facilitate these opportunities, bringing in relevant outside expertise when needed. We found that mid- to late-stage ventures' challenges are so much more complicated and sophisticated than the agendas we would set; we could not have predicted all of the things they would learn from each other.
- **Vary peer learning formats and curate them carefully for maximum impact.** In later SEAD Summits, we sourced program topics from the ventures themselves, supported them in leading some of the sessions, and created open spaces where individual enterprises could share specific problems and get guidance from all other ventures. Successfully curating these peer sessions required thoughtful support. While our cohort members had tremendous expertise to share from their lived experiences, they most often were not experienced facilitators. We helped session leaders prepare via calls on session objectives and formats. Peer-led sessions were regularly among the highest-rated sessions SEAD held.
- **Virtual, active peer learning platforms are extremely challenging to create.** To continue the peer learning throughout the year, we discussed and tried to pursue several different platforms with the ventures (including a simple shared Dropbox folder where they could share documents and files of use to each other). We found that most platforms are too passive for the ventures and are quickly forgotten, and that the ventures felt like they did not have the time for a more active platform (such as a listserv where they could post different questions). The most productive ongoing peer learning we were able to cultivate relied on ensuring a depth of connections during the Summit that could lead to venture-initiated outreach during the year, as well as peer connections facilitated more directly by our engagement management team.

- **Desire to learn tactics from those in the "trenches."** The entrepreneurs were not as interested in learning from many of our selected 'subject matter experts' and noted that concepts presented as theory or in the abstract were not as helpful. Rather, the entrepreneurs wanted to learn from those who were in the trenches doing the work (as opposed to those researching it), and from subject matter experts: only when they could offer very tactical advice in highly relevant areas.

Key Recommendations

- **Account for peer learning potential when selecting a cohort.** In cohort selection, take into account the key elements that will create the most productive peer learning environment, such as sector, geographic, and stage alignment; ensure that the ventures will not perceive each other as competitors; and create guarantees of confidentiality.
- **Create a cohort-led learning agenda.** Take advantage of the expertise the SEs bring to the table on tactics, their own hard-won experience, etc. Become expert in different ways of facilitating peer sharing so that it matches the level of need by the other members of the group.
- **Build in a face-to-face opportunity for initial relationship building.** In order to sustain peer connections beyond face-to-face interactions, an initial in-person meeting is critical.
- **Accept the challenge of creating virtual peer connections and learning.** Support continued peer-to-peer learning outside of face-to-face interactions by creating sufficient opportunities for peers to understand each other's business and challenges when in-person. Facilitate connections where you —as the intermediary — know there is complementarity.

C IS FOR CHAMPIONING THE CAPITAL NEEDS OF YOUR ENTERPRISES

LESSON 6: SUPPORTING ENTERPRISES IN FUNDRAISING

What support is needed to help your cohort raise the right capital at the right time? Lesson 6 was dramatic. While our original proposal included some capital-raising support for entrepreneurs, we found that helping them succeed at raising the right capital required a very different set of services than we initially proposed.

Before: Assumptions & Initial Approach

- **Engage a partner to provide investment readiness support.** We subcontracted the largest and most successful angel investing network in the United States, Investors' Circle (now renamed Social Venture Circle), to help us expose SEAD entrepreneurs to individual and institutional investors. We believed that our coaching model, along with the engagement of additional coaching through Investors' Circle, would be sufficient to support SEs' capital-raising efforts within the context of SEAD.
- **Identifying the main fundraising challenges.** We believed that the primary fundraising needs from our cohort would be access to the right investors, pitch preparation, and gaining a high-touch, trusted entrée into closed investor groups. Investors' Circle agreed to provide coaching and to create a special investor track focused on global health to highlight SEAD and other global health entrepreneurs.

After: What We Learned

- **Providing angel funding support was helpful to some, but insufficient to most of the cohort's funding needs.** Most of our cohort needed more flexible funding in order to continue to develop their unit models and get to break-even and profitability. Others were later stage and needed to access more sophisticated institutional capital. All of them work in highly regulated environments and those working in primary care or technology/equipment have high capital costs; they were simply not appropriate for venture capital investment. The assumption that our domestic angel group would be able to cover their needs was flawed, both in terms of stage and size of deal, as well as our underlying assumption that private equity funding was what they needed. Because the enterprises required a much more varied array of capital, from grants to government funding to local banks and funds, we changed our model significantly. Investor's Circle was the partner of choice for those who did want to access angel capital, but we expanded our support to include knowledge of many other investment capital options.
- **Miscommunication and misunderstanding exists between social ventures and impact investors.** As we tracked venture interactions with coaches and engagement managers, we discovered significant miscommunication and misunderstanding among both social ventures and impact investors, including:
  - *Financial and fundraising knowledge more limited than expected.* Many of the entrepreneurs had an uneven understanding of their enterprises' financial basics or financial needs, nor did they share a common language with the investors they were targeting.
  - *Enterprises often target the wrong investors.* Many of the ventures believed that they knew what investors were interested in, but these ideas were not always well-aligned with the investors they were targeting.
- **Balancing urgent and more strategic coaching needs is challenging.** The urgent nature of capital-raising support frequently needed by the enterprises — given last-minute pitching opportunities or proposal writing — did not align well with the ability of coaches to immediately respond. Provision of support to the ventures could become overwhelming for the accelerator staff and coaches, given the variety and inconsistency of the needs. We noted a number of common mistakes the enterprises were making during the capital-raising process; that they were offered limited perspectives on investors, capital vehicles, and pitches; and that the entrepreneurs' funding needs and opportunities changed often. In response, CASE developed CASE Smart Impact Capital (an online, just-in-time training tool that has since been accessed by over 100,000 people including entrepreneurs in over 60 other accelerator cohorts). Find out more about CASE Smart Impact Capital at www.CASESmartImpact.com.
- **Few coaches fully understand the complex impact capital playing field.** The diverse needs of the ventures along their capital-raising journeys required a variety of tools —above and beyond the support of a SEAD coach and the equity-focused perspective of the Investors' Circle coaches.

Key Recommendations

- **Consider breadth of support on capital raising.** If you are providing capital-raising support to social ventures, ensure that you provide them with objective and accurate resources to better understand what they want and who they should target. Ensure that they are aware of the many different capital vehicles and types of investors so they can evaluate alignment, and support them in delivering the right message to the right investor.
- **Ensure baseline level of financing knowledge.** Don't assume that your cohort understands the spectrum of capital or investors and their priorities. Work to provide your cohort with the baseline knowledge they need to go after the right amount of capital, right vehicles, and right investors — and so that you can then help them move toward securing that capital.

- **Balance strategic and just-in-time support.** While much of the strategic fundraising work can and will happen over time, enterprises will inevitably face many unanticipated opportunities and challenges that must be addressed with some urgency. Ensure that your model can respond to a balance of both planned and unplanned support.
- **Beware of cohort-wide standard investment models.** For example, don't require equity from all cohort members unless you are certain that they are high-growth potential enterprises for whom equity is appropriate.
- **Help entrepreneurs understand not just how to get to the investor, but what to do once they meet —and later, how to negotiate terms in their interest.** A great deal of attention is often given to helping entrepreneurs and investors find each other, but often the difference between a good deal and a bad one from the entrepreneur perspective is how to gain trust and agree on deal terms that work for the enterprise.

C LESSON 7: ENGAGING GLOBAL HEALTH INVESTORS TO FILL GAPS

How can you influence the supply side of capital to the ventures you are supporting? In Lesson 7, we actively used our research and global network to scan the landscape of funders and identify ways to fill gaps in the supply side of capital for growth-stage global health enterprises in East Africa and India.

Before: Assumptions & Initial Approach

- **Exposure to innovative global health businesses would spur investment.** Investors' Circle led the creation of a Global Health Investment Advisory Board in order to expand access to and awareness of global health deals. Members included a mix of investors — governments, private funds, angel investors, major financial institutions, teaching hospitals, etc. The assumption was that if the group was exposed to the innovative business models through the intermediation of investors, more capital would flow into such global health ventures.

After: What We Learned[6]

- **The global health innovation investment market was disjointed and incomplete.** The Global Health Investment Advisory Board was formed in 2013 and met regularly over four years. The investors had not known each other previously, and realized that by evaluating preferred stage, geography, vehicle, and industry focus (e.g., primary care vs. mobile tech), there was very little overlap or even follow-on funding opportunity. However, this work needs to be shared with a broader audience to help identify and activate investors who have new or untapped interest in global health investing in order to bring more capital into the sector.
- **Familiarity leads to trust.** Among the investors, there was a lack of familiarity with regulated health business, which tended to make the private investors nervous. Some of them reported that seeing a government agency or a foundation as a prior funder in a deal made them trust it less. Investors' Circle started bringing investors on trips to East Africa and India to introduce them first-hand to the issues, enterprises, and contexts, which made a huge difference in their understanding, trust, and ultimately, willingness to invest.

6: Investors' Circle captured many of its learnings about cultivating the global health innovation investment market in a series of blog posts, which can be found here https://centers.fuqua.duke.edu/case/knowledge-center/sead-knowledge-center/.

- Landscaping revealed a lack of debt products. In response to the market revelation above, SEAD commissioned a study to landscape the supply side of investors providing capital to health innovations in East and Southern Africa. Key findings of the 2015 report, "Strengthening Health Systems in Developing Countries through Private Investment," included:
  - There is a need for more coordination between active parties across the system.
  - There is currently a mismatch of available capital and needs on the ground; e.g., debt is unavailable or only available at very high rates. One of the partners in this study, Calvert Impact Capital, stepped in to invest in a local debt provider in order to start to fill some of the capital gaps on the ground.

Key Recommendations

- **Consider the supply-side realities in the market where you are working.** Are there significant gaps in the funding available? Which and why? What new products could make a significant difference? Who might be interested in building them?
- **Look for helpful intermediaries.** Are there strong intermediary players in your market who are successful at acting as brokers or investment bankers for the size and vehicle your cohort needs?
- **Build trust.** Remember that investors might need to know more about a market, a target segment, or an industry in order to become comfortable investing in it. Inviting them to just sit in on a pitch session might not be enough. How else can you, as a neutral convener, build trust?
- **Proximity matters. Enable it.** For investors, proximity to the investee and to each other is key to create trusting partnerships. Bring together global and local investors, and leverage the critical knowledge of context that local investors bring.

D IS FOR DECIPHERING AND DISSEMINATING ENTERPRISE PERFORMANCE

LESSON 8: MOVING FROM RESEARCH TO CONSULTING

How can you support matchmaking between researchers and enterprises' needs for evidence? In Lesson 8, we realized that while both our university and the enterprises were initially excited about leveraging Duke's research capacity to support social innovation work, expectations and needs were misaligned in significant ways.

Before: Assumptions & Initial Approach

- **Demand for research opportunities.** From prior engagement with growth-stage social ventures, we were aware of their demand for evidence to inform and support their work. We believed that we could bring in a variety of academic researchers to collaborate with the SEs on mutually beneficial research efforts — providing insights and impact evidence for the SEs and interesting, new data sources for the researchers.

- **Matching needs and researchers.** We held live dinners during our Durham-based SEAD summits to allow researchers and entrepreneurs to meet and discuss common interests, and supported a set of partnerships with small grants in the first and second years.

After: What We Learned

- **Research interests were misaligned.** Many of the SEs thought of Duke as an academic institution poised to help them create high quality evidence studies about the efficacy of their product/service in achieving health outcomes — with the goal to use the data to help secure funding key to scale-up. Yet the researchers generally wanted to conduct studies that were purely aligned with their focused area of interest, which was not often the straightforward type of evaluation that the SEs desired. For example, a faculty member might be interested in understanding the impact of financial training on a venture's operations by providing training for a sample of the venture's outlets and holding other factors steady during the span of a two-to-three year research project. Such a project might not be of sufficient interest to an SE to merit the bandwidth required for its staff, or even possible for enterprises that need to constantly adjust their models for dynamic markets.
- **Misaligned timelines.** The timelines and constraints of traditional academic research do not generally fit well with the realities of innovation and business in dynamic markets. The entrepreneurs in our program needed answers relatively quickly, meaning three-year timelines were not very useful, and they also could not freeze their models to allow for a control group.
- **Move to shorter-term consulting assignments on specific questions.** In years 3-5 of the program, we received funding from the U.S. Agency for International Development/Kenya and East Africa Mission, which enabled us to commission local consultants to support small consulting projects proposed by a subset of SEAD ventures in that region (called the East Africa Capacity Building Fund). We learned quickly that the enterprises could really benefit from us as a middleman in this process; we helped them refine their initial scopes of work, reviewed the consulting applications that came in, and provided ballast to be sure the work was done satisfactorily before payment was made.
- **Aligning with entrepreneur needs.** Compared to the constraints that came with research projects with Duke faculty, consulting assignments through the East Africa Capacity Building Fund were short and time-bound, often did not require significant amounts of longitudinal data, and were produced in ways that the enterprises and their teams could consume and even share with key stakeholders.

Key Recommendations

- **Identify aligned research partners.** Help SEs determine if external researchers' priorities are aligned with their own, in terms of level of effort required for SE, cost, ability to iterate during research period, and deliverable.
- **Give enterprises a language to articulate what they actually want from "research."** Break down the idea of research into buckets (e.g., evaluating a pilot program, making an impact claim, performing a competitive market study, comparing costs) to help enterprises more clearly articulate the types of endeavors they would like to pursue, and why.

D LESSON 9: IMPACT EVIDENCE SHORTCUTS FOR SOCIAL ENTERPRISES

What types of evidence demands do enterprises face? In Lesson 9, we realized that because stakeholders were commonly asking for impact evidence, but rarely willing to pay for rigorous third-party evaluations, we needed to create a set of shortcuts to help the enterprises and others define the types of evidence claims they wanted to make — and the most cost-effective ways to make them.

Before: Assumptions & Initial Approach

- **Demand for rigorous evaluations.** Given the evidence demands of many funders and the desire of ventures to achieve validated impact, we believed that the ventures in our cohort would be positioned to undertake rigorous evaluations and that doing so would be beneficial for their business.
- **Understanding of time commitment for rigorous evaluations.** We assumed that growth-stage enterprises fully understood the internal bandwidth required for rigorous third-party evaluations, and were prepared to provide that effort as needed.

After: What We Learned

- **Reality of long-term evaluations for SEs.** Upon more in-depth conversations with many SEs, we realized that full evaluations were more time and resource intensive than many SEs realized — and more than they could reasonably undertake while still trying to iterate and grow their businesses. The SEs faced challenges including the cost of data collection, timeframe required to observe change, and difficulty maintaining a controlled environment during the duration of the study when the models of delivery or distribution were constantly being tweaked.
- **Funder expectations.** Upon further discussion with many of the current and potential funders of these ventures, we also realized that many of them were interested in credible evidence but that it did not necessarily have to meet the highest level of academic rigor (i.e., a third-party produced randomized control trial). And other stakeholders, such as local clinics acting as customers, needed very specific data — such as evidence of cost savings, or customer effectiveness data– that were also not best accomplished by long-term third-party research.
- **Addressing short-term needs.** We learned that we needed to help the SEs distinguish between long-term inquiry and short-term data collection and analysis for strategic decision making. Because the shorter-term priorities of SEs did not fit within a longer-term academic approach, SEAD created other consulting opportunities (as noted in the section above) to help meet short-term data needs. Consulting opportunities included short-term internships and course practica (primarily with graduate business and public policy students) and opportunities to secure SEAD-funded support for specific projects with vetted consulting firms (through the East Africa Capacity Building Fund).
- **Creating SE-friendly evaluation tools.** For SEs interested in making valid claims around impact, we realized that SEAD provided a unique and powerful platform to pursue the development and testing of "innovator-friendly" evaluation methods. Such methods would provide credible evidence for future business engagement and financing for their many stakeholders who were not necessarily academic audiences. SEAD engaged the Duke Global Health Institute's Evidence Lab to better understand the claims that ventures were trying to make for different stakeholders and to develop and test feasible methods to build evidence-based claims within the constraints faced by the ventures. Many of the innovators were then able to apply these tools themselves and were better informed about when they actually needed outside help. See Appendix 3 for descriptions of each tool, and find the tools themselves at https://sites.globalhealth.duke.edu/evidencelab/resources/tools/.

Key Recommendations

- **Achieve aligned understanding of impact evidence research.** Ensure that SEs in your programs have a clear understanding of different types of impact evidence, the demands of each, and the evidence demands from their likely funders and/or other key stakeholders. Help them to align their research endeavors with the actual demands from their stakeholders and their internal needs for performance improvement.
- **Support exploration of different types of impact evidence.** Ask questions to understand the SEs' goals (including uses and purpose) for the impact evidence they are seeking, and help them identify the most efficient way to meet those goals.

E IS FOR EVALUATING AND IMPROVING YOUR ACCELERATOR

LESSON 10: DEVELOPING A MEANINGFUL PROGRAM EVALUATION

How can you collect data to help you constantly improve your accelerator's approach and understand the overall impact of the process on participating enterprises? In Lesson 10, we recognized the richness of our (more qualitative) learning in real time and the limits of our more quantitative measures in telling the story of change.

Before: Assumptions & Initial Approach

- **Creating a combination of immediate and longer-term learning mechanisms.** We had many goals in our learning agenda: to learn more about how growth-stage enterprises move toward scale, to learn in real time how we could improve our accelerator program, and to learn if and how our accelerator program contributed to the ability to scale for our participating enterprises. We believed that we would be able to achieve all of these goals equally through implementation of a variety of learning mechanisms.
- **Evaluating the impact of our accelerator.** As part of a university rich with traditional researchers, we believed that we could create a robust causal study of our accelerator program. We believed that the three-year period of engagement (with each enterprise) would be sufficient to reveal significant changes in scale of impact for the enterprises, and some members of the team believed we could identify a comparison group — whether from our applicant pool or another network of growth-stage social enterprises — to see if our treatment was significant to our ventures' ultimate performance.

After: What We Learned

- **Testing learning mechanisms in real time.** Since we had the advantage of three-year engagements with each cohort of entrepreneurs, we were able to test out different learning mechanisms to find those that were most helpful and move on from those that were less helpful or had already provided sufficient insight. For example, we changed the nature of the discussions in our focus groups over time, no longer asking certain questions for which we did not anticipate receiving new insight. We also created an activity tracker to track the number and types of engagements with the enterprises, which we planned to incorporate into our impact evaluation; over time, we also added the engagement managers' subjective assessments of the effort required and success of the effort for our real-time learning to better guide our efforts.

- **Regular, structured knowledge sharing generated some of the most valuable learning.** Through our three-year relationships with the enterprises, we gained significant insight into their challenges and methods toward success — and were also able to see patterns among the experiences of the full cohort. Having regular knowledge sharing mechanisms in place —including regular accelerator team meetings, an online project management tool to share and archive updates, and yearly focus groups with the enterprises — led to some of our greatest learning which we have since shared through several tools and knowledge products. (See links to SEAD knowledge products here.)
- **Mechanisms for feedback were critical for program self-correction.** We found great value in the learning tools we put in place to help us better understand our enterprises' engagement with and perspectives of the program in a timely fashion. In particular, we were able to make course corrections to our program from insights gained through our annual focus groups and annual survey asking them about their needs, progress, and the SEAD experience.
- **Program goals and structure did not align well with a causal study.** To determine a causal relationship between our intervention and capabilities and/or traction from our participating enterprises, we would have needed a much larger sample size, a longer timeframe, a more stable set of interventions, and, ideally, a well-aligned comparison group providing relevant data. Additionally, as something of a startup ourselves, we needed to be able to continuously improve and adjust our offerings to provide what we believed (based on data and feedback) to be the best interventions.
- **A three-year timeline was still insufficient to measure scale of impact.** Given the three-year length of our engagement with each cohort of entrepreneurs, which was significantly longer than most other accelerators, we had expected to see clear progress toward scale with a time comparison study design. We found that there were no standard benchmarks to use as milestones and that measuring change over time using more traditional measures did not account for the nonlinearity of the scaling process.

Key Recommendations

- **Determine the types of learning that align with your accelerator goals.** Is your goal to continuously adjust and course-correct to help the unique enterprises in your cohort move from point A to point B, or are you trying to prove that your help was a specific cause of their success? It can be a conflict to try to accomplish both at the same time.
- **Find opportunities for real-time learning and be open to course corrections.** Create ways to gain feedback and collect insights from your cohort's experience and journey to inform ways you can improve your offerings. But you must also be open to learning that what you are currently doing is not working. Another important component of this learning is to activate regular knowledge sharing among the accelerator team; those interacting directly with the enterprises in your program should have the opportunity to share their knowledge and insights with others, to create a more robust repository of knowledge, trends, and connections.
- **Be creative in packaging your learnings to benefit others.** A final program evaluation report may be interesting to some audiences, but how else can you package what you have learned—both throughout the accelerator experience and by looking at any longitudinal data—so that it benefits other practitioners?

CLOSING

We are grateful for the experience of SEAD, and the opportunity (and mandate) to use our time not only to run a program but to actively learn, make course corrections, and translate those learnings into tools and insights to achieve impact beyond just our cohorts. We are also grateful to the social entrepreneurs who gave us a chance to work with them through SEAD, investing their time and energy in going on this journey with us. Many other social enterprises, funders, and accelerator programs will benefit from their willingness to engage in the program and share their feedback and experiences with us all along the way. We look forward to continuing to turn this knowledge and experience into tangible ways to support the social enterprise ecosystem to achieve impact at scale globally.

Appendices:

1. Draft version of SEAD's Stages of Development with Business Model Validation Tests
2. Overview of SEAD's Six Scaling Challenges
3. Overview of the DGHI Evidence Lab's Toolkit Evaluation Toolkit for Health Care Social Ventures

APPENDIX 1

SEAD Stages of Development: Business Model Validation Tests[7]

Acumen/ Monitor Framework	SEAD Draft Sub-stages		Key activities & questions:	You know you are done with this stage when:
1. BLUEPRINT: Developing the Idea	1	Product Service Viability	• Needs assessment • Initial segmentation • Prioritization of potential attributes What are the key attributes of the product or service valued by customers? Can they be produced enough to enter into a viable customer demand test? Which attributes can be built on what time frame? Which can be held fixed while others are varied?	You have created a product prototype at its minimum level of viability and have been able to distribute it to gather a convincing amount of pilot customer for feedback about key attributes they find valuable. This phase does not need to include sales or pricing unless they are key attributes of the product's viability. In other words, you can give the product away for this test, at first.
	2	Behavior Change	• Behavior change analysis • Identify behavior change levers (e.g., education, training, bundled services, provider incentives) Does the product or service depend on behavior change on the part of the customer? Or on another player in the ecosystem (e.g., provider, retailer, payer)? If so, what can you learn about the drivers, conditions, or key outcomes from this behavior change? Is there more than one kind of behavior change required (e.g., registering for a mobile money account and using it for a health purpose)?	You have learned from your pilot test if your key attributes are sufficient to create the behavior change required, or if not, have experimented in a rigorous, logical way to learn what other activities can complement them to assure greater behavior change.
2. VALIDATE: Testing the Idea	3	Customer Demand	• Test willingness to pay • Refine segmentation and bundling How many different segments of customers are you targeting and what is the best and most cost effective way to market and distribute to them? What are the key differentiators among customer segments: price elasticity, timing of payment (e.g., on demand vs. subscription), customer service, or support? What household economics affect purchasing decisions? Is the dosing/ packaging/bundling right? Which segments of customers can be combined to create profitable units (see Unit Economics stage)? Which segments might drain the business if you continue to serve them, and might require subsidy or need to be removed from the plan?	You have enough data to understand how to define and reach a specific set of customer segments. You have determined pricing and bundling strategies
	4	Unit Economics	• Define unit economics • Create operational and/or distribution strategy What is the smallest unit of activity that can become a breakeven unit? (If you are running network of clinics, it might be that clinic, if you are distributing eyeglasses through a roving salesforce, it could be the salesperson or agent.) Assess unit costs and margins. Determine potential economies of scale. What is the maximum throughput you can get through that unit for a unit of cost over what time frame? What are the levels of throughput that affect service quality? What are the conditions upon which throughput depends?	You have enough data to confidently predict the time and cost it takes to get a unit from start-up to break-even. You have refined your operational strategy (e.g., optimal # beds and menu of services, mobile versus stationary

3. PREPARE: Expanding Capacity	5	Pre-Scaling Analysis	• Test expansion criteria • Capacity assessment Can you move from one unit to many? What are the conditions under which your units can best be scaled? What assumptions need to be tested to move from 1 to 2 to 5 to 30 units in one geographic area or with one kind of customer, and what assumptions do you need to test before moving to an adjacent terrain? Will your workforce regulations, competitors, suppliers, etc., look different? Redo your ecosystem analysis carefully to determine the best scaling strategy given these realities. If your scaling strategy will not be about branching into more units, what are the drivers and constraints for policy, affiliation, dissemination, etc.? What are the financial resources you will need to scale?	You have a strong understanding of where and when your model can be scaled, which can act as a roadmap as you look to either broaden across sites or deepen relationships. You have a concrete set of goals for expansion and know the cost and time required to get there.
	6	Capacity Development	• Develop capacity to handle the scaling strategy What are the organizational capabilities you need to carry out your envisioned scaling strategy? These can include internal capabilities to establish, maintain, and fine-tune impact and quality as you scale; they can also include external relationships, contracts, supply chain relationships, etc. You also want to build systems for performance monitoring during this stage. What are the key performance indicators that will serve as guideposts as you scale? How will you collect and share data in the right way with the right people in the organization and with key stakeholders? Have you been able to attract the financial and other resources you need to scale?	You have a clear sense of what capacities you need to develop and have worked to get the most important ones in place so that you can initiate operations at a new level of scaled impact.
4. SCALE: Implementing at Scale	7	Scaling Strategy	• Manage the scaling process As you implement your scaling strategy, how well are your key performance indicators doing and what are the choices you face in responding to the data? Are you able to manage the scaling process effectively? What course corrections might be necessary?	Your venture is scaling as expected, without loss of impact quality. You are able to set targets on a regular basis, are able to use data to make course corrections, and can maintain product and service quality.

7: This draft was written by Cathy Clark, SEAD co-PI and Director of CASE i3 at Duke University, with SEAD collaborators Greg Dees, Richard Bartlett, and Lila Cruikshank. The four main stages at the top of the document are from Koh et al's report "From Blueprint to Scale: The Case for Philanthropy in Impact Investing;" the following rows were drafted by the authors mentioned above. While this version has remained in draft, it has informed the development of two available tools: the CASE Smart Impact Capital Business Growth Diagnostic, and the CASE Smart Impact Scaling Scaling Readiness Diagnostic.

APPENDIX 2

Overview of SEAD's Six Scaling Challenges

STRATEGIC PLANNING	The need to define and refine your organization's strategy and direction, and to help you make decisions on resource allocation to pursue and implement this strategy.
ACCESS TO FUNDING & INVESTMENT	The need to prepare for and secure funding and investment that fits with strategy and plans.
PERFORMANCE MANAGEMENT	The need for stronger data, systems and processes to evaluate performance and to manage and communicate results.
ORGANIZATIONAL LEADERSHIP & TALENT	The need to strengthen senior management leadership skills, cultivate and retain internal talent, and improve communication skills.
LEVERAGING THE ECOSYSTEM	An understanding of how your efforts fit into the broader interconnected network of organizations and other entities in which your organization resides, and how it works to facilitate connections with potential strategic partners within your ecosystem.
PRODUCT/SERVICE DEVELOPMENT	A deep understanding of customer needs and behaviors, and the unit economics of the business model.

APPENDIX 3

Duke Global Health Institute Evidence Lab: Evaluation Toolkit for Health Care Social Ventures

As part of SEAD, the Evidence Lab developed a series of tools to help social enterprises in healthcare evaluate their services, products and/or technologies. Most social enterprises work in contexts where they lack the requirements for rigorous, gold-standard evaluations: finances, time to observe changes, and a controlled environment. The toolkit, however, outlines different ways social enterprises in health can better evaluate their work and communicate their results with tighter timelines and more limited resources. Donors and funders may also use the toolkit with their grantees, or to better understand what types of information are reasonable to request from social enterprises in health.

Tools:

1. Monitoring Organizational Reach and Influence

Example claim: Our model is now being used in the regional training curriculum for health-care providers with 70 health-care providers being exposed to our best practices model of care in 2016. In addition, we are involved in incorporating sections of our model into the Ministry of Health's Maternal & Child Health guidelines, which will have an even greater impact on those receiving training on quality of care.

This tool helps innovators collect indicators to help conceptualize, document and monitor the organizational and leadership influence.

2. Measuring Household Out-of-Pocket Health Expenditures

Example claim: The average out-of-pocket expenditure per episode of illness at our facilities is $1 less than in similar facilities in our province.

This tool is an introductory primer for social enterprises on how to measure out-of-pocket health expenditures, including common challenges. It provides suggestions for lean data methods to obtain comparison data on out-of-pocket health expenditures in other health facilities. It is also provides links to resources with more detailed how-to information, including existing survey questions to capture out-of-pocket costs.

3. Economic Impact: Finding the Right Analysis for Your Evaluation Needs

Example claims: Our innovation reduces the amount of time patients and their families spend on average at that facility.

This tool is designed to help SEs understand and use different strategies for evaluating the economic strengths of their innovations. The tool provides shortcuts to help perform comparative cost, cost-benefit and cost-effectiveness analysis.

4. Strengthening Access and Quality of Care Patient Data

Example claim for access: We reached 3,000 women with antenatal care this year, half of whom were tested for HIV for the first time.

Example claim for quality of care: Ninety-eight percent of newborns in our facility network who did not breathe spontaneously after additional stimulation received resuscitation with a bag and mask within 1 minutes of birth (based on World Health Organization guidelines) during 2016.

Access is more than just the number of patients served or reached, and this tool helps enterprises determine how their enterprises are increasing or improving access. It helps them answer the question "What is it that you do differently or better than others so that individuals are able to obtain the quality services they need?"

5. Considerations in Leveraging Data for Expansion

Example claim: Twenty of our 30 health facilities in Kenya are operating in counties where the majority of the population falls within the bottom two wealth quintiles compared to national DHS) wealth data.

This tool helps entrepreneurs plan for data they will need in the immediate and near future when moving toward expansion, to help answer key questions about impact. If expansion has already occurred, the tool helps entrepreneurs determine how to leverage existing datasets to obtain relevant contextual data.

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