Can social innovation competitions move beyond hype to deliver change?

Reality TV shows such as Dragons' Den and The Apprentice that pit would-be entrepreneurs against each other have captured public imagination. They have also inspired a wave of business support programmes that adopt the competitive, high-pressure and high-profile characteristics of these shows.

In the social economy, social enterprises and charities are increasingly invited to enter competitions to win cash (as grants or loans), consultancy, mentoring or some other kinds of business support.

Muhammad Yunus, co-winner of the Nobel Prize for Peace and social entrepreneur, is one advocate for competitions as an effective means of generating creative solutions to social and ecological challenges. In his book, he imagines "…local, regional, and even global competitions, with hundreds or thousands of participants vying to create the most practical, ambitious, and exciting concepts for social businesses…".

But others are less enthusiastic and have questioned their social impact parodying the "innovative use of tired TV formats" and "social enterprise X-factor competitions".

So who is right?

Our own work suggests that in the right circumstances, when the competition offers a programme of support, and when it is well-implemented, it can have a lasting and widespread impact.

Are these new competitions innovative and effective?

The views expressed are based partly on research and partly on the experience of the authors who have been involved in running two competitions with Eastside Consulting, Spark and Equal-Invest.

Since not much research yet exists, we were keen here to start exploring the effectiveness and impact of competitions.

In the social economy, a significant amount of time, energy, creativity and money has been invested by organisations in delivering competitions, including NESTA (Big Green Challenge), Social Enterprise Coalition (Enterprising Solutions Awards), Big Lottery Fund (People's 50 Million), McKinsey (StartSocial), and Ashoka (Changemakers). There are also scores of business plan competitions that MBA schools and universities run for students.

The competitions share basic characteristics, such as having a discrete start and end point, prizes and a competitive application process. But there is also great diversity from one to the next.

For instance, the Spark competition offered £500,000 in prize money and business support to 15 social enterprises working to prevent homelessness in England; while the People's 50 Million offered a huge prize of £50 million to just one organisation. In Germany, McKinsey's StartSocial programme offered mainly pro bono consultancy for any type of social project in Germany.

Each competition varies in its objectives, scale, the size of prize monies and – most pertinently – its social impact.

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Why run a competition?

Competitions are not just about regurgitating tired TV formats. In a number of areas they seem to offer advantages over conventional grant-making and business support programmes.

They tend to have a high profile in the media and so attract more investment and support. Their innovative formats can create a platform for inspiring and engaging participants. They can help to galvanise new networks and partnerships around a common social mission and they can provide a body of detailed information on the needs of social enterprises and charities.

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High profile | Competitions frequently have media-friendly formats and in some cases are designed to appeal to the public and mainstream media. ITV promoted the People's 50 Million and the Mirror newspaper gave editorial space to support the Big Green Challenge. This high profile - when used prudently – should enable more investment and support to be leveraged for the benefit of the programme's social aims.

Inspiring and engaging | In the case of Spark, we were able to attract and engage a significant number of applicants. StartSocial and Ashoka's programmes both attract thousands of aspiring social entrepreneurs.

Networks and partnerships | Competitions can also create new networks and partnerships by encouraging applicants to collaborate with each other to share ideas and solve challenges together. In Spark, organisations consistently rated as 'very important' the opportunity to learn and share ideas with others in the programme.

Information | Competitions generate a significant body of information on needs due to the large number of applicants. This enables support organisations to learn more about current practices, relationships and activities, and should inform the design of future funding and interventions.

These benefits suggest to us that competitions may be appropriate when there is an explicit objective to stimulate systemic change in a sector. That is, they are not just about individual organisations having a bigger impact, rather they are designed to increase the effectiveness of all the organisations working on a challenge, or even to redefine the challenge itself.

How important is the competition itself?

Some programmes are highly competitive (People's 50 Million and Dragons' Den) and yet others require participants to co-operate in the belief that this will facilitate more widespread change. One of the more collaborative examples is Ashoka's Changemakers Programme which invites applicants to comment on each other's proposals through a social networking-style software.

Many of the competitions also have a transparent judging process. Some hold an event where participants hear each other pitch and others have an online forum where proposals are discussed and judged. In the People's 50 Million competition, the public voted and decided the winners.

This openness stands in contrast to the "behind-closed-doors" selection policies of conventional grant programmes and venture capital firms.

That cooperation is such a common feature raises the question whether these programmes should be labelled as 'competitions' at all. In fact, traditional grant programmes may be just as competitive as these new programmes.

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What are the costs?

The cost in time and money to run innovative support programmes can be significant. The competitions described here involve many partners. They typically have more components than other funding or business support programmes in order to ensure engagement is high. There are often many stages between application and evaluation of impact. Multiple partners increase the challenges around aligning divergent expectations. High profile media campaigns and event management also add to organisational complexity and cost.

The competitions described here are therefore complex projects that tend to require high levels of management resource and more money to run than conventional business support initiatives.

They also place heavy demands on the competitors themselves. Applicants are frequently required to participate in multiple rounds of selection. They are asked to attend awards events and to commit time to the mentoring or business support that they might receive. Can we be sure the time is well-spent?

Some conclusions

Evaluation and research should be undertaken to test the impact and value for money of competitions in the social economy.

In our opinion, the competitive element can add a sense of urgency and positive pressure: it galvanises where change is needed, encourages faster evolution and scaling of good initiatives. Competitions are therefore effective platforms for appealing to new types of funders, facilitating cooperation and partnerships, and attracting ideas and support from other sectors.

However, since the delivery costs and complexity of competitions tend to be high, we imagine competitions are best used when the explicit objectives are to raise awareness and shift perceptions and behaviours.

Ironically, these programmes work best when they encourage collaboration rather than competition, and where unfamiliar allies must cooperate, or at least be aware of each other's role, if they are to affect a shift in strategies across a sector. This type of change is not simply about changing what things are done, but for what purpose, by whom, how, and at what scale.

Like Yunus, we believe that social innovation competitions that encourage system-wide approaches and solutions are exactly what is needed to deal with many of today's most urgent challenges. Our own work suggests that in the right circumstances, when competitions offer programmes of support and are well-implemented, they can have a lasting and widespread impact.

We are grateful to all those who have run these competitions, participated, and shared their opinions. We welcome your thoughts and any further ideas you may have on how to make business support more effective for social enterprises.

And we will continue to evolve our own approach to these competitions as a means to maximising their social impact.

You can read more here

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