



Social-Business Innovation in Antwerp:
Innovation and market-oriented thinking in Antwerp's social economy

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2. Introductory remarks

Contemporary society is currently undergoing demographic, ecological, economic and other changes. Important trends include ‘greying’ and ‘greening’, climate change and the increasing consumer demand for socially responsible products and services.

Companies should consider this constantly evolving environment, which poses many challenges, as well as opportunities. Entrepreneurs should take advantage of such opportunities (e.g. through innovation). Within the current economic climate, therefore, innovation can be seen as ‘necessary, in order to remain competitive or even keep afloat’ (Clarysse & De Wolf, 2006).

In addition to sustainability, ‘innovation’ appears to be the buzzword of the moment at various policy levels, within scientific circles, as well as within companies. This concept is alive and well for entrepreneurs and companies in the social-economy sector as well, and rightly so. It is nevertheless a relatively unfamiliar concept for a sector in which entrepreneurs regularly ‘struggle with commercial and market-oriented thinking’.¹

In 2012, in an effort to promote innovation amongst social-economy business owners, the City of Antwerp joined forces with the [Antwerp Management School](#) (AMS) and [i-propeller](#) to offer a counselling project to encourage innovative developments within the social economy in Antwerp.

The following text begins with an outline of the social-economy sector in Antwerp, followed by a discussion of the social-economy policy and the role that the government of the City of Antwerp is playing with the goal of reinforcing the sector. The counselling project mentioned above is a good example. The article then provides a closer examination of the objectives and progress of the counselling project. Finally, the results are explained, along with a discussion of the lessons learned. Perhaps it is a success story that should be continued.

¹ Kris Moonen, i-propeller in *Inspirerende verhalen: Interne innovatiecultuur steunt op maximale openheid voor externe invloeden* [Inspiring stories: Internal innovation culture based on maximum openness to external influences] on the website of the *Vlaams Innovatiepunt* [Flemish Innovation Point] <http://www.socialeconomie.be/innovatiepunt>



3. The City of Antwerp and the social economy

3.1 What is the social economy?

The range of definitions of social economy seems endless. The City of Antwerp subscribes to the definition that has been adopted at the Flemish level. Social economy consists of '(...) a variety of businesses and initiatives whose objectives promote the realisation of certain social benefits and who subscribe to the following basic principles:

- a. Primacy of labour over capital
- b. Democratic decision-making
- c. Social embeddedness
- d. Transparency
- e. Quality
- f. Sustainability

Special attention is also paid to the quality of internal and external relationships. They bring goods and services to the market and deploy their resources in an economically efficient manner, in order to ensure continuity and profitability'.²

According to this definition, about 30 social-economy enterprises are based in Antwerp. Using such means as competence management and the elimination of obstacles to employment, the daily work of these companies involves strengthening disadvantaged groups³ and the social economy. These organisations are highly diverse, both in size and in terms of the products and/or services they offer. The following table provides an overview of the types of employment (i.e. local service economy, social workshops and sheltered workshops) currently used within social-economy companies

² Translation of the definition developed by the *Vlaams Overleg Sociale Economie*, or VOSEC [Flemish Platform for Social Economy], as posted on the website of the *Vlaams department Werk en Sociale Economie* [Flemish Department of Work and Social Economy] <http://www.socialeconomie.be>

³ A disadvantaged group is defined as a category of 'individuals whose employment rate – the percentage of people from the relevant class of working age (15–64 years) who are actually employed – is lower than the average for the Flemish population as a whole'. (See the website of the Flemish Department of Work and Social Economy: <http://www.socialeconomie.be/kansengroepen>)



in Antwerp. It also displays the number of employment types, the profiles of people from disadvantaged groups or employees from the target groups, the number of contracts (or FTEs) for each employment type and the sectors in which they operate.

Table 1: Social economy in Antwerp

| Employment type | Number of employment types | Profile of employees in target group | Employees ⁴ | Operating in: |
|-----------------------|----------------------------|--|--|---|
| Local service economy | 21 | <ul style="list-style-type: none"> - Did not complete upper secondary education - Registered for at least one year with the public employment service of Flanders (VDAB) as unemployed but job-seeking or as wage-entitled | <ul style="list-style-type: none"> - 548 contracts for target-group employees - 92 staff contracts | <u>Individual services:</u> Supplementary home care, neighbourhood-based childcare, transport and errand service <u>Collective services:</u> Social restaurants, neighbourhood maintenance, bicycle repair, nature maintenance, IT support |
| Social workshops | 8 | <ul style="list-style-type: none"> Job-seekers with profound placement difficulties⁵ - Did not complete upper secondary education - Inactive for five years - Psychosocial problems | <ul style="list-style-type: none"> - 657 contracts for target-group employees - 88 staff contracts | Hospitality, leisure and entertainment, family support, trade, ecology, assembly, processing and packaging, forest/landscape maintenance |
| Sheltered workshops | 7 | <ul style="list-style-type: none"> - Employment-willing people with employment disabilities who are temporarily or permanently excluded from the usual economic circuit - Priority target groups: people with disabilities | <ul style="list-style-type: none"> - 1110.46 FTEs for target-group employees - 148.05 FTEs for staff contracts | Green activities, assembly and packaging, business services (billing), textiles, metalwork, carpentry |

⁴ The figures for the local service economy and social workshops are listed as the number of contracts, while they are expressed as FTEs for sheltered workshops. For the first two employment types, the City of Antwerp registers only the number of contracts in the *Monitor Sociale Economie Stad Antwerpen* [City of Antwerp Social Economy Monitor]. The figures for the sheltered workshops are from Flanders (*Vlaams subsidieagentschap voor Werk en Sociale Economie* [Flemish subsidy agency for Work and Social Economy], 30 June 2013). Flanders records the number of FTEs, and not the number of contracts.

⁵ Job-seekers with profound placement difficulties are 'job-seekers who are unable to obtain or maintain employment in the regular labour circuit, due to an accumulation of personal and environmental factors, but who are able to perform customised work with proper supervision'. (*Decreet inzake sociale werkplaatsen* [Decree on sheltered workshops], www.codex.vlaanderen.be, 14 July 1998)



In the first employment type, the local service economy or related projects connect local needs to employment for people who have difficulty accessing the labour market. The 21 local service-economy projects in Antwerp are operating in a wide variety of sectors, including green-space maintenance, childcare, home health care, e-inclusion and hospitality. In Antwerp, 548 people from the target groups are employed through local service-economy projects. In addition, 92 staff employees provide customised guidance and support to these workers. (Data source: *Monitor Sociale Economie Stad Antwerpen* [City of Antwerp Social Economy Monitor] 30 June 2013)

In addition to these projects, eight sheltered workshops are located in Antwerp. These organisations develop activities offering employment for job-seekers with profound placement difficulties (i.e. people with psychosocial problems who have been inactive for at least five years and who have not completed upper secondary education). The organisations create a customised working environment for each employee. Although this is no easy task, they attempt to help workers from the target group merge into the regular labour market whenever possible. The various social workshops provide employment to 657 people from disadvantaged groups, as well as to 88 staff employees (Data source: *Monitor Sociale Economie Stad Antwerpen* [City of Antwerp Social Economy Monitor] 30 June 2013). As is the case for the local service-economy projects mentioned above, the social workshops operate in various industries: family-support services, trade and recycling, assembly, processing and packaging, as well as construction and renovation.

Finally, the sheltered or protected workshops provide jobs for people who are willing to work but who have an employment disability.⁶ These employees may be temporarily or permanently unable to enter the regular labour market. The central aim of these projects is to enhance the integration of people in society. In late 2012, the seven sheltered workshops in Antwerp had provided jobs amounting to 1110.46 FTEs to people from disadvantaged groups. They were guided by staff positions amounting to 148.05 FTEs (Data source: *Vlaams department voor Werk en Sociale Economie* or

⁶ An employment disability is 'any long-term and important problem related to participation in working life due to the interplay between impairments of a mental, psychological, physical or sensory nature, limitations in performing activities, and personal and external factors'. (*Decreet houdende bepalingen tot begeleiding van de tweede aanpassing van de begroting 2008* [Decree on provisions supplementary to the second revision of the 2008 budget], www.codex.vlaanderen.be, 21 November 2008)



WSE [Flemish Department for Work and Social Economy], 31 December 2012). Like the other employment types, the workshops offer various services and/or products ranging from assembly, printing, metalwork, carpentry and upholstery to maintenance and cleaning.

3.2 The City of Antwerp and its coordinating role in the social economy

The Flemish decree on the local service economy assigned local authorities a ‘coordinating role’ in the local service economy. In this coordinating role, local authorities are expected to further the development of the local service economy, with particular emphasis on ‘creating maximum employment opportunities, including for members of disadvantaged groups (...)’. (*Decreet houdende de lokale diensteconomie* [Decree on the local service economy], www.codex.vlaanderen.be, 22 December 2006).

The City of Antwerp has since adopted an increasingly broad interpretation of this coordinating role. In other words, the city has not restricted its focus to the local service economy, having extended it to include social and sheltered workshops as well. During the previous term of the Antwerp City Council (2006-2012), this role consisted roughly of the following tasks:

- a) Preparing policy
- b) Developing and supporting projects
- c) Monitoring the social economy
- d) Facilitating and promoting networks and cooperation

In this role, the City of Antwerp has been using subsidy regulations to support social-economy enterprises since 2008. Financial incentives are intended to ensure that employees from the local service economy and from social and sheltered workshops receive additional support through training and guidance. This increases their chances of finding jobs in the regular labour circuit.

The city has also developed new local services, including occasional childcare facilities ([OKiDOs](#)). Occasional childcare is a flexible form of childcare that focuses



on job-seekers (e.g. when they must attend classes or go on job interviews). This form of childcare also provides jobs for people from disadvantaged groups. In addition to their regular jobs, some employees receive training in order to strengthen their chances upon entry into the labour market.

In order to monitor Antwerp's social economy in a more efficient manner, a Social Economy Monitor was developed in 2011. It is an online registration tool that the social-economy entrepreneurs can use to provide information (i.e. personal and contract data) about their employees. This contributes to a foundation for local policy. It can also improve the defence of interests of the Antwerp social-economy enterprises. In addition, the first Social Economy Round Table was organised in 2011. This is addressed in greater detail in Section 4 ([Social Economy Round Table](#)).

The current Antwerp City Council promotes employment participation 'as the best way out of poverty and social exclusion and as a major road toward individual self-realisation (...), with the social economy as an intermediate step towards integration (or re-integration) into the regular labour market'.⁷ The City of Antwerp will be organising a variety of activities aimed at the concrete realisation of this vision in the coming five years. For example, account management will be used to intensify connections with social-economy enterprises. Efforts will also be made to improve the attractiveness of social-economy enterprises to mainstream companies and other governments. Moreover, as during the previous legislature (2006-2012), the City of Antwerp will be taking measures aimed at further stimulating the transition of people from disadvantaged groups into the regular labour market. The current government also aims to reinforce the social economy by optimising business operations and promoting innovation.

⁷ From the 2013-2018 management agreement 'Respect voor A' (*Respect voor A*) on the website of the City of Antwerp <http://www.antwerpen.be>



4. Social Economy Round Table

4.1 Background

Several years ago, both the social-economy enterprises and the city administration of Antwerp⁸ were experiencing a great need for a forum in which the social-economy enterprises could interact with each other. The social-economy enterprises noted that mutual collaboration and networking should be optimised. Although the various types of employment were cooperating with each other, it was to their benefit to learn more from each other. This is logical, given the fact that they work with and for similar target groups, pursue similar goals and face similar challenges.

At the same time, the distance between the city administration and various social-economy enterprises had been increasing, due in part to the advancing objectivity of financial-resource allocations. In the past, the city had entered into agreements with the enterprises in order to achieve particular objectives. At the beginning of the previous legislature (2008), however, a resolute choice was made for subsidy regulations through which financial resources would or would not be granted. This choice was intended to increase transparency with regard to the allocation of financial resources. These regulations are indeed based on clearly defined criteria. The appropriate preparation of policies and the proper support and development of projects, however, required appealing to ties with the enterprises.

Within the framework of the coordinating role in social economy, Antwerp organised the first Social Economy Round Table in 2011. A proposal was made to convene the round table twice each year.

⁸ More specifically, these ideas were expressed by the social-economy project leaders from the City of Antwerp Department of Enterprise and City Marketing.



4.2 Objectives

This semi-annual round table serves three objectives:

- a. To cultivate networking between various social-economy organisations in Antwerp
- b. To share good practices
- c. To promote cooperation around common themes

In November 2011, the city hosted the successful first edition of the Social Economy Round Table. All social-economy enterprises in Antwerp were invited. In workshops, the enterprises defined themes that they would subsequently elaborate in the round tables. The Round Table was intended to develop into an opportunity for the social entrepreneurs to interact, preferably working as concretely as possible on specific themes (e.g. human resources or financing).

In addition to these two themes, participants identified innovative developments or social-business innovations as one of the themes. Section 5 of this paper ([Social Business Innovation](#)) provides further elaboration on social-business innovation, focusing on why innovation is so often in the spotlight and why it is important for social-economy entrepreneurs. This is followed by a description of the '*partners in crime*' that the City of Antwerp found in its efforts to establish an innovation project for Antwerp's social economy. Why was this project started? Who participated? How did it proceed and, finally, what were the results?



5. Social-Business Innovation

5.1 Policy context

As noted in the introduction, innovation is quite often in the spotlight. The situation is no different in Europe. For example, the European Green Paper entitled *From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation Funding* expresses its choice of innovation policy as follows: ‘Europe and the world are faced with unprecedented challenges requiring innovative solutions. Returning to growth and higher levels of employment, combating climate change and moving towards a low-carbon society require urgent and coordinated action. (...) Challenges such as our ageing population or our dependence on fossil fuel do, however, also provide powerful opportunities to develop innovative products and services, creating growth and jobs in Europe’ (European Commission, 2011).

In the Flemish region as well, considerable attention is paid to innovation within companies. ‘Innovative solutions for societal challenges ensure the creation of jobs and enable our companies to grow internationally, thereby carrying Flanders to the top of the European region’ (Vlaams Parlement, 2011). Innovation is considered ‘the engine of growth, and it is therefore of capital importance to the economy. (...) In the long term, it can be argued that growth in terms of both products and processes is necessary for the growth – and even the survival – of the organisation’ (Clarysse, 2006).

Within the framework of the Social Economy Round Table, and as part of its coordinating role, Antwerp adopted a policy in 2012 that called for further efforts aimed at stimulating innovation in social-economy enterprises.

5.2 What’s in a name?

There are many different definitions of innovation. For example, the Organisation for Economic Cooperation and Development (OECD) and Eurostat define innovation as follows: ‘(...) the implementation of a new or significantly improved product (good or



service) or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations' (OECD & Eurostat, 2005).

Within the context of the Social Economy Round Table, innovation focuses primarily on the development of new products or services, thus allowing companies to increase their social impact and improve their positioning on the market. Innovation is thus intended to score strongly in both social and economic terms, while ultimately reducing the enterprises' dependency on subsidies. Many social-economy enterprises do indeed rely heavily on financial resources stemming from authorities, in exchange for creating employment opportunities for individuals from disadvantaged groups. Nevertheless, 'anyone who wishes to engage in sustainable enterprise should also focus on generating sufficient commercial income'.⁹

5.3 Partners in crime

After the first successful Social Economy Round Table, the City of Antwerp started searching for '*partners in crime*' with whom to elaborate the theme of social business innovation. The search brought the city in contact with the Antwerp Management School ([AMS](#)) and [i-propeller](#), a consultancy firm providing support in social business innovation to public, for-profit and social-profit organisations. Both organisations have since gained considerable experience in this area with social entrepreneurs.

Commissioned by the City of Antwerp, they organised a second Social Economy Round Table centring on social business innovation in 2012. This Round Table was followed by an innovation project – more specifically, a series of workshops about innovation in the social economy.

5.4 Launch of the innovation project

The second Round Table thus launched the innovation project for the social economy in Antwerp. During the Round Table, concrete case studies and good examples from

⁹ Stéphanie Dangreau, Flemish investment company PMV (in *Inspirerende verhalen: Sociale ondernemers uitdagen om commercieel te denken* [Inspiring stories: Challenging social entrepreneurs to think commercially] on the website of *Vlaams Innovatiepunt* [Flemish Innovation Point] <http://www.socialeconomie.be/innovatiepunt>)



both the social and the regular economy were explained to a wide group of employees (including directors, HR staff, and programme counsellors) from Antwerp's social economy. Also invited were organisations that were using other forms of employment, including work experience or labour care (see: [5.5 Who registered?](#)).

The second Round Table was intended to inspire participants with regard to the importance of innovation in general and, more specifically, for social-economy enterprises, given the many societal trends (e.g. greying, greening and the increasing consumer awareness of sustainability). Although these trends may constitute a threat, a prominent effect is the creation of a wide array of opportunities. Creative entrepreneurs are eager to seize these opportunities, while others need an extra push.

After this inspiration session, the Antwerp Management School (AMS) and i-propeller proposed a series of workshops. The objective of the workshop series was to provide guidance to the enterprises in their efforts to develop social-business innovations. The series would consist of three 3-hour workshops on the topic of 'Innovation in the social economy'. The ultimate result was to be a business case.

After proposing the workshop series, a call for participation was issued. Companies that had not been present at the Round Table were also informed about the project by email and invited to register. In addition to the time commitment, participating companies were asked for a small financial contribution, in order to confirm their engagement.

With its allocated project budget, the City of Antwerp, the Antwerp Management School and i-propeller aimed for a minimum and a maximum number of participants from 6–12 enterprises. In order to achieve the optimum return from the project, the enterprises were also urged to send more than one person, if possible, or at least one person who would be present at all three of the workshops in the innovation project.

5.5 Who registered?

As they had hoped, the City of Antwerp, the Antwerp Management School and i-propeller managed to persuade 12 companies to register for the innovation project.



Given that social-economy enterprises in the broadest sense of the word had been invited to participate in the Social Economy Round Table, those registering for the innovation project also came from companies that were using diverse forms of employment.

Half of the companies that registered had one of the following forms of employment: local service-economy projects, social or sheltered workshops or some combination. The other half of the participants were projects based on work experience¹⁰ (*werkervaring*) or labour care (*arbeidszorg*) projects,¹¹ as well as one add-in company¹² or *invoegbedrijf* and one starting centre (*startcentrum*). The first three also work with people from disadvantaged groups.

In contrast, starting centres focus on ‘providing business development, realising and expanding a business centre for enterprises and offering intensive management support to enterprises in the social economy’.¹³

The participating companies could be regarded as small or medium-sized enterprises. The smaller companies employ 20 to 30 workers, and the medium-sized companies employ from 150 to more than 300. The sectors in which the participating companies operate are also quite diverse. One feature that they do have in common is that they are active in a variety of sectors. The sectors in which they operate include construction and renovation, energy, green maintenance, cleaning, metalwork and woodworking, bicycle mobility, assembly and packaging. Only a few of the companies focus on a single core sector (e.g. catering, household help or business services).

There is currently a plethora of employment forms. The Flemish Community will soon simplify this situation through the *maatwerk- en ondersteuningsdecreet* (Decree on Customisation and Support). With this legislation, they will create a

¹⁰ Work experience projects offer ‘long-term job seekers a guided competency-enhancing learning experience at one or more workplaces for up to 18 months’ (see the website of the Flemish Department of Work and Social Economy: <http://www.werk.be/beleidsthemas/sociale-economie-en-tewerkstelling/werkervaring>)

¹¹ Labour care is aimed at people who are unable to function within either the mainstream or the protected labour market. These programmes involve ‘voluntary unpaid work under supervision’ (see the website of the Flemish Department of Work and Social Economy: <http://www.socialeconomie.be/arbeidszorg>)

¹² ‘Add-in companies are enterprises that are willing to guarantee sustainable employment opportunities for disadvantaged, with attention to training and mentoring in a working environment based on corporate social responsibility.’ (see the website of the Flemish Department of Work and Social Economy: <http://www.socialeconomie.be/invoegbedrijven>)

¹³ See the website of the Flemish Department of Work and Social Economy: <http://www.socialeconomie.be/startcentra>



framework for the individual and collective professional integration of the weakest players on the labour market. This involvement will take place according to their individual needs. The decree will allow for simplification and better coordination in general, as well as within the specific context of forms of employment within the social economy.

5.6 Innovation project: Objectives and intended effects

- **In the short term**

The innovation project assists social-economy entrepreneurs in their efforts to develop social-business innovations. The ultimate result of the workshop series was to be a business case consisting of the following:

- a. Value proposition: The benefits that the company brings to the market
- b. Business model
- c. Strategic positioning
- d. Possible market
- e. Roadmap or systematic plan
- f. Milestones
- g. Cost estimate

After the project, the organisations were expected to be better able to position themselves within the market, thereby realising various improvements (e.g. reducing their dependency on subsidies). Many of these companies are currently receiving extensive subsidies, and the economic crisis is placing a strain on this type of funding.

A city like Antwerp cannot afford to allow growing numbers of people from various disadvantaged groups to fall by the wayside. By extending and strengthening the social economy, the talents and potential of these people can be utilised, thereby strengthening and insuring the future of Antwerp's economy.



- **In the long term**

The intended long-term effects of the innovation project are as follows:

- a) Improved position of the social-economy enterprises relative to the pressure of crisis and any subsidy reductions
- b) More diversification within the social-economy sector
- c) More employment for disadvantaged groups in the labour market
- d) More entrepreneurship through innovation
- e) Sustainable improvement of the socio-economic situations of disadvantaged groups

5.7 Innovation project: Process

As mentioned earlier, three 3-hour workshops were organised around the topic of 'Innovation in the social economy'.

Prior to the first workshop, a consultant from i-propeller contacted companies that had registered, supported by an expert in social-business innovation from the AMS. During this **initial interview**, the objectives of the process and the expectations of the City of Antwerp were brought into focus.

Two weeks before the first workshop, participants received an **email questionnaire**. This was to be completed in preparation for the first workshop. The questionnaire was intended to provide the entrepreneurs and the consultants responsible with a better overview of the innovative potential of the companies. For example, the questionnaire provided information about the companies' primary values, the products or services they delivered (as well as their importance), their sources of financial income, their human capital, their current client portfolios and their opportunities for growth.

At the **first workshop**, most of those who had registered were present. The timely completion and submission of the questionnaire had been a problem for some, however, even though they had received it two weeks in advance. The success of the workshop nevertheless depended upon thorough preparation.



During the first workshop, which involved a combination of theory and practice, the questionnaire was used to help the entrepreneurs gain a better view of the innovation potential of their companies and the environmental factors that could influence this potential (whether negative or positive). The entrepreneurs' potential for innovation was estimated based on the core values and competences of their companies. First, a company cannot afford to deny its values. What would the company like to stand for? Alternatively, the potential for innovation can be determined only by considering the company's strengths. What is the company good at?

Armed with a better understanding of the innovation potential of their companies, the participants were set to work with their colleagues within the company. They were to collaborate on developing an idea that would subsequently serve as a starting point for the second workshop.

The central idea in this workshop was 'double gain': How can the social mission of social-economy enterprises be reconciled with a clear market orientation? Based on these ideas about such aspects as potential new products and/or services, (which the participants had worked out to some extent), the **second workshop** was devoted to developing a preliminary and rough description of a business case. The idea was questioned and refined through role-play and other activities. Other topics of discussion included potential markets for the new product or service. They also addressed the question of how the entrepreneurs could promote their ideas? Which customers?

As homework, the participants were assigned the task of mapping the costs of their sharpened ideas. To this end, they formulated answers to questions as, 'What would it cost to develop the innovative service or product?' Which costs would be associated with implementation? This homework served as input for the third workshop.

The purpose of the **third workshop** was to generate the beginning of a business plan containing a viable action plan. This workshop (which also involved a combination of theory and practice) elaborated on the components that a business case should contain. The following items were also discussed: necessary partnerships and



resources, potential customers, available channels, cost structure, business model and revenue streams. The participants were challenged to draw up a systematic and feasible plan based on these elements.

At the end of the third workshop, the participants were entitled to several hours of **individual counselling**. Each participant was contacted to respond to questions regarding financial issues and/or marketing. Most of the participants took advantage of this opportunity, and individual interviews were scheduled. The last sessions were held up to five months after the last workshop. In retrospect, these interviews proved highly productive, because the participants felt less inhibited from speaking freely.

The next section highlights the results emerging from the innovation project and the lessons that can be learned.

5.8 Results

Did the innovation project achieve its stated objectives? (See [5.6 Innovation project: Objectives and intended effects](#).) After the workshop series, did the participants have a ready-to-use business case in hand, possibly accompanied by a detailed action plan? This question cannot be answered with either a resounding ‘yes’ or a resounding ‘no’. Was the innovation project thus a measure taken in vain?

Few of the participants came out of the project with ready-to-use business cases accompanied by systematic, well-specified plans. Several participants did prepare innovative drafts. Most of these involved better-developed ideas and concepts that required further elaboration. Some of the participating companies emerged from the individual counselling sessions with reasonably well developed drafts that had the potential for effective implementation.

The nature of the ideas developed was quite diverse. For example, one company proposed developing a new product based on recycled materials that were currently being treated as waste. Another entrepreneur proposed taking advantage of the connection between a new service for users (i.e. a do-it-yourself training) and an existing service for borrowing work materials, and yet another sought to develop a new service for department stores.

The other companies did not reflect so much on the development of new products or services. For example, the privatisation of existing projects was an



important issue for one company. This project focused on services aimed at providing efficient solutions for problems in the workplace. It called for joining forces with other services, thereby sharing the costs of investment.

Other ideas were more focused on expanding existing services for new customers and markets. For example, expertise that one social-economy enterprise had accumulated in the area of alcohol or drug abuse could be transferred to companies in the regular economy. Certain staff competences in the social-economy sector could be marketed and economically exploited more intensively. Companies should ‘(...) also dare to innovate in marketing or services, and they should explore new markets. Some existing products could (...) be of interest to other markets, or certain products could be linked to services’ (Michielsen in Clarysse & De Wolf, 2006).

Only two of the companies that registered for the project did not submit any idea or draft. One of these participants had dropped out after the first session, and the other company was in a precarious financial situation.

The available results clearly indicate that the innovation power and capacity for change¹⁴ within Antwerp’s social economy is highly diverse. Three of the twelve companies are in very good shape, with every indication that their plans will be implemented effectively in the short or medium term. Several other organisations, however, need additional support in other areas. For example, a few of the companies are relatively small. They therefore often lack the financial resources or competences in house that they would need to get started with the ideas that they had developed.

Several companies must attend to other matters before they can start thinking about innovation. Within one company, the importance of innovation has yet to be recognised or acknowledged at the upper management level. In other words, the company has no innovation power or capacity for change. Another company is in need of structural reinforcement of its management capacity. This organisation is undergoing a difficult change process, and several issues must be addressed at the

¹⁴ A company’s innovative power and capacity for change depends upon three components that are at play within an enterprise: ‘(...) first, the extent to which they are able to process market signals or external information; second, the extent to which they can assimilate the acquired information within the company and third, the extent to which it can adapt this information to suit its daily activities’ (*Vlaams Parlement*, 2011).



level of management. These suspicions were confirmed through the efforts of external consultants from AMS and i-propeller.

5.9 Possible future avenues

Two months after the completion of the innovation project, the City of Antwerp launched a short online survey to gauge satisfaction with the innovation project and to explore possible avenues for follow-up in this area. The results of this brief survey revealed that most respondents were satisfied with the project that they had followed.

Although the workshop series did not necessarily generate a well-defined business plan for most of those surveyed, they did note that, aside from the results, their companies had been working on innovation both during and after the project. The social-economy enterprises would like the city to continue along the same path of innovation and to start similar initiatives in the future.

Further efforts directed at progress in innovation within the social economy of Antwerp should proceed from the output of the previously discussed innovation project. Although the current management agreement (2013–2018) does not mention social economy and innovation in the same breath, politicians and the city administration have devoted attention to translating innovation within the social economy into concrete objectives. More specifically, this means that the City of Antwerp endorses the objective stating, ‘Business operations and innovation within the social economy have been strengthened’. It is not yet clear exactly which actions will be needed in order to achieve this objective, nor is it clear what is meant by ‘strengthening’.

To ensure that companies actually start or accelerate the implementation of their innovative ideas, the city could provide additional support to companies whose ideas are the most practical and feasible. One difficulty that the social-economy enterprises mentioned in the short survey (as described above) and during informal conversation involves the lack of financial resources and expertise. One possible avenue for addressing this difficulty could be to present an award to the social-economy enterprise with the best business case. The business cases could be assessed by experts from both the regular and social-economy sectors. The prize could include a



certain period in which an external consultant would help to set the innovation project on track and to transfer expertise to an employee within the social-economy enterprise. By presenting an award (and thus possibly generating media attention), the city can also highlight the importance it attaches to innovative entrepreneurship in general, and particularly with regard to the social economy.

Other companies could benefit from the structural reinforcement of their innovation capacity, such that they will be able to develop and implement powerful and effective innovations in the long term as well. In developing projects and activities, however, the administration should take care to ensure that ‘it is not the government (...) that realises (...) innovation’ (*Vlaams Parlement*, 2011). Many of the social-economy enterprises also indicated that they did not have access to networks of the scope needed in order to develop innovations. In this regard, the City of Antwerp could bring various parties together (e.g. to deploy existing or new capacities or competences). Such capacities or competences should also be sought in collaboration between the regular and social-economy sectors. The sectors can be mutually reinforcing, and each can learn from the other. With its contacts in the regular economy, the City of Antwerp’s Department of Economy can obviously play a facilitating role in this regard.

For the companies that are experiencing other problems, the City of Antwerp would do better to remain relatively aloof. The government should take care to avoid becoming an entrepreneur itself. The problems in such organisations could possibly be addressed from within the city’s coordinating role, although the city should avoid taking charge.

In addition to continuing efforts related to the output of the first innovation project, similar counselling projects might be established in the future, with the goal of stimulating innovation within the social economy. It is important to draw a number of lessons from the innovation project that was started in 2012. These lessons can be used to shape future projects. The following section considers these lessons.



5.10 *Lessons learned*

During the innovation project, participants were introduced to a critical view of the benefits of innovation. Primary emphasis was placed on innovations with considerable social value, but that are also based on a financially sustainable model. At the end of the project, however, not every company had a clear business case in hand. Most of the products could better be described as more or less elaborated ideas. The **original objective was thus quite ambitious**, and it should be adjusted in subsequent projects.

During the workshops, participants were encouraged to learn from each other. It can be enriching to consider ideas from another perspective. **Nevertheless, knowledge sharing proceeded with difficulty.** The entrepreneurs were reluctant to share their ideas freely. Competition clearly played a major role in this regard. The participating companies operate within the same sectors, and their competitors could easily take over their ideas. ‘Many social-economy enterprises are currently too small or closed to take any major steps. They are mutual competitors. In many cases, they are fishing in the same pond. Nevertheless, the future depends upon searching for new ponds, and it will require new forms of collaboration’.¹⁵ It is important to note that ‘such caution poses a major obstacle to the open innovation process’.¹⁶ During the individual counselling sessions after the third workshop, the participants shared a considerable amount of information. This proved a more efficient means of bringing specific problems to light. One possible avenue for the future could involve arranging workshops in a more focused manner, such that this aspect plays a less prominent role.

After the innovation project, several participants indicated that there had been **too little variation in the type of participants.** In this regard, they were referring largely to the absence of companies from the regular economy. The future will demand closer collaboration between the two sectors, including in the area of innovation. It would be beneficial to involve social entrepreneurs in future innovation projects.

Both before and between the workshops, participants had ‘homework’. **Several participants apparently had difficulty completing the assignments (on time).** The

¹⁵ Gertrude Decock, *Levuur in Inspirerende verhalen: Samenwerking binnen de sociale economie werpt vruchten af* [Inspiring stories: Cooperation within the social economy is paying off] on the website of the *Vlaams Innovatiepunt* [Flemish Innovation Point]: <http://www.socialeconomie.be/innovatiepunt>

¹⁶ Wim Soens, *Cognistreamer in Inspirerende verhalen: Er is meer vertrouwen nodig voor open innovatie* [Inspiring stories: We need more confidence for open innovation] on the website of the *Vlaams Innovatiepunt* [Flemish Innovation Point] <http://www.socialeconomie.be/innovatiepunt>



period between the workshops was always at least two weeks. Participants also received the preparatory questionnaire two weeks in advance. Participants who consistently submitted their assignments progressed at a remarkably faster rate in the development and implementation of their ideas. In future projects, it might be advisable to allow more time between workshops and to contact the individual participants about the assignments before the workshop takes place. One possible disadvantage of this approach would be that it might eliminate some of the dynamics of the workshops.

Two participants dropped out during the innovation project: one because of internal reasons and another because the organisation closed its doors. In addition, during the course of the project, it became apparent that some of the participants had too little support within their companies, that some participants were not the most appropriate figures within their companies to participate in the workshop series and that some of the organisations had other problems they would need to address before starting to think about innovation. In future projects, such problems could be resolved by subjecting the participating organisations to thorough **advance screening for commitment and capacity**.

In addition to their knowledge of social entrepreneurship and their expertise in the area of innovation, the **external consultants** who led the project contributed additional benefits by confirming certain suspicions that the city administration had about the operations of certain organisations.

6. Closing remarks

Within the framework of its role in coordinating the social economy, the City of Antwerp organised a social-business innovation project in 2012, in collaboration with the Antwerp Management School and i-propeller. Although the proposed objectives of the project were not fully achieved, it can still be considered a success.

The participants in the innovation project have indicated that they have begun to work on innovation within their companies. In other words, they have been encouraged to address innovation. As noted in the introduction, innovation is not easy



for an industry that is often more focused on the realisation of social objectives than it is on economic profitability.

The recent innovation project was the first step in encouraging all social-economy enterprises in Antwerp – large and small – to jump on the innovation bandwagon. How will the City of Antwerp stimulate innovation within the sector in the future? The city's efforts will take place in consultation with the social-economy enterprises, preferably with the participation of entrepreneurs from the regular economy. There are interesting opportunities for cross-fertilisation. The City of Antwerp would like to play a role in mobilising and generating enthusiasm for innovation. This is because providing a strong anchor for innovation can serve to strengthen the local economy as a whole.



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