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Pathways to Social Impact: Strategies for Scaling Out Successful Social Innovations

J. Gregory Dees, The Fuqua School of Business, Duke University
Beth Battle Anderson, The Fuqua School of Business, Duke University
Jane Wei-Skillern, Graduate School of Business Administration, Harvard University

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As a teenager in the early 1960s, Bill Strickland saw his inner city Pittsburgh neighborhood declining. But in 1963, he found hope and inspiration at the potter's wheel. Five years later, he sought to share that hope and inspiration with neighborhood youth by founding Manchester Craftsmen's Guild (MCG) as an after-school arts program for at-risk kids. Soon Strickland took over the Bidwell Training Center (BTC), developing innovative partnerships with local corporations such as Bayer and Heinz that dramatically transformed the fledgling vocational training program for adults. Combining MCG and BTC allowed Strickland to attack the problems plaguing his community from two different angles – using art to teach and inspire at-risk youth, while giving displaced adults marketable job skills. To house these programs, in 1987, he built a 62,000 square foot, state-of-the-art facility, including a jazz concert hall, classrooms, laboratories, and workshops. Soon after that, Strickland's innovations were being hailed as national models, and he was widely recognized as a new breed of "social entrepreneur." In 1996, the MacArthur Foundation selected him for one of its prestigious "genius" awards. In 1998, he was honored at the Clinton White House with a "Coming Up Taller" award. That same year, he was named as a Kilby laureate for creating "a replicable model for enhancing the productivity of 'at-risk' youth using a unique experiential blend of fine arts, technology, and science." At that time, Strickland envisioned establishing 100 "franchises" across the country over the next 30 years. However, despite genuine interest from numerous cities, the replication process has been difficult and slow. Strickland continues to innovate and have dramatic impact in Pittsburgh. But in 2002, his success had still not been replicated in another community.

Bill Strickland faced an all too common challenge in the social sector – the challenge of "scaling out," spreading social innovations into new locations or markets. By contrast, in the for-profit world, when a successful new business model is developed, it often spreads rapidly. Sam Walton pioneered his approach to discount retailing in Arkansas in 1962. By 1967, he had 24 stores in Arkansas and was beginning to move into other states. In 2002, Wal-Mart boasted 2700 retail sites across the country. In 1979, Bernie Marcus and Arthur Blank opened their first three Home Depot stores. By 1984, they had 31 stores and were operating in five states. By 2002, Home Depot had grown to1400 stores. Also in 1979, the Jiffy Lube association was started with seven service centers, growing to over 2200 service centers by 2002. While stories such as these are relatively common in the business world, Strickland's experience is all too common in the social sector. As policy expert Lisbeth Schorr has observed, "we have learned to create the small exceptions that can change the lives of hundreds. But we have not learned how to make the exceptions the rule to change the lives of millions." Many powerful programs start with the idea of serving as a "pilot" or "model" that could be replicated around the country or the world, but frequently the replication fails to happen or is painfully slow. The cumulative effect is tragic. While the benefits of discount retailing and quick oil changes are made widely available, better ways to treat mental illness, move welfare recipients into the workforce, protect environmentally valuable wetlands, and educate children remain isolated, unavailable to many who could benefit.

Intrigued by this problem, we launched a major research project designed to help social entrepreneurs develop strategies to spread their innovative approaches in more effective and timely ways. One of the most striking early findings is that social entrepreneurs frequently fail to consider all of their scaling options systematically. In fact, many of them are unaware of the full range of options. As a result, they may miss potentially powerful avenues for extending their impact or move prematurely down less promising paths, squandering scarce resources in the process. Based on our examination of historical success stories and interviews with numerous social entrepreneurs, we have developed a conceptual framework to help social entrepreneurs identify and assess their options for scaling out.

Envisioning Possibilities through the Matrix

The Matrix of Strategic Options for Scaling Out (Figure 1) provides a way of visualizing the range of options based on a simplified approach to the two central decisions facing social entrepreneurs considering scaling out: what to scale and how to scale it. By encouraging social entrepreneurs to consider different ways of answering these two questions, the matrix can surface new possibilities and serve as a starting point on the road to developing an appropriate and effective scaling strategy.

Figure 1: The Matrix of Strategic Options for Scaling Out

	How: Mechanisms for Extending the Reach					
	Dissemination		**Affiliation**			**Branching**
What: Framing the Social Innovation	Only	With TA	Loose	Moderate	Tight	
Program						
Organization						
Principles						

What: Framing the Social Innovation

We have organized the "what" dimension around the three most common forms for spreading social sector innovations. While in reality the distinctions between these forms may blur, understanding these different possibilities should help social entrepreneurs identify the best form or combination of forms for spreading their innovations. Innovations may take the form of a *program*, defined as an integrated set of procedures and routines for directly serving a specific social purpose. For instance, the D.A.R.E. program places local police officers in school classrooms to teach students how and why to avoid drugs, gangs, and violence. Innovations may take the form of an *organization*, a self-contained system for mobilizing people and resources to serve a social purpose. Pioneered by Kaiser-Permanente, health maintenance organizations provide one example of an innovative organizational model. Finally, innovations may be framed as *principles*, guidelines and values about how to serve a particular social purpose. Members of Women's World Banking global network are committed to a set of shared principles and values that are core to its mission to expand low-income women's economic participation and power.

Social entrepreneurs should think critically and creatively about how to frame what it is they could and should scale into new communities. The optimal way to frame a given innovation is not always obvious. Imagine a childhood learning center that has been particularly effective in teaching math to pre-school children. This innovation could be defined in programmatic terms, as a math curriculum for use in day care centers. However, if its success has been dependent largely on the distinctive organizational environment in which it was first implemented, it may spread more effectively as part of an organizational model, a new kind of pre-school learning center. Alternatively, the key to its success may lie in a set of core principles about how teachers, students, and parents interact. In this case, it may be better simply to spread the principles, allowing for creative applications in different environments and to other subject matters.

It is important to keep in mind that the level of specificity can vary within and across these different forms of innovation. *Programs* will typically be more specific and *principles* more general. Nonetheless, each of these categories allows for different levels of specificity. A few broad, value-based principles are quite different from specific operating principles, just as a general idea about organizational structure differs greatly from a detailed model that includes staffing policies, funding strategies, and a distinctive culture. Program elements may be described relatively loosely, leaving room for local interpretation, or much more tightly, tolerating little variation. The degree of specificity should be inversely related to the value of allowing for local adaptations. Some innovations call for more local adaptation because they are highly dependent on contextual elements that change from one location to another. Others may warrant greater local autonomy because they are relatively early in their lifecycle and could benefit from more experimentation and refinement. The appropriate level of specificity may even differ across elements of the same innovation. A few examples should help further define the three primary ways to frame innovations while illustrating the varying levels of specificity.

Program Success For All has scaled out rapidly as a comprehensive and relatively specific reading *program* for elementary schools. After a successful pilot in one school in 1987-88, Success For All is now in use in approximately 1800 schools across the United States. The program has spread with four central elements: a well-researched curriculum, a full-time school facilitator, family support teams, and one-on-one tutoring for struggling students. While the materials and instructional methods that make up the curriculum are very specific and prescriptive, the approach to family support is more flexible, allowing for adaptation to fit the different school and family environments. All schools implementing Success For All must have a family support team, but the actual family support activities vary by school.

Organization Many other social innovations have spread as *organizational models* with varying degrees of specificity. For instance, in 1914 Cleveland lawyer Frederick Goff established the first community foundation, a philanthropic intermediary organization that serves local donors in identifying and addressing community needs. Goff actively spread the word about this new kind of organization, planting the seeds for the hundreds of community foundations that exist today as variations on his original model. In contrast, the founders of youth service organization City Year developed and spread a comprehensive organizational model that includes specific practices designed to promulgate a particular culture, commitment to diversity, strategy for corporate involvement, and other core elements of the original Boston model.

Principles Communities by Choice has translated an approach to sustainable community development that was successful in two poverty-stricken counties in rural Kentucky into a set of guiding *principles* for other communities. A spin-off of the Kentucky-focused Mountain Association for Community Economic Development (MACED), Communities by Choice is an independent nonprofit that seeks to promote sustainable community development at the local level by creating a learning network of local citizen groups committed to three general principles of community: economy, ecology, and equity. In addition to the overarching principles, Communities by Choice describes ten steps for adopting and adapting their approach. The organization is attempting to spread these principles and ten steps primarily through a website that they plan to evolve into an online community of practice in which like-minded groups can share information and learn from each other.

As each of these examples illustrates, social innovations can be conceived of and "packaged" for scaling in different forms with varying degrees of specificity. Furthermore, in some cases, innovations spread in multiple forms. For instance, the hospice movement in the United States has resulted in the spread of specific programs (e.g., approaches to family grief counseling), organizational models (e.g., the in-patient hospice), and principles (e.g., guidelines for palliative care that can be adopted by non-hospice organizations). The range of possibilities is rich and diverse, and social entrepreneurs should consider how different ways of framing their innovation might affect the speed, effectiveness, and extent of their scaling effort.

How: Mechanisms for Extending The Reach

In addition to a range of possibilities on the "what" dimension, social entrepreneurs also face several options regarding the mechanisms they will use to drive the scaling process. These options are reflected on the "how" dimension of the matrix. Moving from left to right on this spectrum reflects an increasing *potential* for central coordination and, typically, increasing resource requirements for the organization that is driving the scaling process.

Starting on the left, *dissemination* involves actively sharing information. The originating organization has at most a short-term agreement to provide technical assistance to those who would use this information to bring the innovation to a new locale. *Affiliation* occurs when an ongoing agreement exists between two or more parties to be part of an identifiable network. Affiliation agreements can be more or less restrictive or prescriptive on many dimensions, including things such as the use of a common brand name, program content, funding responsibilities, quality control, and reporting requirements. Thus, the matrix presents a continuum of loose, moderate, and tight forms of affiliation, recognizing that an agreement can be loose in some areas and tight in others. The tightest form of affiliation is akin to a restrictive business franchise. For the loose form, envision a network of organizations committed to implementing the same innovation but with few restrictions on how they do it. *Branching* occurs when the remote sites implementing the innovation are legally part of one large organization, much like company-owned stores. Of course, the lines between these categories can blur, and we encourage social entrepreneurs to be creative. Though some combinations may seem more natural, any form of innovation could be spread in these three ways.

Within each of the three mechanisms, social entrepreneurs can attempt to spread their innovation through newly created or existing organizations (or both). Many innovations may be effectively spread through organizations that already have an infrastructure and support base in the target communities. However, radical or disruptive innovations could prove easier to scale through newly created organizations that do not have prior commitments, cultures, or clienteles. Similarly, when the innovation is an organizational model, it is common to spread it through new organizations. The alternative is to convince existing organizations to restructure or to create new operating units under their existing umbrellas. Again, some examples should help illustrate different ways to extend the reach of social innovations into new environments.

Dissemination is the simplest and generally least resource-intensive mechanism for scaling out. However, even if efforts to get the word out are supplemented with some technical assistance, the central organization has little control over implementation in other locations. Dissemination often occurs through existing organizations, but it can result in the formation of new organizations. In fact, like community foundations, many of the organizational models that we take for granted today disseminated after a prominent example encouraged replication. The Louvre inspired the creation of publicly accessible art museums. The Connecticut Hospice (formerly Hospice, Inc.) served as a model for in-patient hospices in the US. The Twelve Steps program of Alcoholics Anonymous spread rapidly through individuals who came together to form new, independent groups of members. Moreover, with new communications technology, it is becoming increasingly easier to spread the word about successful (and not-so-successful) social innovations. For example, Roberts Enterprise Development Fund (REDF) has made a concerted effort to share information about its lessons, successes, and failures working with nonprofits that manage businesses employing disadvantaged youth and adults. Through numerous publications and materials available on their website, REDF has influenced nonprofits worldwide in this arena.

Affiliation offers the broadest range of possibilities, even given the same form of innovation and same field. A comparison of two affiliate models operating in K-12 education is illustrative. The Knowledge is Power Program (KIPP) and Coalition of Essential Schools (CES) both have networks of schools dedicated to a common set of operating principles. However, CES represents a looser, learning network of existing schools that have committed to ten principles of school reform. Some use the CES brand to identify themselves publicly, others do not, and the requirements for affiliation with CES National are modest (e.g., creating a school profile on the CES website and submitting an annual fee of $500 to CES National) and fully under control of the local schools. By comparison, KIPP is building a network of schools committed to the "Five Pillars," the basic principles KIPP's leaders felt were responsible for the success of the first two KIPP Academies in Houston and South Bronx, New York. KIPP provides extensive services to help start and manage new, KIPP-branded schools in communities across the country, holding them accountable to high expectations and rigorous standards. Although both of these organizations are spreading their educational principles via affiliation, their scaling strategies are quite different.

Branching offers the greatest potential for central coordination and generally requires the greatest investment of resources by the central organization. With branching, it is unlikely that an innovation will be spread through an existing organization, but it is not impossible. Doing so would require a merger or acquisition by the parent organization, a common scaling technique in the business world that is relatively rare in the social sector. Branch structures are particularly attractive when successful implementation of the innovation depends on tight quality control, specific practices, tacit knowledge, and strong cultures. We briefly described City Year's organizational model earlier. It is spreading through branches, in part, because its founders believe its success has been dependent on intangibles (such as its distinctive culture) and tacit knowledge that could best be conveyed within a single organizational structure. Salvation Army is another successful, well-known organization that has spread via a hierarchical, branch model, in large part due to the unique religious and army-influenced culture of the organization. However, it is important to note that branch organizations are not always highly centralized and can allow significant local autonomy. For example, The Nature Conservancy's growth in the last fifty years has hinged on its commitment to decentralization and local autonomy. Although The Nature Conservancy is a single 501(c)3 with one national board of governors, in practice, state and country branches, the former of which all have their own local advisory boards, have historically had a high degree of latitude in hiring, launching new projects, and resource allocation.

As evidenced by the above descriptions, the range of mechanisms for scaling out vary most significantly around resource requirements, the potential for central coordination, and the decision to work with new or existing organizations. As with the "what" dimension, optimal positioning on the "how" dimension can change over time. For instance, Goodwill Industries initially spread as an organizational model embedded within an existing national organization, the Methodist church. Later Goodwill split with the church and spread as an affiliate model through new organizations. What we now know as Boys & Girls Clubs began in the 1850s as Boys Clubs, spreading through dissemination as both existing and new organizations created Boy's Club style programs. At the turn of the twentieth century, organizations offering these programs adopted a loose form of affiliation, but still included existing organizations such as YMCAs and settlement houses. By the middle of the century, the affiliation became much tighter and included only organizations created for and dedicated to this purpose. Along the way, the framing of the innovation seemed to shift from programmatic to organizational. All of the preceding examples help illustrate the wide range of options that result from coupling the "how" dimension with the "what" dimension. Savvy social entrepreneurs will continually look for the most promising positions on the matrix for scaling their social impact into new communities.

The Five R's for Assessing Potential Pathways for Scaling Out

Given the wide range of possibilities, how does a social entrepreneur determine the best path for scaling out at any given time? It would be a mistake to offer a simple formula for making this decision. Successes are found all over the matrix. Many organizations pursue multiple options at once, and as already mentioned, many change their position over time. In some cases, any scaling out effort, even dissemination, would be premature. Even for those confident some form of scaling out is right for them, deciding on the most promising "what" and "how" can be complicated and fraught with uncertainty. Our advice is to be creative, but to constantly test and refine any approach to scale based on the following Five R's: Readiness, Resources, Receptivity, Risk, and Return.

Readiness concerns both the innovation and the organization. Is the innovation ready to be scaled? Anyone considering scaling should have demonstrated success, preferably supported by a rigorous evaluation, as well as reason to believe that this success is transferable to other locations. The success should not be dependent on unique local leadership or conditions. If the innovation is scalable, does the organization, including the central social entrepreneur, have the will and abilities to pursue a given scaling path? Of course, different paths place different demands on social entrepreneurs and their organizations, but any effort requires organizational commitment as well as alignment with the organization's overall goals. How well do different scaling paths fit with the organization's mission and vision? Do key players (e.g., staff, board, key supporters) have the passion needed to go down a particular scaling path? Beyond passion, scaling out will require skills quite different from those already developed for local service-delivery. Even dissemination of principles requires excellent communications and marketing skills, and, if there are plans to offer technical assistance, experience with consulting and educational methods could be important. Community building and knowledge management are crucial to effective affiliate structures. And branches, as well as tighter forms of affiliation, will likely require training capabilities, administrative infrastructure, quality control systems, and other support services. An organization does not need to have in hand all the skills necessary for a given path, but it must be positioned to build the critical skills in a timely and efficient manner.

Resources required vary depending on the scaling path chosen. In general, resource needs for the social entrepreneur or organization driving the scaling effort will increase across the "how" spectrum of mechanisms, and spreading through new organizations will require greater total resources than through existing ones. It is crucial to realize that mobilizing resources for scaling out is different from mobilizing resources for an original or pilot site. Resource needs are different and providers who were excited about supporting the original site may be far less willing to support either the central resource needs of a scaling effort or the costs of operating in other locations. While social entrepreneurs do not need to have the resources in hand, they should have a viable plan for mobilizing them, as well as a scalable resource model that fits with their chosen path. In our research, we have seen a number of creative resource strategies. Some focus on generating revenues for the organization, while others reduce resource requirements.

One way to generate revenues is to package and sell the innovation, turning the scaling effort into a source of income. This approach works best if the innovation is a program, would be hard to replicate independently, can easily be packaged with identifiable components and quantifiable objectives, and delivers tangible value to some set of existing organizations with the ability and willingness to pay. Recall Success for All, the comprehensive reading curriculum that has been successfully "packaged and sold" to schools, along with supporting services. Of course, like any earned income strategy, this approach brings its own challenges. Working Capital attempted to expand its strong microenterprise program beyond New England by selling both new and existing organizations the right to use its brand name along with access to Working Capital's systems, manuals, and training. The program was available to any organization that committed to paying the $75,000 fee over a period of three years. While expansion in this manner initially occurred rapidly, Working Capital soon found that it was often difficult to collect payments over time since organizations perceived most of the value was delivered at the start; a lack of clear expectations and mechanisms for enforcing them created tensions between Working Capital and some affiliates; and the local organizations were often unable to mobilize sufficient funding to continue their operations.

Scale-related training and consulting can also provide revenues to off-set resource needs. Given the difficulties encountered, Working Capital abandoned the "package and sell" approach and began to offer training and consulting services to organizations interested in using its methodology, systems, and manuals (but not its brand name) through its "Working Capital Institute." Similarly, Shorebank, a Chicago-based community development bank, established Shorebank Advisory Services, a research and consulting service for institutions interested in setting up similar operations in their own communities. And, as part of its strategy for scaling out its entrepreneurship curriculum for low-income youth, the National Foundation for Teaching Entrepreneurship (NFTE) established "NFTE University" to provide educators with the essential tools to teach entrepreneurship through in-school and after-school programs. Even if these training and consulting efforts do not generate economic profits, they can serve as a cost-effective and resource-smart way to enhance the speed and effectiveness of the scaling out effort.

Innovative social entrepreneurs may also design approaches that require minimal investment of resources, reduce resource needs or shift them to others. Describing it as a "capital light" approach, consultants documented the rapid spread of Pratham, a pre-school education program in Mumbai, India. They attributed the speed of its spread to a model that identifies and takes full advantage of underutilized resources. By relying on donated infrastructure, strong partnerships with community organizations, local governments, and corporations, and a low-cost, highly committed labor pool (unmarried women who traditionally do not work outside of the home), Pratham has grown from 118 *balwadi* (pre-schools) in 1994-95 to nearly 3000 in 1999-2000. Impressively, the *balwadi* serve 53,000 children at an average cost of $7.50 per child each year, only 10% of the annual per pupil cost of many pre-schools. Of course, one of the most visible scaling successes in the US is Habitat for Humanity. Jeff Bradach rightly points out that Habitat has been able to grow so quickly in large part because a key element of its model, the building of a house, is highly routinized and specific. However, another key to its rapid expansion lies in Habitat's ability to mobilize community volunteers and donations through its affiliations with universities and churches. Others have "piggybacked" on existing national organizations, taking advantage of an existing infrastructure while often also gaining local legitimacy and credibility. As previously mentioned, Goodwill Industries was originally a program of the Methodist Church. Boy Scouts of America had close ties with the YMCA throughout its early growth period, at one point even considering becoming a program of the YMCA. As illustrated in these examples, partnerships, in-kind donations, and other "capital light" approaches can result in more scaleable resource strategies.

<u>Receptivity</u> can be thought of as the readiness of other communities (or key institutions in them) to embrace a particular social innovation. Receptivity will vary from community to community, but other things being equal, social entrepreneurs want to choose scaling paths that have relatively high receptivity, at least in their target communities. Three of the most significant elements of receptivity are demand, comparability, and openness.

Demand reflects a willingness of key local stakeholders to incur costs or make investments to bring an innovation to their community. Most social entrepreneurs are inspired to scale out because they see a *need* for their innovation in other communities. In fact, in our survey of nonprofit leaders, the desire to meet an unmet need was overwhelmingly the leading driver for scaling out. Yet need does not always equate with demand, and social entrepreneurs contemplating scaling out should honestly assess the demand for their innovation. Interestingly, dissemination of principles, the least intense form of scaling out, requires the highest degree of demand if it is to be successful. Accordingly, if there is evidence of strong demand and an innovation is not too radical or controversial, dissemination or looser forms of affiliation may be effective. Some innovations may even benefit from a sense of urgency amongst the general public that creates a window of opportunity. The modern hospice movement in the United States began in the early 1970s and spread rapidly over the next few decades, gaining momentum from a growing concern about death with dignity, the advent and rise of AIDS, and even the perception of cost-effectiveness during a time when the high costs of health care was a major public and institutional concern. In contrast, after its advent in the late eighteenth century, the concept of art museums open to the public spread relatively slowly in the nineteenth century before picking up dramatically in the twentieth century. While there may have been an "unmet need" for art museums in many communities, not until relatively recently was there significant enough demand for the model to spread on its own. If social entrepreneurs aim to scale in a more timely fashion, weaker levels of demand may lead them toward the right side of the matrix.

Comparability concerns the degree to which target communities offer operating conditions similar to those that contributed to success in the original community (or communities) in which the innovation was pioneered. Highly specified innovations tend to require greater comparability than do general principles, but even general principles may require certain basic operating conditions to be applied effectively. For example, Muhammad Yunus, founder of Grameen Bank, used a branch structure to spread his innovative peer-lending approach to microfinance within Bangladesh. Through informal dissemination and the official Grameen Bank Replication Program, Yunus's innovation has spread rapidly and successfully throughout many developing countries. However, implementing and scaling the peer-lending approach in the US has proven much more challenging, in large part due to different operating environments. Peer lending seems to work best when target populations are the rural poor with few alternatives for obtaining financial capital, frequent interactions with other community members, strong informal economies, and under-developed job markets. These conditions rarely hold in the US. Thus, while the general principles of microfinance may offer great promise for bringing the disadvantaged into the mainstream economy, even in the US, specific approaches pioneered in the developing world are likely to require significant adaptation. The same is often true for innovations that move from developed countries to the developing world.

Openness refers to the willingness of individuals and institutions in the target communities to accept people and ideas from the outside. Communities that are less open will be more receptive to scaling approaches that inherently offer greater local autonomy, such as dissemination or looser forms of affiliation. They may also be more amenable to less specifically defined forms of innovations, leaving local leaders more degrees of freedom in adapting the innovation to local conditions. Increased openness improves the prospects for successful branching, tight affiliation, and more specific forms of innovation. For scaling paths that require the innovation to be adopted by existing institutions, organizational openness is just as important as community openness. Resistance to innovation is common, particularly in large-scale organizations or systems such as schools, universities, or hospitals. Social entrepreneurs may need to find ways into potentially inhospitable communities or institutions to fulfill their missions, but before doing so, they should think carefully about the form and mechanism for scaling out that might best set them up for success.

Risks, as with readiness, have two dimensions, the innovation and the organization. How likely is it that an innovation will be implemented incorrectly? And if poor implementation occurs, what are the potential negative impacts on the clients and communities being served? If the innovation is inherently difficult to execute correctly and mistakes may cause significant harm to clients or communities, central control through either branching or tight forms of affiliation will be more important. In such a case, it may also be beneficial to be more specific about what is being scaled. With respect to the organizational risks, how probable is it that the organization could successfully undertake a particular scaling path? And if failure occurs, what are the potential negative impacts on the organization itself? The costs of failure include not only the investment of time, money, and resources that might be lost, but also harm to the reputation of the organization driving the scaling effort and to the credibility of the innovation itself. In general, the options to the left of the matrix, dissemination and loose affiliation, represent the least risk in this regard. Most often, these approaches require less investment of resources and the initiating organization takes less responsibility for local implementation. For similar reasons, framing the innovation in more general terms, as a set of principles or a general program or organization idea can pose less risk to the organization scaling out. However, if insufficient resources are invested and the innovation is defined too generally, the scaling out effort will have a higher probability of failing to achieve its intended social impact. Thus, social entrepreneurs must recognize and evaluate the trade-offs, finding a path that reduces and manages the risks, while improving the chances of positive social impact.

Returns focus on the way the scaling effort can magnify positive social impact. Scaling is not just about serving more people and communities; it is also about the potential to serve them better. Some scaling paths offer greater possibilities for improving efficiency and effectiveness beyond the sheer numbers reached. In the best situations, a scaling path will provide increasing returns as the scaling out effort extends into more and more communities. While dissemination and looser forms of affiliation may not require as significant an investment of resources as the options to the right on the matrix, they are also less likely to capture some of the benefits more commonly associated with the more centralized approaches. The most prominent of these potential benefits are brand, organizational learning, and economies of scale. Notably, when we surveyed nonprofit organizations that had scaled out via branches or affiliates, they reported significantly greater returns from brand and organizational learning than they had anticipated, while overall, capturing economies of scale fell short of their expectations. This result may not be surprising, since scale economies are harder to achieve in the service sector, especially when local flexibility is highly valued. Regardless, when assessing different scaling options, social entrepreneurs should consider explicitly how benefits from brand, organizational learning, and scale economies might translate into more efficient or effective social performance, and whether they could justify the investment that might be required to produce them. What would it take to create and protect a brand name? To whom would it matter - funders, clients, staff, volunteers, or prospective partners? How might it enhance social impact, directly or indirectly? Interestingly, in some fields, such as hospice care, having a national brand name does not seem to matter, whereas in others, such as youth services, national brands are much more visible. Think of the YMCA, YWCA, Boy Scouts, Girl Scouts, and Boys & Girls Clubs. With respect to organizational learning, what kind of learning is important to improve social impact? Which scaling paths are most likely to encourage local innovation while facilitating the capture, transfer, and use of knowledge? Finally, what kinds of economies of scale are possible with different paths? What will it take to achieve these economies?

Scaling as a Dynamic and Creative Process

Choosing the right path to broader social impact is a complex matter. It will typically involve judgment, experimentation, and continuous learning. Our research has indicated that no one path is optimal. In fact, we have found successes virtually everywhere on the Matrix. Moreover, varying local contexts and opportunities for testing and refinement may suggest pursuing more than one option simultaneously. And changing external environments and different stages in an organization's life cycle may call for different approaches to scaling out over time.

Social entrepreneurs considering heading down this road would be wise to understand and assess the wide range of options open to them. The Matrix of Strategic Options for Scaling Out should help them conceive of the possibilities, and they should be open to the possibility that a thorough analysis of options may result in the decision not to scale out at this time. Selecting promising, effective paths from the options requires a complex balancing process that involves multiple considerations summarized by the Five R's of readiness, resources, receptivity, risks, and return. While the matrix and the Five R's do not provide easy answers, together they should help social entrepreneurs to begin thinking systematically about developing a comprehensive strategy for scaling out.