

Social and Green Entrepreneurship Survey in Turkey

Methodology and Findings

by

Anja König

Social Impact Markets & Policies
Mercator-IPC Fellow at Istanbul Policy Center at
Sabancı University

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Anja-Nadine Koenig, Mercator-IPC Fellow, is a business economist (MBA) with experience in advisory, finance and research on public-private partnerships, impact entrepreneurship, social investing, and policy reforms in Africa, Latin America, Asia, Eastern Europe, Middle East and Turkey. Prior to locating to Turkey in 2010, Anja established *reformconsult*, an economic and investment advisory firm in Kenya, worked with the German International Agency GIZ in Kenya, Corporate Finance/PricewaterhouseCoopers in Kenya and Germany and with an international energy and infrastructure advisory firm (S&W) in London, UK. She holds an MBA from Mannheim University/Germany, and degrees from Institute d'Etudes Politiques in Paris/France as well as the German Development Institute in Berlin/Germany.

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More information on SIMP and other blogs are available on www.socialimpactmarkets.org.

Contact: akoenig@socialimpactmarkets.org

Introduction

During my 2012-13 Mercator-IPC Fellowship at the Istanbul Policy Center, Sabanci University, I carried out a research project on social entrepreneurship, social investing, and the role of government, with a specific focus on the climate change sector. As part of this work I carried out a social and green entrepreneurship survey (www.socialimpactmarkets.org). This document aims to make the results and methodology of this project accessible to a wider audience.

In [part 1](#) of this blog series I described the benefits of such a survey (see Section 2). In [part 2](#) (Section 3) and [part 3](#) (Section 4) I talked about our approach to identify potential respondents and the challenges of collecting a sufficient number of responses. In [part 4](#) (Section 5) I reflected on how to target the right kind of organizations for this survey and on how to improve the response rate. In [part 5](#), I analyzed the response rate and pointed to some of the limitations of this survey (Section 6). Our survey results are summarized in [part 6](#) of our blog series (Section 7).

Part 1-4 were posted on November 8, 2013 and part 5 and 6 on April 10, 2013.

[Social enterprise survey \(Part 1\): Why do we need a social enterprise survey in Turkey?](#)

November 8, 2012

As part of my [research](#) I want to explore the situation of social and green enterprises in Turkey. My first blog is on a topic that seems rather obvious: why is such a survey is important?

What do I hope to achieve with this survey?

Social entrepreneurs are pioneers. They face many challenges with regard to the legal and policy framework, access to finance and growing their idea sustainably and achieving the desired impact. This is particularly true in Turkey where sector infrastructure is still weak and the concept of social entrepreneurship or impact investing is not well known to the broader public.

The survey will help me to understand the size, geographic diversity, values and strategies of social enterprises in Turkey. It will also reveal the specific challenges that social entrepreneurs face when growing their innovative ideas into sustainable solutions for social and environmental impact.

With my research project I also want to understand the perception of (potential) financiers and intermediaries and identify policy options for the government to grow this emerging field. Once completed, the survey results will therefore help me to compare the entrepreneurs' needs with the perception of (potential) financiers and intermediaries and feed into my analysis of policy options for the government.

Beyond research, in what way does it benefit social enterprises?

So, very useful for research some will say, but what do social enterprises get out of this? Are they not just wasting their time in filling yet another form – only to never hear back again? I disagree. I expect the survey to have very practical benefits for social enterprises, intermediaries, and policy makers supporting the growth of this sector.

The survey will:

- Help intermediaries and policy makers to segment the heterogeneous field to take more targeted and substantiated decisions in relation to incentive and financing schemes, legal reforms and other policy interventions,
- Increase access to a greater range of funders and financing options,
- Raise awareness and increase exposure to a larger audience amongst consumers, financial institutions, business, media, government or academia both in Turkey and internationally,
- Contribute to a more powerful sector-wide voice,
- Build a stronger sense of community amongst social entrepreneurs ('others face same problems!'), and
- Attract human resource talent to this space.

Outlook

It is the first time that such a survey is being carried out in Turkey. The resources for this survey are

limited and the scope and design is determined by the specific research interest of our project.

However, the survey will provide a basis for future research in this emerging field in Turkey. I expect (and hope) that research is likely to expand from case studies of individual entrepreneurs to a broader sample. This will help to draw more general conclusions on targeted needs, opportunities and policy options.

I am looking forward to this and I therefore believe we should work jointly towards common set of definitions and methodologies on how to best map and measure the scope of social entrepreneurship activities in Turkey on a regular basis.

Social enterprise survey in Turkey (Part 2): How do we identify social enterprises for this survey?

November 9, 2012

We now all agree (hopefully) that a social enterprise survey is a great idea to develop the eco-system – besides creating direct benefits to the social enterprises. But how do we find our social enterprises?

If the results from this survey are to be credible to fully realize these benefits, it is crucial to collect a sufficient number of responses from enterprises. As we all know, social enterprises are difficult to identify, in particular in a country where this field is just emerging and where there is no widely accepted definition of what a social enterprise is. Therefore, the two questions we were confronted with right at the beginning of our work were:

- First, how do we get a sufficient number of responses from the set of organizations that we identified so that the survey results carry some weight?
- Second, how do we identify the right kind of organizations for this survey limiting both the risk of including the ‘wrong’ ones and the risk of excluding the ‘right’ ones?

Top down, bottom up, test-based, activity based, self-identification

I looked at how researchers have recently carried out social enterprise surveys in other countries. A few started from a clearly identified database that broadly matched the respective research objective (top down). The majority, however, had to build a sample population from a variety of sources due to a lack of suitable sample frame (bottom up). The latter is more difficult to administer but includes a wider range of potential respondents. Within these two approaches, respondents can be identified based on a researchers’ test-based definition or through the respondent’s self-identification, or ‘user-driven definition’. In many cases researchers use a proxy to identify a social enterprise such as:

- The organization’s legal structure; the Community Interest Company in the UK or B-Corporations in the US,
- The organization’s involvement in certain activities (housing associations, credit unions, community enterprises), or
- The setting of (arbitrary) thresholds on criteria such as ‘at least 25% of income most come from trading activities’.

However, such an approach may easily overlook social enterprises that operate outside of such relatively rigid proxies and criteria. Furthermore, in many countries the availability of such proxies is limited or they simply do not exist (as yet).

In the case of self-identification respondents would be asked, for example, whether they would consider themselves a social enterprise. While at lower cost, more easily to administer, and more

inclusive than test-based approaches, such an approach may also be subject to misinterpretation by the respondents.

How should we approach it in Turkey?

In Turkey, there are a number of considerations that limit the choice of survey approaches (as in many other countries with a newly emerging social enterprise sector). These include, for example:

- The notion of social enterprise has been introduced very recently and no consensus has been reached on what constitutes a social enterprise,
- Many organizations may function effectively as social enterprises without being aware of it,
- Social enterprises operate under a variety of legal structures such as associations, foundations or companies as a specific legal structure for social entrepreneurship does not exist, and
- An encompassing industry association for social entrepreneurship, industry body, research organization or think tank that could provide us with a database that also does not exist.

In addition, my research will explicitly look at social entrepreneurs with an environmental objective or 'green entrepreneurs' as we call them in our research. This increases the heterogeneity of the sample and thus the complexity of the required approach.

Taken all these constraints into consideration we decided to identify the sample population in a bottom-up approach to take the diversity of organizations into account. This includes searching out databases of intermediaries such as civil society associations, social enterprise support organizations, universities, initiators of business plan competitions and grant managers in and outside the government. However, we found that we could not access these databases as much as we would have liked due to the confidentiality concerns of many intermediaries.

We therefore decided to rely heavily on the self-identification of potential respondents, referrals of existing respondents and intermediaries based on our explanation of our research objectives and our criteria of target organizations. We will also actively promote the survey through our project website, our partners' networks and social media.

Within the survey questionnaire itself we provided for three broad dimensions of social enterprise to be able to filter out some organizations that are clearly outside of the focus of our work: social and environmental impact, innovation and sustainability (see part 4).

Identifying a high number of suitable candidates, however, is not enough. Ultimately, what counts to make the survey results credible is the number of questionnaires that are completed. In the next part of this blog series I want to say a few words about the challenges I observed around the response rate.

Social enterprise survey (Part 3): Everything well prepared – but what if nobody responds?

November 9, 2012

I started this blog series with a discussion on why I think this survey will be of great benefit to social enterprises (part 1). I also mentioned my dilemma between generating a sufficiently large sample size and the need for targeting when identifying social enterprise for the survey (part 2). Now I want to talk about a very practical challenge: how to make sure that organizations actually take the time and fill in the questionnaire?

How have my fellow researchers outside of Turkey approached this challenge?

International experience shows that the response rates of most social enterprise surveys range between 10 and 20 per cent only. For example, the 2010-2012 [Mercator Social Entrepreneurship](#) research team in Germany sent out 1,710 questionnaires and had a response of 208 valid questionnaires (15 per cent). In 2009, the [Finding Australia's Social Enterprise Survey FASES](#) sent out 4,000 and collected only 365 responses that is a response rate of less than 10 per cent. Some researchers probably attracted more respondents with an offer to add them to an industry online directory (e.g. FASES or the on-going [Social Enterprise Census](#) in the US) or to send out the findings prior to official publication. FASES even offered gift vouchers to buy products and services from the other survey respondents. Other factors that according this experience, positively or negatively influence the response rates are:

- The length of the survey (15 to 30 minutes, 30-45 questions seems reasonable in most countries but may be too long in other countries where organizations have weaker capacities),
- The response format (multiple choice or text based),
- The amount and type questions on financial data and other data perceived to be sensitive (or which may simply not be available in the requested format), and
- The technical means of how the survey is delivered e.g. in many countries respondents prefer a personal conversation to completing an online survey (and vice versa).

So what do we do in Turkey?

Assuming a response rate of 15% and aiming to receive at least, say, 60 completed questionnaires we would need to reach out to at least 400 enterprises – quite a challenge in a place like Turkey with such a small sector. On the other hand the number of 60 respondents appears small in comparison with surveys carried out in other countries. However, it is a beginning and it would be sufficient to identify some patterns and draw initial conclusions.

With a view to increase my response rate as much as possible we want to offer respondents to take them through the questionnaire by phone instead of asking them to fill in the survey online only. However, phone interviews are only possible with organizations for which we have been able to gather contact details, or those who approached us and shared their contact details.

We are also offering to invite participants to the pre-launch of the event, to send them the results prior to the official publication and, possibly, offering drawing of cash or shopping vouchers amongst respondents as additional incentives. We are also considering using the unique opportunity of this survey to set up a social enterprise online directory managed, for example, with www.sosyalgirisim.org or another suitable platform. Many social enterprises would see an advantage to be added to such a directory and thus increase their visibility. An online directory would also increase transparency of the sector and allow for more targeted intervention. This would be outside the scope of my project, however, so there is need for wider consultation.

Has this approach worked? Well, I don't know yet. I will share my experience in one of the next blogs of this series in a few weeks once we have the first results.

[Social enterprise survey in Turkey \(Part 4\): Defining social enterprises or how to set boundaries for our survey?](#)

November 9, 2012

In part one of this blog series I described the benefits of a social enterprise survey. In part two and part three I discussed our approach to identify potential respondents and collect a sufficient number of responses. Now I want to look at how social enterprise criteria can help us to target the right kind of organizations for this survey.

With this research I do not aim at providing an all-encompassing definition of social enterprises or entrepreneurship in Turkey. I believe that a wide range of interpretations and definitions are possible depending on the perspective and the purpose for which the definition is needed.

However, I am aware that I need to operationalize the term 'social enterprise' (and for the survey I will focus on the organizational level rather than the individual entrepreneur or entrepreneurship) in order to ensure a sound analysis and credible results. In doing so, I face a real dilemma: While ensuring effective targeting of organizations for data collection and analysis, it is important to keep the survey sufficiently inclusive in order to take the diversity of players in a nascent, relatively small sector into account. (See: Lyon and Sepulveda of TSRC, UK highlight this dilemma in other mapping studies e.g. 2009, 2010).

We all know that there are a multitude of definitions of social entrepreneurship (and social enterprises and entrepreneurs), each emphasizing a combination of different criteria and interpretations. Figure one compares the use of these criteria in thirty social enterprise definitions. I synthesized these criteria into the following dimensions, which I considered to be most relevant for my research; social and environmental impact, innovation, and sustainability.

The combination of all three dimensions will guide the research team in filtering out organizations that are completely out of the focus of this research.

1. Social and environmental impact

Not surprisingly, in any definition of social entrepreneurship the 'social' is an essential element. There are important nuances, however, in terminology (e.g. social goal, social purpose, social mission, social value creation, social impact, social change, public good etc.) and interpretation. For example:

- Intended impact level: Is the focus on products and services to address market failures (incremental), on markets to reconfigure existing market structures and patterns (institutional), on politics to change the cognitive frames around markets to alter social systems (disruptive)?
- Ultimate end purpose: Satisfying basic needs or ending poverty, allowing for self-expression and self-realization, moving beyond GDP and creating well-being and happiness (some countries like the Kingdom of Bhutan have declared officially as being the ultimate goal for their society measured in the 'Gross National Happiness (GNH) Index'),

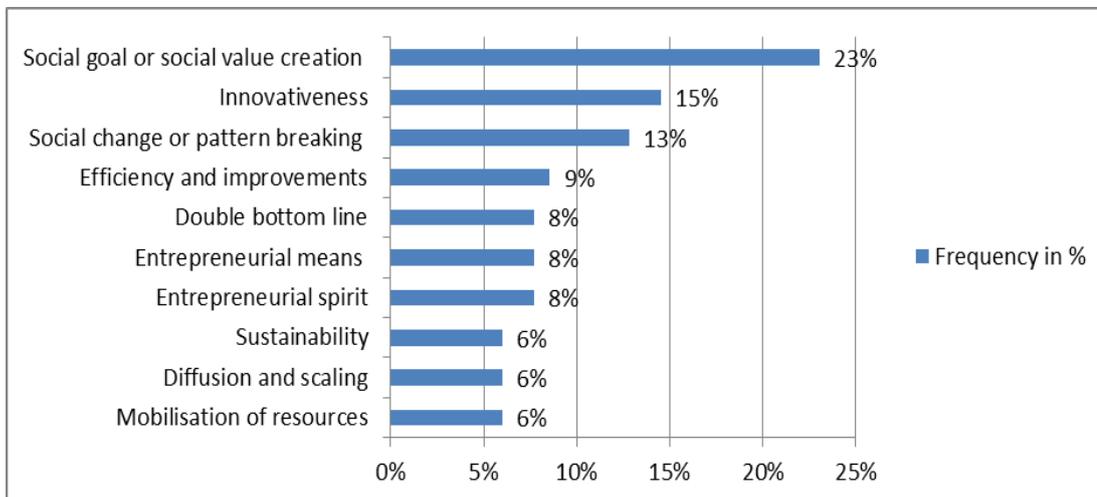
- Intentions versus actual effect: Is there an intention to create a meaningful social and environmental impact? Should there also be evidence of tangible social and environmental impacts, or effects, for the ultimate target populations or areas?
- Social versus environmental objectives: Some people do not consider social enterprises addressing an environmental problem (waste, climate change, energy efficiency) as 'real' social enterprises. In their opinion social enterprises work with people, while the environment is seen as a separate dimension in the social-environmental-economic triangle.

Implication for the survey: I will focus on organizations whose objective is to intentionally create both a social and / or environmental impact being aware that I do not have a way to measure the actual effect or impact of the organizations we explore. We leave it open to respondents to define what the 'social' means to them and at which level they want to generate and impact. However, social enterprises with an environmental objective are considered social enterprises and will be included in the survey (referred to as green enterprises).

2. Innovation

A review of the literature and discussion with practitioners confirms that the concept of social entrepreneurship is often linked to an imperative of innovation (17 out of 30 social enterprise definitions use 'innovativeness', see figure 1 below) in addition to the creation of social impact or social change.

Figure 1: Frequency of criteria in social enterprise definitions based on Schmitz and Scheuerle (2012).



That makes sense to me: I believe innovation is critical for social entrepreneurship – and arguing from the perspective of my research – offers significant potential for policy interventions. [I am in good company](#): starting from Dees (1998) to Ashoka founder Dayton (2002) to Bornstein (2004) or Martin & Osberg innovation is also closely linked to social change with innovation being the 'spark' that leads to the latter's long term consequences.

In line with Geoff Mulgon (2006, 2008, 2012), I define innovation as making new ideas work for products, services, and processes. Social innovations would then be "innovations that are both social in their ends and in their means" (G. Mulgon in Nicholls et al., 2012: Social Innovation). Mulgon also

stresses the importance of relationships and partnerships in social innovation.

Implication for this survey: I will focus on organizations that are innovative in terms of products, services and processes (combined with the aim to achieve a social and environmental impact, [see discussion above](#)).

3. Sustainability

Sustainability regards an organization's capacity to endure over time and to maintain or deepen its impact. It is not only about financial sustainability but also the viability of the business model, the organization's operations, and meaningful interactions within its eco-system. Sustainable social enterprises show some or all of the following features:

- Minimum or time bound full dependency on short term and unpredictable donor funding,
- Diversified sources of funding,
- Involvement in trading of products and services on a continuous basis,
- Charging directly or indirectly for products and services, or for some subset, even if fees are less than market rates, or costs, wholly or partially subsidized by third parties (as opposed to advocacy activities or the redistribution of financial flows (like many foundations),
- Scalability of business model and strategy for diffusing social innovation and deepening impact over time,
- Entrepreneurial and professional management of the organization, and
- Strong partnerships and collaboration with funders, suppliers, customers / beneficiaries.

Implications for this survey: For this survey I would be looking for organizations that intentionally pursue a social and / or environmental objective; are able to declare in what way they are innovative; and are committed to the financial and managerial sustainability of their organization.

[Social enterprise survey Turkey \(Part 5\): Did we reach enough organizations – and the ‘right’ ones?](#)

April 10, 2013

In [part one](#) of this blog series, I described the benefits of a social enterprise survey. In [part two](#) and [part three](#) I discussed our approach to identify potential respondents and the challenge of collecting a sufficient number of responses. In [part four](#), I reflected on how to set the boundaries and target the right kind of organizations for this survey. In this blog, I will share with you our experience with reaching out to our target organization. A summary of the survey results are also provided.

1. How did we reach out to potential respondents?

In my previous blog I described the challenges of reaching out to potential respondents and the need to ensure responses from a sufficiently high number of organizations that matches our requirements. This is what we did:

- First step: We put together a master list of social entrepreneurs based on information that was easily accessible to us (e.g selected members of the Third Sector Foundation of Turkey (TUSEV), Sabanci Foundation Changemakers, Ashoka fellows in Turkey, and UN publication on green entrepreneurship). We made a significant effort to populate this list, realizing that this would be the only way to be able to follow up with organizations and thus increase the response rate. We built a list based survey collector on survey monkey; the web based survey tool we used for this survey, and then sent direct survey invitations to the 179 organizations on our list (58 green entrepreneurs, 121 social entrepreneurs).
- Second step: We asked our partners such as Ashoka, Ozyegin University, Koc University, and Bilgi University, Social Innovation Centre, to forward the survey invite to their network (the release of contacts to add entrepreneurs in their network to our list had not been possible mainly due to confidentiality concerns). In addition, we approached other intermediary organizations, circulated information on the project website, on relevant LinkedIn groups, and on TUSEV's social enterprise website and newsletter.
- Third step: In our survey questionnaires we used a snowball sampling technique, by asking participants to propose names of other organizations. There were five or six new entrepreneurs that we identified this way.
- Fourth step: After four weeks, we sent a follow up email to those organizations in our list, which had not completed the survey. We also made follow-up calls to 60 organizations to encourage their participation and discuss their eligibility and other concerns, if necessary.

We closed the survey after a total duration of 6 weeks.

2. How did we come up with our final sample?

We took a closer look at our respondents to understand in which way we reached out to organizations. Our respondents may be divided in three groups: first, there are those from our master list of organizations. Out of the 179 organizations we sent direct invites, 49 of them

participated and provided their names. In addition, there were 32 participants who did not declare their names i.e. they may or may not have been directly invited based on our list. Apart from those, 18 organizations that had not been directly invited by us also participated in the survey.

We eliminated those responses of organizations that seemed clearly off the boundaries we had defined earlier (e.g. CSR department of a large corporation, government departments, private companies without social impact or traditional NGOs) or those who completed less than half of the questions or exited the survey early.

In summary, we ended up with 57 valid responses (see table below). The response thus rate ranges between 27.4% (direct invites) and 34.1% (if we assume that those anonymous participants had been on our list).

Table 1: Sampling details

I Participants from survey collector (direct invite)			
	SE	GE	All
Contacts from list we sent a survey invitation to	121	58	179
Contacts from our list who participated	32	17	49
Organisations removed from survey sample that did not fit our criteria	0	7	7
Net	32	10	42
			27.4% response rate
II Anonymous participants			
Anonymous respondents (may or may not have been on our list)			32
Respondents that skipped a majority of questions or exited early			20
Anonymous participants with sufficient number of responses			12
Organisations removed that did not fit our criteria			8
Net	3	1	4
			34.1% response rate
III Additional participants (indirect invite)			
Participants	13	5	18
Organisations removed that did not fit our criteria	5	2	7
Net	8	3	11
Totals (I+II+III)	43	14	57

3. Conclusion

I am aware of the limitations of this survey. Indeed it has been a challenge to reach out to the ‘right’ kind of entrepreneurs i.e. to limit the risk of including the ‘wrong’ ones and the risk of excluding the ‘right’ ones as I had predicted in [part two](#) of this blog series.

For example, there are a few organizations that self-identified as social entrepreneurs but can be considered would rather consider traditional NGOs. I also noticed that we did not reach many of the young start-up social entrepreneurs. We had less participation than I had expected from awardees of social entrepreneurship support programmes at Bilgi, Koç, or Özyeğin University, an obvious target group for this survey. Finally, reaching out to value driven green enterprises also constituted a challenge.

Furthermore, many respondents showed significant reluctance to share sensitive financial information obviously fearing that it may end up in the wrong hands. In addition, we found small inconsistencies between the English and Turkish version of the questionnaires and misunderstandings

of some of the terminology we used in our questionnaire.

Despite these limitations, I believe that this survey has been a success: firstly, this is the first time such a survey has been carried out in Turkey. We managed to complete the survey within a short period of time despite very limited staffing and budget resources (my colleague was working full time for two months and myself on average 30% of my time over a period of approximately four months).

Secondly, the response rate of 27% is relatively high compared to social entrepreneurship surveys in other countries (e.g. 15% in a recent social entrepreneurship survey in [Germany](#) and 10% in [Australia](#)). With 57 responses the sample is sufficiently large to allow us to draw some conclusions on similar patterns and for the results to carry some credibility.

I believe that such a survey should be carried out by an independent organization on a regular basis. With the experience gained in this process, it will improve the survey quality and make the implementation of future surveys more efficient.

[Social entrepreneurship survey \(part 6\): what did we find?](#)

April 10, 2013

Earlier I had described the benefits of a social enterprise survey ([part one](#)). In [part two](#) and [three](#) I talked about our approach to identify potential respondents and the challenges of collecting a sufficient number of responses. In [part four](#) I reflected on how to target the right kind of organizations for this survey and on how to improve the response rate. In [part five](#), I analyzed the response rate and pointed to some of the limitations of this survey.

Below I summarize the findings of our social enterprise survey (download summary report and survey presentation): 1. Who are the entrepreneurs? 2. Values and social impact 3. Innovation and growth 4. Finance and capacity 5. Eco-system

1. Who are the entrepreneurs?

We analyzed responses from green and social entrepreneurs separately expecting to see differences in their strategies and business models. We had defined green entrepreneurs as those entrepreneurs that focusing on environmental impact ('eco-entrepreneurs') or as integrating social, environmental and innovative aspects into one single company ('sustainability entrepreneurs', [Parrish 2008](#)). Green entrepreneurs in our sample include businesses in the field of smart agriculture, organic textile, sustainable consumptions, or ecological tourism.

Operations of social entrepreneurs in our sample range from crowd funding for social projects and organizations, the creation of income generating opportunities for women and other disadvantaged groups, work with youth and children, volunteering to a time banking system promoting an alternative economy or a women health and sports franchise company run by and for women.

2. Values and social impact

Firstly, we looked for underlying **motivations and values** that drive respondents' business models and activities.

- 79% of respondents state that they exist primarily to fulfill a social/environmental purpose. 11% state that they exist primarily to generate financial returns for their stakeholders (29% amongst green enterprises, 5% amongst social enterprises).
- Top causes of respondents are: children and youth (71%); women and environment (both 65%); people with disabilities (58%).

Table two provides responses on **fundamental issues and key drivers of an organization's business strategy**. It is interesting to note that 31% rather agree or fully agree with the statement that value driven organizations should not generate revenues or charge for goods and services, but only 25% support the argument that such organizations should not make a profit even if it was reinvested for social purposes. More than half of respondents (55%) would not consider external finance (debt,

equity, venture capital business angels) as a financing option.

Furthermore, most respondents in our sample (95%) see themselves as pioneers and innovators in their respective fields; express optimism about their ability to reach their objectives (87%); claim to integrate environmental sustainability in their processes and objectives (82%); consider collaboration important for their success (94%); state that they manage their organizations based on an social impact oriented business plan (76%).

Table 2: Drivers of business strategy

(1=disagree - 5=fully agree)	1	2	3	4	5	Average scores (over 5)	N
As a value driven organization we should not generate revenues and charge for the goods and services we provide	42%	2%	26%	6%	25%	2.7	53
As a value driven organization we should not make a profit even if some or all of the profit was reinvested	45%	6%	25%	8%	17%	2.5	53
External finance (debt, equity, venture capital, or business angels) is an option for our organization	42%	13%	15%	12%	17%	2.5	52
In the past 2 years more than once we have been the first ones to introduce a new idea, products, or service	2%	2%	2%	16%	79%	4.7	56
Despite challenges in the long term we will achieve the goals of our organization	2%	0%	11%	23%	64%	4.5	56
We can prove that environmental sustainability is important in our organization's mission, products, services and processes (e.g. certifications)	2%	7%	9%	27%	55%	4.3	56
Collaboration with different partners is important for our organization to reach its objective	2%	0%	4%	18%	76%	4.7	55
Our activities are managed according to a business plan, which includes our social/environmental/financial goals and how we will achieve them	2%	5%	14%	30%	48%	4.2	56

Secondly, we analyzed the **role of social impact monitoring and measurement**:

- More than half of respondents (52%) do not collect data on social impact performance on a regular basis. Of those who do collect data, a large majority states that they either measure the social value they create (74%), or the outcome (64%) rather than outputs (34%). Forty-two per cent stated that they published reports on social or environmental impact.
- However, we found some discrepancies between these statements, the results from our one-by-one interviews and the impact reports we reviewed.
 - Few organizations make their reports publicly available: out of twenty two organizations of those who state that they publish reports, only five had put them up on their websites.
 - Only three of them provided their financial accounts. Only one provided a quantitative research on the impact of the organizations work on its target group, others report on outputs, i.e. the number of people reached.
 - We found some correlation between impact monitoring activities and the organizations approach to revenue generation: the more organizations rely on grants and donations rather than revenues from products and services, the more organizations monitor their performance (donor requirement?).

3. Innovation and growth

We aimed at understanding what challenges organizations faced during different phases of the innovation lifecycle, what growth strategies they apply, which growth constraints they face, as well as the way they diffuse innovation.

- **Stages in innovation cycle:** 11% find themselves in phase one (concept phase); 29% in phase two (prototype/ran a pilot project/started an organization); 32% in phase three (market introduction); 29% in phase four (scaling up and diffusion of products and services phase).
- **Innovation constraints:** Access to finance as well as cash flow constraints constitute organizations major constraint during both concept & piloting phase (53% and 55% respectively) and – even slightly less so – the market introduction & scaling phase (44% and 37% respectively).
- **Growth strategy:** Increasing the number of people reached is the growth strategy most organizations have applied in the past twelve months (88%) and will pursue in the next twelve months (70%). In the future around half of the respondents also expect to add new sources of financing (52%) and add indirect impact activities such as lobbying or consulting to their existing activities (50%).
- **Growth constraint:** 83% of respondents see lack of financial resources as the major constraint for growth followed by internal constraints (50%), such as limited capacity and know-how (27%), lack of skills (19%) and resistance within their organization (4%). Fifteen per cent stated that they lacked a suitable partner.

- **Diffusion and adaptation strategy:** Seventy per cent of respondents state that they actively want to encourage imitation and adaptation to as many partners as possible to increase social impact. Out of the remaining 30% who want to be solely in charge or at least continue to be in control of the original idea almost half are concerned about their capacity to manage the imitation and adaptation process, and around a quarter of respondents are concerned about increased competition (25%). A few noted that a wrong implementation of their idea will damage the original idea and their organization.
- **Role of technology:** 31% of respondents see technology at the core of the goods or services they offer, while 75% of the participants stated that technology is an enabling aspect to bring goods or services to their clients/beneficiaries more efficiently and effectively.

4. Finance and capacity

We wanted to find out what the respondents' financial situations were, whether they had specific financing needs, if so which type of financing they would be looking for and what constraints they were facing in accessing finance. We also sought to identify their non-financial needs and capacity constraints.

- **Sources of income:** On average, 43% of income of organizations in our sample is generated through goods sold and services provided 18% from grants, 18% from donations, another 7% from membership fees and 14% from other sources.
- **Income levels:** A majority of respondents (65%) earn less than 500,000TL in annual revenues, but their projections indicate slight optimism about growing revenues in the future.
- **Profits:** Some made a profit in the last financial year (34%) but more than 40% of respondents (14% for green enterprises and 48% for social enterprises) never expect to break even. 30% consider themselves as non-profit with 100% external funding and no own income, 38% see themselves as hybrid organizations and 23% are for profit ventures.
- **Interest in 'repayable finance':** 34% of respondents actively seek repayable finance while only 7% have successfully secured repayable finance. Thirty-nine per cent would like to know more about the subject. Almost half of those interested in external finance would be interested in long term loans (44%), followed by venture capital and private equity (41% each). However, a majority would still apply to government agencies (58%) or international organizations or NGOs (53%) if they needed external finance.
- **Loan or investment size:** A majority of respondents would seek to obtain a relatively small amount: 27% between 10,000TL and 50,000TL and 52% between 50,000TL – 500,000TL.
- **Purpose:** Many would seek external finance to cover operating expenses (59%), whereas 63% look for finance for investment in core activities. Access to debt or equity finance is constrained by both internal capacity constraints and lack of suitable supply of debt or equity finance.
- **Capacity constraints:** Respondents identify communication and social media, strategy, financial management, and human resources as the main areas in which additional support would be required.

5. Ecosystem

We wanted to find out to how social enterprises connected with other actors, which support structures they benefit from and what they expected from government.

- **Interaction:** We looked at the frequency of interaction between respondents and service providers, government agencies and social entrepreneurship intermediaries (SIM, Hub etc.) during the past 12 months. Many respondents stated that during that time period they never interacted with SE intermediaries (61%), regional development agencies (41%), banks (38%) or other financial institutions (56%). In contrast, 43% interacted more than 3 times with industry associations, their lawyers and accountants (44% and 42%), other government departments (38%) and universities and research centers (38%).
- **Support programs:** 67% of respondents had benefited from a fellowship or another form of support program. Eleven of our respondents (20%) are Ashoka fellows, 12% benefited from support by Endeavour. Twelve per cent were acknowledged in competitions run by Bilgi or Koc Universities.
- **Social media:** sixty-eight per cent of respondents use Facebook and Twitter, 54% use LinkedIn. On average, social enterprises have 4283 twitter followers, 3348 'likes' on their Facebook page, and 178 links in LinkedIn. However, there are significant variations between organizations (e.g. one organization with 145,000 Twitter followers, another with 34,000 Facebook 'likes').
- **Government policies:** A majority of respondents (54%) believes that the Government should promote social entrepreneurship by developing a specific legal structure for social enterprises. Many also believe that the Government should allow for tax exemptions for social enterprises (41%), tax incentives for donations (35%) or subsidies to social enterprises (44%). A further 30% believes that lending and investing in social enterprises should be incentivized and the same amount of respondents (30%) suggests that the government should provide funding for social enterprises at the growth stage (20% for start-up phase).

IPC

ISTANBUL POLICY CENTER
SABANCI UNIVERSITY
STIFTUNG MERCATOR INITIATIVE

Istanbul Policy Center
Bankalar Caddesi No:2, Minerva Han
Karaköy, 34420 Istanbul, Turkey
P +90 212 292 4939
F +90 212 292 4957
E-mail: ipc@sabanciuniv.edu
www.ipc.sabanciuniv.edu