

The Lab Experience: The Value Proposition of Social Innovations Incubators & Labs

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Since its inception in 2012 as an outgrowth of the regionally and nationally recognized Philadelphia Social Innovations Journal, the Philadelphia-based Social Innovations Lab has been helping social entrepreneurs gain the skills and confidence to launch their own social enterprises.

The following stories reflect the experiences of participation in a social innovations lab through the lens of the participants themselves. Based on personal interviews with lab participants, these stories highlight the broad value proposition of social innovations labs and idea incubators, both in terms of the innovations and also impacting the personal efficacy of the social entrepreneurs. While the participants represent vastly different backgrounds and their ideas vary, it is clear from these stories that each had something profound to gain from participating in the lab, indicating the potential for this model to be a vehicle for wide-scale change throughout the nation.

Innovation- Comunidades Philadelphia

Social Entrepreneur- Brian Valdez, JD

Session- Fall 2013

Background- In the fall of 2013, Brian Valdez took part in the Philadelphia Social Innovations Lab. An attorney by trade with years of experience working within the social sector, Brian did not have much experience in the business sector and he approached the idea of developing and seeing his own concept through to fruition with initial trepidation.

The Lab Experience- Through participation in the lab, Brian was impressed by the personal stories from Philadelphia's business leaders and to learn that so many of their successes were built upon foundations of previous failures. Being required to constantly present helped Brian to hone his public speaking skills and gain confidence. As the session continued, Brian realized that he was on the verge of developing his own social innovation.

The Idea- Assessing the needs in his own community, Brian was inspired to create Comunidades Philadelphia, a community-driven giving circle whose mission is to improve the lives of Latinos living in Philadelphia through collective giving.

The Pitch- Brian was initially hesitant to pitch his idea to funders, but the encouraging nature of the lab experience

put him at ease. After proposing the idea, one investor expressed considerable interest in the project. It was then that Brian learned his next big lesson in entrepreneurship: Follow-through. Brian consistently followed through with the interested investor from the pitch and eventually this led to Comunidades Philadelphia securing a \$5,000 grant to get the project off the ground.

Outcome- Two years later, Comunidades Philadelphia is a growing organization that has established a fiscal sponsor, brand identity and is beginning to expand its operations so it can fulfill its mission of improving the lives of Latinos living in Philadelphia.

Takeaways- Brian credits the lab as the impetus for his idea, as before participating he never envisioned himself as a social entrepreneur. Brian was most impressed by the support that he received from business leaders who were generous with their time and were committed to helping others reach their own potential. Furthermore, without previous business experience, Brian was grateful to learn how to develop a business model including financial structuring and how to concisely and effectively pitch an idea. Through the Philadelphia Social Innovations Lab, Brian not only developed an idea but he received the support and guidance so that he could turn a seedling into a growing platform, effecting change in his community and inspiring other social visionaries to follow their dreams to do the same.

Innovation- Saving and Reclaiming Lives program as a part of New Leash on Life USA

Social Entrepreneur- Linda Loi

Session- Spring 2014

Background- New Leash on Life USA is a nonprofit based in Philadelphia, Pennsylvania, that simultaneously improves the lives of inmates while saving the lives of shelter dogs. The organization accomplishes this by pairing up high-risk dogs with prison inmates who participate in a dog-training program in which they care for and socialize dogs, increasing the dog's adoptability while the inmates develop professional and life skills to assist them in their transition back into society. When founder and CEO Marian V. Marchese and her team came up with the idea of an innovative extension of the programs they already offered, she applied and was accepted into SIL, sending Linda Loi and colleagues to the lab to flesh out their idea and eventually pitch to potential funders.

The Lab Experience- With a degree in marketing and a minor in entrepreneurship, Linda was not a stranger to applied business theory; however, she described the social landscape as an entirely new experience. Linda found the presenters, in addition to the other fellows, highly engaging and the assigned readings served as additional resources. Through participating in the lab,

Linda was able to further develop her business-plan writing especially as pertaining to the social sector and also her understanding of how to transition from the idea stage to the development and implementation stages.

The Idea- New Leash on Life USA sought to develop a specific initiative, the Saving and Reclaiming Lives program. An extension of their current work, the program would offer specialized training for dogs to eventually provide support and service to veterans suffering with post-traumatic stress disorder, while inmates become "super trainers" in the process.

The Pitch- Linda and her colleagues pitched to funders and were honored to be voted as the number one innovation amongst the 2014 spring cohorts. Moreover, they received funding as a result of the pitch from a funder with whom they had wished to establish a relationship previously but had not yet had the opportunity. What was even more impressive is that this funder did not have a history of working with animal welfare groups so the pitch was a highly successful endeavor for New Leash on Life USA.

Outcome- One year later, the program is up and running. They are still building capacity and reaching out for additional funding sources and are also in the process of establishing a new partnership with another prison.

Takeaways- The participants from New Leash on Life

USA viewed the experience in the SIL as overwhelmingly positive. They came into the lab with an established idea, but without the framework with which to fully develop and see it through to execution. SIL provided the resources to do so, in addition to enhancing the professional skills for all participants that they will further develop throughout their careers as social entrepreneurs.

Innovation- Immaculate Cleaning Services, a social enterprise of Depaul USA

Social Entrepreneur- Oliver Miller

Session- Spring 2014

Background- Oliver Miller joined the 2014 spring cohort of the Philadelphia Social Innovations Lab already a seasoned professional in the social sector. Representing Depaul USA, a nonprofit operating in five cities that supports homeless individuals in their transition to self-sustainability, Oliver and his team came to the lab with an established program but not the necessary growth model to take the program to the next level.

The Lab Experience- Oliver described the lab as a space to carefully consider the vision for their program in a supportive and engaging environment. He was particularly surprised to realize that not all funders were interested in the same facets of a project (i.e., some were focused on primarily the financial sustainability while others were more interested in the social impact). Oliver credits this

important discovery as essential to learning how to pitch ideas to different audiences of stakeholders with vastly different perspectives.

The Idea- Depaul USA joined the lab with not only an idea, but an established social enterprise successfully operating in Philadelphia. Immaculate Cleaning Services is a for-profit commercial cleaning company employing residents of Depaul USA's housing program to generate unrestricted funds to support Depaul USA programs.

The Pitch- As this was an already-established social enterprise, Immaculate Cleaning Services wasn't looking for seed funding, but rather an opportunity to bring the business to the next level, expanding operations and net income to further benefit Depaul USA's social programs.

Outcome- As a result of pitching, Oliver and his team at Depaul USA were able to strategically map out a five-year business plan, with a renewed focus on increasing net revenues and growth rates in both short-term and long-term plans. In addition, Oliver credits both the lab experience and the pitch itself with strengthening Depaul USA's relationship with an existing funder that was in attendance at the lab.

Takeaways- Oliver noted that it can be easy for innovators to get "stuck" in the idea stage and he described the lab as an opportunity to take a step back and look at the goals of their social enterprise holistically

and not be afraid to experiment with different ideas to increase the scalability of their project. He stressed that the lab experience is not just beneficial to budding innovators but that there are many lessons to be learned by more experienced social entrepreneurs through collaboration and exposure to an infusion of new and creative ideas. In this way, participating in the lab has helped Depaul USA further develop their existing project and continue down the path as a sustainable social enterprise.

Innovation- Soceana

Social Entrepreneur- Tess Michaels

Session- Spring 2014

Background- When social visionary Tess Michaels joined the spring 2014 cohort as a junior at the University of Pennsylvania, she acknowledged that she came from an open and explorative environment that encouraged innovation and idea sharing. Still, Tess felt that a structured, classroom setting providing formalized training and experimentation in social entrepreneurship would help her foster and strengthen her existing concept, perhaps even inspiring her to think bigger.

The Lab Experience- If the lab taught Tess anything, it was the value of partnership. Tess was most impressed by how collaboration was encouraged within the lab environment to help participants flesh out ideas and

possibly partner to develop new ideas together. She noted that before entering the lab, she never realized how few partnerships proliferate within the social sector, despite the inherent value of driven individuals working together toward similar goals. Tess noted that the lab demonstrated how joining forces allows for like-minded and passionate people to create even bigger initiatives with broader reach, thereby effecting greater social change.

The Idea- Tess came to the lab with the idea for a new startup, Soceana, a technology platform to measure and facilitate employee volunteerism within corporations. Through the lab, Tess and her colleagues were encouraged to think bigger and they further came up with the concept of Philas, a patent-pending digital currency.

The Pitch- Tess and her colleagues in attendance pitched to funders at the conclusion of the social innovations lab and received positive feedback and support. While they did not receive direct funding as a result of the pitch itself, the network they continued to build through investors they met in the lab led to major funding to get the operation off the ground.

Outcome- One year after the lab, Soceana is a growing organization with an impressive advisory board, passionate management team and a product on the verge of taking off. Tess credits the lab experience as paving the way for Soceana to win third prize in the Wharton

Business Plan Competition, as their executive summary and pitch were based on the principles they learned through the lab experience.

Takeaways- The lab experience was invaluable and eye-opening for Tess and her growing business, Soceana. They say it takes a village to raise a child, and Tess said that the same concept is true of startups and social enterprises. The direct hands-on approach of SIL provided Tess with the necessary structure to organize her ideas and develop a plan of execution. Furthermore, the emphasis on partnership has helped her to establish an expansive network of investors, advisors and other like-minded individuals, enabling her to scale her business and realize her full potential as a social entrepreneur.

Innovation- Pivot Program as a part of Turning Points for Children

Social Entrepreneur- Dawn Holden

Session- Spring 2015

Background- Turning Points for Children, an affiliate of Public Health Management Corporation (PHMC), is a nonprofit organization that provides support in the form of services and programs to families with children facing economic and environmental challenges. When Dawn Holden, the organization's CFO, joined the spring 2015 cohort, she felt very comfortable with entrepreneurship; however, she was hesitant as to how she could effectively

take her innate entrepreneurial spirit and use it to impart social impact.

The Lab Experience- Through participation in SIL, Dawn was most impressed by the idea exchanges that occurred between herself and the other social visionaries within her cohort, describing the experience as energizing as well as motivational. In addition, she appreciated how the lab forced participants out of their comfort zones, helping them to hone their public speaking skills and maximize their ability to concisely communicate their ideas in relatable ways. Dawn notes that it was especially interesting to see how the participants' presentations improved from week to week, eventually getting to the point where they were ready to be pitched to potential funders.

The Idea- Dawn and her colleagues proposed the creation of the Pivot Program, an extension of Turning Points for Children that would offer transitional support for children aging out of the foster care system. The program would provide participants with housing, case management, mentorship and the resources to develop the necessary life skills to become gainfully employed and no longer dependent on public assistance services.

The Pitch- The pitch received overwhelmingly positive feedback—in fact, it was voted the number one innovation of the spring 2015 cohort and it sparked a series of ongoing conversations between Turning Points and

business leaders, funders and other stakeholders with an interest in the project.

Outcome- The Pivot program is still in the incubation phase; however, as a result of SIL, they have many promising leads for the seed funding to initiate the project as well as an interested network of professionals to provide additional support and services.

Takeaways- The lab experience provided Dawn with the tactical skills to turn an idea into an execution. Like other lab participants, Dawn credits the experience as not only helping her to fine tune her social entrepreneurship skills, but gain the confidence to develop and present an idea and increase the likelihood that it would reach the execution phase. The nonprofit sector is generally fueled by individual passion for social change and Dawn credits SIL as effectively preparing her to articulate that passion to the stakeholders that will ultimately turn her seedling idea into a blooming social innovation.