

# Social Innovation: What It Takes to Succeed

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CENTER FOR  
SOCIAL INNOVATION

# The emergence of social as a modifier





# Social Entrepreneurs



**Muhammad Yunus**

Grameen Bank; Nobel Laureate



**Karen Tse**

International Bridges to Justice



**Bill Drayton**

Ashoka



**Soraya Salti**

INJAZ al-Arab



**Premal Shah/Matt Flannery**

KIVA

# Social Entrepreneurship

Social entrepreneurs play the role of change agents in the social sector, by:

- Adopting a mission to **create and sustain social value** (not just private value),
- Recognizing and relentlessly pursuing **new opportunities** to serve that mission,
- Engaging in a process of **continuous innovation**, adaptation, and learning,
- **Acting boldly** without being limited by resources currently in hand, and
- Exhibiting **heightened accountability** to the constituencies served and for the outcomes created.

# Contemporary Social Innovations



**Microfinance**



**Emissions  
Trading**



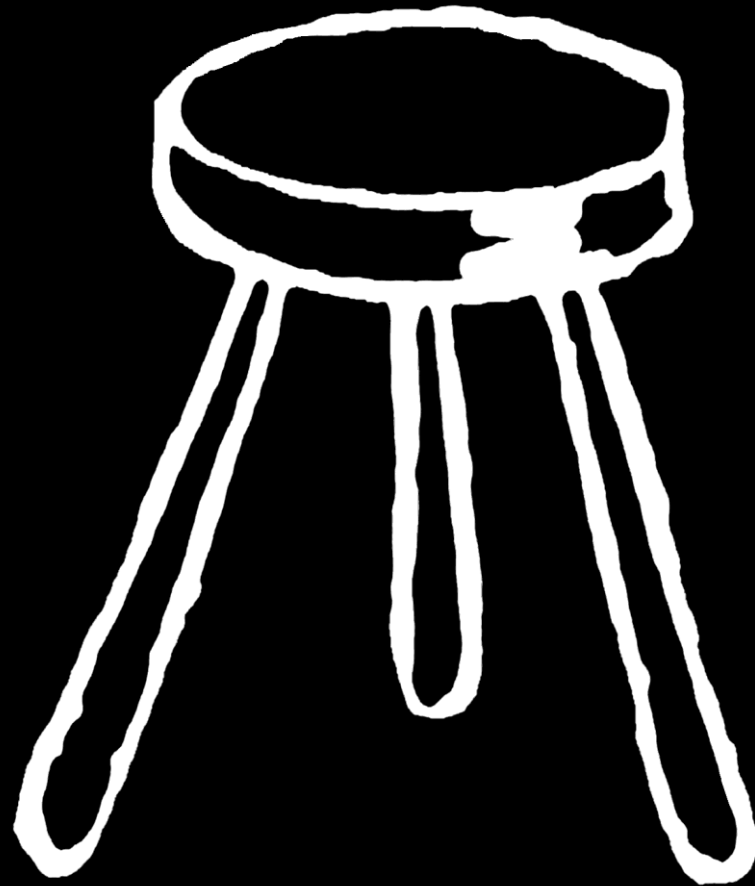
**Charter  
Schools**



**Socially  
Responsible  
Investing**



**Fair Trade**





Social Entrepreneurs  
The Great Man or  
Woman Theory



Social Capital Market



**Grameen Bank**

Social Enterprise  
Self-Sustaining  
Organization Theory

# Social Innovation Definition

A novel solution to a social problem that is more  
effective, efficient, or sustainable  
than existing solutions and for which the  
value created accrues primarily to  
society as a whole  
rather than private individuals.



# Criteria differentiation

- **Innovation Criteria**

- Novelty – new to user, context or application
- Improvement – more effective or efficient



- **Social Innovation Criteria**

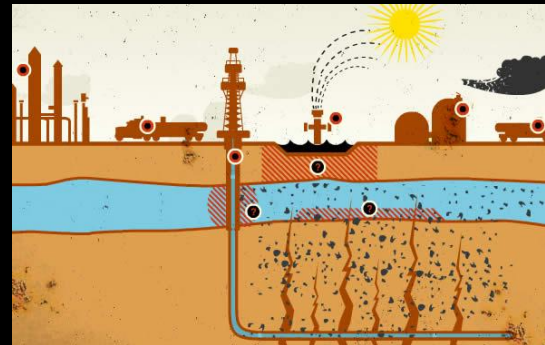
- Sustainable
- Just
- Public value

# Social Innovation and Traditional Innovations

## Social Innovation

- Socially Responsible Investing
- Microfinance
- Recycled Rainwater

*(Makota Murase)*



## Innovation

- The internet
- Hydraulic Fracking
- Deep water Trolling

# Stages of Innovation

```
graph LR; A[Defining the Problem and Opportunity] --> B[Idea Generation]; B --> C[Piloting & Prototype]; C --> D[Diffusion & Scaling]
```

Defining the Problem and Opportunity

**Idea Generation**

**Piloting & Prototype**

**Diffusion & Scaling**

# Case Study – Emissions Trading





# 1960s

- Pollution
- Killer Fog
- Health Problems

**STOP**  
**Acid Rain**

There's  
Still  
Time...

**AWARENESS**  
*dance*  
**Party**

GET SMART.  
GET REAL.  
GET ACTIVE.  
GET THERE.

738 Broadway

Friday Sept 8  
11 pm

admission for two with this invite

1970



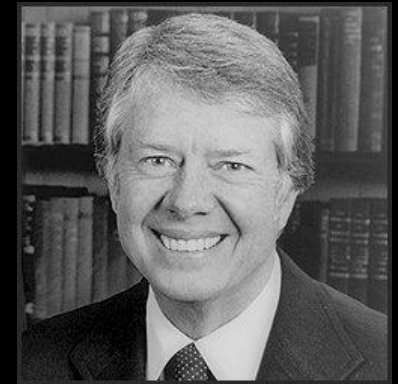
**Clean Air Act**

1970 - 1975



**Bubble/Netting  
Policy**

1976



**Cost-Effective  
Regulation**





**1977**



**Bill Drayton**  
**Assistant Administrator**  
**of the Environmental**  
**Protection Agency**

**1979**



**Alternative Emission**  
**Reduction Option**

**1984**



**VS**







# 1990



**Clean Air Act  
(amended)  
Provision  
Acid Rain**



# 1995

**1<sup>st</sup> Year Compliance  
Acid Rain Program**

- Emissions dropped by **3MM tons**
- Estimated cost: **3-25 billion/year**
- Actual: **.8 billion/year**

**By the end of  
1990s, achieved  
100% compliance**



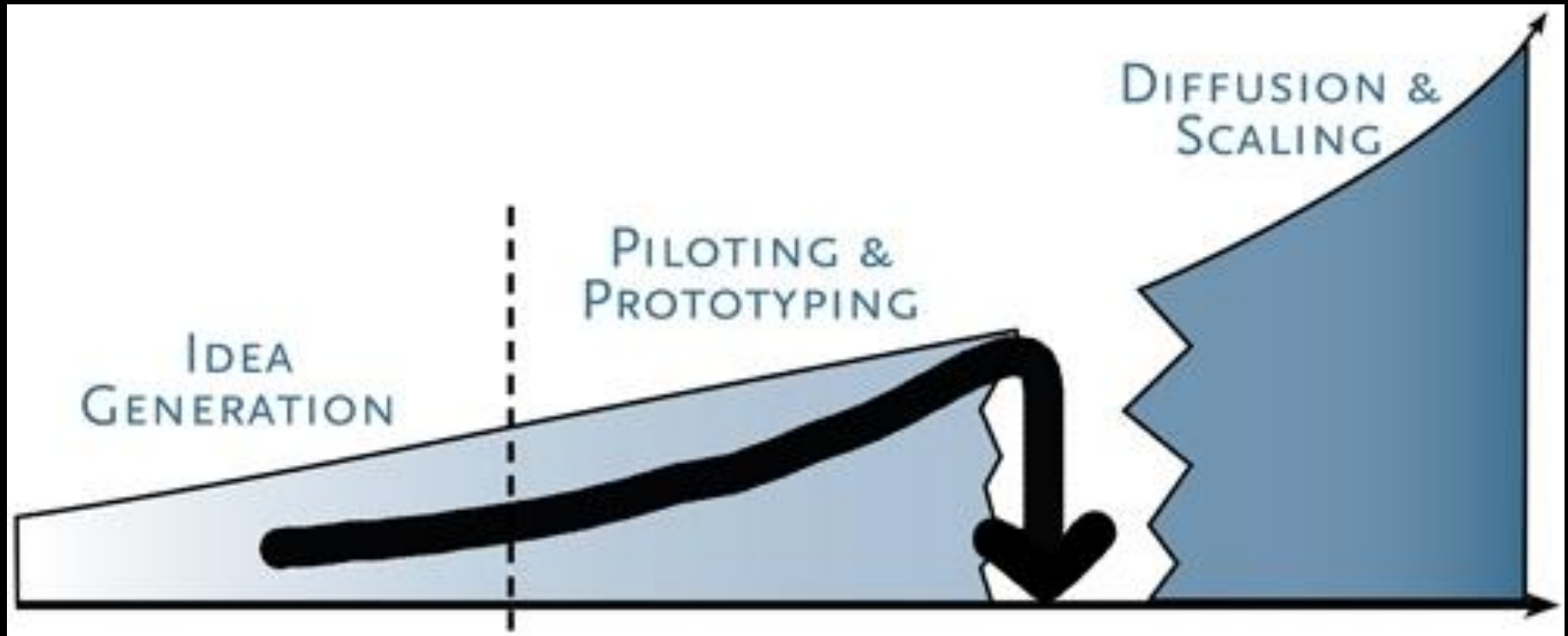


**Never mistake a  
clear view for a  
short distance**

Social innovations do not  
happen overnight.

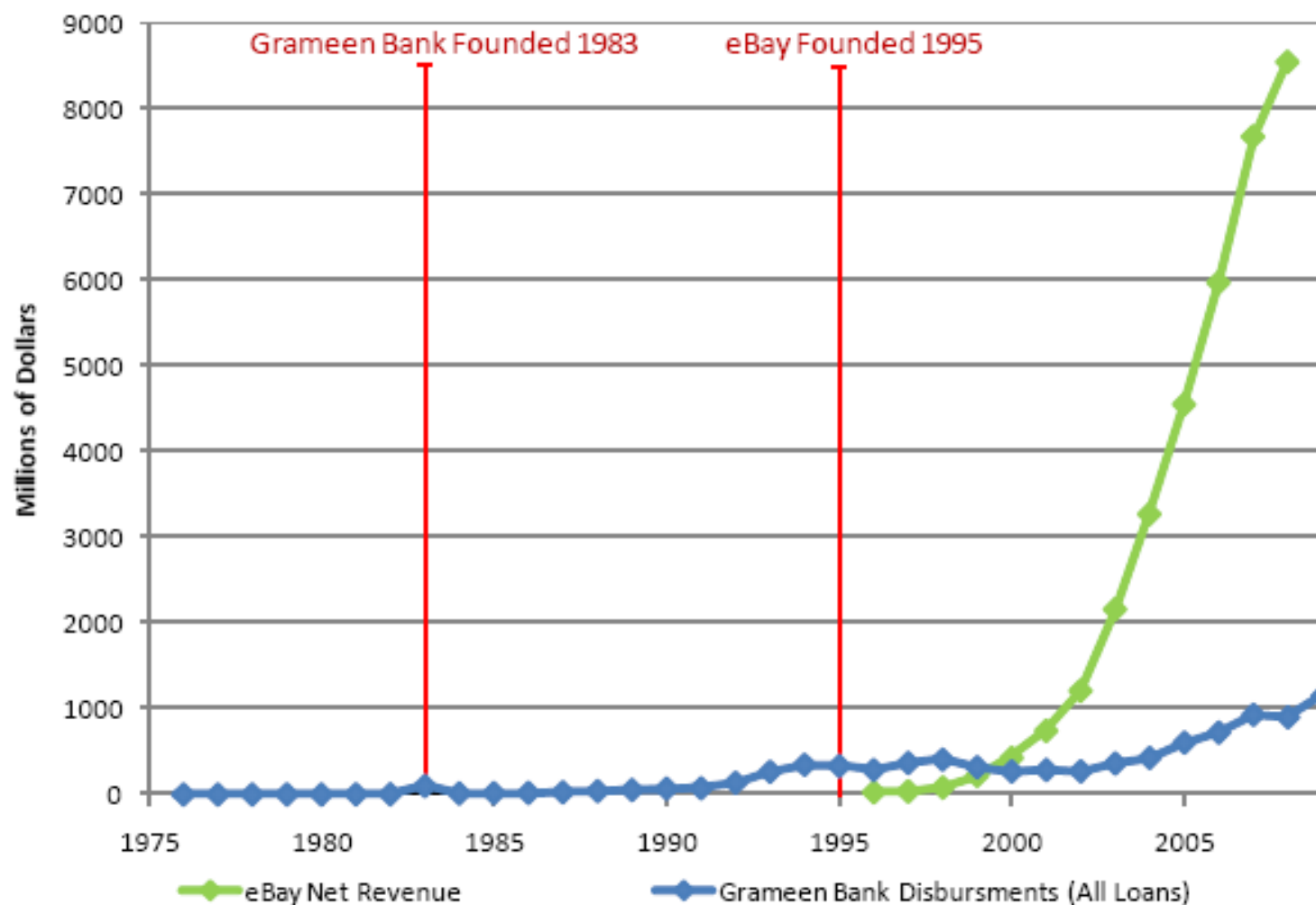


# Social Innovation Continuum



Stagnation  
Chasm

## Comparative Growth in Grameen Bank and eBay



Source: Grameen Bank (2009) Historical Data Series in US\$  
Accessed at [http://www.grameen-info.org/index.php?option=com\\_content&task=view&id=177&Itemid=503](http://www.grameen-info.org/index.php?option=com_content&task=view&id=177&Itemid=503) on January 22, 20  
SOURCE: eBay Inc. (1998) Consolidated Statement of Income. Form 10-

# Focus on your strategic lever

Social innovations grow as leverage points are identified and utilized.



# Fair Trade Mainstream Markets







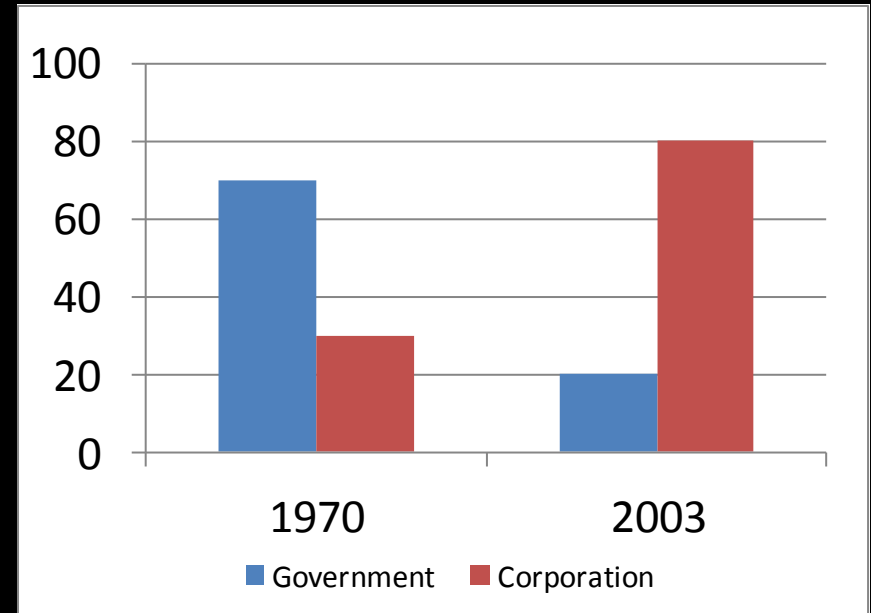
# Commit to cross-sector collaboration

Social innovations require  
everyone's involvement.

# Business Role

## *Power and Scale*

- In 1970, 70% of the capital flows to the developing world were from the government sector and 30 percent were from the private sector. In 2003, only 20% were from the government sector and 80 percent were from the private sector.
- Of the world's 100 largest revenue producers in 2009, only 55 were countries/governments (measured by budget revenue). The other 45 were corporations (measured by annual revenue).



# Citizen Sector (Nonprofit) Evolution

## *Growth and Scale*

- “Twenty years ago, for example, Indonesia had only **one** independent environmental organization. Today it has more than **2,000**.”
- “In Brazil, in the 1990s, the number of registered citizen organizations jumped from 250,000 to 400,000, a **60 percent increase**.”



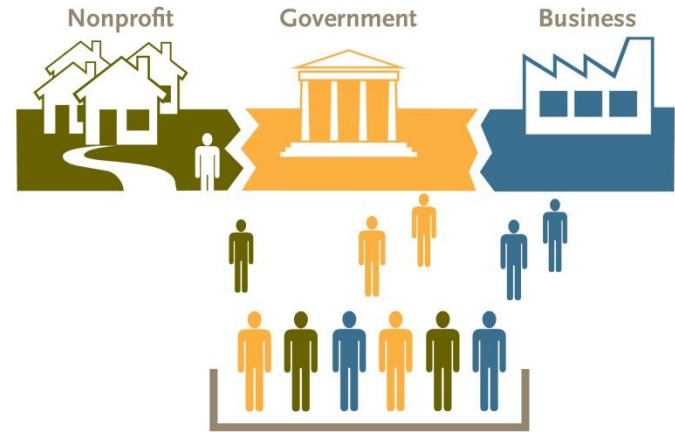
Save The Amazon  
Rainforest Organisation





# CSI Mission

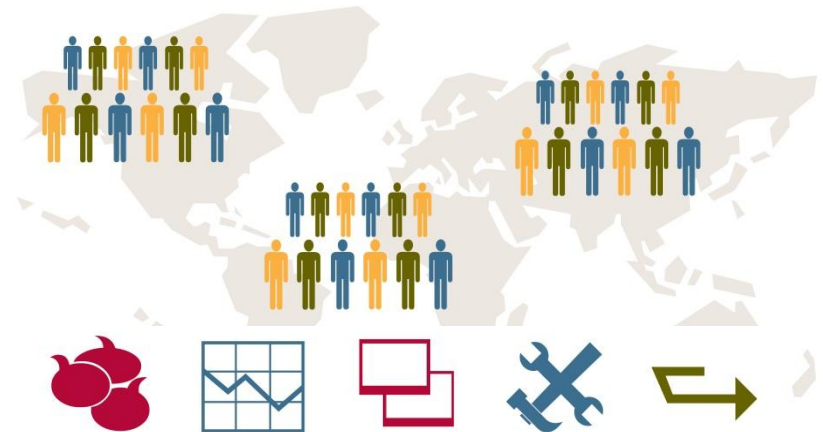
Approach  
Breakdown Boundaries



Purpose  
Build Capacity



Vision  
Cross-Sector  
Community



# Social Innovation Around the World - Academic

- Institute for Social Innovation, Carnegie Mellon
- Lien Centre for Social Innovation, Singapore Management
- Program on Social Enterprise, Yale
- Social Innovation Center, INSEAD
- Skoll Center for Social Entrepreneurship, Saïd Business School, Oxford

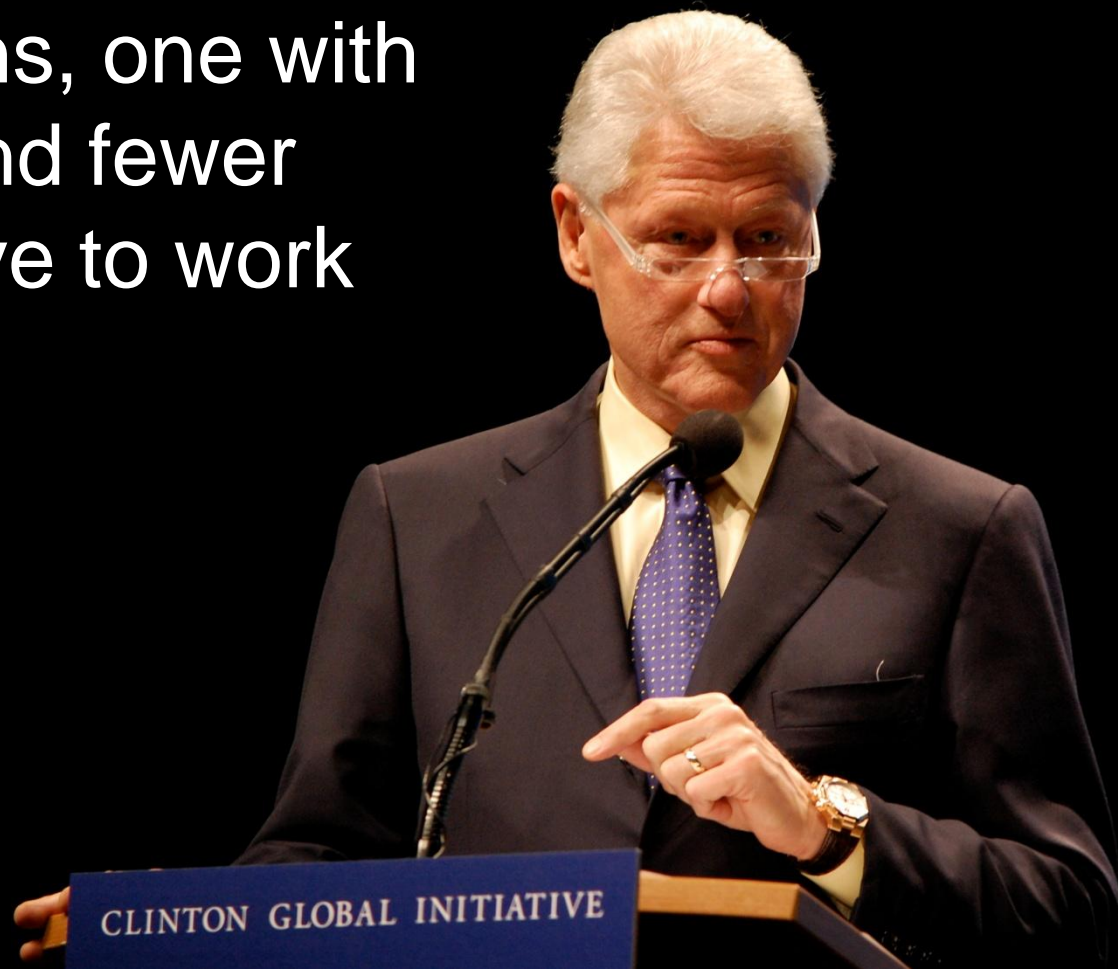


# Social Innovation Around the World

- The White House Office of Social Innovation and Civic Participation
- Center for Social Innovation, Vienna
- The Young Foundation Center for Social Innovation, London
- OECD LEED, The Forum on Social Innovations
- Social Innovation Park, Barcelona & Singapore



“If we want to build a stronger, more sustainable world for future generations, one with more partners and fewer enemies, we have to work together.”







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