

GCRI INTERVIEW

Prof. Dr. Dr. Ann-Kristin Achleitner

Chair of Entrepreneurial Finance, Center for Entrepreneurial and Financial Studies (CEFS), Technische Universität München (TUM)

How would you define social innovation?

Social innovations are generally an important component of our society. Broadly speaking, they can be defined as the implementation of innovative and sustainable approaches to solving social challenges. Examples of social investments are diverse, ranging from microcredits to parental leave or car sharing.

However, often we do not notice social innovations in everyday life and we do not always consider what we observe to be innovations in the first place. Innovations are most commonly equated with technological advances. Therefore, it is all the more important to increase awareness on social innovation. The German government is setting an example by extending the classic concept of innovation to social innovation with its most recent high-tech investment strategy publication.

Social innovations are therefore meaningful to society as a whole as they arise in many different sectors of society and thus meet the needs of lots of different interest groups. In addition to civil society and politics, the economy in particular acts as the main driver of social innovation. Within the corporate sector, one inevitably encounters the concept of social entrepreneurship (SE), i.e. the business of tackling social challenges.

What are the main challenges facing social innovation efforts?

A key feature of social innovation is the criterion of effectiveness or, more precisely, its successful implementation with respect to sustainability. To this end, I would like to address three important points on social entrepreneurship: A successful implementation can initially only be achieved if it is possible to think both socially and entrepreneurially at the same time. The challenge of doing justice to this hybrid approach is not to focus too much in either one direction. Of course, this requires entrepreneurs to have a clear position on the concept, especially when the company's investors' viewpoints come into play.

A second aspect concerning social innovation is how an organization continues in the future, i.e. redirecting an organization's attention from its founders' strong leadership to the team's expansion and integration of the next generation of

employees. Therefore, it is fundamental to design and implement social innovations in such a way that clear structures are established, but within this framework each employee can still work to his or her full potential.

A third area is the general issue of scaling social innovation businesses when in collaboration with larger companies. As start-ups grow, it is important for them to do so in such a way that they do not lose their identity.

What are some of the latest trends in social entrepreneurship?

An immediate trend is the enhanced connection or more specifically cooperation between social entrepreneurship and large social organizations. The acquisition of a social entrepreneurship company and the integration of the respective social innovation in an established organization in the service sector would certainly be a first crucial test here in Germany. The first examples can already be found abroad – as demonstrated by state government organizations acquiring innovations created by social entrepreneurs.

Another trend relates to the increase of digital social innovation which is the use of digital technologies for social and community innovations. In this context, ecosystems arise between innovators, users and communities in various social areas, for example, in the fields of health and education. One example is Massive Open Online Courses (MOOCs), which provide a variety of Internet users with free access to different types of knowledge. It will be exciting to see what significance digital social innovation will have for digitization in general as well as the development of the Internet and the Internet of Things.

How can universities cultivate the next generation of social innovators?

It is certainly important and helpful to make young people aware of the concept of social innovation through their studies. This can be done through lectures, seminars or guest lectures on entrepreneurship or other innovation-related topics. At the Technische Universität München (TUM), we have also had positive experiences teaching social innovation by having students conduct projects with corporate partners. When developing a specific project in a company, such as in cooperation with the Munich start-up company SchlaU-Schule, our students learn new ways of thinking. They also learn how to think entrepreneurially within the social sphere even if they later end up working in a more traditional area of the corporate sector. These first points of contact and learning, however, should not be confined to the primary or secondary education of students. Executive education can also make a significant and lasting contribution. In Munich, we are proud of the Social Entrepreneurship Academy (SEA) as a merger of the four Munich-based universities that are taking an innovative approach to education and building on knowledge

already imparted during an individual's university education. The SEA thus provides students with the opportunity to deepen pre-acquired knowledge. They can then apply this knowledge individually to various programs or in group settings. The road towards becoming a social innovator has just been paved here in a concrete fashion!

To what extent do different social, economic, cultural, and historical contexts enable or inhibit social innovation?

Generally, each of the four factors mentioned has a significant impact on social innovation and all need to be considered in different ways and to different extents for the practical implementation of innovative social solutions. For example, if a cultural attribute is disregarded, the whole concept can be jeopardized even if it is well planned in all other respects. One should therefore be aware of alleged pitfalls and actively respond to, but not fall into a downward spiral and lose faith in the future success of the concept.

At the same time, however, one should not be too negative. If one thinks back to the beginnings of social entrepreneurship in Germany 15 years ago, many people were skeptical and believed that social entrepreneurship would not prevail. Reasons mentioned included the strong state and church support in Germany towards social issues as well as the perception that developing countries faced higher levels of social misfortune. Wage structures in Germany were another factor in this public discussion. From today's perspective, one has to realize that social entrepreneurship is nevertheless the breakthrough. Therefore, in general, in recent years much has been done through training at universities, the economy and politics, to provide a broader awareness and understanding of social innovations. And exactly this trend should be continued!