

Understand the Context of Innovation: Clarify Strategic Priorities (Excerpted from SPARK Innovation Model)

The performance and aims of a social enterprise should address at the same time two distinct strategic objectives. On the one hand, they should develop the trading activities that secure an income for the enterprise and therefore, its ability to exist in the long term. On the other, they also have to develop the activities that ensure that the social enterprise delivers the social (and/or environmental) impact it is set to achieve.

Social enterprises often develop more one of the two strategic objectives, by choice or by chance. At one end of the spectrum, we have social enterprises that are strong in pursuing social and/or environmental impact but their trading activities are much weaker, for example, a charity which is running some underdeveloped trading activity with no strategy for increasing market revenues. The risk of this strategy is that impact depends more on grants and sponsorships than on market revenues, make it vulnerable to budget cuts (e.g. due to economic crisis). On the other end, we have social enterprises with a substantial level of trading activity but with a much weaker package of activities towards the social/environmental impact. Typical example of this is an enterprise with a good track record of trading environmental products but whose impact activities do not amount to anything more than using environmental friendly material for its products. The risk is the mission drift where over time the social enterprise becomes a 'regular business' seeking predominantly profit-making.

A critical requirement before deciding the actual innovation activities, the social enterprise could get involved into is to clarify the strategic priorities of the social enterprise in terms of trading or social/environmental impact. In particular, the social enterprises should start with assessing its current strengths in these two strategic dimensions, understanding at the same time what are the risks of having a less developed dimension: trading or social. Once this understanding is in place, the social enterprise should clarify its priorities for the foreseeable future (the next 2-3 years). Basically, the choice is between continuing in the same track i.e. with the same or similar level of development in each strategic dimension or alternatively, deciding that one of the two dimensions is in need of much more attention.

What does this mean for me?

In the real world there are many things we wish to achieve as social entrepreneurs. These aspirations are informed by our vision, mission and values. Unfortunately we don't have unlimited resources so we have to prioritise what is important to us so we can use our limited resources to the best advantage.

What do we want to achieve?

2.1 Clarify Strategic Priorities

As social enterprises we trade of a social or environmental purpose. We trade to provide a sound financial footing so we can further our social purpose. Our social purpose can be summarized in our vision, mission and values.

Vision, Mission and Values: What they are about (and why they're important)?

Social entrepreneurs are driven people. They want to create a vehicle that will allow them to change, or improve, an existing product or way of doing something. Underlying that is an overall “dream” as to why they think that bring about this change is so important.

That dream, or vision, is very important. It remains as the guiding principle as to why a social enterprise has been established. The vision will be what activities will be measured against – does our new project allow us to realize our vision? If not should we be doing it at all?

The vision is what inspires others to join you and to remain committed to what you want to do.

Vision statement vs. Mission statement

Often vision and mission get confused. The characteristics of the vision statement are that it is something inspiring and inspirational. It has a “hook” that engages others to get involved. It is for this reason that Martin Luther King sought to engage a vast number of stakeholders by starting his famous speech with the words “I have a dream...”. He was asking the others to share his dream, or vision, with him.

A vision shared needs to be simple and memorable. It has to have a long life expectancy, that is, it needs to be your guiding principle for quite a few years.

A mission statement on the other hand is a practical statement. It tells you how and what you are going to do to deliver your vision. The mission statement has a shorter life expectancy than a vision statement. Your mission may change with time but your vision will remain the same.



The “Five Whys?”

Practical tool

This is an open ended tool to help you move from the generic to the specific.

The “Five Whys?” can be applied to identifying the difference between symptom and cause, or in this case to differentiate between vision and mission.

2.1 Clarify Strategic Priorities

The name of the tool is slightly misleading as you can ask “Why?” as often or a little as is needed to get to your conclusion.



Be Aware

When questioned most people come up with a mission statement. For example, this was a recent piece of dialogue in a workshop to clarify a participant’s vision statement.

“I want to create a school”.

This is not particularly inspiring and what will happen when the school has been created?

A method of clarifying the vision behind is to keep asking the question, “Why?”, until you have discerned the dream behind the delivery mechanism. In this case, that would help to get to the vision like this:

Q: “Why do you want to build a school?”

A: “Because none of the existing schools in this area are any good”

Q: “Why is that important to you?”

A: “I want the children in the area to get a better education”

Q: “Why?”

A: “Because we are never going to get out of the cycle of deprivation, poor health, unemployment that plagues this area until we do”

Q: “Why is that important?”

A: “Because I want all the children in this area to have the best chance to improve their lives”

This then is the vision. Building the school is the mission for fulfilling the vision. When the school is built that mission is complete but the vision remains. What will be the next mission to allow the vision to be fulfilled – building a children’s clinic? Your team then creates the next mission statement, checks that it is still relevant towards delivering the vision, and gets on with it.

When you start you keep the vision as your guiding principle and it remains there. It is what is communicated to all the people in the enterprise, and that which is conveyed to all stakeholders, supporters and potential supporters – “We want to ensure that all the children in this area have the best chance to improve their lives”.

	Vision	Mission
What is it?	A dream	A business plan
Characteristic	Inspiring, short, easily remembered, easily communicated	Mechanistic explanation of the dream will be fulfilled

2.1 Clarify Strategic Priorities

Time line	Long term	Short to medium term
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How does it work? Value statements

All social enterprises should have value statements that are communicated and used by the whole team and for anyone who comes into contact with them. They underline the positive things you want to accomplish as stated in your vision and mission statement. For example:

- We will always operate in an ethical manner
- We will only trade with other ethical businesses
- We will constantly strive to reduce our environmental impact
- We will not discriminate anyone because of their gender, age, faith, sexual orientation etc.
- We will not accept investments from anyone who is involved in arms manufacturing, involved in the tobacco industry etc.

Prioritisation

Once we have decided what we want achieve (vision) and how will do so (mission) we come to the practical steps of implementing our plan.

As social enterprise it is highly likely that we have limited resources available to us. These resources are notionally:

- Time
- Capacity – literally the number of people we have that can do work. This includes managers, staff and volunteers
- Capabilities – the knowledge, skills and expertise we have available
- Resources – such as space, venues, machines or other equipment, consumables and so forth
- Funding – Money is a proxy for other resources we don't have. Sometimes we need money to buy in capacity, capabilities or resources we don't have direct access to

 Dig Deeper	SPARK Innovation Model: Understand The Context of Innovation SPARK Innovation Model: Selecting Innovation develop Vision, Mission and Values The Power of Why? Simon Sinek, Ted Talks Resource prioritization
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