Master Thesis

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How are open innovation principles applied in social entrepreneurship?

The cases of Quartiermeister e.V. and Social Impact gGmbH

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1 MOTIVATION, RESEARCH GOAL AND THESIS STRUCTURE

Within the last decade, Open Innovation (hereafter OI) has become a very popular research topic. Yet, even though scholars have screened the topic from different angles of analysis, research has focused so far mainly on high-tech, multinational enterprises (Huizingh, 2011). In a literature review on the state of the art in OI research, West, Salter, Vanhaverbeke and Chesbrough (2014) come to the conclusion that the application of OI practices to other contexts is desirable as it expands our current understanding of the open paradigm. The authors additionally claim that there has been an increasing interest in non-pecuniary motivations, i.e. applying the OI idea as well to not for profit contexts (West et al., 2014).

At the same time, there has been a growing interest in social innovation in general and the phenomenon of social entrepreneurship in particular. This manifests itself in an ever-growing body of definitional endeavors (Praszkier & Nowak, 2011) and in the increasing number of professorships and research efforts in the past couple of years (Bornstein, 2012). In line with this, Ehrlich and Lang (2012) report that an analysis of a diverse range of German daily newspapers from 1995 to 2005 indicated that the application of the term "business ethics" has more than reduplicated. Much of the research on social entrepreneurship has so far focused on defining and understanding the concepts of social innovation and social entrepreneurship (Praszkier & Nowak, 2011); and on barriers towards social endeavors, such as problem complexity, access to networks and restricted financial resources (e.g. Chalmers, 2013; Hougaard, 2014).

Following the assumption that 'the more eyes we have on society's problems – and opportunities – the better our chances of coming up with valuable solutions' (Drayton & Budinich, 2010, p.8), this thesis suggests that it should be a worthwhile contribution to combine OI and social innovation research and see how opening up and collaborating can possibly facilitate innovation and help overcoming systemic barriers in the area of social innovation. Along these lines, 'multi-stakeholder initiatives' are proposed as a way forward with regards to social innovation and social change (Berkhout, 2014, para.5).

Therefore, the goal of this exploratory research is to investigate the phenomenon of open social innovation, supported by two relevant case studies. With this goal in mind, the following research question will be explored: How are open innovation principles applied in social entrepreneurship?

An indicatory example of such open innovation efforts in social entrepreneurship is the ChangemakerXchange. This is a global collaboration platform for young social entrepreneurs, which triggers international collaboration projects by promoting peer-to-peer learning and co-creation opportunities (Bosch-stiftung.de, 2014). Against this background, this study attempts to explore how such open strategies within the social realm play out in the German context.

Concerning the scope of this research, it must be noted that in terms of social innovation, this paper concentrates on the phenomenon of social entrepreneurship and not on corporate social responsibility activities of firms or public welfare activities and organizations. The area of civic engagement and social entrepreneurship steadily gains importance in the provision of social innovation. This tendency is described as a by-product of demographic change, globalization and decreasing welfare subsidies; and moreover, it is believed to be a more effective way of remedying social injustices (Scheuerle, Glänzel, Knust & Then, 2013). A very prominent example is Muhammad Yunus' micro-finance Grameen bank, for which he was awarded with the Nobel Peace Prize in 2006. With regards to the social innovation section of the thesis, social entrepreneurship was specifically chosen as the focal area as it represents a more tangible concept than social innovation itself; and has become a very prominent so-to-say vehicle in providing social innovation during the last couple of years (European Commission, 2013).

Furthermore, it is suggested that naturally not all principles from the open paradigm can be applied in social innovation research as, for instance, the growing body of literature on IPR and appropriability regimes (e.g. Laursen & Salter, 2014; Veer, Lorenz & Blind, 2013) seems to be of limited relevance to research on social innovation. The geographical focus of this study is Germany. The Social Impact gGmbH, a platform for social entrepreneurs, freelancers and companies working in all aspects of social entrepreneurship, is located in several cities throughout Germany, and the

interviews were conducted with the respective lab manager in Frankfurt and Leipzig. Quartiermeister e. V., a social beer initiative, is headquartered in Berlin and the interview was conducted with one of the chief executives in Berlin.

Extending the scope of the OI framework has both implications for future research and our social environment. In theoretical terms, this extension sheds light on yet another field of application of OI practices. It again shows that the former paradigm of closed innovation is not sufficient enough to thoroughly depict innovation activities of firms and organizations, especially in such a dynamic environment as nowadays. A wider recognition and adoption of such principles may reshape our understanding of innovation management, which is especially relevant considering the fact that leading scholars regard classic (closed) innovation management as obsolete (Meyer, 2015). Furthermore, the subject matter of social innovation and entrepreneurship benefits from more academic research since it is still a very fragmented area of study.

From a more practical perspective, exploring OI principles in the domain of social entrepreneurship may possibly help practitioners active in the field to overcome common barriers and scale up their activities, which is an important step towards long-term systemic social change. The Social Innovation Council at the World Economic Forum in 2013 discussed the challenging question of how social innovation can generate impact and came to the conclusion that 'social entrepreneurs, companies, institutions, NGOs and the public sector need to scale up their operations' (Chesbrough & Di Minin, 2014, p.187), whereby collaboration is an exceptionally important factor. On top of this, new insights within this field should help policy makers to improve current policies and regulations in the area of social entrepreneurship by actively encouraging collaboration and partnerships across various sectors.

The structure of this thesis will be as follows: Firstly, a thorough literature review will be the starting point in order to shed light on the underlying themes of the stated problem. This review will be followed by a detailed characterization of the methodological considerations which form the basis of this research. Afterwards, the two case organizations will be introduced in detail. Subsequently, the two cases will be

analyzed and discussed with regards to their activities and attitudes towards OI, resulting in a number of working propositions for further research. Finally, conclusions and implications will be drawn; and both limitations and related future research directions will be pointed out.

2   LITERATURE REVIEW & STATE OF THE ART

This chapter will give an overview about relevant topics and themes that are related to the subject area, in order to explore the stated problem from a scholarly perspective. Within this review, the focus is on different sub-topics. First, existing literature on OI in general will be screened, including its basic principles and with a particular focus on its application in small- and medium-sized enterprises as such micro-sized firms are believed to display more similar structures and behaviors to social entrepreneurship activities than high-tech multinational enterprises. Furthermore, the role of intermediary functions will be reviewed and presented in further detail. This will be followed by an analysis of existing literature on social innovation and specifically social entrepreneurship. Finally, emerging research efforts about the phenomenon of open social innovation will be summarized.

2.1   OPEN INNOVATION

Networked and collaborative innovation strategies have gained momentum within the last decade, which resulted in a considerable amount of academic literature that has been published on the topic of OI. This chapter will introduce the topic from different angles and summarize relevant scholarly findings.

2.1.1   DEFINITION AND MAIN PRINCIPLES

The basic idea behind the notion of OI is that firms should look and operate beyond their immediate boundaries and take knowledge flows from both inside and outside into account during the innovation process. This field of study has already been approached from different angles by a large number of scholars. In spite of a considerable amount of research, conceptual ambiguity still prevails since OI serves as an umbrella term for all kinds of collaboration modes (Huizingh, 2011). Related to this, it must be noted that the two concepts of closed and open innovation should not be

considered a dichotomy, but rather 'a continuum with varying degrees of openness' (Huizingh, 2011, p.3).

RAISON D'ÊTRE

In a review done by Dahlander and Gann (2010), it is expressly pointed out that, although Henry Chesbrough is considered the founding father of OI, there has always been some extent of openness in innovation and Chesbrough has simply sparked a renewed interest into the topic. As an example, the authors mention the commercial development of electric lighting (e.g. Hargadon, 2003). Furthermore, they provide a systematic content analysis of previous research on the topic and propose a detailed classification of the OI paradigm into four different types of openness by combining inbound and outbound processes with pecuniary and non-pecuniary motivations. Thereby, they come up with the following types: acquiring, sourcing, selling and revealing. On top of those categorization endeavors, the authors also discuss the raison d'être of OI, thereby specifically emphasizing the role of changing work patterns; globalization; market mechanisms such as improved appropriability and financing regimes; and the important role of ICT in facilitating communication and collaboration across the globe (Dahlander & Gann, 2010). ICT and the internet have provided a particularly important contribution towards the rise of decentralized and collaborative strategies as it is argued that the concept of OI 'has taken on a wider meaning and application thanks to the advent of the internet which has enabled large numbers of people to interact and participate at a relatively low cost' (SIX, n.d. a).

Regarding the same topic, Chesbrough, Vanhaverbeke, Bakici and Lopez (2011) designed a policy paper for the European Union, wherein they deal with the drivers of open strategies and structures in depth. They present similar findings and argue that OI has primarily gained momentum within the last decade due to five distinct reasons. These are an 'increasing mobility of trained engineers and scientists; increasing importance of venture capital; greater dissemination of knowledge throughout the world; increased quality of university research; and increased rivalry between companies in their product markets' (Chesbrough et al., 2011, p.6).

Van de Vrande, de Jong, Vanhaverbeke and de Rochemont (2009) come to similar conclusions concerning the motives of adopting the open paradigm and argue

that 'many firms started to implement open innovation as a necessary organizational adaptation to changes in the environment' (van de Vrande et al., 2009, p.426). Such being the case, companies can simply not afford to follow a closed paradigm anymore in a world that is characterized along those dynamics.

MOST RECENT DEFINITION

The focal point of research on the OI paradigm thus far has been large firms and multinationals, whereby Procter & Gamble's Connect + Develop program is probably one of the most-cited examples (e.g. Huston & Sakkab, 2006; Albers & Ili, 2010). In recent years, there have been increasing efforts to expand the paradigm to other contexts, for instance to small- and medium-sized enterprises (Van de Vrande et al., 2009). West et al. (2014) approve of these developments and propose that it should be expanded to even more new contexts, such as the not for profit sector, since the authors believe that 'as a relatively new field of research, open innovation provides rich possibilities for new, fundamental discoveries, including empirical and theoretical developments in openness' (West et al., 2014, p.810). Following these developments, the most recent definition is formulated as follows: 'We define open innovation as a distributed innovation process based on purposively managed knowledge flows across organizational boundaries, using pecuniary and non-pecuniary mechanisms in line with each organization's business model' (Chesbrough & Bogers, 2014, p.24). This definition is relatively all-inclusive, and the consequential conceptual ambiguity is hindering scholars to generate more systematic studies (Dahlander & Gann, 2010).

MAIN PRINCIPLES

The prevalence of such a broad definition entails that OI is used as an umbrella term for all kinds of mechanisms, processes and tools for leveraging internal and external knowledge sources. Based on the assumption that valuable knowledge is widely distributed, Enkel and Gassmann (2004) propose three core types of open innovation, namely outside-in processes, inside-out knowledge flows and a coupled type combining the two former. In order to put these three archetypical OI processes into practice, several mechanisms and tools are available. Regarding the outside-in type, these tools and mechanisms include an extensive use of networks and collaborative partnerships with a wide range of stakeholders such as suppliers, universities and intermediaries; the involvement of users in the innovation process;

and broadcast searching activities via crowdsourcing; whereas the inside-out type involves, for instance, out-licensing or donating of previously unused intellectual property, spin-outs and corporate venture capital (Chesbrough & Bogers, 2014). Yet, research has demonstrated that most enterprises tend to primarily make use of outside-in tactics and pay less attention to the inside-out type of OI (West & Bogers, 2013).

Additionally, West and Gallagher (2005) point towards the application of open source as an OI strategy. Open source has its origin in the software industry and signifies the shared rights to use and collaborative development and refinement of a product. Interestingly, the authors argue that open source can only be considered an OI strategy if there is a viable business model on how to capture value from the open source project. Hence, West and Gallagher (2005) argue that open source projects that are 'run for non-pecuniary motivations' (p. 28) cannot be considered OI. Yet, this conjecture is debatable since Chesbrough and Bogers (2014) purposely extended the initial definition of OI to include 'non-pecuniary mechanisms' (p.24).

OPTIMAL DEGREE OF OPENNESS

When reflecting about OI principles, possible shortcomings of being too open also need to be taken into account. Indeed, prior research has found that there is an optimal degree of openness, meaning that not all activities are necessarily beneficial as too much openness might hurt (Veer et al., 2013). Laursen and Salter (2006) have done research with regards to the effectiveness of OI and found that there is a nonlinear relationship between open innovation and performance. Huizingh (2011), therefore, suggests that a contingency approach is needed. Following this, Drechsler and Natter (2012) propose that the optimal degree of openness revolves around four main contextual themes, namely scarcity of resources, a firm's innovation strategy and appropriability regime, and market dynamics.

2.1.2 OPEN INNOVATION IN SMALL AND MEDIUM-SIZED ENTERPRISES

In line with this contingency approach, it should also be a worthwhile effort to shed light on OI dynamics in small- and medium-sized enterprises. This might lead to interesting insights that are also relevant to organizations active in the field of social entrepreneurship since such organizations do normally not have the size of a

multinational enterprise. Thus, it should be valuable to examine how OI principles are deployed on a smaller scale.

Van de Vrande et al. (2009) surveyed 605 SMEs in the Netherlands and their attitude towards open innovation principles and found that there is an evident trend towards the open paradigm in this context as well. Accordingly, they argue that 'the open model is present and increasingly applied in the whole economy' (van de Vrande et al., 2009, p.436), but they emphasize that research into this direction is still in its infant stages. In their exploratory article, the authors mainly describe the motives and barriers of SMEs in the OI context. A comprehensive review about barriers and challenges towards OI can be found in chapter 2.1.3.

MARKET-RELATED MOTIVES

With regards to the motives of adopting OI principles in the SME context, van de Vrande et al. (2009) argue that market-related motives as in keeping up with recent market developments and meeting customer demands are the primary drivers behind employing OI principles, while other motives such as control, costs, focus and capacity are found to be of less relevance. This observation is explained by the conjecture that 'the main problem of small enterprises is not so much invention but commercialization (Van de Vrande et al., 2009, p.435), whereby cooperation is believed to facilitate the latter. Within their research, it becomes apparent that user innovation seems to be the most important OI dynamic that SMEs pursue. Additionally, external networking is found to be another relevant avenue for SMEs, whereas more advanced principles such as IP licensing or venturing activities are only pursued by a few, which is explained by the fact that involving customers and conducting extensive networking are less costly efforts than more formal licensing activities (Van de Vrande et al., 2009). All in all, the authors argue that small enterprises are generally more prone to collaboration due to a lack of resources.

FOCUS ON CORE COMPETENCIES

Investigating the NPD process of SMEs in the medical devices sector, Pullen, de Weerd-Nederhof, Groen and Fisscher (2012) also make a case for collaborative efforts. Accordingly, the authors suggest that there is an evident need to establish extensive networks of inter-organizational relationships in such a way as to enable SMEs to focus

on their core competencies, while making use of external sources in areas where they lack expertise.

Lee, Park, Yoon and Park (2010) also carried out research about OI in SMEs, but put their focus on barriers of innovation in SMEs and how those could possibly be surmounted by applying open innovation principles. The authors contend that SMEs are usually not able to fully handle this by themselves and, therefore, suggest the input of an intermediary to facilitate innovation in general and open strategies in particular. Details on the role of intermediaries in the area of OI will be reviewed in chapter 2.1.4. Moreover, in accordance with van de Vrande et al. 's findings (2009), Lee et al. (2010) also observed in their research that SMEs mainly use OI principles in the commercialization stage of their offerings, suggesting that open principles can have different effects in different stages of the innovation process. The fact that pursuing open approaches can be of relevance in different stages of the innovation process is also supported by Chesbrough and Bogers (2014). They contend that open and collaborative strategies can nowadays be found in both upstream and downstream activities across the whole innovation process, thereby highlighting the inclusion of all kinds of functional areas.

2.1.3 CHALLENGES TOWARDS OPEN INNOVATION

As depicted, there is an overt trend towards the application of more open strategies and approaches in a variety of industries and contexts. Yet, the implementation of such practices also entails certain risks and barriers. An overview of common challenges will be presented in the following part.

ABSORPTIVE CAPACITY

An important concept that has been put into relation with OI by a variety of scholars is absorptive capacity (e.g. Spithoven, Clarysse & Knockaert, 2011; West & Bogers, 2014; Huizingh, 2011). Already in 1990, Cohen and Levinthal recognized this relation by emphasizing the dual role of R&D. In line with this, it is argued that R&D is both necessary 'to develop new internally and to create the absorptive capacity to track and evaluate developments outside the firm's boundaries' (Dahlander & Gann, 2010, p.701). This dual role underlines that being active in R&D and opening up

towards external ideas are not necessarily substitutes but complements towards each other. Accordingly, Huizingh (2011) calls absorptive capacity 'an important prerequisite for open innovation' (p.6). At the same time, this means that companies who have not developed sufficient absorptive capacity are not well positioned to implement and tap the full potential of OI dynamics. This conjecture is supported by the findings of Hung and Chou (2013) who examined the moderating effect of internal R&D efforts on the relation between OI principles and firm performance. Surveying 176 Taiwanese high tech manufacturing firms, the authors conclude that internal R&D positively moderates this relation. Research by Kokshagina, Le Masson, Kazakci & Bories (2015), however, suggests that the input of an intermediary function might counter-balance a lack of absorptive capacity. Details on the role of intermediaries in the area of OI will be reviewed in chapter 2.1.4.

EMPLOYEE SYNDROMES

Burcharth, Knudsen and Søndergaard (2014) specifically deal with employee behaviors and attitudes in the light of OI and find that a company's employees can indeed be a major hampering factor in pursuing a more open approach. The authors surveyed 331 Danish manufacturing firms and found that these intra-organizational issues come in two different forms, namely the not-invented-here (NIH) and not-shared-here (NSH) syndrome. The NIH syndrome is mainly a stumbling block towards inbound OI practices, whereas the NSH syndrome is primarily counterproductive towards outbound OI activities. Other scholars such as Lichtenthaler and Ernst (2006) and Chesbrough and Crowther (2006) have found similar tendencies in the way that employees feel about open approaches. However, there is no common denomination to these prominent phenomena since Lichtenthaler and Ernst (2006) refer to negative attitudes towards external technology exploitation activities as the 'only-used-here (OUH) syndrome' (p.372). Yet, no matter how these attitudes are labeled, Burcharth et al. (2014) have found that this resistance on the part of the employees can be counteracted by providing professional training and competence building programs. Hence, although those two syndromes 'have been identified as crucial attitudes to knowledge in the context of Open Innovation' (Burcharth et al., 2014, p.150), there are ways and means to legitimize and facilitate the internal adoption of OI principles.

Laursen and Salter (2014) point towards yet another challenge considering OI mechanisms, namely a phenomenon which they call the paradox of openness. According to the two authors, this paradox evolves because 'the creation of innovations often requires openness, but the commercialization of innovations requires protection' (Laursen & Salter, 2014, p.867). In order to test their assumptions, they conducted an econometric analysis, from which they found a concave relationship between a firm's breadth of external search and formal collaboration mechanisms and the strength of its appropriability regime. Therefore, Laursen and Salter (2014) conclude that the interplay of opening up and capturing value from this approach is indeed challenging, which entails that 'appropriating the benefits deriving from an [open] innovation requires considerable managerial attention and effort' (p. 868).

Chalmers (2011) perceives similar managerial and organizational challenges and argues that there is a need for internal adaptation and reorganization efforts in order to adjust to a more open and external outlook. An organization cannot simply act more open without adjusting internal dynamics that had previously been designed for a more closed way of working. Furthermore, the author mentions three additional challenges related to the adoption of OI practices, namely timing problems, attention allocation problems and the possibility of over-searching, which is due to 'a tipping point after which search activities become subject to diminishing returns' (Chalmers, 2011, p.9). This conjecture corresponds with the findings of Laursen and Salter (2006) and Veer et al. (2013) concerning a certain optimal degree of openness.

SIZE AND CULTURAL DIFFERENCES

Apart from intra- and inter-organizational challenges that firms might face in the context of OI, the actual size of a company is already a decisive factor. Van de Vrande et al. (2009) suggest that implementing OI dynamics is more feasible for larger-scale organisations since 'these firms dispose of the required scale and resources to organize a broader range of innovation activities' (p.435). Their study explicitly examined challenges that SMEs face in the context of OI. The results of their research indicate that 'the various forms of proximity that are essential for effective collaboration... [which] include cognitive, organizational, cultural and institutional

differences between collaboration partners' (p.427) constitute the main barriers to the successful adoption of OI principles within SMEs. Yet, the authors expressly emphasize that generalizations across the whole OI landscape are hardly possible since opening up comprises a very diverse set of practices and every single OI practice is related to its own particular shortcomings and difficulties (van de Vrande et al., 2009).

2.1.4 [OPEN] INNOVATION INTERMEDIARIES

Innovation intermediaries have become a relevant player in the implementation of innovation processes and strategies in general, and within OI in particular since many firms face immense issues in implementing and practicing OI mechanisms themselves.

Yet, there is an ongoing debate about what constitutes an innovation intermediary and which kind of activities are part of this intermediary role. Chesbrough (2012), therefore, calls it a 'cottage industry' (para.15), characterized by a lot of entry and experimentation. Within the domain of OI, the operations of intermediaries have mainly started in the form of crowdsourcing. Prominent examples are online platforms such as InnoCentive or NineSigma. Today, however, the array of operations has become larger and more diverse. Chesbrough (2012) himself admits that he had underestimated in the past how difficult it can be to implement OI: 'It isn't simply changing the rules of your purchasing department, it isn't even just changing the incentives for your R&D organization…it really affects many parts of your organization in a pretty systemic way' (para.5). Hence, there is need for support, which extends the demand for intermediary functions in both large and small enterprises (Bakici, 2013).

DEFINITION

Howells (2006) put forward a broad definition that tries to capture the heterogeneous types of activities that innovation intermediaries are fulfilling by describing an intermediary as 'an organization or body that acts as an agent or broker on any aspect of the innovation process between two or more parties' (p.720). Relating to this quite encompassing definition, Vanhaverbeke and Lopez-Vega (2010) point towards the fact that also 'less publicized forms such as incubators, innovation agencies and science and technology parks' (para.1) can be considered innovation intermediaries.

In order to specify the role of an intermediary for SMEs in greater detail, Lee et al. (2010) propose three distinct activities in facilitating innovation strategies, namely support in the network construction stage, in establishing a proper network database and in fostering the actual collaboration process (Lee et al., 2010). Gaboardi (2011) also examined how innovation intermediaries might be able to help facilitating OI in SMEs and came to the conclusion that the employment of innovation intermediaries is indeed very useful for SMEs due to a lack of internal resources. Even more, the author found that the input of an intermediary function should in fact be valuable in all phases of the innovation process (Gaboardi, 2011) to allow for a more structured approach.

In their paper on civic OI, Almirall, Lee and Majchrzak (2014) explore the OI strategies of cities throughout the US and Europe and find a wide range of methods that those cities use to organize external sources. One important set of actors they found to be relevant also in the public context are innovation intermediaries. Almirall et al. (2014) ascertain that there is a broad range of application areas in which innovation intermediaries are active in order to foster innovation. These activities comprise managing and accelerating projects, connecting collaborators, providing structure and governance, recruiting and maintaining a community of relevant players and overall acting as change agents in organizational structures of cities (Almirall et al., 2014).

CHALLENGES AND LIMITATIONS

Huizingh (2011) is also supportive of the introduction of an intermediary role to facilitate networking and collaboration, while Sieg et al. (2010) caution against the increased management challenges related to such a concept. In line with this, Bakici (2013) argues that this 'will create a need for new positions and roles within organizations…, who will keep its community alive and engaged' (p.141). In addition to these management challenges, Hossain (2012) criticizes that previous literature does not report of any failure cases of intermediaries since 'in absence of necessary established evidence, it is impossible to understand the benefits, mechanisms, opportunities and limitations of the intermediary market' (p.761).

Apart from the lack of comprehensive studies concerning challenges and failure related to innovation intermediaries, Bakici (2013) brings forward the argument that also research about the set of activities is all but comprehensive so far and 'remains fairly open…due to their novelty and the continuous appearance of new proposals' (p.57). Furthermore, the author contends that this ongoing development of intermediary functions will most probably not end in the near future, but become even more important in the long term (Bakici, 2013).

As it is evident that intermediaries have become a relevant actor in the (open) innovation landscape, especially for micro-sized firms, it will be interesting to see whether such intermediary functions are also prevalent in the area of social entrepreneurship and how such dynamics play out in the social realm.

2.2 SOCIAL INNOVATION & SOCIAL ENTREPRENEURSHIP

As suggested by e.g. Nambisan, Siegel and Kenney (2015), another possible application field of the open paradigm is social innovation. Yet, from an academic perspective, the concept of social innovation is being highly critically judged and its raison d'être is called into question since 'some analysts consider social innovation no more than a buzz word or passing fad that is too vague to be usefully applied to academic scholarship… [while others] see significant value in the concept of social innovation because it identifies a critical type of innovation' (Pol & Ville, 2009, p.2). Pol and Ville (2009) claim that the distinction between business and social innovations is indeed important since this division accentuates that there are many innovations whose primary purpose is not on profit maximization. At the same time, the authors also emphasize that the two types might certainly overlap in some cases, pointing towards the existence of 'bifocal innovations' (Pol & Ville, 2009, p.21). Cunha & Benneworth (2014) are equally in favor of distinguishing between business and social innovation, especially in a free market economy, as 'social innovation does not necessarily generate the sorts of products and services that are always of interest to the market' (Social Innovation section, para.4).

An important avenue through which social innovation is increasingly promoted nowadays is social entrepreneurship. While social innovation can rather be considered an outcome, social entrepreneurship can be understood as one important way to

achieve this outcome. Yet, it needs to be mentioned that not all socially entrepreneurial endeavors result in social innovation, but merely sustain the current status quo. Still, this thesis chose social entrepreneurship as the focal point of research with regards to social innovation since it represents a more tangible way to approach this subject area. This focusing is in line with Cunha and Benneworth's (2014) observation that social innovation is an even broader and more inclusive concept than social entrepreneurship, which makes it even more difficult to be examined. Hence, the notion of social entrepreneurship will be discussed in the following part of the thesis.

2.2.1 DEFINING SOCIAL ENTREPRENEURSHIP

This study specifically focuses on social entrepreneurship as one important domain in social innovation research. This approach follows Chalmer's (2012) observation that 'the locus of social innovation has shifted radically over the past 60 years, from a predominantly centralized state-led approach encompassing innovations such as nationwide health care systems towards a locally devolved patchwork of civil society organizations providing customized solutions to niche problems' (p.17). Groot and Dankbaar (2014) also report on a tendency towards more devolved activities in the realm of social innovation, and regard such decentralized endeavors as 'complementary and sometimes corrective to changes in public arrangements, but also as a source of inspiration, experimentation and a catalyst for change, forcing the public as well as private actors to change their behavior' (p.17). What is more, it is argued that these devolved civil society organizations increasingly make use of entrepreneurial and market-based strategies to address social problems (Chalmers, 2011). It needs to be mentioned that such developments in public welfare provision naturally differ per country. For the German context, on which this study focuses, Zimmer and Bräuer (2014) argue that an intensified discourse on social entrepreneurship in Germany has emerged because of 'the need to economize the welfare provision due to the budget cuts in the late 1980s and 1990s' (p.14). Accordingly, social entrepreneurship is the focal area of application in this study.

The concept of social entrepreneurship, however, is still in its infant stages. It has made its way into academic research, but the focus has so far been on clarifying the concept and coming up with a generally accepted definition. These definitional

endeavors have not resulted in any consensus yet as the scholarly community has a wide-ranging understanding of what social entrepreneurship actually means. The following part will give an overview about this discussion, concluding with a working definition of social entrepreneurship for this thesis.

PREFIX "SOCIAL"

In their attempt to differentiate social entrepreneurship from other related concepts, Groot and Dankbaar (2014) investigated the characteristics of 20 Dutch enterprises that are generally regarded as "social" and concluded that 'there are many different definitions of social entrepreneurship, but they all concentrate on entrepreneurial action with social intentions' (p.17). However, they persist that almost every entrepreneurial action does somehow result in some form of social innovation, be it unintended or not. That is why the authors suggest that the prefix social should not be deployed as an adjective to entrepreneurship, but instead be considered 'a dimension of the results of entrepreneurial action' (Groot & Dankbaar, 2014, p.24).

ESSENTIALLY CONTESTED CONCEPT

Choi and Majumdar (2014) acknowledge that there is a wide range of definitions of social entrepreneurship. Yet, instead of providing just another definition that reflects their own understanding, the authors suggest that social entrepreneurship should be considered an essentially contested concept following Walter Bryce Gallie's seven conditions of essentially contested concepts from 1956. The two authors analyzed whether the concept of social entrepreneurship in fact fulfills all seven conditions (appraisiveness, internal complexity, various describability, openness, aggressive and defensive uses, original exemplar and progressive competition) and came to the conclusion that it certainly does. Universal definitions of essentially contested concepts are barely achievable and, even more, inadequate (Choi & Majumdar, 2014). Recognizing this, the authors propose to regard social entrepreneurship as a cluster concept, which includes a set of sub-concepts such as social value creation, the social entrepreneur and market orientation, among others. The two scholars suggest that 'conceptualizing social entrepreneurship as a cluster concept enables researchers to state their specific understanding of the concept, provides a basis for developing social entrepreneurship ideal-types and can further serve as a broad research agenda for the field' (Choi & Majumdar, 2014, p.364).

Following a similar approach to the cluster conceptualization of Choi and Majumdar (2014), Peredo and McLean (2006) determine social entrepreneurship as a 'multidimensional construct that is formed by the intersection of a number of defining characteristics' (p.59). In addition, the authors claim that within social entrepreneurship, the boundaries between the public, non-profit and private sector get blended, which leads them to depict social entrepreneurship as an untidy concept, whereby 'its untidiness has been argued to be a reflection of the way the world is' (p.64).

SOCIAL VS. COMMERCIAL ENTREPRENEURSHIP

Austin, Stevenson and Wei-Skillern (2006) try to come to terms regarding a definition of social entrepreneurship by analyzing social and commercial entrepreneurship in comparison along different issues such as resource availability, financing and legal form. The authors emphasize that it is important to think of the distinction not as dichotomous but as a continuum. Along these lines, they highlight that there is a 'significant heterogeneity in the types of activity that can fall under the social entrepreneurship rubric' (Austin et al., 2006, p.3). The common denominator across those types is their primary goal of social value creation, whereby the legal form should not be a defining characteristic since 'it can be pursued through various vehicles [and] examples of social entrepreneurship can be found within or can span the nonprofit, business or governmental sectors' (Austin et al., 2006, p.2).

TYPOLOGY

Zahra, Gedajlovic, Neubaum and Shulman (2009) put the argument forward that it is primarily difficult to define the concept of social entrepreneurship because 'the term itself combines two ambiguous words connoting different things to different people [whereby] disagreements persist about the domain of entrepreneurship and adding the value-laden prefix social further exacerbates this definitional debate' (p.520). Thus, the authors concede from the outset that there are indeed many different activities and processes that constitute social entrepreneurship. That is why they take yet another approach to uncover the meaning of the concept by establishing a typology of different types of social entrepreneurs. They come up with three different types (Social Bricoleur, Social Constructionist and Social Engineer), which

differ in their search processes, i.e. in how they actually discover social needs, in how they pursue social opportunities and in the way they impact the broader social system (Zahra et al., 2009).

CONTEXT-DEPENDENCY

Another aspect that makes it further difficult to find a consensual definition of social entrepreneurship is the fact that it is very much context-dependent. In line with this, Cunha and Benneworth (2014) emphasize that 'local embeddedness, sociocultural and historical contexts and changing environmental circumstances emerge as key features of social entrepreneurship', thereby highlighting 'the importance of the engagement of the social entrepreneur with the community for the success of the social venture' (Social Entrepreneurship section, para.10).

LACK OF METRICS

One major issue that several scholars (e.g. Austin et al, 2006; Certo & Miller, 2008, Zahra et al., 2009) mention as a major obstacle in establishing a common understanding of the concept of social entrepreneurship and thereby promoting its legitimacy in academic research is the lack of proper metrics and performance measurement. The consequences of this lack of appropriate measurement mechanisms are at least twofold according to Zahra et al. (2009): 'The absence of such standards along with the vagueness of the social prefix creates a situation where just about any venture could be considered social entrepreneurship... [and] further, without such metrics, attempts to hold practitioners of social entrepreneurship accountable for their performance will be ineffective' (p.522).

Taking this discussion into account, this thesis acknowledges the multidimensional nature of the concept and considers social entrepreneurship basically as entrepreneurial action towards the intentional primary goal of social value creation. Following this, the role of economic goals is of secondary priority, mainly as a means to an end in order to keep the social venture viable.

In order to enhance this discussion, the interviewees of the underlying cases were specifically asked for their understanding of this terrain.

2.2.2 BARRIERS TOWARDS SOCIAL ENDEAVOURS

In addition to efforts of making the concept of social entrepreneurship less ambiguous, scholars have primarily focused on identifying barriers towards innovation in that field (e.g. Jankel, 2011; Chalmers, 2012, Austin et al., 2006).

BOUNDARY-SPANNING NATURE

Drawing from a range of empirical studies, Chalmers (2012) identified some common barriers faced by organizations that are active in tackling social deficiencies. These barriers hinder social innovators to exploit the full potential of their endeavors. The main themes that the author has found to be relevant are protectionism and risk aversion, problem complexity, and networks and collaboration (Chalmers, 2012). In terms of problem complexity, it is argued that the multifaceted nature of most social problems exacerbates the innovation process as 'social innovations often span boundaries and do not neatly fit into a single category' (Chalmers, 2012, p.22). This boundary-spanning nature is closely connected to barriers in network construction since it makes it more difficult to identify appropriate network partners.

MYOPIC SEARCH BEHAVIOR

Furthermore, Chalmers (2012) points to the importance of networks in growing and scaling up for social enterprises. Thereby, he explicitly expresses the need for diverse networks, since previous research has observed that 'if social innovators identify too strongly as social innovators and develop strong ties to other social innovators at the expense of more diverse and distributed groups, the innovation process may be starved of new knowledge and capabilities' (Chalmers, 2012, p.26). In order to counteract these barriers, Chalmers (2012) proposes to turn attention towards OI principles. This will be elaborated on in chapter 2.3.

RESOURCE CHALLENGES

Austin et al. (2006) offer a comparative analysis of commercial and social entrepreneurship, whereby various barriers in the area of social entrepreneurship become evident. A major obstacle is resource mobilization. This includes financial, material as well as human resources. The fact that 'social entrepreneurs cannot readily switch products or markets because the capacity to motivate and attract people and funding is tied to the specific social problem or need being addressed' (Austin et al.,

2006, p.12) makes the situation even more complicated. Similar to Chalmers (2013), Austin et al. (2006) expressly mention the importance of networks to leverage outside resources. For the purpose of building and managing this network, a certain 'resourcefulness…[and] political and relationship skills' are indispensable, because 'such a large portion of the resources they rely upon for success are outside of their direct control' (Austin et al., 2006, p.12). Furthermore, due to the complex nature of social endeavors, Austin et al. (2006) contend that yet another barrier may arise, namely that the 'social entrepreneur becomes increasingly focused on organizational interests as a means to achieve social impact rather than on social impact itself' (p.16).

Certo and Miller (2008) see a lack of resources also as one of the biggest obstacles for social endeavors. Firstly, it is argued that without a proper amount of financial resources, it is difficult to attract the best talent on the market as the rate of pay is usually lower in this sector and secondly, the mobilization of financial resources and investors is an equally difficult task 'without the allure of potential returns' (Certo & Miller, 2008, p.269). The financial market in this domain is by far not as advanced as in the commercial area, but there are some philanthropic venture capital firms such as Ashoka. Information about their decision rules, however, is scarce (Certo & Miller, 2008).

ECONOMIC PERSPECTIVE

Pol and Ville (2008) take a more economic perspective by arguing that 'the free market economy will not produce the socially optimal amount of pure social innovations…, [since] no individual has a sufficient incentive to pursue them' (p.10). Therefore, the two authors call for the government to become active in compensating this apparent market failure (Pol & Ville, 2008).

OPPOSING VALUES AND MEASUREMENT

Zahra et al. (2009) take yet another perspective on barriers towards successful social entrepreneurship. They suggest that ethical challenges might be an impeding factor since 'some believe that social entrepreneurship represents a harmful marriage between opposing values' (Zahra et al., 2009, p.527). This, in turn, demands careful balancing of organizational interests.

Furthermore, the afore-mentioned lack of proper metrics and performance measurement is not only a hindering factor in establishing a common understanding of the concept, but it also impedes the proliferation and acceptance of social entrepreneurship in the legislative and political sphere (Hougaard, 2014).

2.3 OPEN SOCIAL INNOVATION

The next chapter will look at previous academic efforts in connecting the two notions of open and social innovation. There have merely been a few attempts to explicitly combine OI and social innovation research thus far. Referring to previous studies by Mulgan (2006), Murray, Caulier-Grice and Mulgan (2010) and Saul (2010), Chalmers (2011) comes to the conclusion that, although market-based approaches from the private sphere have been successfully applied to socially innovative endeavors in the past, 'the fields of social and open innovation have thus far remained somewhat distinct' (p.13).

OPENNESS AS SOLUTION TO COMMON BARRIERS

As a first step towards more combined efforts, Chalmers (2012) specifically proposes to make use of the open paradigm to overcome the afore-mentioned common barriers to social innovation. Chalmers (2012) makes several propositions on how open approaches to innovation might be of help to social and community based organizations. Among other things, he proposes that such organizations should make use of creative imitation, i.e. screening other contexts and industries for analogous problems and solutions and apply this knowledge to the social sphere, since this technique has already proven beneficial in other industries. Apart from that, another valuable step, that Chalmers (2012) suggests, is the integration of user knowledge, which should increase the acceptance and diffusion of socially innovative endeavors. Beyond that, broader knowledge searching activities and collaboration has proven to mitigate risks related to the introduction of new innovations and should, therefore, also be a valuable insight for social and community based organizations (Chalmers, 2012). What is more, the author believes that adopting such an open approach indicates a shift away from more traditional social innovation processes 'in that it repudiates the heroic individual approach to social innovation and identifies collaborative organizational structures and behaviors required to systematically tackle

social problems' (Chalmers, 2012, p.29). Yet, his paper remains on a conceptual level and the author particularly calls for more empirical work on the topic.

Austin et al. (2006) do not specifically refer to the combination of open and social innovation, but make a case for an increasing use of collaboration modes and networking in the social context. The authors argue that hardly any social issue can be solved by one organization alone. Furthermore, they propose that this is also not necessary since 'networking across organizational boundaries to create social value is a powerful strategy for social entrepreneurship because the objectives of creating social value do not require that value be captured within boundaries' (p.18).

DEFINITIONAL ENDEAVORS

The subject of open social innovation has also already been approached by Chesbrough himself. In accordance with Chalmer's (2012) observation, Chesbrough and Di Minin (2014) argue that 'research has focused primarily upon the private benefits of innovation, to consumers, to producers and to investors and the phenomenon of open innovation has also followed this path as prior research has tended to overlook its impact outside the private sector' (p.169). In order to ignite a debate on this topic, the authors examined three cases from the social and public sector by applying conventional open innovation principles to different stages of social innovation as proposed by NESTA and the Young Foundation (cf. Murray et al., 2010). In addition, they attempt to set a preliminary definition: 'We define Open Social Innovation to be the application of either inbound or outbound open innovation strategies, along with innovations in the associated business model of the organization, to social challenges' (Chesbrough & Di Minin, 2014, p.170). As a result of their research, the authors claim that the inside-out branch of open innovation is especially important in this context, suggesting that 'it could dramatically boost the impact of social change […], since communities of learning could emerge' (Chesbrough & Di Minin, 2014, p.186). Furthermore, it is suggested that organizations that are not active in the private sector are not confronted with the same levels of competition, which is why 'they can afford to be quite open about sharing successful methods and practices that have proven to be effective' (Chesbrough & Di Minin, 2014, p.186).

Another noteworthy endeavor in the emerging field of open social innovation is a study on civic OI by Almirall et al. (2014). Their study explored how six European and American cities make use of open principles and how those cities organize these external sources. The results of their study indicate that public entities such as the investigated cities increasingly make use of a variety of OI approaches, e.g. crowdsourcing and hackathons. Furthermore, the authors observed that this diverse set of open actions was organized with the help of a broad variety of actors, including intermediaries. On the one hand, Almirall et al. (2014) argued that such a diversity of actors truly pushed the open approach forward in contrast to more dyadic relationships that are rather common practice in the private sector, but, on the other hand, this mix of players also caused more management challenges due to varying needs and motivations.

QUADRUPLE HELIX MODEL

With regards to more open approaches to social innovation, the Quadruple Helix Model represents another interesting approach for innovation policies (Curley & Salmelin, 2013). Such a quadruple helix involves collaboration for innovation on behalf of the government, industry, academia and civil participants. Arnkil, Järvensivu, Koski and Piirainen (2010) have explored the quadruple helix model in depth and suggest that it is a broad innovation cooperation model, that 'represents a shift towards systemic, open and user-centric innovation policy…, [after] an era of linear, top-down, expert-driven development, production and services' (Introduction section, para.4). Such being the case, this model proposes an eco-system perspective to promote innovation. However, Arnkil et al. (2010) emphasize that applying the quadruple helix model is not only pertinent in producing social innovations, but 'these innovations can be anything that is considered useful for innovation cooperation partners, for example, technological, social, product, service, commercial, non-commercial, private-sector and public-sector innovations' (p.65).

OPEN SOURCE PERSPECTIVE

Aside from the already mentioned studies and articles, there is a group of French social innovators who explore the concept of open social innovation from yet another angle, namely from an open source perspective. They believe that the open

source logic can also be applied to the social sphere, suggesting that social practices should be shared and refined similar to open source software development (Ricaud, 2014). Along these lines, it is argued that socially innovative practices should follow principles similar to the four freedoms of libre software in that they should be made visible; reuse as well as copying should be allowed under a free license; and the practices should be improved by adapting them to local contexts and refining them by trials (Ricaud, 2014). This way, similar initiatives are supposed to be made aware of one another and possibly merged to improve and refine the respective endeavor. Thereby, knowledge sharing and transfer have been greatly facilitated by the advent of the internet. Yet, the promotion of free licenses outside of a software context remains difficult with 'copyright being the default legal system… [which is why] most of these shared "intellectual commons" remain labeled as "intellectual property"' (Ricaud, 2014, p.6).

The idea of relating the open source movement to social entrepreneurship has also been put forward by Clay and Paul (2012) who held a workshop with a mixed group of social entrepreneurs and experts from the open source community. The authors have called this workshop 'an exercise of cross-pollination' (Clay & Paul, 2012, p.17) to investigate the interaction between both communities. This experiment proved beneficial since Clay and Paul (2012) indicated that 'what social entrepreneurs came to learn was that open source or open innovation can be agile models for creating networks of influence that extend beyond any organization' (p.17).

It can be seen that there have been some first worthwhile thoughts and efforts with regards to open social innovation principles from a scholarly perspective. However, empirical work is still scarce. The following part of the thesis will investigate how such open dynamics play out in the German context by examining two case studies in detail.

3 METHODOLOGY

The next chapter elaborates on the explicit choices with regards to the research design, data collection procedures and the method of analysis that has been used to draw conclusions on the interaction between open and social innovation.

3.1 RESEARCH DESIGN

An exploratory case study strategy is taken to investigate the phenomenon of open social innovation. The study is of exploratory nature since the research subject has so far only been approached by very few scholars, who explicitly call for more empirical work on the subject matter (Chalmers, 2012; Chesbrough & Di Minin, 2014). Exploratory case studies are well-suited to shed light on areas of research that have not been studied in detail before since they have 'the potential to deepen our understanding of the research phenomenon' (Ghauri, 2003, p.4).

Moreover, this study follows an inductive research approach as the foundation is a set of empirical observations concerning the research topic, which are supposed to lead to a more general set of working propositions about the aggregated observations. Saunders, Lewis and Thornhill (2009) stress that such an approach is particularly appropriate when the purpose of the research is to 'understand better the nature of the problem' and to leave room for 'alternative explanations of what is going on' (p.126). In line with this, the study takes a qualitative approach since the research aims at recognizing subjective meanings and social phenomena regarding the topic of open social innovation by investigating two cases in depth.

Yin (1994) proposes that case study research is a promising methodology when 'a how or why question is being asked about a contemporary set of events over which the researcher has little or no control'. Ghauri (2003) emphasizes this contextuality as a notable strength of case studies. There are different types and modes of case studies. Embedded case study designs include different units of analysis, whereas holistic case studies concentrate on one unit of analysis (Yin, 2003). This thesis takes a multiple-case approach with two cases under examination. While the case about Quartiermeister takes the form of a holistic case study, the case about Social Impact follows an embedded case study approach since the different Social Impact Labs throughout Germany are investigated with a special focus on the labs in Leipzig and Frankfurt. The partly embedded case study design allows for a more comprehensive range of findings and increases trustworthiness.

The compilation of suitable cases was done in a purposive manner by searching for organisations active in the field of social entrepreneurship, which, for pragmatic

reasons, are ideally located in Germany. Saunders et al. (2009) recommend purposive sampling if a researcher 'wish[es] to select cases that are particularly informative' (p.237). From the initial list of possible cases, Quartiermeister e. V. and Social Impact gGmbH were shortlisted as they are both active in the domain of social entrepreneurship but still have highly different organizational models, which possibly yields a broader range of revelatory findings concerning the open innovation principles applied. Furthermore, the combination of these two cases is particularly interesting since Quartiermeister itself has taken part in the support program of Social Impact in 2012. Two different cases were examined, because investigating multiple cases serves the purpose of exploring different dimensions of the subject area and reflecting broader experiences. Besides, this decision follows Yin's (2009) argumentation that 'the analytic benefits from having two (or more) cases may be substantial' (p.61). A detailed description of their respective undertakings can be found in chapter 4.

3.2 DATA COLLECTION

The foundation of the study is a thorough literature review to explore the underlying themes and theoretically discuss the chosen subject area of open social innovation. Bryman and Bell (2015) argue that a narrative review of the literature, instead of a highly systematic review, is better suited for qualitative studies that follow an exploratory inductive approach since in this way 'researchers may discover issues that they did not previously anticipate as likely to be important to their area of study' (p.110). In line with the afore-mentioned research design, this study follows a narrative literature review approach in order to not overlook any revelatory themes and issues due to overly restricted literature search procedures in terms of very specific key words, a restricted time scope and specific journal selection. This exploration and review of relevant themes and issues concerning the research topic is at the same time the basis of the descriptive framework on which the ensuing data analysis rests upon.

For the empirical part of the study, the case study methodology was chosen. In his textbook about case study research, Yin (2009) recommends six different sources of information that are important to consider while doing research for a case study, namely documents, interviews, archival records, participant observation, direct observation and physical artifacts. Out of these, particular attention is being paid within this research to semi-structured interviews with the two organizations under

scrutiny and the study of published data and documents throughout newspapers and the internet. This combination of primary and secondary data is supposed to explore the cases in greater depth and detail, whereby the collected secondary data is especially relevant for providing contextual data for the interview findings and for triangulating the aggregated evidence. In line with this, Ghauri (2003) argues that 'documents tend to be rich and have a lot to offer to the researcher both in pre-interview and post-interview situations' (p.9). Furthermore, the application of secondary data adds a longitudinal element to the study, while the interviews represent a more cross-sectional approach.

In detail, three personal interviews were conducted, while six additional video/audio interviews with the founders of the two case organizations have been found online (ALEX Berlin, 2014; NewCITYzens, 2011; enormTV, 2011; Rbb-online.de, 2015; Moser, n.d.; Engert, 2015). Furthermore, the internet was screened for newspaper and blog articles about the two cases. Two search engines have been used to find relevant published information and articles, namely Google Search Engine and Million Short, which is a search engine that explicitly discovers sites which do not make it to the top of the result list of more popular search engines such as Google. By combining these two search engines, a greater variety of search results was supposed to be achieved. While conducting this desk research, various search terms and combinations have been applied, which eventually resulted in the six additional online interviews and 59 pertinent newspaper and blog articles in total.

By using several different sources of information, the cases become richer and multi-facetted. Yet, this also requires very careful collection and analysis of the evidence. Rowley (2002) suggests three key principles in collecting evidence, namely triangulating the evidence; establishing a thorough case study database of the evidence gathered, including notes, documents and interview transcripts; and maintaining a consistent chain of evidence. These combined principles are supposed to strengthen the reliability and authenticity of the collected data. In this respect, Ghauri (2003) suggests that common reliability and validity measures are not as easily applicable in qualitative research as in quantitative types of research. Instead, he proposes to use the terms authenticity or credibility as evaluation indicators as 'the

idea is to present an "authentic" understanding of people's experience' (Ghauri, 2003, p.10).

The personal interviews were conducted in a semi-structured manner with three representatives in the field of social entrepreneurship. For the case about Quartiermeister, the business manager Peter Eckert was interviewed. For the Social Impact case, the respective lab managers from Leipzig and Frankfurt, Marcus Bittner and Nils Hafa, were interviewed. Since all interviewees hold a high position in their respective organizations, it is believed that they have a comprehensive overview concerning the attitude and activities of the two cases. All interviewees agreed for the interviews to be recorded. This was helpful for several reasons. Firstly, it facilitated the conversation flow because the interviewer was not distracted by taking meticulous notes; and secondly, it was conducive to the following analysis as the transcribed data could be revisited at any time to ensure an accurate rendition of the interview content. The interviews were conducted in a semi-structured way since this enabled a more open-ended discussion, which left room for unsuspected findings.

A guideline was prepared in advance to provide a certain structure for the completion of the interviews and increase comparability across the cases. Moreover, this guideline was tested beforehand with someone, who is familiar with the subject area but not part of one of the case organizations, in order to prove and ensure the quality and comprehensibility of the guiding questions. The interview guide (see appendix) was prepared on the basis of the literature review and consists of five major parts. The first building block is concerned with definitional issues with regards to social innovation and social entrepreneurship; the second part covers questions concerning the organizations' business models including their attitude towards partnerships and questions concerning barriers in the social sphere; the third building block is supposed to be revelatory regarding the organizations' attitudes towards open innovation and related issues; the fourth section includes questions regarding the role and function of intermediaries; and the last part is concerned with attitudes towards scale in social entrepreneurship. Finally, it was left room for the interviewees to add any additional information or thoughts concerning the subject area. The average length of the interviews was approximately 30-45 minutes. After conducting each interview, the recording was immediately verbatim transcribed to allow for direct and

unbiased citing in the subsequent analysis and discussion section of the thesis. The transcripts were then fed into the electronic case study database.

In addition to the verbatim interview transcripts, all newspaper and blog articles were copied and pasted into Atlas.ti, a software program to support qualitative data analysis. Furthermore, in order to also make proper use of the six video/audio online interviews, structured notes were taken about each of the recordings, which were then also fed into Atlas.ti. All in all, this led to a total number of 68 so-called "primary" documents in Atlas.ti, which could then be analyzed in the next step.

The use of a computer program, such as Atlas.ti, is not only useful in the analysis stage of qualitative research, but it also serves as an electronic case study database to ensure that no information gets lost and is available in one place at any point in time.

3.3 DATA ANALYSIS

Concerning the analysis of exploratory case studies, it is suggested to develop a descriptive framework as a guiding structure for the evaluation of the case studies (Rowley, 2002). This descriptive framework contains important themes that were derived from the literature review of the relevant theoretical framework and from the initial data collection, such as the role of intermediaries and scaling. The analysis and discussion section of this thesis, presented in chapter 5, is structured according to the themes of the descriptive framework that was used to evaluate all collected data. On the basis of such a descriptive framework, it is possible to 'achieve a description of the case study that can be corroborated from multiple sources of evidence' (Rowley, 2002, p.24).

As explained, the electronic case study database comprised 68 primary documents. In order to make sense of such a huge amount of unsorted data and to ensure a coherent analysis across cases, the data needed to be organized. Such organizing and classification efforts in research are mainly done by means of coding, which helps to 'interpret the data and to relate the information to our questions and frameworks' (Ghauri, 2003, p.12). The codes for this study were partly predetermined by the themes of the framework structure; and, if appropriate and needed, completed with emergent codes throughout the course of the coding procedure. For the purpose

of coding, the electronic database was thoroughly scanned to categorize relevant information along those codes. The codes were attached to all sections of text that seemed to fit to the framework themes. Thereby, the software program Atlas.ti was of great assistance in coding the data digitally, since such 'programs are particularly useful in rendering data analysis more systematic' (Ghauri, 2003, p.12), which enhances the transparency and accuracy of the overall data analysis. The following table displays an overview about the themes and codes (mixture of pre-determined and emergent codes) that have been used to analyze the research topic. In total, there were 54 single codes, which were structured along the descriptive framework themes.

Themes	Sub-themes
Definition	Social Business
	Social Innovation
	Social Entrepreneurship
	Yunus Definition
	Impact-driven
	Economic goals
	Mission-driven
	Fuzziness
	Boundary-spanning
	Practical relevance
	Efficiency & Effectiveness
Attitude towards Open Innovation	Transparency
	Open operating model
	Participatory approach
	Choice of partners
	Networking
	Cooperation prevails over confrontation
	Stakeholder
	Lean Concept
	Customer focus
	Customer identification
	Lack of resources
	Community-driven

	ThinkFarm Berlin
	Synergies
	Personality of the founder
	Swarm intelligence
	Mutual learning potentials
	Co-Working
	Employee syndromes (NIH)
	IPR
	Creative imitation
	Collaboration with welfare organizations
	Collective value creation
	Co-creation
Attitude towards scale	Scaling Impact, not organizations
	Organic growth
	Knowledge transfer
	No need to re-invent the wheel
	Growing together via networks and partnerships
	Personality of the founder
	Scale as precondition for social impact
Role of intermediaries	Network support
	Approximation of welfare organizations and social entrepreneurship
	Demand for support structures
	Ecosystem
	Mentoring
Challenges within social entrepreneurship	Multiplicity of stakeholders
	Meaning of customer
	Accountability problems
	Lack of resources
	Tension between business and non-profit aspect
	Explicit definition of social impact

| | Social entrepreneurship as fragmented niche topic |

Table 1: Codebook

The export function in Atlas.ti makes it possible to print a structured overview about all chosen codes with the respective text sections that have been attached to them during the coding procedure. This overview could then be interpreted theme by theme along the descriptive framework. The categorized insights from both cases are presented and discussed in chapter 5. Finally, these analysis efforts led to the development of testable propositions that might be a useful starting point for future research. These working propositions are specified in chapter 5.6.

The following table summarizes the methodological considerations of this study.

Research Approach	Qualitative
Research Philosophy	Inductive
Research Design	Explorative
Research Strategy	Case study method
Sample	Purposive sampling; two cases (holistic & embedded approach)
Data collection	68 "primary" documents in Atlas.ti: 3 semi-structured personal interviews; extensive desk research (6 video/audio interviews; 59 newspaper and blog articles)
Data analysis	Coding procedure of verbatim transcripts, structured notes and copied secondary documents in Atlas.ti; analysis and interpretation guided by a descriptive framework (5 themes, 54 codes)

Table 2: Methodological Considerations

4   Introduction to Cases

This chapter introduces the two case organizations in more detail to provide the reader with more information and a better understanding about their respective backgrounds and undertakings. A thorough understanding about their particular organizational structures and motivations is essential for the ensuing analysis of the two cases.

4.1.1 Quartiermeister e. V.

Quartiermeister is a social beer initiative, which started in Berlin in 2010. The idea behind is that people drink locally produced beer and do something good at the same time since the profits are re-invested into social local initiatives. The founder Sebastian Jacob was looking for a concept which makes social engagement as easy as possible. He came up with the thought to combine the consumption of a commodity product with an added social value. Beer seemed to be a perfect fit since it is 'often consumed with friends, it's a social product, everybody likes to talk about it and it's got a lot of emotions attached to it' (Quartiermeister.org, n.d., Origination section, para.1). Furthermore, it is important for Quartiermeister that the consumers should not pay an extra amount for the social aspect of their product; hence, the price for the consumer stays low although there is a social aspect attached to it (NewCITYzens, 2011).

Basically, the business model is not new. The beer is purchased from a local brewery and then sold to clubs, bars, festivals and other interested parties in Berlin. However, the innovative part is the effort to enhance this traditional model with a social added value by re-investing all revenues into local social initiatives. Furthermore, the consumers get actively involved as they can propose potential local social projects to be funded and they can vote for their favorites, which can be considered a form of crowd-sourcing. This way, Quartiermeister takes a very community-based approach to solving social problems. In a manner of speaking, the consumers are local experts when it comes to the most pressing social needs in their local community and neighborhood, so that really the projects that they perceive to be of relevance get supported.

The core of the idea is actually detached from selling beer. It is mainly about an alternative approach of doing business, namely in a social way. The reasons for taking beer are manifold. Beer in itself is a very social product because people tend to drink it in groups while socializing. It made further sense to use beer also from an economic perspective, since it is often produced locally which is another important aspect for Quartiermeister. They do not brew the beer themselves, but cooperate with small, local and owner-managed breweries to support local structures. It is crucial to them that the breweries they cooperate with do not belong to any big corporation structures, but are local producers close to the respective cities where they are offering Quartiermeister (Wagner, 2010). This aspect makes importing raw materials redundant, demands only short transportation routes and supports regional creation of value.

Structure-wise, Quartiermeister follows a double architecture with, on the one hand, an association that is responsible for the funding part and, on the other hand, a GbR (company constituted under civil law) for the business part. This structure has been chosen to allow for a divided approach since combining both might lead to a target conflict. A second reason for establishing an association structure is that Quartiermeister wants to promote a very open and decentralized structure which makes it possible to integrate everyone who wants to participate. Another important argument for such a double structure is a control purpose with regards to the commercial activities of Quartiermeister. This strategy promotes transparency and assures accountability. In striving for transparency, Quartiermeister further discloses their balance sheets every three months. By incorporating such transparent and open structures, they want to ensure to stay true to their underlying principles.

In the near future, Quartiermeister plans to regionally expand their endeavors by finding cooperation partners in other cities. For this purpose, they have compiled a list of criteria that makes it possible to transfer the concept to other regions (Akquisos, 2012a). Furthermore, they will release an organic beer at the end of this year to complete their social and sustainable aspirations.

4.1.2 SOCIAL IMPACT gGMBH (FRANKFURT & LEIPZIG)

The Social Impact Labs are a platform for social entrepreneurs, freelancers and companies working in all aspects of social entrepreneurship. They are located in several cities throughout Germany. The origin of today's Social Impact Labs was a non-profit consulting agency for social innovation called iq consult that was founded in 1994. Iq consult had been organized through a double structure with one part as a GmbH (limited liability company) and another part as a gGmbH (non-profit company with limited liability). In 2010, it was decided to rename the non-profit branch into Social Impact, while the iq consult GmbH has remained in place with other thematic priorities. This was primarily done for pragmatic reasons since they were looking for a name that better represents their core operational activities.

The original idea for the Social Impact Labs came from Norbert Kunz, an Ashoka Fellow. Ashoka is an American non-profit organization for the promotion of social entrepreneurship. Kunz observed that there were very little support structures for social entrepreneurship in Germany. Hence, the Social Impact Labs were started to fill this infrastructural gap. The demand was relatively quickly confirmed since there are markedly more applicants than spaces in the different labs. A central question has always been the financing structure for such a platform. That is why there has been a focus on different partnerships from the beginning. For the first lab, which was opened in Berlin in 2010, SAP could be gained as a main sponsor and partner. Since the prototype in Berlin was so well-received, it became quickly evident that such a structure could also be implemented in other cities. The sponsoring partners also have an active stake in the proliferation of the topic of social entrepreneurship in Germany. Accordingly, these partners do not only offer financial support, but also provide thematic coaching and mentoring.

The core concern of Social Impact is the development of an infrastructure for social start-ups. Hence, they are basically an incubator for social businesses, which includes a wide range of distinct activities. Firstly, projects with a social focus can apply for a scholarship at one of the labs that lasts eight months. This scholarship includes a co-working space, issue-specific coaching and mentoring programmes with selected partners and access to a broad network of multiple stakeholders. The scholarship holders do not get direct financial funding, but they get counseling with regards to

viable business models and Social Impact tries to match and connect them with appropriate funding partners. Furthermore, there is the Social Impact Finance concept, which is a cooperation with Deutsche Bank foundation and the crowd-funding organization Startnext, where they offer a crowd-funding platform specifically designed for social entrepreneurship endeavors.

By now, Social Impact has built up a notable reputation in the area of social entrepreneurship in Germany. Their performance has been awarded from many different sides, such as the OECD, EU and the German Federal Ministries of Economic Affairs and Energy, and Labor and Social Affairs.

In the near future, it is planned to apply this concept in other cities throughout Germany and further promote a more supra-regional exchange between the different labs by building clusters for similar fields of action in order to foster synergies and intercommunication.

5   RESULTS OF ANALYSIS & DISCUSSION

The analysis and discussion part of this thesis is structured along the relevant themes that were identified in the literature review and during data collection. As a result, several working propositions concerning the research topic of open social innovation will be derived, which can be elaborated on in future research.

5.1   DEFINITIONAL ENDEAVORS

As an introduction to the interviews, all interviewees were asked for their specific understanding of social innovation, social entrepreneurship and related themes such as social business. Additionally, all secondary data was also screened for definitional indications.

PRACTICAL RELEVANCE

It became evident that also practitioners in the field do not have distinct definitions for all those emerging concepts. However, it was explicitly noted that such a selective understanding is also not as relevant in a practical context compared to the academic sphere. Yet, it can be argued that more consensus would possibly lead to

better measurement and performance metrics, which again could help in propagating social entrepreneurship in the political and legislative realm.

YUNUS SOCIAL BUSINESS

The interviewees did not make clear distinctions between the two concepts of social entrepreneurship and social business and stated that they perceive it to be difficult to find proper definitions as the field itself is still emerging in Germany. While the Social Impact Labs rather make use of the term social entrepreneurship, Quartiermeister considers itself more as a social business. Furthermore, both terms were used interchangeably in the course of the interviews, which is an observation that also became apparent during the research for secondary data. Both Social Impact and Quartiermeister referred to the definition by Mohammed Yunus concerning social business (Yunus, 2007), which seems to be a common example and denominator in the social entrepreneurship landscape.

MISSION-DRIVENNESS

Social Impact's original founder, Norbert Kunz, believes that the fundamental difference between social and "normal" entrepreneurship is the motivational situation. Thus, social entrepreneurs are considered to be motivated by a vision instead of profit, or in other words they are 'mission-driven' (Heuser, 2015; Rbb-online, 2015). Yet, social entrepreneurs also need to be economically sustainable and not dependent on donations in the long-term as such an approach is not believed to be viable (Rbb-online, 2015; Kastenholz, 2015). Thus, the economic aspect should also always be kept in mind in social businesses, but rather as a means to an end (Alex Berlin, 2014).

EFFECTIVENESS & EFFICIENCY

It was argued that social entrepreneurship is perceived as an approach that is more effective and efficient in the provision of social innovation than long-established welfare organizations. In line with this, it was reasoned that today's capitalist society somehow enforces a more commercial and entrepreneurial approach to solving social deficiencies since it 'forces you to think and act in a more customer-oriented and – centered way, which makes your idea more viable in the long-term'. Since economy is what makes the world go round, it is believed that social entrepreneurship is a more

viable approach in tackling social problems than governmental interventions or traditional welfare efforts (Moser, n.d.).

5.2 CHALLENGES WITHIN SOCIAL ENTREPRENEURSHIP

The data sources were also screened for significant challenges in the area of social entrepreneurship, e.g. how the two case organizations have coped so far with challenges that they have encountered in their activities.

ACTUAL SOCIAL IMPACT

From the experiences of Social Impact, one major challenge with regards to the projects that they support is the explicit definition of the actual social impact that the projects aim to create. It was reported that the young founders have difficulties in clearly figuring out how their idea can create impact in a viable way. For this purpose, the first step in the Social Impact Labs is a reframing workshop to explicitly determine a project's mission (Berlin.de, 2013). Furthermore, it appears to be difficult to clearly work out the benefits for the customer of the idea, be it a service or a product. Generally, the barriers that were reported resemble the challenges that typical commercial start-ups encounter.

STAKEHOLDER AND CUSTOMER COMPLEXITY

However, it was also reported that organizations active in the area of social entrepreneurship have significantly more difficulties to satisfy their customers, since the word customer can take on many meanings in this context, which makes the whole situation more complex. Usually the one who pays for your specific product or service is the customer. However, in the case of social ideas, products and services, the beneficiaries are often not able to pay for your offering because they are a socially disadvantaged group of people, and that is why it is often necessary to find suitable partners that support you and possibly take care of the costs of your output. Hence, there is a great variety of stakeholders involved in such projects which all can be considered customers in some way or another and need to be satisfied as well (Socialimpactnet.eu, n.d.). The Social Impact Labs argue that also those partners should be considered customers and should, therefore, be taken into consideration from the outset. From this perspective, it already becomes evident how much value is attributed to partnerships in social entrepreneurship. Guo and Bielefeld (2014) come

to similar conclusions concerning the variety of stakeholders involved in social entrepreneurship and infer that this situation entails 'distinctive and complex issues of accountability' (Plan of the Book section, para.1).

FINANCING STRUCTURES

This complex customer and accountability situation is closely related to a general lack of financing structures in the social context. Not only are start-ups in the area of social entrepreneurship usually characterized by a significant lack of internal financial resources, but also the public financing support structures are insufficient. Although there is an increasing amount of social investors and also a growing demand for social start-ups, common financing schemes like financing through a bank, venture capital and business angels are most often not at disposal for such projects (Kastenholz, 2015; Für-Gründer.de, 2014). Besides, it is considered problematic that there is no proper capital market which regulates social entrepreneurship projects (Zühlsdorff, 2013). Yet, on a positive note, funding from foundations and federal associations is more within reach for such projects than for commercial start-ups. Instead of directly funding their scholarship projects, the Social Impact Labs attempt to support them by screening their network for appropriate partners and have set up a cooperation with Deutsche Bank foundation and Startnext to facilitate crowd-funding in the context of social entrepreneurship.

LEGAL CHALLENGES

Apart from such financing barriers, German legal structures do not support social entrepreneurship endeavors either at the moment. As in the case of Quartiermeister, hybrid organizational structures are needed to function in the intended way. This is because the German Tax Office does basically not allow organizations to function as a for-profit and charity at the same time. Instead they often have to run two separate entities (Changer.org, 2015). Insufficient legal structures are also an aspect that Quartiermeister has pointed out, which makes their operations more difficult since they have to obey the same tax rules and regulations as commercial organizations (Akquisos, 2012a). Hence, it was argued that the 'German law lags behind' in that matter.

Additionally, it became evident that it is still important to further spread the word about the needs and benefits of social entrepreneurship since it is still a very fragmented niche topic in Germany (Changer.org, 2015). In line with this, it was argued that it is of utmost importance to generate a broad network around the whole Social Impact community and specifically around the labs within the different regions, in order to place the idea of social entrepreneurship on the market in Germany. One interviewee noted that he believes that the Social Impact labs have some kind of a 'beacon function' in Germany with regards to social businesses and referred to the task of spreading knowledge about social entrepreneurship as 'doing their homework'.

OPPOSING VALUES

One interviewee pointed towards another important factor which makes social entrepreneurship a difficult field of action. He argued that social entrepreneurship often follows different market mechanisms and business models than ordinary commercial entrepreneurship, reasoning that the 'distinct logics behind entrepreneurship and social entrepreneurship repeatedly emerge as a common barrier'. He further described that certain approaches of socially entrepreneurial action are not recognized as truly entrepreneurial activity by other players, especially when it comes to growth and scaling approaches where typical entrepreneurial attitudes towards fast growth and profit maximization are incompatible with socially entrepreneurial behavior where profit maximization is not the first priority. This practical observation is in line with Zahra et al.'s (2009) suggestion for social entrepreneurship to be a 'harmful marriage between opposing values' (p.527).

In the specific case of Quartiermeister, the tension between the business and non-profit side is exacerbated by the fact that they operate in a very competitive market with well-financed players offering a commodity product. Therefore, it was mentioned that it requires a lot of persuading to convince others of the overarching concept of an alternative consumption circle and behavior; and that every bargaining activity on behalf of the purchasers is at the expense of the social projects that are supposed to get supported in the last step of Quartiermeister's business model. McGath (2015) also points towards the problematic situation of social businesses that

produce products which are in direct competition with larger profit-oriented enterprises.

5.3 ATTITUDE TOWARDS OPEN INNOVATION

The interviews and additional data collection further aimed at exploring the frame of mind towards OI in the social entrepreneurship community in Germany. The following part will elaborate on the findings concerning the general mindset, the use of networking strategies and the specific choice of partners, and also barriers that might hinder the adoption of open structures within this context.

5.3.1 GENERAL MINDSET

The idea of opening up and collaborating appears to be widely spread in the area of social entrepreneurship. However, specifically framing this as OI is not very common. One interviewee from Social Impact put it this way:

'We definitely live this [open approach], because it is just not feasible otherwise. Since we have so many different actors here [in our lab], many different interactions emerge very organically, i.e. I observe what others do, I learn from that and they learn from me. We do not actively introduce this [open approach] in an institutionalized way, but it just comes very naturally as a result of this functional interplay.'

On a similar note, Social Impact's founder expressly advises young social entrepreneurs to communicate their idea early and discuss it publicly with as many interested parties as possible in order to ensure that the idea meets a clear demand and to find possible partners (Heuser, 2015).

CO-WORKING

In line with this, the labs are described as places of learning, exchange and networking (Obertreis, 2014). To achieve such a community of learning, the concept of co-working is a very fundamental constituent of the whole idea behind the Social Impact Labs. Accordingly, they do not consider themselves merely as renters of workstations, but rather deploy co-working as a tool which is enriching for the implementation of their support program (Für-Gründer.de, 2014). Against this background, it is believed that a physical co-working space is far more efficient than

collaborative online communities, which is why the scholarship project teams are indeed supposed to come to the labs and work there as often as possible (Engert, 2015).

In this manner, they are actively aiming for collaborative working structures between all people that are present in the labs. At the Social Impact Lab in Frankfurt, for instance, they do not only host the project teams that they support, but also ordinary co-workers who mostly have already started up and they additionally offer the space for a variety of different events. Since the spectrum of subjects of the project teams is quite large, there is a lot of room for transfer and peer exchange (Kastenholz, 2015). The scholarship project teams perceive the co-working aspect indeed as enriching in pursuing their idea (Changer.org, 2014).

OPEN OPERATING MODEL

In an article on the future of social innovation, Potter (2014) suggests that there are different dimensions of open that need to be considered in such a discussion. He makes a distinction between open business models and open operating models. While his interpretation about open business models basically resembles the common understanding about open source models, the extension towards open operating models sheds light on another interesting aspect of an open paradigm. Open operating models refer to the internal activities and operations of an organization. The author highlights two significant elements of such an open operating model, namely transparency and human readability. Potter (2014) further argues that these two elements are 'pre-requisites for being genuinely open' (What is Open? section, para. 6). Transparency refers to the disclosure of relevant data about how you work and what impact you are actually achieving, while human readability emphasizes the need for such disclosed data to be presented in an understandable manner for the general public. Interestingly enough, Quartiermeister follows exactly these elements of an open operating model, since it is very important to them that their operations are as transparent and comprehensible as possible. For this purpose, they publish an overview about their balance quarterly online (Transparenzberichte, n.d.).

Another component that Potter (2014) considers essential in an open structure approach is the participatory principle, which refers to the premise that 'when we

build any socially minded organization, we must involve all participating individuals and groups in the construction and implementation of our activities' (The Participatory Principle section, para. 1). Also in this respect, Quartiermeister seems to share a similar mindset since they actively include everyone who is willing to participate within their association structure and through the online voting system where anyone can co-determine which project should be funded in order to promote a more participatory culture (Angerer, 2014). One interviewee emphasized that such a transparent and participatory approach fosters identification and credibility, which eventually heightens the social impact that is being generated. Against this background, a recent trend report highlighted that consumers wish for more transparency when it comes to the undertakings of non-governmental organizations (Betterplace-lab.org, n.d.).

A common comparison that is made regarding Quartiermeister is Krombacher's campaign to save the rainforest by drinking beer (EnormTV, 2011; MuP, 2012; SWOP-Team, 2015). Yet, such campaign-based socially responsible behavior raises questions of credibility and greenwashing (Pötter, 2012). In contrast, a fully transparent behavior and structure, as implemented by Quartiermeister, counteracts such accusations from the outset and fosters trustworthiness.

COMMUNITY-DRIVENNESS

All interviewees agreed on the general compatibility of social innovation and open strategies. It was mentioned that the scene around social entrepreneurship and social business in Germany is very much willing to exchanging ideas, finding synergistic potentials and helping each other. This was explained by the observation that people active in this scene are not so much driven by competitive thinking but accelerating social impact. Their attitude towards imitators confirms these non-competitive tendencies. The interviewees stated that they consider it to be positive if others start similar projects, because it vivifies the whole topic and is only conducive to the proliferation of an alternative way of doing business. In line with this, one interviewee stated repeatedly that 'cooperation prevails over confrontation', thereby highlighting the importance of cooperation and the notion that the more participants and stakeholders, the merrier, as this entails a greater dissemination of such a mindset.

If project teams from the different labs have similar ideas and topic areas, it was reported that the labs actively encourage them to find synergies and cooperate. Especially the lab in Leipzig noted that they are aiming to build clusters throughout the East German region and eventually across Germany. This way, certain topic areas get more input from different perspectives, which might create new potentials, and thus, possibly a larger overall social impact than if different project teams worked separately on similar subjects. The interviewees from the Social Impact Labs emphasized that scaling impact is more important than individual success stories.

LEAN & HUMAN-CENTERED APPROACH

Furthermore, it was mentioned that apart from encouraging cooperation with potential competitors, the Social Impact Labs attempt to establish the lean concept approach within their socially entrepreneurial projects, whereby it is essential to closely collaborate with the customer from early on to develop and test the idea in a meaningful way. The afore-mentioned often complex stakeholder situation across different sectors in social entrepreneurship endeavors makes such a lean approach even more relevant (Rbb-online, 2015). In line with such a human-centered approach, Brown and Wyatt (2010) consider Design Thinking an extremely pertinent approach for social innovation.

Moreover, it has been noted that the multi-faceted nature of social problems, which often demands the involvement of many different parties, makes a certain openness quite indispensable in order to actually get all relevant parties involved: 'Markets in social entrepreneurship can be very broad and diverse – to hide your idea in this context does usually not make any sense'. Similarly, Ehrlich and Lang (2012) argue that a branch-specific classification of socially entrepreneurial endeavors is mostly ineligible.

KNOWLEDGE TRANSFER

Advocating for a certain degree of openness, one interviewee noted that 'in the end many problems have already been solved across the globe, maybe not in my industry but in another like aviation, logistics or in the food industry – of course I need to keep my eyes open and see whether existing solutions could be somehow transferred to my particular topic area'. This remark validates Chalmer's (2012)

proposition to make use of creative imitation in the social innovation context. One particular event that reflects exactly this attitude is the openTransfer Camp which took place at the Social Impact lab in Frankfurt in 2014. OpenTransfer is an initiative that aims at scaling social projects by pooling expert knowledge and providing a platform for transferring such knowledge into different areas (Opentransfer.de, n.d.). The focus on knowledge transfer at the lab in Frankfurt is further enhanced by the fact that they do not only offer the common Social Impact support program for social entrepreneurship activities but also have a specific program for young founders with a migratory background, which is called ChancenNutzer. Both groups are supposed to exchange ideas, inspire each other and provide more creativity and diversity due to the intercultural backgrounds (Finanzen.net, 2014).

In a similar way, such a belief in the virtue of extensive knowledge transfer points also towards the idea that the actual founder of an idea does not necessarily need to be the one who implements it (Moser, n.d.). McGill Murphy and Sachs (2013) argue along the same lines by suggesting that 'some of today's most farsighted social entrepreneurs have created business models that allow them to effectively work themselves out of a job' (Working themselves out of a job section, para.1).

Quartiermeister shares a similar mindset concerning the imitation and transfer of their idea and appreciates if other people start the same approach with beer or other products. They frankly reported that they are aware of their micro-size and the consequent small range; and therefore highlighted that it is more about the idea of an alternative way of doing business than about the product itself: 'If people feel inspired by what we are doing and aim to do something similar, then that is great and we are very willing to invest time into helping such endeavors.' Thus, the concept of Quartiermeister is very well exportable and such an export is highly appreciated and actively promoted (Noblet, n.d.).

What is more, it was told that they are skeptical towards people who are not thinking along the same lines as such efforts should not be about building one socially responsible business in Germany and get hailed as a hero for that, but it is in fact about triggering a general change of thinking. For this purpose, many more people, resources and organizations are needed and that is why, they consider it part of their work to

disseminate and support similar approaches (EnormTV, 2011). Accordingly, it was further argued that it always makes sense to enter into exchanges with others since 'the collective input and involvement of many people is always worth more than any imitation fears'.

LOCAL FOCUS

In line with this, it is also important for Quartiermeister to operate with existing local structures (EnormTV, 2011). They stress that it is not necessary to re-invent the wheel because there are already so many existing structures that can be used, especially when it comes to a product like beer. That is one reason why they chose to not brew the beer themselves, but cooperate with small local breweries (Hubrich, 2013). Hence, it can be seen that they have a very external focus and try to involve as many participants as possible on different levels of their value chain, be it on the supplier, contributor or customer level. Thereby, close collaboration with local communities is a focal point of their activities since it is believed that, on the one hand, the community knows best about the social deficiencies that need to be tackled, and on the other hand, a real social impact can only be generated if active civic participation is promoted (Alex Berlin, 2014).

5.3.2 NETWORKING & CHOICE OF PARTNERS

The interviewees emphasized repeatedly that networks are necessary in order to navigate through the complexity of socially entrepreneurial action. It was stated that it is of utmost importance to find appropriate partners for such endeavors, because most of the time many different stakeholders need to be involved for a successful implementation.

PARTNERSHIPS – SOCIAL IMPACT LABS

Since the Social Impact Labs have their origin in the consulting agency iq consult, which has been in existence for 21 years, they can draw on a large network that has been built in the course of time. This network has been greatly helpful in building the different labs. Because the Social Impact Labs are primarily financially supported through sponsorship, it is essential for them to build partnerships for funding reasons with financially sound partners. Earlier, these partners were mainly drawn from the public sector, but it was reported that this has changed over time as

they wanted to address a wider base. For this reason, they progressively adapted their partnership portfolio. Therefore, today the different labs have different sponsors from the private sector, public sector and diverse foundations. When connecting their scholarship project teams with potential partners, they pay attention to having a good mixture of diverse partners from different sectors if possible. Yet, these sponsors do not only give financial support, but also assistance in terms of content. They provide their expertise in different matters and take on mentees. Due to their financial sponsorship, the sponsors usually take priority in the context of mentoring and partnering up with certain project teams. If that is not viable, the labs are also open for other external partners in their specific regions. The mentoring aspect was reported to be a major guarantor of success for Social Impact, since it entails mutual synergies for both the sponsors and the young project teams (Engert, 2015).

The lab in Frankfurt has a rather particular sponsoring regime since they are funded by both the JP Morgan Chase foundation and KfW foundation. Such collaboration across different foundations is described as a beacon in the foundation landscape in Germany, since it is still unusual for such a pooling of forces to happen (Finanzen.net, 2014). Likewise, there are still only few partnerships with typical welfare organizations from the third sector, such as Caritas or Parität. During the interviews, it was noted that Social Impact considers it important to also include those long-established welfare organizations into the context of social entrepreneurship. Hence, it was emphasized that they would appreciate more collaborative efforts in order to increase their vigor. Concerning this, the collaboration between Ashoka and the German Malteser relief organization can be considered an exemplary case for creating mutual synergies (Hoenig-Ohnsorg, 2015).

DIVERSITY IN PARTNERSHIPS

Highlighting the importance of a diverse network of partners, one interviewee from Social Impact stated the following:

'All our activities are basically aiming at promoting societal change processes and something like this, you do not do alone – this builds upon a large and broad network of all kinds of institutions, competencies and furthermore it

takes political influence to encourage social entrepreneurship in Germany and Europe'.

This statement clearly underlines the multiplicity of stakeholders needed to successfully implement social innovation. Furthermore, it emphasizes the diversity of institutions that is needed within local networks and partnerships since there are very region-specific needs and demands. This observation points towards the local embeddedness factor that Cunha and Benneworth (2014) claim to be characteristic of social entrepreneurship.

PARTNERSHIPS - QUARTIERMEISTER

In the case of Quartiermeister, their whole concept is basically resting upon partnerships with small local, owner-managed breweries to remain true to their principle of a local consumption cycle. In this respect, it is very important to them with whom they actually cooperate. It is clearly expressed that they are not interested in any kind of partnerships with big corporation breweries since this contradicts their whole idea (Wagner, 2010). Finding appropriate breweries to cooperate with is not an easy task, because Quartiermeister wants to find partners who clearly share similar values and goals and are affirmative of the social and transparent component of the whole idea (Alex Berlin, 2014).

Moreover, since Quartiermeister itself had taken part in the support program of the Social Impact lab in Berlin in 2012, they also have profited from the network that is behind Social Impact. Nowadays, they have their office in the Thinkfarm in Berlin, which is a co-working and learning space for all kinds of interested parties who want to promote social change (Thinkfarm Berlin, 2014). Co-working, therefore, seems to be a very prominent component in social entrepreneurship in Germany for financial, networking and co-creation reasons. Indeed, the two notions of co-working and actual co-creation seem to become indistinct to some extent in the context of social entrepreneurship in Germany.

Besides the essential brewery partnering strategy, it was reported that, in the beginning, partnering came along rather naturally and was not proactively pursued. This has changed in so far that Quartiermeister follows now more active partnership approaches. Furthermore, owing to the association structure, their business model to

fund local social projects and their distribution model, they have quite a large network of social representatives and business partners such as club and bar owners. Yet, it became repeatedly evident that they have a very clear and selective understanding regarding the appropriateness of certain partnerships (Wagner, 2010).

APPROPRIATE CHOICE OF PARTNERS

Relating to this, it is interesting to see that the Social Impact Labs and Quartiermeister have to some extent different opinions on the appropriate choice of partners. While Social Impact has broadened its partnership portfolio over the last few years, Quartiermeister seems more skeptical with regards to the alignment of goals and shared values. However, it was also noted that as long as social entrepreneurship remains such a fragmented niche topic in Germany and as long as there is not enough support from the government and other public bodies, it seems inevitable to compromise in such matters.

5.3.3 BARRIERS TOWARDS OPEN STRUCTURES

Although social entrepreneurship in Germany appears to be very openly structured and organized from the outset, there are some challenges that need to be taken into account.

INTELLECTUAL PROPERTY

One interviewee stated that he believes that being open is fundamental in the area of social entrepreneurship, but this also depends on the precise idea or topic that you are dealing with. If the idea is patentable, the situation might be more complex. However, it was reported that such patentable ideas are usually not the rule within the labs; and intellectual property difficulties occur only rarely. And if so, partnerships are sought-after. In fact, one interviewee from Social Impact reported that there have been cases where project teams from different labs had very similar ideas and were afraid of imitation. Yet, Social Impact considers such a situation rather as an opportunity for potential synergies than as a big problem. Despite such a synergistic mindset, it has nevertheless been noted that entering into partnerships is also related to certain organizational and management challenges. However, common barriers from the high-tech sector, such as absorptive capacity (e.g. Spithoven et al., 2011;

West & Bogers, 2014; Huizingh, 2011), have not been found to be of importance in the area of social entrepreneurship in Germany.

Thus, appropriability and intellectual property issues do not seem to be perceived as large barriers in this context, since social ventures seem to focus more on collective value and impact creation than on individual value capture. While a viable business model is of course also important for social ventures (Kastenholz, 2015), their focus seems to be more on accelerating impact and not solely on monetization strategies.

PERSONALITY AND EMPLOYEE SYNDROMES

Another challenge towards open strategies and collaborative innovation efforts that was mentioned is egocentric behavior on behalf of the entrepreneur:

'Generally, a big problem is an entrepreneur's ego. People always want to re-invent the wheel, although there are already extremely good concepts and ideas out there that just need to be scaled up or transferred to other places or industries. Yet, I have the feeling that the people who really want to start up are also the ones who have the aspiration to invent new things and implement only their own ideas. Thus, I perceive it as a problem that entrepreneurs only reluctantly take charge and further develop ideas of others, but prefer to re-invent the wheel.'

This observation is closely related to the NIH-syndrome that Burcharth et al. (2014) have found to be a significant hampering factor in the area of OI. Furthermore, it again points towards the potential of knowledge transfer and creative imitation for social innovation. In line with this, the application of open source principles, as suggested by Ricaud (2014) and Clay and Paul (2012), seems to be of great relevance with regards to the proliferation and acceleration of socially innovative ideas and practices.

5.4 ROLE OF INTERMEDIARIES

As elaborated on in the theoretical part, the role of intermediary functions increasingly gains momentum in the context of OI. This thesis suggests that the Social Impact Labs can actually be considered a form of intermediary since they connect

people, ideas and resources; provide a space for collaboration and experimentation; and develop networks and collaborations (SIX, n.d. b).

Köllen (2015) confirms that there is an increase in intermediary functions within the area of social entrepreneurship in Germany and argues that a whole ecosystem is growing around the scene. However, compared to other countries, this is a rather late development, which is why it is suggested to take a look abroad, for instance towards the UK, where such developments have already taken place about eight years ago (Köllen, 2015).

NETWORKING SUPPORT AS PRIMARY FUNCTION

Looking at the literature, intermediaries can take on many different forms and functions, such as helping in the network construction stage and supporting the actual collaboration process (Lee et al., 2010). The two interviewees from Social Impact highlighted that exactly such activities are highly valued by their participating projects. It was reported that support in terms of networks and active exchange and collaboration is one aspect that is of great help for the development of the project teams' ideas (Changer.org, 2014). This networking support structure has also been confirmed by Quartiermeister, who emphasized that the network they have built in their time at the Social Impact Lab has still been valuable and lasting after the program had been over.

APPROXIMATION BETWEEN SOCIAL ENTREPRENEURSHIP AND WELFARE ORGANIZATIONS

One interviewee from Social Impact specifically highlighted one intermediary function that they pursue, namely the successive approximation between organizations active in the field of social entrepreneurship and long-established welfare organizations from the third sector. He argues that synergies between both could be mutually beneficial since social ventures are likely to provide more innovative and faster approaches to social problems, while welfare organizations such as the Parität are financially better equipped and have a lot of expertise and connections. Hence, it was suggested that there is a huge learning potential for both parties, which could eventually generate more impact. Against this background, Ashoka and the German Malteser foundation have recently begun to pursue exactly such efforts by establishing cooperation between agents from the social business scene and the

Malteser foundation, which is a collaboration structure that is the first of its kind in Germany (Schlebes, 2015).

DEMAND FOR CO-CREATION

The success of the Social Impact Labs and the number of applications shows that there is an explicit demand for such support and intermediary structures in the area of social entrepreneurship, similar to the observations in the context of small- and medium-sized enterprises (Lee et al., 2010; Gaboardi, 2011). Due to a lack of all kinds of resources, social ventures need similar support structures as ordinary start-ups, but Social Impact is described as one of the single points of contact for the social business scene in Germany so far. In line with this, the interviewee from Quartiermeister described the typical progression of a social venture, at least in the Berlin area, as follows. First, most social ventures apply for a scholarship at the Social Impact Labs and afterwards they apply for a space at the ThinkFarm, a co-working and learning space for the promotion and co-creation of social change, so to say as a continuation of the Impact Lab philosophy. This shows that social entrepreneurship in Germany seems to be a very community-driven phenomenon, where people actively seek for co-creation activities and opportunities. This communal tendency has also been observed by others as it has been argued that 'social entrepreneurs excel at togetherness'; whereby 'the "social" that characterizes their purpose also characterizes their way of working' (Bornstein, 2012, para.17).

One possible drawback from such communal tendencies is the pitfall of myopic network and search behavior, which has been pointed out by Chalmers (2012) as a common hindrance in scaling up social innovations.

5.5 ATTITUDE TOWARDS SCALE

As proposed by the Social Innovation Council at the World Economic Forum in 2013, organizations active in the field of social innovation need to scale up in order to generate impact. While they definitely have a valid point, it is questionable to make such generalizations.

SCALING IMPACT, NOT ORGANIZATIONS

In the commercial sphere, scaling is often equated with fast growth in terms of budget and organizational size. This, however, is not what scaling seems to be about in

the context of social innovation. In line with this, Clay and Paul (2012) argue that it is more about 'accelerating impact, not organizations' (p.17). With this in mind, Berkhout (2014) reasons that developments in the social realm do not neatly 'fit into the timeframes and value for money metrics of success that funders and policymakers tend to apply…, [but] their real impact lies through changing the climate of ideas' (para. 10), which is a long-term process. Accordingly, McGath (2015) proposes that most social entrepreneurs do not 'expect their businesses ever to develop into behemoth corporations…, [but] believe that there is an optimal size for a business that should serve the recurring needs of the world and shift consumption norms..[by] transforming habits into values' (para. 11). Evidently, generating impact from a social perspective has a more long-term and sustainable connotation than quick scale and growth strategies from the commercial realm.

OPEN SOURCE THINKING

Regarding the question of scale, all interviewees agreed that scaling is a necessary precondition for generating greater social impact. However, they reasoned as well that scaling should be considered in terms of accelerating social impact, and not necessarily in terms of size and budget. To that effect, one interviewee emphasized that 'in order to generate a greater social impact, you have to scale – but you can still keep your operations on a regional level and nevertheless represent your concept to the outside world and let it be transferred to other places'. Hence, being open towards the external dissemination of a regionally viable concept can also be a form of scaling the social impact of one particular idea. To that end, Quartiermeister has compiled a list of criteria that makes it possible to transfer their concept to other regions (Akquisos, 2012a). This very much resembles the principles of open source thinking in social innovation, as put forward by Ricaud (2014).

ORGANIC GROWTH

Quartiermeister does also have a very clear opinion towards scale and growth. The interviewee reported that he disapproves of the usual scaling strategies of commercial start-ups who make use of debt financing to grow as quickly as possible. He pointed towards the fact that establishing a social venture involves a lot of efforts of persuasion and a thorough development of the team because it is very much dependent on intrinsic motivation.

Further, it was mentioned that very fast growth might easily lead to the situation where many things get left behind, and as a result an organization might grow at the expense of the initial concept. That is why, Quartiermeister has chosen to grow organically without any debt financing and they pay great attention to the fact that their initial concept persists, also if they expand and transfer it to other regions.

COLLABORATION AS KEY FACTOR IN SCALING UP

Although the projects that apply for the scholarship program at the Social Impact labs are generally in a very early phase of their venture, it was noted that one criterion of selection is the potential scalability of the respective idea or concept. As the application of collaborative efforts and partnership strategies is already supported during the early phase from the Social Impact support program, it was reported that collaboration is evidently also a key factor in terms of scaling. Even more, due to a lack of alternative support structures, collaboration and bundling of resources becomes even more relevant when it comes to scaling the social impact that is being generated. In line with this, it was reasoned that it should be essential in the social realm to open up and grow together instead of working next to each other, because in the end scaling should heighten the social impact for the society and not produce individual hero stories.

5.6 WORKING PROPOSITIONS

This last section of the analysis will summarize the main insights in the form of working propositions, which have been found to be relevant from the case study analysis about Quartiermeister and Social Impact.

The analysis of their attitudes and activities has shown that open tendencies are very much present in the area of social entrepreneurship in Germany. It is evident that group-based problem solving and collaborative efforts are fundamental principles in the way they perceive social business. Both case organizations have expressly articulated that a certain degree of openness seems to be a necessary precondition of socially entrepreneurial behavior in the German context.

Proposition 1: Social entrepreneurship is an inherently open field of activity.

Furthermore, the analysis has shown that social businesses in Germany make extensive use of networking and tend to strive for co-working and co-creation opportunities (such as the Social Impact Labs or Thinkfarm) to trigger knowledge exchange and collective impact creation.

Proposition 2: Social entrepreneurship is a very community-driven endeavor, which focuses more on (collective) value co-creation than on (individual) value capture.

Besides, it became evident that out of the range of open innovation principles, the open source philosophy seems to be of particular relevance for organizations active in the field of social entrepreneurship, since such an approach reflects the intrinsic motivation to deliver value for society instead of maximizing profits. By way of example, Quartiermeister has compiled a list of criteria that makes it possible to transfer the concept to other regions (Akquisos, 2012a).

Proposition 3: The application of open source thinking in social entrepreneurship is a particularly powerful approach in developing and refining, and thereby scaling social impact.

In a similar manner, knowledge transfer and broad searching activities in other industries seem to be a helpful strategy in finding innovative ideas for the social realm, as it has been repeatedly argued that there is no need to re-invent the wheel. Exemplary instances in Germany are openTransfer or the ChangemakerXchange.

Proposition 4: Creative imitation and knowledge transfer from other industries and sectors are helpful mechanisms and tools in facilitating social entrepreneurship.

Moreover, it was reasoned that collaboration between long-established welfare organizations such as Caritas and small social businesses seem to be a particularly interesting avenue, because they have complementary features while basically pursuing the same goals. While social ventures are usually more innovative and efficient in the way they tackle social deficiencies, long-established welfare organizations are more financially sound, have the necessary infrastructure and hold a lot of expertise knowledge. Hence, they can leverage each other's strengths. Thus, it

became evident that, although the general choice of partners is quite diverse, a collaboration structure between those two parties is believed to be the most promising strategy in the German context.

Proposition 5: Collaborative efforts between long-established welfare organizations and social businesses entail mutual synergies for both parties and enhance the social impact that is being generated.

Besides, it became apparent that it is useful to screen the topic of open innovation from more angles as suggested by Potter (2014) and implemented by Quartiermeister. Especially in the case of social ventures, it should be important to also consider the openness of their operating model in order to add legitimacy and identification, and to avoid accusations of green-washing.

Proposition 6: Open Innovation in social entrepreneurship does not only include open business models but also open operating models, i.e. transparency and human readability, to reinforce identification and legitimacy of the social venture.

6 CONCLUSION, LIMITATIONS AND FUTURE RESEARCH

This last chapter will summarize important key findings and consequent implications; and point out limitations and related directions for future research.

6.1 KEY FINDINGS & CONCLUSION

The underlying research question of how social businesses apply OI principles has been explored by examining two relevant cases of social entrepreneurship in Germany. It became evident that organizations active in this field are very receptive to open strategies and collaborative efforts. Six working propositions concerning their activities and attitude towards OI have been derived from the analysis.

Although the idea of opening up and collaborating appears to be widely spread in the area of social entrepreneurship, it has been noted that this degree of openness comes rather organically and not in a strategic and institutionalized kind of way. There is no dedicated manager as in some multinational enterprises, but social businesses are open both out of necessity due to a lack of internal resources and out of conviction

that more involved stakeholders and bundling of resources are conducive to the success of a social venture. The boundary-spanning nature of social deficiencies simply calls for collaborative efforts across different parties.

Social businesses are by nature more impact-driven than profit-driven, which is why it was reasoned that collective value creation and a consequent acceleration of social impact is more important than individual value capture. This specific constellation of motivations in the social realm makes open approaches very feasible and desired. In line with this, it became apparent that the whole field of social entrepreneurship in Germany seems very community-driven. This is, on the one hand, conducive to the application of open and collaborative principles, but on the other hand, such a communal focus can easily lead to a rather myopic search and network behavior, which might be derogatory to creativity and innovation. Against this background, the value of interdisciplinary teams and diverse networks should not be underestimated. The intentional mixture of young founders with a migratory background and social business founders in the Social Impact Lab in Frankfurt is a valuable counter-example.

Another finding is related to the definition of openness that is being applied in open social innovation. Quartiermeister showed that also being open in terms of a transparent operating model is an important legitimating function for social businesses to prevent being accused of green-washing and foster identification with all kinds of stakeholders. This factor becomes particularly relevant in an age of ubiquitous access to information, which can quickly harm an organization's reputation and mission if not communicated appropriately. The need for transparent structures gains further relevance given the fact that proper metrics and consistent performance measurement are almost absent so far in the area of social entrepreneurship.

In light of the fact that social entrepreneurship is primarily impact-driven and intrinsically motivated, it became evident that out of the wide range of OI principles available, open-source thinking is particularly well applicable to social endeavors as such an approach does not emphasize the appropriability scheme, but focuses on delivering value for society. Such a process of knowledge enrichment by a variety of stakeholders makes success more probable as it 'triggers an ongoing chain of feedback

and improvement' (Pénin, 2008, p.9). Furthermore the knowledge transfer aspect of open source thinking facilitates scaling efforts.

In conclusion, it can be said that OI is indeed an applied concept in social entrepreneurship, even if it is not explicitly labeled that way. Following Ashoka Germany's (2015) expression that 'as it takes a village to raise a child, it takes many different stakeholders in order to make social innovation successful' (para.1), OI can be considered a valuable strategy in creating social impact.

6.2 IMPLICATIONS

The analysis of open social innovation in the area of social entrepreneurship in Germany entails some worthwhile implications.

On a theoretical level, it became evident that the vagueness concerning the definition of social entrepreneurship makes research into the topic quite difficult. A consensual framework would be helpful in investigating and measuring the effects of social entrepreneurship more effectively. This lack of proper metrics and performance measurement has also consequences on a more practical level. Although practitioners such as Social Impact and Quartiermeister noted that a definitional demarcation is not as relevant in a practical context, it can be argued that it would actually be very pertinent for legislative and political purposes. Hence, semantic clarification should be worthwhile for scientific progress and for interdisciplinary communication and legislation on a political level.

Additionally, the analysis showed that social entrepreneurship does not have a distinct legal form in Germany, which complicates such undertakings. Not only are framework conditions in terms of legal parameters underdeveloped, but also concerning social investment structures (Akquisos, 2012b). Thus, there is a lot of room for improvement with regards to the framework conditions of social entrepreneurship in Germany.

During the last couple of years, many support and funding structures for start-ups have been established in Germany. However, those funding structures are most often coupled to 'innovative technology-based ideas' (Changer.org, 2015, para.5), while social deficiencies cannot necessarily be solved by technological advancements.

Thus, more support structures are needed that are specifically geared towards social entrepreneurship. Looking at the success of the Social Impact Labs, it is evident that there is a lot of demand and too little supply.

As the analysis showed that collaborative efforts and partnerships are very prevalent in the social entrepreneurship landscape, such synergistic tendencies should be promoted by targeted policies on behalf of the government. It was repeatedly reported that especially more cooperation between long-established welfare organizations and social businesses should have great complementary potentials. Hence, both parties should actively be encouraged to join into collaborations. An interesting first example in this direction is the cooperation project between Ashoka and the German Malteser organization, which is called "Wirkungsschmiede" (Hoenig-Ohnsorg, 2015).

Furthermore, it was shown that knowledge transfer and open source principles are particularly relevant in the area of social innovation. In this respect, the Economist (2006) argued that there are too many non-profit organizations who deal with very similar topics. Against such duplication of services, knowledge transfer and refinement should be facilitated to encourage consolidation. Against this background, the open source model represents an especially suitable way to promote such consolidation efforts. Moreover, Clay and Paul (2012) suggest that 'one of the great opportunities of thinking in open source ways is that it allows experimentation, and thus failure, without causing too much damage, because the costs are not all borne by a single entity' (p.18). Thus, the application of the open source philosophy in the area of social entrepreneurship should be facilitated by appropriate IP policies, such as copyleft.

6.3 LIMITATIONS & FUTURE RESEARCH

Some limitations need to be considered with regards to this study. Since the research takes a qualitative and exploratory stance and examined merely two specific cases in depth, generalization to the whole population may be limited. However, this study does also make no claim to statistical representativeness. In this respect, Yin (2009) emphasizes that one should differentiate between statistical and analytic generalization. While common statistical generalization is usually not achievable with

small samples and qualitative approaches, analytic generalization can be achieved from doing case study research.

Yet, statistical analyses with regards to social entrepreneurship in general, and open social innovation in particular should yield more robust findings that help to advance the still fragmented field of study. Therefore, larger samples should be investigated using quantitative measures. In order to do so, it is first of all of great importance to define proper metrics and performance measurement methods for socially entrepreneurial endeavors.

Furthermore, it should be worthwhile to apply longitudinal research measures by, for instance, studying if the complementary potentials of collaborative efforts between social businesses and long-established welfare organizations are really as promising as suggested. Since such collaborative efforts are still in the early stages of development in Germany, there were only positive voices regarding these tendencies. Yet, it should also be interesting to investigate potential drawbacks of such collaborations. In addition, also all other working propositions that have been suggested could be re-evaluated with other cases and in other organizational contexts than social entrepreneurship within the social realm.

What is more, since this study is only limited to Germany, it should be interesting to investigate other countries and regions to compare findings. This could possibly yield valuable insights with regards to open strategies that are applied by social businesses in other parts of the world, which then again could be transferred to the German context.

Yet another interesting aspect that repeatedly came up during this research is the concept of social intrapreneurship (Guo & Bielefeld, 2014). Future research could investigate the similarities and differences to social entrepreneurship, especially with regards to the open principles that are being applied.

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8   APPENDIX

INTERVIEW GUIDELINE

1. **Definition of Relevant Terms/Concepts**

   - How do you define Social Innovation?

   - How do you define Social Entrepreneurship?

   - Similar concepts, e.g. Social Business?

2. **Basic Idea/ Business Model/ Barriers**

   - How did you come up with the idea for Quartiermeister/ Social Impact Lab? What was the reason to start this project/NGO?

   - How are you organized? What is your "business model"?

   - What is your financing scheme?

   - Do you work in a network/ with partnerships?

     - Choice of partners? (private & public sphere) Different partners at the same time? Which purpose do the different partners fulfill?

     - Have you planned this from the beginning or did it evolve over time and became necessary at some point?

   - What do you consider barriers towards social innovation/social entrepreneurship? Which problems did you encounter in your "area" so far? How did you cope with those problems/barriers?

3. **Attitude towards Open Innovation**

   - Are you aware of the concept of Open Innovation and its principles?

   - What, according to you, are the benefits of opening up in a social setting?

   - Any fear of copying your idea? What is your attitude towards copy cats?

   - Do you think that Open and Social Innovation are reconcilable?

     - Which features/actions of yours could be considered open? Why?

   - Do you see barriers for Open Innovation in social entrepreneurship?

     - Absorptive capacity?

4. Intermediaries

- Could intermediaries facilitate the adoption of open strategies in social entrepreneurship?

- *For Social Impact Lab:* Would you consider yourself an intermediary?

- *For Quartiermeister:* Do you make use of intermediaries?

- *For both:* Do you think that organisations active in the field of social entrepreneurship are easily capable of integrating open strategies themselves?

5. Next Steps

- What are your plans for the future? What are the next steps in pursuing your idea?

- *Referring to the question of the Social Innovation Council at the World Economic Forum in 2013: How can social innovation generate impact?* → *Answer: scaling up:*
    - Do you agree?
    - What is your attitude towards scaling up? Have you already plans in this direction?
    - Do you think that your organization can gain scale without the help of others? Would you agree that a certain degree of openness is needed to gain scale?

6. Organisation-specific questions

- *For Social Impact Lab*: Are there many differences between different labs/cities? How much room for maneuver do you have in the city-specific labs?

- *For Quartiermeister*: Are you closely linked to your Munich counterpart? Are there any differences between your operations?

7. Final Question

- Do you want to add something that has not been mentioned yet concerning the topic?

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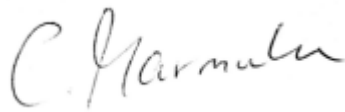
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Berlin, October 21, 2015