

Leadership of the Whole: The Emerging Power of Social Entrepreneurship

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One need only look at successful high-tech businesses to see that great entrepreneurs launch movements, not just companies. Steven Jobs at Apple, Bill Gates at Microsoft, Scott McNealy at Sun Microsystems offer a worldview, a passion for a cause that transcends the specific attributes of their product. Many social sector leaders, on the other hand, see that their organizations already represent a movement—for healthy communities, effective schools, physical or spiritual well-being—but lack the resources of our most dynamic businesses. The challenge for all innovators is to understand how leaders can build movements, not simply organizations,

which may advance the broader elements of their missions.

One of the most significant movements of recent years is social entrepreneurship. Its potential to transform society makes it an important asset for communities and a powerful laboratory for leaders of all sectors. Gregory Dees of Stanford University and the Kauffman Center for Entrepreneurial Leadership offers a useful definition of this embryonic movement:

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

- ◆ Adopting a mission to create and sustain social value (not just private value),

- ◆ Recognizing and relentlessly pursuing new opportunities to serve that mission,
- ◆ Engaging in a process of continuous innovation, adaptation, and learning,
- ◆ Acting boldly without being limited by resources currently in hand, and
- ◆ Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created.

These five capabilities can benefit private, public or social-sector institutions and have been central to the creation of hybrid strategies that blend elements of each. For example, The Roberts Foundation portfolio of social purpose enterprises—bakeries and cafes, janitorial and landscaping companies, screen printing businesses, retail and business services—were all launched as social purpose enterprises by nonprofit organizations in the San Francisco Bay Area to train and employ people in need, and ultimately sustain themselves in the marketplace.

In furthering social mission in new ways, social entrepreneurs are pioneering a form of leadership centered less on the actions of individual leaders advancing a national agenda than on a process of “Leadership of the Whole”—in which practitioners themselves (as opposed to those commonly viewed as “national leaders”) build a movement and leverage individual resources for broad social benefit.

Historically, leaders of movements were able to combine their personal vision with an ability to maintain their place at the center of

fragmented, though like-minded, groups—drawing such groups together to achieve a common purpose. For the past decade or more, the same has been true of social entrepreneurship. “National leaders” were recognized as leaders largely because of their individual vision and ability to work across regions and borders—connecting people to become a part of this newly evolving whole. While social entrepreneurship draws from a wide variety of disciplines (social and community work, business, philanthropy, public policy), its national leaders have been those who could connect players previously unable to find one another. As they traveled the nation “spreading the gospel,” these leaders have been supported by their own organizations, which have given them a platform from which to operate and upon which they could develop a greater understanding of the emerging movement.

However, it appears that this kind of national leadership of movements is fading. In its place we see a new form of leadership reflected less in the activities of individuals *talking* about their personal vision and experience, than in the collective force of practitioners and their stakeholders *acting on* a common agenda. Increasingly, practitioners are representing their own best interests, connecting directly with each other, and building a movement across disciplines and regions. As this leadership shift occurs, it is useful to step back, assess the forces that make traditional national leadership less relevant, and understand the implications of this shift for others.

Forces Supporting the Emergence of “Leadership of the Whole”

While a variety of market and other forces drive the creation of social entrepreneurship itself, there are six forces contributing to the evolution of its new, networked model of leadership.

Learning partnerships. At the core of social entrepreneurship is the passion for a cause. This passion is most often pursued through the application of skills associated

with business, political organizing, organizational development and a host of other disciplines. There is no single framework or model for understanding the practice. Therefore, those who pursue social entrepreneurship must invariably learn from others; they must forge relations with “fellow travelers” sharing their vision and moving through similar experiences. These partnerships are

primarily centered on the work of practitioners but have also come to involve funders, academics, business people, and others who rely on a process of mutual learning to inform their efforts. This learning occurs through forums, conferences, Internet list-serves and most importantly, the day-to-day work of a project.

Interlocking networks and strategic alliances. Learning partnerships have often operated in isolation from each other. Fortunately, an emerging set of networks, drawing on many fields of thought, is breaking that isolation. Today's community leaders find themselves working with established social service agencies, advocates of earned income strategies, managers of social purpose business enterprises as well as for-profit corporations, and still others practicing cause-related marketing. Each network informs its own practice by connecting with the efforts of others involved in discretely distinct, but related work.

These interlocking networks evolve naturally to further the creation of strategic alliances that are nationally grassroots in nature. For example, ServiceMaster, an international corporation with over \$6 billion in annual sales, has developed a national alliance with local nonprofit organizations providing supported employment to homeless and disabled individuals. Similar alliances have connected social innovators with academic institutions, faith-based organizations or individuals, and regional groups of other social entrepreneurs.

An understanding of appropriate scale. A third driver of this process of changing leadership has been the shift in understanding of the value and form of "scale." Historically, attaining significant scale has been a major challenge for organizations, whose leaders wondered, "How do we take our program national?" or "How do we expand on our demonstrated success?" However, the evolving notion of achieving appropriate scale is focused upon helping organizations become more viable and effective, not just larger.

Those seeking appropriate scale are less concerned with how to go national than with how to "go deep" within a community, an area of practice, or an individual organization. Appropriate scale means doing more with regional resources, developing greater capacity to engage wider segments of a core

market or community, and strengthening key relationships. National impact comes through the example set by one's work and the development of strategic alliances with others advancing the field in other parts of the nation and world. It is increasingly through the interlocking networks described above that such groups achieve "scale" in their work.

The speed of change. In times of crisis—as when funding priorities in Washington began to change—some leaders look for others to devise a new model thought to bring success. These putative leaders believe they can simply "implement the model" to achieve a degree of program and funding success.

In recent years, however, it has become clear that "the model" is now dead. The hard fact of the matter is that there are few universal, easily transferable models of strategy or anything else. Even a model that works in one setting is unlikely to keep up with change and finds itself outdated in weeks or months, not years. Innovation occurs at the fringe of the mainstream, most often when regional and local players analyze a challenge, draw from an array of potential approaches and resources, take what they feel is most relevant from each, and then create a new strategy for execution in the regional market place. In this ever-transforming environment, the emerging role of effective leadership in all sectors is not to replicate structures and strategies but to take a conceptual framework, idea or set of best practices and apply it effectively to suit local needs.

Advancing technologies. Finally, with the rise in advancing technologies, practitioners now have in their hands the very brokering and communication tools that historically have been the base of strength for the "national leader" of old. Just a few years ago, an agency director in South Dakota would have to await her association's quarterly newsletter or annual conference for word of what others were doing. With the advent of the Internet, she can surf the Web and learn about related efforts from around the world. She can engage in debate through a list-serve, an online chat room or a long-distance tele-conference call. She has immediate, real-time access to the latest in strategy development. Increasingly, technology acts as a democratizing force to allow ideas to be considered on their merits.

And, as if to seal the coffin on the traditional charismatic leader of the past, the power of advancing technologies to expand the horizon of a local practitioner becomes the glue that connects her to the larger field,

nation and world. She is her own leader, connected directly to other community leaders; together they act to change the face of societies. They lead as a body of the whole.

The Rise of “Leadership of the Whole”

The forces supporting the emergence of a “leadership of the whole” greatly reduce the traditional role for a “national leader” as gatekeepers of relationships and information. Indeed, “national leaders” will increasingly play a supporting role to local practitioners. In the words of Dan Sherman, they will become “learning facilitators:” guiding others toward new resources, facilitating the flow of digital dialogues and acting as hosts of a variety of connected forums serving the purpose of expanding the practitioner experiential knowledge base.

In a globalized society, in business as in social movements, regional voices will set the national agenda. And that national agenda will be directed through an array of networks operating in chaotic concert. The new leaders’ value will be found in the spirit of their words, their ability to inspire new

constituents to join the parade, and their ability to bring cool water, in the form of new resources, to those who march. It is a new role for those used to competing for a single spotlight. In the end, however, the power of community, the potential to capture the full impact of our social and economic investments, and the passion of those who carry the local burden of our nation’s social agenda may move closer to fruition. The question is not whether the new “Leadership of the Whole” will be allowed to move to the fore, but rather how those presently engaged in shaping a field of practice may most effectively act to assure its advance.

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