



**Design for Social Enterprises: A Study of Design-Innovation  
Ecosystem Development Framework for Social Enterprises**

A Thesis Submitted for the Degree of Doctor of Philosophy

By

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# DECLARATION

I hereby declare that I am the sole author of this thesis. This work in this thesis was carried out following the requirements of the University's Regulations for PhD and is the result of my own investigations and evaluations except where otherwise indicated by specific reference in the text. I can confirm that this work has not previously been accepted for any degree nor is it currently submitted and under consideration for any other academic award.

Hyejin Kwon

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## ABSTRACT

Design not only critically enables innovation, lending businesses a competitive advantage and significantly differentiating them within the marketplace, but also provides a means of addressing environmental and social sustainability challenges. Therefore, design academics and practitioners have become increasingly interested in design's impact on social enterprises, which pursue both economic and social value creation. However, thus far, design has performed a limited role in social enterprises, mostly contributing at the operational level to improving processes and activities rather than functioning at the system level to facilitate economic prosperity and competitiveness in service of long-term sustainability. This research proposed a strategic framework can cultivate design-innovation ecosystems (DInEs), enabling social enterprises to activate and strengthen their approach to design. This process began with exploring the current role of design within social enterprises and observing existing design support practices (strategies, funding and programmes) targeted at social enterprises. The insights gleaned informed the recommendations for developing DInEs for social enterprises, which, in the context of the framework, guides stakeholders regarding various design utilisations (strategies, funding and programmes) that incorporate different aspects of support (foundations, catalysts and actions), enabling different stakeholders (e.g. social enterprise support bodies, design support bodies, universities and governments) to understand of the roles and impacts of design on social enterprise growth at both the systemic and operational level. The study contributes to theoretical and practical understandings of the research object by introducing structural units and methods for cultivating an environment within which design can be utilised strategically and systemically to enhance the long-term sustainability of social enterprises. These findings identify critical components of DInEs, enabling design academics to further refine DInE theories and provide stakeholders with a roadmap for fostering productive DInEs. These outcomes can benefit policymakers, social enterprise and design support practitioners that want to strategically engage design to support social enterprises.

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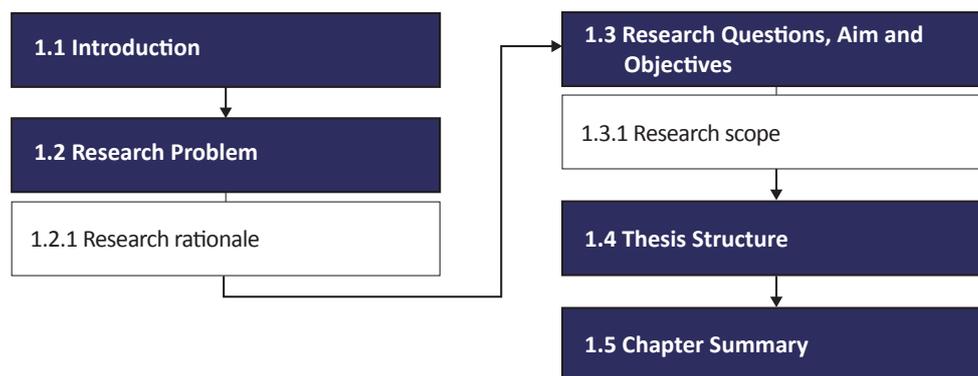
# Chapter 1. Introduction

## 1.1 Introduction

Since design has been considered essential for increasing competitiveness and innovativeness within both the private and public domains (Buley, 2019; DTI, 2005; Design Council, 2011; 2018; 2020b; European Commission, 2013; Innovate UK, 2020; Lawlor et al., 2015; Porter, 1998; Press and Cooper, 2003; Queensland Government, 2009), it is often employed at the system level to strengthen its impact on economy and society (Love, 2007a; 2007b; Moultrie and Livesey, 2009; Raulik-Murphy and Cawood, 2009; Sun, 2010; Whicher and Cawood, 2012; FMEE, 2013). The role of design has also attracted attention for its capacity to contribute to the development of social enterprises, which create economic and social value (Alejandro, 2017; Chou, 2018; Creative Dundee, 2017; Design Council, 2020c; DTUL, 2017; Docherty, 2017; Douglas, Rogers and Lorenzetto, 2014; Kennedy and Sharp, 2015; Krishna and Kummitha, 2018; Pérez, Hands and McKeever, 2017; Pérez et al., 2019; Selloni and Corubolo, 2017a; 2017b; Shift, 2017). However, in the social enterprise context, design is currently limited to the operational level, where it is used to identify problems associated with social enterprise processes (Chou, 2018; Design Council, 2020c; DTUL, 2017; Pérez et al., 2019; Selloni and Corubolo, 2017b) or utilise them to promote social enterprises for social innovation (Douglas, Rogers and Lorenzetto, 2014; Krishna and Kummitha, 2018; Manzini, 2015; Selloni and Corubolo, 2017a), rather than being employed at the systemic level (i.e. social enterprise ecosystem level), would involve the promotion of various activities and involvements to facilitate the growth of social enterprises, especially their long-term sustainability.

That is, design can contribute strategically to the development of social enterprises depending on the various aspects (foundations, catalysts, actions) that comprise the surrounding social enterprise ecosystem. Moreover, key stakeholders in social enterprise

ecosystems (mainly governments and intermediaries) can perform essential roles and establish tactical relationships to enhance the strategic role of design. Design interventions that consider various aspects of the social enterprise ecosystem and the role of stakeholders to develop design interventions that incorporate relationships between stakeholders can ultimately configure a system that supports improvements to competitiveness and the economic growth of social enterprises through design. Building on this background, this research recognises the possibility of developing a systemic approach to activating and strengthening the design utilisation of social enterprises to enhance competitiveness and economic growth by considering design interventions that utilise various aspects of social enterprise ecosystems and stakeholder roles. This chapter foregrounds the evolution of these concerns and identifies the research problem and research rationale. This chapter also presents the research aim, questions and objectives, including clarifying the scope of the research. Figure 1.1 presents a visual overview of this chapter.



**Figure 1.1 Chapter map**

## **1.2 Research Problem**

Design is an important factor for businesses competitive edge, fostering innovation that enables significant differentiation in the marketplace (Buley, 2019; DTI, 2005; Design Council, 2013; Innovate UK, 2015; Innovation Union, 2014; Lawlor et al., 2015; Porter, 1998; Press and Cooper, 2003) and introduces means of addressing environmental and social sustainability issues (European Commission, 2013; Gesso, 2020; Kickul et al., 2018; Pérez, Hands and

McKeever, 2017; Shapira et al., 2017), including methods and systems for developing sustainable products and services (Lofthouse and Bhamra, 2012) and design for sustainability initiatives that can improve existing products in line with environmental and social concerns (Chick, 2012; Queensland Government, 2009). As such, some design studies have systematically analysed the status of design utilisation and design competencies and ways of integrating design into ecosystems (Love, 2007a; 2007b; Moultrie and Livesey, 2009; Raulik-Murphy and Cawood, 2009; Sun, 2010; Whicher and Cawood, 2012; FMEE 2013) to strengthen design's impact on the economy and society. However, those studies have rarely considered social enterprise ecosystems beneficiaries (Whicher and Walters, 2014). Moreover, although design academics and practitioners have recently demonstrated increased interest in examining design's impact on social enterprises (Chou, 2017; Creative Dundee, 2017; DTUL, 2017; Douglas, Rogers and Lorenzetto 2014; Kennedy and Sharp, 2015; Kuzmina et al., 2016; Pérez, Hands and McKeever, 2017; Selloni and Corubolo, 2017b), there has been insufficient debate regarding how design is used in the social enterprise context (Pérez, Hands and McKeever, 2017; Pérez et al., 2019), especially in terms of supporting the sustainable growth of social enterprises. Existing studies have mainly focused on social enterprises (i) applying design thinking to processes that identify problems (Design Council, 2020; DTUL, 2017; Selloni and Corubolo, 2017a) or (ii) using design to enhance their contribution to social innovation (Manzini, 2015; Pérez, Hands and McKeever, 2017). This has produced insufficient evidence of social enterprises and social enterprise ecosystems recognising the impact of design, especially the strategic application of design by key players in those ecosystems, which include governments, intermediary organisations and social enterprises.

For instance, countries such as the UK, the US and South Korea are considered to have well-developed social enterprise ecosystems (Agapitova, Sanchez and Tinsley, 2017), including long-term government support for social enterprises, general public awareness of social enterprises and various policies supporting vibrant ecosystems that include social enterprises and their stakeholders. However, design has not been considered integral to social enterprise infrastructure support within these ecosystems. Accordingly, this research considers the possibility that the limited design utilisations of social enterprise ecosystems may result from a lack of understanding of how strategic design deployment can impact the development of

systems (Gaynor, Swiatek and Whicher, 2019; SEE Platform, 2013). Therefore, the study argues that design and its interventions should derive from a systematic perspective (i.e. from the ecosystem perspective) and considers approaches to supporting social enterprises using design that are not purely operational, enabling the activation and strengthening of the use of design for social enterprises to create economic and social values.

However, to define the potential roles and interventions of design for social enterprises at the ecosystem level, it is important to understand the notions of 'social enterprise ecosystems' and 'design' within the research context. Nonetheless, because the key characteristics of the two contexts vary according to the cultural contexts, it is crucial to select appropriate case study countries. Nonetheless, because the key characteristics of the two cultural background, it is crucial to select appropriate case study countries. For instance, leadership in design, is slightly different in the three countries: the UK, the US and South Korea. Design has been promoted by the governments and academic efforts in the UK and South Korea (Choi, et al., 2011), but in the US, design has been part of the industry from the beginning (Liu, 2014). These differences may have contributed to the variable understanding of design in each country; thus, the understanding of social enterprises needed to be consistent in this research. Given these facts, the following criteria were adopted to select the case study countries: (i) social enterprise policies and legal frameworks at the national level; and (ii) the understanding of design for business development. These criteria incorporate the vital research context: social enterprise ecosystems and design. Social enterprise policies and legal frameworks are essential to constructing an ecosystem suitable for social enterprises (Agapitova, Sanchez and Tinsley, 2017; European Commission, 2015; Hazenberg et al., 2016b; Lyon, Stumbitz and Vickers, 2019). More specifically, legal frameworks remove the confusion surrounding defining social enterprise and encourage the development of social enterprises (OECD, 2013; The Economist, 2016), indicating the need to probe the legal context of social enterprise and social enterprise growth. This criterion led to the prioritisation of countries with well-developed institutional infrastructure for social enterprises as case study countries (Agapitova, Sanchez and Tinsley, 2017; Choi, Berry and Ghadimi, 2020). Thus, following the pre-selection of the UK, the US and South Korea, it was necessary to consider the perspective of each country on social enterprise, observing national-level definitions of social enterprises. Given that this research proposes a working definition of social enterprise designed to

minimise ambiguity (Chapter 2), it was vital to identify contexts adopting a similar definition. Hence, after comparing the definitions of social enterprises used by the three shortlisted countries, the UK and South Korea were recognised as ideal prospects for an investigation of the research object.

Having selected the UK and South Korea for the case study, the research considered the understanding and use of design in the two countries, representing the central research context. To explore this, especially in terms of business development, this research conducted an extensive intensive literature review that included policy documentation and reports concerning design from government and national design agencies. The UK and South Korea feature similarly sized design economies – in 2017, the UK design industry generated approximately £85.2 billion (Design Council, 2018a) and the South Korean design industry generated approximately £78.2 billion (KIDP, 2018a) – and design understanding at the national levels, defined by the public recognition of the leading role of design in innovation, corporate profitability and long-term performance. However, the two countries differ in terms of the maturity of business design utilisation, as represented by 10% of UK companies that consider design a key element of their strategy (Design Council, 2018a) compared to 6.7% of South Korean companies (KIDP, 2019a). The UK and South Korea, therefore, have been recognised as this research’s case study countries to understand the different mechanisms that operate in social enterprise ecosystems and how design is utilised in different cultural contexts with the similarities of (i) the social enterprise ecosystem’s maturity, (ii) the design economy’s size and (iii) public recognition of design’s value but differences in the degree of design utilisation by businesses.

### **1.2.1 Research rationale**

Design’s role in social enterprises has been studied by various scholars and practitioners, who have recognised the impact of design on the development of social enterprises. However, existing studies have considered design in narrow terms, focusing on design thinking approaches to social enterprise processes or design’s contribution to social innovation. Although studies have identified how the financial weaknesses of social enterprises impact their sustainability and growth, research concerning design’s contributions to the

competitiveness and economic growth of social enterprises is lacking, especially research from a systematic perspective. Meanwhile, there is limited evidence of the key actors in social enterprise ecosystems (namely, governments, intermediary organisations and social enterprises) using design strategically, and furthermore, existing studies addressing design's role in improving infrastructure or the integration of design into ecosystems have rarely considered social enterprises and their ecosystem beneficiaries.

This research offers potential benefits from both theoretical and practical perspectives. It contributes to the theoretical understanding of the research object by introducing structural units (design support strategies, funding and programmes and the roles of stakeholders) and development methods (design-innovation ecosystem [DInE] operating mechanisms) for cultivating an environment (DInE) within which design can be utilised more strategically and systemically to enhance the long-term sustainability of social enterprises. This outcome can enable design academics to further DInE theories by recognising the critical components. This study also provides new approaches, methods and tools for social enterprise researchers wanting to understand the sustainability of social enterprises by providing insights into design and its impact on competitiveness and economic growth.

The research makes the practical contribution of providing a framework for improving the DInEs of social enterprises that includes a comprehensive overview of how design roles support social enterprises. The framework contains various design utilisations (strategy, funding and programme) that incorporate the different aspects (foundations, catalyst and actions) of support of social enterprises, enabling different stakeholders (e.g. social enterprise support bodies, design support bodies, universities and governments) to develop an understanding of the roles and impacts of design on social enterprise growth at a systemic as well as operational level. The framework also features a series of implementations designed to explicitly guide stakeholders wanting to enhance the design utilisation of social enterprises. This can aid social enterprise support bodies, design support practitioners and universities to develop substantial design interventions for the growth of social enterprises by indicating design's specific roles in terms of the business stages of social enterprises. These contributions can systematically amplify the design utilisation of social enterprises, maximising the impact of design in addressing economic and social issues.

### 1.3 Research Questions, Aim and Objectives

The research questions were formulated through extensive background research and literature review (Chapter 2) on social enterprises, design and ecosystems.

- (RQ1) What roles does design currently play in social enterprise development?
- (RQ2) How can design be utilised strategically to enhance the competitiveness and economic prosperity of social enterprises?
- (RQ3) How can a design-innovation ecosystem be strengthened to better enable the strategic use of design in the growth of social enterprises?

This study aimed to develop a strategic framework for cultivating DInEs capable of activating and strengthening social enterprise design and enhancing the economic sustainability and competitiveness of social enterprises. This research defined a DInE as a network and system structure connecting various stakeholders within the social enterprise domain – including governments, intermediary organisations and social enterprises – to encourage and support stakeholder use of design. In this context, intermediary organisations are considered organisations that support social enterprises in various ways. Social enterprises are understood as organisations that aim to solve social (and environmental) problems through their economic activities. Answering the research questions and achieving this study's aim required addressing the following objectives:

- (OB1) To develop an in-depth understanding of design and social enterprise.
- (OB2) To develop an in-depth understanding of the ecosystem concept to conceptualise the nature of the ecosystem to which social enterprises and design belong and the principal elements of this contextualisation.
- (OB3) To investigate the current social enterprise ecosystems in the UK and South Korea and explore the current configurations of those ecosystems and any design utilisation within them.

- (OB4) To explore the perceptions and utilisations of design of key stakeholders (e.g. governments, intermediaries and social enterprises) to map out the operating mechanisms of DInEs in the social enterprise context.
- (OB5) To analyse the DInEs of the social enterprises from the case study countries to compare key characteristics of design and identify elements essential to improving ecosystems to render them more appropriate for social enterprises.
- (OB6) To create a strategic framework for DInE development enabling the activation and strengthening of design for social enterprises.
- (OB7) To evaluate the outcomes from the perspective of key stakeholders and revise the framework based on their feedback.

### **1.3.1 Research scope**

The research scope describes the extent to which the study covers the breadth of the research field by specifying the research parameters. This means indicating what the research is going to include and what it is going to focus on, which, in this case, means investigating four specific areas: social enterprises, social enterprise ecosystems, design and design-innovation ecosystems. This focus responds to the research aim by collecting theories and practical insights in service of strengthening design utilisation in the social enterprise sector. Figure 1.2 illustrates the research scope, and the following paragraphs explain each study area.

#### **Social enterprises**

Although social enterprises contribute broadly to the economy and society (Doherty et al., 2009; Javed, Muhammad and Abdulm 2019), the concept of social enterprises remains debated by academics and practitioners (Borzaga et al., 2020; Collavo, 2017; European Commission, 2016b). Accordingly, this research provides an overview of theoretical understandings of the notion, including definitions, characteristics and the impact of social enterprises on economies, societies and the environment (see Chapter 2).

## **Social enterprise ecosystem**

Given the increased interest in social enterprises from governments, academia, and practitioners, social enterprise ecosystem theories have flourished, with conceptualisations of the notion of 'ecosystem' in the social enterprise context advanced by various practitioners (Ashoka, 2014; British Council, 2015; CASE, 2008; European Commission, 2015; NESTA; 2015; Petrella and Richez-Battesti, 2020) and scholars (Bloom and Dees, 2008; Grassl, 2012; Lee and Hwang, 2013; Roy et al., 2015; Hazenberg et al., 2016a; Hazenberg et al., 2016b). However, existing studies concerning social enterprise ecosystems provide limited insight into how such ecosystems can be developed within different cultural contexts. Moreover, there is insufficient data on how design is utilised within ecosystems for the development of social enterprises. As such, this research examines the historical development of social enterprises in the UK and South Korea to observe the broader social enterprise ecosystem landscape, identifying key stakeholders and recognising their characteristics (see Chapter 4). The study also considers how social enterprise ecosystems utilise design to support the development of social enterprises (see Chapters 4 and 5).

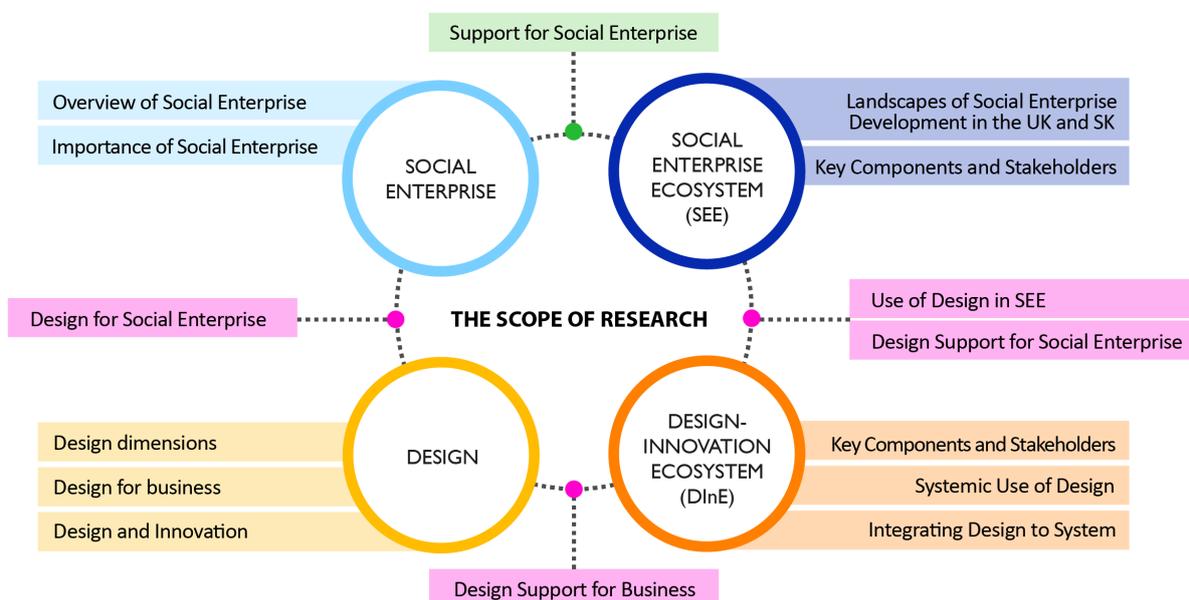
## **Design**

In its contemporary manifestations, design not only provides form but also constitutes a strategic element in innovation processes across the private and public domains (DBA, 2011; Holland and Lam, 2014; Manzini, 2015; Hands, 2018). However, given there remain many confusions and difficulties associated with understanding the precise meaning of design (Mozota, 2003; Han, 2014; NESTA, 2017), this study comprehensively examines the design field to articulate the expanded role of design in business and innovation (see Chapter 2). Additionally, this research recognises the strategic role design can perform in developing social enterprises by reviewing design in the context of the growth of social enterprises (see Chapters 4 and 5).

## **Design-innovation ecosystem**

The term ecosystem has been frequently invoked to describe a pragmatic environment capable of supporting specific industries and businesses on the basis of their various contributions to growth. Several studies have developed DInE theories integrating design into systems promoting innovation and design policy development (Raulik-Murphy and Cawood,

2009; Sun, 2010; Whicher and Cawood, 2012; Whicher and Walters, 2014; Whicher, 2017; Whicher, Swiatek and Ward, 2018) and national economic development and competitiveness (FMEE, 2013; Love, 2007a; Moultrie and Livesey, 2009). However, few DInE studies have considered improving systems for developing social enterprises and their ecosystems. This research therefore examines how existing DInE theories relate to social enterprise growth (see Chapter 2) and how design support practices can contribute to social enterprises (See Chapter 5) by establishing foundations for the DInE development of social enterprises to ultimately indicate the definition, purpose and components of the DInEs of social enterprises (see Chapter 6) and develop a theory of DInEs tailored to social enterprises (see Chapter 7).



**Figure 1.2 Research scope**

## 1.4 Thesis Structure

The eight chapters of this thesis describe the research journey undertaken to develop a strategic framework for developing a DInE capable of activating and strengthening social enterprise design. Figure 1.3 presents an overview of the paper's chapter-by-chapter structure, which the following paragraphs detail.



Figure 1.3 Thesis structure

**Chapter 1** presents an overview of the research, including the research background, questions, aim and objectives. The research questions derived from the background research and literature review and sought to respond to the identified research gaps (the perception and utilisation of design in social enterprise development, design support practices targeting social enterprises from diverse aspects and key elements comprising a strategic environment capable of supporting social enterprise design). Meanwhile, the research objectives were established to achieve the research aim.

**Chapter 2** comprises the literature review, which discusses the characteristics of social enterprises, the fundamental principles of design – especially in terms of business growth and impact on social enterprises – and ecosystem theories, providing insight into the complex ways these theories can be used to explore systemic approaches to supporting businesses, social enterprises and design. Chapter 2 also discusses the limited application of broad design principles to social enterprises, especially in terms of ecosystems.

**Chapter 3** explains this research’s methodological approach, including its research strategy and design. The study adopts a constructivist epistemology, using an interpretivist theoretical perspective with an inductive approach to conduct explorative research. This approach suits this research’s complex target domain (DInE for social enterprises) and various research objects (i.e. design, social enterprises and ecosystems), seeking to generate theoretical and practical knowledge by developing a systematic approach to improving DInEs. The research strategy’s formulation is followed by a discussion of the study design, which includes exploration, investigation, development and evaluation phases. This discussion also introduces the justifications, sampling and analysis techniques associated with the research methods (exploratory interview, in-depth case studies, questionnaire survey, in-depth interviews and workshops) used to collect and evaluate the data. The research utilises both qualitative and quantitative methods to increase the reliability of the research.

**Chapter 4** discusses the research’s exploratory phase, presenting the findings from the desk research (literature review and case studies) and exploratory interviews to explain the current position of design within social enterprises operating in real-world settings (especially in the context of social enterprise ecosystem development). The chapter justifies the selection of

case study countries by first providing a compelling rationale for the selection of case study countries, which was formulated by understanding the similarities and differences in the research context (design and social enterprises). The subsequent inquiry into the historical development of the social enterprise ecosystems in the UK and South Korea provides insight into the different approaches to the development of social enterprises and social enterprise ecosystems in these distinct cultural contexts. The examination also identifies the design interventions of several stakeholders in the social enterprise ecosystems of the two countries.

**Chapter 5** probes practical cases of design support targeting social enterprises by discussing certain design interventions of the governments and intermediary organisations identified during the desk research stage in the context of exploratory and in-depth interviews with academics and practitioners working in the social enterprise and design sectors. This chapter also identifies current design utilisation and design support experiences of social enterprises, enabling articulation of their design needs. This chapter's findings also indicate several critical features of design support for social enterprises in the UK and South Korea, including considering the different approaches to design support development adopted to identify similar and distinct barriers to offering design support to social enterprises.

**Chapter 6** describes the essential components of DInEs, including design support strategies, design support funding, design support programmes and key players. These elements were identified on the basis of observations of the similar and different approaches to design support adopted by the UK and South Korea. The components enable the operating mechanisms of the DInEs of social enterprises to be mapped according to the distinct approaches to design support practices followed by the two countries. Chapter 6 also presents the essential conditions and considerations for optimising a DInE for social enterprises.

**Chapter 7** describes the construction of the DInE development framework, which comprises various recommendations, including an optimised structure and implementations that prospective users can apply. The discussion also considers feedback derived from evaluations conducted with design and social enterprise experts for the purpose of elaborating the

framework's usability, which produced improvements that were incorporated into the finalised framework.

**Chapter 8** concludes the thesis by reviewing the key research findings in terms of the research aim and objectives and answering the research questions. Theoretical and practical contributions are discussed alongside the research's limitations, which include the topic and the data collection, analysis and validation methods, and recommendations for mitigating these limitations in future research.

Table 1.1 provides an overview of the research questions and objectives and corresponding thesis chapters.

**Table 1.1 Research questions and objectives and associated chapters**

<b>Research Questions</b>	<b>Objectives</b>	<b>Chapter/s</b>
(RQ1) What roles does design currently play in social enterprise development?	(OB1) To develop an in-depth understanding of design and social enterprise.	Chapter 2
(RQ3) How can a design-innovation ecosystem be strengthened to better enable the strategic use of design in the growth of social enterprises?	(OB2) To develop an in-depth understanding of the ecosystem concept to conceptualise the nature of the ecosystem to which social enterprise and design belong and the principal elements of this contextualisation.	Chapter 2
(RQ1) What roles does design currently play in social enterprise development?	(OB3) To investigate the current social enterprise ecosystems in the UK and South Korea and explore the current configurations of those ecosystems and any design utilisation within them.	Chapter 4 Chapter 5
(RQ2) How can design be strategically utilised to enhance the competitiveness and economic prosperity of social enterprises?	(OB4) To explore the perceptions and utilisations of design of key stakeholders (e.g. governments, intermediaries and social enterprises) to map out the operating mechanisms of DInEs in the social enterprise context.	Chapter 5 Chapter 6

(RQ3) How can a design-innovation ecosystem be strengthened to better enable the strategic use of design in the growth of social enterprises?	(OB5) To analyse the DInEs of social enterprises from the case study countries to compare key characteristics of design and identify elements essential to improving ecosystems to render them more appropriate for social enterprises.	Chapter 6
	(OB6) To create a strategic framework for DInE development enabling the activation and strengthening of design for social enterprises.	Chapter 7
	(OB7) To evaluate the outcomes from the perspective of key stakeholders and revise the framework based on their feedback.	Chapter 7

## 1.5 Chapter Summary

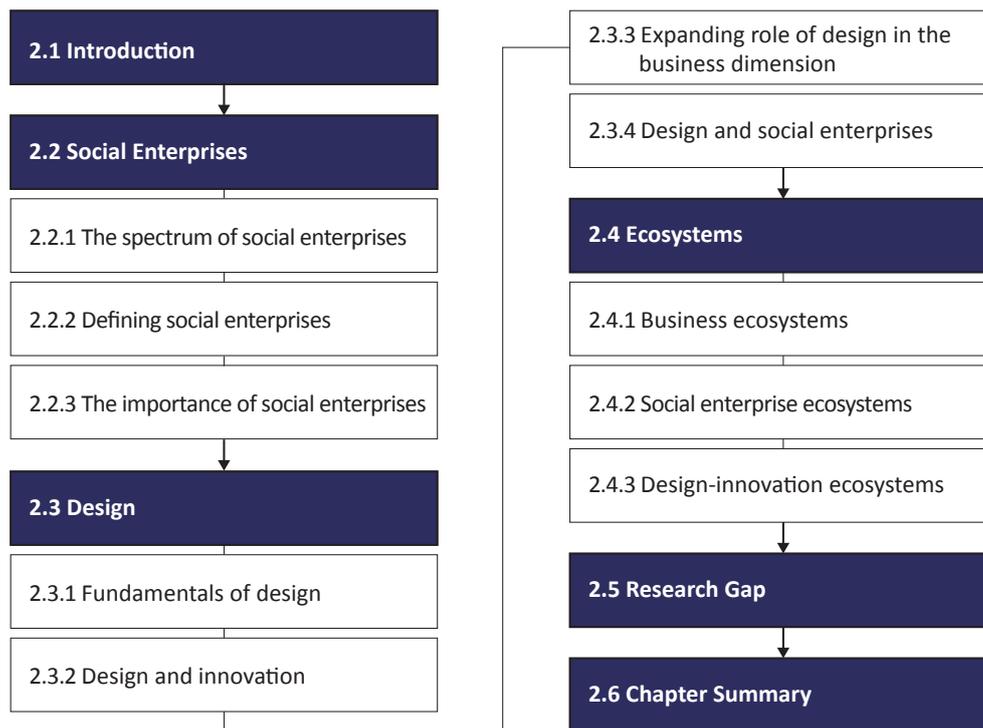
This chapter has detailed this study's research problem and research rationale. Furthermore, it has briefly articulated the impact of design on business, society and social enterprises, which also serves to indicate the insufficient evidence regarding design utilisation in support of the development of social enterprises at the national level. The rationale for selecting the UK and South Korea as case study countries has been considered, which built on the need to understand social enterprise support mechanisms and especially design's role within these support systems by investigating existing practices. The research aim, objectives and questions have been presented alongside the research scope and an overview of the paper's structure.

The next chapter presents an in-depth review of the relevant literature on social enterprises, design and ecosystems.

# Chapter 2. Literature Review

## 2.1 Introduction

This research addresses three vast and complex topics: social enterprise, design and ecosystems. Each of these concepts has been understood and developed through diverse theoretical and experiential input from both academics and practitioners, making it imperative to examine the implications and capabilities of each notion, including investigating the theoretical underpinnings and establishing definitions. Therefore, this chapter's literature review aims to (i) understand the distinctive characteristics that distinguish social enterprises from traditional businesses, (ii) comprehend fundamental principles of design, especially how design has become critical to the growth of businesses how design can influence the development of social enterprises, and (iii) understand the concept of the ecosystem and identify how the structural elements and key features of ecosystems support social enterprises and design. The fields of business, social enterprise and design have given rise to various ecosystem theories, which provide insight into the complexity and characteristics of ecosystems. Moreover, this literature review generates working definitions for the key research topics by analysing and synthesising the relevant literature and minimising ambiguity. Figure 2.1 provides an overview of this chapter.



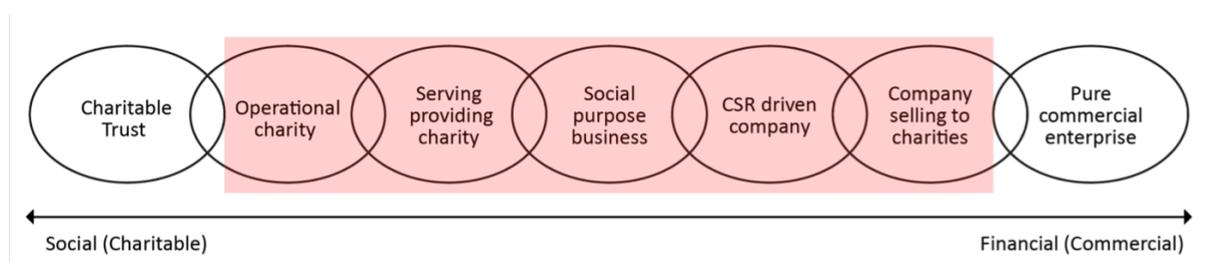
**Figure 2.1 Chapter map**

## 2.2 Social Enterprises

The extant literature generally recognises that social enterprises deliver positive socio-economic impact to their community (Borzaga and Defourny, 2001; Doherty et al., 2009; Galera and Borzaga, 2009; Javed, Muhammad and Abdul, 2019). Notably, many countries have recently introduced new legislation and new strategies aimed at diversifying the business models of social enterprises and entering new territories (Borzaga et al., 2020). Nonetheless, more specifically defining social enterprises remains a point of contention across academia and practice (Borzaga et al., 2020; British Council, 2014; Collavo, 2017; European Commission, 2016b). This section provides an overview of social enterprises, discussing their scope, characteristics and influence on economic, social and environmental outcomes and presenting a working definition of the concept of social enterprises, by comparing various existing definitions.

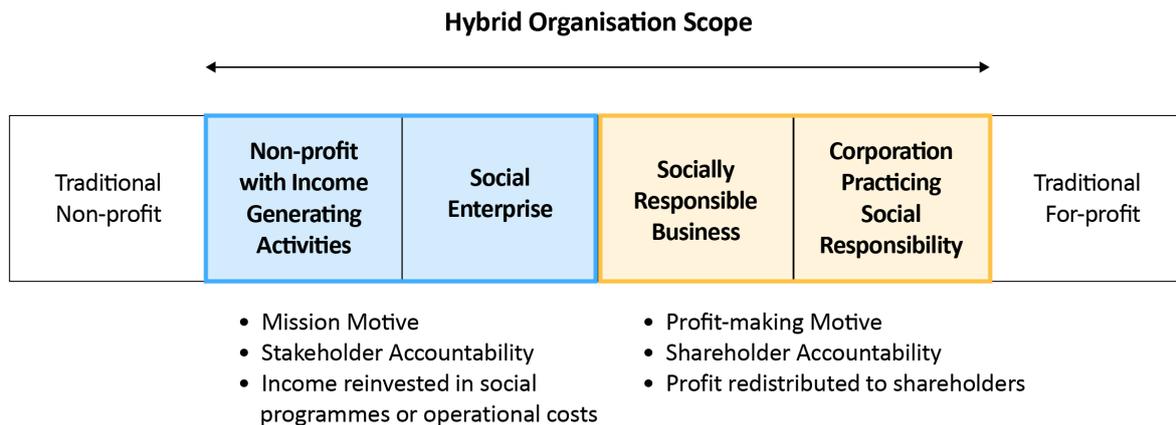
## 2.2.1 The spectrum of social enterprises

Social enterprises are often explained as representing a ‘double bottom line’ that performs both charitability and profitability operations (DTI, 2002; Ridley-Duff and Bull, 2016; Zainon et al., 2014), precluding them from fitting neatly into the traditional categories of private, public or non-profit organisations (Doherty, Haugh and Lyon, 2014). All social enterprises adopt business practices to achieve their mission but operate under manifold configurations as cooperatives or non-profit organisations (Spear, 2006) or social purpose for-profit firms (Volkman, Tokarski and Ernst, 2012). Given this distinctive characteristic often produces ambiguity when such organisations must explain themselves, various conceptual models have taken the approach of clarifying what is not a social enterprise in broadly different contexts, from charities to private companies (Diochon and Anderson, 2011; Doherty, Haugh and Lyon, 2014; Martin and Osberg, 2007). The literature includes two similar conceptualisations of the spectrum of social enterprises. First, Phillips (2006) argues that social enterprises occupy a unique position, differing from (i) general enterprises, because a social enterprise’s aim is not maximising profit, and (ii) the public sector, which is directly controlled by public authorities. Figure 2.2 demonstrates this positioning.



**Figure 2.2 The spectrum of organisational models (Bolton, Kingston and Ludlow, 2007)**

Second, social enterprises typically implement a ‘hybrid’ business model (Battilana and Lee, 2014; Cornelissen et al., 2020; Doherty, Haugh and Lyon, 2014), deriving revenues from a combination of market sources, including selling goods and services to the public or private sector and receiving grants and subsidies from either or both governments and private donors (European Commission, 2015). Notably, Alter’s (2007) conceptual model of social enterprises places greater emphasis on the social effects of a social enterprise’s activities (rather than the financial outcomes; see Figure 2.3).



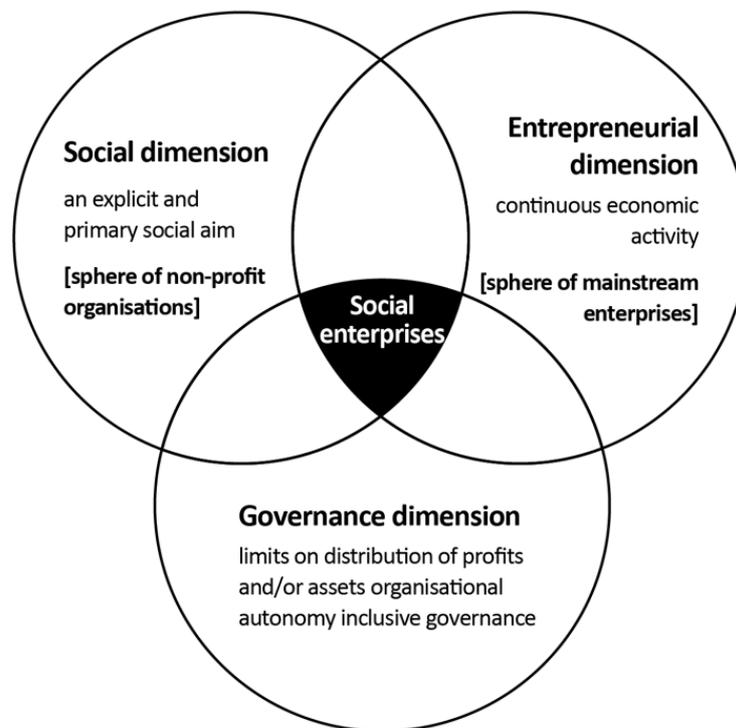
**Figure 2.3 The hybrid spectrum between non-profit and for-profit organisations (Alter, 2007)**

Alter’s schema clearly distinguishes social enterprises from both non-profit organisations undertaking income-generating activities and socially responsible businesses (Alter, 2007), categorising four types of practitioners according to motives, degree of accountability and use of income. The primary purpose of socially responsible businesses and corporations practising social responsibility is profit; their main motives are profit-making and generating profit for shareholders while also producing social value. In contrast, the principal aim of social enterprises and non-profits undertaking income-generating activities is to create social impact through commercial activities that generate economic value to fund social programmes (Alter, 2007).

However, the European Commission (2015; 2020) suggests a slightly different spectrum, one that integrates three main dimensions of social enterprises: entrepreneurial, social and governance. These dimensions have been developed and refined over the last decade through Europe’s academic and policy literature (see Figure 2.4). This spectrum clarifies the roles of social enterprises according to the three dimensions as follows (European Commission, 2015; 2020):

- In the *entrepreneurial dimension*, social enterprises are engaged in continuous economic activities, unlike traditional non-profit organisations.
- In the *social dimension*, social enterprises have a primary and explicit social purpose, unlike commercial enterprises.

- The *governance dimension* distinguishes social enterprises from conventional firms and traditional non-profit organisations according to the mechanisms which ‘lock in’ the organisation’s social goals.



**Figure 2.4 The three dimensions of a social enterprise (European Commission, 2015)**

The European Commission (2015; 2020) has also recommended core criteria for the conditions an organisation must meet to be classified as a social enterprise according to these dimensions. These core criteria are divided into five categories: the organisation must (i) engage in economic activities (i.e. participate continuously in the production and/or exchange of products and/or services), (ii) pursue explicit and primary social goals that feature social aims benefitting society, (iii) have restricted the distribution of profits and/or assets to prioritise social goals rather than profits, (iv) operate as an autonomous organisation that is independent of traditional for-profit organisations, and (v) demonstrate comprehensive governance, and participation and/or democratic decision-making processes. Meanwhile, according to Social Enterprise UK (SEUK) (2012), a social enterprise features the following seven characteristics:

- (i) **Social and/or environmental mission:** a social enterprise should articulate its social mission in its governing documents and be capable of explaining and justifying the value of the social change they are trying to deliver.
- (ii) **Trade:** a social enterprise is a business. Therefore, they must earn most of their income (over 50%) from trade.
- (iii) **Profits:** because how social enterprises generate profit importantly distinguishes social enterprises from ordinary enterprises, most of a social enterprise's profits (at least 50%) should be re-invested to advance a social or environmental mission.
- (iv) **Autonomy:** although social enterprises are autonomous organisations independent of the state, some social enterprises can be established and operated as derivatives of the public sector, depending on their business purpose.
- (v) **Ownership and control:** because ownership and control are essential concerns for social enterprises, social enterprises should be owned and controlled in the interests of their stated social or environmental mission.
- (vi) **Assets and asset-lock:** because many social enterprises choose to legally protect their assets and hold them permanently for social or environmental benefit (i.e. they cannot be sold and privatised), asset-lock is critical for social enterprises, meaning that when public services and assets are transferred to a social enterprise, they must be locked down and protected to ensure that the social enterprise can operate permanently without the risk of being sold.
- (vii) **Accountability and transparency:** given social enterprises are organisations that operate for the benefit of the wider society, transparency and accountability are critical to protecting the social mission of social enterprises and are enshrined in various ways: cooperatively run social enterprises are accountable to their members (e.g. consumers, employees and community members), social enterprises featuring a board of directors that is legally responsible for their social mission and financial performance embrace a more traditional 'company' structure, and some organisations choose to adopt a legally regulated form (e.g. a Community Interest Company) to protect their social mission, sometimes not electing a board.

Similar to the key features of social enterprise presented by SEUK (2012), the national social enterprise support body in South Korea (Korea Social Enterprise Promotion Agency: KoSEA) also defines social enterprise through six characteristics: (i) realisation of social values, (ii) provision of jobs and social services for the underprivileged, (iii) community contribution, (iv) economic activity, (v) production and sales activities, and (vi) profit creation and reinvestment (KoSEA, 2021a).

Understanding the spectrum of social enterprises is essential to clarifying the concept of the social enterprise for the purposes of this study. In this context, the characteristics of social enterprises described by SEUK and KoSEA allow this research to capture vital contextual markers of social enterprises in the UK and South Korea, which are case study countries for this research (see Chapter 3).

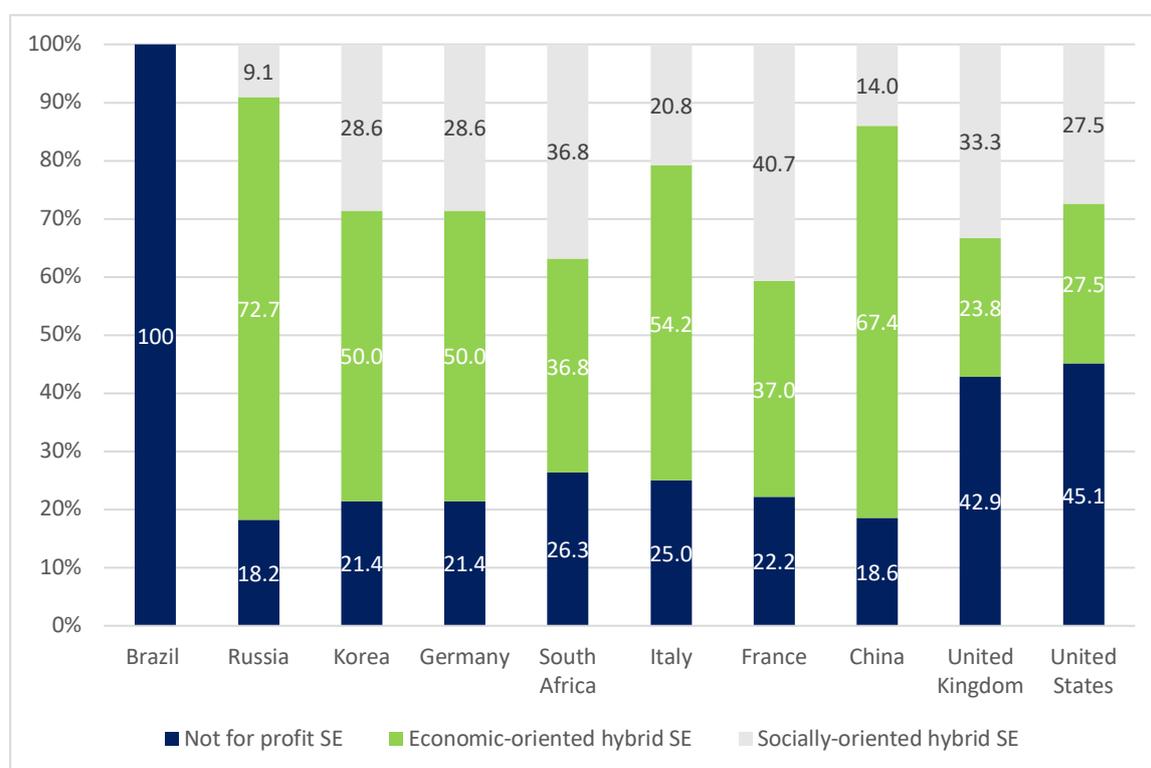
### **2.2.2 Defining social enterprises**

Social enterprises have become increasingly popular globally because their innovative approaches to business activities contribute to human development and economic prosperity. (Deloitte, 2018; Haugh, 2006; OECD, 2017; Samia, 2008). However, social enterprises manifest in broadly different ways and exist across environmental, social and economic dimensions, precluding easy definition. Triponel and Agapitova (2016) reveal seven factors explaining the difficulties with defining social enterprises: (i) origin of social enterprises, (ii) purpose of social enterprises, (iii) transparency of results, (iv) financial sustainability, (v) distribution of profits, (vi) innovation, and (vii) workforce. Because the definition of social enterprise continues to be debated by academics and practitioners (Alter, 2007; Bacq and Janssen, 2011; British Council, 2014; Choi and Majumdar, 2013; Collavo, 2017; Doherty, Haugh, Lyon, 2014; Martin and Osberg, 2007; Nyssens and Defourny, 2013; Petrella and Richez-Battesti, 2014; Teasdale, 2012), numerous commentators have attempted to define the concept, with the extant definitions fitting broadly into two categories: (i) an organisation with non-financial goals and a dedication to addressing social problems and (ii) an organisation using market-based approaches to address social issues. Table 2.1 presents the key literature corresponding to these two groups.

**Table 2.1 Key literatures concerning the definition of social enterprises**

Definitions	Key literatures
<b><i>‘Social enterprise is as an organisation that has non-financial goals and dedicated to addressing the social problems’</i></b>	(Battilana and Lee, 2014; DTI, 2002; Harding, 2004; Haugh, 2006; Leadbeater, 2007; OECD, 2003)
<b><i>‘Social enterprise is an organisation using market-based approaches to address social issues’</i></b>	(Choi, Berry and Ghadimi, 2020; Collavo, 2017; Dees, 1998; Deloitte, 2018; Di Domenico, Tracey and Haugh, 2009; Doherty, Haugh and Lyon, 2014; Ebrahim, Battilana and Mair, 2014; Hockerts, 2006; Kerlin, 2010; Kim, 2008; Kim, Yoon and Kim, 2014; Luke and Chu, 2013; MOEL, 2012a; Shanmugalingam et al., 2011; Thompson and Doherty, 2006; Wry and York, 2017)

Notably, some countries have strictly defined social enterprises according to the government’s perspective on the concept. This has produced definitions that consider social enterprises to be, for example, not-for-profit, economically oriented hybrids and socially oriented hybrids (Terjesen et al., 2011). Figure 2.5 demonstrates the considerable degree to which types of social enterprises vary across countries.



**Figure 2.5 Strict definitions of social enterprises at the country level (Terjesen et al, 2011)**

Among those countries that strictly define social enterprises, some countries suggest a working definition of social enterprises (adopted by the executive branch) and supplement that definition with a legal form created explicitly for social enterprises, as in the case of the UK. Others establish a legal definition for social enterprises (adopted by the legislative branch) and combine it with a legal form that can be used for social enterprises, as in the cases of Italy and South Korea (Triponel and Agapitova, 2016). Although those three countries (UK, Italy and South Korea) have adopted different definitions of social enterprises with legal forms, they operationalise the definition of social enterprises in the entrepreneurial dimension by establishing thresholds for revenue generation from market sources, with the main areas of divergence as follows:

- The UK definition indicates that social enterprises must generate at least 50% of their income from trade (i.e. selling products or services) (Cabinet Office, 2016);
- The Italian Law on Social Enterprises (Law 155/ 2006) stipulates social enterprises must derive at least 70% of their income from entrepreneurial activities, namely, the production and exchange of goods and services that have social utility (European Commission, 2015);
- In South Korea, the total income that social enterprises derive from business activities must reach at least 50% of the total labour costs during the same period (MOEL, 2012).

Understanding different definitions of social enterprises can substantially guide researchers by clarifying the concept and enabling the investigation of appropriate case study countries, as in the case of this research (see Chapter 4 for details). Comparing the definitions provided by several countries confirms that social enterprises commonly aim to solve either or both social and environmental problems through economic activity. Elsewhere, various studies have suggested that the fundamentals of social enterprises can be used to capture a definition for the concept (Cagarman and Kratzer, 2020; European Commission, 2015; Moizer and Tracey, 2010; Peattie and Morley, 2008; Thompson and Doherty, 2006). This view suggests that social enterprises must (i) pursue social goals, (ii) conduct business activities, including the trade of goods and/or services and (iii) re-invest some of the profit from business activities in society rather than distributing those profits to shareholders and owners. By comparing

existing definitions of social enterprises with identified core features of social enterprises, this thesis adopts the following working definition:

***A social enterprise is an organisation that aims to address social and/or environmental missions through economic activity.***

### 2.2.3 The importance of social enterprises

In 2015, the United Nations announced the initiative ‘Transforming Our World: The 2030 Agenda for Sustainable Development’, which outlines a more sustainable and resilient path for the world (United Nations, 2015) via seventeen sustainable development goals (SDGs) and 169 associated targets. These SDGs seek to balance the three pillars of economic growth, social development and environmental sustainability (see Figure 2.6).



**Figure 2.6 The three pillars of sustainable development; adapted from Elliott (2006) and Millard et al. (2016)**

Social enterprises importantly drive sustainable and inclusive development by tackling inequality and addressing some of the biggest challenges targeted by the SDGs (British Council and SEUK, 2015; Chai and Wei, 2016; European Commission, 2015; Littlewood and Holt, 2018; Triponel and Agapitova, 2016; Vujasinovic, Lipenkova and Orlando, 2019). Social enterprises

can often confront heavily entrenched social and environmental concerns because their primary purpose is to use business to solve social and environmental problems (Cabinet Office, 2006; DTI, 2002; Defourny and Nyssens, 2008; Doherty, Haugh and Lyon, 2014; Kerlin, 2010; Noya, 2009; Ridley-Duff and Bull, 2016; Summerfield, 2020).

Several studies have demonstrated the economic contribution of social enterprises. For example, according to the European Economic and Social Committee (2016), social enterprises account for 8% of the EU's GDP. Considering major countries, France's social economy sector accounted for around 8% of the country's GDP in 2015 (Petrella and Richez-Battesti, 2014). In the UK, around 70,000 UK social enterprises contributed to more than 4% of GDP (British Council and SEUK, 2015; Cabinet Office, 2016). Social enterprises have a wide-ranging impact on society (Cabinet Office, 2006; Noya, 2009), performing various social and economic roles, ranging from continuous changes to the welfare system to job creation, social integration and regional development (Borzaga and Defourny, 2001; Doherty et al., 2009; Galera and Borzaga, 2009). Summerfield (2020) suggests that social enterprises produce benefits across economic (e.g. increasing financial inclusion), social (e.g. meeting the needs of an underserved community and conducting philanthropic activities) and environmental (e.g. the production of environmentally friendly products and provision of clean water and access to renewable energy) dimensions. Even small and highly localised social enterprises can contribute significantly to local development by facilitating understanding of local demand and the creation and utilisation of social capital via an optimised resource mix (Borzaga and Defourny, 2001). Social enterprises can also contribute to developing welfare systems, such as by helping income distribution meet community needs, providing financial guidance (i.e. money-saving), providing a greater supply for social services and helping to maintain or improve the quality of services or jobs (Borzaga and Defourny, 2001; European Commission, 2016b; Noya, 2009). People with limited employability in traditional businesses can be employed by social enterprises, and improving social enterprise quality and impact can directly contribute to reducing social inequality (Cabinet Office, 2006). Therefore, policymakers consider social enterprises an alternative service delivery model (Blundel and Lyon, 2015), with the OECD (2017) recognising social enterprises as an intermediary between unemployment and an open labour market, capable of reintegrating large groups of workers into the labour market, generating significant social and financial benefits. (Summerfield,

2020). Although some scholars insist that the concept (and associated definition) of the social enterprise does not fit traditional organisation categories, such as private, public or non-profit (Cornelissen et al., 2020; Doherty, Haugh and Lyon, 2014), social enterprises nonetheless represent businesses motivated, at least somewhat, by profit (Thompson and Doherty, 2006; Peattie and Morley, 2008; Moizer and Tracey, 2010). Therefore, social enterprises need to achieve financial sustainability to deliver continued social impact (Alegre and Berbegal-Mirabent, 2016; Chell, 2007; Dees, 1998; Weerawardena, McDonald and Sullivan Mort, 2010).

## **2.3 Design**

The definitions and scope of design have evolved with the needs of businesses and society. Rather than simply providing form, design has become a strategic element in the innovation process of private companies and public institutions (DBA 2011; Holland and Lam, 2014; Manzini, 2015; Hands, 2018). Thus, developments surrounding the use of design have blurred the boundaries between design and various related activities, provoking substantial confusion and difficulties communicating a clear meaning of the concept (Mozota, 2003; Han, 2014; NESTA, 2017). This section discusses the fundamentals of design, including design disciplines and design's relationship with innovation, before deconstructing the notion to better understand its elements and its expanding role in business. This section also reviews several design studies that focus on the roles and influence of design on the growth of social enterprises.

### **2.3.1 Fundamentals of design**

According to the Danish Business Authority (DBA) (2011), while 'design' originally meant 'to give form' and has roots in artistic practice, with designers creating novel objects to meet specific needs or functions. However, design is now distinctly acknowledged within the fields of, for example, businesses, government, society and the environment, where it manifests in different ways. According to Buchanan (1992), design influences four areas of modern life: (i) communication (symbolic and visuals), (ii) construction (material objects), (iii) strategic

planning (activities and organised services) and (iv) systematic integration (the complex systems or environments for living, working, playing and learning). The latter category also describes how design has moved from the traditional notion of visual or tangible artefacts to a means of coordinating interactions and experiences and transforming systems (NESTA, 2017). Similar to Buchanan, Mozota (2006) suggests that design acts in four ways: (i) as a differentiator that influences competitive advantage on the market, (ii) as an integrator that improves new product development processes, (iii) as a transformer that creates new business opportunities or improves the company’s ability, and (iv) as a business tool to increase sales, brand value and return on investment (through inclusive and sustainable design). As such, design means different things in different disciplines, variously understood as art, problem-solving, a creative act and a process. Accordingly, design has been described as a creative dimension (Design Council, 2020a; Innovate UK, 2020), a shaping dimension (DBA, 2011; D’Ippolito, 2014; European Commission, 2009; Liedtka, 2018) and applicative dimension (D’Ippolito, 2014; Innovate UK, 2020). Thus, each design dimension involves different design roles that can be broadly divided into these three dimensions. In the creative dimension, design is actively involved in creating artefacts and solving problems. In the shaping dimension, design analyses the practical experience of products or services, improving competence and enabling re-creation. Finally, in the applied dimension, design optimises customer satisfaction and profitability through both value creation and product development for corporate success. Table 2.2 represents the definitions of design dimensions.

**Table 2.2 The evolving nature of design and its dimensions**

		<b>Definition</b>
<b>Creative Dimension</b>	Design to create of artefacts	Design research consists of studying, researching, and investigating the artefacts made by human beings and how those activities have been explored in academia or employed in manufacturing.
	Design as a problem-solving activity	Design is a problem-solving activity involving the definition of the problem, the identification and generation of alternative solutions, and the evaluation and selection of the most suitable one(s).

<b>Shaping Dimension</b>	Design as a reflexive practice	By complementing Simon's cognitive perspective, the designer is conceived as a practitioner focusing on the relationship between creation and reiterative reflection-upon-the- creation which allows for constantly improved competence and re-creation.
	Design as making sense of things	Abductive processes are used to make sense of and generalise from observations. Thus, design finds its expression in practical experience and can be described through practical examples.
<b>Applicative dimension</b>	Design as a key strategy input	Design relates directly to the firm's strategy, seeking to optimise consumer satisfaction and company profitability through the creation of form, durability, and values together with products environments, information, and identities.

Source: Adapted from D'Ippolito (2014)

Elsewhere, Joziasse and Selders (2009) note that the value of design varies, depending on an organisation's specific positions, moments, sectors and needs. This variation occurs in the context of four objectives, which design is used to pursue: (i) increased profits, (ii) enhanced brand equity, (iii) innovation through maximised efficiency (in terms of technologies and knowledge) and (iv) for the development of products and services that improve the quality of lives, resulting in improvements for organisations, environments and societies. Table 2.3 lists different types of value-added associated with design. Design's various meanings can be understood according to the six essential characteristics of design introduced by BIS (2010): (i) multi-faceted, (ii) linking creativity and innovation, (ii) offering competitive distinction, (iv) contributing to planning and problem-solving, (v) a means of creating order out of chaos and (vi) a form of systems thinking. This means that individuals and organisations understand design in different ways, some considering it to include a broad range of activities and outputs (Henderson and Whicher, 2015) and others associating it with products of a certain quality and the process of crafting products, which is also recognised as part of knowledge, an extensive field characterised by innovation and multidisciplinary strategic processes (DBA, 2011). Because good design represents both a cost and a quantifiable benefit that can be measured economically, socially and environmentally (Design Council, 2008), design does not need to be limited by notions of graphic, product or service design. Furthermore, given design

is distinguished by outcomes, whether commercial or non-commercial, it can be understood in these terms (Design Council, 2007a; Na, 2016; Press and Cooper, 2003), with the design process in service of meeting outcomes including both technical design (including engineering for manufacture) and non-technical design (including experience and identity) (Design Council, 2011). These characteristics reinforce notions of design as problem-solving and creative and as a coordinating and systematic activity (Mozota, 2003) that links innovation (Cox, 2005; Design Council, 2011; Na, Choi and Harrison 2017).

**Table 2.3 Different types of value-added associated with design**

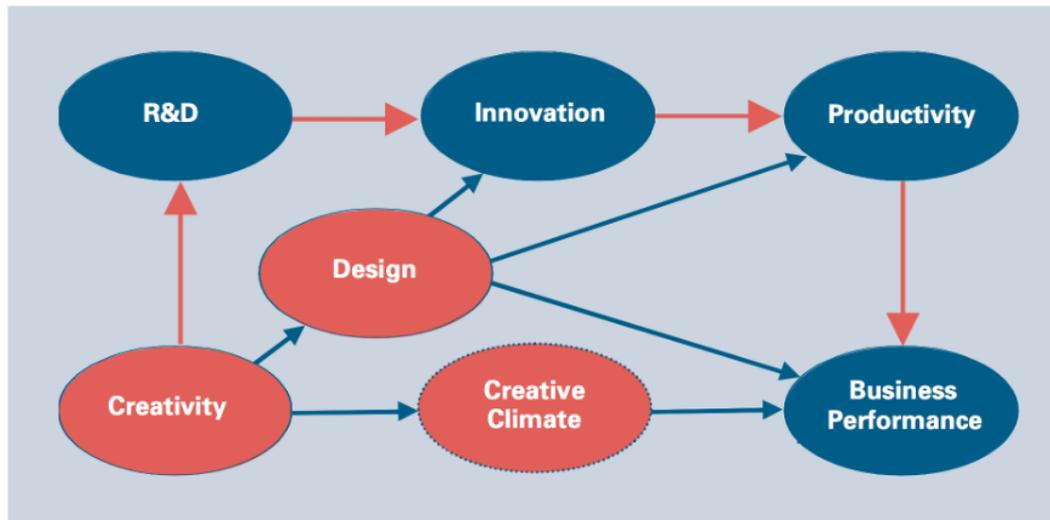
<b>1. MORE PROFIT</b>	Prestige	1. More sales transactions
		2. Higher premium prices
	Costs	3. Lower production costs
		4. Lower marketing costs
<b>2. MORE BRAND EQUITY</b>	Awareness	5. Higher distinctiveness and user awareness
	Loyalty	6. Better reputation and user loyalty (emotional bond)
<b>3. MORE INNOVATION</b>	Time	7. Shorter time to market
	Amount	8. More opportunities and intellectual properties
<b>4. FASTER CHANGE</b>	Company	9. Faster and smoother internal change
	Society	10. Reduced environmental degradation
		11. More solutions for social issues (ageing, literacy, etc.)

Source: Joziase and Selders (2009)

### 2.3.2 Design and innovation

In a broad sense, design represents a process and outcome that uniquely and often decisively contributes to innovation, producing fluctuations between design as a resource for innovation or a form of innovation (Design Council, 2018b). Interactions between design and innovation and design's role in innovation has been studied extensively by designers, academia, governments and industry in recent decades (Cox, 2005; Cooper et al., 2016; Design Council, 2007a; 2008; 2011; 2014a; 2018b; 2020a; Galindo-Rueda and Millot, 2015; Gertler and Vinodrai, 2006; Innovate UK, 2015; 2020; Na, 2016, Stamm, 2004). Consequently,

long-standing theories about how design stimulates and enhances innovation have been developed alongside growing evidence of its economic impact (Design Council, 2018b). Cox (2005) defines ‘innovation’ as ‘the successful exploitation of new ideas. It is the process that carries them through to new products, new services, new ways of running the business or even new ways of doing business.’ Innovation capability relates to design input (Roy, 1994), and incremental or radical innovation requires design input (Mozota, 2003).



**Figure 2.7 The relationship between creativity, design and innovation (DTI, 2005)**

The DTI (2005) describes design as direct linking innovation, productivity and business performance (see Figure 2.7), a critical element for business success that connects ideas to markets, rendering design a practical and attractive proposition for customers or users (Design Council, 2008). Notably, according to the EU (2009), design is a tool for realising innovation, which it considers activities that envision and develop plans for new or significantly improved products, services or systems that incorporate aspects of economic, social and environmental sustainability. Design catalyses a generative approach to ideas and imagination, producing ideas at all stages of the innovation process (Mozota, 2003). Design can contribute distinctly depending on the innovation, which can be classified into one of four broad categories (Holland and Lam, 2014). First, design can improve the quality of products and services via advanced or reduced use of materials and energy, contributing to shortening the time to arrive on the market. Second, design contributes to the innovation of internal culture by enhancing an organisation’s ability to develop effective cross-functional teamwork

or share ideas and responsibilities. Third, design contributes to the development of external collaborations and robustly networks all key stakeholders. Finally, design can facilitate the learning and dissemination of ideas and knowledge, cultivating knowledge resources. Table 2.4 details the influence of design on innovation.

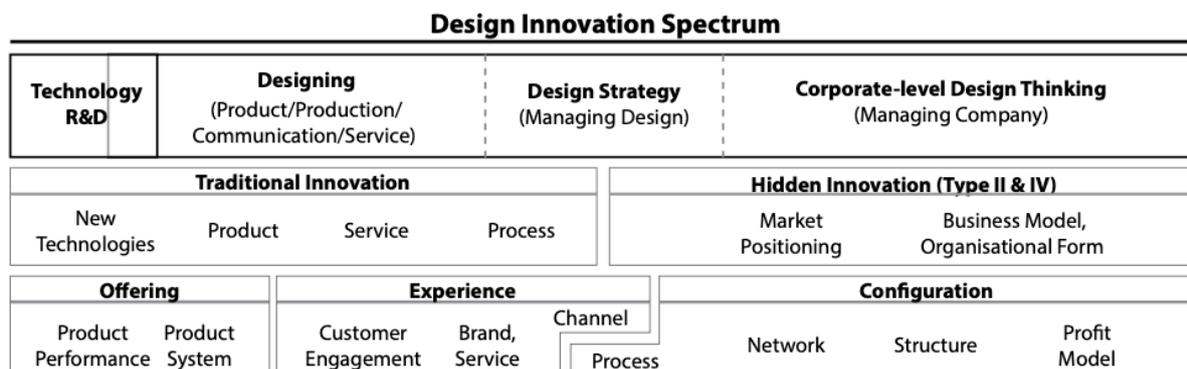
**Table 2.4 The influence of design on innovation**

<b>Innovation</b>	<b>Design contribution</b>
<i>Product/service to market</i>	Ideation, alternative scenarios, faster response to changing environment, reduced time to market
	Improved quality of goods and services
	Developed and/or reduced use of materials and energy
<i>Developing internal culture</i>	Cross-functional team working, sharing ownership of ideas and responsibility
<i>Developing External collaboration</i>	Building good networks with all key stakeholders
<i>Building knowledge resources</i>	Stimulating learning and dissemination of ideas and knowledge

Source: Cox (2005) and Holland and Lam (2014)

Design’s influence on innovation enables businesses to increase innovativeness, as evidenced by design’s role in innovation (Cooper et al., 2016; Na, Choi and Harrison, 2017) and design’s benefits for business (Design Council, 2011; Innovate UK 2015; 2020). Sustained success for businesses in any sector increasingly depends on that business’s ability to innovate to successfully exploit new ideas and new opportunities before the competition (Queensland Government, 2009), and design can help organisations unlock that potential and maximise the return on investment where there is potential for innovation to accelerate economic growth (Design Council, 2011; Innovate UK, 2020). Na (2016) has developed a theoretical model for the design innovation spectrum to provide a comprehensive overview of design capabilities by identifying three key ways that design influences in-company innovation (see Figure 2.8): (i) by enabling the visualisation of ideas, design provides ‘symbolic representation’ as a vision for innovation (Swann and Birke, 2005); (ii) design instils innovative products and

services with greater meaning (Design Council, 2018b; Verganti, 2009); and (iii) design underpins how an enterprise creates and sustains innovation at the operational and strategic management levels (Cooper et al., 2016; Design Council, 2014a). Na, Choi and Harrison (2017) emphasise that a significant factor in all of these links concerns design’s ability to manipulate and visualise creativity to solve the complex problems of organisations at various levels.



**Figure 2.8 Theoretical model of the design innovation spectrum (Na, Choi and Harrison 2017)**

According to Hernández et al. (2018), although design has frequently been considered a fundamental component of successful innovation processes, there are few clear explanations or quantifiable analyses of design’s contribution. The consequent imperative to define design’s role in innovation more explicitly led them to examine three decades of design scholarship to survey different explanations of the relationship between design and innovation. Their findings describe two schools of thought on the crucial roles that design activities perform in the innovation process. The first cluster includes the roles of design in innovation processes and its contributions, including (i) design to differentiate, (ii) design to introduce innovations to the market or adapt innovation for the market, (iii) design to transform ideas into concepts, (iv) design (as) research, (v) design as a (creative, generative) thinking process, (vi) design as a set of techniques for articulating ideas and to integrating concepts, people and functions, and (vii) designer’s contributions to innovation. The second cluster focuses on the internal and external factors that can impact the relationship between design and innovation. Internal mediators represent three phenomena: (i) innovation becomes possible when design is integrated into an organisation’s culture or system (Deserti and Rizzo, 2014; Design Council, 2014a); (ii) the quality of the relationship between design

and innovation varies according to the relationship between design activities and internal company activities (e.g. design and engineering, design and marketing and design and R&D) (Holm and Johansson, 2005), and (iii) the relationship between design and innovation is affected by the interface between technical and non-technical aspects. Regarding the final item, in terms of technical aspects, modularisation (i.e. the variable influencing service design and innovation processes) can integrate or prevent the integration of relevant actors in the innovation process (Nambisan and Sawhney, 2011; Voss and Hsuan, 2009). Meanwhile, non-technical aspects impact differences in the perception of designers and engineers regarding design and innovation (Jones, 2002).

External factors correspond to two main categories. First, how differences in design by region and country affect how design is used and how its impact is evaluated. For example, according to Mozota (2002), 'The perception of the impact of design on the management of innovation is different according to the company's geographical zone. In Northern Europe, design is seen as know-how that transforms processes. In Southern Europe, on the other hand, design is seen as a useful tool in project innovation involving multidisciplinary teams. Interestingly, in South Korea, design is understood through the combination of two approaches (i) the Design Ladder, by the Danish Design Centre (Danish Design Centre, 2018) and (ii) Design for Public Good, by the Design Council in the UK (Design Council, 2013). In other words, the role of design, as it is broadly understood, is to change the organisation and culture of institutions and bodies that create value rather than the processes through which value is created (KIDP, 2020). Second, design's role in the innovation process is influenced by political and socio-economic developments, especially pressures to create products that respond to environmental issues, which leads to more efficient designs and new behaviours or paradigms. Specifically, sustainability, social responsibility and climate change have substantially intervened in the relationship between design and innovation (Hopkins, 2010). For instance, the social and environmental benefits of design are reinforced through its support for the creation of a circular economy and the attainment of the UN's sustainable development goals (Innovate UK, 2020), as well as supporting independent living for the elderly for active ageing, voluntary use of the internet, the prevention of game addiction and social-safety-net-based sexual crime and anxiety relief (KIDP, 2019b).

### 2.3.3 Expanding role of design in the business dimension

Design institutions continue to transmit the message that design benefits business performance, as evidenced by increased income for businesses that invest in design (DDC, 2018; Design Council, 2012; 2014; DMI, 2013; McKinsey Design, 2018). According to the Danish Design Centre (DDC) (2003), companies that invest strategically in design demonstrate nearly 22% greater sales growth than those that do not use design. Meanwhile, the Design Council (2012) has confirmed that every £1 invested in design through their design support programme produced over £20 in increased revenues and £5 in increased exports. The importance of design is also represented changes in share prices. For example, the Design Management Institute, exploring the design value index, has confirmed that the real value of design is a market capitalisation weighted index comprising design-driven companies (DMI, 2013). Figure 2.9 represents 10-year returns for the design value index of 219% according to the Standard & Poor 500 for the period 2004–2014 (DMI, 2015).

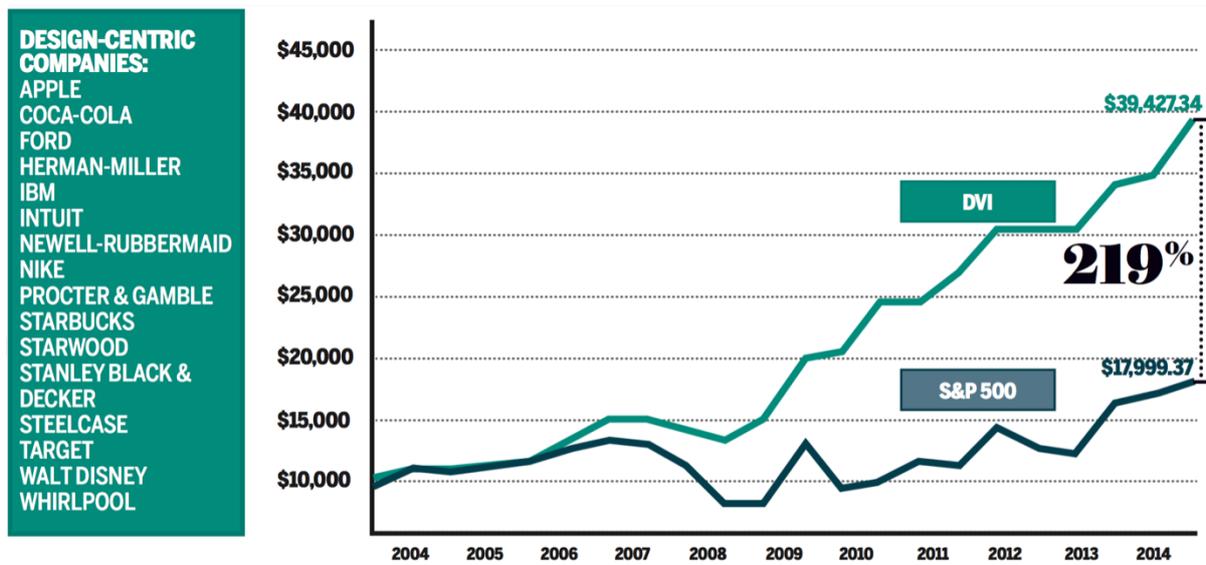
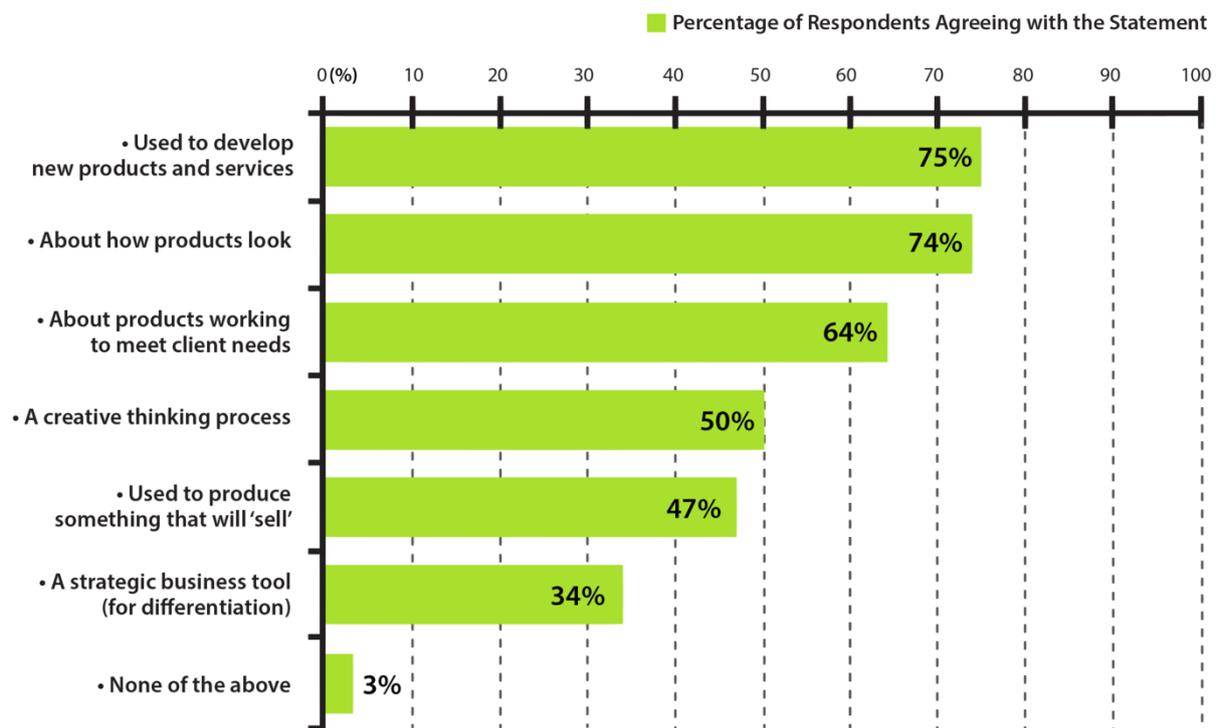


Figure 2.9 Standard & Poor 500 10-year returns for 2004–2014 (DMI, 2015)

According to Muratovski (2015), ‘design and business are intrinsically linked. The contemporary design emerged to address the needs of the industrial economy in the mid-nineteenth century, and design and business have been connected ever since.’ This suggests a need for the business world to more carefully consider design (Lockwood, 2007). According to the DTI (2005), design can potentially impact a firm’s performance in wide-ranging ways,

which has various implications and demands attention on designing for function, aesthetic appeal, ease of manufacture, sustainability, reliability, quality and business processes (DTI, 2005). Tether (2005) explored design at the business level and observed design in business to mutually concern processes and outcomes, recognising process ('a creative thinking process') to contain things (e.g. models) or can abstractions (e.g. visualisation) and outcome ('how products look') to be in turn tangible (i.e. a product) or intangible (i.e. a concept). Figure 2.10 represents the diverse meanings of design in businesses.



**Figure 2.10 Design in business (Tether, 2005)**

Design has been recognised as a significant factor in business success (McKinsey Design, 2018; Mozota, 1990; Press and Cooper, 2003; Valonen, 2007; Yin, Qin and Holland, 2011). Accordingly, design's role in business contexts has expanded alongside business challenges (Design Council, 2020b; Hands, 2018; Holland and Lam, 2014; Na, 2016). Holland and Lam (2014) explain the historical development of design's role in business over the last three decades at the (i) operational, (ii) tactical and (iii) strategic level (see Table 2.5). In the 1980s, design worked at the operational level, being used to generate ideas for enhancement and new offerings, with products and services designed and launched following improvements to designs considered 'fit for purpose'. The 1990s introduced the tactical level, with design

recognised as informing business plans and contributing to the achievement of business goals. Since the late 1990s, design has created opportunities at the strategic level. For example, design can not only effectively build a brand and deliver brand attributes consistently to a target market but also sharpen strategic vision and leadership and enhance an organisation's shared values. This means that effectively managed design can inject both tangible and intangible value into an organisation.

**Table 2.5 Evolution of design's role in business**

<b>Era</b>	<b>Business challenges</b>	<b>Design contributions</b>	<b>Level</b>
1980s	Deliver an integrated offering	<ul style="list-style-type: none"> <li>- Product planning</li> <li>- Design project management</li> <li>- Design for quality</li> </ul>	Operational
Early 1990s	<ul style="list-style-type: none"> <li>- Improve time to market</li> <li>- Increase product success rate</li> <li>- Build cross-functional teams</li> <li>- Enhance internal communication</li> <li>- Understanding customers</li> </ul>	<ul style="list-style-type: none"> <li>- Strategic planning for new product development</li> <li>- Design for communication</li> <li>- Design for manufacturing</li> <li>- User-centred design</li> </ul>	Tactical
Late 1990s	<ul style="list-style-type: none"> <li>- Keep up with rapid changes</li> <li>- Handle unpredictable markets</li> <li>- Encourage cross-cultural understanding</li> </ul>	<ul style="list-style-type: none"> <li>- Design management</li> <li>- Design research skills</li> <li>- Design semantics</li> </ul>	
2000s	<ul style="list-style-type: none"> <li>- Exploit globalisation</li> <li>- Ensure meaning &amp; authenticity</li> <li>- Improve services</li> </ul>	<ul style="list-style-type: none"> <li>- Design-led branding</li> <li>- Design-led innovation</li> <li>- Design-led business model</li> <li>- Design of experiences</li> </ul>	Strategic
2010s	<ul style="list-style-type: none"> <li>- Embrace social responsibilities</li> <li>- Adopt sustainable development</li> <li>- Outsource services</li> </ul>	<ul style="list-style-type: none"> <li>- Design for society</li> <li>- Design for sustainability</li> <li>- Design consultancy</li> </ul>	

Source: Holland and Lam (2014)

Hands (2018), in particular, describes the relationship between design and business in terms of (i) strategic alignment, (ii) corporate strategy development and (iii) the connection between an organisation's internal strengths and its external environment. This concerns the importance of establishing a design strategy to promote commercial success and long-term growth. Hands' three categories are detailed as follows:

- **A strategic alignment:** If design is to add value, it should be a fundamental part of the business enabling interactions that are critical to a business' long-term success. However, problems arise due to the different mindsets of designers and business managers. Integrating these two perspectives requires designers and business managers to understand design is in a business context and its relationship to overall business 'efficiency'. Essentially, it is linked to a strategic 'alliance' that aligns an organisation from top to bottom, from inside (internal environment) and outside (external environment) and from business to end-users.
- **A component of corporate strategy development:** Design contributes to the development of a company's strategy across three upper-, mid- and lower-level active engagement, which correspond to the three categories of design's impact on businesses (influence-, strategy- and project-level):
  - Upper-level active engagement (or influence-level impact): design is the most powerful form of influence on every aspect of an organisation and fundamentally drives the organisation's overall vision, including its long-term direction, company goals, management structure and financial and human resources; more specifically, design is considered a strategic resource for organisational innovation.
  - Mid-level active engagement (or strategy-level impact): design represents a 'proficiency' that enables organisations to identify new market opportunities at a tactical level, with design activities focusing on developing unique product or service concepts within a specific business 'unit' that can enhance a company's overall corporate strategy.
  - Lower-level active engagement (or project-level impact): design is used to manage the design process, particularly the effectiveness and efficiency of individual design projects that concern improving existing products or services, and emphasises how design 'contributes to business and corporate level design management'; notably, successful business strategies are influenced by decisions and actions at this level.
- **The connection between an organisation's internal strengths and its external environment:** Designers often develop concepts of meaningful value by introducing elements unanticipated by potential customers or end-users.

However, because creating something of value is insufficient, businesses must also create something of value that at least some customers consider to superior to the offerings of competitors. The strategy literature describes this as 'differentiation', with design considered critical to differentiating products in the marketplace. Among the fundamental elements of strategy development is a focus on evaluating internal and external contexts. An external review of the broader market entails examining current market activity to identify new patterns or trends that could trigger new business opportunities. Meanwhile, internal auditing examines an organisation's strengths and weaknesses to carefully balance external circumstances (opportunities and threats) with strategic options for exploiting internal opportunities. Design is leveraged here for initial planning and needs recognition, often facilitated or driven by the identification of market gaps or technological advances enabling a technology push approach. That is, a coherent design strategy demands carefully integrating an organisation's internal strengths (what the organisation can do) to identify, develop and meet market opportunities in the external environment (what customers want).

Elsewhere, Na (2016) recognises design's broad impact across two aspects of a business, suggesting that design not only affects the actual production and delivery stages of a product or service but also impacts company management. This conceptualisation grounds the development of a design spectrum that enables diverse understandings of design to articulate the design's contributions to business in an accessible manner by reviewing the literature on design's benefits for and role in business. This design spectrum is built on three closely interlinked domains that influence each other to foster innovative products and services, system and processes and organisational cultures: (i) design (for production and for process/image), (ii) design strategy (for managing design actions) and (iii) design thinking (for managing companies). Table 2.6 summarises each of these domains.

**Table 2.6 Domains of design in business**

Design areas	Descriptions
<b>Production</b>	Production design describes the activities of a company that create artefacts (i.e. form-giving) (DDC, 2018) and represents the extent of the conception of ‘design’ of companies without a holistic understanding of the notion (Na, 2016).
<b>Designing</b>  <b>Process/ image</b>	Design (for process/image) describes activities that produce primarily intangible results, including services, brands and customer experience (Driskill et al., 2015; Na, 2016), meaning that design activities in this domain are often related to the ‘design process’ (e.g. marketing) (Bruce and Daly, 2007; Hands, 2018).
<b>Design strategy</b>	The main function of a design strategy is to manage design in a company so that design can be used as a strategic business tool (Design Council, 2014a; Innovate UK, 2015). Therefore, design strategy operates at a strategic level and is primarily performed by either or both design managers and senior managers responsible for design management. Consequently, a design strategy delivers both design-driven process management and strategic impact on the business (Na, 2016) because design strategy’s impact is not limited to ‘design’ activities but importantly contributes to not only a company’s innovation but also other processes that use creativity, empathy and holistic and systematic thinking skills to improve efficiency, feasibility and collaboration (Topalian, 2013).
<b>Design thinking</b>	‘Design thinking describes how design principles can be used to contend with rapid and complex changes and harness these changes to develop products or services (Brown, 2009; Carr et al., 2010; Liedtka, 2018). However, both design thinking and design strategy concern design’s broad capacity to enable upper-level managers to manage the company at large (Topalian, 2013). That is, ‘corporate-level design thinking’ represents a principle for creativity and a decision-making tool that allows upper-level managers to utilise design to ensure its integration (Na, 2016).

Source: Adapted from Na (2016)

### 2.3.4 Design and social enterprises

Although the role and impact of design on economic value creation and social change have been proven by numerous studies over the past decade, design's impact on social enterprises pursuing the creation of both economic and social value has only recently drawn the attention of scholars (Alejandro, 2017; Chou, 2018; Docherty, 2017; Douglas, Rogers and Lorenzetto, 2014; Krishna and Kummitha, 2018; Pérez, Hands and McKeever, 2017; Pérez et al., 2019; Selloni and Corubolo, 2017a; 2017B; Vitviskaya, 2015) and practitioners (Creative Dundee, 2017; Design Council, 2020c; DTUL, 2017; Kennedy and Sharp, 2015; Shift, 2017). Studies concerning design among social enterprises began appearing in the 2010s, indicating that the field remains at an early stage of development, as evidenced by the focus on fragmented design disciplines in the social enterprise context. For example, studies have considered design's influence on the processes of social enterprises, including their activities and systems (mainly in terms of planning and organisational design) (Chou, 2018; Design Council, 2020c; DTUL, 2017; Pérez et al., 2019), and design thinking approaches that reconsider the role and activities of social enterprises in terms of completely human-centred approaches to social innovation (Douglas, Rogers and Lorenzetto, 2014; Krishna and Kummitha, 2018; Manzini, 2015; Selloni and Corubolo, 2017a). This has resulted in insufficient studies demonstrating how design can be utilised for the growth of social enterprises (Pérez, Hands and McKeever, 2017; Pérez et al., 2019), which would likely provide substantial insight regarding the notion of 'design for social enterprise'. Thus, for this thesis, design engenders broader implications, including recognising the various roles and impacts of design in the two domains, especially for social enterprises identified by previous studies, resulting in the following working definition:

***A practical tool, strategic approach or creative process that enables an organisation to achieve its aims on the basis of understanding comprehensive design areas, including design, design processes and design strategy.***

## **2.4 Ecosystems**

The term 'ecosystem' often describes a network of interrelations between organisms and their environment (Moore, 2006; Schulze, Beck and Müller-Hohenstein, 2005; Williamson and De Meyer, 2012). Since Moore introduced the business ecosystem theory to explain business environments in 1993, theories of business ecosystems have been developed by numerous scholars (Anggraeni, Hartigh and Zegveld, 2007; Annanperä, Liukkunen and Markkula, 2016; Carbone, 2009; Deloitte, 2015; Fragidi, Koumpis and Tarabanis, 2007; INVESTOPEDIA, 2017; Iansiti and Levien, 2002; Karhiniemi, 2009; Marin, Stalker and Mehandjiev, 2007; Mason and Brown, 2014; Moore, 2006; Mäkinen and Dedehayir, 2012; Mäntymäki and Salmela, 2017; Peltoniemi, 2006; Rong and Shi, 2015; Schulze, Beck and Müller-Hohenstein, 2005; Williamson and De Meyer, 2012; Zhang and Liang, 2011). Previous studies have demonstrated the impact of business ecosystems on businesses, considered the internal and external contributors to business growth and guided understanding of the components of the ecosystem and their impact on business growth. Thus, the term is frequently invoked to indicate practical settings that enable the support of specific industries and businesses by considering various contributions to growth. To better understand the concept, this section discusses three different conceptions of ecosystems related to this study's research interests: (i) business ecosystems, (ii) social enterprise ecosystems and (iii) design-innovation ecosystems.

### **2.4.1 Business ecosystems**

This section outlines existing business ecosystem theories to understand its meaning, constitutive elements and influence on business. There are four sub-sections: (i) the theoretical evolution of the business ecosystem, (ii) definitions of business ecosystems, (iii) key actors in business ecosystems, and (v) critical factors for the success of business ecosystems.

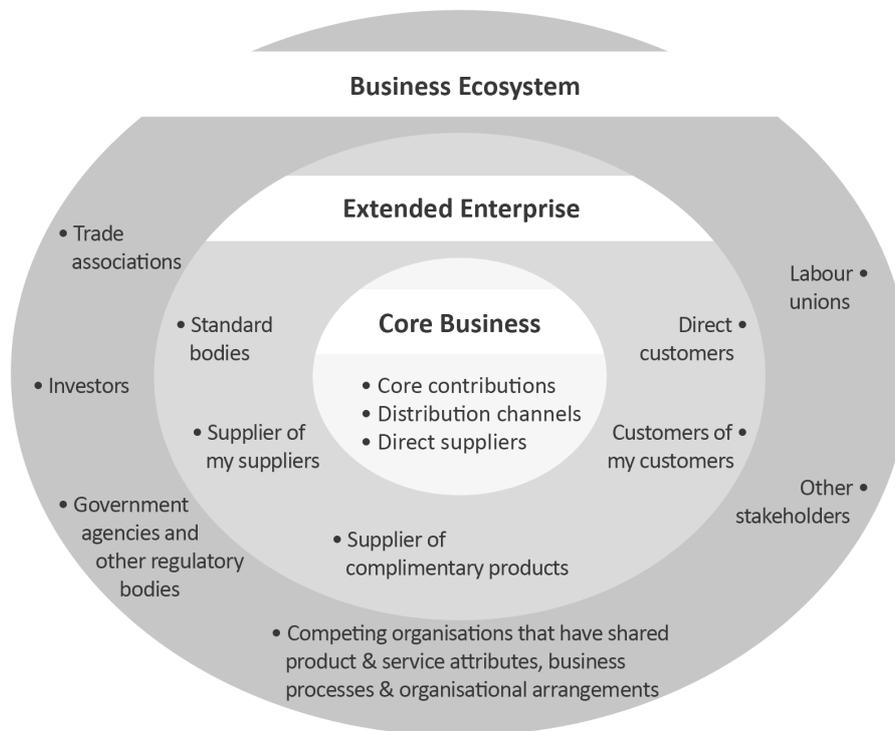
#### **2.4.1.1 The evolution of business ecosystems**

New industries often emerge in contexts featuring weak industrial systems and technical and market uncertainties (Rong, Shi and Yu, 2013). Hence, to overcome uncertainty, some scholars have suggested that business ecosystems evolve to cultivate emerging industries (Moore, 1996), including by establishing supportive stakeholder networks (Iansiti & Levien, 2004b). Tansley introduced the term ecosystem in 1935 to describe interactions between organism-complexes and complexes of physical factors (Tansley, 1935). Drawing on Tansley's concept, Schulze, Beck and Müller-Hohenstein (2005) have described ecosystems as 'networks of interrelations between organisms and their environment'. Moore's business ecosystem theory uses the analogy of biological ecosystems to explain business environments (Moore, 1993), recognising that business ecosystems are, like biological ecosystems, interdependent networks of organisations populated by various interdependent species (Mäkinen and Dedehayir, 2012). In plainer terms, business ecosystems are networks of companies, suppliers, intermediaries and customers (Adner and Kapoor, 2010; Borgh et al., 2012; Iansiti and Levien, 2004b; Moore, 1996; Radziwon and Bogers, 2016), and a business ecosystem's key characteristics are the interconnectedness of the fates of different enterprises and competitive and cooperative processes (Iansiti and Levien, 2004b; Karhiniemi, 2009; Mäntymäki and Salmela, 2017).

#### **2.4.1.2 Defining a business ecosystem**

According to Moore (1993), to extend a systematic approach to strategy, a company should be considered part of a business ecosystem across multiple industries rather than a member of a single industry. That is, in a business ecosystem, companies co-evolve capabilities around new innovations to support new products collaboratively and competitively, meet customer needs and ultimately incorporate subsequent innovations (Moore, 1993). Moore first defined business ecosystems as economic communities supported by fundamental interactions between organisations and individuals (i.e. the organisms of the business world). Later, he expanded this definition to describe an extended system that supports mutual support for various stakeholders, including communities of customers, suppliers, lead producers and other stakeholders, including financiers, trade associations, standard bodies, labour unions, governmental and quasi-governmental institutions and other interested parties (Moore,

1998). Figure 2.11 represents Moore's conception of business ecosystems (1998), emphasising various particular interactions (Peltoniemi et al., 2005).



**Figure 2.11 Key actors in business ecosystems (Moore, 1998)**

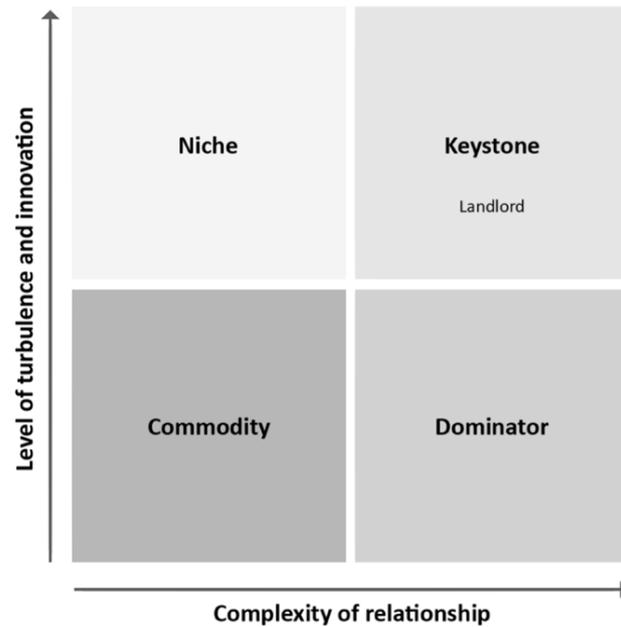
Building on Moore's work, lansiti and Levien (2004b) have also drawn parallels between business ecosystems and biological ecosystems, recognising that business ecosystems feature numerous loosely associated co-dependent participants and stakeholders sharing a common fate. Furthermore, healthy ecosystems, whether business or biological, enable individual species to thrive. That is, an unhealthy ecosystem causes individual species to suffer, which implies division, interconnectedness, cooperation and competition as business ecosystem functions. Thus, according to both Moore (1993; 1998) and lansiti and Levien (2004a; 2004b), business ecosystems emphasise the importance of the overall health of the environment and the systems in which a company is involved, suggesting the enrichment of business networks by regarding enterprises as interconnected parts of the larger environment. Since Moore (1993) defined the term and concept of the business ecosystem, studies have contemplated the interconnected business network using ecological metaphors (Anggraeni et al., 2007), most of which have developed the concept using the metaphor of a biological ecosystem.

This research captures key features of business ecosystems by examining existing studies that have contributed to business ecosystem theory (Adner, 2007; Anggraeni, Hartigh and Zegveld, 2007; Annanperä, Liukkunen and Markkula, 2016; Chang and Uden, 2008; Deloitte, 2015; Fragidis, Koumpis and Tarabanis, 2007; Gueguen, Pellegrin-Boucher and Torres, 2006; Hechavarria and Ingram, 2014; Isansiti and Levien 2004a, Li, 2009; Marin, Stalker and Mehandjiev, 2007; Mason and Brown, 2014; Moore, 1998; Peltoniemi, 2006; Rong, Shi and Yu, 2013; Williamson and De Meyer, 2012) to ultimately identify three critical features of business ecosystems: (i) composition by many organisations, (ii) interconnectedness and interdependency and (iii) dynamic co-evolution. Conceptualisation of the business ecosystem supports the view that various actors contribute their core business according to their capabilities (Annanperä et al., 2016). Thus, ultimately, business ecosystems are communities featuring interdependent organisations operating at different levels to generate co-evolution between business partners and their business environment (Rong and Shi, 2015). The rise of business ecosystems represents an opportunity to create powerful new competitive benefits (Deloitte, 2015).

#### **2.4.1.3 The key actors in business ecosystems**

For Isansiti and Levien (2004b), every organisation in a business ecosystem contributes differently to firm performance; this notion led them to develop a framework for ecosystem strategy analysis (see Figure 2.12) featuring five distinct strategic roles:

- **Keystone:** A controller of key ecosystem hubs, these actors establish a platform for niche contributions to create value and share value with contributors.
- **Landlord:** A controller of major ecosystem hubs, these actors extract as much value as possible from the network without direct control.
- **Dominator:** By managing and controlling most of the network, these actors consolidate the ecosystem vertically or horizontally to extract maximum value.
- **Niche:** By focusing on niche areas and developing specialised assets and functions, these actors develop special functions that add value to the ecosystem.
- **Commodity:** These actors focus on the lowest cost offerings.



**Figure 2.12 The five common strategic roles in business ecosystems (Iansiti and Levien, 2004b)**

Keystone and niche actors substantially influence an ecosystem’s health and sustainability, with keystone actors considered the most significant actor (Iansiti and Levien, 2004b). Keystone actors provide a focal point for the overall ecosystem and enable it to adapt to external change (Carbone, 2009). Microsoft, Walmart, Google and eBay all exemplify keystone actors, which (i) are responsible for the overall output and productivity of the ecosystem, (ii) monitor the overall health and act to ensure that the system functions efficiently, (iii) safeguard the ecosystem’s resilience and stability by stimulating members to remain healthy and assume the roles of missing members, and (iv) deliver innovation and introduce new actors to ensure sustained value and growth for the ecosystem’s members. Niche actors support the keystone actors and produce most of the innovation, creating value within the ecosystem (Mäkinen and Dedehayir, 2012). Niche actors also contribute to the ecosystem’s holistic functioning via specialised functions and act as complementary organisations that assist platform leaders in expanding the realms of its application. Furthermore, niche actors can exist within ecosystems while utilising the platforms of keystones and the products of complementary members by focusing on producing their own specialised offerings. Understanding the roles of key actors in business ecosystems provides

a foundation for this research's recognition of the types and roles of primary actors in design-innovation ecosystems (DInEs).

#### **2.4.1.4 The critical success factors for business ecosystems**

According to Moore (1993), business ecosystems condense the vortices of capital, consumer interest and talent generated by new innovations. Meanwhile, Iansiti and Levien (2004b) suggest three critical measures of a business ecosystem's health: productivity, robustness and niche role creation. Productivity is the fundamental factor that, at some point, defines the success of any business. It explains innovation and the conversion of raw materials into products while consistently lowering costs and improving functional efficiency. Meanwhile, robustness describes the ability to survive when shocks from inside or outside the ecosystem threaten to destroy its natural ecosystems. In business, this means drawing competitive advantage from various sources and being able to transform when the environment changes. Finally, niche role creation describes an ecosystem's ability to create new, valuable functions and foster diversity to create value, which requires a change in attitude from protectionist to cooperative.

#### **2.4.2 Social enterprise ecosystems**

This section comprehensively reviews existing studies on social enterprise ecosystems in terms of (i) definitions of social enterprise ecosystems and their conceptualising elements, (ii) the importance of ecosystem development for social enterprises, (iii) existing types of the social enterprise ecosystems and (iv) similarities and differences between business and social enterprise ecosystems. This review guides this research's understanding of the perspectives that should be considered and the impact of design on ecosystem development to effectively and efficiently support the growth of social enterprises.

##### **2.4.2.1 Defining social enterprise ecosystems and their conceptualising elements**

The past decade has witnessed substantially increased interest in social enterprises from governments, academics and practitioners, in turn increasing the attention on social enterprise ecosystems (Bloom and Dees, 2008; Borzaga et al., 2020; Dacin, Dacin and Tracey,

2011). Accordingly, theories of social enterprise ecosystems have been developed by practitioners (Ashoka, 2014; British Council, 2015; CASE, 2008; European Commission, 2015; NESTA, 2015; Petrella and Richez-Battesti, 2020) and scholars (Bloom and Dees, 2008; Grassl, 2012; Lee and Hwang, 2013; Roy et al., 2015; Hazenberg et al., 2016a; Hazenberg et al., 2016b; Hazenberg et al., 2017). In particular, a comprehensive 2015 study on social enterprise ecosystems in European countries (conducted by the European Commission) provides a solid foundation for social enterprise ecosystem research. Although several studies have described the components of social enterprise ecosystems, they have seldomly defined the notion of an ecosystem in the social enterprise context (Villegas-Mateos and Vázquez-Maguirre, 2020). This made it necessary to compare and analyse existing studies on social enterprise ecosystems to understand the ecosystems of social enterprises and establish a working definition for the concept, which produced the following:

***Social enterprise ecosystems are structural configurations representing the environment in which various activities contributing to the growth of social enterprises are conducted. Social enterprise ecosystems include networks of stakeholders that include governments, intermediaries, social enterprises and consumers.***

This working definition enables this research to articulate the core elements of social enterprise ecosystems, enabling it to address key constraints and obstacles to providing an environment for social enterprises (European Commission, 2015). Notably, several previous studies have conceptualised social enterprise ecosystems in terms of the key elements (Borzaga et al., 2020; CASE, 2008; European Commission, 2015; Hazenberg et al., 2016b; Kwon, Choi and Lam, 2018; Lee and Hwang, 2013; Roy et al., 2015). For example, the Centre for the Advancement of Social Entrepreneurship (CASE) (2008) suggests that social enterprise ecosystems feature two principal divisions: capital infrastructure and the socio-economic and cultural environment. The capital infrastructure provides essential resources for the success of social enterprises, and the socio-economic and cultural environment produces the conditions under which social enterprises and their capital providers operate (CASE, 2008). This environment includes, for example, social enterprise policy, media relations, economic and social conditions. Similarly, the European Commission (2015) conceives of social

enterprise ecosystems in terms of market characteristics and non-market environments (i.e. the legal, financial, institutional, cultural, political and socio-economic domains) and considers social enterprise ecosystems to be environments that operate in various ways to support or restrict the thriving of social enterprise activities in specific contexts. This assertion builds on investigations of 29 European countries exploring social enterprise ecosystem features at the national level. Although there is an absence of immaturity associated with proper enabling/supporting policy frameworks in most countries, an awareness of ecosystem characteristics that represent barriers to growth is slowly developing (Borzaga et al., 2020; European Commission, 2015; Petrella and Richez-Battesti, 2020).

According to Hazenberg et al. (2016b), social enterprise ecosystems and different types of social enterprises develop differently based on various historical, legal, political-cultural, social and economic structures. This builds on the same authors' earlier study, which explains how English and Scottish social enterprises have developed differently over time due to distinct historical (genetic) and institutional/environmental (epigenetic) factors (Hazenberg et al., 2016a). A subsequent study (Hazenberg et al., 2017) reveals seven themes that emerge iteratively in relation to the barriers and enablers of social enterprise ecosystems. This research considers ten different European countries (Austria, England, France, Germany, Italy, The Netherlands, Poland, Scotland, Serbia and Sweden) and, by comparing existing studies on conceptualisations of social enterprise ecosystems, classifies the nuanced components of social enterprise ecosystems into five broad categories: (i) policy and regulation structure, (ii) finance and investment objects, (iii) business development support, (iv) advocacy of collaboration and networking and (v) research. Table 2.7 details these five components, which enable an understanding of the characteristics of social enterprise ecosystems in different cultural contexts (see Chapter 4).

**Table 2.7 The fundamental components of social enterprise ecosystems**

<b>Fundamental component</b>	<b>Descriptions</b>
Policy and regulation structure	Policy frameworks for social enterprises exist within broader policy frameworks aimed at the non-profit sector, as well as including active labour market policies and social inclusion policies. Social enterprise legislation follows a broad range of approaches, beginning with applying existing legal forms to consider the characteristics of social enterprises before creating legal statuses or qualifications for social enterprises (European Commission, 2015).
Finance and investment objects	Many social enterprises struggle to access external capital when capital supplies are scarce, especially when they are established on the basis of a subsidy (DTI, 2002). Ultimately, these components include both public and private funding or investment for the development of social enterprises (European Commission, 2015).
Business development support	Like other businesses, social enterprises require robust corporate culture training; because they often lack commercial and managerial capabilities (Doherty et al., 2014; Peattie and Morley, 2008), it is essential to recognise their needs and provide appropriate advice and support (DTI, 2002).
Advocacy of collaboration and networking	This factor describes frameworks for interactions between social enterprises and governments, intermediaries and other organisations with characteristics and goals similar to those of social enterprises. It also provides practical guidance and advice, acting as a mutual support mechanism, performing advocacy and interacting with various organisations (Borzaga et al., 2020; DTI, 2002; European Commission, 2015).
Research	Research monitors sector development and assesses needs and opportunities (Lyon et al., 2019). Policy-level and academic research on social enterprises continues to grow, with the annual or biennial surveys conducted by intermediary organisations supporting social enterprises (e.g. Social Enterprise Survey [SEUK, 2019] and the Study of the Community Business Market [Higton et al., 2019]) and government departments (e.g. the Small Business Survey (BEIS, 2019)) of particular note. These surveys impact the development of support activities, including programmes and funding for social enterprises, by influencing policy decisions about how governments and intermediary organisations can support the growth and sustainability of social enterprises and their sector (Lyon, Stumbitz and Vickers, 2019).

#### **2.4.2.2 The importance of ecosystem development for social enterprises**

Deloitte (2015) considers ecosystems to bring together various players of diverse types and sizes to create, expand and serve markets in ways that are beyond the capacity of a single organisation or even a traditional industry. Iansiti and Levien (2004b) emphasise the importance of ecosystem development, recognising that 'if the ecosystem is healthy, individual species thrive. If the ecosystem is unhealthy, individual species suffer deeply.' Each entity in an 'ecosystem' affects and influences other entities, producing constantly evolving mutual relationships that demand flexibility and adaptability (INVESTOPEDIA, 2017). Meanwhile, the collective capacities of businesses – including business diversity, adaptability and innovation within ecosystems – represent key determinants of the long-term success of individual businesses and ecosystems (Deloitte, 2015). Illustrates five possible influences of ecosystems on businesses, Deloitte (2015) suggests that an ecosystem (i) creates new ways to address basic human needs and desires, (ii) drives new collaborations to solve emerging social and environmental challenges, (iii) creates and serves communities and utilises creativity and intellect, (iv) is often responsible for powerful new business platforms and (v) accelerates learning and innovation.

Because social enterprises are enterprises that produce goods and services, albeit socially necessary, social enterprise ecosystems resemble business ecosystems, operating on principles of mutation, selection, replication and co-evolution (Rha, 2014). According to Rha (2014), an ecological approach can be more useful because social enterprises solve social problems via the participation of various stakeholders from across the public and social sectors, meaning that the problem-solving processes of social enterprises involve the interaction of the services and solutions of various organisations, leading various social enterprises and support organisations (i.e. intermediaries) to contribute to the current understanding of social enterprise ecosystems (Borzaga et al., 2020; British Council, 2015; European Commission, 2015; Hazenberg et al., 2016b; Rha, 2014; Roy et al., 2015). Notably, Grassl (2012) and Hazenberg et al. (2017) have argued that social enterprises should be built on solid, integrated nodes in networks that are valuable both individually and as an ecosystem. This argument considers the potential impact and abilities of the ecosystem, with the multiple stakeholders involved in social enterprise ecosystems suggesting greater differences in terms

of the conduct of entrepreneurship in this context (Lumpkin et al., 2013). This balance can be modified by social entrepreneurs engaging new actors in existing ecosystems (Patrono and Sutanti, 2016), which produces forms of solidarity-building and lobbying that critically increase the impact of social enterprises and change both the balance of power and government and economic policy (Martin and Osberg, 2015).

#### **2.4.2.3 Existing types of social enterprise ecosystems**

Research on social enterprise ecosystems has only recently attracted the attention of practitioners and academics. Previous studies have considered the concept, composition and contributing factors of social enterprise ecosystems, either (i) narrowly investigating specific components of a particular social enterprise ecosystem or (ii) comprehensively researching the components of social enterprise ecosystems at the national level. First, exemplifying research investigating specific components of social enterprise ecosystems, Lee and Hwang (2013) and Roy et al. (2015) have both considered institutional support structures as social enterprise ecosystems that importantly contribute to the development of the social enterprise sector, with their in-depth studies of policy practices in support of Scottish social enterprise activities suggesting that institutional support for Scottish social enterprises has provided a direction for future development. Meanwhile, studies by Borzaga et al. (2020), British Council (2015), CASE (2008) and Kwon, Choi and Lam (2018) primarily consider social enterprises means of developing and sustaining social entrepreneurial realms, arguing that ecosystems significantly impact the efficiency of social entrepreneurs and their organisations while also noting that strategic, catalytic and collaborative communities are needed to build ecosystems capable of developing the social enterprise sector. These studies also indicated serious concerns about funding to support efforts to improve such ecosystems. The European Commission (2015) and Borzaga et al. (2020) both provide explanations of the comprehensive components of social enterprise ecosystems at the national level following investigations of the ecosystems of 29 countries in Europe. These features include national policy and legal frameworks for social enterprises, business development services and support schemes specifically designed for social enterprises, networks and mutual support mechanisms, social impact investment markets, impact measurement and reporting systems, and marks, labels and certification schemes.

Elsewhere, Hazenberg et al. (2016b) outline the types of social enterprise ecosystems in eleven European countries by studying social enterprise relationships based on historical factors (genetic), environmental factors (epigenetic) and organism-level factors (institutions, organisations and individuals). They identify the key stakeholder groups in social enterprise ecosystems and the relationships between components of social enterprise ecosystems in terms of political or policy links, regulation and legislation, partnership, advocacy, procurement, funding, education, investment, trade, corporate social responsibility (CSR) and commissioning, presenting four types of social enterprise ecosystems (Hazenberg et al., 2016b; Hazenberg et al., 2017):

- **Statist-macro** (e.g. Poland, France, Serbia and Austria) ecosystems are characterised by the dependence of social enterprises on centralised national institutions at the national or international level, which supports the development of social enterprises addressing social issues using policy and funding mechanisms. This type of ecosystem also provides relatively strong formal social entrepreneurial education in schools. However, social enterprises in this type of ecosystem are commercially unsustainable because they depend on subsidies or grants. Furthermore, this type lacks regionalism and cooperation between stakeholders at the macro and micro levels.
- **Statist-micro** (e.g. Scotland and Sweden) ecosystems feature social enterprises that rely on state agencies for funding and support that is more substantially embedded in regional dimensions, often via procurement policies and community initiatives. However, the localised condition of these ecosystems often promotes heterogeneity.
- **Private-macro** (e.g. Germany and England) ecosystems are characterised by a lack of state financial subsidies, meaning governments use policy to help social enterprises become more market-oriented. Funding for social enterprises in this ecosystem derives from competition contracts and social investors, comprehensive labour market policies are less common, and there is little formal social enterprise training.
- **Private-micro** (e.g. The Netherlands and Italy) ecosystems seek to promote greater marketisation of the social enterprise sector and encourage income diversification, thus resembling private-macro ecosystems. This approach produces capitalisation problems and requires policies encouraging labour market integration, which, in this

case, occur at the local level, fostered by regional associations and local governments. Schools provide little formal education regarding social entrepreneurship, and there is limited cooperation between micro- and macro-level social enterprises or other organisations.

Table 2.8 summarises the characteristics of each ecosystem type, enabling comparison and analysis of the extant social enterprise ecosystems in this paper’s case study countries, which Chapter 4 discusses in detail.

**Table 2.8 Characteristics of each type of social enterprise ecosystem**

<b>Ecosystem type</b>	Type A	Type B	Type C	Type D
<b>Ecosystem level</b>	Statist-Macro	Statist-Micro	Private-Macro	Private-Micro
<b>Led by</b>	National institutions	State agencies	State Governments	Regional associations and local government
<b>Policy</b>	Development of social enterprises	Limited or non-existent	Market- oriented	Encouraging the labour market and income diversification
<b>Funding type</b>	Subsidies and/or grants	Subsidies and/or grants	Competition contracts and/or social investors	Grants and/or investment
<b>Networking between stakeholders</b>	Weak	Extensive	Strong, but lacking integrated collaboration at a local level.	very well-developed
<b>Commerciality</b>	Unsustainable	Not mentioned	Possibly sustainable	Possibly sustainable
<b>Educating</b>	Strong entrepreneurship education in the school system	Not mentioned	Lack of focus on social enterprise education	Poor entrepreneurship education in the school system, but excellence in the higher education sector

Source: Adapted from Hazenberg et al.(2016b) and Hazenberg et al.(2017)

#### **2.4.2.4 Similarities and differences between business and social enterprise ecosystems**

There are three ways of comparing the similarities and differences between business ecosystems and social enterprise ecosystems. First, they share a similar function, namely, to form a community from various interdependent organisations to promote co-evolution between partners and the business environment (Rong and Shi, 2015), with enterprises working collaboratively, even if competitively, to jointly evolve and introduce new innovation capabilities (Moore, 1993). However, social enterprise ecosystems differ in the ways that they support or restrict the prosperity of social enterprise activities (European Commission, 2015) by attempting to form and evolve a cluster value network among diverse stakeholders (Lee and Hwang, 2013). Second, business ecosystems and social enterprise ecosystems are both similar and different in terms of composition. The components of business ecosystems include various organisations, including small and medium-sized enterprises, large corporations, universities, research centres and public sector organisations and systems (Peltoniemi, 2005), with every organisation performing a different role as a keystone, landlord, dominator, and niche actor (Isansiti and Levien, 2004b). While social enterprise ecosystems also include a range of diverse organisations, these ecosystems often include more government agencies and organisations from outside the market environment because social enterprises represent both market and non-market (i.e. legal, financial, institutional, cultural, political and socio-economic) characteristics (European Commission, 2015). Finally, the success of a business ecosystem or a social enterprise ecosystem depends on various factors. For business ecosystems, these factors are productivity, robustness and niche role creation (Isansiti and Levien, 2004a; 2004b).

#### **2.4.3 Design-innovation ecosystems**

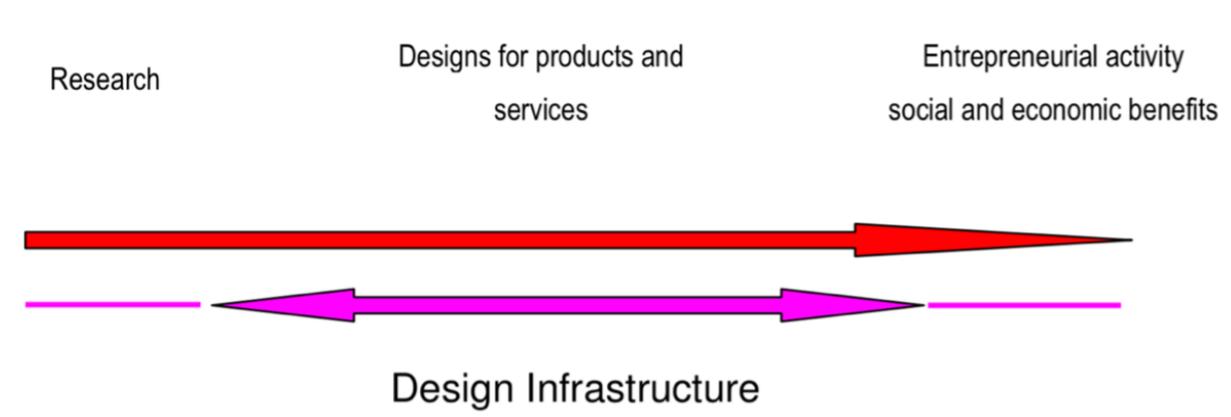
This section explores existing theories of DInEs to establish an understanding of the concept for use in this research, including a definition, objectives and components. This section's main purpose is to articulate a rationale for developing a DInE for social enterprises. This means that it is important to consider where existing theories can be used and where they are irrelevant, that is, the ways that existing DInE theories can contribute to an understanding of

the growth of social enterprises. This section comprises sub-sections considering the concept of DInEs and comparing existing DInE studies.

#### **2.4.3.1 Understanding design-innovation ecosystems**

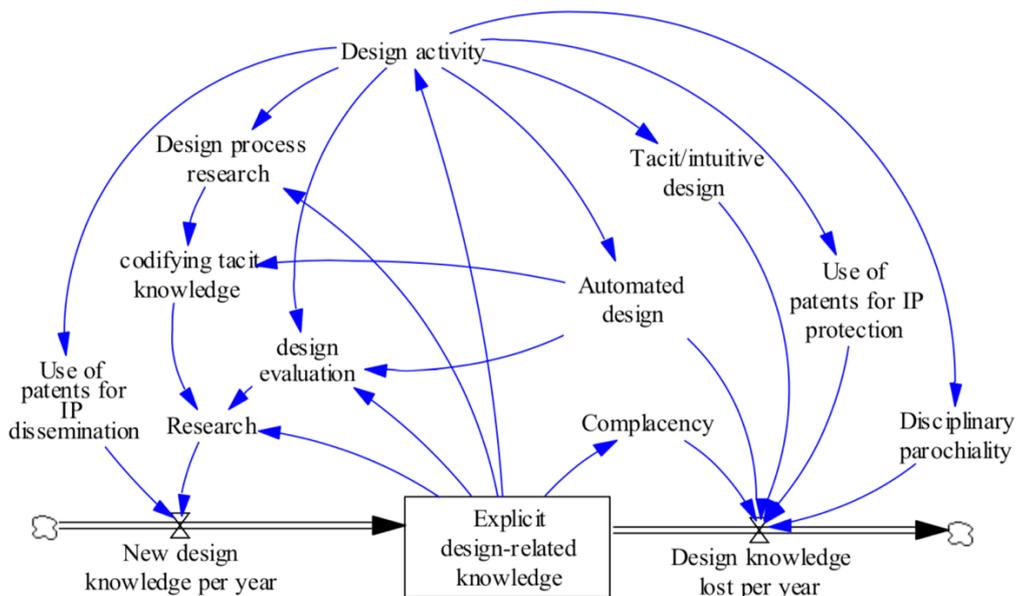
Conceptualisations of DInEs have been developed by several studies (Love, 2007a; 2007b; Moultrie and Livesey, 2009; Raulik-Murphy and Cawood, 2009; Sun, 2010; Whicher and Cawood, 2012; FMEE, 2013; Whicher and Walters, 2014; Whicher, Swiatek and Ward, 2018), with the associated terminology correspondingly evolving to include, for example, 'design infrastructure', 'design system', 'design ecosystem' and 'design innovation ecosystem'. The concept of 'national design infrastructure' was first used by Love in 2007 as a useful tool for comparative analysis of the use of design in different countries (2007a; 2007b) that demonstrated the complex and interconnected networks of actors who accumulate innovation knowledge and competence, along with potentially exploiting the potential for economic return (Raulik-Murphy and Cawood, 2009). Love uses two different design infrastructure models for different purposes, first suggesting a national design infrastructure including 24 elements: (1) businesses that use design, (2) communication systems, (3) design associations, (4) design businesses, (5) design centres, (6) design education services, (7) design support technologies, (8) design support technology suppliers, (9) design teams (often crossing business, discipline and national boundaries), (10) designers, (11) design-focused investment, (12) distribution services, (13) drive to improve society, (14) government policy organisations to support design and design research, (15) manufacturing, (16) marketplace for design ideas and services, (17) organisations commissioning and funding design research, (18) organisations educating design researchers, (19) organisations representing design research, (20) organisations undertaking design research, (21) prototyping services, (22) research in other fields, (23) design certifications and (24) cultural support for innovation (2007a). These elements were used to produce six sub-system models: (i) a design knowledge model, (ii) a design activity and business model, (iii) a second-stage model of design activity and business, (iv) a model for the university education of designers, (v) a design education with forecasting model and (vi) a design centre model. This study identifies the importance of design infrastructure for realising the significant potential for the impact of design activities on innovation and economic development and for identifying effective targets for investment

and intervention within specific national or regional development contexts (Love, 2007a). Figure 2.13 illustrates the role of design infrastructure in Love's research.



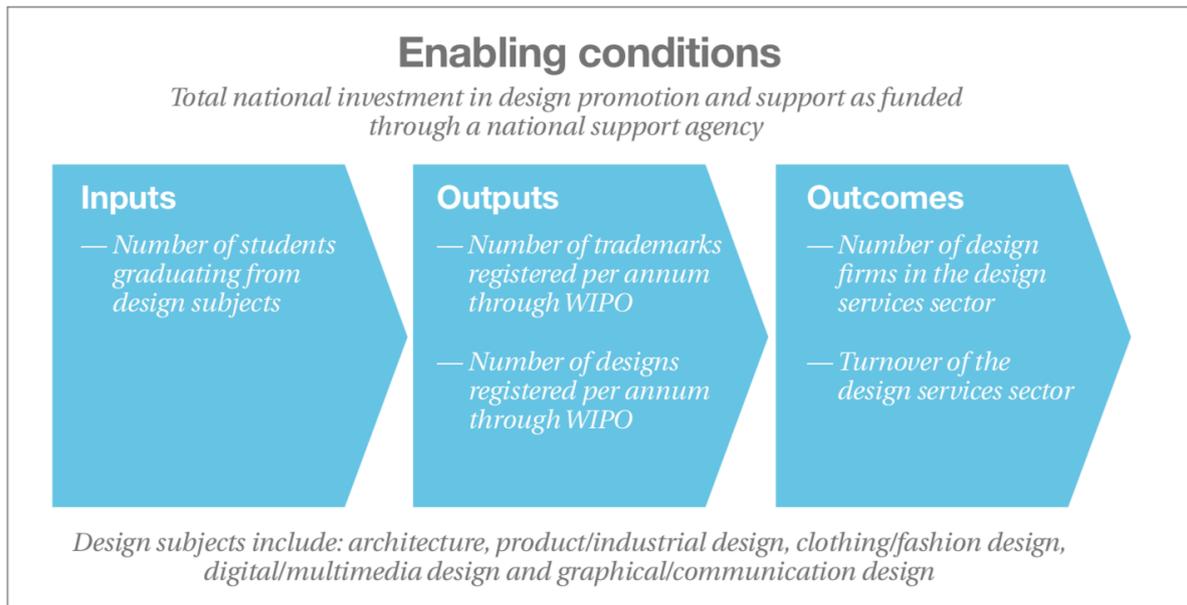
**Figure 2.13 Role of design infrastructure (Love, 2007a; 2007b)**

Love's second 'national design infrastructure' model incorporates sixteen elements: (1) design professionals, (2) design centres, (3) businesses undertaking design activities, (4) government agencies promoting design activities, (5) departments undertaking design activities within organisations, (6) design-focused associations representing those undertaking design activities, (7) national design policies, (8) government agencies developing design-focused policies, (9) hardware and software tools available to support design, (10) organisations commissioning and funding design research, (11) organisations educating designers, (12) organisations educating design researchers, (13) design researchers, (14) organisations undertaking design research, (15) organisations commissioning design activity and (16) organisations representing design research. This national design infrastructure model aims to bridge new knowledge generated by research and the actualisation of designed products, systems, services, processes and organisations by governments, institutions and individuals (Love, 2007b). The study also discusses system dynamics as a potential tool for modelling the dynamics of design infrastructure, emphasising three general issues: the dynamics of design knowledge, design education and the role of design in business (Love, 2007b). In particular, the study explores several factors that could contribute to the dynamics of growth or the loss of design knowledge (see Figure 2.14).



**Figure 2.14 Factors contributing to the dynamics of explicit design-related knowledge (Love, 2007b)**

Elsewhere, negating the claims of Cox (2005), Moultrie and Livesey (2009) recognise that design competence at the national level is required for economic sustainability, suggesting a lack of evidence regarding the role of design at the national level and exploring three scoreboards (European innovation, value-added and R&D) that usefully measure research and development and innovation performance to establish policies and set national targets for improvement. They recognise that existing scoreboards do not adequately account for design's role because design is not the same as innovation or R&D (Moultrie & Livesey, 2009). Notably, recognising that design performs a diverse and important role within firms, with examples including the technical design used to develop new products and services, user-centred design that considers the user experience and design for the promotion of products, services and companies, Moultrie and Livesey established a national design system framework (see Figure 2.15) that is analogous with the national innovation system concept.



**Figure 2.15 Framework for a national design system (Moultrie and Livesey, 2009)**

This framework divides the national design system into four categories: enabling conditions, inputs (or capabilities), outputs and outcomes. The framework can describe specific design-related issues using these categories. First, enabling conditions include national policies, strategies, institutions and endowments, especially how actively governments promote design through programmes that promote design for businesses, especially small and medium-sized businesses and the general public. Second, inputs (or capabilities) concern the development of human capital in relation to design and include design graduates, designers in the workforce and people working in the design field. Third, outputs represent the intellectual capital produced by design activities, with such activities including design registration, trademarks and design awards. Outcomes reflect the activity’s overall impact on the economy, with an important indicator being the overall strength of the design service sector in terms of sales, employment and exports. This model enabled the study to measure the national design capabilities and provide data for twelve countries (the US, South Korea, Japan, the UK, Canada, Singapore, Sweden, Hong Kong, Norway, Denmark, Finland and Iceland). Interestingly for the current study, South Korea was the second-highest-ranked country, and the UK was the fourth-highest-ranked country.

In the past, government programmes and design policies have often intended to correct market failures, such as the lack of corporate interest in design and the lack of investment in design (Raulik-Murphy and Cawood, 2009). However, according to Raulik-Murphy and Cawood (2009), the major problems with exploiting design in the private and public sectors could be systematic rather than attributable to market failure. This led them to develop a national design system to support the identification and analysis of systematic failures to aid design development policies and programmes. This study also aims to justify the development of a national design system by exploring several studies identifying the reasons why companies, especially small- and medium-sized enterprises, are reluctant to invest in innovation and design, which include (i) a lack of confidence or belief in the value of hiring creative professionals, (ii) a lack of knowledge about design services or support and (iii) constant major survival problems (e.g. a lack of resources, a lack of skilled labour and a lack of marketing and sales skills). These problems represent a barrier to the use of design and innovation (Raulik-Murphy and Cawood, 2009).



**Figure 2.16 Schematic representation of the elements of a national design system (Raulik-Murphy and Cawood, 2009)**

Generally, the concept of a national design system focuses on possible system failures in government design interventions. Investigating this system demonstrates insufficient interaction between actors in the system, disparities between private and public funding

programmes and discrepancies between design and promotional programmes, among other deficiencies that may contribute to poor industry design use (Raulik-Murphy and Cawood, 2009). The study provides a visual representation of its national design system that articulates the network of design activities and its complex mechanics by dividing the national design system into four component types: design promotion, support, education and policy (see Figure 2.16).

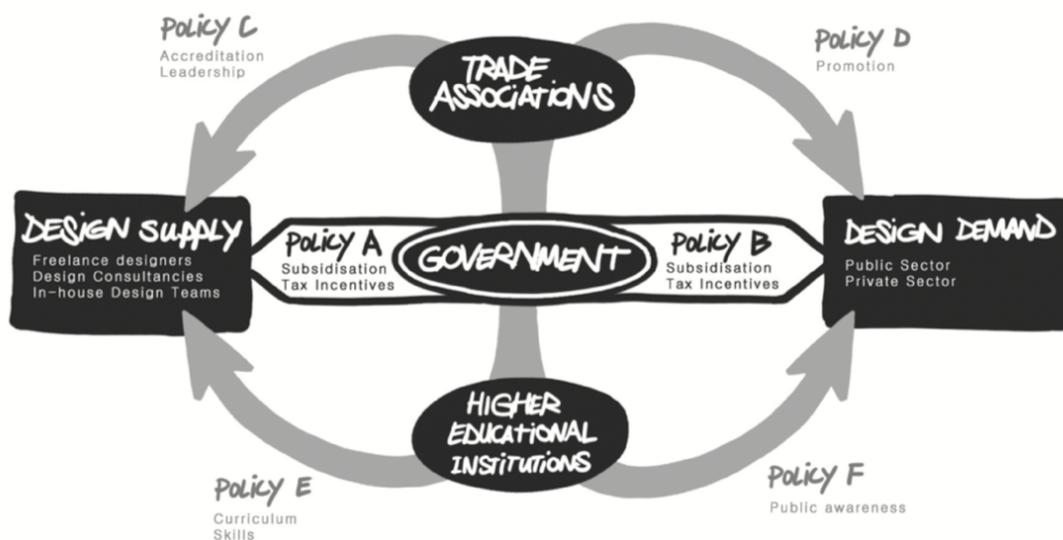
According to Raulik-Murphy and Cawood (2009),

Design support, promotion and education are the main axis for fostering the use of design for competitiveness. However, to gain maximum advantage the implementation of these schemes should be determined by strategic plans or policies. Design policy is the fourth element in this context, which strategically guides the development and implementation of design programmes in a country.

The four elements of this national design system can be described as follows (Raulik-Murphy and Cawood, 2009):

- **Design promotion**, generally aimed at the general public, raises awareness of the benefits of design via, for example, exhibitions, awards, conferences, seminars and publications.
- **Design support** includes plans and programmes designed to help companies use design to improve their business (Sung et al., 2007). These programmes form the bridge between design and industries (Dehlin and Svengren, 1996).
- **Design education** is targeted at designers and includes traditional education (degrees and graduate courses) and vocational training.
- **Design policy** includes the process of encouraging governments to cultivate action plans for the development national design resources and the encouragement of effective use of design.

In contrast, Sun (2010) proposes a design infrastructure comprising five elements: government, trade associations, higher educational institutions, design supply and design demand. This enables the mapping and exploration of the role of each stakeholder in the design process in the case study countries (in Sun's case, the UK and China). Notably, stakeholders are classified into a design supply group (all classes of design professionals, whether, for example, freelance designers, design consultants or in-house design teams) and a design demand group (all organisations that use design, whether in the private or public sectors). The study also provides a model to represent the constraints of design policy and the relevance of these constraints for each stakeholder (see Figure 2.17). According to Sun (2010), design policy can be deployed according to the potential linkages between stakeholders, and there are two types of design policy interventions: interventions in economic structure and direct control of the balance between design demand and supply (Policies A and B) and interventions aimed at developing design infrastructure and indirectly controlling the balance between design demand and design supply (Policies C, D, E and F).



**Figure 2.17 Role of stakeholders in policymaking (arrows linking stakeholders represent areas suitable for design policy) (Sun, 2010)**

Elsewhere, Whicher and Cawood (2012) consider design a driver of innovation for products, services and internal processes produced by the private sector and a catalyser of service renewal and user-centric policymaking by the public sector. They suggest that future policy developments will consider the position of design needs because design is the subject of

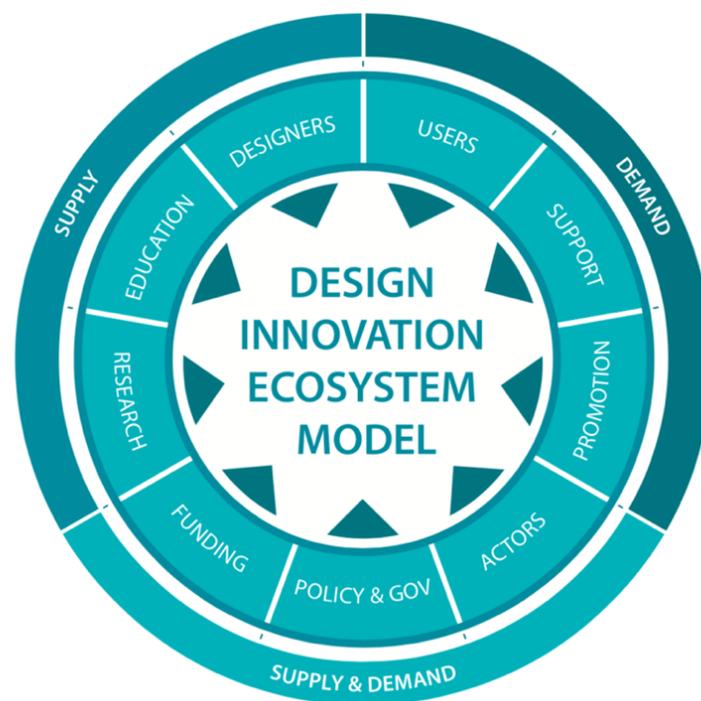
increasing attention at the policy level, and there is growing understanding of design’s role in innovation. Notably, they recommend that policymakers understand all of a system’s components to develop effective policies. This study also indicates that governments could develop policy instruments to enhance the design system’s connectivity based on analysing under-performing components of the design system. These considerations ultimately lead Whicher and Cawood (2012) to propose policy recommendations for integrating design into innovation policy based on nine components of a design system: (i) design investment (public and private), (ii) design support, (iii) design promotion, (iv) design centres, associations, networks and clusters, (v) the professional design sector, (vi) design education, (vii) research and knowledge transfer, (viii) funding and (ix) policy, governance and regulation. Similarly to Sun (2010), this approach also classifies the components into a supply and a design group (see Figure 2.18).



**Figure 2.18 European design system (Whicher and Cawood, 2012)**

Building on the design infrastructure, design system and design ecosystem concepts of previous studies, Whicher and Walters (2014) introduced a prototype DiNE model based on the rationale that design should not operate independently of a country or region’s broader innovation system. Their consequent design-innovation framework demonstrates how design can contribute to innovation policy by decomposing and restructuring the components of

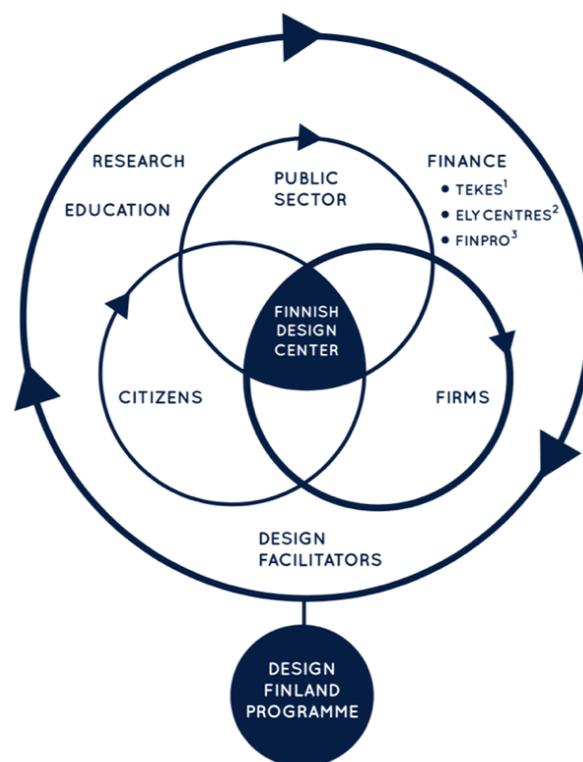
previous design ecosystem models and enabling researchers and policymakers to assess the performance of a design innovation ecosystem and propose policy actions by modelling design ecosystems and investigating interactions between ecosystem components. Whicher and Walters (2014) also contend that developing DInE theory can contribute to a more convincing case for integrating design and innovation policy. Similar to several previous studies, their approach categorises DInE components according to supply and demand (see Figure 2.19). In examining the strengths and weaknesses of this DInE model in the Scottish and Welsh contexts, Whicher and Walters importantly recognise social enterprises as design users in the context of the Scottish DInE (2014).



**Figure 2.19 Design innovation ecosystem structure (Whicher and Walters, 2014)**

In 2013, the Finnish government became the first government to formally use the DInE concept to inform its national design policy (FMEE, 2013). According to the Finnish Ministry of Employment and the Economy (FMEE) (2013), design provides companies with more than the opportunity to increase productivity and create value in the context of traditional and emerging products and services, instead also encouraging competitiveness by providing tools to enable companies to differentiate themselves. The Finnish government implemented a national design programme to improve the country's competitiveness via enhancing its

design capabilities and effective use of design, predicting that design competence could be facilitated by strengthening the design ecosystem's activities to accelerate its growth and, ultimately, strengthen Finland's overall design capacity. To this end, the government emphasised the role of the design centre network, recognising that the network enhances interaction between the ecosystem's different actors. Figure 2.20 represents the evolved DInE model proposed by the Finnish government, which, by modelling the dynamic DInE, enables policymakers to assess the impact of design on innovation performance and identify effective targets for government investment and intervention (Whicher, 2017).



**Figure 2.20 Dynamic design-innovation ecosystem model proposed by the Finnish government (FMEE, 2013)**

### 2.4.3.2 Comparisons with existing design-innovation ecosystem studies

Fundamentally, studies of DInEs systematically analyse the state of design use, especially the design capabilities of a given country and its intentions to strengthen design influence at the national level. However, different DInE concepts are used differently. For example, one approach involves considering the relationship between design competence and economic development and national-level competitiveness via comparative analysis of national design use and/or capabilities (FMEE, 2013; Love, 2007a; Moultrie and Livesey, 2009). Other uses

propose it as a tool for identifying and analysing systemic failures to assist in the development of policies and programmes for design (Raulik-Murphy and Cawood, 2009; Sun, 2010) or as a framework for either or both integrating design into innovation policies and developing design policies (Whicher and Cawood, 2012; Whicher and Walters, 2014; Whicher, 2017; Whicher, Swiatek and Ward, 2018). Table 2.9 presents the components of the DInE models used by seven DInE studies, classifying them according to the model’s objectives.

**Table 2.9 Previous models of design-innovation ecosystems**

Objectives	Author	Terminology	Components
<i>To enhance the design competence for national economic development and competitiveness through comparative analysis of national design use and competence</i>	Love (2007a)	National design infrastructure	(1) Businesses that use design, (2) Communication systems, (5) Design centres, (6) Design education services, (7) Design support technologies, (8) Design support technology suppliers, (9) Design teams (often crossing business, discipline and national boundaries), (10) Designers, (11) Design-focused investment, (12) Distribution services, (13) Drive to improvement in society, (14) Government policy organisations to support design and design research, (15) Manufacturing, (16) Marketplace to designed ideas and services, (17) Organisations commissioning and funding design research, (18) Organisations educating design researchers, (19) Organisations representing design research, (20) Organisation undertaking design research, (21) Prototyping services, (22) Research in other fields, (23) Design certification and (24) Cultural support for innovation
	Moultrie and Livesey (2009)	National design system	(1) Government bodies, (2) Policies and strategies, (3) Design promotion, (4) Firms, (5) Design agencies, (6) Designers, (7) Design graduates and (8) Design awards
	Finnish Ministry of Employment and the	Design ecosystem	(1) Research and Education, (2) Finance, (3) Design facilitators, (4) Public sector, (5) Citizens, (6) Firms and (7) Design centre

	Economy (2013)		
<i>To assist in the identification and analysis of system failures to assist in development policies and programmes for design</i>	Raulik-Murphy and Cawood (2009)	National design system	(1) Design policy, (2) Funding source, (3) Design education, (4) Design promotion, (5) Design support, (6) Research & Development and (7) Professional associations
	Sun (2010)	Design infrastructure	(1) Government departments, (2) Trade associations, (3) Academic institutions, (4) Designers, (5) Design consultancies, (6) Private sector and (7) Public sectors
<i>To integrate design into innovation policy and/or design policy development</i>	Whicher and Cawood (2012)	European design system	(1) Design investment (public and private), (2) Design support, (3) Design promotion, (4) Design centres, associations, networks and cluster, (5) The professional design sector, (6) Design education, (7) Research and knowledge transfer, (8) Funding and (9) Policy, governance and regulation
	Whicher and Walters (2014)	Design innovation ecosystem	(1) Design users, (2) Design support, (3) Design promotion, (4) Design actors, (5) Design education, (6) Design research, (7) Design sector, (8) Design funding and (9) Design policy
	Whicher (2017)	Design-driven innovation ecosystem	(1) Users, (2) Support, (3) Promotion, (4) Actors, (5) Designers, (6) Education, (7) Research, (8) Funding and (9) Policy
	Whicher, Swiatek and Ward (2018)	Design ecosystem	(1) Users, (2) Support, (3) Promotion, (4) Actors, (5) Designers, (6) Education, (7) Research, (8) Funding and (9) Government

Source: Adapted from Whicher and Waters (2014)

As Table 2.9 shows, each DInE model features different components, with the composition sometimes depending on the characteristics or objectives of the model. For example, although the DInE models created by Love (2007a), Moultrie and Livesey (2009) and the Finnish Ministry of Employment and the Economy (2013) have similar aims, these models comprise almost completely different elements, with the individual compositions varying broadly in terms of comprehensiveness. Notably, the model developed by the FMEE (2013) was the first to include the public sector as a principal component.

Furthermore, although models can include similar components despite their overall characteristics – for instance, there are certain overlapping components, with similar uses, in the DInE models proposed by Raulik-Murphy and Cawood (2009) and Sun (2010) – there are generally substantial differences. For example, Raulik-Murphy and Cawood’s model (2009) excludes the professional design sector and the design user, core components of Sun’s model (2010), and Sun’s model excludes funding sources and design support, which are critical to Raulik-Murphy and Cawood’s model. Additionally, the terminology used to describe DInE components differs. For example, the DInE models developed by Whicher and Waters (2014), Whicher (2017) and Whicher et al. (2018) contain similar elements that effectively accomplish each model’s objective, elements developed using comprehensive terms derived from the work of Whicher and Cawood (2012). Notably, Whicher and Walters (2014) compared previous DInE studies to identify common elements of DInE models, identifying companies, education, research, promotion and government, with their resulting DInE model considering social enterprises as design users in the context of the Scottish DInE. However, there is still limited data concerning the development of social enterprises through the DInE frameworks, especially in terms of how design can support social enterprises. Accordingly, this research probes the key players in the DInEs of social enterprises to understand how they use design to support social enterprises, with the ultimate aim of revealing the configuration of an extant DInE that supports social enterprises. This is enabled by the working definition of the DInEs of social enterprises that draws on the preceding analysis of previous research on DInEs, which has focused on understanding the definitions, goals and components of previous conceptions of DInEs:

***A design-innovation ecosystem is a theoretical construct that describes the environment that activates and supports the design of social enterprises to strengthen the design’s role in and influence the growth of social enterprises. A design-innovation ecosystem combines internal and external factors, including key stakeholders, relationships and implementations, to support the design of social enterprises.***

## 2.5 Research Gap

A research gap describes an aspect of a research field where an absence of critical information indicates a problem that has not been addressed or answered by previous studies (Jain and Chetty, 2021). In the context of this research, this chapter's review of the literature regarding social enterprises, design and ecosystems (including social enterprise ecosystems and design-innovation ecosystems) has advanced understanding of the study's focus and revealed areas where information and understanding are lacking. For example, the literature review indicates that most design studies only narrowly consider social enterprises, usually in the context of applying design thinking to social enterprise processes, activities or systems (mainly planning and organisational design) or examining the impact of design in terms of its contribution to social innovation. There are few studies concerning design's impact on the development of social enterprises, indicating research opportunities to address design's role in social enterprise development and ways of elevating the role of design in the growth of social enterprises.

Moreover, although some studies have considered social enterprise ecosystems, there is insufficient research considering the roles stakeholders perform in social enterprise ecosystems or their contributions to the development of social enterprise ecosystems. Similarly, there is limited research on design's role in social enterprise ecosystems. This indicates research opportunities in terms of exploring how stakeholders within social enterprise ecosystems understand and use design to support social enterprises and which strategic employment approaches enable the adoption of design at the system level in support of the growth of social enterprises. Meanwhile, this chapter's review of existing DInE studies to understand how DInE theories consider social enterprises and how they can work to support the development of social enterprises returned minimal data, indicating research opportunities to probe the key actors in the DInEs of social enterprises and their use of design to support social enterprises by configuring the DInE in support of those social enterprises. Figure 2.21 presents a literature map that demonstrates the findings and research gaps revealed by this chapter's literature review. The appendix A includes a larger and more detailed version of this map.

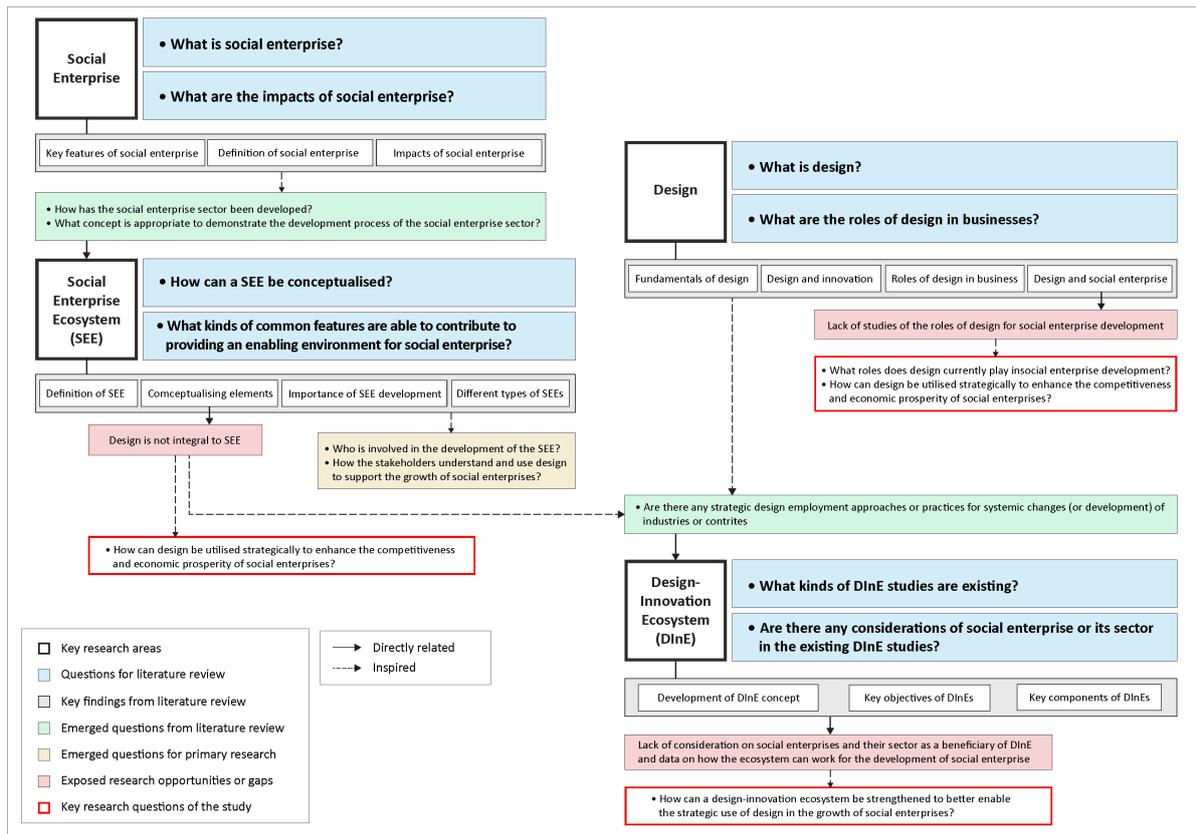


Figure 2.21 Map of this chapter's literature review

## 2.6 Chapter Summary

This chapter has explored the extant literature to analyse and synthesise theoretical and practical insights from the fields of social enterprises, design and ecosystems. This literature review revealed several research gaps: (i) few existing design studies have applied the broad design principles to social enterprises, mainly focusing on applying the design thinking approach to social enterprise processes or examining design's impact on social innovations; (ii) design has rarely been considered integral to social enterprise ecosystems; and (iii) few studies have applied DInE theory to the development of an environment supportive of design for social enterprises.

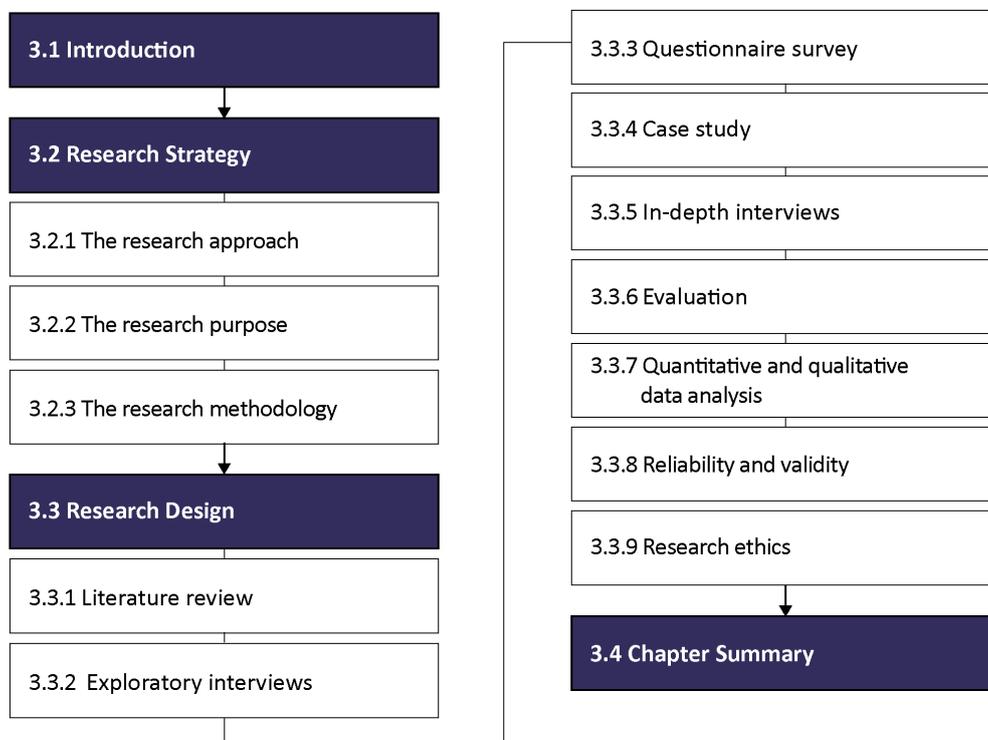
The next chapter presents the research methodology, including details of each component of the study and its contribution to the research aim.

# Chapter 3. Research Methodology

## 3.1 Introduction

This chapter explains the research methodology in terms of strategy and design. The research strategy describes the study's approach, objectives and methods. This strategy builds on the strengths of two methodologies often used to generate theoretical and practical knowledge in the design context: (i) design research methodology (DRM) (Blessing and Chakrabarti, 2009) and (ii) the double diamond process model (Design Council, 2007b). Meanwhile, the research design details the research process, including data collection and analysis techniques. First, a review of the literature concerning the key research topics (social enterprise, design and ecosystems, especially social enterprise ecosystems and design ecosystems) enabled identification of research opportunities in the context of design for social enterprise development (Chapter 2). Second, historical-comparative investigations into social enterprise landscapes in different cultural contexts enabled understanding of the social enterprise sector's development process and identification of design-related interventions influencing the development of social enterprises in the UK and South Korea (Chapter 4). The comparative research involved a detailed desk-based analysis that considered documentary evidence of policies, action plans and activities supporting social enterprises and open-ended exploratory interviews with social enterprise and design experts. Third, mixed methods (questionnaire survey [of social enterprises], case studies and in-depth interviews [with experts]) were employed to (i) explore the state of design awareness and utilisation by social enterprises, including their experience of design support, and (ii) investigate details of existing design support practices delivered to social enterprises by key stakeholders (mainly governments and intermediary organisations) (Chapter 5). Fourth, content and thematic analyses revealed differences in the operating mechanisms of the DInEs in the UK and South Korea in terms of both key stakeholders and compositional elements (Chapter 6). Finally, various data analysis techniques – namely, content analysis, thematic analysis and grounded

theory – enabled the development of research recommendations, with workshops and interviews conducted to evaluate the research outcomes to identify opportunities for further improvement (Chapter 7). Figure 3.1 presents an overview of this chapter.



**Figure 3.1 Chapter map**

## 3.2 Research Strategy

A research strategy is a general plan indicating how a researcher plans to address their research questions (Saunders, Lewis and Thornhill, 2007). This plan can be described as a framework detailing the actions required to achieve the research aims (Patton, 1990). Accordingly, this section discusses the research strategy that has been adapted to achieve this research’s stated purpose. Epistemology describes a philosophical approach to knowledge that explains and justifies a researcher’s assumptions of knowledge in order to build theoretical perspectives and methodologies (Crotty, 1998; Miller and Brewer, 2003). Easterby-Smith, Thorpe and Lowe (2002) emphasise that adopting an epistemological perspective can (i) help clarify issues in the study design, which substantially structures the

research and indicates the type of evidence collected and how it is interpreted, and (ii) help the researcher to recognise the designs that are appropriate for a given set of goals. Therefore, epistemology should be a researcher’s first consideration because it influences the researcher’s theoretical perspectives, methodologies and data collection methods (Gray, 2014). The three major epistemological stances, according to Crotty (1998), are objectivism, constructivism, and subjectivism (see Table 3.1).

**Table 3.1 Major epistemological stances**

Epistemological stance	Description
<b>Objectivism</b>	Objectivist epistemology asserts that reality exists independently of consciousness, meaning that there is an objective reality ‘beyond’ that requires research to discover an objective truth. It seeks to test a theory or hypothesis to explain a particular phenomenon.
<b>Constructivism</b>	Constructivist epistemology involves the construction of meaning between human consciousness (subject) and external thing (object). Meaning only exists through this interaction, derived from individual knowledge in the social context.
<b>Subjectivism</b>	In contrast to constructivism, subjectivist epistemology sees meaning imposed on an object by the subject rather than through the interaction between a subject and the outside world. It aims to understand meaning by understanding human behaviour.

Source: Adapted from Crotty (1998) and Gray (2014)

Meanwhile, two theoretical perspectives – positivism and interpretivism – are congruent with the researcher’s epistemology and indicate the kinds of research methodologies that emerge from that epistemology (Crotty, 1998; Gray, 2014). For instance, positivism focuses on facts and is based on a deductive approach to formulating and testing hypotheses by identifying causal relationships between variables and fundamentally insists that reality exists outside of the researcher and must be investigated through rigorous scientific inquiry processes, closely aligning it with objectivism (Gray, 2014). In contrast, interpretivism adopts a considerably anti-positivist position to provide an in-depth understanding of a particular context and the factors that influence a particular development via the collection and interpretation of qualitative data (Alharahsheh and Pius, 2020; Myers, 2008; Saunders, Lewis and Thornhill,

2007). This interpretive perspective allows researchers to gain a deeper understanding of phenomena and their complexities in their particular context rather than generalise their understanding to the whole population (Creswell, 2014), thus explaining the observed reality according to the researcher's assumptions and beliefs (Alharahsheh and Pius, 2020). Interpretivism's core function is to address subjective meanings that already exist in the social world, acknowledging their existence and reconstructing, understanding, not distorting and using them as components of theorisation (Goldkuhl, 2012). That is, interpretivism is more sensitive to the meaning and contribution of individuals and is uncompromised by a positivist research philosophy (Alharahsheh and Pius, 2020), aligning it closely with constructivism (Gray, 2014).

Because this research generates theoretical and practical knowledge of a complex domain (the DInEs of social enterprises) that encompasses various concepts (i.e. design, social enterprise and ecosystems), its approach cannot be defined by a single epistemology. Notably, the DInEs of social enterprises do not exist in concrete terms, instead of being constructed through the interaction between the subject (researcher) and the research objects (design, social enterprises and ecosystems). Therefore, this research mainly employs a constructivist epistemology and adopts the interpretivism paradigm to probe the particular context (social enterprise design utilisation) and produce a foundation for theorising DInEs in the social enterprise context.

### **3.2.1 The research approach**

Research generally proceeds on the basis of either a deductive or an inductive reasoning style, with the choice depending on both the individual researcher and the specific research project (Gray, 2014; Hyde, 2000). Deductive reasoning describes a theory-testing process that begins with a theory or general assumption about a phenomenon and progresses to specific observations designed to rigorously test that theory or assumption (Hyde, 2000; Kuczynski and Daly, 2003). Given the deductive approach sees observations guided by theory, observations are selected on the basis of their relevance to the theory being tested (Gray, 2014). Meanwhile, inductive reasoning describes a theory-building process that begins with

observations of specific cases and seeks to establish generalisations, relationships and theories about the phenomenon under investigation by identifying patterns (Bryman, 2016; Gray, 2014; Hyde, 2000). This means that where deduction starts from a general view of a situation and moves towards the details, induction moves from fragmentary details to an interconnected general view (Gray, 2014). Given the nature of each approach, deductive research tends to use quantitative methods, such as questionnaire surveys, and inductive research tends to use qualitative methods, such as interviews, observations and case studies (Creswell, 2014; Kumar, 2014).

This research adopts the inductive principle, using qualitative research methods (e.g. in-depth case studies and in-depth interviews) to gather information on design support practices for social enterprises and the DInE configuration context and, ultimately, to formulate and recommend a DInE development framework for relevant stakeholders in the design and social enterprise sectors. The study emphasises the substantial utilisation of design by key stakeholders in social enterprise ecosystems in real-world contexts in the development of the DInE development framework. That is, the inductive approach enables the identification of the design usage patterns of various stakeholders in the social enterprise ecosystem and an understanding of the elements and relationships that can be said to systematise the phenomenon, generating theoretical knowledge about the development of DInEs for social enterprises. This theoretical approach means that the research does not need to develop or test hypotheses about design for social enterprises.

### **3.2.2 The research purpose**

There are three main categories describing the purpose of conducting research (Gray, 2014; Neuman, 2014; Robson, 1993): exploratory, descriptive and explanatory (Table 3.2). Exploratory studies aim at answering ‘what’ questions and are especially useful when there is insufficient knowledge about a phenomenon (Gray, 2014; Saunders, Lewis and Thornhill, 2007). Exploratory research can be conducted by surveying the literature, talking with experts in the field and conducting focus group interviews (Saunders, Lewis and Thornhill, 2007). Explanatory and descriptive studies can be conducted after exploratory research has

established the main structure of the research focus (Gray, 2014). Descriptive studies explain the relationships between a combination of situations, people or events (Gray, 2014) to provide an overview of a phenomenon (Hedrick, Bickman and Rog, 1993), answering ‘how’ and ‘who’ questions (Neuman, 2014). Meanwhile, explanatory research aims to explain the origins of social behaviours or phenomena (Neuman, 2014; Yin, 2009), asking ‘why’ and ‘how’ questions, with some studies focusing on revealing causal relationships between variables on the basis of correlations (Gray, 2014).

**Table 3.2 Research purposes**

Exploratory	Descriptive	Explanatory
<ul style="list-style-type: none"> <li>• Become familiar with facts, settings, and concerns.</li> <li>• Create a broad mental picture of conditions.</li> <li>• Formulate and focus questions for future research.</li> <li>• Generate new ideas, conjectures, or hypothesis.</li> <li>• Determine the feasibility of conducting the research.</li> <li>• Develop techniques for measuring and locating future data.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide a detailed, accurate picture.</li> <li>• Locate new data which contradicts previous data.</li> <li>• Create a set of categories or classify types.</li> <li>• Clarify a sequence of steps or stages.</li> <li>• Document a causal process or mechanism.</li> <li>• Report on the background or context of a situation.</li> </ul>	<ul style="list-style-type: none"> <li>• Test a theory’s predictions or principle.</li> <li>• Elaborate and enrich a theory’s explanation.</li> <li>• Extend a theory to new issues or topics.</li> <li>• Support or refute an explanation or prediction.</li> <li>• Link issues or topics with a broad principle.</li> <li>• Determine which of several explanations is best.</li> </ul>

Source: Neuman (2014)

The current research represents an ‘exploratory study’ that considers a particular phenomenon (design utilisation for social enterprises) and domain (the DInEs of social enterprises) that remains to be clearly defined and understood. Therefore, this study’s principal objective is to understand how current configurations and implementations of DInEs activate and strengthen design utilisation among social enterprises. However, some components of the research overlap with descriptive research (e.g. providing a detailed, accurate situation of the current roles and relationships between the key stakeholders of the DInEs of social enterprises and the design understanding and utilisation of key stakeholders) and explanatory research (e.g. exploration of the links between obstacles to social enterprises

utilising design and the provision of design support, which concern the DInE's operating mechanism).

The case study approach, which can explore complex and multifaceted topics and issues featuring ambiguous or uncertain relationships (Crowe et al., 2011), is particularly useful in the study context. Although case studies are often misunderstood as a type (and method) of qualitative research (Gerring, 2004) due to ambiguities and inconsistencies surrounding the definitions, subjects of investigation, and methodological choices that characterise them (Verschuren, 2003), case studies can enable researchers to elucidate the relationship between a phenomenon and its context (Gray, 2014) using various data sources (Baxter and Jack, 2008). The case study approach is particularly associated with the constructivist paradigm, according to which truth is relative and perspective dependent (Stake, 1995; Yin, 2009). Yin (2009) suggests that this approach can be adopted when (i) the focus of the research is 'how' and 'why' questions, (ii) it is not possible to manipulate the behaviour of those involved in the study, (iii) the researchers intend to address the contextual condition because they consider it relevant to the phenomenon under study, or (iv) the boundary between the phenomenon and the context is not clear.

Considering these critical features of the case study approach, especially the primary research question, which concerned 'how' certain social enterprise design utilisation processes can be improved, this study adopted the case study approach to reveal the contextual conditions of DInEs by understanding multiple perspectives and identifying critical issues related to design utilisation for social enterprises. This included understanding the similarities, differences and patterns across DInEs in the UK and South Korea and seeking meaningful outcomes for improvement by identifying key drivers of and barriers to developing an optimised ecosystem structure and implementation, ultimately producing generalisable insights regarding the functioning of these ecosystems.

### 3.2.3 The research methodology

Design research aims to generate new and valuable theories about design and for design (Edelson, 2002; Horvath, 2001) by fulfilling two critical objectives (Blessing and Chakrabarti, 2009): (i) the formulation and validation of models and theories for design phenomena, including all significant components (i.e. people, products, knowledge/methods/tools, organisations and economics [micro and macro]), and (ii) the development and validation of support based on these models and theories to improve design practices, including training and outcomes. However, design research often lacks scientific rigour due to the diversity of research topics and methods that characterise design (Blessing and Chakrabarti, 2009). Therefore, certain methodological approaches have been developed. For instance, the widely used DRM was developed to systematically cultivate and verify knowledge about design research (Blessing and Chakrabarti, 2009). Meanwhile, the double diamond process model developed by the Design Council in 2005 (Design Council, 2007b) is often used to guide the selection and application of approaches suitable to design research from the methodological perspective (Gustafsson, 2019). Both approaches feature the common advantage of comprising four phases that systematically guide and facilitate a design project’s progress. Table 3.3 provides overviews of the DRM and the double diamond process model.

**Table 3.3 Overview of the DRM and the double diamond process model**

	<b>Phases</b>	<b>Objective</b>
<b>DRM</b>	<i>Research clarification</i>	Identify the research goals and overall research plan
	<i>Descriptive study I</i>	Develop a deep understanding by gathering knowledge of reference models and success criteria
	<i>Prescriptive study</i>	Develop design support
	<i>Descriptive study II</i>	Evaluate the design support developed and identify implications
<b>Double diamond process model</b>	<i>Discover</i>	Understand problems via communication with people affected by the problem
	<i>Define</i>	Define insights obtained in the previous steps as different aspects of the challenge

<i>Develop</i>	Offer different answers to well-defined problems, find inspiration elsewhere, and co-design with diverse actors
<i>Deliver</i>	Test various solutions on a small scale, reject solutions that don't work, and improve solutions that will work

Source: Adapted from Blessing and Chakrabart (2009) and Design Council (2007b)

The four phases of each approach feature similarities in that they involve first discovering a problem, then defining the problem found before developing a solution to solve that problem and, finally, evaluating the solution (see Figure 3.2). There may also be iterations between phases designed to broaden the applicability and validity of the results. For example, during the first phase of the DRM, it may be necessary to conduct exploratory studies (i.e. descriptive study I) to clarify the research objectives and develop a research plan (Blessing and Chakrabarti, 2009). Subsequently, during support development (i.e. prescriptive study), additional exploratory studies (i.e. descriptive study II) may be required to obtain additional information about certain aspects of the context in which support will be implemented (Blessing and Chakrabarti, 2009). In the case of the double diamond process model, there may be iterations between the first and second phases if the problem is not apparent and requires further investigation (Design Council, 2007b; Gustafsson, 2019). This iteration is common to both approaches.

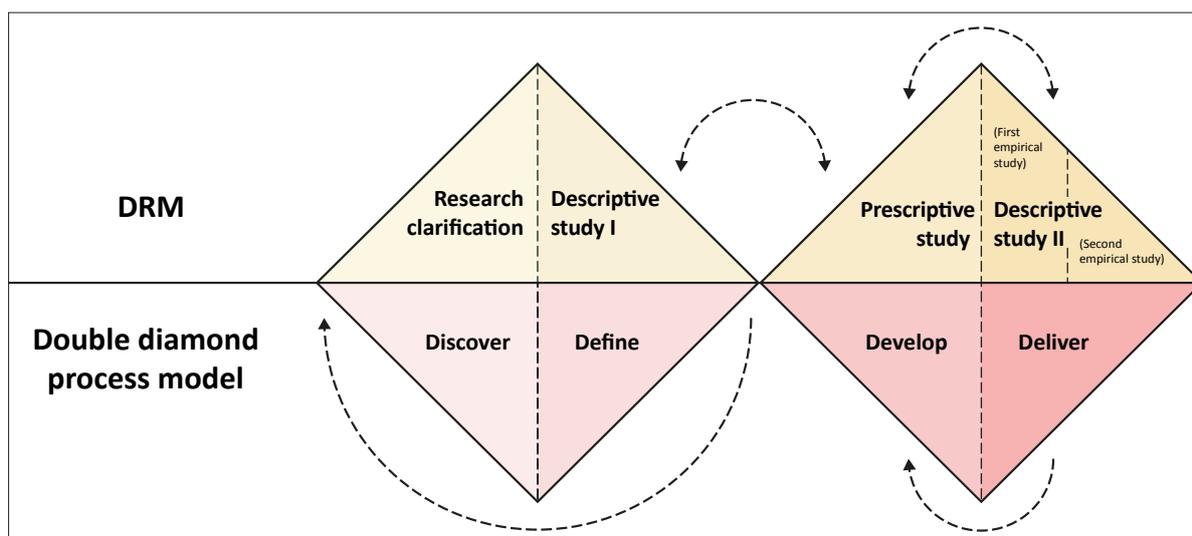
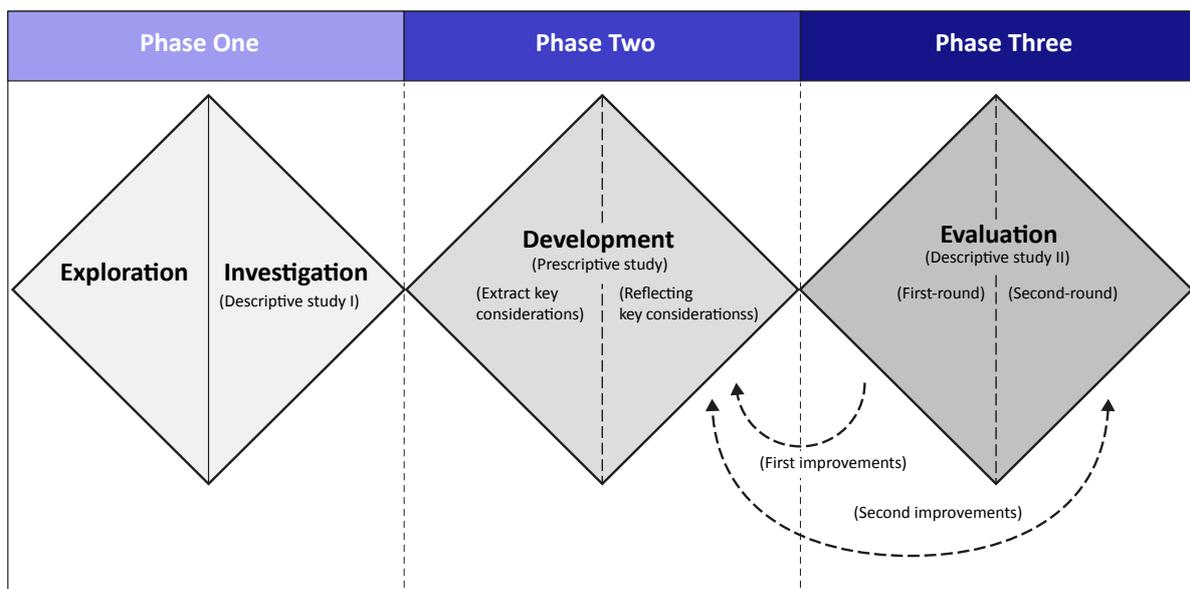


Figure 3.2 Visualisations of the DRM and double diamond process model (Source: Adapted from Design Council (2007b) and Gustafsson (2019))

However, the two approaches differ considerably at the evaluation stage. For instance, the DRM’s evaluation stage (i.e. descriptive study II) involves conducting two empirical studies to understand the practical use of the support developed. The first empirical study evaluates the applicability of support, and the second concerns usefulness. In contrast, the double diamond process model reflects upon the improvements generated during the delivery stage in the development stage to elaborate upon the findings. Approaches to these assessments may differ due to their respective purposes. Because the DRM is primarily used by design research to generate theory – that is, in academia (Dong, 2004; Emili, 2017; Lim, 2018; Nickpour, 2012) – the double diamond process model tends to be used by practitioners for practical design-led projects (i.e. the development and improvement of products or services) (Design Council, 2007b; 2014b; 2020c; Innovate UK, 2015; 2020).

A review of these two methodological approaches led this research to combine the strengths of the two approaches to enable the generation of both theoretical and practical knowledge. This combined approach comprised three phases: examination, development and evaluation. This structure is built on the similarities between the DRM and double diamond process model in terms of the overall process (see Figure 3.3). Moreover, the research evaluation stage incorporated the key features of the two approaches: evaluation through two empirical studies (adopted from the DRM) and reiteration of the development and evaluation stages (adopted from the double diamond process model).



**Figure 3.3 This study’s research methodology**

However, the characteristics of the present study required certain modifications during the exploration and development phases. Because the research focus remains under-defined and poorly understood, an extensive and intensive examination was required, which demanded a more systematic and precise examination that incorporated various aspects (strategy, funding and programme) and viewpoints (government, intermediaries and social enterprises) related to design utilisation for social enterprises. The consequent two examination sub-stages – exploration and investigation – combine the ‘research clarification’ and ‘descriptive study’ phases of the DRM and the ‘discover’ phase of the double diamond process model. Meanwhile, this study’s development stage involved synthesising the ‘define’ stage of the double diamond process model and the ‘prescriptive study’ stage of the DRM to arrive at a novel prescriptive study model capable of analysing the findings collected during the examination stage and revealing the elements constituting the DInE and the problems to be solved. Moreover, to improve the validity and reliability of the data collection and the research outcomes, this research applied data and methodological triangulation during the exploratory and investigation phases of this research. The details of the triangulation approach used in this research are discussed in section 3.3.8.

### **3.3 Research Design**

A research design is an overarching plan providing specific directions for the procedures involved in a research model (Creswell, 2014; Gray, 2014). A research design generally includes the study’s purpose, the types of questions to be asked, the techniques used to collect the data, the approach to selecting samples and the data analysis methods (Gray, 2014). This research utilised a combination of qualitative and quantitative methods to enhance the strengths of each method and compensate for the shortcomings of each. Figure 3.4. presents an overview of the research design.

Research phase		Purpose	Method
Phase One	Exploration	<ul style="list-style-type: none"> <li>- Understand research context</li> <li>- Explore the research gap</li> <li>- Examine the current configuration of the social enterprise ecosystem in real settings</li> <li>- Explore design utilisation for social enterprises</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Literature review</b> <ul style="list-style-type: none"> <li>- Social enterprise, Design and Ecosystem</li> </ul> </li> <li>• <b>Case study</b> <ul style="list-style-type: none"> <li>- UK and South Korea</li> </ul> </li> <li>• <b>Exploratory interview: 25 experts</b> <ul style="list-style-type: none"> <li>- Social enterprise experts (UK: n=9, SK:n=5)</li> <li>- Design experts (UK: n=6, SK:n=5)</li> </ul> </li> </ul>
	Investigation	<ul style="list-style-type: none"> <li>- Investigate design support practices for social enterprises</li> <li>- Understand the perception, utilisation and insight of design for social enterprises of the intermediary organisations</li> <li>- Understand the state of design utilisation of social enterprises and their design needs</li> </ul>	<ul style="list-style-type: none"> <li>• <b>In-depth case study</b> <ul style="list-style-type: none"> <li>- DSPs (UK:n=6, SK:n=14)</li> </ul> </li> <li>• <b>Questionnaire survey</b> <ul style="list-style-type: none"> <li>- 100 valid responses from SEs (SK)</li> </ul> </li> <li>• <b>In-depth interview: 50 experts</b> <ul style="list-style-type: none"> <li>- Social enterprises (UK:n=12, SK:n=10)</li> <li>- Social enterprise experts (UK: n=11, SK: n=7)</li> <li>- Design experts (UK: n=4, SK: n=6)</li> </ul> </li> </ul>
Phase Two	Development	<ul style="list-style-type: none"> <li>- Discuss and synthesise the key findings (map out the current configuration of DInE for social enterprises)</li> <li>- Extract key considerations</li> <li>- Develop research outcome (DInE development framework)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Quantitative data analysis</b> <ul style="list-style-type: none"> <li>- Content analysis</li> <li>- Microsoft Excel</li> <li>- Graphic forms to represent the results</li> </ul> </li> <li>• <b>Qualitative data analysis</b> <ul style="list-style-type: none"> <li>- A combination of content and thematic analysis approach, and grounded theory</li> <li>- Selective coding</li> </ul> </li> </ul>
Phase Three	Evaluation	<ul style="list-style-type: none"> <li>- To evaluate research outcomes to further improve its acceptability, feasibility and usability</li> <li>- To enhance the validity of the theory created for the research</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Workshop</b> <ul style="list-style-type: none"> <li>- EW1 with 5 experts in the UK</li> <li>- EW2 with 3 experts in SK</li> </ul> </li> <li>• <b>In-depth interview:</b> <ul style="list-style-type: none"> <li>- E11 with 8 experts in the UK</li> <li>- E2 with 4 experts in SK</li> </ul> </li> <li>• <b>Qualitative data analysis</b> <ul style="list-style-type: none"> <li>- A combination of content and thematic analysis approach, and grounded theory</li> <li>- Selective coding</li> </ul> </li> </ul>

**Figure 3.4 Research design**

The first phase of the research comprised exploration and investigation. The exploratory step involved examining the current configuration of social enterprise ecosystems in the practical setting. The UK and South Korea were selected as case study countries based on similarities and differences in terms of social enterprise and design. Analysis of the historical development of social enterprise landscapes (including ecosystem development) in the two countries enabled understanding of key features of the respective social enterprise ecosystems, including the key stakeholders. Design utilisation in support of social enterprises was subsequently investigated in terms of the perception, role and use of design in the context of support for social enterprises by the ecosystem's key stakeholders. This phase incorporated both qualitative and quantitative methods, including a literature review, case studies and exploratory interviews. The exploratory interviews were conducted with fourteen

social enterprise experts (UK: n=9; South Korea: n=5) and eleven design experts (UK: n=6; South Korea: n=5). The main outcomes of this first phase were presented at the DRS international conference, 'Design as a catalyst for change', in Limerick in June 2018, providing opportunity for feedback from scholars working in the field (Kwon, Choi and Lam, 2018). Meanwhile, the investigation step focused on probing approaches to design support (i.e. DInE mechanisms) in the UK and South Korea to understand current DInE configurations for social enterprises and explore the key drivers of and barriers to support for design in the social enterprise context. This phase used in-depth case studies, questionnaire surveys and qualitative in-depth interviews with social enterprises and intermediaries (social enterprise support bodies, design support bodies, design practitioners and academics) to obtain details about and insights into design support practices and analyse design awareness and needs. Some twenty design support programmes (DSPs) were identified from the literature review and exploratory interviews with design and social enterprise experts. These cases were used to understand current mechanisms of design support for social enterprises, exposing the characteristics of the DSPs (including support content, delivery method, stakeholders and relationships between stakeholders). The subsequent questionnaire survey was administered to a total of 100 social enterprises in South Korea. The survey explored design awareness and utilisation among social enterprises. A series of in-depth interviews with 22 social enterprises (UK: n=12 and South Korea: n=10) compensated for the limitations of the questionnaire survey. Meanwhile, in-depth interviews with 28 design and social enterprise experts in the UK (n = 17) and South Korea (n = 10) involved in design-led social enterprise support practices, including DSPs, aimed to (i) identify details of DSPs for social enterprises and (ii) understand the practical issues facing key DSP stakeholders. This phase's main findings were evaluated via publication in *The Design Journal* in a paper entitled 'The value of design-driven entrepreneurship' (Kwon, Choi and Lam 2021).

The second research phase entailed developing a strategic framework for optimising and improving the current DInEs of social enterprises by utilising key observations extracted from discussion and synthesis of quantitative and qualitative data collected in the previous phases. These key observations derived from thematic analysis of qualitative data and content analysis of the quantitative aspects of the questionnaire surveys.

Finally, the third research phase evaluated the framework and its subsequent implementation using workshop and in-depth interview methods. A DInE development framework booklet was produced and then distributed to participants prior to the workshop and interview, during which the participants were for insights about acceptability, feasibility and usability. Workshops were conducted with design and social enterprise experts (prospective users of the framework) in the UK and South Korea, and the workshop results were used to improve the framework and its implementations. The qualitative in-depth interviews provided a secondary evaluation of the framework. Twenty experts in the field of design and social enterprise (UK: n=8 and South Korea: n=4) were interviewed, with the interview results used to finalise the framework as a research recommendation.

### **3.3.1 Literature review**

Literature reviews represent an objective and thorough summary and critical analysis of accumulated knowledge regarding the research object at the initial stage of a research project (Hart, 2018; Neuman, 2014; Snyder, 2019). However, Gray (2014) emphasises that literature review continues throughout a project, rather than being finalised early in the project, because research can generate new problems and ideas that a researcher may then need to investigate in the extant literature. Researchers obtain information from various sources, including books, periodicals, scholarly journal articles, dissertations, government documents, policy reports, television and radio broadcasts (Gray, 2014; Neuman, 2014). However, it is essential for researchers to identify relevance, balance of opinion and a document's purpose (e.g. its intended audience) before recognising it as a valid source of information (Neuman, 2014). The purpose of the literature review (Gray, 2014; Knopk, 2006; Neuman, 2014) is to (i) narrow the scope of a broad topic by consolidating and summarising what is known in a particular area, (ii) identify the state of the extant knowledge of a subject, (iii) provide up-to-date understanding and identify critical issues, particularly current knowledge gaps, (iv) guide the development of research topics and questions, (v) stimulate the creativity and curiosity of researchers, and (vi) help future researchers understand the reasons for existing research, including the design and objective, enable them to replicate the research process. According to Snyder (2019), researchers may employ various strategies to conduct a literature review, depending on the review's purpose. According to Neuman (2014), there are six types of

literature review (see Table 3.4), and researchers can combine features of each type according to their circumstance's (Snyder, 2019). This study's literature review combined three types: (i) context review, (ii) historical review and (iii) theoretical review.

**Table 3.4 Six types of literature reviews**

Type of literature review	Description
<b>Context review</b>	A common type of review in which the author links a specific study to a larger body of knowledge. It often appears at the beginning of a research report, introducing the present study by situating it within a broader framework and demonstrating how it builds on an existing line of inquiry.
<b>Historical review</b>	A specialised review in which the author traces an issue over time. This type can be merged with a theoretical or methodological review to indicate the development of a concept, theory or research method over time.
<b>Integrative review</b>	A common type of review in which the author presents and summarises the current state of knowledge about a topic, highlighting agreements and disagreements within that topic. This type of review is often combined with a context review and may be published as an independent article to provide guidance to other researchers.
<b>Methodological review</b>	A specialised type of integrative review involving the author comparing and evaluating the relative methodological strengths of various studies and showing how different methodologies (e.g. research design, measures and samples) produce different results.
<b>Self-study review</b>	A review involving an author demonstrating their familiarity with a subject area. This often forms part of an educational programme or course requirement.
<b>Theoretical review</b>	A specialised review in which the author compares several theories or concepts that focus on the same topic on the basis of assumptions, logical consistency and scope of explanation.

Source: Adapted from Neuman (2014)

This research involved an extensive literature review enabling an in-depth understanding of the three research objects: social enterprise, design and ecosystems (including social enterprise ecosystems and DInEs). The first step was analysing studies of social enterprises to understand the distinctive characteristics that distinguish social enterprises from traditional

businesses, with a particular focus on the economic and social value of social enterprises. Given the contested definition of social enterprise across both academia and practice, this research arrived at a working definition of social enterprises through comparison of various previous attempts at defining the notion. Second, an overview of design studies identified the comprehensive roles of design in various contexts, with particular emphasis on the relationship between design and innovation, which aimed to demonstrate the impact of that relationship on the market competitiveness of businesses. It was also essential to learn about the existing and potential roles of design for social enterprises. Third, studies of ecosystems, including social enterprise ecosystems and DInEs, enabled identification of structural elements and key features, providing insight into the conditions for support of social enterprises and design, especially the key elements and significant impacts of social enterprise ecosystem. Fourth, research on DInEs allowed exploration of strategic uses of design in particular systems or improvements to the use of design within those systems. This was significant for understanding the critical components of the DInEs of social enterprises.

### **3.3.2 Exploratory interviews**

During a project's early stages, exploratory interviews enable the identification of problems and recognition of concepts and terms commonly used by different groups of people (IMA, 2000). Interviews provide researchers with opportunities to uncover new clues, open new dimensions to problems and obtain accurate and comprehensive accounts of the personal experiences of interviewees (Burgess, 1989). Moreover, interviews complement literature reviews by allowing greater depth of understanding of the research object (Na, 2016). For instance, despite this study's literature review developing a broad understanding of the research context, the extant literature provided limited insight into substantial design utilisation in support of social enterprises within social enterprise ecosystems. Conducting interviews with 25 social enterprise and design experts (fifteen respondents from the UK and ten from South Korea) partially addressed this knowledge gap, with purposive sampling allowing access to the most relevant overview of perspectives on design, social enterprises and the social enterprise ecosystem. The slight difference in the sampling sizes from the UK and South Korea was because the social enterprise ecosystem experts were mainly based in

the UK. Although the researcher attempted to contact academics who deal with the social enterprise ecosystem theories in South Korea, it was not easy to obtain their responses.

The selection criteria for the design and social enterprise experts were as follows. (i) Researchers focused on design and social enterprises who have extensive academic research experience, including design, social enterprise and design support for social enterprises. In particular, academics who contributed to the existing theories of the social enterprise ecosystem and design for social impact were considered. (ii) Social enterprise support practitioners who provide substantial support for the growth of social enterprises, particularly those working for major support bodies for social enterprises in the UK and South Korea. (iii) Design support practitioners who have experience in participating in support programmes or research for social enterprises and/or social innovation. Moreover, the research involved snowballing techniques to contact various potential interviewees. This was because some of the academics and practitioners in the design and social enterprise sectors who introduced their networks of contacts had expertise in the research contexts and might be interested in this research. Table 3.5 briefly profiles the respondents, including how the snowballing technique was applied for the exploratory interviews.

**Table 3.5 Exploratory interview subjects**

	Interviewee	Title	Organisation	Expertise area	Snowballing techniques
UK	UK-SEE 1	Professor	Social enterprise academics	Social enterprise and its ecosystem	N/A
	UK-SEE 2				Introduced by UK-SEE 1
	UK-SEE 3				
	UK-SEE 4	PhD student	Social enterprise support bodies	Ecosystem for creative industry	Introduced by UK-SEE 2
	UK-SEE 5	Policy officer			
	UK-SEE 6	Founder			
	UK-SEE 7	Director of policy	Social enterprise support bodies	Business development support for social enterprises	Introduced by UK-SEE 1
	UK-SEE 8	Enterprise Adviser			
	UK-SEE 9	Membership officer			
				Social enterprise policy development	N/A
				Social enterprise network	Introduced by UK-DEE 1

	UK-DEE 1	Research & evaluation manager		Design and Social enterprise	
	UK-DEE 2	Programme manager	Design support bodies and practitioners	Design and Social enterprise (Including social innovation)	
	UK-DEE 3	Strategy director			N/A
	UK-DEE 4	Director			
	UK-DEE 5	Senior Teaching Fellow	Design academic	Design	
	UK-DEE 6	Senior Tutor			
South Korea	SK-SEE 1	Director		Social enterprise policy development	N/A
	SK-SEE 2	Chief			Introduced by SK-SEE 2
	SK-SEE 3	Programme manager	Social enterprise support bodies	Social enterprise network	
	SK-SEE 4	Executive manager		Social enterprise	N/A
	SK-SEE 5	Chief			
	SK-DEE 1	Programme Director		Design	Introduced by SK-SEE 4
	SK-DEE 2	Senior researcher	Design support bodies	Service Design	N/A
	SK-DEE 3	Researcher			Introduced by SK-DEE 1
	SK-DEE 4	Project manager		Design	Introduced by SK-DEE 2
	SK-DEE 5	Lecture	Design academic	Design and Social enterprise	N/A

The interviews were conducted either face-to-face or via Skype or phone, lasted approximately sixty minutes and featured semi-structured questions. The semi-structured questions were designed to (i) identify the roles these experts played in the current social enterprise ecosystems in the UK and South Korea, (ii) gain an overview of their relationship with other organisations and (iii) explore their awareness and utilisation of design (see Appendix B). The researcher shared the questions with the interviewees before the interview to provide them with an overview of the research and allow them to understand the interview's main objectives. The exploratory interviews revealed certain issues, including inadequate awareness of design among social enterprise experts, a lack of understanding of social enterprises among design experts and insufficient cases where design support for social enterprises has been provided by social enterprise support organisations. Nonetheless, the

exploratory interviews described various design support practices for social enterprises that had been designed to encourage and improve the use of design within these organisations. These programmes were subsequently probed via in-depth case studies and in-depth interviews with experts involved in those implementations.

### **3.3.3 Questionnaire survey**

A questionnaire survey involving social enterprises enabled exploration of the state of design awareness and utilisation of social enterprises, including experiences of design support. However, poor participation from UK social enterprises meant the questionnaire survey's respondents mainly comprised South Korean social enterprises. Although more than 400 UK social enterprises were contacted for participation and support from several intermediary organisations to encourage such participation was requested, an extremely low number of enterprises responded. This led to the study switching to in-depth interviews with experts on UK social enterprises to explore current levels of design awareness and utilisation in these businesses and identify their design needs to develop advanced design support for social enterprises.

#### **3.3.3.1 Sampling**

According to South Korea's national social enterprise support institution Korea Social Enterprise Promotion Agency (KoSEA) (2019), approximately 3,200 social enterprises operate in the country, of which the government has certified 2,201 as social enterprises and 1,023 as preliminary social enterprises (as of April 2019). However, it proved difficult to identify the specific social enterprises that correspond to this study's working definition of social enterprises and that have experiences utilising DSPs to improve their use of design and innovation. Non-probability sampling was considered appropriate for sampling the survey due to the unknown quality and state of the population and the study's exploratory characteristics. According to Henry (1990), this method involves the researcher selecting non-probability samples at their discretion to achieve a study's specific purpose. In this case, purposive sampling enabled the collection of data concerning the exploration of the state of design and innovation in social enterprises by selecting appropriate people or cases 'with

purpose' (Matthews and Ross, 2010). The selection criteria for the social enterprise corresponded to the working definition developed in Chapter 2 and used throughout this research (i.e. a business that aims to solve social (and environmental) problems through economic activities).

### **3.3.3.2 Questionnaire design**

The questionnaire was developed to collect data indicating (i) the characteristics of social enterprises, including industries and operational models, (ii) the use of design by social enterprises, including experience participating in DSPs and perceptions of using design, and (iii) correlations between innovation and design among social enterprises. The questionnaire comprised four parts. First, a brief explanation of the study and its purpose were provided. Second, the questionnaire asked for information about the respondents, including job title, role and experience working at the social enterprise or within the social enterprise sector, to increase understanding of the survey sample. In this part, respondents were also asked about their social enterprise's sector, operational model, social mission and business maturity, allowing respondents to be categorised according to operational model, an important element for distinguishing samples. The questionnaire's third part included three sections: (i) the use of design by the respondent's enterprise, (ii) experience participating in a DSP and (iii) perceptions about using design in social enterprises. Finally, the questionnaire's fourth part involved identifying means of improving social enterprise innovations and the requisite catalysts for such improvements (see Appendix C).

The questionnaire included both closed and open questions, based on the understanding that both types have advantages and disadvantages in terms of gathering meaningful research data (Neuman, 2006; Bryman, 2016). For example, the advantages of closed questions include facilitating participant responses due to ease of completion and the capacity of the answer choices to clarify the questions. Closed questions also improve the comparability of answers and reduce the number of irrelevant or confusing answers. However, closed questions also feature several disadvantages. For instance, respondents without insight to offer can simply select one of the answers provided, or the need to give a simplified answer to a complex problem can mean a respondent's real answer does not appear as a choice, leading them to

grow frustrated and make mistakes or give wrong answers. Meanwhile, open questions have the advantage of allowing respondents to use their own words – words they are familiar with – to answer questions in detail, leading researchers to unexpected (positive) findings and a better understanding of respondent awareness, knowledge and logic concerning the relevant issues. However, the disadvantages of open questions include difficulties comparing responses and controlling the level of detail provided by responses. Additionally, interpreting responses can be problematic and time-consuming. As such, this survey’s questions were designed to utilise characteristics of both closed and open questions. Furthermore, all questions were designed to be answered quickly and easily, and respondents had the choice of writing an answer if their opinion did not appear among the available responses to closed questions. Table 3.6 presents the structure of the questionnaire.

**Table 3.6 Questionnaire structure**

Part	Area of Focus	Question Type
Introduction	Presentation of the study and survey, including the purpose and definition of design used in the study	N/A
One	Investigation of the respondents’ general information such as job title and work experience in the social enterprise sector or the company	Open-ended questions
Two	Exploration of the characteristics of the respondents’ respective social enterprises, including business maturity, size, industry area, social mission, and operational model	Closed-ended + Open-ended questions
Three	Investigation of the use of design in the respondent’s business, including the type of design, impact, and difficulty in using the design	Closed-ended questions
	Examination of the respondents’ experiences of participation in design support programmes, including the programme provider, main area of design support, changes after the support, and recommendations to improve future design support programmes	Closed-ended + open-ended questions
	Exploration of the respondents’ perceptions of using design, including the description of spending on design, design effects on the companies’ bottom line, and necessary factors for developing the use of design, among others	Closed-ended questions
Four	Identification of the type of innovation, important contributors to the innovation, experience of innovation support, and opinions on the relationship between design and innovation	Closed-ended + Open-ended questions

### **3.3.3.3 Distribution and collection**

The survey was distributed in two ways. First, the researcher identified some 50 intermediary institutes that provide diverse forms of support to South Korean social enterprises. This number was reduced to sixteen organisations following consideration of the cultural nature of the South Korean social enterprise sector. This sector has been developed by government intervention, with most social enterprises in South Korea still relying heavily on government support. Sixteen intermediary organisations have been delegated power by the government to operate as regional integration support bodies for social enterprises. The researcher individually contacted these institutions using the general inquiry email address to ask for their support, sharing a brief explanation of the study and asking them to distribute a link to the online questionnaire survey to the social enterprises in their network. Of the sixteen organisations, three replied to the researcher's request, enabling the link to the online questionnaire survey to be distributed to approximately 500 social enterprises. The survey was also distributed by individually contacting around 300 certificated social enterprises listed by the KoSEA, using their general inquiry email address to encourage participation in the survey. Despite utilising two different dissemination channels, the same principles of sampling and contact were maintained. Ultimately, of the 800 requests sent, 105 responses were received, of which five were incomplete. Thus, 100 valid responses were collected, representing an overall response rate of 12.5%.

### **3.3.4 Case study**

According to Yin (2009), a case study is 'an empirical inquiry that investigates a contemporary phenomenon in depth and within real-life contexts, especially when the boundaries between phenomenon and context are not clearly evident'. Case studies are critical to increasing understanding, expanding experience and increasing conviction about a subject (Stake, 2000). Although case studies can constitute either or both a qualitative and quantitative method (Gray, 2014), they usually take the form of qualitative research (Creswell, 2014). Case studies can be used as a research method in various research contexts, allowing evaluation of training programmes, organisational performances, and project design and implementation and enabling policy analysis and exploration of relationships between organisations or different

sectors of an organisation (Gray, 2014). This research employed the case study method to generate a broad understanding of the social enterprise sector development process (including social enterprise ecosystem development) and the role of design in social enterprise ecosystems by selecting case study countries exhibiting similarities and differences in the key research areas, namely, social enterprises and design in the social enterprise context (see Chapter 4).

There are two types of case study designs: single- and multi-case (Yin, 2009). Single-case designs are used when there are extreme or unique cases or a single case can be representative of a given situation. Meanwhile, multi-case studies are often utilised in comparative studies because multiple cases can be used to investigate a phenomenon or situation (Crowe et al., 2011; Eisenhardt, 1989; Gustafsson, 2017) in a manner that is considered to yield more robust results (Yin, 2009). This research adopts a multi-case design because rather than analysing the effectiveness of DSPs, this study's case study component was introduced to explore how design support practices operated in practice and identify their mechanisms. Notably, case studies tend to focus on obtaining current information, meaning that data collection via case studies might include direct observations, systematic interviews, and the use of contemporary documentation (Gray, 2014). To identify appropriate cases, this study's literature review focused on assessing the documentary evidence of design utilisation within the social enterprise support system (including government reports and promotional materials about DSPs) and exploratory interviews with social enterprise and design experts to identify their use of design. This led to the recognition of some twenty DSPs for social enterprises between the UK (n=6) and South Korea (n=14). The cases met the selection criteria, which the research established to select appropriate cases involving DSP for social enterprises: (i) the programme should target social enterprises in the case study countries, (ii) the programme should support or use design as a tool or approach to solving problems social enterprises confront, and (iii) the programme should provide appropriate implementations to support design among social enterprises. Table 3.7 briefly profiles the DSPs selected.

**Table 3.7 Overview of design support programmes identified as case studies**

	DSP	Operation period	Execution area	Main type of support
UK	UK-DSP 1	2013 – 2015	Regional	Designing process
	UK-DSP 2	2016 – 2018		Design strategy
	UK-DSP 3	2017	Local	
	UK-DSP 4	2019 – present	Regional	Designing process
	UK-DSP 5	2014 – 2019	National	Design strategy
	UK-DSP 6	2015 - 2019	Regional	Designing process
South Korea	SK-DSP 1	2009 - 2017	National	Designing
	SK-DSP 2	2011 – 2013		Design for systemic change and culture
	SK-DSP 3	2016 – present		
	SK-DSP 4	2018	Regional	Designing process
	SK-DSP 5	2013, 2017-2019		Designing
	SK-DSP 6	2011-2019		Design for systemic change and culture
	SK-DSP 7	2017		Designing
	SK-DSP 8	2016 – present	Local	Designing process
	SK-DSP 9	2016 – 2019		Designing
	SK-DSP 10	2017		Design for systemic change and culture
	SK-DSP 11	2018		Designing process
	SK-DSP 12	2018 – present	National	Design for systemic change and culture
	SK-DSP 13	2019 – present		Designing process
	SK-DSP 14	2020 – present	Regional	

Analysis of the twenty DSPs considered nine elements: operation type, operational level, the size of the programme funding organisation, organising body, delivery organisation, design support contents, strengths/impact of the programme, weaknesses of the programme and problems with the programme. These elements were chosen to identify similarities and differences, generate unexpected insights and summarise an extensive data set (Braun and Clarke, 2006; King, 2004; Nowell, et al., 2017). The case studies exposed a pattern of general problems for DSPs targeted at social enterprises, with these issues subsequently considered critical to optimising DSPs for social enterprises.

### 3.3.5 In-depth interviews

To develop a systematic approach to improving the DInEs of social enterprises and consequently activate and strengthen the utilisation of design by social enterprises, it was imperative to understand the operating mechanisms of relevant DInEs, including key stakeholders and the elements comprising the ecosystem. The broad and complex research area demanded an in-depth study of the subject and surrounding context, with the interview considered a powerful and effective information-gathering tool capable of transforming tacit knowledge of the people being studied into the explicit expression of understanding of a phenomenon (Arksey and Knight, 1999). Interview paths are designed to understand the vivid experiences of others and the meaning of those experiences (Seidman, 2013), serving several distinct purposes when used as a data collection method. First, interviews have the potential to overcome poor survey response rates (Austin, 1981) and can be used to track concerns by testing other research techniques, such as surveys (Cohen, Manion and Morrison, 2000). Second, interviews can be used to collect information about an individual’s knowledge, values, preferences and attitudes (Cohen, Manion and Morrison, 2000; Gordon, 1975). Third, having each respondent answer all questions can facilitate comparability (Bailey, 1987), increasing the data’s validity. Finally, it ensures that respondents do not receive help from others to formulate their responses (Bailey, 1987), increasing the credibility of the data. Gray (2014) has described six interview approaches: structured, semi-structured, non-directive, focused, informal conversational and problem-central (Table 3.8).

**Table 3.8 Six interview approaches**

Interview approach	Description
<b>Structured</b>	Structured interviews are often used to gather data for quantitative analysis and use prepared and standardised questions. Although there is some interaction between the interviewer and the respondent, this is kept to a minimum. A structured interview is similar to using a questionnaire, except that the interviewer asks questions.
<b>Semi-structured</b>	Semi-structured interviews are not standardised and are often used for qualitative analyses. Although the interviewer has a list of issues and questions to address, they may not include all items in each interview, and the order of questions may change depending on the direction of the interview. Additionally, new questions can arise when new problems arise, including questions that were not expected at the beginning of the interview.

<b>Non-directive</b>	Similar to semi-structured interviews, non-directive interviews tend to gather data for qualitative analysis and are used to explore a problem or topic in-depth. However, questions are not usually planned in advance. Nonetheless, the researcher must have a concept of the purpose of the study and, therefore, an understanding of the issues to be addressed in the interview. The interviewer's input is primarily limited to identifying questions and altering answers to ensure accurate understanding.
<b>Focused</b>	Focused interviews are based on respondents' subjective reactions to known situations in which they are involved. The interviewer has prior knowledge of this situation; thus, if the respondent moves away from the topic, they can refocus. An interview can be likened to a television interview with a celebrity, where the interviewer has already analysed the interviewee's autobiography and seeks to probe particular issues.
<b>Informal conversational</b>	Informal conversational interviews rely on spontaneous question generation as the interview progresses and are the most open-ended of the interview techniques. One of this approach's advantages is the flexibility of the interview path. However, a downside is the 'interviewer effect', that is, the risk that the interviewer will influence the course and direction of the interview.
<b>Problem-centred</b>	A problem-focused interview combines an open approach with minimal structuring during the first stage of the interview with a semi-structured second stage, enabling the interviewer to focus the discussion. Problem-focused interviews are especially relevant when they focus on personal biographies and ask respondents to share their personal perspectives on the research topic.

Source: Adapted from Gray (2014)

Considering the key features of the six interview approaches, the characteristics of this study's in-depth interviews broadly follow the semi-structured format while also being closely linked with the focused interviews. This derives from the intention for the in-depth interviews to provide a deep understanding of the interviewee's perceptions of the research objects (Berg and Lune, 2012) while ensuring a flexibility during the interview process aimed at exploring specific situations and understanding the interviewee's subjective experience of the study object (Gray, 2014). The in-depth interviews were conducted face-to-face or via Skype or phone, depending on each respondent's preference. The face-to-face interviews were conducted in a familiar and convenient environment for the interviewees, and the online and telephone interviews were scheduled according to each interviewee's availability. Each interview lasted a minimum of 50 minutes and a maximum of 120 minutes. Variations in interview time meant that shorter interviews had to be tightly managed to cover all of the relevant topics, with longer interviews giving interviewees greater freedom to discuss topics

they were passionate about in more depth. To collect realistic results, all of the interviews were recorded using digital recording equipment, enabling more thorough analysis.

### **3.3.5.1 In-depth interviews with social enterprises**

This research considered social enterprises among the DInE stakeholder groups, especially those who were regarded as prime beneficiaries of DSPs. This meant that it was crucial to examine their design understanding and utilisation and identify design support experiences, including design needs, to explore essential improvements necessary to optimise DInEs for social enterprises. In-depth interviews with UK social enterprises were especially critical due to insufficient data regarding the design utilisation and awareness of UK social enterprises, a result of the poor participation of UK social enterprises in the questionnaire survey. Purposive sampling enabled the exploration of the design support practices from different angles. However, because purposive sampling requires availability and willingness to participate, along with the ability to communicate experiences and opinions in an articulate, expressive and reflective manner (Bernard, 2002), it was necessary to directly contact various social enterprises to promote the research and encourage participation. To identify potential interviewees for the research, the researcher applied two different approaches: (i) the exploration of social enterprises through national social enterprise support bodies' websites; and (ii) requests for support from social enterprise and design support bodies that provided DSP for social enterprises. First, the researcher explored the websites of the national social enterprise support bodies in the UK (i.e. SEUK) and South Korea (i.e. KoSEA). The websites provide lists of social enterprises in each country; through these websites, the researchers obtained the contact details of some of the social enterprises (e.g. email) and contacted them to ask if they were willing to participate in this research. Second, the researcher asked for support from social enterprise and design support bodies who have participated in this research for exploratory and/or in-depth interviews to contact social enterprises that participated in their DSPs or business support programmes.

These approaches resulted in a total of 22 social enterprises agreeing to in-depth interviews. The participating social enterprises were assigned to one of two groups according to their design support experience: social enterprises with no design support experience (n=13 [UK:

n=9; South Korea: n=4]) and social enterprises with design support experience (n= 8 [UK: n=2; South Korea: n=6] (henceforth, 'UK-SE' and 'SK-SE' are used to describe social enterprise interviewees from the respective countries). Table 3.9 presents the enterprises in the respective categories. These two different groups were expected to provide different perspectives on the research topic due to having diverse understandings of design according to their experience.

**Table 3.9 Social enterprises interviewed**

	Interviewee	Title	Industry	Design support experience	
UK	UK-SE 1	Co-founder	Manufacturing & Employment	N	
	UK-SE 2		Retail		
	UK-SE 3	Founder	Manufacturing & Employment		
	UK-SE 4		Media		
	UK-SE 5		Creative industry		
	UK-SE 6	CEO	Manufacturing, Retail & Employment		
	UK-SE 7	Chief executive	Creative industry & Education		
	UK-SE 8	Executive Director	Creative industry		
	UK-SE 9	COO	Manufacturing & Retail		Y (Pro-Bono from university)
	UK-SE 10	CEO			Y (Purchase design service from consultancy)
	UK-SE 11	Head of commercial	Manufacturing		
	UK-SE 12	Manager	Retail		N
South Korea	SK-SE 1	Founder	Creative industry	N	
	SK-SE 2		Retail & Education		
	SK-SE 3	Founder & In-house designer	Manufacturing	Participant of SK-DSP 11	
	SK-SE 4	Founder & In-house designer	Retail & Employment	N	
	SK-SE 5		Manufacturing		
	SK-SE 6		Creative industry	Participant of SK-DSP 6	
	SK-SE 7	Founder	Manufacturing	Participant of SK-DSP 8	
	SK-SE 8		Manufacturing & Employment	Participant of SK-DSP 13	
	SK-SE 9		Participant of SK-DSP 12		
	SK-SE 10	Chief executive	Education	Participant of SK-DSP 11	

The in-depth interviews with social enterprises comprised four parts (see Appendix E): (i) general information about participants, including profile and enterprise characteristics, including size and mission; (ii) examination of each enterprise's design awareness and utilisation; (iii) exploration of each enterprise's design support experience; (iv) inquiry into interviewees' perceptions of potential design support improvements. The interview outcomes were used to develop key considerations for optimising design support for social enterprises, with the diverse perspectives on design support gathered from the interviewees allowing this research to identify the most impactful elements of design support for social enterprises.

### **3.3.5.2 In-depth interviews with design and social enterprise experts**

Although the research identified, to some degree, the key features of the identified DSPs, enabling the mapping of the operating mechanisms of DInEs through case studies, understanding details of the DSPs presented some challenges. This included practical drivers and barriers supporting the design of social enterprises from the perspective of stakeholders. In-depth interviews with design and social enterprise experts were conducted to address the limitations and collect further details about the identified DSPs. Again, purposive sampling was used to maximise the efficiency and validity of data (Bryman, 2016), allowing identification and selection of individuals or groups with particular knowledge about or experience of the phenomenon of interest (Creswell and Clark, 2011). The target interviewees were design and social enterprise experts with experience contributing to design-led social enterprise support practices, including DSPs for social enterprises, in the UK and South Korea. To select these experts, the data collected during the case studies were used to identify stakeholders who have led DSPs or design-led social enterprise support programmes. Consequently, 28 design and social enterprise experts from the UK (n = 17) and South Korea (n = 10) were interviewed, with Table 3.10 indicating the interviewees who participated (henceforth, 'SEI' is used to describe social enterprise experts, and 'DEI' is used to describe design experts).

**Table 3.10 Social enterprise and design experts interviewed**

	Interviewee	Title	Organisation	Expertise area
UK	UK-SEI 1	Policy officer	Social enterprise support bodies	Use design thinking in the organisational level
	UK-SEI 2	Researcher		Use design for marketing development
	UK-SEI 3	Project manager		Key stakeholder of UK-DSESP 1
	UK-SEI 4	Manager		Participated in social enterprise innovation support programme
	UK-SEI 5	Chief executive		Support for some design from a marketing development perspective
	UK-SEI 6	Business development manager		Key stakeholder of UK-DSP2
	UK-SEI 7	Development officer		Key stakeholder of UK-DSP3
	UK-SEI 8	Co-Founder		Previous experience in social enterprise innovation support programme and partnership with regional innovation support centre
	UK-SEI 9	Business adviser		Introducing design agencies to social enterprises – product design
	UK-SEI 10	Director of Impact and Learning		Key stakeholder of UK-DSESP 2
	UK-SEI 11	User journey lead		
South Korea	UK-DEI 1	Director	Design support bodies	Key stakeholder of UK-DSP2
	UK-DEI 2	Programme producer		Key stakeholder of UK-DSP3
	UK-DEI 3	Project director		Key stakeholders of UK-DSP 4
	UK-DEI 4	Research associate	Innovation academic	Key stakeholder of Innovation Business Support Programme
	SK-SEI 1	Manager	Social enterprise support bodies	Key stakeholder of SK-DSP 3
	SK-SEI 2	Assistant Manager		Key stakeholder of SK-DSP 6
	SK-SEI 3	Chief		Cooperating institution for SK-DSP 6
	SK-SEI 4	Team Manager		Key stakeholder of SK-DSP 9
	SK-SEI 5	Project director		Key stakeholder of SK-DSP 11
	SK-SEI 6	Director		Key stakeholder of SK-DSP 12
	SK-SEI 7	Researcher		
	SK-DEI 1	Manager	Design support bodies and practitioners	Key stakeholder of SK-DSP 4
	SK-DEI 2	Senior researcher		Key stakeholder of SK-DSP 13
	SK-DEI 3			
	SK-DEI 4	Manager		Key stakeholder of SK-DSP 8
	SK-DEI 5	Director		Key stakeholder of SK-DSP 8
SK-DEI 6	Professor	Design academic		Key stakeholder of SK-DSP 11

The in-depth interviews with experts comprised three parts. The first part involved understanding how intermediaries support social enterprises, including their current relationship with other stakeholders, such as local authorities and design agencies. This part also included questions about the understanding and utilisation of design among intermediary organisations, enabling the exploration of critical barriers that hinder the use of design in support of social enterprises. The second part involved discussion of the design support practices that intermediaries were currently participating in. This mainly involved asking respondents for details about the DSPs they were involved in, including financial resources for the programme, the challenges associated with running the programme, the DSP's differences from other support programmes, and their relationships with other key stakeholders. Finally, the interviews explored each expert's understanding of the current DInE and the relationships between the design support practices and government, enabling extraction of key elements that could contribute to improving the DInE. This thesis' appendix F includes the interview questions.

### **3.3.6 Evaluation**

Evaluation, which includes systematic data collection regarding the characteristics of a programme, product, policy or service, often explores the changes necessary as part of the process, including identifying procedures that are more likely to result from those changes and whether there is evidence that the changes occurred (Gray, 2014); this means that evaluation can be used to improve practices within specific situations (Pinch, 2009).

#### **3.3.6.1 Evaluation workshop**

The first round of evaluation used the workshop method to identify the usability, comprehensiveness and acceptability of the DInE development framework. The evaluation criteria were set up to examine whether: (i) the framework practically guides potential stakeholders on how the DInE can be strengthened to better enable the strategic use of design in the growth of social enterprises (usability); (ii) the framework comprehensively considers various aspects to strengthen the strategic use of design in the growth of social enterprises at the systemic level (i.e. DInE) (comprehensiveness); and (iii) potential users can

substantially use the framework to develop or improve their existing social enterprise support schemes, based on an improved understanding of the impact of design on the various aspects of the social enterprise ecosystem (acceptability). The evaluation workshop is a context-specific research method (Robson, 1993) that can facilitate learning, acquiring new knowledge, performing creative problem-solving or innovating collaboratively on a specific subject (Ørngreen and Levinsen, 2017). The method's advantages include enabling different participants to work together to develop specific concepts and cultivate a broader range of approaches and concepts together (Emili, 2017). Notably, the process can be repeated with different groups of participants in different situations (Ørngreen and Levinsen, 2017). This research employed the workshop method to evaluate the DInE development framework with different groups of people experienced in different real settings of support design for social enterprises. The DInE development framework was developed to synthesise similar and different features of the operating mechanisms of current DInEs observed in different cultural contexts and minimise the various gaps (including the mutual lack of understanding) between the social enterprise and design sectors apparent in current DInEs. This meant that it was crucial to evaluate the framework from different perspectives.

Following the development of the first test version of the DInE development framework and its implementation processes, social enterprise and design experts were invited to participate in the evaluation workshops (W1 and W2) in the UK and South Korea. These experts were considered potential users of the framework because they either (i) have design support experience or (ii) are interested in providing design support to social enterprises. This enabled them to provide a practical assessment of the framework (henceforth, 'EW' is used to refer to the experts who contributed to the evaluation process). Furthermore, three experts (namely, UK-EWs 1 and 4 and SK-EW 3) were re-selected for involvement in the evaluation process because they were among the interviewees who participated in exploratory and in-depth interviews and shared critical information regarding current DInEs in the two countries and articulated their thoughts effectively, contributing substantially to the framework's development. Table 3.11 presents a list of experts who evaluated the DInE development framework.

**Table 3.11 Experts who participated in evaluation workshops in the UK and South Korea**

	Participant	Title	Type of organisation	Design support experience
UK (W1)	UK-EW 1	Professor	Universities	
	UK-EW 2	Director of Research	Social enterprise support bodies	N
	UK-EW 3	Director Special Projects		
	UK-EW 4	Innovation Director	Design support bodies	Y (UK-DSP5)
	UK-EW 5	Project Co-coordinator		
South Korea (W2)	SK-EW 1	Director of Centre	Social enterprise Support body	N
	SK-EW 2	Founder	Social enterprise Design Support body	Y (SK-DSP12)
	SK-EW 3	Senior Researcher		

In addition to the 30-page DInE development framework booklet detailing the framework and its implementation process, a worksheet (DInE development framework evaluation canvas) (see Appendix N) and a questionnaire (see Appendix O) were prepared for the workshop and distributed to participants electronically (pdf) prior to the workshop, assist their understanding of the details of the DInE development framework and workshop. The COVID-19 pandemic meant that the 90-minute workshops were conducted via an online platform (Zoom). The workshops began with a 20-minute presentation providing instruction to participants to assist them in understanding the concept of DInEs for social enterprises and recognising what sort of roles they could play and what kinds of implementations they could develop with existing or potential partners. During and after the presentation, experts were able to ask questions; approximately 20 minutes were allocated for this purpose. Next, experts were asked to access an online platform (MURAL), where they would conduct the main workshop activity, namely, evaluating the framework using the electronic version of the DInE development framework evaluation canvas. This activity enabled experts to diagnose the current conditions of the relevant DInEs (according to the critical components of DInE) and explore potential opportunities to improve design support, during which time they were also able to share their opinions and insights; approximately 40 minutes were allocated for this purpose. This process confirmed differences in understandings of design and design

support needs between design and social enterprise experts. Finally, after this activity, experts were asked questions about:

- the acceptability and potential usefulness of the framework, its constitutive elements and the relationships between these elements;
- the comprehensiveness of the framework development strategy;
- the feasibility and ease of understanding of framework development strategy;
- the usability and ease of understanding of the framework implementation process;
- the overall potential usefulness of the process and framework; and
- the overall presentation and suggestions for improvements.

### **3.3.6.2 Evaluation interviews**

The potential improvements identified by the workshops led to the development of a second test version of the DInE development framework. Its implementation process was the subject of the second round of evaluations, which aimed to elaborate the quality of the DInE development framework by validating its acceptability, feasibility and potential usefulness via semi-structured interviews with design and social enterprise experts and prospective users. This evaluation via expert interviews constituted an effective qualitative investigation aimed at identifying the effects of the phenomenon (Patton, 1990). As discussed, the evaluation experts were potential users of the DInE framework who were experienced in the practical development and delivery of various forms of support for social enterprises, including design. However, the research had to consider specific selection criteria to identify the evaluation experts most capable of effectively assessing the framework, leading to the following criteria:

- experience in design support for social enterprises;
- specific plan to develop design support for social enterprises; or
- understanding of the ecosystem concept in the social enterprise and design context

Several of the evaluation interviewees (EIs) who participated in the earlier evaluation (workshops) were re-invited, enabling them to identify errors in the data analysis and confirm whether their earlier comments were reflected appropriately in the second version of the

DInE development framework. Four design experts (UK-EIs 6 and 7 and SK-EIs 3 and 4) were chosen for their validated experience developing design support for social enterprises. Two experts (UK-EIs 1 and 6) were chosen for their rich understanding of ecosystem theories relevant to social enterprises and design and asked to provide feedback about the framework, including whether there were theoretical or practical errors with its construction. Table 3.12 lists the EIs.

**Table 3.12 Participating experts to evaluate the research outcome**

	Interviewee	Title	Organisation	Design support experience
UK (W2)	UK-EI 1*	Professor	Universities	
	UK-EI 2**	Design and Innovation Lead	Social enterprise support bodies	N
	UK-EI 3**	Director of Impact and Learning		
	UK-EI 4**	Founder	Social enterprise	Y
	UK-EI 5	Head of design policy		
	UK-EI 6*	Innovation Director	Design support bodies	Y (UK-DSP5)
	UK-EI 7*	Project Co-coordinator		
	UK-EI 8	Co-CEO	Design practitioners	Y
South Korea (W2)	SK-EI 1	Director of Centre	Social enterprise support bodies	N
	SK-EI 2	Associate professor	University	N
	SK-EI 3*	Senior researcher	Design support bodies	Y
	SK-EI 4**			(SK-DSP 12)

\* Interviewee participated in the earlier evaluation (workshops); \*\* Interviewee participated in an in-depth interview.

In addition to the 41-page DInE development framework booklet detailing the framework and its implementation process, a questionnaire (see Appendix Q) was distributed to interviewees before the interviews to help them prepare for the interviews. The interview questions were designed to validate the acceptability, feasibility, potential usefulness and ease of understanding of the framework by obtaining feedback from potential users regarding the potential to develop substantial design support for social enterprises using the framework. The questionnaire included four parts, each with a distinct function:

- DInE Development Framework general outline: to ascertain the initial feel of the

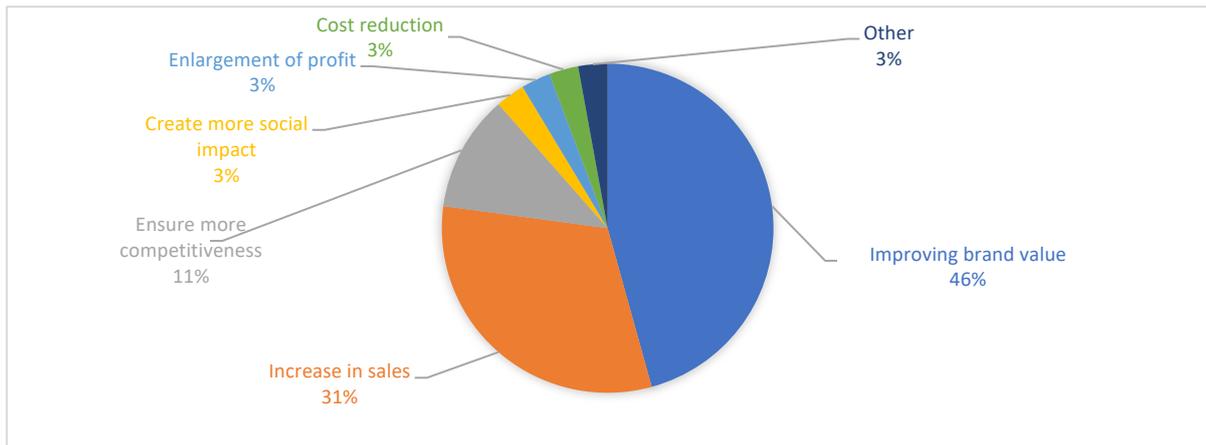
framework from the perspective of potential users and ensure they agree about the content and relationships between elements of the framework.

- DInE Development Framework development strategy: to identify whether the DInE framework development strategy comprehensively addresses the critical issues that hinder design support for social enterprises.
- DInE Development Framework implementations: to evaluate whether the implementation processes effectively guide users to develop systematised and optimised design support that accommodates social enterprises in DInEs.
- DInE Development Framework overview: to ascertain the acceptability and usefulness of the framework for current and potential stakeholders.

Although the evaluation interviews were conducted online (via Zoom) due to the COVID-19 pandemic, interviewees could schedule a date and time for their interview that was convenient for them. Each interview lasted between 45 and 70 minutes, with shorter interviews more tightly managed to address all key topics and longer interviews giving interviewees greater freedom to discuss topics that they were passionate about. To better engage interviewees, note-taking was minimised, with video recording removing memory limitations and enabling more thorough analysis of each interview (Bryman, 2016; Gray, 2014).

### **3.3.7 Quantitative and qualitative data analysis**

The quantitative aspects of the questionnaire surveys were analysed using content analysis, namely, descriptive statistics in Microsoft Excel. The descriptive focus involves generating a summary picture of a sample or population for the primary variable studied (Gray, 2014). Four key themes were used for the content analysis: (i) social enterprise profile, (ii) state of the social enterprise's design utilisation, (iii) the social enterprise's experience of design support (e.g. DSPs), and (iv) the social enterprise's perception of design. The analysis results were summarised using graphical forms to represent the descriptive statistics, as exemplified in Figures 3.5. The appendix D includes full results for the quantitative research.



**Figure 3.5 Changes to social enterprises upon receiving design support (n=35)**

The data collected from the in-depth case studies of 20 DSPs were also analysed using content analysis. Content analysis involves the systematic and objective identification of specific characteristics (classes or categories) to draw inferences about the data (usually text) (Gray, 2014). Accordingly, nine themes were established to explore the critical contents comprising and influencing the DSPs: (i) programme operation type, (ii) programme operation level, (iii) programme size, (iv) programme funder, (v) programme organiser (vi) programme deliverer, (vii) support contents, (viii) programme strengths and impacts, and (ix) programme weaknesses and problems. Twenty DSPs were examined based on these themes, with the results used to reveal the key elements of the operating mechanisms of the DSPs. Chapter 5 builds on these to critically consider the development of an advanced DSP using thematic analysis including (i) type of support content, (ii) type of DSP provision, (iii) key stakeholders involved, and (iv) relationships between key stakeholders.

Qualitative analysis represents a rigorous and logical process attributing meaning to data (Berg and Lune, 2012; Gray, 2014; Silverman, 2010). The process enables researchers to conduct research by initially describing the data and then decomposing the data into smaller parts to recognise how these data relate to new concepts and provide a basis for new explanations (Gray, 2014). Qualitative data analysis is not bound by the laws of statistics and can derive concepts and theories from complex phenomena (Neuman, 2014). This research analysed its qualitative data – collected via (mainly in-depth) interviews – using a combination of grounded theory and thematic analysis approaches. Grounded theory helps to inductively develop categories and theories using an open and selective data coding process (Gray, 2014).

Thematic analysis represents a valuable method for investigating the perspectives of multiple research participants, highlighting similarities and differences, generating unexpected insights and summarising a large data set (King, 2004; Braun and Clarke, 2006; Nowell, et al., 2017). Thematic analysis was used to manually synthesise the opinions and insights collected from different interviewees. Given the interviews featured semi-structured questions, the researcher manually categorised the responses according to each question’s key themes. During categorisation, selective coding grouped the data to formulate a grounded theory explaining the critical elements. Further discussions addressed the findings of this selective coding process (Chapter 5). Table 3.13 exemplifies the qualitative data analysis process. The appendix G includes full results for the in-depth interviews.

**Table 3.13 An example of selective coding**

Preliminary Coding	Final Codes
Some social enterprises recognise that design is very important and is essential, but they are not investing enough time for it due to the lack of time and resources	<b>Limited time and resources for design utilisation</b>
Social enterprises may spend less than 2% of their profits for design	
Some social enterprises have no plan to have design support (or contract) because they often cannot effort for it and have limited budget	
We need to make design work quickly	
Financial resource limitation: some opportunities were there to get financial support for the company, but the amount of the budget is not big enough	
If they have more money, they will spend it for contacting external designers, but it is very expensive	
Identify the correct freelancers/agency that understand social enterprises and target audience	<b>Find appropriate design experts for SEs</b>
find appropriate designers who have rich understanding of design and the characteristic of company	
To find appropriate way to apply design in communication with customers	
Design is quite personalised one, it depends on what experience and knowledge we have	
miss-matched between artistic work from the employees (i.e., students) and social enterprises need which much more commercial	
Lack of design experience	<b>Lack of design experience</b>
To make sure whether they use branding in correct way	
Understand different users	
Design is too trendy, so it is often out of touch to their target audience	

Maintain design works	
Keep tone and voice of design	
Designers bring different views to the process of design, even if with the same brief, you see what designers return to you. It is very different	<b>Difficulties in communication between design practitioners and SEs</b>

### 3.3.8 Reliability and validity

This research tested the accuracy and consistency of the findings by considering whether the data were sufficiently reliable and valid (Gribbs, 2007). Assessing the quality of research critically enables the practical use and integration of research results into implementation (Golafshani, 2003; Long and Johnson, 2000). Generally, the evaluation focused on reliability and validity (Long and Johnson, 2000; Patton, 1990). The essence of the reliability of qualitative research concerns the consistency of analytical procedures, including accounting for individual and research method biases that may affect results (Grossoehme, 2014; Mason, 1996; Noble and Smith, 2015). Validity refers to the ‘appropriateness’ of tools, processes and data, indicating how precisely the results reflected the data (Leung, 2015; Noble and Smith, 2015). Triangulation improves the validity and reliability of a research outcome (Golafshani, 2003) by combining several qualitative or quantitative and qualitative methods (Gray, 2014) to gain a deeper understanding of the phenomenon under study (Bryman, 2016; Creswell, 2014). Triangulation not only helps establish a ‘balance’ between two or more different types of studies by cross-checking the results against different types of convergence but also helps avoid possible bias from the perspective of participants or researchers, providing multiple perspectives for understanding a particular situation, which increases the reliability and validity of the final study results (Yeasmin and Rahman, 2012). Denzin (1989) has identified four kinds of triangulation (see Table 3.14): (i) data triangulation, (ii) investigator triangulation, (iii) theory triangulation, and (iv) methodological or method triangulation.

**Table 3.14 Four types of triangulations**

Type of triangulation	Description
<b>Data triangulation</b>	Data triangulation uses a variety of data sources, including time, space and persons, in a study. Findings can be corroborated, and any weaknesses in the data can be compensated for by the strengths of other data, increasing the validity and reliability of the results. Many sectors have used the approach to strengthen conclusions and reduce the risk of false interpretations.
<b>Investigator triangulation</b>	Investigator triangulation uses more than one investigator, interviewer, observer, researcher or data analyst to confirm findings across investigators — without prior discussion or collaboration— which can significantly enhance the credibility of the findings. Investigator triangulation is particularly important for reducing bias when gathering, reporting or analysing study data.
<b>Theory triangulation</b>	Theory triangulation uses multiple theories or hypotheses to examine a situation or phenomenon, aiming to consider a situation or phenomenon from different perspectives, through different lenses, and with different questions in mind. The different theories or hypotheses do not have to be similar or compatible; in fact, the more divergent they are, the more likely they are to identify different issues or concerns.
<b>Methodological or method triangulation</b>	Method triangulation uses multiple methods to study a situation or phenomenon, aiming to decrease the deficiencies and biases associated with any single method. That is, the strengths of one method may compensate for the weaknesses of another. This type of triangulation resembles the mixed-method approaches used in social sciences research, wherein the results generated by one method are used to enhance, augment and clarify the results of another.

Source: Adapted from UNAIDS (2010)

Data and methodological triangulation were used during the exploratory and investigation phases of this research, with case studies and exploratory interviews used to identify the state of design awareness and utilisation of key stakeholders in social enterprise ecosystems. Data triangulation increased validity by complementing the limitations of the case studies and exploratory interviews. Presenting the research at the international Design Research Society conference ‘Design as a catalyst for change’ (Limerick, June 2018) also increased the research’s validity. During the investigation phase, the triangulation of data and methods was also achieved via a combination of case studies, questionnaire surveys and in-depth interviews, all of which observed design support practices supporting the growth of social enterprises. Here, methodological triangulation enhanced the reliability of the data gathered

from the different methods by mitigating the limitations of each method. Similarly, data triangulation in the context of the 22 in-depth interviews with social enterprises and 27 in-depth interviews with key stakeholders (social enterprises and design experts) elicited rich data to provide reliable grounds for theorisation. Because the selection of the expert interviewees was also critical to increasing validity, purposive sampling was employed to receive input from academics involved in design and social enterprise. Notably, the validity of the research was also enhanced by the publication of the article 'The value of design-driven entrepreneurship' in *The Design Journal* (Volume 24, 2021), and further triangulation of methods was achieved by extracting key considerations derived from various methods and synthesising them to construct the DInE development framework.

Finally, the research sought to develop recommendations for a systematic and practical approach to design for social enterprises, which required substantial external validity. External validity can be evaluated by confirming the generalisability of the results, that is, considering whether the results are applicable to other contexts or settings (Noble and Smith, 2015). Therefore, two-stage evaluation phase engaged prospective users of the recommendations to verify the practical implications of the theories developed in the research's main part. During the first evaluation stage (workshops), the research assessed the research outcomes by gathering and sharing insights from the different perspectives of design and social enterprise experts. The positive feedback regarding the acceptability and usefulness of the research results provided during the workshops conducted in the UK and South Korea – indicating the applicability of the research outcomes to various cultural contexts – partially confirmed the external validity of the results. During the second evaluation stage (interviews), in-depth responses from potential users confirmed how the research results could be applied, generating insight into the feasibility of the results. Notably, the potential usefulness of the research outcomes indicated by the design and social enterprise experts operating in both the UK and South Korea suggest the possibility of generalising the outcomes. For example, the DInE framework facilitates the exploration of essential enablers (i.e. the individual roles and responsibilities and considerations of stakeholders) to construct and improve the DInEs of social enterprises. Additionally, this feedback suggested that potential users could utilise the framework to evaluate existing

design usage practices for social enterprises and subsequently derive improvements, in which application prospective users need not consider their particular cultural context.

### **3.3.9 Research ethics**

This research closely follows Brunel University's 'Code of Ethics for Research' (BUL, 2013). The researcher took appropriate recommended ethics courses (BBL, 2017) to become familiar with the ethical implications of research and its impact on participants, universities and researchers. The data collection for this research was approved by the Brunel Research Ethics Committee (see Appendix R) because this research does not contain human tissue or other biological sample or target a group of people who are vulnerable or unable to give information and consent. In accordance with the Code of Ethics, a participant information sheet was provided to the participants to assist their understanding of the study and inform them that they were able to discontinue their participation in the research at any time. Prior to their participation in the study, consent was obtained from the participants to share the information they provided. The researcher was reminded that the information provided to the interviewees would be kept strictly confidential and anonymous.

## **3.4 Chapter Summary**

This chapter has explained and justified the research methodology and detailed the four main research phases (exploration, investigation, development and evaluation). The methods chosen (literature review, case study, exploratory interview, questionnaire survey, in-depth case studies, in-depth interviews, evaluation workshops and expert interviews) enabled the collection of reliable and valid data. The data were strategically analysed and synthesised to develop the research outcome.

The next chapter presents the findings of the exploratory study, analysing and discussing the results of the desk research (including the literature review and case studies) and exploratory interviews.

# Chapter 4. Social Enterprise, Social Enterprise Ecosystem and Design in Nations

## 4.1 Introduction

This chapter explores the research contexts: social enterprise, its ecosystem and design – and in particular the position of design within social enterprise and the development its ecosystem in real-world settings – by reviewing the findings from desk research (including literature reviews and case studies) and exploratory interviews with experts in design and social enterprise sectors. For this investigation, this research selects case study countries – the UK and South Korea – that share some similarities while showing different perspectives on the research context (i.e. social enterprise, its ecosystem and design). A historical analysis of the social enterprise landscapes in each of the two countries is conducted to illustrate how their social enterprise sectors emerged and developed and identify any design-related interventions related to the development of social enterprise in these nations. An overview of the topics discussed in this chapter is shown in Figure 4.1.

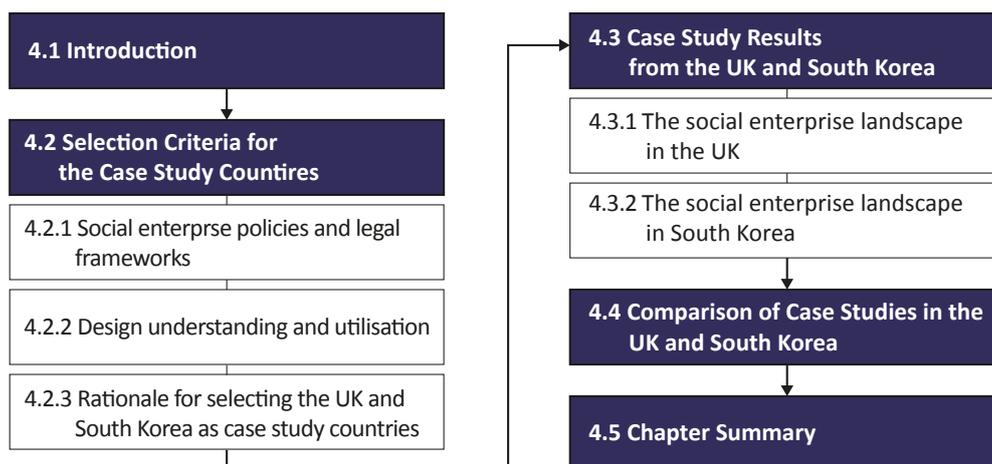


Figure 4.1 Chapter map

## **4.2 Selection Criteria for the Case Study Countries**

Social enterprise ecosystems – and even types of social enterprises – may be shaped differently depending on the countries’ historical, legal, political, cultural, social and economic structures (Hazenberg, et al., 2016a; Hazenberg, et al., 2016b). This research, therefore, selected certain countries as case studies to gain a comprehensive understanding of the overall configuration of social enterprise ecosystem, particularly the use of design within such ecosystems in terms of supporting the development of social enterprises and their ecosystem. The specific criteria used for selecting case study countries to compare social enterprise ecosystems and design utilisation for social enterprises were: (i) Are social enterprise policies and legal frameworks already established? (priority) and (ii) How do the countries understand design, particularly in relation to business development? The criteria were designed to cover the critical research contents, mainly social enterprise ecosystem and design. The rationale for the selection of the case study countries is discussed in sub-sections 4.2.1 and 4.2.2 below.

### **4.2.1 Social enterprise policies and legal frameworks**

Previous research confirmed that policy and legal frameworks are essential elements in a social enterprise ecosystem (Agapitova, Sanche and Tinsley, 2017; CASE, 2008; European Commission, 2015; Hazenberg, et al., 2016b; JRI and MIF, 2016; Lyon, Stumbitz and Vickers, 2019). In essence, the problems that social enterprises and social entrepreneurs hope to solve are often fundamental social issues that are also a priority for government. However, an imbalance in the power relationship between the government and the social enterprise sector makes the political environment a crucial element in the emergence of the social enterprise sector (Poon, 2011). Social enterprise policy frameworks are part of a broader framework of socio-economic, civil society, non-profit or active labour market policies and social inclusion policies (European Commission, 2015). To conduct this research, it was necessary to consider the legal framework of social enterprises at the national level, since an appropriate legal framework at this level can provide clear definition for social enterprises and their missions and activities (OECD, 2013). Moreover, this legal framework encourages

social entrepreneurs, gives legal protection to directors and removes confusion over definitions that might hinder policy (The Economist, 2016).

Some countries, such as the UK, the US and South Korea, are frequently discussed by those studies that review countries where the legal structures and policies for social enterprises are considered sufficiently well-developed to understand the advantages and disadvantages of the different legal forms available and adopted by social enterprises (Agapitova, Sanche and Tinsley, 2017; Choi, Berry and Ghadimi, 2020; The Economist, 2016; Triponel and Agapitova, 2017; WEF, 2016). *The Economist* (2016) stated that the legal frameworks for social enterprises were still rare and identified only seven countries that actively implement a national policy and legal frameworks for social enterprises: Canada, France, Italy, Portugal, South Korea, the UK and the US. According to the world's first experts' poll on the best countries for social entrepreneurs, conducted by the Thomson Reuters Foundation, three countries – the UK, the US and South Korea – were considered among the top 10 best countries for social enterprises, with the US taking first place, the UK ranking third, and South Korea seventh. The survey contained questions on whether conditions were favourable for social entrepreneurs to start and grow their business (WEF, 2016).

Moreover, these three countries were also classified as having mature frameworks for social enterprises in the report released by the World Bank Group in 2017 (Agapitova, Sanche and Tinsley, 2017). The report states that they provide the most diverse sample, differing in the organisation of their social enterprise ecosystems and policy approaches while sharing characteristics such as long-term government support for the social enterprise agenda, public awareness and support, large-scale policies that support the social enterprise and an overall vibrant ecosystem of the social enterprises. Furthermore, Choi, Berry and Ghadimi (2017) compared the social enterprise policies of the UK, the US, and South Korea, based on a similar rationale for the selection of case countries used in the report by Agapitova, Sanchez and Tinsley (2017), revealing the differences in approaches to social enterprise policies between the three countries. For example, the US approach is heavily market-oriented, while South Korea's is government-dominated (much closer to the public policy), and the UK sits in the middle of the market-to-public continuum. Based on existing studies comparing social

enterprise policies and legal frameworks in nations, Table 4.1 displays the critical features of social enterprise policies and legal frameworks in the UK, the US and South Korea.

**Table 4.1 Key features of the social enterprise policies and legal framework in nations**

	UK	US	South Korea
<b>Definition of social enterprise</b>	A business with primarily social or environmental objectives, whose surpluses were principally reinvested for that purpose in the business or community rather than mainly being paid to shareholders and owners	Various definitions were proposed by commentators, academics and practitioners to fill the vacuum with proposed definitions of social enterprise	An enterprise certified in accordance with Article 7 as one that pursues a social objective, such as raising residents' quality of life, etc., by providing vulnerable groups with social services or jobs while conducting business activities, such as the production and sale of goods and services, etc.
<b>Approach for defining social enterprise</b>	Adopt a working definition (which is adopted by the executive branch) and complement this working definition with a legal form specifically created for social enterprise	Not define social enterprise, while creating a range of legal forms that can be used for social enterprise	Adopt a legal definition (which is adopted by the legislative branch) and combine this with a legal form that could be used for social enterprise-type activities
<b>Social enterprise law</b>	<ul style="list-style-type: none"> <li>- Public Services (Social Value) Act in 2012</li> <li>- Community Interest Company under the Companies Act in 2004</li> </ul>	Edward M. Kennedy Serve America Act in 2009	Social Enterprise Promotion Act in 2007
<b>Approach of social enterprise policy</b>	Middle of the market-to-publicness continuum	Market-oriented	Government-dominated
<b>Rationale for government support</b>	<ul style="list-style-type: none"> <li>- Fill access gap to public services</li> <li>- Improve quality, affordability, and equity of service provision</li> </ul>	Improve quality, affordability, and equity of service provision	Increase social cohesion and economic benefits at the national level

Source: Adapted from Agapitova, Sanchez and Tinsley (2017), Choi, Berry and Ghadimi (2020) and Triponel and Agapitova (2017)

The three countries thus meet the first criterion for selecting case study countries for this study, in that social enterprise policies and legal frameworks are already established, but they show differences in their definition of social enterprise. For example, the UK and South Korea use government-adopted working and legal definitions for social enterprises, whereas social enterprise is not defined by parliament or government in the US; definitions used here derive from commentators, academics and practitioners. This fact influenced the selection of the case study countries. In Chapter 2, this research suggested a working definition of a social enterprise (an organisation that aims to address social (environmental) missions through economic activities) by comparing existing definitions of social enterprises and its core features. As shown in Table 4.1, the definitions of social enterprise in the UK and South Korea share similar characteristics, which are also reflected in the working definition of a social enterprise proposed in this research. As a result, this research considered the UK and South Korea to be ideal choices for investigating and comparing the research contexts.

#### **4.2.2 Design understanding and utilisation**

Although the UK and South Korea were preferred as potential case study countries based on their current social enterprise policies and legal frameworks, it was also necessary to investigate how design is used in these two countries, to assess whether they are appropriate examples in terms of the design perspective in this research. In considering the second criteria for the selection of case study countries (how do the countries use design), the research explored and compared the design perspectives in the two countries, based on the following aspects: (i) the size of the design economy, (ii) how the countries understand design in general and (iii) the level of design utilisation.

The research identified that the UK and South Korea share some similarities in terms of size of the design economy and understanding of design at national level. Comprehensive national reports on the design economy, released in 2018 by the national design centre in each country, show that the UK design industry generated £85.2 billion (Design Council, 2018a) and the Korean design industry approximately £78.2 billion (KIDP, 2018a). Moreover, in terms of the level of understanding of design at the national level, both countries clearly demonstrate that they recognise the value that design can bring to the business and the public spheres. The UK,

for instance, has attempted to incorporate design into innovation to maximise the contribution of design in promoting sustainable economic growth, acknowledging the leading role of design in business profitability and long-term performance, as well as in broader social and environmental outcomes (Design Council, 2020b; Innovate UK, 2020). Similarly, South Korea has tried to extend the importance and role of design in businesses by developing government-led design support for businesses and society (MOTIE, 2016) and highlighting the discipline of ‘design as innovation’ (MKM and KIDP, 2012). The UK and South Korea, however, exhibit differences in their levels of design utilisation; for example, 64% of UK and 83% of Korean businesses never or seldom use design or only use it as a final polish (Design Council, 2018a; KIDP, 2019a). This difference seems to be related to the level of understanding of design among businesses in the two countries; for example, while 10% of UK companies considered design to be a key element of their strategy (Design Council, 2018a), only 6.7% of Korean companies held the same opinion (KIDP, 2019a).

### 4.2.3 Rationale for selecting the UK and South Korea as case study countries

This research explored and compared the crucial research context: social enterprise and design in different nations, and in particular in the UK and the US and South Korea, to select case study countries with an appropriate real-world setting for further exploration. Of the two research contexts, social enterprise (including the approach to defining social enterprise and policy framework) was given substantial importance in selecting case study countries, to avoid the existing confusion around the concept of a social enterprise (as discussed in Chapter 2). As a result, the UK and South, which exhibit similarities and differences across the social enterprise and design perspectives, were chosen as case study countries for this research. Table 4.2 summarises the rationale for this selection.

**Table 4.2 Key features for selecting case study countries for this research**

	UK	South Korea	
<b>Approach for defining social enterprise</b>	A working definition (which is adopted by the executive branch)	A legal definition (which is adopted by the legislative branch)	~

<b>Any legal form</b>	A legal form is specifically created for social enterprise	A legal form is used for social enterprise-type activities	~
<b>Specific purpose of social enterprise</b>	Provides vulnerable groups with social services or jobs or contributes to local communities	Benefits social and/or environmental aims	~
<b>Restriction on distribution of profits</b>	Restriction of 33% profits	Restriction of 50% profits	≠
<b>Design economy</b>	£85.2 million (in 2018)	£78.2 million (in 2018)	~
<b>Design understanding</b>	Design can bring value to the business and the public areas by incorporating it into innovation	Design can bring value to the business and the public areas by highlighting it as innovation	~
<b>Design utilisation</b>	10% of UK companies considered design as a key element of their strategy	6.7% of Korean companies considered design as a key element of their strategy	≠

Notes: ~Similar but different in range or focus, ≠ Different.

### 4.3 Case Study Results from the UK and South Korea

This section presents a historical analysis of the UK and South Korean social enterprise landscapes to illustrate how the sector emerged and developed in each country and identify the key stakeholders involved in developing the social enterprise. It aims, in particular, to discover whether any design-related intervention can be found for social enterprise development. The section comprises of the two sub-sections, addressing (i) the social enterprise ecosystem landscape and (ii) key stakeholders in the social enterprise ecosystems.

#### 4.3.1 The social enterprise landscape in the UK

The rich understanding of social enterprise in the UK can be traced from its origins in the long-running trade activities of many organisations, such as co-operative movements, community enterprises, mutual organisations and charities, which used trade surpluses in the 1800s to improve the economic situation of members or disadvantaged neighbourhood groups (Economika, 2010; SEC, 2003). The earliest example of a UK social enterprise company was the workers' co-operative established in Rochdale in 1884 to provide high-quality, affordable

food in response to factory conditions which were regarded as exploitative (European Commission, 2015; Leadbeater, 2007; SEC, 2003; The Guardian, 2011). However, during the second half of the twentieth century, the Conservative government of 1979–1998 withdrew almost all support for co-operative development. As a result, in the 1980s and early 1990s, the UK's cooperative and community development organisations often depended on European funding programmes, and part of the co-operative movement transformed co-operatives into social enterprises in the mid-1990s, persuading the government to accept this concept (Ekonomika, 2010).

### **The emergence of social enterprise in the UK in the late 1990s (1998–1999)**

During this period, two events can be seen as signals for the emergence of the social enterprise movement in the UK (Nuchpiam, 2016). The first is the establishment of the Social Enterprise London (SEL), a regional development agency established in April 1998 and generally recognised as a pioneer of UK social enterprise development (Brown, 2003). It was the first UK organisation to introduce the term 'social enterprise', and insight into the meaning attached to the term can be found in the organisation's origins (Brown, 2003). SEL presented the UK's first tentative definition of social enterprise in a 1999 conference report, describing social enterprises as businesses that do more than make money, and have social as well as economic purposes, contributing to job creation and the development of community-based services (Brown, 2003). The conference report also proposed examples of social enterprises: co-operatives, community businesses, credit unions, social firms and intermediate Labour Market projects (Brown, 2003). According to Teasdale (2010), at that time, SEL focused on employment opportunities and democratic ownership, and was probably influenced by workers' co-operative elements within it. After SEL was established, the term 'social enterprise' was used for the first time by the government (Teasdale, 2010) in a report on the national strategy for neighbourhood renewal, 'Enterprise and Exclusion', produced by the Treasury in Blair's new Labour government in 1999 (HM Treasury, 1999; Ridley-Duff and Bull, 2016; Teasdale, 2010). This was the first government document to acknowledge social enterprises as organisations meeting social or environmental objectives through transactions (Ekonomika, 2010). The report led to various government interventions and a strong lobby of leaders within the sector, which attracted early government attention.

## **2000–2004: The cornerstone of social enterprise development**

The period 2000–2004 saw the expansion of the concept of social enterprise in order to integrate the running of businesses within the social sector. Several working groups were established to bring together key stakeholders in the social enterprise community (British Council, 2015; Teasdale, 2010) in order to identify key barriers facing social entrepreneurs and make recommendations on how to create a more supportive environment for starting and sustaining successful social enterprises (British Council, 2015). Major interventions were made by the UK government during this period to develop the social enterprise field. A typical example is the launch in 2001 of the Social Enterprise Unit (SEU) by the Department of Trade and Industry (DTI) (Bland, 2010; Ekonomika, 2010; Nuchpam, 2016) in recognition of the contribution made by social enterprise to the UK business environment and the national economy (DTI, 2002) and as a result of constant government lobbying from the social enterprise sector (Ekonomika, 2010). The SEU received support from all the major national promotional organisations, including the Co-operative Union, Social Firms UK, the Development Trusts Association, Job Ownership and SEL (Brown, 2003). The SEU also achieved important milestones during the period, including establishing the government's definition of social enterprise and coordinating government, third-sector and funding agencies (Nuchpam, 2016). The SEU published its first strategy in 2002, 'Social Enterprise: A strategy for Success', which aimed to tackle barriers and achieve outcomes in three key areas: (i) creating an enabling environment, (ii) making social enterprises better businesses, and (iii) establishing the value of social enterprise (British Council, 2015; DTI, 2002; European Commission, 2015). This strategy publication sparked several important developments in the social enterprise sector (Bland, 2010). The UK government attempted, within the strategy, to clarify the meaning of social enterprise, still an unfamiliar concept (ECOTEC, 2003; Teasdale, 2010), and the document contained the official definition of social enterprise:

A social enterprise is, first and foremost, a business. That means it is engaged in some form of trading, but it trades primarily to support a social purpose. Like any business, it aims to generate surpluses, but it seeks to reinvest those surpluses principally in the business or in the community to enable it to deliver on its social objectives. It is, therefore, not simply a business driven by the need to maximise profit to shareholders or owners. (DTI, 2002)

This definition helped resolve a significant problem faced in the mapping exercises conducted prior to 2002 by defining and identifying social enterprises (ECOTEC, 2003). The strategy had a further significant result: the Social Enterprise Coalition (SEC), established as the UK's national body for social enterprise (Shah, 2009). This made various efforts to secure government support, improve the operating environment of social enterprises, raise awareness of social enterprises and provide a voice for the sector (British Council, 2015; SEC, 2003; Shah, 2009). The Small Business Service published a guide, 'Small supplier - Better value', explaining the benefits of contracting with small and medium-sized enterprises, including social enterprises (Somers, 2013). In 2003, various documents related to social enterprises were published by government departments and public institutions. The DTI published its 'Public procurement: A toolkit for social enterprises', providing advice on how to win contracts in government or public-sector businesses by sharing the best possible information and advice to social enterprises across the UK (DTI, 2003). The DTI also estimated the number of social enterprises at around 5,300 in the ECOTEC report entitled 'Guidance for mapping social enterprise' (ECOTEC, 2003). The Bank of England report 'Financing Social Enterprises' identified barriers to finance and made recommendations to improve provision. However, the government's approach at that time to developing the UK's social enterprise sector focused primarily on funding consultants and support through the Social Enterprise Coalition and Regional Development Agencies (Young, Searing and Brewer, 2016).

### **2005–2009: Growth of the social enterprise sector**

During the mid-to-late 2000s, the social enterprise sector grew both qualitatively and quantitatively, although such growth was affected by various events in 2005. Of particular significance was the Labour Party's 2005 Manifesto, committing intensive support to social enterprises and to working with social enterprises (Labour Party, 2005). The UK government introduced the legal entity of the Community Interest Company (CIC) under the Companies Act 2004, aimed especially at social enterprises (BEIS, 2016; Defourny and Nyssens, 2010; European Commission, 2015; Plessis, McConvill and Bagaric, 2005), recognising the limitations of hybrid activities embedded in the commercial and charitable sectors and the tendency for charitable organisations to engage in commercial activities to support charitable activities (European Commission, 2015). The legal form of the CIC has played a key role in the social enterprise sector because it can be tailored to meet the business needs of social

enterprises and help build their income-generating activities (Maher, 2017). Before the establishment of the CIC, no legal form was available to social enterprises (Teasdale, 2010), and the majority were, therefore, run as companies limited by guarantee with charitable status (Triponel and Agapitova, 2017). The role of social enterprises has subsequently been expanded in various ways in co-operation with government. The Department for Environment Food and Rural Affairs (DEFRA), for example, announced a position statement explaining how social enterprises contribute to DEFRA's aim of sustainable development and five strategic priorities: climate change and energy, sustainable consumption and production, protecting the countryside and natural resource protection, sustainable rural communities and sustainable farming and food (DEFRA, 2005). DEFRA's statement emphasises the opportunities for social enterprises to play a role in creating synergies between their performance and the government's aims for sustainable development (DEFRA, 2005). The Department of Health also started to advise on social enterprises and their role in providing health and social care services (Somers, 2013).

At this point, voluntary and community organisations led the movement to strengthen their role in providing public services (Davies, 2008). They adopted social enterprise terms and lobbied the government for social enterprise, recognising the potential of the social enterprise model, which could make income generation possible by providing public services (Ainsworth, 2010). As a result of such lobbying by voluntary and community organisations, the Office of the Third Sector (OTS) was created in 2006, and official responsibility for social enterprise moved from the DTI to the Cabinet Office, where the OTS was located (Nuchpiam, 2016). As government policies and perspectives on social enterprises have changed since the advent of the OTS, social enterprises have become regarded as third-sector organisations, which mainly reinvest surpluses into communities or organisations and provide social or environmental benefits as community organisations, charities and co-operatives (OTS, 2006). Young, Searing and Brewer (2016) assumed that the government's policy was due to the potential cost-effectiveness of social enterprises and voluntary organisations in providing services across the public sector. In 2006, significant events affected the development and position of social enterprises in the UK's national context, including the UK government's move to expand the role of social enterprises in the provision of public services. The government encouraged the growth of social enterprise organisations providing health care

services by establishing the new Social Enterprise Unit in the Department of Health (DH) (Lewis, Hunt and Carson, 2006). The DH published the White Paper in England ‘Our Health, Our Care, Our Say: a new direction for community services’ to promote the potential role of social enterprises and community interest companies in delivering social care services (DH, 2006). In response to expectations from government, the SEC published a guide ‘More for your money: a guide to procuring from social enterprise for the NHS’, which explains the benefits of purchasing products and services from social enterprises and provides a brief guide on how social enterprises can achieve better results in public sector procurement as suppliers (SEC, 2006). The government also published a new social enterprise strategy, the ‘Social Enterprise Action Plan: Scaling new heights’, detailing actions aimed at fostering a culture of social enterprise (European Commission, 2015), which has had major significance in supporting and encouraging the development of social enterprises across economic and social sectors by harnessing government perspectives (OTS, 2006). Since the inclusion of social enterprises in the 2006 mainstream business survey, the first report on the state of social enterprise in the UK was published in 2009 by the SEC (SEC, 2009).

The expansion of the role of social enterprise and the development of the sector brought quantitative growth in social enterprises. Some 15,000 UK social enterprises were mapped by studies conducted for the DTI in 2004 (IFF Research, 2005), which the 2005 Annual Survey of Small Businesses (ASBS) to at least 55,000 of social enterprises (Brown, 2007), representing approximately 1.2% of the UK’s total business population (OTS, 2006; SEL, 2006). In 2008, an official government publication estimated the existence of some 62,000 social enterprises in the UK (SEC, 2009). Thus, the number of social enterprises increased approximately four-fold from 2004 to 2008, when it was nearly twelve times higher than in 2003. Table 4.3 lists the UK social enterprise surveys conducted to estimate the numbers of such enterprises between 2003 and 2008.

**Table 4.3 Estimated social enterprise populations in the UK between 2003-2008**

Survey Undertaken	Data Source	Sampling Frame	Estimated Social enterprise populations
2003	ECOTEC, 2003	Existing local surveys	Up to 5,300

2004	IFF Research 2005	Companies Limited by Guarantee and Industrial and Provident Societies	Around 15,000
2005	ASBS 2006	All enterprises with fewer 250 employees	55,000
2008	ASBS 2008	All enterprises with fewer 250 employees	70,000 (62,000 figure based on a rolling average)

Source: Adapted from Teasdale, Lyon and Baldock (2013)

### **2010–2014: Reforming the role of social enterprise**

The UK conservative-led coalition government that was elected in 2010 inherited an important and challenging third-sector policy legacy from the Labour government of the previous decade (Alcock, 2012). From 2010 to 2014, the social enterprise sector underwent many changes and developments. The government renamed the Office of the Third Sector (OTS) the Office for Civil Society (OCS), with the object of pursuing the ‘Big Society’ agenda (Alcock, 2012; Andreaus, Costa and Parker, 2014). In this context, by early 2010, UK social enterprises were moving in a radical new direction based on UK government policy support. The OCS, for example, focused more on voluntary and community organisations than had the OTS, building on three long-term objectives: (i) to make it easier to run a charity, social enterprise or voluntary organisation, (ii) to put more resources into the sector and strengthen its independence and resilience, and (iii) to make it easier for civil society organisations to do business with the state (British Council, 2015). In 2010, the coalition government introduced the Public Services Bill (the Social Value Act). The composition of this bill suggested that social value creation was a fundamental part of social enterprises; thus, social enterprises should take on the provider role in procurement from commissioners and public services because of the added social value they create (Young, Searing and Brewer, 2016). The coalition government announced a strategy – ‘Building a stronger civil society for voluntary and community organisations, charities and social enterprises’ (British Council, 2015; HM Government, 2010; Young, Searing and Brewer, 2016) – which presented a vision for the growth of a broader third sector, and set out the government’s plans for social enterprise to be involved in the delivery of health care, social care, criminal justice services and creating work for the unemployed (HM Government, 2010). The British Council (2015) explained that two specific policies emerged from this strategy vision: (i) the introduction of a new legal form, the Charitable Incorporated Organisation, designed to make it easier to set up and run small

charities, some of which may develop into social enterprises, and (ii) the introduction of Big Society Capital to stimulate the social investment market, thus fulfilling the work begun under the previous government.

However, at the same time, the government decided to dramatically reduce infrastructure support for the social enterprise sector (Young, Searing and Brewer, 2016). As a result, the Social Enterprise Coalition – the government-funded representative body – had to downsize significantly (Young, Searing and Brewer, 2016), primarily because, since 2002, the UK government had demanded that social enterprises grow through investment rather than grants, seeing this as a way to promote their financial independence and sustainability (British Council, 2015; Lyon, Stumbitz and Vickers, 2019). At the same time, a new effort was made to encourage the ‘spinning out’ of public services and to provide public sector employees with access to support and finance to help them establish themselves as independent social enterprises (or ‘mutuals’) through support. This effort also focused on helping social enterprises win contracts to provide public service; notably, the Public Services (Social Value) Act of 2012 is designed to encourage public procurement and consignment processes to consider the contribution made to social value in the bidding process, alongside value for money and financial efficiency (Lyon, Stumbitz and Vickers, 2019). These efforts have influenced the current views of the UK government and supporting agencies on social enterprise, which tend to focus on improving the social value and/or impact of social enterprises (Choi, Berry and Ghadimi, 2020).

### **2015 to the present: the sustainability of social enterprise in unstable situations**

In contrast to earlier periods (before 2010) in which various forms of governmental support existed, the UK’s post-2010 social enterprise sector has formed a diverse partnership with public and private sectors and is making efforts to ensure the sustainability of social enterprises. Those relying on government subsidies, for example, make profits through government contracts to deliver public services and create social and economic impact through cooperation with the private and public sectors (SKUK, 2018; 2019b). The new Civil Society Strategy (HM Government, 2018) sets out how the government continues to collaborate with and support civil society to solve complex social challenges, framed in terms of the ‘five foundations of social value: people, places, the social sector, the private sector,

and the public sector'. However, in recent years, social enterprise and its associated sectors have faced critical challenges to improving the sustainability of social enterprises. Social enterprise leaders have raised severe concerns that social enterprise policy is now more remote from the ministers responsible for core business and investment issues (Lyon, Stumbitz and Vickers, 2019) due to changes in the government departments responsible for the UK social enterprise sector. Moreover, most recently, the policy landscape for social enterprises has been heavily impacted a declining policy focus on as a result of urgent domestic issues such as Brexit (the UK's decision to leave the European Union) (Lyon, Stumbitz and Vickers, 2019) and international issues such as climate change and the COVID-19 pandemic (British Council, 2020; SEUK, 2020).

#### **4.3.1.1 Key stakeholders in the UK's social enterprise ecosystem**

The previous section analysed the historical development of the UK's social enterprise ecosystem and identified various stakeholders supporting social enterprises. Various studies have explored the fundamental features of the UK social enterprise ecosystem (European Commission, 2015; Hazenberg, et al., 2016a; 2016b; 2017, Lyon, Stumbitz and Vickers, 2019), and those from the European Commission (2015) and Lyon, Stumbitz and Vickers (2019) in particular disclosed specific stakeholders in relation to the essential elements of the UK's social enterprise ecosystem. Meanwhile, Hazenberg et al. (2017) mapped out the key stakeholders and their relationships within social enterprise ecosystems at a national level across nine European countries, including the UK excluding Wales and Northern Ireland. Based on the understandings gained from these earlier studies, this section focuses on highlighting the role of key stakeholders in the social enterprise ecosystem and summarising the support activities of each stakeholder according to the five components of the ecosystem classified from the exploration and comparison of existing studies on the conceptualisation of the social enterprise ecosystem (discussed in Chapter 2, section 2.3.2.1): (i) policy and regulation structure, (ii) finance and investment, (iii) business development support, (iv) advocacy of collaboration and networking and (v) research. Table 4.4 provides an overview of the critical stakeholders in terms of functional roles according to the components of the social enterprise ecosystem. However, the Table merely lists the stakeholders identified in

this research; thus, it should be noted that many more organisations could be included, and some organisations perform multiple roles within the ecosystem.

**Table 4.4 Key stakeholders in the current UK social enterprise ecosystem**

Components	Key stakeholders	Support activities
Policy and Legal structure	<ul style="list-style-type: none"> <li>• Governmental departments (primarily)               <ul style="list-style-type: none"> <li>- Department for Business, Energy and Industrial Strategy (BEIS)</li> <li>- Department for Digital, Culture, Media &amp; Sport (DCMS); Office for Civil Society (working across other government departments)</li> <li>- Devolved administrations: Scotland, Wales, Northern Ireland</li> </ul> </li> <li>• Regional and local administrations</li> </ul>	<ul style="list-style-type: none"> <li>• Social enterprise support strategies/action plans</li> <li>• Buy Social Corporate Challenge</li> <li>• Buy Social campaign</li> <li>• Annual surveys conducted by governments</li> </ul>
Finance and Investment	Big Lottery Fund, Big Society Capital, SEUK, Social Finance UK, Big Issue Invest, Social Invest Business, Social Finance UK, ACCESS, Inspire2Enterprise, UnLtd, Major banks (e.g. RBS) and corporates (e.g. gsk, Nestle)	<ul style="list-style-type: none"> <li>• Good Finance (website)</li> <li>• Buy Social Corporate Challenge</li> <li>• Annual surveys conducted by SEUK</li> </ul>
Business development support	UnLtd, SEUK, Inspire2Enterprise, Social Enterprise East of England, Social Enterprise Mark CIC, School for Social Entrepreneurs, Just Enterprise (Scotland), Universities (such as Coventry Universities (Business Incubating and accelerating)	<ul style="list-style-type: none"> <li>• Incubating and accelerating programmes</li> <li>• Annual surveys conducted by SEUK</li> </ul>
Collaboration and networking	SEUK, Social enterprise Scotland, Social enterprise Northern Ireland, UnLtd, Co-operatives UK, Inspire2Enterprise, School for Social Entrepreneurs, Council for Voluntary Organisations (NCVO), Power to Change	<ul style="list-style-type: none"> <li>• Social Enterprise Places</li> <li>• Buy Social Corporate Challenge</li> <li>• Social Saturday</li> <li>• Buy Social campaign</li> </ul>
Research	<ul style="list-style-type: none"> <li>• Government departments (primarily)               <ul style="list-style-type: none"> <li>- Department for Business, Energy and Industrial Strategy (BEIS)</li> <li>- Department for Digital, Culture, Media &amp; Sport (DCMS); Office for Civil Society</li> </ul> </li> <li>• Universities – including, Aston University, University of Birmingham, University of Cambridge, Glasgow Caledonian University, Middlesex University, Oxford University, Plymouth University, and individual academics</li> <li>• Others: Co-Ops UK, Power to Change Research Institute, SEUK, Social Firms UK, UnLtd, The RBS SE100 Index, Locality, Social Investment Research Council</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring sector development and assessing needs and opportunities</li> <li>• Annual surveys</li> </ul>

Source: Adapted from European Commission (2015) and Lyon, Stumbitz and Vickers (2019)

#### **4.3.1.1.1 Policy and Legal structure**

The primary stakeholders in the policy and regulation structure of the social enterprise ecosystem are government departments (such as BEIS and DCMS) and devolved (Scotland, Wales, Northern Ireland) and regional administrations. The principal role of these stakeholders is to enact policies and legal forms which encourage the growth of social enterprises and the wider sector. In order to carry out this role effectively, they must listen to what social enterprises want, as other stakeholders have claimed. Despite some essential and influential strategies and policies for the UK's social enterprises sector, including the Social Enterprise Strategy (2002), the Social Enterprise Action Plan (2006), and 'Building a stronger civil society: a strategy for voluntary and community groups, charities and social enterprises (2010), since this last one, published in 2010, it is hard to trace other strategies or policies concerning the development of social enterprises and their sector at the national level. However, at the regional level, the Scottish government has established a ten-year social enterprise strategy, which sets out its shared ambitions for social enterprise in Scotland, developed jointly with the sector (Scottish Government, 2016). Based on this strategy, the Scottish government also established three-year action plans to support social enterprises and the growth of this sector (Scottish Government, 2017; 2021). The action plans include comprehensive and strategic interventions by the government and related supporting bodies to stimulate the social enterprises sector. The stakeholders are also involved in various supporting activities for social enterprises; for example, the 'Buy Social Corporate Challenge' was launched in Downing Street in April 2016, led by a partnership between a UK government department (the DCMS) and an intermediary organisation (SEUK – a national membership body for social enterprises) (SEUK, 2021a). The movement is based on the premise that if businesses have to spend money on products and services, they would rather spend it in a way that maximises the positive impact on society; thus challenge helps (i) leverage the purchasing power of large corporations to help high-performing social enterprises increase their revenue and influence their suppliers, and (ii) large corporations work with a variety of innovative suppliers (i.e. social enterprises) to include sustainability and diversity in their core operations (SEUK, 2021a), thus supporting the growth of social enterprises.

#### **4.3.1.1.2 Finance and Investment**

Governments and various intermediary organisations, such as the Big Lottery Fund, Big Society Capital, Social Invest Business, ACCESS and Big Issue Invest, play a significant role in developing finance and investment in the social enterprise sector by providing direct investment, donations or loans to social enterprises. Other organisations – such as SEUK and Inspire2Enterprise – provide consultative information about the financial support social enterprises can access, rather than direct investment, loan, or donations (European Commission, 2015; Lyon, Stumbitz and Vickers 2019). The UK government (in particular the DCMS) and SEUK have regularly invested in the social enterprise sector via such stakeholders. The UK government has published several reports outlining the realistic demands of social enterprises for finance – including the types of finance supported by social enterprises, the reasons why and their ability to obtain external finance – by examining social enterprise market trends in 2013, 2015 and 2017 (Cabinet Office, 2013, 2015; DCMS, 2017). For its part, the SEUK has published reports on the state of UK social enterprises every two years, from 2009 (published by Social Enterprise Coalition (SEC), the predecessor of SEUK) to the present day (SEC, 2009; SEUK, 2011, 2013, 2015, 2017b, 2019b). The reports provide comprehensive information about (i) the landscape of social enterprise in the UK, (ii) details how social enterprises are performing in the market in which they operate, (iii) an overview of social enterprises, including the people who run them, whom they employ and how they provide employment, and (iv) barriers to and enablers of social enterprise in the UK, primarily focusing on sustainability, business capability and access to finance.

The key findings from the government and SEUK reports were used to develop a social finance market and investment environment easily accessible to social enterprises, in partnership with relevant stakeholders, including investors, who were able to develop appropriate financial support schemes for social enterprises based on an understanding of their financial needs. The governmental investigation in 2013 notably exposed the financial market conditions of social enterprises, including some of the barriers faced by social enterprises in accessing financial markets. After the 2013 investigation, the Design Council was tasked with undertaking a research project to identify how social entrepreneurs could better access social finance through a design process (double diamond) model (Design Council, 2014b). The research conducted by the Design Council has a significant impact on finance for social

enterprises in the UK (Interviewee UK-DEE 1, 2017), with the launch of a collaborative project called 'Good Finance' to improve access to social investment information for social enterprises and charities (Good Finance, 2016). This case illustrates how design has contributed to the development of social enterprises and their ecosystem in the UK, and will be discussed in detail in Chapter 5.

#### **4.3.1.1.3 Business development support**

As with finance and investment, business development support required a range of stakeholders to be willing to support the incubation and acceleration of social enterprises businesses. Stakeholders mainly provide support for the practical business operation, including building business models, marketing and accounting. The types and models of business development support vary according to the specialisms of supporting bodies; for example, UnLtd focuses on providing specific business support to start-up social enterprises (Interviewee UK-SEE 5), and Inspire2Enterprise provides bespoke business support for social enterprises in their development stages, resolving problems, and identifying needs (Interviewee UK-SEE 8). Some universities provide incubation and acceleration programmes to offer business support to social enterprises from their pre-start-up to growth phases (Interviewees UK-SEEs 1, 2 and 3).

In terms of business development support, two critical pieces of research were led by the UK government (specifically the Cabinet Office and the Department for Business, Innovation and Skills (BIS)) in 2011. The research led by the Cabinet Office addressed the results from the Social Enterprise Support Improvement Project (which aimed to address the market failures by achieving sustainable improvements in the quality of business support for social enterprises and by expanding support for social enterprises) run by the Civil Society Office from 2007 to 2010 (Nairne et al., 2011). The project ultimately aimed to deliver sustained improvements in the business support environment for social enterprises by achieving the following objectives: (i) improving the capacity within publicly-funded business support organisations, (ii) improving the quality of specialist support providers, (iii) increasing the take-up of business support by social enterprises, and (iv) increasing the business skills of people running social enterprises. Moreover, the research revealed specific areas in which supply-side stakeholders considered the support needs of social enterprises to differ from

those of other SMEs (see Table 4.5). As a result, the research led by the Cabinet Office suggested how business support could best reflect the needs of future social enterprises, considering (i) segmenting the market, (ii) preferred delivery models for business support, (iii) online support, (iv) grants, vouchers and loans, (v) social enterprise champions, (vi) improving the quality of specialist suppliers, and (vii) improving understanding of social and environmental impact measures, based on an analysis of the perspectives of social enterprise business support users and stakeholders involved in the design and delivery of business support for social enterprises (Nairne et al., 2011).

**Table 4.5 Difference in the business support needs of social enterprises**

Legal and governance structures	Understanding the drivers of business formation
Linking social and commercial objective	Management arrangements
Distributing surpluses	Presentation and vocabulary
Managing asset	Approaches to marketing
Managing volunteers	Involvement in diverse activities
Lack of commercial expertise	Close working relationships with advisers

Source: Nairne et al (2011), Adopted from BIS (2011a)

The research led by the BIS in 2011 was a longitudinal study on business support for social enterprises. The findings provide a complete understanding of the opportunities and challenges facing social enterprises in a changing economic environment and the business support available to overcome these challenges. They also include a discussion of gaps in support, where neither internal nor external support for business problems is being accessed successfully (BIS, 2011b), and consequently, demonstrate the business support needs of social enterprises by highlighting specific areas to be considered, such as management and leadership, business strategy and planning and social enterprise branding. The SEUK biennial reports on the state of social enterprises in the UK published also influences business support development by revealing key facts that hinder improvements to business capability (SEUK, 2011; 2013; 2015; 2017b; 2019b). For example, the lack of business capacity in social enterprises is mainly related to financial management, people management and the need to

develop and implement a business plan and strategy. These facts can guide bodies planning to develop business support for social enterprises.

#### **4.3.1.1.4 Collaboration and networking**

Various intermediary organisations are involved in the advocacy for collaboration and the networking element of the social enterprise ecosystem, encouraging or providing a platform for networking and collaboration between social enterprises and agencies, local and central government. SEUK, for example, is a principal stakeholder, influencing and developing collaboration and networking for social enterprises. It runs a 'Social Enterprise Places' programme, which aims to promote, raise awareness of and build markets for social enterprises at local and national levels. The programme accredits areas where social enterprise activity is thriving, and supports these registered 'Social Enterprise Places' to reach out to and involve local councils, businesses, charities, consumers and budding social entrepreneurs – bringing them together to grow their social enterprise communities (SEUK, 2017a). Moreover, since 2014, It has initiated an annual campaign – Social Saturday – which inspires consumers to buy from social enterprises. It promotes awareness of social enterprise among the general public and impacts other businesses and public authorities by highlighting the benefits of social buying (SEUK, 2021b).

#### **4.3.1.1.5 Research**

Various studies related to *social enterprise* have been conducted to achieve the objectives of a range of stakeholders, including governments, supporting bodies, academia and independent scholars. Notably, Haugh (2006) listed eight broad thematic needs for social enterprise research, including (i) defining the scope of social enterprise (entrepreneurship), (ii) the environmental context, (iii) opportunity recognition and innovation, (iv) modes of organisation, (v) resource acquisition, (vi) opportunity exploitation, (vii) performance measurement and (viii) training education and learning about social enterprise. Moreover, the findings of those studies ultimately influence the development of social enterprise ecosystem components, such as (i) policy and regulation structure, (ii) finance and investment, (iii) business development support and (iv) advocacy of collaboration and networking. Lyon, Stumbitz and Vickers (2019), highlight the impact of academic research bodies on social

entrepreneurship and social enterprise in the UK, such as the Third Sector Research Centre (TSRC) and the Centre for the Understanding of Sustainable Prosperity (CUSP). The TSRC is driven mainly by Birmingham University; its research focuses on the nature of the social enterprise sector and its contributions within civil society and beyond (UOB, 2021). The CUSP is an internationally leading research organisation, funded by the UK's Economic and Social Research Council (ESRC) and leads various research projects on the strands of alternative business (social enterprise) and investment models within collaborative programmes (CUSP, 2021), with projects examining social enterprise, entrepreneurship and innovation across England and Scotland (Lyon, Stumbitz and Vickers, 2019). Their research has developed the basis of policy frameworks and business support for social enterprises, influencing a variety of practical studies.

A number of substantial bodies (e.g. SEUK and UnLtd) conduct practical research on the impact of social enterprises in terms of its economic and social aspects and explore challenges and opportunities for social enterprise and the development of its ecosystem. The SEUK has various research streams for social enterprises, including analysis of the size and scale of the social enterprise sector in the UK, the impact of social enterprises in terms of delivering and improving public services and addressing social and environmental issues, and suggestions for social enterprise policy development (SEUK, 2021c). UnLtd conducts research on various topics, and are specialists in how to effectively support the early stages of social enterprises. Their 'Transform Ageing', research project used a design-led approach to improve people's experience of ageing by bringing people in later life together with social entrepreneurs and public sector leaders to define, develop and deliver new solutions that better support the needs and aspirations of our ageing communities (UnLtd, 2018). This project has significance for the current research, in terms of exploring the relationship between a social enterprise support body and a design support body (i.e. the Design Council) and understanding how they cooperate to support social enterprises by using a design-led approach. Details of this content will be discussed in Chapter 5.

### **4.3.2 The social enterprise landscape in South Korea**

The social enterprise sector in South Korea has developed under strong leadership from the government (JRI and MIF, 2016), influenced by countries with well-developed social enterprise sectors such as the UK, the US and Italy (Bidet and Eum, 2011; Park, Lee and Wilding, 2017; Roy et al., 2015). The emergence of social enterprises in South Korea can be seen as rooted in the needs of urban communities and in local government strategies to inspire social entrepreneurship among non-profit organisations, transforming them into social enterprises by providing financial grants, educational programmes and other opportunities to connect with the community and citizens (Bidet and Eum, 2011; Jung and Jang, 2015; McCabe and Hahn, 2006; Park and Wilding, 2013). The background to the emergence of social enterprises in Korea can be largely divided into (i) the flow through the institutional development of the state and (iii) the spontaneous flow of the private sector. Institutional development mainly involves systems aimed at securing the income of the underprivileged or at social integration; each system is equipped with a variety of programmes to realise its goals other than solely through the establishment of social enterprises (Park, 2016). The discussion around social enterprises, which started primarily with self-support projects, spread to private organisations and civic groups through social job creation projects (JRI and MIF, 2016; Jo, 2017; Park, 2008) and gradually expanded to other fields as information and data on overseas social enterprises were introduced (Song, et al., 2010). Moreover, the unstable labour market situation caused by the financial crisis of 1997 had a significant influence on emergence of social enterprises in South Korea (Bidet, Eum and Rye, 2019; Ahn and Park, 2011).

#### **The emergence of social enterprise in South Korea in the late 1990s (1998–1999)**

In this period, third sector job creation projects emerged from public work and civil society. Social enterprises in Korea began to attract attention as form of alternative economy to solve the problems of polarisation of income and unemployment caused by the 1997 Asian financial crisis (Park and Wilding, 2013). Although the term of ‘social enterprise’ was not yet used, these shared essential features of the social enterprise model (Bidet and Eum, 2011; Bidet, Eum and Rye, 2019). With large-scale unemployment expected in Korea after the 1997 Asian financial crisis, the government recognised the importance of self-support organisations in

creating jobs and guaranteeing welfare benefits for the unemployed (Bidet and Eum, 2011; Kim, 2008). Thus, the Korean government introduced various policies to address unemployment and socio-economic polarisation through short-term public services programmes, a temporary employment plan and cultivating self-sufficiency and public works programmes for the underprivileged (Bertotti, et al., 2014; Park and Wilding, 2013) while facilitating collaboration with civil society actors to influence public policy and build the concept of social enterprise (Bidet, Eum and Rye, 2019). Meanwhile, civic and social groups had a vision of developing socially beneficial jobs, referred to as 'social jobs', to combat the era of 'jobless growth' that South Korea faced ; thus, they intended to secure jobs and provide a stable income for those marginalised in the labour market, by urging the government to institutionalise these programmes (Hwang, et al., 2016; Kim, 2009). Subsequently, social jobs were further institutionalised with the introduction of the National Basic Livelihood Security System (NBLSS) Act of 1999, which emphasised the concept of self-sufficiency (Defourny and Kim, 2011). The government promoted 'self-sufficient enterprises' activities to eradicate unemployment and exclusion under the NBLSS system (Bidet, Eum and Rye, 2019). Furthermore, in 1999, an informal group of researchers and practitioners was formed to play a pioneering role in the country (Defourny and Kim, 2011); for example, the concept of social enterprise was introduced through a paper presented by this advisory group of the Presidential Secretariat (Kim, 1999). Drawn from European experience, the concept became the subject of public debate in 2000 at the international forum on the 'Development of Social Enterprises in Seoul'.

#### **2000–2004: Increasing interest in the concept of social enterprise**

During this period, a new paradigm related to the concept of social enterprise emerged along with changes in the socio-political environment. From early 2000, when the Asian financial crisis was some extent overcome, the scope of discussions on social jobs and social enterprises expanded and was conducted in connection with changes in the industrial structure and job creation (Park, 2008). In particular, social jobs and social enterprises were discussed in terms of job creation as a response to changes in the industrial structure, and the promotion of social jobs and social enterprises emerged as one of the major issues in labour policy (Park, 2008). Hence, various changes influencing the development of social enterprise occurred during this period. First, with the enactment of the NBLSS Act, which

introduced the 'self-support policy' at the need of 1999, the major job creation projects of public work programmes were integrated into 'self-support projects' run by the Ministry of Health and Welfare (Kim, 2009; 2011). Second, the adoption of the NBLSS Act in 1999 led to the establishment of the 'Social Enterprise Development Agency', which played an active role in promoting the concept of social enterprise both in local self-sufficiency centres and other traditional civil society organisations (Defourny and Kim, 2011). Accordingly, the civil society organisations such as the Work Together Foundation and the Social Solidarity Bank began to support social enterprises, especially through financial instruments (IFF Research, 2005). Bidet, Eum and Rye (2019) see that this as the first recognisable and formal interest in the term 'social enterprise'. Third, the agenda was expanded beyond work integration to include job creation in the social services sector; thus, the emergence of new social challenges also triggered a growing awareness of the role of social enterprises (Bidet and Eum, 2015). In particular, with the growing demand for social services, many came to see government initiatives as an effective solution to unemployment (JRI and MIF, 2016). Therefore, in 2003, the Ministry of Labour and Ministry of Health and Welfare launched the 'Social Workplace Programme' along with a new policy designed to address social problems such as ageing society and increasing demand for childcare and social welfare (Bidet, Eum and Rye, 2019; Grubb, Lee and Tergeist, 2007), as well as work-related problems including unemployment and poverty (Koh, 2007), but focused primarily on work integration for the working poor and addressing long-term unemployment (Park, 2009). In this regard, some criticised the government-led initiatives as creating only short-term and low-wage jobs; in response, the government tried to promote more sustainable employment measures through cooperation with intermediaries and the private sector (JRI and MIF, 2016), such as the launch of a task force to develop legislation for social enterprises drawing primarily on European experience (Bidet and Eum, 2011).

### **2005–2009: The cornerstone of social enterprise development**

The ultimate goal of the '*Social Workplace Programme*' was to help social enterprises become self-reliant, that is, to create stable employment in the social services field; in reality, it was difficult to achieve this goal (Park, 2008). Since the programme offered full support for labour costs for new hires, it was difficult to continue if the government's financial support were cut off (Park, 2008; Park, 2016). In the circumstances, the Korean government recognised that it

would be desirable to foster social enterprise rather than promote this particular programme *in order to ensure the continuity of the businesses* (Kim, 2008; Kim, 2009; Park, 2008) and develop new economic areas through NGOs (Park, 2016). As a result, the South Korean government enacted the pivotal Social Enterprise Promotion Act, which contributed to a broad awareness of the concept of social enterprise among the public and the organisations themselves (Bidet and Eum, 2011; JRI and MIF, 2016; Kim, 2008) in late 2006, and enforced it on July 2007. The main objective of the Act was ‘to contribute to the enhancement of social unity and the quality of life of citizens by supporting social enterprises in the creation of new job opportunities and the expansion of under-delivered social services’ (MOEL, 2012a). The Act also stated the three goals that the government aimed to achieve (JRI and MIF, 2016):

- (i) Unify the definition of social enterprises and give them legal statues, since it was necessary to legitimise the existence of social enterprises in order for them to raise funds and participate in government procurement; thus, the Act defined social enterprises as ‘Enterprises that seek social goals by offering social services or jobs to the socially disadvantaged and that carry out entrepreneurial activities by producing and selling goods or services’ (MOEL, 2012a).
- (ii) Build the capacity of civil society organisations; due to its rapid democratisation, Korea has abundant human resources to conduct social activities through civil society organisations but often lacks the business skills necessary to develop financially sustainable ventures.
- (iii) Strengthen the role of the private sector. A small number of large corporations dominates the Korean economy but, since the economic downturn of 1997, these primary economic players have been hesitant to take an active investment stance. Accordingly, the government felt the need to encourage businesses to expand investment and solve social problems.

In particular, the first government goal significantly influenced the support system for social enterprise in South Korea. For example, the official use of ‘social enterprise’ refers only to certified social enterprises, according to the Act (Bidet and Eum, 2011; Lee, 2014). The reasons for choosing the certification system were desire to give credibility to social

enterprises, promote them promptly with active support from the public and prevent the emergence of inappropriate social enterprises (Kim, 2011). Moreover, policies on social enterprise took off in earnest with the enactment of the Act (Bidet and Eum, 2015), with the Ministry of Employment and Labour (MOEL) tasked to establish a five-year master plan to support social enterprises (JRI and MIF, 2016). In 2008, the MOEL published its first fundamental plan for social enterprise promotion (2008–2012), which aimed to present and propose a robust social enterprise success model with creative and market competitiveness (MOEL, 2008). The first plan was established by recognising the importance of government intervention and its level of intervention in social enterprise development. For example, the first plan mentions a number of strategic planning and implementation examples for Korean social enterprise development, based on social enterprise laws, local government intervention and the activation of non-profit organisations. Having analysed the status of the Korean social enterprise sector, the Korean government set as a goal of the first plan the establishment of a social enterprise promotion strategy — proposing and spreading a robust social enterprise success model with creative and market competitiveness. The social enterprise promotion strategy, in particular, was developed including four objectives: (i) motivation for voluntary participation by the private sector, (ii) development of a social enterprise support system, (iii) establishment and activation of a private consultation organisation for social enterprises and (iv) strengthening cooperation with relevant ministries and local governments (MOEL, 2008). To achieve the aims of the first social enterprise promotion plan, the government suggested four key tasks in the strategy: (i) creating a friendly culture and environment for social enterprises, (ii) discovering creative business models and activating the establishment of new social enterprises, (iii) providing social enterprise management innovation support, and (iv) establishing a nurturing system for social enterprise (MOEL, 2008). In addition, MOEL designated intermediary organisations to support the growth of social enterprises, according to their characteristics and location, through establishment support, operation support, accounting support or public relations support (Jung, Lee and Lee, 2011). The Korean government directly included design as part of social enterprise management innovation support in the essential tasks (as discussed further in Chapter 5). In the strategy and tasks of the first plan, the Korean government recognised social enterprise as a critical player in job creation and social service provision and intended to establish a fundamental and comprehensive support system for the development of the

social enterprise sector. However, problems arose in relation to the weak support base: the social enterprise networks had insufficient organisational activity, social enterprise support bodies were unable to provide support to social enterprises, and there was a high reliance on government funds due to the very few financial organisations in solidarity with social enterprises (Kim, 2011).

### **2010–2014: Quantitative growth of the social enterprises**

From 2010 to 2014, the social enterprise sector in South Korea transitioned from the introduction phase to the growth phase; thus, in 2010, the Social Enterprise Promotion Act was amended to include several important policies. First, the legal basis for the central government to establish a social enterprise support body was established. According to the amendment, the Korea Social Enterprise Promotion Agency (KoSEA) was established in late 2010 (Bidet and Eum, 2015). The institution is a public body, under the umbrella of the MOEL, funded by the government; it plays various vital roles in supporting social enterprises, including fostering innovation and social entrepreneurs, discovering creative models, monitoring and evaluating social enterprise activities and building social enterprise support networks (KoSEA, 2019a). With the development of central government's social enterprise policy, government departments and local governments began to actively participate by encouraging the development of social enterprises that fitted the characteristics of each department of the government and introducing local systems for the promotion of social enterprises including establishing supporting bodies for social enterprises at the regional or local level and preparing an initiative called 'pre-certification' or 'preliminary' social enterprises – to be then certified at the national level under the Social Enterprise Promotion Act (Bidet, Eum and Rye, 2019; Hwang et al., 2016; Korean government, 2017). The regional social enterprise support centres operated with the financial support of regional governments; at the same time, they were entrusted by KoSEA with playing various roles for the construction and activation of local social enterprise ecosystems (KoSEA, 2019b).

Moreover, during this period, various activities by the Korean government and major social enterprise support institutions supported the growth of social enterprises and the development of the social enterprise ecosystem. First, the government designated 'Social Enterprise Day – July 1st' from 2010, to raise awareness of social enterprises by holding

various events (Lee, 2014). Second, the government promoted the campaign for partnerships between social enterprises and large enterprises to attract the latter as financial providers or directly managed business operators of social enterprises (Bidet, Eum and Rye, 2019; KoSEA, 2020a). Lastly, the 'Social Enterprise World Forum' – an international forum for promoting the role of social enterprises in various social issues and their development as a place for global social entrepreneurs and related organisations to exchange ideas and cooperate – was held in Seoul in 2014 (WTF, 2014), thanks to the substantial efforts of governments and supporting organisations. Following the Social Enterprise Promotion Act of 2007, the Korean government's involvement (at the national and regional levels) and various support from supporting bodies and social enterprises in South Korea developed rapidly. For example, during the implementation period of the first basic plan (2008–2012), the number of social enterprises increased from 50 in 2007 to 774 in 2012, and the number of social enterprises employees increased from 1,403 to 18,689 during the same period (JRI and MIF, 2016). This accumulation of public initiatives, in particular, contributed to making social enterprises not only more visible and attractive but also more complex, and led to closer monitoring by governments for the growth of social enterprises and their sector at both the central and local levels (Bidet, Eum and Rye, 2019).

As the number of social enterprises increased, criticism of the various support schemes also grew, highlighting the sustainability issues of most enterprises supported in the medium term. For example, despite expanding various direct and indirect social enterprise support policies, social enterprises lacked sustainability, citizen participation and resource linkage (JRI and MIF, 2016; Korean Government, 2012). These concerns sparked reflections on an appropriate ecosystem for the sustainable and effective development of social enterprises (Bidet, Eum and Rye, 2019). The second fundamental plan for social enterprise promotion, for 2013–2017 published in 2012, therefore focused on addressing these issues through the following key objectives (JRI and MIF, 2016; Korean Government, 2012): (i) strengthening the self-sustenance of social enterprises by expanding growth momentum through creating an infrastructure friendly to social enterprises, (ii) providing a customised support system by improving and expanding the existing system so that social enterprises can utilise the various resources necessary for social purposes, (iii) expanding stable employment and social services through the activation of social enterprises, and creating conditions for the spread of social

values and achievements, (iv) strengthening private and regional partnerships through networking support to encourage private sector resources and utilisation to promote social enterprise ecosystems. These key objectives aim to expand and complement the support projects and infrastructure established during the previous social enterprise promotion plan, including promoting partnership and interaction between social enterprises, and government and private sector. In particular, in the key objectives and detailed tasks, design has been seen as a way of providing customised support for social enterprises; detailed content will be reviewed in Chapter 5.

### **2015 to the present: Focusing on the qualitative growth of social enterprises**

In 2017, the new government in South Korea selected ‘social economy revitalisation’ as one of the top 100 national tasks and started, directly and indirectly, to promote various support policies (Korean government, 2017; Park, 2021). As a result, in 2018, the most recent fundamental plan for social enterprise promotion (2019–2022) was published in South Korea, focused on this topic. Within this third plan, the Korean government evaluated previous social enterprise promotion plans and found that the existing social enterprise certification system had contributed to fostering social enterprise for a short period, but had now a barrier to the advancement of social enterprise in various fields. Although a systematic framework for social enterprise support was established through the implementation of the 2008 and 2012 social enterprise promotion plans, most of the support was focused on developing individual social enterprises. Notably, insufficient support was provided in the establishment stage of the social enterprise ecosystem; as a result, many social enterprises could not ensure their sustainability. The regional distribution of social enterprises was also concentrated in metropolitan areas. Moreover, as communities and private interest in the social economy grew, it had become necessary to strengthen the organic links between various forms of social and economic corporations under the governance that had spread to the social economy enterprises (Korean Government, 2018a). Therefore, the Korean government changed the direction of the third social enterprise promotion plan, from government-led social enterprise development to the creation of an ecosystem so that social enterprises could foster their own growth (Korean Government, 2018a). Under this policy framework, the Korean government set specific targets to create 100,000 jobs in social enterprises and reach 60% of the social enterprise purchase experience by public and private consumers (Korean Government,

2018a). In order to achieve this specific target, the Korean government plans focus on improvements in the following four areas: (i) the emergence and growth of companies pursuing diverse social values, (ii) the current social enterprise support system, focusing on social enterprise certification, (iii) the private consumption of social enterprise products and services, promoting social enterprise collaboration, increasing the size of and improving the quality of the social-economic ecosystem, and (iv) support systems centred on local and social enterprises and expanded international cooperation. Especially in the third plan, design was considered a significant factor in enhancing the competitiveness of social enterprises (this will be discussed further in Chapter 5).

After the government released the third plan for social enterprise promotion, each local government established social enterprise support centres through the social enterprise support ordinance enacted for this purpose, to create an appropriate ecosystem for local social enterprises (Jang, Park and Yoo, 2010; Kim, 2019; MOEL, 2010). Moreover, various collaborations were developed between government departments and, particularly, government-affiliated bodies concerning social enterprise support. For example, KoSEA (a MOEL-affiliated organisation), KIDP (a MOTIE- (Ministry of Trade, Industry and Energy) affiliated body) and LH (a quasi-market-type public corporation under the MOLIT (Ministry of Land, Infrastructure and Transport)) together established a Memorandum of Understanding (MOU) to discover and nurture social-economic enterprises and provide commercialisation consulting in order to conduct the Urban Regeneration New Deal project (Kim, 2018; Lee, 2018). This event is relevant to this research in terms of confirming the role and use of design to support the development of social enterprises; thus, it will be discussed further in Chapter 5. Furthermore, in 2020, social enterprise support bodies (especially KoSEA) aimed to raise public awareness of social enterprise and secure distribution channels for the sale of its products: social economy activation platform 'e-store 26.5+' was launched by KoSEA to promote and sell social enterprise products through its website (KoSEA, 2021b; MOEL, 2020b; Park, 2020) and the 'Buy Social' campaign (which started in the UK in 2012) has been launched in South Korea to build a strong social-economy consumption market in the private and public sectors (KNSE, 2020; KoSEA, 2021c; Nam, 2020). Since the enactment of related Acts in 2007, the social enterprise sector in South Korea has steadily grown with the establishment of various support systems. However, several issues have arisen in developing a self-sustaining

ecosystem for social enterprises, due to the physical intervention of the central government and related government ministries. Accordingly, the Korean social enterprise ecosystem needs to reduce the intervention at government level to support the growth of social enterprises and at the same time develop more effective support for intermediaries.

#### 4.3.2.1 Key stakeholders in the South Korean social enterprise ecosystem

From an analysis of the historical development of the social enterprise sector in South Korea (see previous section 4.4.1), this study confirmed that central government, related ministries, and local government are the main drivers of the growth of social enterprises and their ecosystem in South Korea, but various other key players are involved in the ecosystem to support social enterprise. Compared to the case studies in the UK, this research could access few studies examining the characteristics of the social enterprise ecosystem in South Korea (Cho and Kim, 2014; Kang and Kang, 2013; Lee and Hwang, 2013), especially in relation to the key stakeholders who act as catalysts in the operation and development of the ecosystem (Jung, Lee and Lee 2011; Rha, 2014). In this respect, the data collected in the exploratory interviews with social enterprise experts were extremely important in understanding the roles of key stakeholders and classifying them according to the five key components of the social enterprise ecosystem. Exploratory interviews were conducted face to face with prepared, open-ended questions. Table 4.6 lists the key stakeholders identified in the Korean social enterprise ecosystem by using the data collected from primary and secondary research. However, the Table merely lists the stakeholders identified in this research; thus, it should be noted that many more organisations could be included and that some organisations perform multiple roles within the ecosystem.

**Table 4.6 Key stakeholders in the current South Korean social enterprise ecosystem**

Components	Key stakeholders	Support activities
Policy and Legal structure	<ul style="list-style-type: none"> <li>• Central government (primarily)               <ul style="list-style-type: none"> <li>- Ministry of Employment and Labour</li> <li>- Ministry of Strategy and Finance</li> </ul> </li> <li>• 17 Regional and local governments</li> <li>• Korea Social Enterprise Promotion Agency (KoSEA)</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment and implementation of national/local social enterprise policies</li> <li>• Master plan for the growth of social enterprises</li> <li>• Certificate social enterprise</li> </ul>

Finance and Investment	<ul style="list-style-type: none"> <li>• Central government (primarily) <ul style="list-style-type: none"> <li>- Ministry of Employment and Labour</li> <li>- Ministry of Strategy and Finance</li> <li>- Ministry of SMEs and Start-ups</li> </ul> </li> <li>• 17 Regional and local governments</li> <li>• KoSEA, Social Enterprise Investment Association, Korea Social Innovation Finance, Korea Social Value and Solidarity Foundation, Korea Social Fund, KB Social Investment Fund</li> <li>• Big corporates (SK Group, Hana Financial Group)</li> </ul>	Provide financial resources (including fund of funds) for social enterprises and their business development
Business development support	<ul style="list-style-type: none"> <li>- Ministry of Employment and Labour</li> <li>- Ministry of Land, Infrastructure and Transport</li> <li>- Ministry of Trade, Industry and Energy</li> <li>• 17 Regional and local governments</li> <li>• KoSEA, Regional Integrated support centres (16 geographical social enterprise support centres), Korea Institute of Design Promotion (KIDP), Merry Year Social Company (MYSC), Busan Design Centre, Happynarae</li> <li>• Universities</li> </ul>	<ul style="list-style-type: none"> <li>• Social campus On</li> <li>• Social economy promotion platform (e-store 36.5+)</li> <li>• Design-led social enterprise support programmes</li> </ul>
Collaboration and networking	<ul style="list-style-type: none"> <li>• KoSEA, Regional Integrated support centres (16 geographical social enterprise support centres), Regional Social Economy Network</li> <li>• Big corporates (SK Group, Hana Financial Group, LG, Samsung, etc)</li> <li>• Universities</li> </ul>	<ul style="list-style-type: none"> <li>• Social Enterprise Day</li> <li>• Social enterprise forum</li> <li>• Social campus On</li> <li>• Partnership campaign between commercial enterprise and social enterprise</li> <li>• Buy Social campaign</li> </ul>
Research	<ul style="list-style-type: none"> <li>• Central government (primarily) <ul style="list-style-type: none"> <li>- Ministry of Employment and Labour</li> </ul> </li> <li>• KoSEA, Research Institute for Social Enterprise (RISE), KIDP, MYSC</li> <li>• Universities</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring sector development and assessing needs and opportunities</li> <li>• Surveys on social enterprise performance and the status of social enterprises</li> </ul>

Source: Adapted from JRI and MIF (2016), Jung, Lee and Lee (2011), KoSEA (2019a), MOEF (2021), and Park (2019)

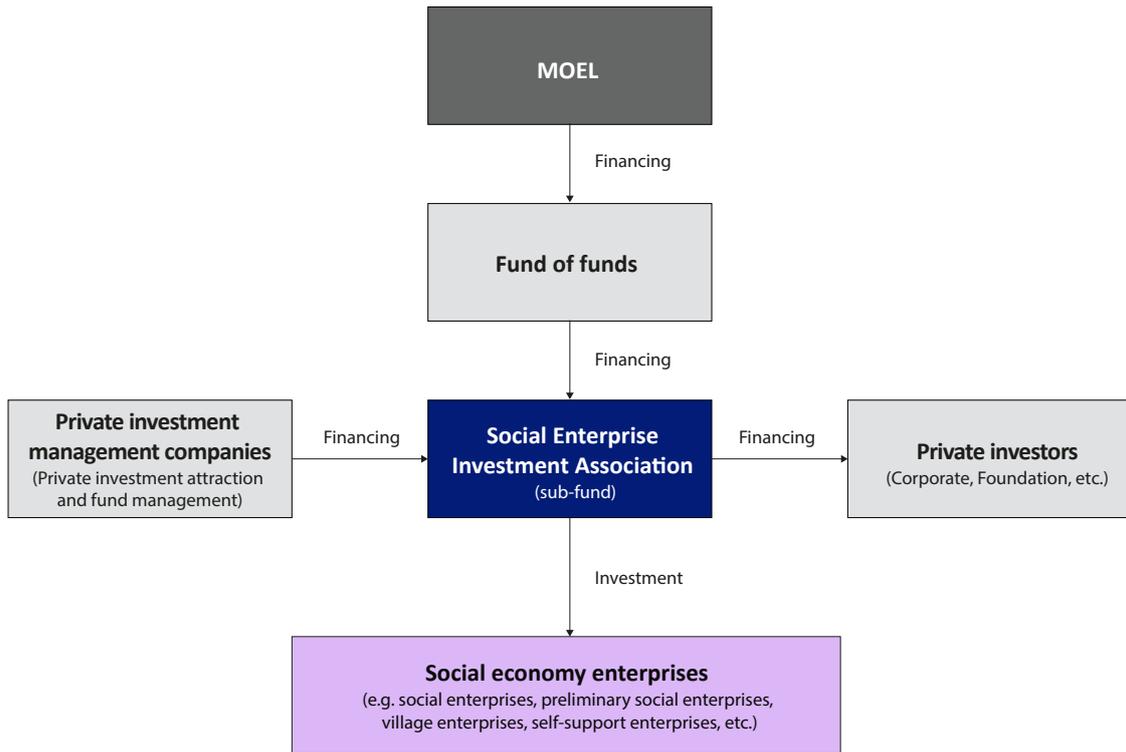
#### 4.3.2.1.1 Policy and Legal structure

The Korean government – both central government and its ministries and regional governments – is the leading player in developing the policy and legal aspects of the social enterprise ecosystem. In particular, the MOEL supports the growth of social enterprises by establishing a basic plan every five years since 2009, to create an environment that

encourages inter-ministry cooperation and enhances the growth of social enterprises. Regional and local governments establish appropriate support plans or strategies, together with regional and local support centres for the growth of local social enterprises in accordance with the ordinances of each government (Bidet, Eum and Rye, 2019; Hwang et al., 2016; Jung, Lee and Lee, 2011). The MOEL and regional/local governments give authorisation to social enterprises that have met the laws and certification standards enacted and use these to evaluate the effectiveness of social enterprise promotion policies (Cho and Kang, 2008).

#### **4.3.2.1.2 Finance and Investment**

The government is a critical player in developing finance and investment, just as it is in policy and legal structure. Various voluntary financial support and investment attempts have been made through private sources, but the scale is not significant and these are often provided through the existing policy finance support system for SMEs, mainly through government and public finance (Korean government, 2018b). A survey conducted by KoSEA shows that Korean social enterprises rely heavily on the public sector for financing (KoSEA, 2017); 44.3% of social enterprises participating in the survey said that of the five financing methods cited (SME policy funds, special guarantees for social enterprises, general financial institution loans, microfinance support projects and crowdfunding), they considered SME policy funds to be their top priority. The Korean government (2018b) observed that Korea's market is less developed than that of the UK, where a social financial market is well-established. The financial supply continues to be insufficient compared to the level of development of the social economy, which has entered a growth period (i.e. the public sector is leading the expansion of the supply of funds, but the demand for funds from the continuously increasing social economy is not met). Accordingly, in 2020, the MOEL formed the 6<sup>th</sup> Social Enterprise Investment Association with a total of £3.6 million (KRW 5.8 billion) and took responsibility for the investment of the funds (MOEL, 2020a). The fund was established at the initiative of the government, in recognition of the need to improve financing methods for social enterprises and provide an institution similar to the UK's Big Society Capital, to manage social enterprise support funds in an integrated manner (Jung, 2018; Korean government, 2018b; Yoon, 2013). Figure 4.2 illustrates the operating structure of the Social Enterprise Investment Association.



**Figure 4.2 Social enterprise fund promotion system (Source: MOEL, 2020a)**

A small number of large corporates (e.g. SK Group, Hyundai, LG, Hana Financial Group, etc) have remarkably become involved in developing the finance and investment of the Korean social enterprise ecosystem. These companies have supported the growth of social enterprises by establishing separate social enterprise fostering funds (such as the SK Social Enterprise Development Fund) (Yoon and Anh, 2012), or directly developing social enterprise support programmes (e.g. the Hana Power on Challenge Programme by a strategic partnership between the Hana Financial Group and MYSC) (HFG, 2019; Hwang, 2020). The latter example demonstrates how design is being supported for social enterprises (details will be discussed in Chapters 5).

#### **4.3.1.1.3 Business development support**

The business development support for the Korean social enterprise ecosystem is based on the government’s master plan for the growth of social enterprises and provided by the government and related stakeholders. Stakeholders involved in this support can be classified into five groups: (i) government departments, (ii) regional (or local) support centres, (iii) social enterprise support bodies, (iv) design-related support bodies and (v) universities. These

stakeholders provide various forms of support, such as co-working spaces, facilities, financial support, mentoring and consulting, needed both in business development and operation according to the stage of incubation and the acceleration of social enterprises. For example, some government departments provide differentiated and specialised support, in line with their own characteristics and expertise (see Table 4.7). Since the Korean government established social enterprise policy, including master plans for the growth of the social enterprise, government departments have actively encouraged the development of social enterprises that fit the characteristics of each department, ultimately influencing the development of diverse business development support for social enterprises.

**Table 4.7 Major support projects related to social enterprises, by government department**

<b>Government Department</b>	<b>Title of support project</b>	<b>Support content</b>
<b>Ministry of Employment and Labour</b>	Social Enterprise Promotion Project	Provide professional incubation programmes such as start-up funds, co-working space, mentoring and education through a start-up support institution equipped with a social enterprise nurturing infrastructure
	Establishment of social enterprise growth support centre	Establish a social enterprise growth support centre to support move-in and collaboration space, mentoring, networking, etc.
	Integrated platform for market support for social economy enterprises	Support for market development of social economy enterprises by establishing a platform that comprehensively supports product sales, public procurement information, and market support information management
	Priority purchase of social enterprise products by public institutions	Support for the market development of social enterprises by requiring public institutions to first purchase social enterprise products (goods and services) when purchasing products
<b>Ministry of SMEs and Start-ups</b>	Support for intensive growth of social economy enterprises	Promote vitalization of social economy through sustainable growth of companies by discovering and intensively supporting social economy enterprises with growth potential (e.g. company diagnosis, professional education R&D, market development, capacity building, etc)
<b>Ministry of Culture, Sports and Tourism</b>	Support for revitalisation of the social economy in the field of culture and art	Identify social economy organisations that innovatively solve social problems through cultural and artistic activities and vitalisation of management through customised support for each stage of social economy organisation

<b>Ministry of Trade, Industry and Energy</b>	Social economy innovation growth (R&D)	For the sustainable growth of local social economy enterprises, strengthening innovation capabilities such as upgrading products and services and supporting the development of technology to solve problems in the local community
	Social Economy Innovation Growth (Commercialisation)	Support for commercialisation (including improving the quality of developed products/services or those entering the market) in connection with local resources for the innovative growth of local social economy enterprises and the creation of an ecosystem
	Reinforcement of design-led social enterprise innovation capabilities	Building a sustainable and independent ecosystem through the development of innovative products and services by strengthening the innovation capabilities of social economy organisations through design (through design consulting for social enterprises, support for design personnel, or support for the development of services/business models of social enterprises)
	Support for overseas expansion of social economy enterprises	Strengthen global capabilities and drive sustainable growth by providing export opportunities for social economy enterprises through overseas marketing support
<b>Ministry of Economy and Finance</b>	Fostering the social economy in the environmental field	Encourage the vitalisation of social economy enterprises such as fostering and supporting social economy enterprises to grow and create good jobs while solving environmental problems, discovering business models that can utilise local resources and providing effective support
<b>Korea Forest Service</b>	Discovering and fostering forest-type social enterprises	Discovery of social enterprises that utilise various tangible and intangible forest resources and support for start-up or growth

Source: Adapted from MOEF (2021)

Among these differentiated types of business development support from different government departments, the cases supported by MOTIE are of particular significance in this research because they actively use design to support social enterprises. The business development support led by MOTIE is provided chiefly through the KIDP (Interviewee SK-DEE 2, 2018) and this should be comprehensively examined to understand the government intervention in support of the design of social enterprises (discussed in detail in Chapters 5). Furthermore, regional and local social enterprise support centres use various resources that are easily accessed in their areas. For example, some business development support (e.g. business model diagnosis, development and consulting) is delivered by universities through cooperative relationships between regional or local social enterprise support centres and local universities using universities' expertise and facilities to support social enterprises'

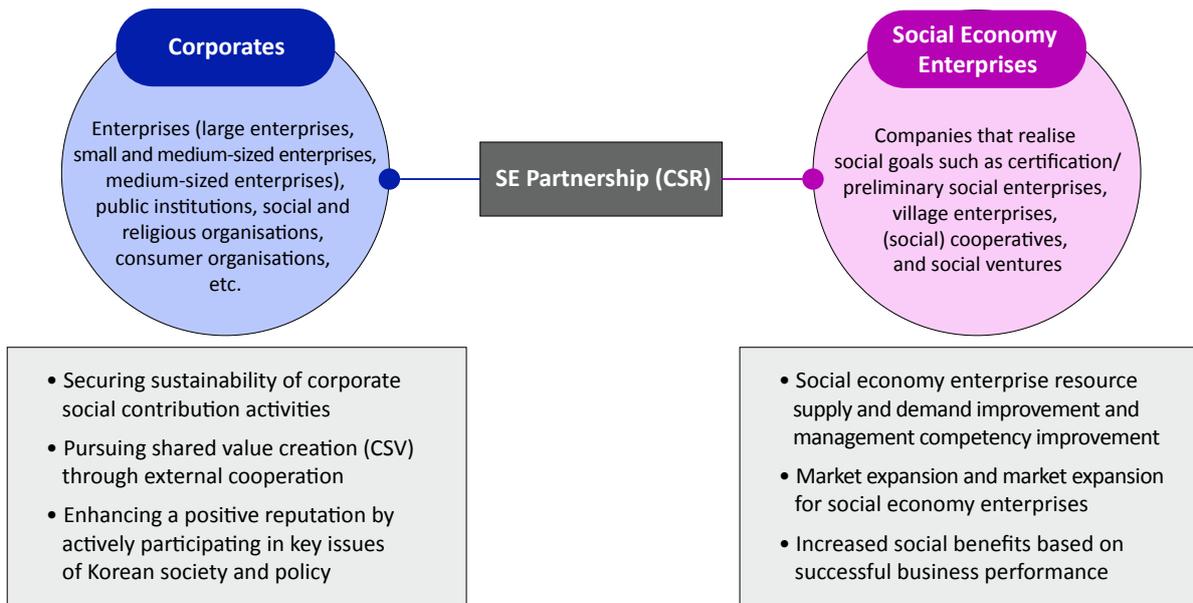
business (Koh, 2019; Park, 2019) mainly in the form of pro-bono support (Choi, Kim and Kim 2012; KoSEA, 2021e).

#### **4.3.1.1.4 Collaboration and networking**

Regional and local social enterprise support centres and the KoSEA are the key players in the collaboration and networking elements of the social enterprise ecosystem. As in business development support, many cases can be found of regional or local social enterprise support centres building partnerships with local universities, or universities autonomously establishing social enterprise support centres to provide accessible resources-linked support to social enterprises (Shin, 2019; The JoongAng, 2021). KoSEA aims to expand the market competitiveness of social enterprises and create a social enterprise-friendly ecosystem, by constructing and operating networks that can cooperate with each other by region, industry and specialised field (KoSEA, 2019a). It also supports the growth and capacity-building of social enterprises by effectively linking the social contribution resources (i.e. CSR) of public and private enterprises to social economy enterprises (KoSEA, 2020a) (see Figure 4.3). SE partnerships models take different forms depending on the key objectives of the SE partnerships and the types of linked resources. The key objectives of the SE partnerships fall into three categories; the details of each type are shown below (KoSEA, 2021d):

- (i) *Social enterprise discovery and development* supports the provision of the resources and capabilities necessary to identify social economy enterprises or in the early stages of business. The support is related to the training of social economy enterprises and field experts, support for the establishment and operation of social enterprises, and consulting and funding for initial social economy enterprises.
- (ii) *Social enterprise growth support (i.e competitiveness reinforcement support)* supports the sustainable growth of social economy enterprises by providing a range of resources related to strengthening the competitiveness of social enterprises. This support includes financial and investment linkage for growth, social economy enterprise product purchase, market support, public relations support, and technical support and expert support, using public and private infrastructures.

(iii) *Social enterprise ecosystem creation* aims to create an environment conducive to the social economy and spread of values, rewards excellent social economy companies, support partnerships between companies and social economy companies, in order to ensure that a range of social economy enterprises can achieve sound growth and expand social values.



**Figure 4.3 What is the SE Partnership. Adapted from KoSEA (2021d)**

Moreover, campaigns such as Social Enterprise Day (1 July every year) and Buy Social are run with direct intervention from KoSEA and support from other bodies to raise awareness of social enterprises in the private sector and build a healthier social economy consumption market (KoSEA, 2019a).

#### **4.3.1.1.5 Research**

According to the KoSEA (2020b), research on the social economy, including social enterprise, continues to increase every year, with 456 research papers published from 2017 to 2019. Research related to social enterprises mainly focuses on the following themes: (i) key issues and improvement plans for the Social Enterprise Promotion Act, (ii) the economic and social performance of social enterprises, (iii) success factors for the sustainability of social enterprises, (iv) business models of social enterprises, and (v) comparisons with social

enterprise support systems in other countries. Such research is most frequently conducted by government and supporting institutions (especially KoSEA and RISE) and universities who considered to be key drivers of a developing and thriving research element in the social enterprise ecosystem. The government, in particular MOEL, has a responsibility to develop a policy framework and publish a national support plan for the growth of social enterprise every five years; thus, it periodically conducts a range of research influencing the national support plan, including fact-finding and performance analysis through its affiliated institute (i.e. KoSEA). Moreover, a research institute specialising in social enterprise – RISE – was established in 2006 to contribute to the growth and development of social enterprise and provide solutions for domestic social enterprises problems by systematically researching domestic and foreign social enterprises and proposing effective social enterprise construction and support measures based on theoretical research and empirical analysis of more advanced overseas cases (RISE, 2021).

In recent years, the involvement of universities in social enterprise research has increased significantly; they now contribute to social enterprise research by operating their own research centres or developing departments and curriculum related to social enterprises (Han, 2017; Kim, 2021; KoSEA, 2021e). As such, the active participation of universities in the development of social enterprises and their ecosystem has the significant advantage of not only enabling social enterprises and supporting organisations to access support resources more smoothly, and to use professional knowledge and facilities effectively, but also of developing local social enterprise ecosystems. In addition, design-related organisations are involved in research on social enterprises. The KIDP conducts various research projects on the promotion and development of social enterprises using a design approach (Interviewees SK-DEE 2, 2018). Notably, it should provide substantial support programmes developed on the basis of research conducted for the design of social enterprises. This is important in this research, in terms of guiding the researcher to find appropriate data about DInE for social enterprises; thus, the details of the support programmes developed by the two design-related institutes should be explored to understand how the support institutes develop and provide support programmes to social enterprises.

## 4.4 Comparison of Case Studies in the UK and South Korea

This research explored the current social enterprise ecosystems in the UK and South Korea by outlining the historical development of the social enterprise landscape in the two countries and identifying key stakeholders in these ecosystems according to five key components. Some similarities and differences were observed between the two countries in terms of their approaches to social enterprises, and development of their ecosystem, the types of principal strategic stakeholders and the degree of involvement of those stakeholders by components in ecosystem development. In particular, some design interventions used in the development of the UK and South Korean social enterprise ecosystems were partially identified from the activities of key stakeholders. Table 4.8 summarises the comparison of key findings from the exploration of the social enterprise ecosystems in the UK and South Korea.

**Table 4.8 Comparison of social enterprise ecosystems in the UK and South Korea**

	UK	South Korea	
<b>Principle approach of SEE development</b>	Bottom-up approach	Top-down approach	
<b>Key player of SEE development</b>	Intermediary organisations (e.g. SEUK, UnLtd)	Government and ministry (e.g. MOEL)	
<b>Main strategic stakeholder</b>	<b>Policy and Legal structure</b>	Government departments, devolved and regional administrations	Central government, government departments and regional/local governments
	<b>Finance and Investment</b>	Public bodies	Government departments, Intermediary organisations and big corporates
	<b>Business development support</b>	Intermediary organisations	Government departments and universities
	<b>Collaboration and networking</b>	Intermediary organisations	Intermediary organisations, big corporates and universities
	<b>Research</b>	Universities and Intermediary organisations	Government department, intermediary organisations and universities
<b>Design in SE and SEE development</b>	Research on the social finance for social enterprises using the design approach	<ul style="list-style-type: none"> <li>• Research on the development of social enterprises using the design approach</li> <li>• Support programmes that support the design of social enterprises</li> </ul>	

The development of social enterprise ecosystems was achieved rapidly in both countries through government intervention within a broad framework; however, these social enterprises and their ecosystems were initiated in different ways. In the case of the UK, for instance, the concept of social enterprise emerged from co-operatives and community organisations, and the first social enterprise support body (the SEL) influenced the government to recognise social enterprise. In particular, the SEL's lobbying built various cornerstones of social enterprise development, including the establishment of the national strategy for social enterprises in 2002. In contrast, in South Korea, the initial discussions on social enterprise came from private civic groups and researchers, but the government took the lead in the implementation process (including executing the Social Enterprise Act, publishing the national basic plans for the growth of social enterprises and establishing social enterprise support centres). These different approaches to developing social enterprise in the two countries also influenced the involvement of stakeholders in the key components of the ecosystem. Although the policy and legal structure of the social enterprise ecosystems in the two countries were mainly developed by their governments, other components (such as finance and involvement, business development support, collaboration, networking and research) were developed by different stakeholders. In the case of the UK, various intermediary organisations are critical stakeholders, responsible for business development support, collaboration, networking and research. These intermediary organisations develop and use their expertise and specialised networks to effectively develop these components. In contrast, governments (particularly government ministries) are seen as the primary stakeholders developing most components of the social enterprise ecosystem in South Korea. A key feature of the Korean social enterprise ecosystem is the various and significant interventions by large corporations and universities in the development of ecosystem components. This finding enables researcher to understand more diverse stakeholder types and roles in supporting the growth of social enterprises, and to identify the roles of effective stakeholders in the development of DiNE, to achieve the aim of this research.

Moreover, this research confirmed a few design utilisations supporting the growth of social enterprises and the development of the social enterprise ecosystems in the UK and South Korea. Design-led research was conducted by Design Council to explore the financial market conditions of social enterprises, including some of the barriers faced by social enterprises in

accessing financial markets, according to the request by the Cabinet Office. This finding demonstrates the roles of design in social enterprise development and how design can be used to support the growth of social enterprises. Similar to this case of design utilisation identified in the UK, two cases of design utilisation were found in the current social enterprise ecosystem in South Korea, directly related to supporting the growth of social enterprises through content that supports the design of social enterprises.

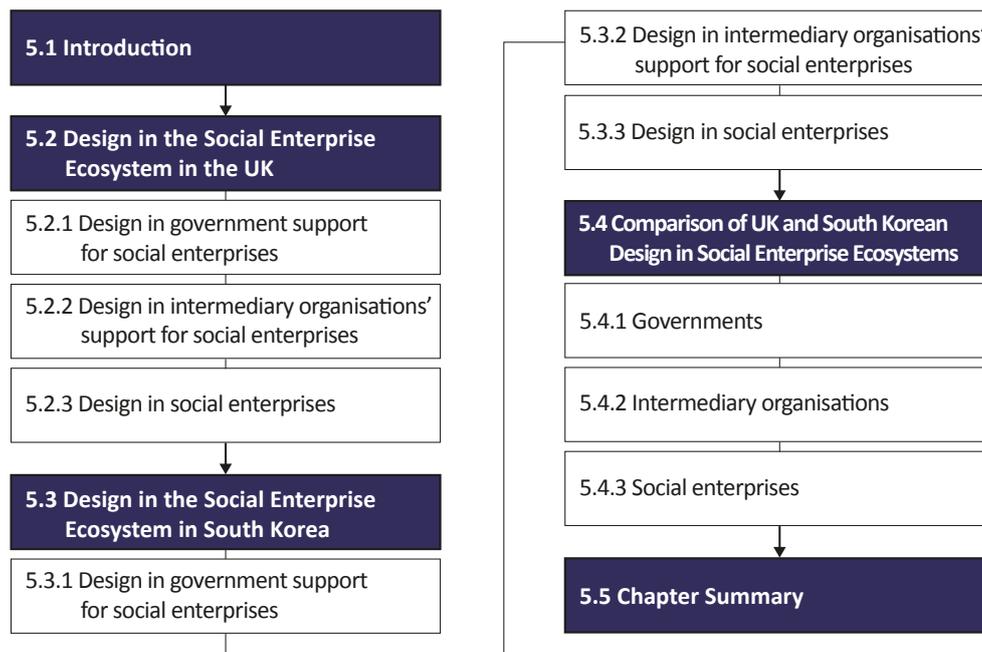
## **4.5 Chapter Summary**

This chapter has discussed the selection criteria for case study countries for this research. To select appropriate case study countries and build a compelling rationale for this selection, the research focused primarily on investigating the two research contexts of social enterprise and design. In particular, in selecting the case studies, it was essential to focus on the definition of social enterprise and the policy framework in order to avoid any confusion surrounding the concept of social enterprise. In terms of design, the research examined several aspects, including the size of the design economy, the countries' understanding of design, and the level of design utilisation. It was found that the UK and South Korea share similarities and differences in their perspectives on social enterprise and design and these were selected as case study countries for this research. Following the selection of the case study countries, this research observed the historical development of the social enterprise ecosystems in the UK and South Korea. The types of stakeholder discovered in this examination were classified by components of the social enterprise ecosystem and their essential roles were examined in depth. Through these explorations, this research identified design interventions made by several stakeholders for the development of social enterprises and their ecosystems; such findings are important for this research in understanding how design can be used to support the growth of social enterprises and their ecosystem. Therefore, the findings of this chapter will be used as groundwork to explore in depth the design for social enterprises in the UK and South Korea, conducted in the next chapter. In the next chapter, this research explores in depth, in practical terms, how key stakeholders in the social enterprise ecosystem understand and use design to develop social enterprises and advance the ecosystem.

# Chapter 5. Design in the Social Enterprise Ecosystems of the UK and South Korea

## 5.1 Introduction

The previous chapter identified the design interventions made to support the growth of social enterprises and the development of their ecosystem by governments and intermediary organisations. However, there is still a lack of data showing how key stakeholders use design to support social enterprise (Kwon, Choi and Lam, 2021; Pérez, Hands and Mckeever, 2017; Pérez et al, 2019) and, particularly, how social enterprises understand and use design for their businesses and the design-related support they need. Chapter 5, therefore, focuses on identifying practical and in-depth cases that show how the key stakeholders of the social enterprise ecosystems (e.g. governments and intermediaries) support the design of social enterprises, and specifically how they employ design in supporting social enterprise. The state of design utilisation and social enterprise's experiences of design support are also examined. The substantial findings will be used to map out the current conditions of the DInE for social enterprise in the two countries, by revealing their key components (this content will be discussed in detail in Chapter 6). Figure 5.1 outlines an overview of the topics to be discussed in this chapter. For the in-depth examination of design understanding and the utilisation of the current social enterprise ecosystems in the case study countries, this research applies various research methods, including desk-based analysis and exploratory and in-depth interviews with academics and practitioners in the social enterprise and design sectors.



**Figure 5.1 Chapter map**

## **5.2 Design in the social enterprise ecosystem in the UK**

This section examines how design is used to support social enterprises in the UK's social enterprise ecosystem from the perspective of supporting the growth of social enterprises by examining the understanding and utilisation of design by key stakeholders in the social enterprise ecosystem, such as government, intermediary organisations and social enterprises.

### **5.2.1 Design in government support for social enterprises**

Before exploring the UK government's support for social enterprises and ecosystem development, it should be noted that the UK government's support systems for social enterprises differ between central government and the devolved administrations. The UK comprises England, Scotland, Wales and Northern Ireland; thus, four different governments are involved, and the governments of the UK, Scotland and Wales each have their own social enterprise support systems. Table 5.1. lists each form of government support (e.g. national strategies and action plans) for social enterprises and ecosystem development. Of these various forms of government support, this study primarily investigates the UK government's

social enterprise support because this is implemented at the national level, influencing social enterprises across the whole country.

**Table 5.1 Lists of forms of government support for social enterprises**

Country	Published year	Title of social enterprise strategy or action plan
UK	2002	Social enterprise: A strategy for Success
	2006	Social enterprise action plan: Scaling new heights
	2010	A strategy for voluntary and community groups, charities and social enterprises
	2018	Civil Society Strategy: building a future that works for everyone
Wales	2005	Social Enterprise Strategy for Wales
	2009	The Social enterprise action plan for Wales
	2020	Transforming Wales through social enterprise
Scotland	2007	A strategy and action plan for social enterprise in Scotland (2008-2011)
	2016	Scotland’s social enterprise strategy 2016-26
	2017	Building a sustainable social enterprise sector in Scotland – action plan 2017-20
	2021	Inclusive growth through social enterprise – Scotland’s social enterprise action plan 2021-2024

### 5.2.1.1 UK Government (England)

The UK government’s support for social enterprises and ecosystem development initially took the forms of publishing a national strategy for social enterprises in 2002. This first form of government support for social enterprises was aimed at fostering an environment for social enterprise development, improving social enterprises and increasing their value (Cabinet Office, 2006). Specifically, government support was primarily intended to tackle barriers and to achieve outcomes in three key areas: (i) creating an enabling environment, (ii) making social enterprises better businesses, and (iii) establishing the value of social enterprise (British Council, 2015; DTI, 2002; European Commission, 2015). As a result, this first step in government support sparked several important developments in the social enterprise sector (Bland, 2010). The UK government attempted within the support scheme to clarify the meaning of social enterprise, still an unfamiliar concept (ECOTEC, 2003; Teasdale, 2010).

However, this study found no references to design as a tool or approach used by the UK government to achieve these key objectives.

In 2006, the UK government introduced a second social enterprise support scheme – ‘Social Enterprise Action Plan: Scaling new heights’ – detailing actions aimed at fostering a culture of social enterprise (European Commission, 2015) This had major significance in terms of supporting and encouraging the development of social enterprises across the economy and segments of society by harnessing government perspectives (OTS, 2006), seeking to address four key objectives: (i) encouraging the participation of new social enterprises, customers, financial institutions and support organisations by promoting the establishment of evidence-based social enterprise activities, raising awareness of the influence of these companies and promoting successful cases of social enterprises; (ii) ensuring that social enterprises received the support they needed through the market or government projects by connecting expert knowledge and general support channels to maximise the economic performance and social impact of these enterprises; (iii) providing appropriate financial support according to the growth phase of social enterprises by eliminating investment barrier; and (iv) while social enterprises operated in all parts of the economy, enabling them to be major business partners in supporting the public sector. It is important to promote social enterprises as potential suppliers of public services through raising the awareness of policymakers. However, as with the first government support, no attempt was made to use design as part of the UK government’s support provision.

Nevertheless, some significant differences began to emerge from 2010 in the government’s support for social enterprises. For example, the launch of the ‘Big Society’ agenda suggests that the UK government had begun to consider social enterprises as part of the third sector that includes voluntary organisations and charities, and as an alternative supplier for the provision of public services, or an effective model for developing the quality of public services (Cabinet Office, 2010). The latest government strategy includes comprehensive plans to support social enterprises as part a goal to build a country that works for everyone by working with and supporting civil society and creating social value (HM Government, 2018). In a wider context, the UK government plans to provide support to social enterprises, thus building up third-sector organisations, as well making it easier to run voluntary or community sector

organisations (including social enterprises), ensuring more resources are made available to support the resilience and independence of third-sector organisations, and making it easier to do business with the government (HM Government, 2018). The strategy includes the following initiatives that will benefit the third sector, including social enterprises: (i) hearing from civil society, (ii) diversifying funding and finance, (iii) strengthening the leadership of social sector organisations and the potential for specific government interventions, (iv) developing local support systems, and (v) employing strong digital skills to deliver social benefits. As with the first and second government strategies, no explicit use of design was found in the latest UK government strategy on supporting social enterprises, and it was difficult to isolate attempts to use design as an essential tool or approaches with which to develop social enterprises and their sectors in this form of governmental support. However, interviewee UK-DEE 1 clarifies that ‘Good Finance’ was a Design Council initiative to improve access to social investment information for social enterprises and charities (UK-DEE 1, 2017). Moreover, a plan existed to promote digital technology in the third sector (HM Government, 2018). Considering these two facts, the crucial case of ‘Good Finance’ should be thoroughly examined in this research: it is an online platform that facilitates partnerships and collaboration between investors and social enterprises or charities, using a user-centred design approach (Snook, 2016) and demonstrates how design can be used to improve digital technology for the growth of social enterprises. Although it was not revealed how the UK government used and supported design for the growth of social enterprises, this research has identified potential opportunities to employ design in government strategy in terms of improving the digital technology of the social enterprise sector.

#### **5.2.1.2 Welsh Government (Wales)**

in 2005, the government of Wales published its social enterprise strategy, announcing government support for social enterprise aimed at creating an environment that would encourage new social enterprises and take advantage of opportunities provided through the establishment of integrated support for mainstream and professional organisations, to create a thriving social enterprise sector (WGNAW, 2005). In order to accomplish this aim, the Welsh government identified four strategic objectives: (i) creating enabling environments for social enterprises, (ii) improving the business of social enterprises, (iii) encouraging value for social

enterprises and (iv) promoting new opportunities for social enterprises (WGNAW, 2005). Interestingly, the government of Wales sought to provide support to help social enterprises improve and increase in value, both socially and economically. However, it was not until 2009 that the Welsh government's support for social enterprises began to focus on encouraging them to provide public services, in a similar way to the UK's third government support strategy for social enterprises, described above. This tactic may be a result of the Welsh Government's perception that social enterprise approaches can support many areas of strategic government, as seen in its policies 'Strategy for Older People in Wales', 'Improving Mental Health Services in Wales', 'A Fair Future for our Children, among others (WGNAW, 2009). However, the Welsh government's support for social enterprises, launched in 2005, makes no reference to design; neither can it be regarded as a useful tool or approach in developing social enterprises and their ecosystem.

In 2020, 'Transforming Wales through social enterprise', co-produced by social enterprises and social enterprise support organisations, was published with the support of the Welsh government. It is an action plan that outlines a 10-year vision to rebuild, grow and strengthen the social enterprise sector and address the challenges facing Wales, offering various solutions to social, economic and environmental problems for people and communities (WCC, 2020). The action plan focuses on achieving the following changes: (i) more people will choose to engage with social enterprises – as customers, employees, volunteers or leaders, (ii) social enterprises will play a more significant role in tackling climate change and protecting the environment, (iii) social enterprises will be better able to exploit digital technology for the social good, (iv) good quality specialist business support, tailored to the needs of the sector, will be available to everyone who needs it, (v) social enterprises will be better connected and will speak with a more unified voice, and (vi) social enterprises will adopt Fair Work practices, pay the Living Wage and increase diversity amongst their employees and volunteers. However, as with the first government strategy published in 2005, it was not easy to ascertain how the Welsh government uses and supports design for social enterprises and how design is implied in the action plan. Nevertheless, this study was able to identify potential opportunities for design to be applied in the action plans in terms of digital technology improvements in the social enterprise sector, similar to the case of the UK government mentioned above.

### **5.2.1.3 Scottish Government (Scotland)**

As of 2007, the Scottish government had begun to develop a social enterprise support system, having recognised certain issues unique to Scotland (Scottish Executive, 2007). For example, that the majority of social enterprises in Scotland are rural-based. Moreover, the Scottish government's support for social enterprises was primarily aimed at creating an environment in which social enterprise could prosper through four objectives: promoting the value of social enterprise and raising its profiles, opening up markets to social enterprises, expanding the financial scope available to develop social enterprises, and developing the trading capabilities of social enterprises by providing more effective business support (Scottish Executive, 2007). A second government support plan for Scottish enterprises was developed in 2016, in which the Scottish government began to recognise social enterprises as essential partners in creating a fairer economy and more comprehensive civil society (Scottish Government, 2016). This important factor differentiates the Scottish approach to social enterprises from that of other governments. For example, the Scottish government has committed itself to providing certain support to social enterprises, such as encouraging the emergence of new social enterprises by identifying opportunities, ensuring that existing or potential social enterprises have the necessary resources, knowledge and networks to become more powerful organisations, and expanding opportunities for consumers, public authorities and businesses to understand and purchase social enterprises (Scottish Government, 2016). The Scottish Government (2016) claims to want to make Scotland the best place to do business in the UK with a focus on innovation, technology and productivity. In particular, it assumes that the success of Scottish businesses is contingent upon innovation as a fundamental driver of long-term competitiveness. This research has, therefore, investigated the Scottish government's social enterprise policy from the perspective of innovation, emphasising the Scottish government's plans to increase the innovativeness of social enterprises, for instance, its plan to work with various intermediary organisations to develop the digital capability of social enterprises related to business innovation and growth (Scottish Government, 2017). This study also assumed that the Scottish government would use design to improve digital capabilities for business growth and innovation in social enterprises.

The Scottish government published its latest action plan to support social enterprises in 2021 as part of a 10-year strategy for social enterprise in 2016–26 (Scottish Government, 2021). The action plan outlines government actions to support social enterprises to (i) work across government, and with national agencies, to create the conditions, opportunities and investment necessary for them to fully realise their potential; (ii) develop a national ecosystem of support for social enterprises, ensuring that it remains fit for purpose and world-leading, working closely with sector partners to support the recovery from the COVID-19 pandemic while also looking to raise ambitions, grow capacity, spur innovation and ensure the sector is ready to seize opportunities, and (iii) develop a third-sector equalities baseline, to ensure that all activity supported by the Third Sector Unit is concentrated on tackling the barriers faced by people with protected characteristics (with a focus on social enterprise as the first action area). In the latest action plan for social enterprises, design is not cited as an approach to be used or an element to be supported for the growth of social enterprises. However, this research has identified opportunities for design to intervene to support business as part of the action plan; for example, the plan (Scottish Government, 2021) highlights that the government will work with national agencies and mainstream business support services to continue to recognise and effectively support social enterprises and will continue to improve specialised business support for social enterprises, including as part of ‘Just Enterprise’, the national programme of specialised business support. In this regard, it is notable that the government will ensure that an enhanced range of information, advice and training is available to social enterprises across all Scotland, and that providers are embracing innovations – including the use of digital technologies – to widen access and be more flexible and efficient in delivering to social enterprises. This action is similar to the previous intervention in 2016. Therefore, this research anticipates that, although it was unable to identify a clear role or position for design within the Scottish government’s strategies and action plans, potential opportunities exist for design to be used and supported in terms of supporting the growth of social enterprises and their ecosystem development.

#### **5.2.1.4 Design utilisation and support for social enterprises by the UK governments**

Previous sections of this study explored the UK government’s support for social enterprises to discover how it supports the design of social enterprises and how it uses design to support

social enterprises. Although no clear answers to these questions were found, the study has confirmed an example of using the design approach to improve digital technology for the growth of social enterprises (Good Finance). Inspired by this case, the study has also identified significant opportunities for applying design to improve and strengthen the digital technology of social enterprises. For example, similar to the case identified from UK government support, the Welsh and Scottish governments could use design to support social enterprises to improve digital capabilities for business growth and innovation in social enterprises. Table 5.2 summarises the content of the support provided by each government for social enterprise development in the UK.

**Table 5.2 Summary of UK governments' support for social enterprises**

	UK	Wales	Scotland
<b>Latest government support</b>	2018	2020	2021
<b>Key aims</b>	Creating an environment for emergence and development of social enterprises	Building an environment that encourage the emergence of social enterprise and enables the prosperity of social enterprises through specialised support	Creating an environment where social enterprises can prosper
<b>Key objectives</b>	<ul style="list-style-type: none"> <li>Improving access to appropriate financial and information and resources for the development of social enterprises</li> <li>Increasing the value of social enterprises</li> <li>Encouraging cooperation and trade with the public sector and government</li> </ul>	<ul style="list-style-type: none"> <li>Promoting new opportunities for social enterprises</li> <li>Improving the business of social enterprises</li> <li>Encouraging the value of social enterprises</li> <li>Encouraging social enterprises to provide public services</li> </ul>	<ul style="list-style-type: none"> <li>Encouraging the emergence of new social enterprises</li> <li>Expanding the financial scope to develop social enterprises</li> <li>Developing the trading capabilities of social enterprises by providing better business support</li> </ul>
<b>Design support or utilisation to support social enterprises</b>	None of the government support included design aspect within the support for social enterprises	None of the government support included design aspect within the support for social enterprises	None of the government support included design aspect within the support for social enterprises

<b>Possibility to include design in government support</b>	<ul style="list-style-type: none"> <li>• Improve digital technology of the social enterprise sector to help them effectively navigate the social investment market</li> <li>• Develop strong local support system</li> </ul>	<ul style="list-style-type: none"> <li>• Improve digital technology of the social enterprise sector</li> <li>• Develop specialist business support tailored to the needs of the sector</li> </ul>	<ul style="list-style-type: none"> <li>• Success of Scottish companies depends on innovation</li> <li>• Improve their digital capabilities for business growth and innovation</li> </ul>
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## 5.2.2 Design in intermediary organisations’ support for social enterprises

While this research investigated the historical development of the UK social enterprise landscape and explored the use of design in the UK government’s support for social enterprises, several design interventions were identified among intermediaries’ support for social enterprises (see Chapter 4). This research, therefore, included an intensive investigation of how intermediary organisations treat design in their support schemes and programmes for social enterprises and identified two different types of design utilisation from intermediaries: (i) design-led social enterprise support programmes (DSESPs), which apply design as a strategic approach to nurture social enterprises, enhancing the ability of key stakeholders to influence the evolution of the enterprise’s ecosystem (ii) design support programmes (DSPs), which consider a more comprehensive range of design disciplines to assist the growth of social enterprises; thus, these programmes provide various forms of design support to social enterprises to improve their businesses (e.g. products and services) and organisations. Both types demonstrate the role of design in the development of social enterprises. However, DSESPs indirectly affect the growth of social enterprises, while DSPs explain how design is encouraged and supported for the growth of social enterprises. The following sub-sections discuss the key features of the DSESPs and DSPs identified, and, in particular, the aspects considered to be critical in configuring DInE for social enterprises.

### 5.2.2.1 Design-led Social Enterprise Support Programmes (DSESPs)

Although DSESPs primarily influence the development or improvement of the social enterprise ecosystem, with a limited contribution to supporting the design of social enterprises, they are significant in understanding the role of intermediaries in configuring

DInE for social enterprises. In exploring the use of design by intermediaries in social enterprise support programmes, the following criterion was formed: DSESPs should use design as a critical method or approach to promote the development of social enterprises or solve existing challenges faced in developing social enterprises or their sector. On this criterion, this study was able to identify only two examples of DSESPs implemented in the UK. The minimal number of DSESPs can be seen to be caused by a lack of understanding and consideration of design as a key factor in establishing a social enterprise support programme, as confirmed in in-depth interviews with social enterprise experts, some of whom observed that the lack of design utilisation in organisations to support social enterprises is due to (i) minimal design awareness and knowledge (Interviewees UK-SEI 1, 10 and 11), and (ii) limited time and financial resources (Interviewees UK-SEI 6 and 7). The analysis of the DSESPs was conducted by exploring the following aspects of the DSESPs: (i) development background, (ii) key stakeholders involved, (iii) impact on supporting social enterprises and/or their sector, (iv) weaknesses (or problems) and (v) impacts.

### **UK-DSESP 1: Good Finance**

A wide range of key stakeholders led the first UK-DSESP in the social enterprise ecosystem across government, intermediary organisations and design associations to improve access to social investment information for charities and social enterprises. This programme appears to be the first attempt to consider the use of design to improve finance and investment in the social enterprise ecosystem, although several studies had previously demonstrated the need to assist social enterprises and charitable organisations to obtain social investment effectively (ACSI, 2015; Cabinet Office, 2015; SEUK, 2017b). In particular, despite the UK government's encouragement, many social enterprises were dependent on grants and subsidies from the government or other institutions and had difficulty accessing finances. The UK government thus conducted research in collaboration with The Design Council to understand the issues and identify solutions to provide better support for social enterprises and funders (Design Council, 2014b). The UK-DSESP 1 was, therefore, developed as a direct response to those studies, launching a digital platform to educate and guide social enterprises and charities towards appropriate investment opportunities (Snook, 2016). In this project, design provided a new perspective on the investment needs of social enterprises. According to Snook (2016), 'Good Finance is the most developed design-led project in the sector to date but there is huge

potential to use the iterative, user-centred and collaborative approaches offered by design for a range of sector challenges.’ Its implementation has had a significant impact on the development of the social enterprise ecosystem in terms of enhanced financial and investment opportunities for social enterprises. For example, it provides an effective platform for matching social enterprises and investors by providing information on appropriate social investors and advisor. Furthermore, the platform presents valuable case studies to show how organisations across the UK are already using the programme. Following some uncertainty about the precise usage of the platform, the programme is working to promote the platform through collaboration with various intermediaries, providing workshops and webinars to social enterprises to inform them about the programme.

### **UK-DSESP 2: Transform Ageing**

The context of the UK’s second DSESP (i.e. UK-DSESP 2) was the demographic change caused by an ageing population, causing a significant impact on social, economic and public services. The programme, therefore, focused on the challenges facing Southwest England, with a large elderly population living in both urban and rural areas (Design Council, 2020c). It is a three-year learning programme, aiming to demonstrate that combining social entrepreneurship and community action with design practice can drive positive change, responding to the challenges of our ageing society (Design Council, 2020c; Interviewee UK-SEI 11) and developed through partnerships with various stakeholders (a social enterprise support body, design support body, public body and NGO) across the social enterprise and design sectors (Design Council, 2020c). The programme applied design approaches (including co-design processes, design thinking, human-centred design) as the core methods for implementations, engaging multiple stakeholders to develop capacity and capability around these. Consequently, participating stakeholders, and specifically a social enterprise support body and an NGO, were able to improve their design understanding and utilisation. Stakeholders involved in the programme highlighted internal change in terms of improving and developing the role of stakeholders, as a result of improved design understanding and utilisation through the experience of participating in the programme (Interviewees UK-SEI 10 and 11). However, they argue that critical challenges remain in adapting design approaches for internal intermediaries to develop DSESPs, in terms of proving that how the design can provide benefits regarding support for social enterprises.

The role of design in UK-DSESPs 1 and 2 contributes to the development of the social enterprise ecosystem in terms of increased finance and investment for social enterprises and improvements in stakeholder support capabilities. The case of UK-DSESP 1, in particular, helps relevant stakeholders to recognise the benefits of the strategic use of design in developing effective ways to understand the problems intrinsically facing social enterprises and ecosystems. The findings of this research confirmed the role design currently plays in the development of social enterprise and especially its ecosystem. However, the impact of UK-DSESPs 1 and 2 is limited to developing the social enterprise ecosystem and improving stakeholder capability rather than directly improving the design capacity of social enterprises and, thus, is not directly relevant in addressing how to support design to enhance the competitiveness and economic prosperity of social enterprises. In this context, the research recognised the need to focus on the investigating substantial design support practices for social enterprises to understand the operating mechanisms of the current DInE.

#### **5.2.2.2 Design Support Programmes (DSPs)**

Another type of design utilisation by intermediaries takes the form of design support programmes (DSPs) to assist the growth – especially economic growth – of social enterprises by enhancing the competitiveness of their products and services. Thus, investigating the DSPs is related to examining the current configuration of the DInE and its operating mechanisms, including support contents and stakeholders. The investigation was conducted by identifying the characteristics of each DSP – their strengths, weaknesses, problems and impacts – in order to extract critical elements to improve the current DInE. The correlation between DSPs and government support for social enterprise was also examined to identify any influence of the programmes on the development of the DInE. To select appropriate cases of DSPs for social enterprises, this research established selection criteria (discussed previously in Chapter 3) and, thus identified six DSPs for social enterprises in the UK (see Table 5.3). However, it should be noted that, other than UK-DSP 2, the DSPs' target audience is not limited to social enterprises. For example, UK-DSP 1 targets third-sector organisations, such as charities, community businesses and social enterprises, and UK-DSPs 3, 4, 5 and 6 target SMEs (including social enterprises). The following sub-sections discuss the details of the analysis

according to the key four themes: (i) type of support content, (ii) type of DSP provision, (iii) key stakeholders involved and (iv) relationships between key stakeholders.

**Table 5.3 A brief overview of UK-DSPs for social enterprises**

Programme	Led by	Provision type	Main support contents
UK-DSP 1	Public body	- Workshop - Hands-on support - Funding	Service design
UK-DSP 2	Design agency	- Workshop	Design thinking-based toolkit
UK-DSP 3	Social enterprise support body	- Workshop	Service design
UK-DSP 4	University	- Workshop - Hands-on support - Matching support	Wide range of design (e.g. Service design, Design application and development, Brand development and Business model development)
UK-DSP 5	Design centre	- Workshop - Hands-on support - Matching support - Funding	Wide range of design (e.g. Design thinking, Service design, Design application and development, Brand development and Business model development)
UK-DSP 6	Public body	- Workshop - Hands-on support - Matching support - Funding	- Design application & development - Business strategy development

#### 5.2.2.2.1 Types of support content

The classification of design support content was crucial in identifying the characteristics of each DSP and understanding the main tendencies of design support within the UK DInEs for social enterprises. Moreover, this classification helped identify how key stakeholders in the programmes perceived and applied design to encourage social enterprise growth in a wider context. Based on the case studies of DSPs in the UK and South Korea, this study confirmed that a wide range of design-related support – including all 18 listed support content types – had been provided to social enterprises. The content types were divided into four categories: (i) designing (graphic and visual design, visual identity design, product design and online

platform development), (ii) the design process (service design, market or user research, existing product or service improvement, new product or service development, prototyping or model development), (iii) design strategy (marketing strategy, brand development, business strategy development, new business area and model development, and design thinking), and (iv) design for systemic change and culture (intellectual property of designs, design education, the introduction or recruitment of design agencies or experts, and grants, funding, and subsidies for design utilisation).

**Table 5.4 Classification of design support type**

	Designing				Designing process					Design strategy				Design for systemic change and culture				
	Graphic and visual design	Visual identity design (BI/CI)	Product design	Online platform(s) development	Service design	Market or user research	Existing product or service improvement	New product or service development	Prototyping or model making	Marketing strategy	Brand development	Business strategy development	New business area and model development	Design thinking	Design intellectual property	Design education	Introducing or recruiting design agency or expert	Grant, funding, subsidy for design utilisation
UK-DSP 1					●	●	●				●	●						
UK-DSP 2					●						●	●	●	●		●		
UK-DSP 3	●			●	●	●					●	●	●					
UK-DSP 4			●	●	●	●	●	●			●	●	●				●	
UK-DSP 5			●	●	●	●	●	●	●	●	●	●	●	●	●			●
UK-DSP 6	●		●	●		●	●	●	●	●	●	●					●	●

As shown in Table 5.4, clusters in the support content types show the main areas of support in UK-DSPs. Support related to design strategy, especially brand development and business strategy development, is the most popular type of support content: all the six programmes offered this type. The second most common types are service design and market or user research, which fall under the ‘Designing Process’ category and were included in five programmes, respectively. The UK-DSPs, therefore, appeared to focus on aspects related to long-term development, such as design process and strategy, using design to identify

problems. However, contents relating to ‘Design for systemic change and culture’ and ‘Designing’ was insufficient; none of the six programmes provides design support for visual identity design. These findings indicate that the support offered through UK-DSPs is not balanced, and is based on the stakeholders’ understanding of design rather than providing comprehensive support content covering the various roles and impacts of design.

#### **5.2.2.2.2 Mode of DSP provision**

An understanding of DSP-types was used in this study to determine how the current design support is delivered to social enterprises, as the characteristics of each DSP differed according to their diverse delivery formats. Four broad categories of DSP delivery format could be observed in the programmes: workshops, hands-on support, matching support, and funding. Some DSPs were delivered in one format, but the majority used a combination of two to three formats; in some cases, all four formats were included. The details of the various types of DSPs are provided below.

- (1) **Workshop:** All UK DSPs were delivered through a workshop format aimed chiefly at increasing the design understanding of the participants and encouraging interaction between the various stakeholders. The approach enables the programme participants to (i) learn how to use design tools such as persona, customer journey and stakeholder maps, (ii) develop a greater understanding of end-users and (iii) have a direct impact on the organisation’s mindset. Workshops are usually run by facilitators (design academics or practitioners) and moderators (programme-leading organisations) and various stakeholders, including design academics, practitioners, social enterprise support bodies, public bodies, local authorities and social enterprises are invited to participate. The workshops tend to be delivered sequentially, according to their content, and this encourages participants to understand a wide range of designs from the most fundamental to the most profound forms by sharing insights and experiences with other participants, stimulating interest in design and exchanging knowledge. However, participants often find this type of programme time-consuming. Although some social enterprises are large, the vast majority – especially those seeking design support – are micro-sized (1–9 employees). Therefore, when these social enterprises

participate in workshops to obtain design support, their business operations are considerably affected by the absence of staff.

- (2) **Hands-on support:** Four of the six UK-DSPs (UK-DSPs 1, 4, 5 and 6) were delivered in the form of hands-on support, with other types of design support – such as workshops, matching services and funding – often provided alongside. This format is primarily aimed at solving practical design issues encountered by social enterprises; thus, design agencies, experts or design schools that provide practical design support to social enterprises play a significant role in the effective operation of the programme. However, practitioners who provide design support frequently lack awareness of social enterprises, occasionally providing design education before resolving the design problems of the social enterprises.
- (3) **Matching support:** Half of the six DSPs (UK-DSPs 4, 5 and 6) were identified as matching DSPs, providing support by matching design support providers (i.e. design agencies, designers or design students) with social enterprises. For this matching, programme organisers recruited providers according to the characteristics and objectives of their DSPs and, in some cases, the design needs of the social enterprises. This type of programme is effective in facilitating interaction between design and the social enterprise sector and encouraging social enterprises to recognise design as essential for business growth. In addition, such programmes offer social enterprises bespoke support by exploring their design needs and offering them the opportunity to seek further design support. However, a mediator is essential for this type of programme because the support offered is dependent on the relationship and communication status between the provider (design agency or designer) and the beneficiary (social enterprises). the programme organisers could, thus, act as supervisors to ensure that design support is provided effectively and appropriately.
- (4) **Funding:** Three of the six DSPs (UK-DSPs 1, 5 and 6) delivered funding support within the programmes, intended to cover the cost of design development, which is a barrier to the use of design for many social enterprises. Social enterprises can use the design development funding to improve existing products or services or develop new ones.

### 5.2.2.2.3 Classification of stakeholders

An understanding of the characteristics of the key stakeholders in UK-DSPs is crucial for addressing their mechanisms regarding social enterprises and DInE. The main objectives and nature of the DSPs differ slightly depending on the stakeholders involved and the primary coordinator of the programme. The DSP stakeholders came from a range of fields, including government, the public sector, design, social enterprises and academia, and were divided into the following categories based on their roles as critical drivers of DSPs: programme organisation, financial support for programme operation and programme delivery (see Table 5.5).

**Table 5.5 Classification of the key stakeholders in DSPs**

	<b>Organiser</b>	<b>Implement cost provider</b>	<b>Deliverer</b>
<b>UK-DSP 1</b>	Public body	Public body	<ul style="list-style-type: none"> <li>• Design agency</li> <li>• NGO</li> </ul>
<b>UK-DSP 2</b>	Design agency		<ul style="list-style-type: none"> <li>• Design agencies</li> <li>• Intermediary organisations</li> </ul>
<b>UK-DSP 3</b>	Social enterprise support body	Local government	<ul style="list-style-type: none"> <li>• Design agencies</li> <li>• Design academics</li> <li>• NGO</li> </ul>
<b>UK-DSP 4</b>	University	<ul style="list-style-type: none"> <li>• Public body</li> <li>• University</li> </ul>	University academics and students
<b>UK-DSP 5</b>	Design centre	Public body	<ul style="list-style-type: none"> <li>• Design centre</li> <li>• Design associators</li> </ul>
<b>UK-DSP 6</b>	Public body	Regional government	<ul style="list-style-type: none"> <li>• Public body</li> <li>• Design agencies</li> <li>• Design universities</li> </ul>

As shown in Table 5.5, a range of stakeholders, including design centres, design agencies, universities, local government, public bodies and NGOs, were critical drivers of programme organisation and operation. Among them, public institutions appeared to be active in providing financial support for the operation of such programmes (UK-DSPs 1, 2, 4 and 5). Design agencies and design academics (often including students) were identified as key stakeholders in DSP provision; in particular, the participation of design universities demonstrates academia's potential to make a significant contribution to supporting the design of social enterprises through their expertise and resources. However, the roles of

design practitioners and academics in the programmes were mostly limited to supporting delivery; thus, they had minimal input into the content of the programmes. This raised a practical problem for current UK-DSPs, which are missing multiple opportunities to increase the design awareness of other key stakeholders and develop advanced support content due to the design practitioners' passive and limited involvement in this stage. Moreover, design agencies are relatively inactive; a small number (often only one or two) had established partnerships with programme organisers responsible for delivering design support. The structure provides an opportunity for social enterprises to recognise and use design relatively independently; however, at the same time, programme organisers and deliverers miss the opportunity to directly understand and explore the types of design in which social enterprises require support.

#### 5.2.2.2.4 Relationships between key stakeholders

In order to understand the mechanisms of design support for social enterprises, an exploration of the relationships between key stakeholders is crucial. Depending on the relationship types, aspects of the DSPs may differ, including the programme's period of operation, the area in which it operates and how it is delivered. Moreover, understanding these relationships influences the exploration of the relations between the origin of the programmes and government interventions in supporting social enterprises' design. This study, therefore, attempted to map the relationships between key DSP stakeholders, with a particular aim to reveal the relationship between the organiser and the deliverer of each programme, including the financial resources for running the programme. The classification of the key stakeholders' relationships is based on three elements: the relationship between the organiser and deliverer of the programme, the type and origins of the programme's operating costs and the cost for participants (mainly in the case of social enterprises) (see Table 5.6).

**Table 5.6 Classification of key stakeholders' relationships**

	Type of relationship	Type of implementation cost	Cost to participants
UK-DSP 1	Partnership	Grant funding	£ 0
UK-DSP 2			

<b>UK-DSP 3</b>		
<b>UK-DSP 4</b>	Collaboration	
<b>UK-DSP 5</b>	Partnership	
<b>UK-DSP 6</b>	Collaboration	30% of project costs

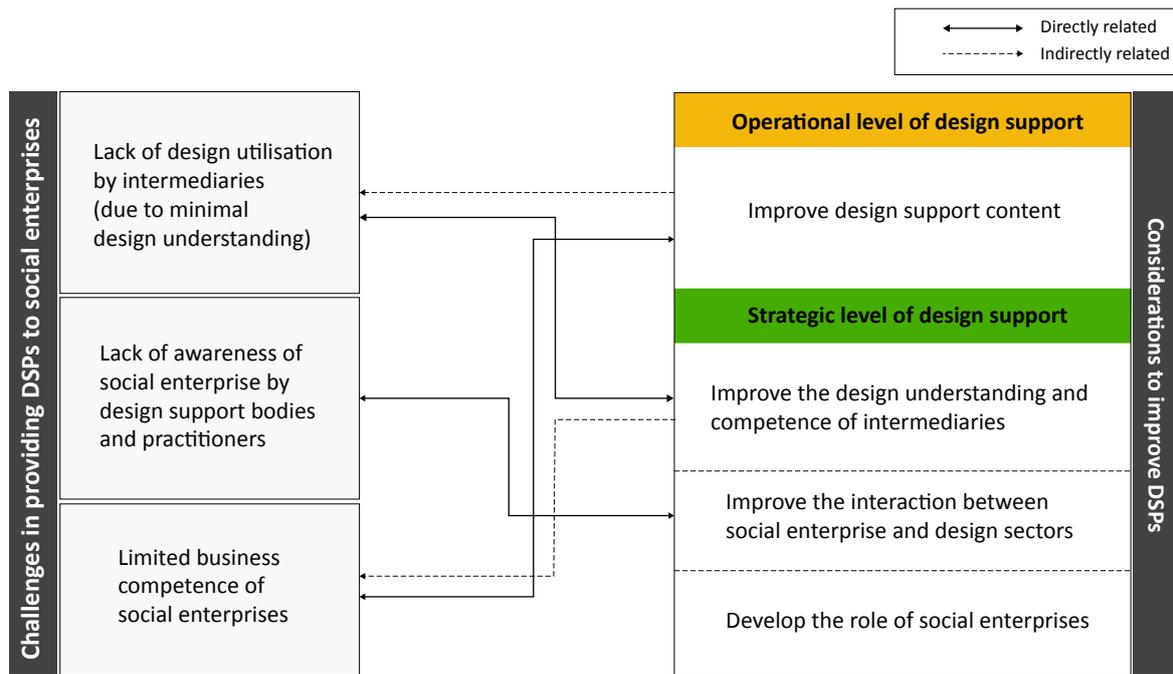
As shown in Table 5.6, the classification of the key stakeholder relationships suggested that two categories of stakeholder relationships could be observed in the programmes, namely partnership and collaboration. Four out of six DSPs (UK-DSPs 1, 2, 3 and 5) were based on a partnership between the programme organisers and deliverers. In this relationship, a social enterprise support body or, in some cases, a public body acted as the programme organiser, and a design agency or university typically assumed the role of programme deliverer. A collaborative relationship was identified in two of the six DSPs (UK-DSPs 4 and 6) between public bodies, universities and design practitioners. These DSPs provide design support through the diverse resources of universities in terms of academic expertise, knowledge assets and facilities. In particular, the programmes often provide design support through collaborative projects that benefit social enterprises and students, improving awareness of social enterprise and design. Figure 5.2 illustrates the details of classification. In the case of partnerships and collaborations, most DSPs organisers developed and operated DSPs with budgets or funds allocated from government (regional/local) or public institutions, and the social enterprises participating in the programme were, therefore, not required to pay for the cost. However, in the case of UK-DSP 6, social enterprises had to pay 30% of the programme's cost (depending on the cost of design application or improvement). This may be a burden for social enterprises but nevertheless contributes to a better understanding of design investments and a greater desire to engage with design in the future on the part of social enterprises, as well as creating additional sales and profits through networks and new customer development for design practitioners (PDR, 2020).



**design support bodies.** This barrier is increased by the lack of interaction between design and social enterprise support bodies (UK-SEIs 6 and 8), which not only leads to difficulties in finding design support bodies but also causes conflict between design practitioners and social enterprises due to difficulties in communication (UK-DEIs 1 and 2) between them regarding improvements in the design of social enterprises and the lack of understanding – on the part of design practitioners – of the economic and social value creation that social enterprises pursue (UK-SEIs 5, 7 and 8). These findings reaffirm the belief that social enterprises’ lack of business capacity is a significant barrier to their growth and use of design, and that promoting interaction between the design and social enterprise sectors is essential. Lastly, UK intermediaries noted the difficulties caused by **the limited business capabilities of social enterprises** (UK-SEI 6). The challenge was often caused by the size of social enterprises, which were mostly micro-sized (UK-SEI 4), and thus had insufficient staff or time for participation and design support (UK-SEI 7 and UK-DEI 2).

#### **5.2.2.2.6 Considerations for improving DSPs**

This research attempted to explore, practically and objectively, the critical areas to be considered in improving the current design support for social enterprises from the perspectives of the key stakeholders, by seeking recommendations to address these issues in current DSPs. This exploration was important in identifying improvements that could be used to build an optimised DInE for social enterprises. Considerations are suggested at the operational and strategic levels and categorised into four themes in terms of improving and optimising DSPs for social enterprises: (i) improve the design support content, (ii) improve the design understanding and capability of intermediaries, (iii) improve the interaction between the social enterprise and design sectors, and (iv) develop the role of social enterprises. These critical considerations recommended by stakeholders involved in current DSPs correlate closely with the key challenges faced by stakeholders in providing DSPs. Figure 5.3 illustrates the relationship between critical barriers and considerations, as revealed by intermediary organisations involved in current DSPs.



**Figure 5.3 Connections between critical barriers and considerations**

The majority of stakeholders participating in this study, especially DSP organisers, suggest that **interaction between social enterprises and the design spheres should be encouraged** to create optimised and advanced DSPs for social enterprises (UK-SEIs 6, 7, 10, 11 and UK-DEIs 2, 3). According to their recommendations, more active interaction between social enterprise and the design domain would not only raise awareness of social enterprises and design among stakeholders in the social enterprise ecosystem (UK-DEI 3) but also provides opportunities to build partnerships and develop networks by sharing resources, knowledge and expertise in the field of design and social enterprise (UK-SEIs 5, 6, 7, 10 and UK-DEI 3), and, ultimately, enabling the evolution of infrastructure development in the design of social enterprises (UK-SEI 8). Several stakeholders also emphasise the importance of **increasing intermediaries' design awareness and competence** (UK-SEIs 6, 7, 8 and 11), a consideration related to the limited design utilisation by the stakeholders identified above (see previous section 5.2.2.1), which eventually influenced the development of the stakeholder DSP. Moreover, some stakeholders stress that **design support content should improve social enterprises' sustainability** by focusing on the business support of social enterprises, and education on design for social enterprises familiar with design (UK-SEIs 5, 6, 9 and UK-DEI 3). Furthermore, it is suggested that, most importantly, the focus should be placed on **changing**

**the attitudes and perspectives of social enterprises toward design through practical rather than theoretical support** (UK-SEIs 7 and 11). Finally, some stakeholders noted that **social enterprises participating in DSPs should act as evaluators of the programme** (UK-SEI 7 and UK-DEI 2); if evaluation is conducted from the perspective of the programme beneficiary, programme organisers may obtain more practical insights to improve future programmes.

### **5.2.3 Design in social enterprises**

The data collected from UK social enterprises were analysed according to four categories, which were developed based on the interview questions for the in-depth interviews with social enterprises (see Appendix E): (i) the state of design utilisation of social enterprises, (ii) challenges in using design, (iii) key drivers and barriers of the current design support and (iv) considerations for improving the current design support for social enterprises. This investigation was significant in exploring the essential basis for developing a strategic framework that assists in the development of a DInE for social enterprises. The following subsections discuss the detailed key facts extracted from the in-depth interviews with UK social enterprises, according to the four categories cited above.

#### **5.2.3.1 The state of design utilisation of social enterprises**

Examining the current state of design utilisation in social enterprises was important in ascertaining the general understanding of design among social enterprises, the design needs of social enterprises, and which design support is essential and should be improved. This research identified that social enterprises use design in a range of ways, and categorised this utilisation into three types, using the design ladder suggested by the Danish Design Centre (2018): '(i) designing (i.e., design is used as form-giving or the last finishing in new products or services), (ii) designing process (i.e., design is used as an integrated element in development processes) and (iii) design strategy (i.e., design is used a critical strategic element in business model)'.

Social enterprises in the UK commonly use design as a strategy that influences business operation and development, as well as the visualisation of their products, services and brands,

to communicate with existing or potential customers and, frequently, to shape or style products and services and as a critical element in shaping business development and strategy (UK-SEs 1, 3, 4, 6, 9, 11 and 12). In contrast, the view of the design process as effective and influential in considering end-users and minimising risk throughout the business or innovation process (UK-SEs 2, 4 and 5) was rarely found in social enterprises in the UK. This finding indicates that the use of design by social enterprises is restricted by their varying levels of understanding and competence; thus, it is crucial to minimise the differences in design understanding and competence between social enterprises by effecting improvements in this area.

### **5.2.3.2 Challenges in design utilisation of social enterprises**

Social enterprises experience a range of difficulties in using design, caused by an internal or external contexts, and these should be addressed by developing advanced design support, sufficient to assist the growth of social enterprises. Exploring the challenges has allowed this research to develop effective and efficient ways to tackle these barriers and strengthen the design utilisation of social enterprises through adopting a multi-disciplinary approach. The challenges faced by social enterprises in the UK in using design are classified into four categories: **(i) limited time and resources for design utilisation** (UK-SE 1), **(ii) difficulties in finding appropriate design experts** (UK-SEs 1, 3 and 7), **(iii) lack of design experience** (UK-SEs 5 and 8), and **(iv) difficulties in communication with design practitioners** (UK-SEs 7 and 11). The difficulties are due primarily to the social enterprises' lack of internal capability in business and design aspects. For instance, limited time and resources for design utilisation, as revealed by the UK social enterprises expose, are related to the business competence of the enterprises. The majority of social enterprises in the UK felt that they could not afford to invest time and financial resources in design due to the small size of their business and their human resources (UK-SEs 1, 3, 4, 5, 6, 7, 8, 9 and 12).

### **5.2.3.3 Key drivers of and barriers to current design support for social enterprises**

This research initially intended to explore both the key drivers of and barriers to current design support for social enterprises, but the social enterprises mainly shared the barriers

experienced. This may indicate that the current design support for social enterprises is rudimentary and unsophisticated and, thus, has wide potential for improvement. A significant barrier to current design support, noted by most UK social enterprises, was **the lack of design support targeting social enterprises** (UK-SEs 4 and 7). Although some design-related support is available to social enterprises, it is not a sufficiently high standard to fulfil the design needs of social enterprises or become known to them (UK-SEs 3). Furthermore, most current design support (mainly targeting SMEs) rarely considers social enterprises as potential beneficiaries. In turn, this barrier can cause others, such as **a lack of design funding and difficulties in accessing design information** (UK-SEs 1, 3, 5, 9 and 12). Another barrier relates to **the understanding of design and social enterprise**. Social enterprises struggle to understand exactly what design is. From their perspectives, design is usually understood as styling or form-giving and they are rarely aware of other design principles (UK-SEs 7, 8 and 10). This barrier is not limited to social enterprises; some highlight that **intermediaries that support social enterprises also have limited resources, knowledge and capacity for design** (UK-SEs 5 and 6) because those individuals working with them are often from the third sector and have limited opportunities to consider design and branding (UK-SE 1). Similarly, a limited understanding of social enterprises is found among design practitioners (UK-SEs 2, 9 and 10). Some social enterprises highlight widespread confusion as to how a social enterprise differs from a charity – especially in terms of goals and vision – among design experts (UK-SE 2). This confusion causes difficulty in finding design practitioners with a sound understanding of the concept of social enterprise (UK-SEs 1 and 11).

#### **5.2.3.4 Considerations for developing design support for social enterprises**

From the perspective of the social enterprises who are the main beneficiaries of the design support, evaluating the support currently available and exploring the aspects that need to be improved provides an important basis for effective research outcomes. In particular, since current design support is often providers-centric, obtaining practical and empirical opinions and insights from social enterprises has a great impact in developing a DInE optimised for social enterprises which, ultimately, is critical in achieving the aim of this research. The social enterprises' views on improving the current design support relate to the key barriers noted by them, including a lack of design awareness and utilisation, limited design support and

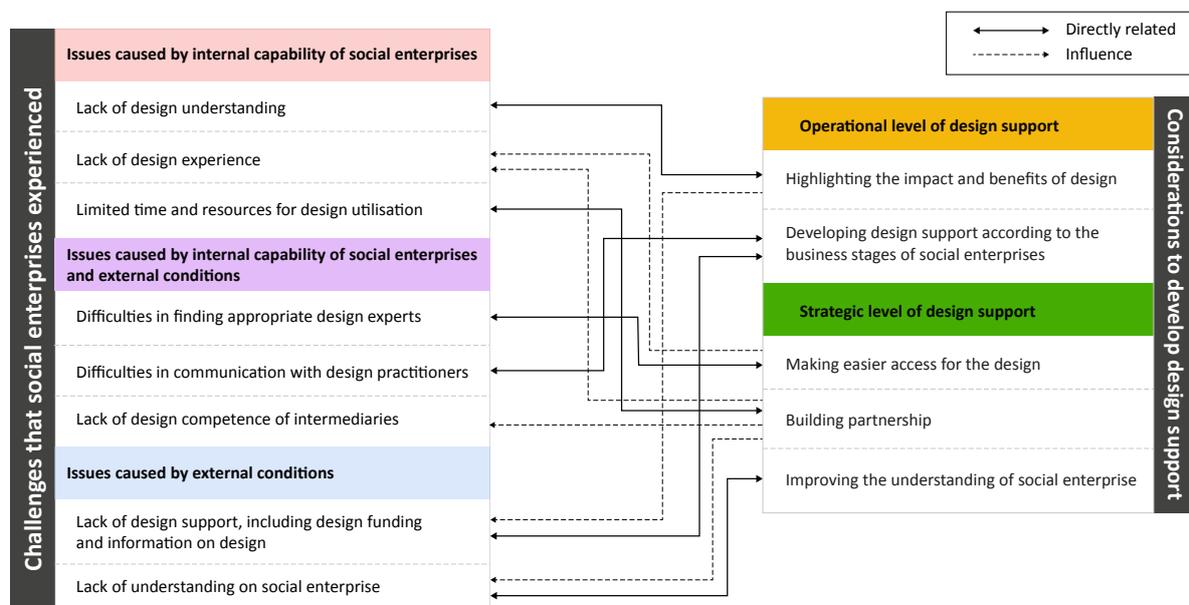
minimal knowledge of social enterprises in the design sector (discussed in the previous section 5.2.3.3). Accordingly, the considerations recommended by UK social enterprises can be summarised in four key themes: **(i) highlighting the impact and benefits of design, (ii) developing various types of design support according to the business stages of social enterprises, (iii) facilitating access and use for design, and (iv) improving understanding of the characteristics of social enterprises.**

Several social enterprises felt that providing design education would improve their understanding of the impact and benefits of design and how it could help their business growth (UK-SEs 1, 3, 4, 5, 6, 7, 11 and 12). This addresses critical challenges such as the lack of design understanding and experience faced by social enterprises when using design or experienced in current design support (discussed in sections 5.2.3.2 and 5.2.3.3). This lack of understanding and experience means social enterprises are unable to understand how design affects the growth of their business or how it helps them achieve their mission. It also prevents them from effectively and strategically using design for business growth. In this context, providing social enterprises with comprehensive design education, including the role and impact of design in business growth is vital for developing optimised design support for social enterprises.

Social enterprises need a more tailored design support that considers the stage of their business, indicating the need for a more systematic design support to improve the limited use and insufficient awareness of design, discussed earlier as a difficulty most social enterprises face. Social enterprises ask that a range of design support should be developed according to their organisational levels (related to levels of design understanding) and business stages (UK-SEs 1, 3, 6, 7, 10 and 12), with a particular need for bespoke support for the early stages of social enterprises, such as the establishment of a business model (UK-SEs 3, 6 and 12), financial support and design thinking training (UK-SE 4). In addition, access to design must be easy to improve social enterprises' design utilisation and existing design support (UK-SEs 1 and 4). Some micro and small social enterprises with limited financial resources find design costs burdensome (UK-SEs 1, 4, 5, 6, 7, 8 and 12), demonstrating the need to support the design of social enterprises by reducing costs, and some struggle to find specialised design agencies or practitioners with a good understanding of social enterprises (UK-SEs 1, 3, and 7);

thus, design practitioners should increase their understanding of social enterprises. In this regard, building partnerships between social enterprise support bodies and universities, as suggested by social enterprises, is a noteworthy suggestion. Social enterprises believe that universities have diverse expertise and resources to support them in design and that students have all the abilities needed (UK-SEs 3, 4 and 6).

Moreover, through a partnership design, academics (including students) can also gain an understanding of the concept of social enterprise. Thus, formal processes through which social enterprises can access expertise and resources have significant potential for both social enterprises and future designers. Interestingly, research has already confirmed that some social enterprise support bodies in South Korea have established partnerships with universities to support the design of social enterprises. In this regard, existing cases of design support that operate based on partnerships between universities and social enterprise support bodies in South Korea can be used as a reference in developing a design support process in the UK as part of UK DInE development. Figure 5.4 illustrates the correlations between critical barriers experienced by social enterprises in using design or the current design support and the considerations suggested by social enterprises.



**Figure 5.4 Correlations between key barriers experienced by social enterprises in using design or the current design support and the considerations suggested by UK social enterprises**

## **5.3 Design in the social enterprise ecosystem in South Korea**

This section explores how design has been employed in the social enterprise ecosystem in South Korea, especially in terms of supporting social enterprises, by examining the overall state of design understanding and utilisation among key stakeholders in the Korean social enterprise ecosystem.

### **5.3.1 Design in government support for social enterprises**

Since the South Korean government enacted the Social Enterprise Promotion Act in 2007, it has established inclusive plans for social enterprise promotion every five years, starting in 2008. It has also emphasised the strategy and implementation of social enterprise promotion across different government departments. The government is, therefore, regarded as one of the key drivers of the development of social enterprise in South Korea. In this respect, it was important to examine how, precisely, the government supports social enterprises through these plans and to identify how it uses design in their implementation. The government's role in design for social enterprise development was traced in two streams through an exploration of the historical development of the social enterprise ecosystem (discussed in Chapter 4). Firstly, the government creates an environment that promotes and improves the design of social enterprises, for example, including design within its master plans and requesting government agencies to identify how design can be supported for social enterprises. Secondly, the government provides various financial resources for the design of social enterprises (i.e. as a funder). These resources influence the development of design support for social enterprises. Each type of government support for design in social enterprises will be explained and discussed below.

#### **5.3.1.1 Government as a facilitator for employing design in supporting social enterprises**

A key government role in design for social enterprises was the creation of an environment that promotes design in social enterprises. As mentioned above, the Korean government announced in 2008 promotion plans to foster and systematically support social enterprises, starting with the Social Enterprise Promotion Act. As a result, the first (2008–2012), second

(2013–2018) and third (2019–present) fundamental plans for social enterprise promotion have been published, each containing different purposes and treating design slightly differently with regard to its key objectives.

### **1st social enterprise promotion plan (2008–2012)**

The first fundamental plan for social enterprise promotion aimed to propose and present a robust social enterprise success model with creative and market competitiveness (MOL, 2008). It was established by recognising the importance of government intervention at an appropriate level in social enterprise development, mentioning, for example, a number of strategic planning and implementation examples for Korean social enterprise development based on social enterprise laws, local government interventions and the activation of non-profits. The social enterprise promotion strategy, in particular, has been developed with four objectives: (i) motivation of the private sector toward voluntary participation, (ii) development of a social enterprise support system, (iii) establishment and activation of a private consultation organisation for social enterprises and (iv) strengthening cooperation with relevant ministries and local governments (MOL, 2008). In addition, to achieve the aims of the first social enterprise promotion plan, the government suggested four key tasks within the strategy: (i) creating a positive culture and environment for social enterprises, (ii) discovering creative business models and activating the establishment of new social enterprises, (iii) providing social enterprise management innovation support, (iv) establishing a nurturing system for social enterprise (MOL, 2008).

The Korean government directly included design as a key task as part of the innovation support for social enterprise management. In the first national plan for social enterprise promotion, for instance, the Korean government intended to strengthen its customised management consulting system by introducing a consumer-oriented system for general management, design and marketing innovation, and productivity improvement (MOL, 2008). In this plan, design was considered as part of strengthening customised management consulting for innovation support for social enterprise management. Although the precise role of design in this respect is unknown, given that it is a factor in management innovation, various design roles are expected to be required according to the needs of social enterprises. However, the plan did not address the details or methods of the design-related support

provided by intermediaries or consulting support organisations, or the design system for innovation in social enterprise management. This leads to a situation where, although design is recognised as a key element of social enterprise development in the policy framework and is included to achieve the objective of the social enterprise promotion plan, support is still lacking for practical design use.

### **2nd social enterprise promotion plan (2013–2017)**

After the implementation of the first social enterprise plan (2008–2012), the evaluation study revealed limited development of the social enterprise sector. For example, despite the expansion of various direct and indirect social enterprise support policies, social enterprises continued to lack sustainability, citizen participation and resource linkage (Korean Government, 2012). Therefore, in 2012, the Korean government established and announced a second plan for social enterprise development, the main aim of which was to foster 3,000 social enterprises, with an emphasis on increasing their sustainability and spreading their value (Korean Government, 2012). The second plan also included four principal objectives: (i) strengthening the self-sustenance of social enterprises by expanding growth momentum by creating an infrastructure friendly to social enterprises; (ii) providing a customised support system by improving and expanding the support system so that social enterprises could utilise various resources necessary for social purposes; (iii) expanding stable employment and social services through the activation of social enterprises and creating conditions for the spread of social value and achievements; (iv) strengthening private and regional partnerships through networking support to encourage private-sector resources and utilisation to promote social enterprise ecosystems. These key objectives aimed to expand and complement the support projects and infrastructure established during the previous social enterprise promotion plan.

The second plan focused particularly on strengthening the capacity and infrastructure of support agencies to provide customised support systems for social enterprises, aiming to establish the expertise of integrated support agencies in each region and expand into the field of marketing and design through previous specialised support organisations (Korean Government, 2012). This was an effort to systematically integrate design into the social enterprise support system by including specialist design support organisations in the social enterprise support infrastructure. Compared to the first plan, design in the second plan was

categorised as an area for social enterprise support, perhaps suggesting that awareness of the influence and role of design in social enterprises and sector development had improved among the key players in the social enterprise ecosystem – government, intermediaries and social enterprises. Indeed, it is since the second plan was launched in 2012 that the majority of design support programmes for social enterprises have emerged (to be discussed further in Chapter 6). These programmes were established under the leadership of government, social enterprise support bodies and design agencies or design universities. In this regard, this research identified how the consideration or use of design in government support affects the perceptions and use of design by social enterprises and their sector: although the government planned to integrate design into the social enterprise support system, design was regarded as an area of support needed by social enterprises rather than an integral component of the social enterprise system.

### **3rd social enterprise development plan (2019–present)**

In 2018, the most recent fundamental plan for the promotion of social enterprise was published in South Korea. In it, the Korean government evaluated previous social enterprise promotion plans and found that the existing social enterprise certification system had contributed to the short-term fostering of social enterprise, but had become a barrier to its advancement in various fields. Although a systematic framework for social enterprise support was established through the implementation of the 2008 and 2012 social enterprise promotion plans, most of the support was focused on the development of individual social enterprises while support at the establishment stage was insufficient. As a result, many social enterprises now exist that cannot ensure their sustainability, and the regional distribution of social enterprises is concentrated in metropolitan areas. In addition, as community and private interest in the social economy have grown, it is necessary to strengthen the organic links between various forms of social and economic organisations under the governance that has spread to social economy enterprises (Korean Government, 2018a). Therefore, the Korean Government (2018a) changed the focus of the third social enterprise promotion plan from government-led social enterprise development to the creation of an ecosystem to enable social enterprises to grow themselves. Under this policy framework, the Korean government has set specific targets to create 100,000 jobs in social enterprises and to reach 60% of the social enterprise purchase experience by public and private consumers (Korean

Government, 2018a). In order to achieve these targets, the government plans to improve the following four areas: (i) the emergence and growth of companies that pursue diverse social values, (ii) the current social enterprise support system focusing on social enterprise certification, (iii) the private consumption of social enterprise products and services, to promote social enterprise collaboration and to improve the size and quality of the social-economic ecosystem, (iv) support systems centred on local and social enterprises and expanded international cooperation.

Among these critical objectives, the aims and missions in which design is directly addressed, or where its influence is considered, primarily fall within two areas: (i) promoting the emergence and growth of companies that pursue diverse social values, and (ii) promoting the consumption of social-economic products and services. Especially in the third plan, design was considered a significant factor in enhancing the market competitiveness of social enterprise products. Specifically, the government expanded support to develop products with growth potential or to enhance the market competitiveness of existing products. As a result, cases have been identified where market competitiveness has increased due to appropriate support. In order to ensure that government support is effective, the national social enterprise support agency has started to operate social enterprise product improvement programmes (discussed further in Chapter 6). In this respect, the use of design in government support for social enterprise contributes to the interaction between the social enterprise and design sectors through recruiting design specialists. However, the use of design in such government support tends to take the form of practical support, such as graphic and product design, rather than a strategic design. Thus, while more specialised than the previous use of design by the government, it limits the ability of social enterprises to recognise design influences. Table 5.7 summarises how the Korean government considers design in supporting social enterprises.

**Table 5.7 Overview of design in Korean government support**

	<b>Government support for 2008 - 2012</b>	<b>Government support for 2013 - 2018</b>	<b>Government support for 2019-2023</b>
<b>Government support that uses design</b>	Social enterprise management innovation support	Customised-support system	Social enterprise product improvement
<b>Required design role in government support</b>	As part of a customer-centric management consulting system for social enterprises	As an element of strengthening the capacity and infrastructure of support organisations to provide tailored support systems for social enterprises	As an element for promoting social enterprise products consumption by strengthening social enterprise product market competitiveness
<b>Strength of the use of design in government support</b>	Various design role could be required according to the social enterprises' needs in innovating their management	Design has begun to be considered as one of areas for social enterprise support	Systematic and comprehensive product improvement consulting through knowledge and participation of design experts has begun to be provided
<b>Problem or weakness of the use of design in government support</b>	Lack of data about design system or method for social enterprise management innovation	Design could be a component of the social enterprise system (is was still regarded as one of the areas of support needed by the social enterprise)	Government does not take comprehensive and various design influences into their support scheme – only consider drawing and modelling levels of design such as graphic or product design
<b>Impacts of the use of design in government support</b>	The government could have an opportunity to grasp the design needs of social enterprises. And this would have provided a rational basis for integrating design into social enterprise support system	<ul style="list-style-type: none"> <li>- Emergence of design support programmes for social enterprises</li> <li>- The spectrum of design support for social enterprises has diversified</li> </ul>	The national social enterprise support agency has begun to operate design support programme for social enterprises by recruiting design agencies – it leads the interaction between the social enterprises and design agencies

Through exploring the use of design in Korean government support for social enterprise, this research was able to identify important facts for the research outcome. For example, the government planned to integrate design as part of a social enterprise support system. Although the plan was not executed as intended, the government appeared to recognise the influence of design in the development of social enterprises and tried to promote the use of design in social enterprises and their sector.

### 5.3.1.2 Government as a funder for design in social enterprises

This research – through an intensive exploration of government support – identified that the Korean government provided a range of financial resources to develop design support for social enterprises. These financial resources were developed by different government departments, regional and local governments. The majority of funding from government departments is directly provided to intermediary organisations (primarily government-affiliated agencies) to develop design support programmes (DSPs) targeting social enterprises rather than as direct provision to social enterprises. In contrast funding from regional or local governments is more likely to form part of an operating budget for support centres and is not specifically aimed at developing DSPs but is dependent on the support that the centres want to provide to social enterprises. Several intermediary organisations (e.g. social enterprise support bodies and design support bodies) that provide DSPs to social enterprises highlighted that they were able to develop programmes as a result of government financial support (SK-SEE 5, SK-SEI 1, 4, and 5 SK-DEI 1 and 3), indicating that government interventions (through developing plans and financial resources) can be a catalyst to develop support for the design of social enterprises, and demonstrating the correlation between the government support plan for social enterprises and the emergence of DSPs (as mentioned in section 5.3.1.1). However, this causes intermediaries to have a high level of dependence on government funding for DSP development. In addition, the government’s financial support takes the form of one-year funding, creating challenges for long-term or continuous support. Table 5.8 summarises the financial resources developed by the Korean government, which specifically aim to support the design of social enterprises and associated areas in 2021. The financial resources are used to develop DSPs at the national level. It should be noted that regional and local governments provide more financial resources to intermediary organisations to develop DSPs at these levels.

**Table 5.8 Financial resources provided by government departments for DSP development**

Provider	Purpose	Size	Related DSPs
Ministry of SMEs and Startups	Support for intensive growth of social economy enterprises	£1.2 million (KRW 1,925 million)	N/A because design development is one of optional support using the financial resource

Ministry of Trade, Industry and Energy	Social Economy Innovation Growth (R&D)	£3.5 million (KRW 5,793 million)	SK-DSP 6
	Social Economy Innovation Growth (Commercialisation)	£3.6 million (KRW 5,850 million)	SK-DSP 6
	Reinforcement of design- led social enterprise innovation capabilities	£1.9 million (KRW 3,190 million)	SK-DSP 13

Source: Adapted from MOEF (2021)

### 5.3.2 Design in intermediary organisations' support for social enterprises

In the previous section, this research examined the Korean government's support for social enterprises and confirmed that various streams of support via intermediary organisations were developed based on government support. Similar to intermediaries in the UK, those in South Korea use design as an approach to foster social enterprises (i.e. DSESPs) as well as a tool to improve the design of social enterprises (including products, services and brands) for enhancing market competitiveness (i.e. DSPs). In particular, it was identified that the use of design in intermediary organisations' support for social enterprises has been influenced by government support such as encouraging the use of design through policy and financial resources provided to relevant stakeholders (e.g. ministries, national social enterprise and design support bodies). Therefore, the following sub-sections discuss how the SK-DSESPs and DSPs were developed and provided for social enterprises, and identify the key stakeholders involved in these practices and their importance.

#### 5.3.2.1 Design-led Social Enterprise Support Programmes (DSESPs)

Similar to the UK-DSESPs, the SK-DSESPs primarily influence the development of the social enterprise ecosystem rather than improving the design of social enterprises. In this regard, several interviewees noted that most intermediary organisations have limited understanding of design, generally restricted to visual aspects (SK-SEE 4, SK-DEE 5, SK-SEI 3 and SK-DEI 3) and focused on planning with little account of practical aspects (SK-SEE 5). Regarding this limited design use, one interviewee (SK-SEI 4) observed that 'although intermediaries need to use design, they do not seem to put as much time and effort as they actually need'. Accordingly, this research identified two DSESPs in South Korea that met the critical condition that DSESPs

should use design to promote the development of social enterprises or solve existing challenges faced in developing social enterprises or their sector. The first Korean DSESP examined (SK-DSESP 1) utilised design – specifically graphic design – to improve awareness of local social enterprises among the general public, while SK-DSESP 2 applied a service design approach to foster social enterprises contributing to urban regeneration. The details of each DSESPs are given below.

### **SK-DSESP 1: Design Map**

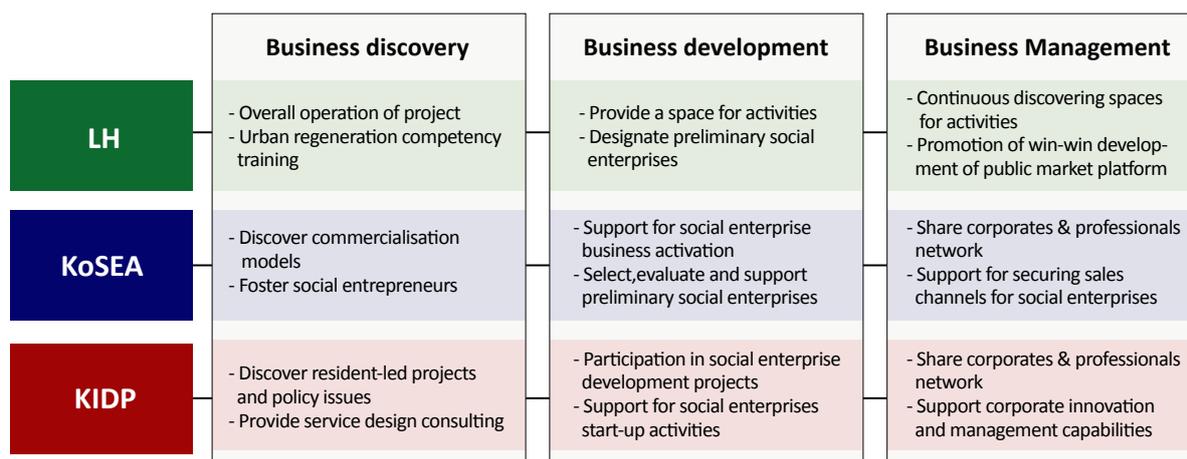
SK-DSESP 1 was implemented to increase awareness of local social enterprises by providing infographic material including detailed information on local social enterprises (Yang, 2017). It covers areas such as the current state of local social enterprises, their major development items, number of employees and necessary support projects. Infographic material is developed with the ultimate aim of contributing to the activation of social enterprises through an analysis of trends related to social enterprises, changes in markets and products and links among related businesses. In particular, according to the interview with the local social enterprise support body (SK-SEE 4), this outcome will be used as primary data for establishing policies to support social enterprises in the city in the future. Although SK-DSESP 1 did not contribute directly to the design of social enterprises, it has affected at a system level the development of social enterprise by influencing government support for social enterprise.

Furthermore, it was delivered through a partnership between a local social enterprise support centre, a local design support centre and design academics (SK-SEE 4 and SK-DEE 4) and, therefore, could be a practical example that influences other intermediary organisations and design universities or academics to establish more partnerships between social enterprise sector organisations and design institutions to develop social enterprise ecosystems using design. However, despite the potential impact of design applications and programme outcomes on the development of the social enterprise sector, detailed information on the processes and performance of SK-DSESP 1 appears to be available only to local authorities and the relevant social enterprise support bodies. Restricted access to detailed information on SK-DSESP 1 resulted in a missed opportunity to provide a practical example that would

encourage other social enterprise support bodies and government agencies to use design to support social enterprises and development of their sector.

### **SK-DSESP 2: Urban Regeneration New Deal Project**

In 2017, the Korean government announced its Social Economy Revitalisation Plan to establish a support system tailored to the characteristics of each growth stage of social economy enterprises (including social enterprises), in order to improve their ecosystem (Korean government, 2017). The system includes not only public–private collaboration but also a regionally-led propulsion system; thus, social enterprise-related policies promoted by each ministry began to be comprehensively coordinated by the Ministry of Strategy and Finance and, at the same time, collaborations between ministries were encouraged to foster social enterprises (Korean government, 2017). Accordingly, in 2018, the Ministry of Land, Infrastructure and Transport formed a project called Urban Regeneration New Deal to discover regional-based business models and support specific plans (business/startup, establishment of a regeneration project plan and derivation of regeneration issues). To this end, a MOU was signed with LH (affiliated to the Ministry of Land, Infrastructure and Transport), the KoSEA, and the KIDP (Kim, 2018; Lee, 2018), establishing a systematic collaboration system utilising the unique roles and strengths of each public institution (see Figure 5.5). Through this project, in particular, various benefits were confirmed: (i) the discovery and nurturing of social and economic actors with consequent synergistic effect, (ii) a model for creating jobs based on the local community by collaborating with relevant organisations, and (iii) the opportunity to create conditions for local income generation and to realise social values (Yoon, 2018). Although the SK-DSESP could not be considered to directly influence the design of social enterprises, it actively utilised service design and contributed to the revitalisation of the social economy, leading to income and job creation and urban regeneration (KIDP, 2018), with significance for this study in terms of confirming the role and use of design to support the development of social enterprises.



**Figure 5.5 The key roles of each institute for the project (Source: Adapted from MOLIT, 2018)**

### 5.3.2.2 Design Support Programmes (DSPs)

The study identified fourteen DSPs in South Korea that satisfied the selection criteria for case studies. Most SK-DSPs (except SK-DSP 4) were provided only to social enterprises. In comparison with the UK, there were significantly more DSPs in South Korea. Moreover, the SK-DSPs for South Korean social enterprises operated across national, regional and local levels, and can be categorised into three types according programme execution areas. Six SK-DSPs operated at the national level (SK-DSPs 1, 2, 3, 4, 12 and 13), of which four were organised and executed by government agencies (e.g. national social enterprise support body and design support body) and one (SK-DSP 1) by a partnership between a university and an intermediary organisation of social enterprises. Three DSPs operated at the regional level and were led by regional authorities (SK-DSPs 5, 6 and 14). The remaining five DSPs were implemented at the local level (SK-DSP 7, 8, 9, 10 and 11), organised by local social enterprise support centres and delivered through partnerships between support centres, design agencies and universities. Table 5.9 lists the SK-DSPs for social enterprises.

**Table 5.9 Overview of SK-DSPs for social enterprises**

Programme	Led by	Provision type	Main support contents
SK-DSP 1	University	<ul style="list-style-type: none"> <li>- Hands-on support</li> <li>- Matching support</li> </ul>	Visual design (e.g. visual identity and packaging design)

SK-DSP 2	Government agency		<ul style="list-style-type: none"> <li>- Visual and product design</li> <li>- Brand and management development</li> </ul>
SK-DSP 3	National social enterprise support body	<ul style="list-style-type: none"> <li>- Hands-on support</li> <li>- Matching support</li> <li>- Funding</li> </ul>	Visual design (e.g. packaging design)
SK-DSP 4	National design support body		Visual and product design
SK-DSP 5	Government agency	<ul style="list-style-type: none"> <li>- Hands-on support</li> <li>- Funding</li> </ul>	<ul style="list-style-type: none"> <li>- Visual design (e.g. visual identity and packaging design)</li> <li>- Marketing strategy</li> </ul>
SK-DSP 6	Regional social enterprise support body	<ul style="list-style-type: none"> <li>- Hands-on support</li> <li>- Matching support</li> <li>- Funding</li> </ul>	Visual design (e.g. packaging design)
SK-DSP 7	Local government	Hands-on support	Visual design (e.g. brand and packaging design)
SK-DSP 8		<ul style="list-style-type: none"> <li>- Hands-on support</li> <li>- Matching support</li> <li>- Funding</li> </ul>	<ul style="list-style-type: none"> <li>- Design education</li> <li>- Visual and product design</li> </ul>
SK-DSP 9	Local social enterprise support body		<ul style="list-style-type: none"> <li>- Visual design (e.g. visual identity design)</li> <li>- Design application support</li> </ul>
SK-DSP 10		Hands-on support	<ul style="list-style-type: none"> <li>- Visual design (e.g. visual identity design)</li> <li>- Branding</li> </ul>
SK-DSP 11			<ul style="list-style-type: none"> <li>- Visual design (e.g. visual identity and packaging design)</li> <li>- Service design</li> </ul>
SK-DSP 12	Social enterprise support body	<ul style="list-style-type: none"> <li>- Workshop</li> <li>- Matching support</li> <li>- Funding</li> </ul>	Wide range of design, depending on the design demands of social enterprises
SK-DSP 13	National design support body	<ul style="list-style-type: none"> <li>- Workshop</li> <li>- Hands-on support</li> <li>- Matching support</li> <li>- Funding</li> </ul>	<ul style="list-style-type: none"> <li>- Design consulting</li> <li>- Business model development</li> <li>- Wide range of design, depending on the design demands of social enterprises</li> </ul>
SK-DSP 14	Regional social enterprise support body	<ul style="list-style-type: none"> <li>- Hands-on support</li> <li>- Matching support</li> <li>- Funding</li> </ul>	<ul style="list-style-type: none"> <li>- Design consulting</li> <li>- Visual and product design</li> </ul>

### 5.3.1.2.1 Type of support content

This study identified a cluster of design support content by exploring the 14 SK-DSPs (see Table 5.10). Firstly, those SK-DSPs were considered that primarily focused on using design as a tool to solve the practical design problems (e.g. styling, providing form) faced by social enterprises. For example, the most popular type of design support in SK-DSPs was related to visual design; 12 out of 14 programmes supported graphic and visual design support, and ten supported visual identity design. Many DSPs included financial support as a design support content type for utilisation in social enterprises. Such financial support included grants and subsidies for design applications and to assist design agencies in hiring or contracting experts. The provision of grant funding or subsidies to social enterprises to encourage them to

participate in DSPs, the use of design to improve products and services, and an effort to promote interaction between the fields of social enterprise and design appeared to be unique features of South Korean DSPs. However, this type of support often led social enterprises to perceive expenses related to design as optional or unnecessary costs rather than an essential investment in the business.

**Table 5.10 Classification of design support type**

	Designing				Designing process					Design strategy				Design for systemic change and culture			
	Graphic and visual design	Visual identity design (BI/CI)	Product design	Online platform(s) development	Service design	Market or user research	Existing product or service improvement	New product or service development	Prototyping or model making	Marketing strategy	Brand development	Business strategy development	New business area and model development	Design thinking	Design intellectual property	Design education	Introducing or recruiting design agency or expert
SK-DSP 1	●	●	●					●		●						●	
SK-DSP 2	●		●			●	●			●			●	●		●	●
SK-DSP 3	●		●							●						●	●
SK-DSP 4	●	●				●	●							●		●	●
SK-DSP 5	●	●						●	●	●				●			●
SK-DSP 6	●	●	●				●									●	
SK-DSP 7	●	●								●							
SK-DSP 8	●		●			●	●								●	●	●
SK-DSP 9	●	●	●			●				●			●	●			
SK-DSP 10	●	●															
SK-DSP 11	●	●				●											
SK-DSP 12																●	●
SK-DSP 13					●	●	●	●		●	●	●			●	●	●
SK-DSP 14	●	●	●			●	●	●		●						●	●

Moreover, although it was identified that eight out of 14 DSPs offered support for brand development, a lack of design support was observed in the designing process and at the strategy level. This lack affected the organisational mindset and culture and strategic management aspects of social enterprises (including business strategies and business models), which may, in turn, influence the overall understanding of design in the social enterprise sector. As a result, the design knowledge of intermediaries remains for the most part at the level of design as styling or form-giving, rather than a strategic tool for developing businesses or organisations. In this respect, it was suggested that most social enterprises in South Korea are likely to have a minimal understanding of design. In addition, despite some social enterprises having participated in DSPs, most support offered did not provide adequate design education and, as a result, social enterprises continue to struggle to improve their design.

#### **5.3.1.2.2 Mode of DSP provision**

Similar to the UK-DSPs, four delivery modes were observed in the SK-DSPs: workshop, hands-on support, matching support and funding. The programme delivery format most frequently found in SK-DSPs was hands-on support, found in 13 out of 14 programmes, followed by matching and funding support observed in nine programmes respectively. With the exception of four SK-DSPs (SK-DSPS 7, 9, 10 and 11), most DSPs used a combination of three formats, with only one (SK-DSP 13) including all four modes. Individual details for the four DSP delivery types are provided below.

- (1) **Workshop:** This study has confirmed several strengths of the workshop-type DSP by analysing the cases of the UK-DSPs (discussed in section 5.2.2.2.2). However, in the cases of SK-DSPs, only two programmes (SK-DSPs 12 and 13) were delivered through this format. Stakeholders in both programmes note that social enterprises participating in DSPs tend to avoid participating in workshops (SK-SEI 5, SK-SEs 1 and 3) because most are micro-scale enterprises (run with fewer than five employees), which do not have sufficient time or staff to invest in regular workshops (SK-SE 1, 4 and 5). Stakeholders, however, emphasise that workshops are vital in providing design education and improving networks and relationships among the participating social enterprises and other stakeholders in the programmes (SK-DEI 1 and SK-SE 3).

(2) **Hands-on support:** This is considered the most common type of SK-DSP. Of the 13 SK-DSPs, all except SK-DSP 12 were delivered as hands-on support, which addresses substantial design issues faced by social enterprises or fulfils their design demands. Thus, it is generally provided in combination with matching support. Through this combination, social enterprises conduct design work by linking with design practitioners according to their design needs or demands. Some hands-on SK-DSPs were operated on a pro bono basis by design universities, offering students the opportunity to understand social enterprises, explore the expanding role of design in creating social and economic value, and gain practical experience in design. However, design support was thus provided by students, who lack design expertise compared to practitioners, thereby causing difficulty in fulfilling the design needs of social enterprises and limiting the design support content to graphic design (SK-DEE 4 and SK-SEI 2). Moreover, it should be noted that if the design support contents of SK-DSPs is too focused on hands-on support, participants may have inadequate opportunities to develop their own design knowledge.

(3) **Matching support:** Nine of the 14 DSPs (SK-DSPs 1, 2, 3, 4, 6, 8, 12, 13 and 14) were identified as matching DSPs, providing design support by matching practitioners (e.g. design agencies, designers or design students) with social enterprises, depending on the nature of the programmes or the design needs of participating social enterprises. Matching support is usually provided alongside funding support because the main purpose of these DSPs is to assist social enterprises which recognise the impact of design but lack the financial resources to invest in a design workforce. In this matching, programme organisers use their design pool, and design support bodies operate job fairs to match designers with social enterprises, facilitating interaction through the shared interests of social enterprises and designers, and finding more suitable partners (SK-DEEs 2 and 3). It is challenging for social enterprises to find partners (e.g. design agencies or designers) independently, since they usually have minimal design knowledge (SK-SE 3). Furthermore, organisers of the programmes providing matching support should act as supervisors to ensure that design support is provided effectively and appropriately (SK-SEs 4 and 6).

(4) **Funding:** Similar to matching support, eight of the 14 DSPs (SK-DSPs 2, 3, 4, 5, 6, 8, 12, 13 and 14) delivered funding support within the programmes, intended to cover the cost of design development or design workforce payment, which represents a challenge for most social enterprises. Social enterprises can use the funding to improve existing products or services or develop new ones through external design agencies or by hiring in-house designers. It was emphasised that social enterprises with SK-DSP experience can hire in-house designers with such funding, bringing benefits in design application and improvement and, thus, enhancing the design understanding and knowledge of other staff in these enterprises (SK-SEs 3 and 6). However, an issue related to DSPs offering funding support is that majority of such support is government-funded, with only one programme (SK-DSP 12) supported by a commercial bank, and this leads to short-term support: most DSPs providing funding support from government funds are limited to one year.

#### **5.3.1.2.3 Classification of stakeholders**

A significant finding in classifying the key stakeholders in SK-DSPs is that government intervention is the primary driver of the provision of such programmes. For example, most SK-DSPs were formed by Korean local authorities or affiliated organisations of government ministries operating with government funding. This demonstrates the correlation between government support and DSP development, as revealed in the previous section (5.3.1). Moreover, the government was also identified as a key stakeholder in financial support and programme organisation. Eight programmes (SK-DSPs 2, 3, 5, 6, 8, 9, 11 and 13) were run repeatedly thanks to government funding and were organised by government-funded or affiliated organisations, indicating that South Korean DSPs rely heavily on government support for programme organisation and operation and lack private investment and support. In terms of DSP provision, this research identified that most programmes were delivered through design agencies affiliated with national or regional (including local) design support bodies to provide practical one-to-one design support, considering their needs within the organisational context and thus encouraging interaction between the social enterprise and design sectors. Moreover, the various interventions of universities (including academics and students) were explored as DSP providers, with similar findings to those of the UK-DSPs, thus demonstrating the potential of universities in supporting the design of social enterprises and

developing DInE for social enterprises in a broader context. Table 5.11 displays the roles of stakeholders in DSPs.

**Table 5.11 Classification of the key stakeholders in DSPs**

	<b>Organiser</b>	<b>Implement cost provider</b>	<b>Deliverer</b>
<b>SK-DSP 1</b>	University	Government department	<ul style="list-style-type: none"> <li>• Design academic and students</li> <li>• Design agencies</li> </ul>
<b>SK-DSP 2</b>	Government agency		<ul style="list-style-type: none"> <li>• Design and brand agencies</li> </ul>
<b>SK-DSP 3</b>	National social enterprise support body		Design agencies
<b>SK-DSP 4</b>	National design support body		Designers or design agencies
<b>SK-DSP 5</b>	Government agency	Regional government	Design agencies
<b>SK-DSP 6</b>	Regional social enterprise support body	<ul style="list-style-type: none"> <li>• Government department</li> <li>• Regional government</li> </ul>	<ul style="list-style-type: none"> <li>• Design experts</li> <li>• University</li> </ul>
<b>SK-DSP 7</b>	Local government	Local government	Design academic and students
<b>SK-DSP 8</b>	Local social enterprise support body		<ul style="list-style-type: none"> <li>• Local design support body</li> <li>• Design agencies</li> </ul>
<b>SK-DSP 9</b>			<ul style="list-style-type: none"> <li>• Design agencies</li> <li>• Design academic and students</li> </ul>
<b>SK-DSP 10</b>			Design academic and students
<b>SK-DSP 11</b>			Design academic and students
<b>SK-DSP 12</b>	Social enterprise support body	Commercial bank	Design experts
<b>SK-DSP 13</b>	National design support body	Government department	Design agencies and experts
<b>SK-DSP 14</b>	Regional design support body		design agencies

#### **5.3.1.2.4 Relationships between key stakeholders**

From the classification of roles played by key stakeholders in DSPs, this research recognised that stakeholders formed various types of relationships. The relationship between key stakeholders is crucial to understanding the operating mechanisms of design support for social enterprises in mapping DInE. This study, therefore, attempted to illustrate these relationships with a particular focus on revealing those between the organiser and the deliverer of each programme. Table 5.12 categorises the relationships between the key stakeholders identified according to three criteria: the type of relationship between the

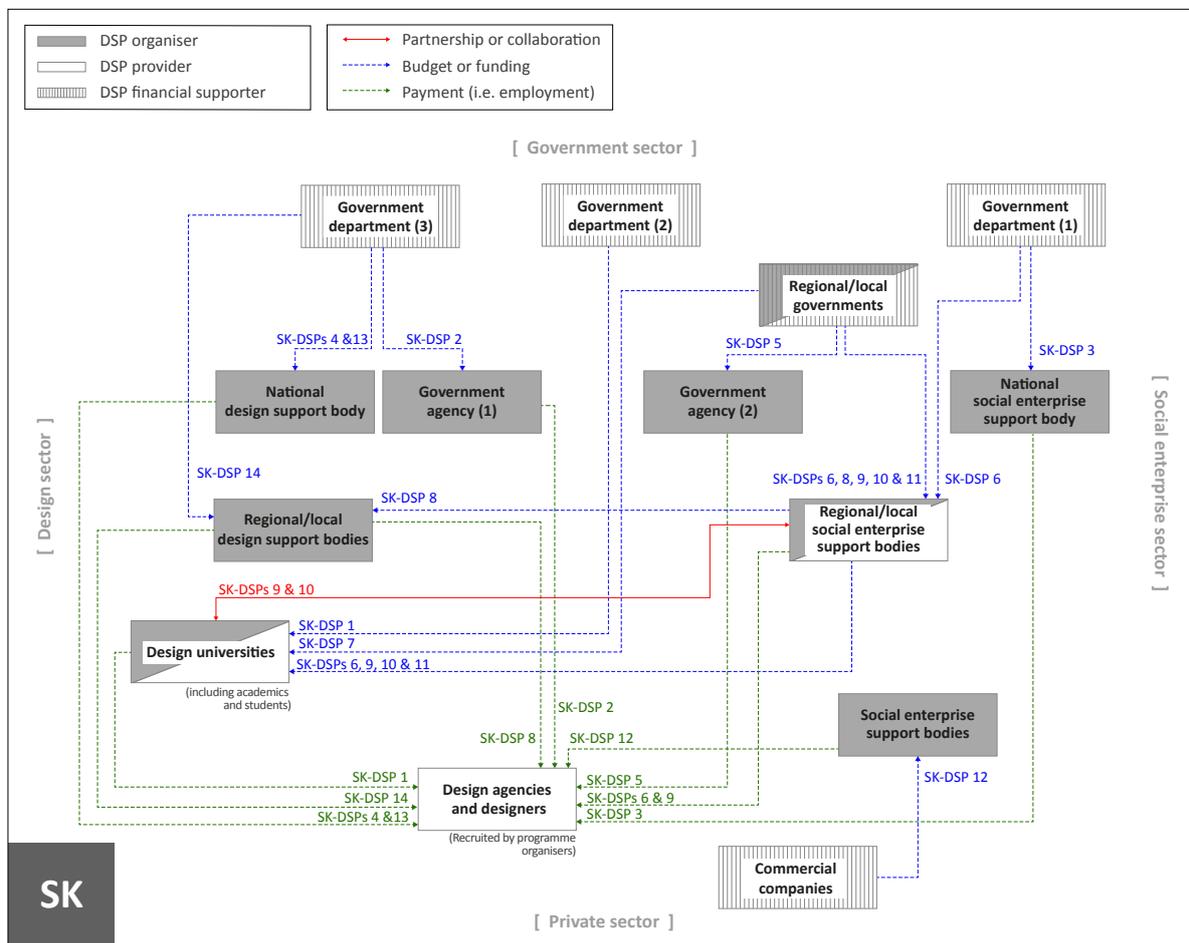
organiser and deliverer of the programme, the form and origins of the programme’s operating costs, and the cost of participation (mainly in the case of social enterprises).

**Table 5.12 Classification of the key stakeholders’ relationships**

	Type of relationship	Type of implementation cost	Cost to participants	
SK-DSP 1	Employment	Grant funding	5% of invoice for one staff member	
SK-DSP 2			5 – 10% of design development costs	
SK-DSP 3		20% of design development costs		
SK-DSP 4		50% of invoice for one staff member		
SK-DSP 5		Subsidy	10% design development costs	
SK-DSP 6				
SK-DSP 7			N/A	
SK-DSP 8			£ 0	
SK-DSP 9		Collaboration		N/A
SK-DSP 10				
SK-DSP 11	Employment	Subsidy	5% of invoice for one staff member	
SK-DSP 12		Grant funding	50% of invoice for one staff member	
SK-DSP 13		Subsidy	0 or 20% of invoice for one staff member	
SK-DSP 14			20% of design development costs	

As shown in Table 3.12, the research identified two types of relationship between the organiser and the deliverer of the programme: collaboration and employment. The vast majority of SK-DSPs – 12 out of 14 – were delivered through employment-type relationships. Although these programmes were delivered by government departments, regional or local governments or government agencies, and were funded with subsidies, they required the participating social enterprises to pay 5–20% of the design expense or design labour cost. Such schemes thus allow the participating social enterprises to recognise design cost as an investment and encourage them to follow the programme to its completion. Employment relationships fall into two types – contract (SK-DSPs 2, 3, 5, 6, 8 and 14) and hire (SK-DSP 1, 11, 12 and 13). The contract relationship provides design support to social enterprises participating in a programme for a specific period through design agencies who signed contracts with programme organisers. The hire relationship encourages social enterprises to

employ in-house designers by introducing experts and providing labour funds or matching design students. Compared to the employment relationship, only a very small number of collaborative relationships between stakeholders were identified (e.g. SK-DSPs 9 and 10). Moreover, it was noteworthy that there was no case of DSP based on partnership, in contrast to the situation in the UK, which may be a cause of the lack of design understanding and utilisation of intermediaries (especially social enterprise support bodies), since partnership-based DSPs provide various opportunities to participating stakeholders to enhance their awareness of design and social enterprises beyond the design of social enterprises. Figure 5.6 shows the relationships among the key stakeholders in SK-DSPs.



**Figure 5.6 Classification of key stakeholder relationships (including types of financial resource for DSP development)**

#### **5.3.1.2.5 Challenges in DSP development and provision**

Several challenges in DSP development and provision were revealed by in-depth interviews with social enterprises and design experts who struggled to develop and deliver DSPs for social enterprises. The difficulties identified included **(i) a lack of workforce in intermediaries, (ii) limited understanding of design in social enterprise support institutions, (iii) a lack of business maturity in social enterprises, (iv) a lack of partnerships between social enterprise support institutions and design centres at the national and regional level, and (v) a high reliance on governmental finance resources in operating support programmes.**

Many interviewees stated that most intermediaries are micro-sized (1–9 people) and therefore have a limited workforce (SK-SEIs 4 and 5) resulting in a lack of understanding of design by supporting organisations, and difficulties in DSP development. The former was particularly identified as a problem, with some intermediaries confused about the term ‘design’ in current design utilisation (SK-SEIs 1, 2, 3, 4 and 5). This problem may be caused by insufficient design education resources, especially for intermediary organisations. In this regard, most interviewees from social enterprise support centres showed great interest in using design for their business development; some therefore wanted a richer design education to improve their understanding and utilisation of design. However, some interviewees emphasised that, with insufficient time and staff to proceed with other supporting projects, they could not afford design education (SK-SEIs 1, 2, 3, 4 and 5). Moreover, interviewees struggled to find appropriate design education and institutions that regularly engaged in design education for intermediaries (SK-SEIs 1, 2, 3, 4 and 5). Although a few had had opportunities for design education, the contents were not sufficient to benefit them as support organisations for social enterprises (SK-SEIs 4 and 5). Interestingly, during the interviews, the study also identified a few intermediaries who unintentionally used design as an approach or tool to improve their business (SE-SEIs 2 and 4). However, the benefits of using design varied greatly, depending on whether intermediaries were aware of how design affects their business.

The findings also showed that the lack of partnerships between social enterprise support institutions and design centres at the national and regional levels made it difficult for intermediaries to provide DSPs for social enterprises (SK-SEIs, 2, 3, 4 and 5). For instance, of

the 12 organisations contacted for this study, only three intermediary organisations (the national social enterprise support body, a regional social enterprise support body and a social enterprise support body) have collaborative relationships with the national and regional design support bodies. This lack of partnerships also caused challenges in seeking appropriate design support providers in some intermediaries (SK-SEIs 1 and 4) and can be seen as a weakness of the current DSPs for social enterprises. Two DSPs based on collaborations between intermediaries and design universities provided minimal design support content – mainly focused on visual design. Despite universities’ wide-ranging resources (including knowledge and practical skills) and their ability to be a strategic driver for DSP development and provision, many intermediaries – mainly social enterprise and design support bodies – seemed unaware of their potential. Moreover, there was a lack of involvement from the private sector, including commercial companies, social enterprise support organisations and design agencies. Only one of the 13 DSPs – SK-DSP 12 – has been run through financial support provided by a commercial bank. Several interviewees (SK-SEIs 1, 2 and SK-DEIs 2, 3) stress that securing financial resources is the most significant barrier to supporting social enterprises and their design. For instance, most regional social enterprise support centres had to rely on government funding (usually short-term) to operate their businesses (SK-SEIs 2, 3, 4 and 5).

#### **5.3.2.2.6 Considerations for improving DSPs**

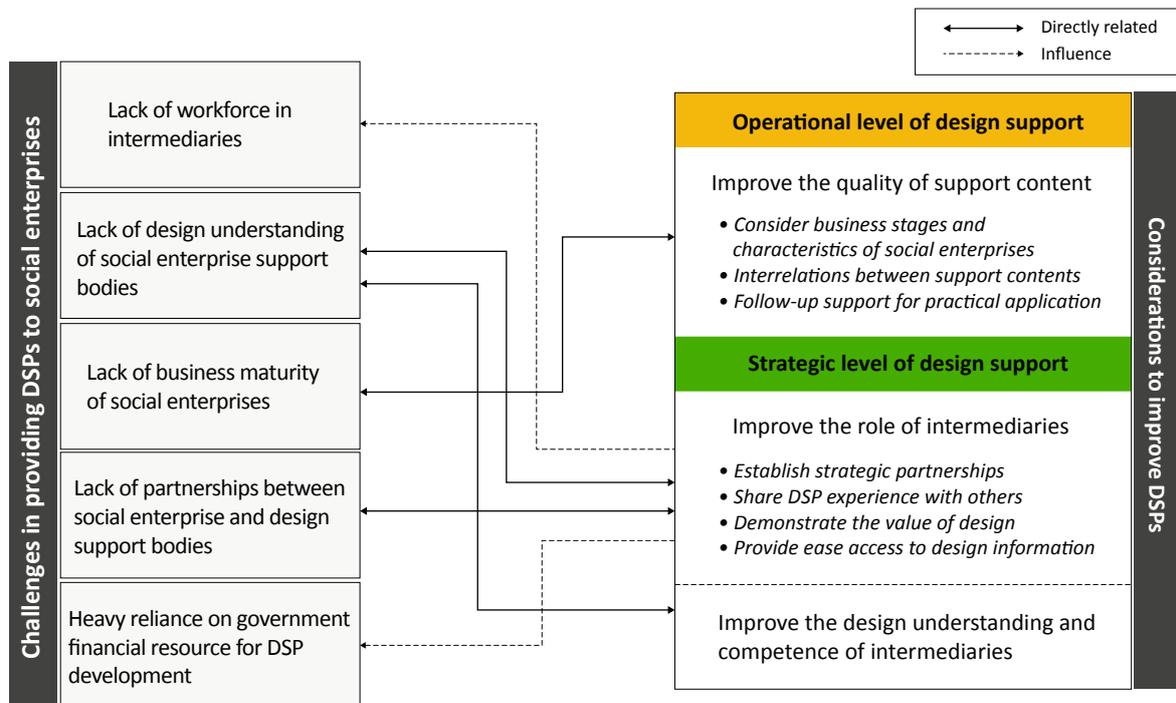
Intermediary organisations shared some suggestions for optimising and improving DSPs for social enterprises based on their insights and experiences. The findings are crucial to the research aim of this study: to build a strategic framework for a design-innovation ecosystem that can increase the competitiveness and economic sustainability of social enterprises. The suggestions are organised into three categories: (i) improving the quality of support content, (ii) improving the effectiveness of roles of intermediaries, and (iii) improving the design understanding and competence of intermediaries (e.g. social enterprise support bodies), and each is detailed below.

- i) **Improving the quality of support content:** Some DSP providers (**SK-DEIs 2, 3 and 5**) stressed that the quality of the support content should be improved by considering (i) the business stages and characteristics of the social enterprises, (ii) the interrelationships between support contents, (iii) the follow-up support for practical

application. This relates to the issue that current DSPs have a minimal impact on social enterprises (with most support focusing on the operational level of design), so that design is not used strategically in the business context. This has led to the need for a systematic approach to encourage the use of design in social enterprises as a strategy for long-term business growth (including securing market competitiveness and influencing internal culture and operational structure).

- ii) **Improving the effectiveness of roles of intermediaries:** Intermediaries experienced barriers in developing and providing DSPs, such as the absence of partnerships between social enterprise and design support institutions and a reliance on government finance to operate DSPs. Some DSP organisers, therefore, emphasised that intermediaries, mainly social enterprise and design support bodies, should be more proactive (SK-SEI 7 and SK-DEIs 2, 4, 5), particularly in establishing strategic partnerships to secure financial recourses and achieve each organisation's goals through, for instance, improving networks, supporting the growth of social enterprises and revitalising design. Social enterprise support bodies should share their DSP experience with others to learn from one another, and develop databases to develop advanced and optimised DSP. Design support bodies should demonstrate the value of design in social enterprise growth and provide easier access to design information.
  
- iii) **Improving the design understanding and competence of intermediaries:** Some stakeholders highlighted insufficient design understanding and competence in social enterprise support bodies (SK-SEI 2, 3, 4, 5 and SK-DEIs 4, 6), not only causing operational issues for DSPs, such as limited design support content, but also demonstrating a lack of design utilisation (as discussed in Section 5.3.2.1). They argue, therefore, that intermediaries should not only improve the design of social enterprises but also influence the design understanding and competence of social enterprise support bodies. Thus, future DSPs should consider integrating design into the support system of social enterprise support bodies and improving the support bodies' mindset on design.

The suggestions of the SK-DSP stakeholders relate also to operational and strategic levels of DSP development (linked to the challenges the intermediaries experienced in developing and delivering DSPs to social enterprises), similar to those made by intermediaries in the UK. Figure 5.7 explains the relationships between the challenges experienced by intermediaries and their recommendations for developing future DSPs.



**Figure 5.7 Connections between key challenges and considerations**

### 5.3.3 Design in social enterprises

The data collected from social enterprises in South Korea were analysed similarly to those collected from the UK, according to four themes: the state of design utilisation in social enterprises; challenges in using design; key drivers of and barriers to current design support; and considerations for improving the current design support for social enterprises. However, one more theme was included – issues experienced by social enterprises in current design support – because several social enterprises had experienced design support targeted at them.

### 5.3.3.1 The state of design utilisation of social enterprises

Design is frequently used by social enterprises in South Korea as a process to develop existing or new products and services (SK-SEs 3, 5, 7, 8, 9 and 10). Specifically, they use design for market or user research, prototyping and model development to improve their understanding of the end-user and increase time and cost efficiencies. However, compared with UK social enterprises, current design utilisation is deficient as a strategy for business development by South Korean social enterprises (SK-SEs 1 and 4). This illustrates how social enterprises in these two countries understand differently the impact and benefits of design for their business. It also indicates that most social enterprises have a limited understanding of design, as described above. In this regard, this research should consider the following aspects in developing a strategic framework for DInE development for social enterprises: (i) design support to improve the design understanding of social enterprises, and (ii) stakeholders' involvement in improving the design understanding of social enterprises.

### 5.3.3.2 Challenges in design utilisation by social enterprises

Social enterprises in South Korea experienced similar challenges to those in the UK when using design, such as a **lack of design understanding and competence** – related to the lack of design experience, limited budgets for design – similar to the limited resources for design utilisation, and **issues in communication with design practitioners**. The challenges related to the lack of design understanding and competence evidently demonstrate the rationale for developing design support for social enterprises: social enterprises cannot use design strategically due to their limited perception of design and their insufficient skills and resources. In particular, for some social enterprises, design is a relatively new area that is difficult to access and understand; thus, they struggle with how to apply design to their product and service development (SK-SEs 3, 4, 8 and 9).

The expense of design development and application mentioned by South Korean social enterprises is related to their business competence. Like their UK counterparts, many social enterprises in South Korea reported that they have minimal capacity to invest time and financial resources in design due to the micro size of the business and low staff numbers (SK-SEs 1, 2, 5, 6, 7 and 9). This discovery identified a need to develop an approach that minimises

social enterprises' input but brings effective results, and this is a significant aspect of improving DInE for social enterprises. An approach is needed that allows social enterprises to easily access and use the numerous resources from academics on a pro-bono basis as part of developing mechanisms of DInE for social enterprises, aiming to provide advanced design support for social enterprises effectively and efficiently. This finding also emphasises that the role of design within DInE for social enterprises should be focused on their business growth. Furthermore, one of the objectives considered necessary in DInE is to demonstrate the vast and practical impact of design on business growth to encourage social enterprises to use design. In particular, the difficulties identified in UK social enterprises (such as finding appropriate design practitioners and the lack of design experience) are related to one another and were primarily due to lack of design understanding and competence in social enterprises, findings confirmed in South Korean social enterprises (SK-SEs 1, 5, 7, 8 and 10). In this regard, it is crucial to develop and provide practical and relevant design education to enhance understandings of design in social enterprises.

Moreover, similar to their UK counterparts, South Korean social enterprises also highlight difficulties in communicating with designers (SK-SEs 3, 4, 6, 7, 8, 9 and 10), most frequently identified in communication between design practitioners and social enterprises when attempted to deliver the message that social enterprises wanted to convey to customers or the direction of design that social enterprises wanted. While this is because the majority of social enterprises lack an understanding of design, it also indicates that design practitioners do not fully understand the social value or impact that social enterprises are attempting to generate, and demonstrates the need also to improve design practitioners' understanding of social enterprise. Therefore, this research should consider designing a practical and systematic approach that facilitates interaction between the social enterprise and design fields to improve DInE for social enterprises. The difficulties related to current design support were identified. Furthermore, some social enterprises in South Korea found it challenging to access institutes that encourage the use of design and provide design support specifically for social enterprises (SK-SEs 4, 5, 8 and 9). Even if they find the support they want, there are restrictions to receiving it as a social enterprise, due to specific criteria they cannot meet. Thus, although some social enterprises recognise that they need design support and actively seek it, according to their design needs or demands, accessing such support as a social

enterprise can be difficult. Thus, it is important to consider how to ease restrictions and what criteria should be considered.

### **5.3.3.3 Issues in current design support experienced by social enterprises**

The research identified the challenges that social enterprises experienced when receiving design support from the current DInE. Unfortunately, data were collected only from South Korean social enterprises because none of the UK social enterprises participating in the in-depth interviews for this research had design support experience. Nevertheless, this information was important in understanding the issues in the current DInE from the practical perspectives of the key beneficiaries of the ecosystem (i.e. social enterprises). The issues that social enterprises experienced in the current design support are classified in four key clusters: **(i) limitations of the support** (SK-SEs 3, 5 and 7), **(ii) lack of design understanding and experience** (SK-SEs 3, 5, 6, 7 and 10), **(iii) finding appropriate design practitioners** (SK-SEs 3, 8 and 10) and **(iv) different understandings of design between DSP organisers and providers** (SK-SEs 8 and 9).

The research observed the key clusters to identify the leading causes of these issues and exposed two root causes: (i) lack of design competence in social enterprises (e.g. lack of design understanding and experience, difficulty in finding appropriate design practitioners) and (ii) weaknesses in the mechanisms of the current DInE, including content (e.g. limited support) and structure of design support (e.g. difficulty in finding appropriate design practitioners and differences in understandings of design between DSP organisers and providers). These issues demonstrate critical facts to be considered in developing a strategic framework for DInE development as they affect improvements in the operational and structural aspects of the current DInE. For example, the issues related to the design competence of social enterprises indicate the need to develop optimised support for social enterprises – in terms of enhancing the design understanding and competence of social enterprises – while reforming the operational aspects of the current DInE. In this regard, it is vital to investigate the type of design support required for social enterprises based on a richer understanding of the current situation of social enterprises.

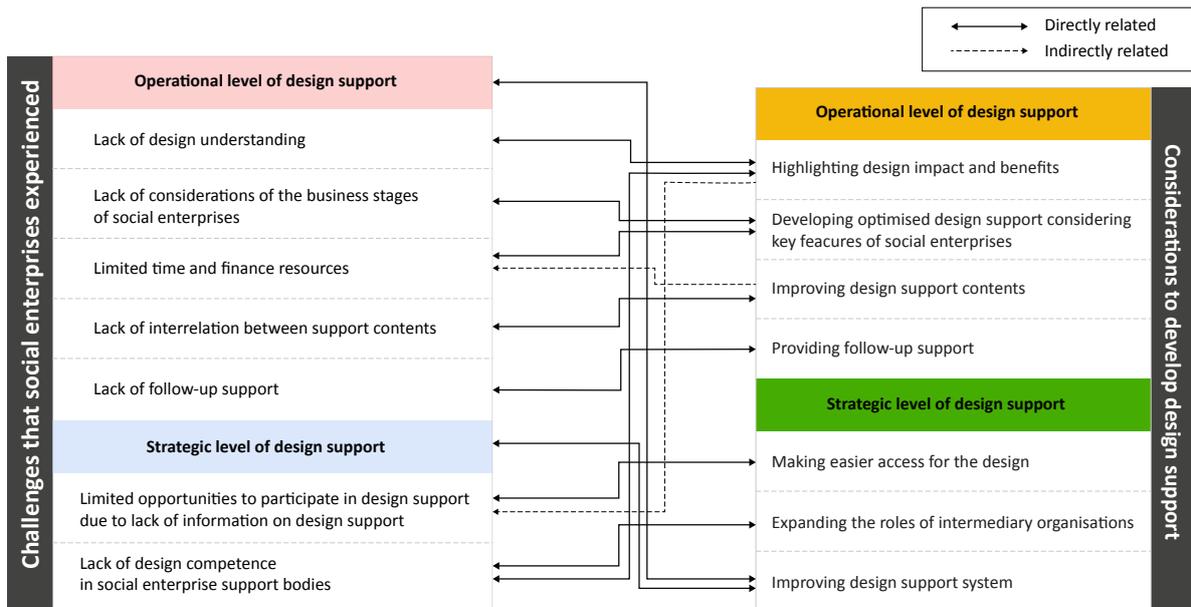
Moreover, to improve the structural aspects of the current DInE, supplementary measures can be used to provide easier access and connections between design practitioners and social enterprises (and social enterprise support bodies). The main causes of difficulty in finding design practitioners suitable for social enterprise businesses are not only internal factors such as lack of understanding and experience in design, but also external factors such as the lack of a platform for social enterprises (and social enterprise support bodies) and design experts to communicate. The differences identified in design understanding between DSP organisers and providers indicate the weakness of the current format of SK-DSPs, which are mostly based on employment rather than collaboration, and also demonstrate why design practitioners should be involved at the composition stage of DSPs. Therefore, additional measures could support communication and interaction between social enterprises and design practitioners, and encourage design practitioners' involvement at the composition stage of design support, facilitating the sharing of opinions on design between design support organisers, providers and social enterprise in order to develop optimised design support for social enterprises.

#### **5.3.3.4 Key drivers of and barriers to the current design support for social enterprises**

Barriers to design support for social enterprises have been revealed at the operational and strategic levels. At the operational level, social enterprises noted the **poor quality of current design support**, including the lack of consideration of the social enterprises' individual business stages (SK-SEs 3, 7, 8 and 9), limited time and financial resources, the fragmented and disconnected nature of support content (SK-SEs 3, 6, 8 and 10) and the lack of follow-up support (SK-SEs 3, 6, 7, 8, 9 and 10). Critical barriers revealed at the strategic level are caused by external conditions related to the design support, such as **limited opportunities to participate due to lack of information** (SK-SEs 1, 2, 4 and 5) and **the lack of design competence in social enterprise support bodies, which frequently lack resources and knowledge in design** (SK-SEs 6 and 7). These results guide this research in terms of the factors to be considered in developing optimised and advanced design support for social enterprises and addressing barriers to improve design support at both operational and strategic levels.

### 5.3.3.5 Considerations to develop design support for social enterprises

Similar to the critical barriers to design support currently experienced by social enterprises, considerations for developing design support are organised into two levels: (i) the operational level that focuses on **developing various design support content for social enterprise businesses**, and (ii) the strategic level concerned with **the structural process of developing and providing design support to social enterprises**. In terms of improving the operational level of design support, social enterprises make various suggestions concerning the quality of design support, including (i) improving understanding of design by highlighting its impact and benefits for social enterprises (SK-SEs 3, 7, 8, 9 and 10), (ii) providing optimised design support for social enterprise businesses by considering the critical features of social enterprises, such as the social missions they pursue and the lack of market competitiveness (SK-SEs 1, 2, 4, 6 and 9), (iii) improving design support content, considering the connections between support contents (SK-SEs 3, 6, 8 and 10), and (iv) providing follow-up support (SK-SEs 3, 6, 7, 8, 9 and 10). Other suggestions focus on improving the strategic level of design support by refining the structural process of developing and delivering design support to social enterprises. In this regard, social enterprises in South Korea emphasise (i) the advanced role of intermediary organisations, including critically supervising and managing design support and considering different levels of design competence and experience in social enterprises (SK-SEs 3, 8, 9 and 10), and (ii) the role of design for social enterprises (such as improving the understanding of consumers) (SK-SEs 7 and 8). These suggestions seem to be drawn more from design support experiences in South Korea than in the UK because social enterprises in South Korea had more opportunities to understand the roles of intermediaries and their own role in improving and being more efficient as beneficiaries of design support. Social enterprises also highlight the need for greater access to design (including design support) by improving networks for design support and receiving helpful information on design support and design practitioners (SK-SEs 3, 8, 9 and 10). Similar to the UK, these suggestions from Korean social enterprises have strong correlations with the critical barriers to current design support they experience. Figure 5.8 demonstrates how these considerations are related to the key barriers discussed in Section 5.3.3.4.



**Figure 5.8 Correlations between key barriers experienced social enterprises in using design or the current design support and the considerations suggested by social enterprises in South Korea**

## 5.4 Comparison of UK and South Korean design in social enterprise ecosystems

This research has investigated in depth the design utilisation of key stakeholders in the social enterprise ecosystems (e.g. governments, intermediaries and social enterprises) of both the UK and South Korea by observing how governments and intermediaries support the design of social enterprises at strategic and operational levels, through design support strategies, funding and programmes. Moreover, the existing design support provided by government and intermediaries in the two countries was examined with social enterprises; their experiences and insights were explored to improve design support. Consequently, various similarities and differences were observed between the two countries in terms of existing design support, including the type of strategic stakeholders involved in developing and delivering design support, the development approaches of design support and the design needs of social enterprises. In the following subsections, the research compares the key findings revealed in the UK and South Korea according to the type of key player involved – government, intermediary or social enterprise.

### 5.4.1 Governments

Having examined government support for social enterprises in the UK and South Korea, this research identified the key features of such support for design and noted, particularly, the different approaches of the UK and Korean governments towards including design in government support. In order to accurately compare the two governments' support for the design of social enterprises, the study considered the following questions: (i) How does the government use design in supporting social enterprises? (ii) How does the government support the design of social enterprises? and (iii) What are the strengths and weaknesses of government support for improving the design of social enterprises? Table 5.13 displays the answers to these questions and offers an overview comparing government support for the design of social enterprises in the two countries.

**Table 5.13 Overview of the comparison of the government support for the design of social enterprises in the UK and South Korea**

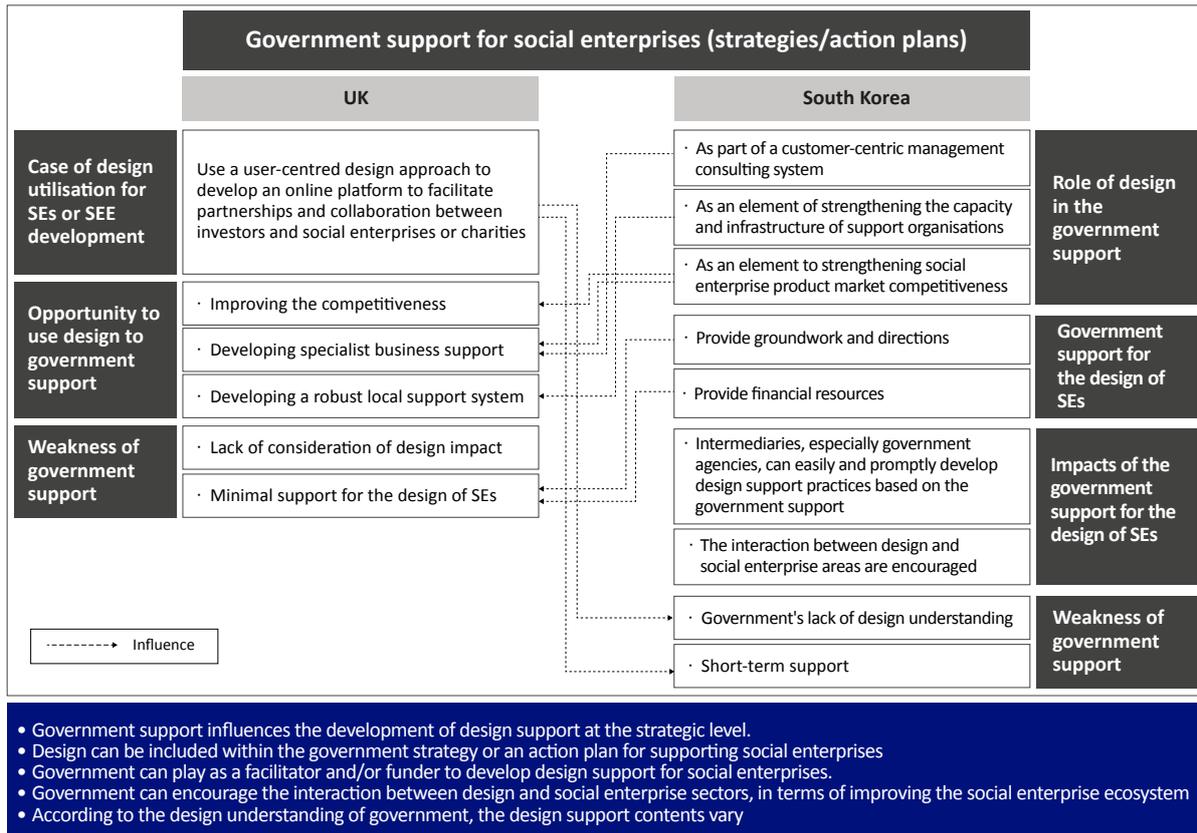
	UK	South Korea
<b>Design within government support</b>	N/A	As a factor necessary in developing social enterprises and improving their competitiveness
<b>Opportunities to adapt design in government support</b>	<ul style="list-style-type: none"> <li>- As a factor influencing companies' competitiveness, in the wider aspects of innovation</li> <li>- Improve social enterprises' digital capabilities</li> <li>- Develop specialist business support tailored to the needs of the sector</li> <li>- Develop a strong local support system</li> </ul>	Design can be a component of the social enterprise support system
<b>Strengths of government support for the design of social enterprises</b>	N/A	<ul style="list-style-type: none"> <li>- Assist intermediaries to develop design support by providing groundwork and directions (e.g. financial resources)</li> <li>- Encourage interaction between design and social enterprise areas</li> </ul>
<b>Weaknesses of government support for the design of social enterprises</b>	Minimal government support	<ul style="list-style-type: none"> <li>- The government's lack of design understanding causes limited design support content</li> <li>- Short-term support (operated with annual government budgets)</li> </ul>

As shown in Table 5.13, the research recognised that the degree of government support towards supporting social enterprise design differs between the UK and South Korea. Although the research intensively investigated the three UK governments' (England, Wales, Scotland) support for social enterprises, by exploring their strategies and action plans, it was not able to collect facts that demonstrate how the governments use design in supporting social enterprises, and especially how the governments intervene to support the design of social enterprises. This indicates minimal support for the design of social enterprises and a need to consider how to develop government support effectively and strategically. Nevertheless, several identified facts lead this study to anticipate possible situations where design can support the growth of social enterprises and develop optimised design support according to government action plans. For example, the action plans for social enterprises developed by the governments of England, Wales and Scotland contain similar targets for improving digital technology in the social enterprise sector. The English government specifically mentions developing an online platform to facilitate partnerships and collaboration between investors and social enterprises or charities, using a user-centred design approach. This is significant in helping this research to understand how design can be applied to address government strategies or action plans for social enterprises. Moreover, the research identified other opportunities for adapting design in UK governments' action plans for social enterprises, through (i) improving the competitiveness of the enterprises, (ii) developing specialist business support tailored to the needs of the sector, and (iii) developing a robust local support system. These three opportunities for design to influence were differentiated through cases of Korean government support.

In contrast, government support for social enterprises in South Korea illustrates how the government influences the use of design to support social enterprises and develops the design of social enterprises by demonstrating the roles they can play in design for social enterprise development. For example, **the social enterprise support strategies of the Korean government consider design as an essential factor in developing social enterprises, significantly improving competitiveness**; thus, they include how to increase the competitiveness of social enterprises by improving their products and services. In this regard, **the role of government in supporting the design of social enterprises is considered that of a facilitator who leads the development of design support by highlighting its importance**

**and providing essentials (strategies including groundwork and directions, and financial resources) to relevant stakeholders (e.g. social enterprise support bodies and design support bodies).** This finding supports the belief that design can be applied to enhance the competitiveness of social enterprises and develop specialised business support, which forms part of the UK government's support for social enterprises but also indicates the importance of developing a design support strategy that is connected to social enterprise support strategies or action plans at government level. However, it is crucial to be mindful of the government's limited awareness of the use and impact of design in its support for the design of social enterprises. Although the Korean government's support provides the essential groundwork and precise directions to develop design support for social enterprises focused on improving products and services, its aims are primarily limited to improving styling, function and form.

Moreover, government funding is frequently short-term, delivered through annual budgets. To improve government support for the design of social enterprises, therefore, it is essential to consider how to improve the government's design understanding, in order to expand and enhance government support for the design of social enterprises and secure financial resources from different channels rather than relying solely on government funding. An attempt to incorporate design into the government's social enterprise support system to improve the quality of the ecosystem was made by the Korean government. Although the attempt was unsuccessful, some crucial activities (such as encouraging interaction between design and social enterprise support bodies and practitioners) were conducted thanks to government support and intervention which consequently influenced the development of various forms of design support for social enterprises. These findings are meaningful for this study in that they prove **how government support influences improvements in the use of design in social enterprises and suggest how design should be applied to the development of the social enterprise ecosystem in a broad context.** Figure 5.9 summarises and illustrates the links between the critical findings regarding design-related support from the investigations into government support for social enterprises in the UK and South Korea (Appendix H shows a larger image of Figure 5.9).



**Figure 5.9 Summary of the findings from government support in the UK and South Korea**

### 5.4.2 Intermediary organisations

This research identified two types of intermediary organisation in design utilisation in both the UK and South Korea: DSESPs and DSPs. DSESPs adopt design as a strategic approach to fostering social enterprise; thus, they influence the development of the ecosystem by improving the performance of key stakeholders. In contrast, DSPs consider a more comprehensive range of design disciplines to assist the growth of social enterprises; thus, these programmes provide various forms of design support to social enterprises to improve their businesses (e.g. products and services) and organisations. As a result, DSESPs indirectly affect the growth of social enterprises while DSPs directly influence their economic growth by enhancing competitiveness and sustainability. This research focuses on investigating DSPs, especially their operating mechanisms (including types of support content, key stakeholders involved, types of key stakeholder relationships) to understand how design can be supported in social enterprises. A total of 20 DSPs, from the UK (n=6) and South Korea (n=14), were identified that met the selection criteria for case studies. In Sections 5.2.2.2 and 5.3.2.2 above,

this study analysed UK and South Korean DSPs for social enterprises according to their key features, such as support contents, delivery modes, stakeholders involved and relationships between key stakeholders. Through analysing the 20 DSPs, this research gained an understanding of the commonalities and distinguishing characteristics of the UK and SK-DSPs, allowing the critical strengths and weaknesses of the operating mechanisms of each country's respective DSPs to be identified.

One of the strengths of the UK-DSPs is the design support content, which influences the understanding of design roles by participants: five out of six DSPs (UK-DSPs 1, 2, 3, 4 and 5) were concerned with service design and design thinking, while the other (UK-DSP 6) focused on design application and improvement. The above five DSPs used design to explore and solve the problems and opportunities of social enterprises and helped participants to consider their end-users by educating them to use design tools such as persona, customer journey or stakeholder maps. Therefore, most UK-DSPs were directed at organisational mindset rather than hands-on design support. In another strength of the UK-DSPs, all the programmes encouraged a better understanding of the stakeholders in the ecosystem and the DInE for social enterprises through providing interactive workshops. Moreover, the DSPs were led by various stakeholders, including public bodies, design support bodies, social enterprise support bodies and universities, in an indication that different stakeholders recognise the value of design for social enterprises. Moreover, all the DSPs were developed based on collaborative relationships (e.g. partnerships) between stakeholders, ultimately influencing the development of the social enterprise ecosystem by expanding the stakeholder network, and enabling stakeholders to explore valuable opportunities to use design to develop the ecosystem not only for social enterprises. However, some weaknesses were identified in UK-DSPs.

- (i) There were few available examples of DSPs for social enterprises, in that none specifically targeted social enterprises.
- (ii) Not all the DSPs provided follow-up support, tending rather to offer one-off events.
- (iii) Only one or two design agencies were involved in delivering design support for each programme; thus, social enterprises had minimal opportunities for bespoke one-to-one support. In this regard, limitations in design support time, content, and

lack of support capabilities in providing design support may have posed challenges for those design agencies.

- (iv) The main role of the design support bodies and practitioners was limited to delivering the programme, which may link to issues such as minimal design awareness of social enterprise support bodies, and limited design support content.
- (v) There was a lack of DSPs at the national level, possibly due to the absence of government involvement as a key stakeholder in programmes. Although active government involvement may present some challenges, insufficient involvement can result in the absence of programmes operating at the national level.
- (vi) No correlation between UK-DSPs and social enterprise national strategies or action plans could be identified. However, the possibility remains of an indirect or obscure correlation between the emergence of UK-DSPs and national strategies or action plans for social enterprise.

In terms of the strengths of SK-DSPs, the majority were launched through active government support at a central, regional or local level, making government a critical stakeholder. This characteristic, in particular, seems to be a factor influencing the operation of the DSPs as repeated programmes. Of the 14 SK-DSPs, 12 were run repeatedly (except SK-DSPs 10 and 11) thanks to government funding. Secondly, the involvement of various universities in delivering DSPs to social enterprises was identified: design academics and students contributed to programme delivery with hands-on design support in areas such as visual design in seven out of the 14 SK-DSPs (SK-DSPs 1, 5, 6, 7, 10, 11 and 13). Lastly, nine of the 14 SK-DSPs – including SK-DSPs 1, 2, 3, 4, 6, 8, 12, 13 and 14 – encouraged more interaction between the social enterprise and design sectors by providing matching support to offer one-to-one support to social enterprises. This characteristic of the SK-DSPs makes an impact by introducing design to social enterprises and increasing their design awareness. Furthermore, it is hugely influential in systemic change and in creating a culture that promotes interaction between the social enterprise and design sectors to encourage both the use of design by social enterprises and design interventions in the social enterprise sector by design professionals.

Nevertheless, some weaknesses in the SK-DSPs influence social enterprises' understanding and utilisation of design. Firstly, most SK-DSPs are implemented as short-term programmes,

running for less than a year. The inadequate implementation period may lead to problems in convincing participating social enterprises of the value and impact of design. Secondly, none of the SK-DSPs runs a follow-up support programme; these are mostly one-off programmes that attempt only to resolve particular design problems facing social enterprises or fulfil their current design needs by providing hands-on design support. In particular, the lack of support to improve the social enterprises' organisational mindset – or business aspects such as developing business strategies and models – may influence the overall understanding of design in the social enterprise sector. Design support content that focuses too much on providing hands-on design support may offer participants inadequate opportunities to develop their own design knowledge, which will then remain at the level of styling or form-giving, rather than becoming a strategic tool for developing businesses or organisations. In this respect, most social enterprises in South Korea are likely to lack an understanding of design, despite receiving design support through DSPs, because most of the support offered did not provide adequate design education. These problems may result in social enterprises continually struggling to improve their design or use it to maintain and enhance competitiveness.

Thirdly, the role of design practitioners, especially universities, is mostly limited to programme delivery; thus, several DSPs missed opportunities to improve the design awareness of other stakeholders (such as social enterprise support bodies) by using the expertise and knowledge from the universities and developing more varied content, including design education. Fourthly, few collaborative relationships between DSP stakeholders were observed, causing opportunities to be missed to enhance stakeholders' design understanding and leading to a lack of long-term and follow-up support. In this regard, strategic partnerships should be encouraged between intermediaries and design agencies or universities, to form a systematic design-support environment for social enterprise, rather than hiring design agencies as intermediary organisations. Lastly, the provision of funds, grants or subsidies to social enterprises to encourage them to participate in DSPs and use design to improve products, processes or services seems to be a particular characteristic of SK-DSPs and may cause social enterprises to perceive design-related expenses as optional or unnecessary costs rather than an investment in their businesses. This kind of perception can be a barrier to bridging the gap between design and social enterprise sectors and encouraging social

enterprises to use design. Moreover, the government primarily offers financial support, indicating a heavy reliance on government support to run DSPs. Table 5.14 displays the key features of UK and SK-DSPs, including the strengths and weaknesses of the operating mechanisms of each country's DSPs.

**Table 5.14 Comparison of DSPs in the UK and South Korea**

	<b>UK-DSPs</b>	<b>SK-DSPs</b>
<b>Key driver of DSP development</b>	Various stakeholders	Government
<b>Main type of support content</b>	Design strategy and designing process	Designing and design for systemic change and culture
<b>Principal type of DSP delivery</b>	Workshop	Hands-on, Matching & Funding
<b>Principal type of stakeholder relationship</b>	Partnership/collaboration	Employment
<b>Strengths</b>	<ul style="list-style-type: none"> <li>- Focus on long-term support</li> <li>- DSPs enhance the interaction between different stakeholders</li> <li>- DSPs enable a greater understanding of end-users</li> <li>- DSPs impact the organisation's mindset</li> <li>- DSP participants share insights and experiences with other participants</li> </ul>	<ul style="list-style-type: none"> <li>- Strong and varied support from government</li> <li>- Active involvement of university for programme delivery</li> <li>- One-to-one support by providing matching support between design practitioners and social enterprises</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>- Lack of DSP cases</li> <li>- Unbalanced design support content due to stakeholders' limited design understanding</li> <li>- Minimal involvement of design practitioners</li> <li>- Poor continuity (i.e. one-off events)</li> <li>- Lack of correlation between government strategies and action plans for social enterprises and DSPs</li> <li>- Lack of follow-up support</li> </ul>	<ul style="list-style-type: none"> <li>- Unbalanced design support content due to stakeholders' limited design understanding</li> <li>- Limited roles of design practitioners</li> <li>- Focus on short-term support to address design issues</li> <li>- Lack of follow-up support</li> <li>- Lack of collaborative relationship between stakeholders</li> <li>- High dependence on government financial support</li> </ul>

As shown in Table 5.14, DSPs in the UK and South Korea exhibited both similar and different weaknesses. The similar weaknesses indicate that **the current DSPs in the two countries are not strategically developed, providing piecemeal rather than comprehensive, step-by-step support**. This is mainly due to (i) **a lack of design understanding among most social enterprise support organisations involved in the programme** and (ii) **the limited and passive participation of design support practitioners (including support organisations, institutions and academia) in DSP development**. These findings demonstrate the priorities for developing optimised and advanced DSPs for social enterprises at the operational and strategic levels, as part of improving the operating mechanisms of DInE. Conversely, where the weaknesses differ, they seem to be caused by the different approaches to DSP development (including the key drivers of DSP development, main types of support content, DSP delivery modes and type of stakeholder relationships). Through analysing the weaknesses of each country's DSPs, this research recognised that such weaknesses can be mitigated by an awareness of the different approaches to DSP development in the UK and South Korea (see Figure 5.10). Appendix I shows a larger image of Figure 5.10.

For example, as identified from the SK-DSPs, government support (e.g. social enterprise support strategies, action plans and funding) influences the development of DSPs for social enterprises. This finding can be considered in addressing the weakness of UK-DSPs (e.g. the lack of DSPs designed for social enterprises and the lack of correlation between DSPs and national/regional social enterprise support strategies or action plans) and is also vital in improving the design understanding of social enterprises. UK-DSPs demonstrate that stakeholders who recognise the impact of design on the growth of social enterprises lead the development of DSPs. In particular, DSPs led by various stakeholders have a substantial impact on facilitating interaction between the social enterprise and design sectors by providing valuable opportunities to understand other stakeholders and expanding stakeholder networks. In this context, workshop-type DSPs are regarded as an effective means of providing design support at the strategic level, influencing the development of design knowledge and improving the understanding of stakeholders and stakeholder networks. However, it should also be noted that design support content should be comprehensive, covering both operational and strategic levels (i.e. addressing practical

design issues faced by social enterprises and applying design in the business and organisational culture).

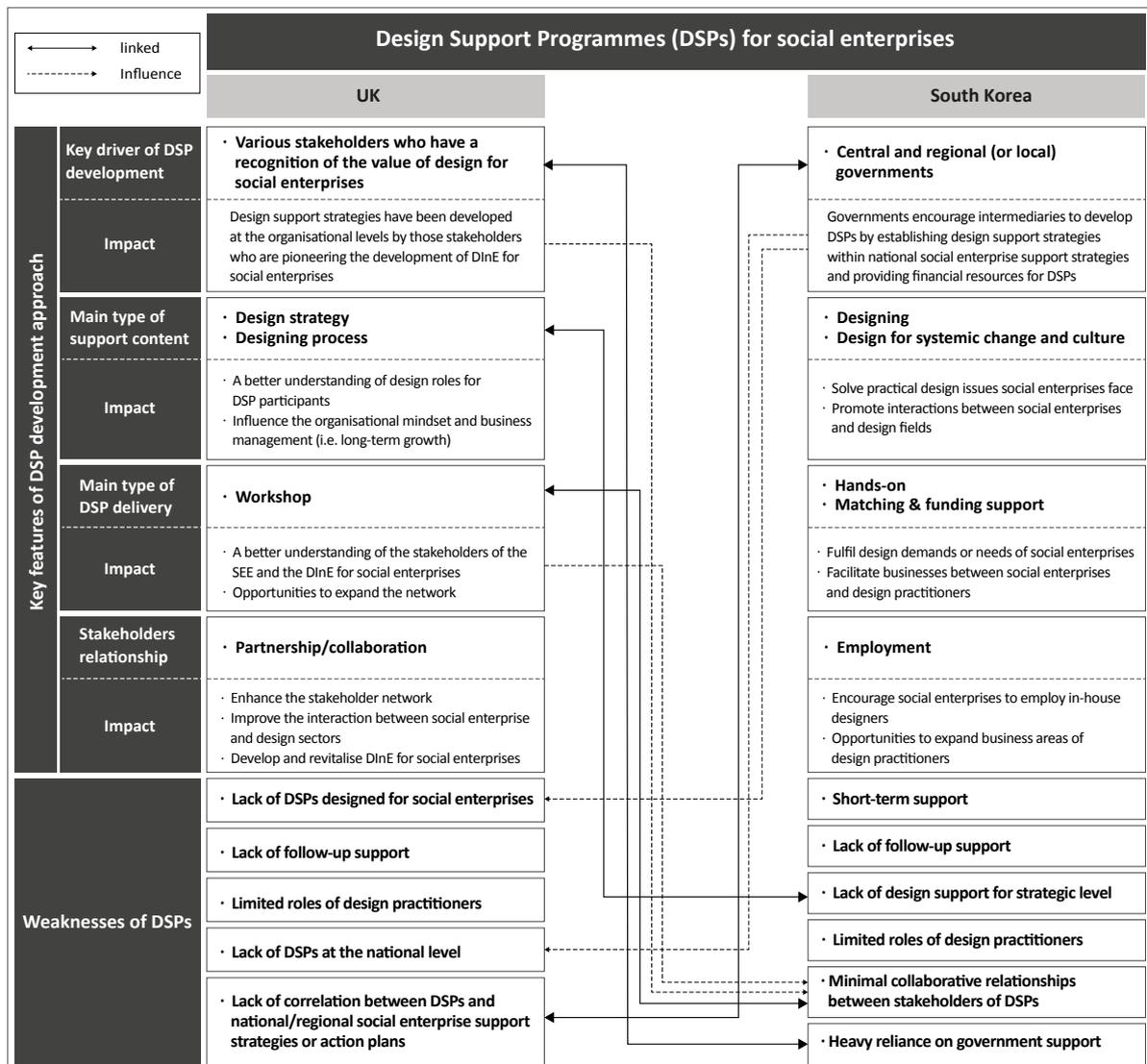


Figure 5.10 Links between the key features of approaches to DSP development in the UK and South Korea and weaknesses of each country's DSPs

### 5.4.3 Social enterprises

This study examined the current understanding and utilisation of design by social enterprises in the UK and South Korea, and explored the existing design support offered. The examination identified the critical barriers and considerations that should be addressed to boost the design utilisation of social enterprises and improve the current design support to be more

appropriate for social enterprises. Accordingly, it was identified that social enterprises in the UK and South Korea shared several critical challenges in using design and similarly faced serious barriers from the current design support. The key facts, including the challenges identified, related to the design utilisation of social enterprises, can be summarised as follows:

- i) Social enterprises in the UK and South Korea have slightly different understandings of design and its impact and benefits on business. For instance, while those in the UK frequently use design as a strategy to influence business operation and development, South Korean social enterprises often use design in processes to develop existing or new products and services.
- ii) The business competence of social enterprises influences their design utilisation. Social enterprises tend to be micro or small-sized enterprises and, thus, are generally unable to afford to invest resources (such as time, finance, workforce, etc.) in design.
- iii) Most social enterprises in the two countries face difficulties in communicating with designers, caused by their lack of design understanding and competence.
- iv) The lack of understanding of social enterprises among design practitioners can be considered a critical barrier, influencing the design utilisation of social enterprises due to the difficulty it causes them in accessing institutes that encourage the use of design.

The findings are primarily related to improving the strategic and operational aspects of design support for social enterprises. Firstly, in the operational aspect of design support, the facts demonstrate the importance of improving social enterprises' understanding and competence in design. Although social enterprises were found to use various types of design in their businesses, this utilisation is still limited by their levels of design understanding and competence. Most social enterprises are aware of the importance of design but do not fully understand how it can be used and when to apply design to their products and services or organisational development. In this regard, design for social enterprises should be focused on business growth; education for social enterprises in the use of design and practical design should be strengthened so that they can easily access and understand these areas.

Meanwhile, as regards the strategic aspect of design support for social enterprises, an improved understanding of social enterprises is needed from design practitioners. According

to the social enterprise participants, the current design support for them – in both countries – rarely influences the interaction between them and design practitioners. Consequently, they commonly struggled to find appropriate design practitioners who entirely understand the concept of social enterprise. It is important, therefore, to develop a systematic approach that effectively encourages active interaction between social enterprises and design practitioners to improve each party’s understanding of design and social enterprise. In this regard, attention should be given to the potential of structural improvements in DInE to influence the interaction between social enterprise and design support bodies. By examining data related to the current design support for social enterprises, this research identified that a provider-centred approach does not sufficiently consider the design needs of social enterprises. As a result, social enterprises in both countries experience similar barriers in current design support, as shown in Table 5.15. These barriers are related to the design support content (at the operational level) and the key stakeholders of the social enterprise ecosystem (at the strategic level).

**Table 5.15 Summary of key barriers in the current design support for social enterprises**

		UK	SK
Similar barriers	operational level	<ul style="list-style-type: none"> <li>• Lack of funding support for design application and development</li> <li>• Lack of follow-up support</li> <li>• Lack of design understanding and competence in social enterprises</li> <li>• Lack of understanding of social enterprises among design practitioners</li> </ul>	
	Strategic level	<ul style="list-style-type: none"> <li>• Lack of consideration of the design needs of social enterprises</li> <li>• Lack of information on design practitioners and support programmes</li> <li>• Lack of interaction between social enterprises and design practitioners</li> <li>• Lack of design competence in intermediary organisations</li> </ul>	
Different barriers	operational level	N/A	<ul style="list-style-type: none"> <li>• Lack of consideration of the business stage of social enterprises</li> <li>• Lack of interrelated support content</li> </ul>
	Strategic level	<ul style="list-style-type: none"> <li>• Lack of design support for social enterprises</li> <li>• Inappropriate support infrastructure</li> </ul>	N/A

Although slightly different issues were raised by the UK and South Korean social enterprises, most social enterprises shared similar opinions and insights on improving the current design support, based on their similar experiences. The suggestions from social enterprises in both countries represent the essential measures to be undertaken in DInE in the future to support and enhance the use of design in social enterprises and address DInE improvement in both operational and strategic aspects. From the operational aspect, the suggestions indicate a need to develop design support content related to the business stages or design needs of social enterprises by considering their characteristics (for example, their size) and viewing social enterprise support bodies as beneficiaries of design support. They also influence the strategic aspect of DInE by (i) **addressing structural issues (related to the composition and provision of DSPs)**, (ii) **suggesting crucial roles of stakeholders, mainly social enterprise support bodies (e.g. being more active in supervising and managing support programmes) and social enterprises (e.g. expressing clearly the design support they need) in advanced design support** and (iii) **offering a strategic approach allowing comprehensive collaboration between key stakeholders in order to provide advanced design support efficiently and effectively (e.g. partnerships between universities and social enterprise support bodies and between social enterprise and design support bodies).**

Additionally, this research considers that securing finance is critical for the strategic aspect of DInE, as difficulty in this respect caused challenges for design utilisation and design support. Thus, it is important to identify as many funding schemes and resources as possible for design for social enterprises. In particular, a range of stakeholders – including governments, intermediary organisations, NGOs and private companies – should participate as key players providing support. In this regard, the following three essential questions are raised: *(i) what role should stakeholders play, and how? (ii) how can financial schemes and resources be developed collaboratively between key stakeholders? (iii) what criteria should be established to effectively, rationally and impartially provide financial support to social enterprises?* In addition, it is critically important that financial support should encourage social enterprises to recognise design as an investment in the long-term growth of the business rather than an unnecessary expense.

## 5.5 Chapter summary

This chapter has explored how design has been supported in social enterprises in the UK and South Korea by investigating the design understanding and utilisation of critical stakeholders in social enterprise ecosystems in the two countries and, consequently, identifying the key features of design support for social enterprises in the UK and South Korea. Although the two countries apply different approaches for design support development, causing different issues in developing and providing design support to social enterprises, they share several critical barriers to employing design as a vital approach and tool in the growth of social media enterprises. Moreover, a comparison and synthesis of key findings gathered from the UK and South Korea allowed this research to reveal the key features of four components of DInE: (i) design support strategies (at government and organisational levels) facilitating the development of design support funding and programmes, (ii) design support funding for design support programme development, (iii) design support programmes that provide varied support content to social enterprises, and (iv) a range of stakeholders involved in developing strategies, funding and programmes across government, social enterprise, design and private sectors.

The next chapter discusses the key elements of DInE and explores the key drivers and barriers in its operating mechanisms by mapping the current appearance of, and understanding the conditions of, DInEs in the UK and South Korea. DInE components (including key objectives, implementations and correlations between components) are explained to reveal the key considerations that should be reflected in their development. The essential roles of key stakeholders in developing components of DInE are also discussed.

# Chapter 6. The Design-Innovation Ecosystems of Social Enterprises

## 6.1 Introduction

In Chapter 5, this research exposed critical features of design support for social enterprises in the UK and South Korea by examining interventions by governments and intermediary organisations aimed at developing and offering design support for the growth of social enterprises, as well as considering the experience of current design support practices reported by social enterprises. By comparing key findings from the UK and South Korea, this research has understood similar and different approaches to design support, including the strengths and weaknesses of each country's approach, enabling this research to reveal the four critical components of the DInEs of social enterprises: (i) design support strategies (DSSs), (ii) design support funding (DSF), (iii) design support programmes (DSPs), and (iv) stakeholders. This chapter discusses these four components, enabling it to chart the DInE operating mechanisms that social enterprises utilise and compare manifestations of these operating mechanisms in the UK and South Korea in terms of both similarities and differences and key barriers and drivers. This allows the capture of essential conditions and considerations for improving and optimising DInEs for social enterprises. This chapter's findings and discussion follow the trajectory of Figure 6.1's chapter map.

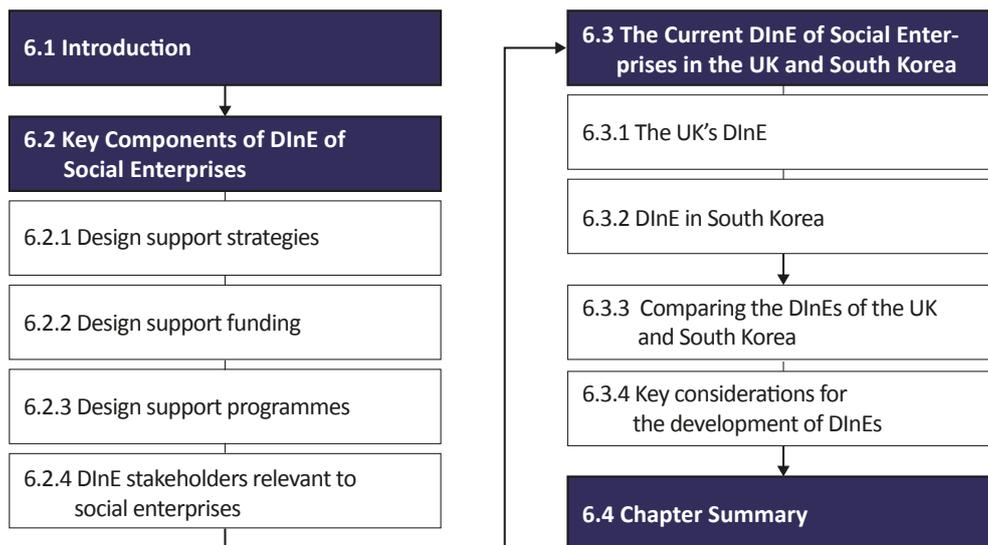


Figure 6.1 Chapter map

## 6.2 Key Components of DInE of Social Enterprises

The previous chapter's observations of the current state of design utilisation by key stakeholders in social enterprise ecosystems enabled this research to extract the four critical components that enable a DInE to activate and support the design of social enterprises. These components constitute the operating mechanisms of DInEs, establishing foundations and acting as catalysts for the implementation of design support, in turn influencing strategic and operational levels of design support within social enterprises. This section details each of the four key components, including explaining the key features, roles and impacts within the DInE and demonstrating the relationships between the components.

### 6.2.1 Design support strategies

The previous chapter recognised that governments and certain intermediary organisations have directly intervened to support design within social enterprises. For example, the South Korean government was observed to provide practical initiatives focused on improving the design competence of social enterprises within its national social enterprise support strategies. Elsewhere, several organisations indicated awareness of the impact of design on

businesses, including design within their support for social enterprises and developing design support initiatives. These DSSs have the following key features:

- DSSs represent governmental and organisational strategic interventions supporting social enterprise design, guiding support bodies and other institutes to play essential roles and develop actual DSPs.
- DSSs indicate how governments and organisations (especially social enterprise support bodies) understand and use design to support social enterprises.
- DSSs influence other components of the DInE, especially DSF and DSPs, by providing a basis and direction for development.

Previous chapters have observed current DInEs in the UK and South Korea to engender different approaches to DSS development. For example, UK DSSs are often oriented around intermediaries that recognise the impact of design on businesses and want to utilise design to grow social enterprises. In contrast, governments lead South Korean DSS development. Despite these different approaches, current DSSs in the two countries similarly include insufficient space for current and potential DInE stakeholders (such as social enterprise support bodies, design support practitioners, universities and non-government organisations [NGOs]) to play critical roles and establish strategic partnerships with each other. Moreover, they typically understand design in a limited sense, precluding emphasis on design's distinctive characteristics and principles, which can act as catalysts for business growth. These issues contributed to a lack of adequate design support for social enterprises, producing barriers hindering the systematic development of the current DInEs in terms of strategically supporting social enterprise design.

The following sub-sections investigate the different DSS types (i.e. government- and organisation-led), considering key features of each type, how DSSs influence social enterprise design, the importance of DSS development for improving DInEs to benefit social enterprises, and essential elements of DSS development.

### **6.2.1.1 Government-led design support strategies**

Government-led DSSs for social enterprises have been recognised as forming part of the South Korean government's master plan for social enterprise growth. The government's critical objectives for social enterprises, which are published every five years, see its DSS evolve over time to address slightly different types of design utilisation. Accordingly, the role of design within its DSSs has changed. For example, where there was previously support for social enterprise management (MOL, 2008) and improvements to the market competitiveness of social enterprises aimed at social enterprises creating products with growth potential (Korean Government, 2012), there is now an increasing focus on the competitiveness of existing products and services (MOEL, 2018). However, government-led DSSs consistently emphasise supporting the growth of social enterprises via design, which has the significant impact of influencing the recognition of DInE stakeholders, especially social enterprise support bodies and design support bodies, by indicating the necessity of supporting the design of social enterprises and promoting the role of design in the growth of social enterprises.

Moreover, government-led DSSs often stimulate DSP development by releasing plans to supply financial resources to the design support of social enterprises and recruiting strategic partners (mostly government-affiliated organisations). For instance, certain South Korean government-led DSSs have pushed the prompt development of DSPs, enabling rapid provision to social enterprises by social enterprise or design support bodies operated under government budgets. Such DSPs run periodically and repeatedly, with some interviewees involved (SK-SEE 5 and SK-DEI 2 and 3) mentioning the direct impact of government-led DSSs, including direct orders from ministries and local governments. However, design's role in government-led DSSs is limited by the government's perception of design, often creating difficulties in terms of fulfilling the actual design needs of social enterprises and expanding understanding of design among social enterprise support bodies. Although government DSSs influence the speed and repeatability of DSF and DSP development, they also problematically affect the duration and type of support, such as a lack of long-term or follow-up support.

The other significant concern regarding current government-led DSSs is that many social enterprise support bodies and design support bodies in South Korea are unaware of the initiatives. Furthermore, local social enterprise support bodies often have difficulty participating due to, for example, not being able to find collaborators in design support bodies or practitioners (Interviewee SK-SEI 2). This indicates that these strategies limit impact to stakeholders within or close to the government and that they are not effectively promoted to current and potential stakeholders by representing the clear benefits for current and potential stakeholders (mainly social enterprises and design support bodies and practitioners) of providing design support to social enterprises.

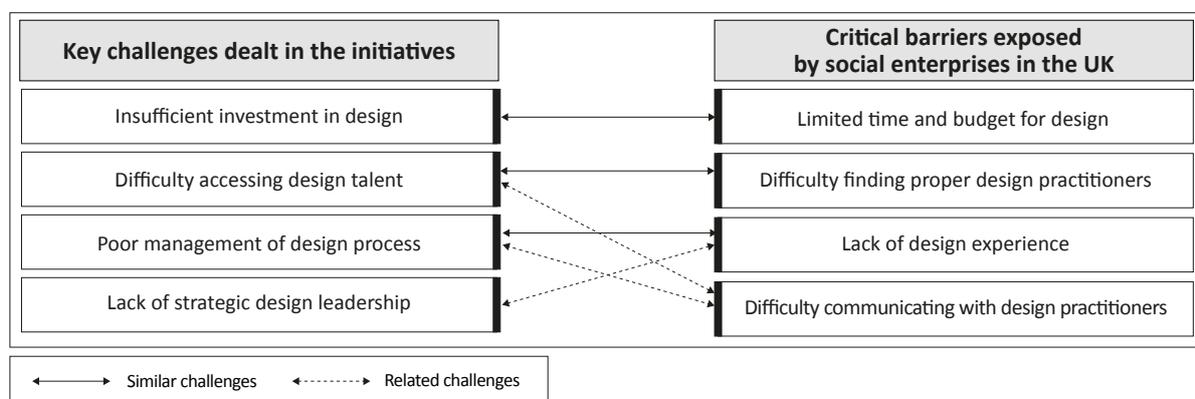
Meanwhile, government-led DSSs for social enterprises in the UK are not identifiable because the UK government has limited and indirect involvement in social enterprise growth. For example, the government has not established national plans or strategies for social enterprise growth, leading many social enterprise support bodies and other relevant stakeholders (who support social enterprises) to claim that limited and indirect government intervention creates many barriers for social enterprises and support bodies, including difficulties accessing resources essential to operating and scaling up their business. This absence of government-led DSS for social enterprises critically contributes to the lack of design support for social enterprises, with interviewees emphasising that long-term commitment from governments is critical because their significant support and knowledge have the capacity to assist support bodies and social enterprises in becoming sustainable. Although this research identified limited UK government-led DSS for social enterprises, it did identify various opportunities for influence on DSS development at operational and strategic levels. For instance, at the operational level, using design through the digitisation of social enterprises to enhance competitiveness was observed to constitute a form of government support for social enterprises, initiatives led independently by the English, Welsh and Scottish governments. Although design's role in that support is limited, simply providing a tool for social enterprise digitisation, this support has provided valuable opportunities for social enterprise support bodies and other stakeholders to recognise the impact of design.

In contrast, government-led DSSs for social enterprises in the UK are not identifiable as the UK government has limited and indirect involvement in supporting social enterprises' growth.

For example, the government is not proactive to establish national plans or strategies for social enterprise growth. Thus, many social enterprise support bodies and other relevant stakeholders (who support social enterprises) claimed that the limited and indirect government intervention causes many barriers that social enterprises and support bodies face, such as difficulties in accessing resources essential to operate and scale up their business. In particular, they have also admitted that the absence of government-led DSS for social enterprises can be a critical reason that is causing the lack of design support for social enterprises. They emphasised it is important to have a long-term commitment from the government with their significant support and knowledge, which help support bodies and social enterprises become resiliently sustainable. Although this research had limited access to DSS for social enterprises led by the UK government, it identified varied opportunities that can influence DSS development at the operational and strategic levels. For instance, at the operational level, a plan to use design through social enterprises' digitisation to enhance competitiveness was observed from the UK governments' support for social enterprises (from England, Wales and Scottish governments). Although the role of design in that support is limited as a tool for the digitisation of social enterprises, the support has a significant in providing valuable opportunities to social enterprise support bodies or other stakeholders to recognise design impact in businesses.

More broadly, government-led DSSs for businesses were observed in the UK. These strategies aim to support businesses to create more excellent value through design by embedding it as a process, managing it more effectively and adopting it as a strategic differentiator (Innovate UK 2015; 2020). Furthermore, these strategies significantly contribute to developing DInEs conducive to businesses, with social enterprises a potential beneficiary group. However, most stakeholders in current DInEs lack design understanding and utilise design in limited ways, meaning that they may not be aware that they are part of the strategy's target audience or understand how DSSs can impact social enterprise design. Thus, although these DSSs cannot be considered appropriate for social enterprises, it is valuable to understand the critical context of such strategies to develop practical DSSs and recognise key opportunities and considerations in terms of developing DSSs for social enterprises. For instance, the most recent DSSs established by Innovate UK (in 2020) reveal vital challenges that currently prevent businesses from realising the value of design, including (i) insufficient investment in design,

(ii) difficulty accessing design talent, (iii) poor management of design processes and (iv) a lack of strategic design leadership. These challenges relate substantially to the critical barriers to using design articulated by the social enterprises that participated in this research, which included (i) limited time and resources for design utilisation, (ii) difficulty finding appropriate design practitioners, (iii) a lack of design experience and (iv) difficulty communicating with design practitioners. Figure 6.2 demonstrates the correlations between the key challenges that prevent businesses from using design cited by Innovate UK’s strategies and the critical barriers to design utilisation articulated by the UK social enterprises interviewed.



**Figure 6.2 Design utilisation: correlations between the key challenges businesses face and the critical barriers social enterprise experience**

Innovate UK’s strategies propose activities and interventions to address these challenges around four strategic themes: (i) making the cases for investment in design, (ii) reducing the cost of entry for those new to design, (iii) helping businesses access the best design talent and (iv) helping businesses maximise design’s value contribution. The proposed activities and interventions within the strategies share certain contextual elements with elements that key stakeholders of the current DInE considered useful for improving current levels of design support. This demonstrates the possibility that the strategies established to solve the key challenges that prevent businesses from utilising design could be applied as DSS for social enterprises, suggesting the need to further consider how many of the current characteristics of the strategies led by Innovate UK can be adopted into a proper DSS for social enterprises and, ultimately, how DSS can be developed for social enterprises. Here, it is critical to guide current strategic stakeholders in the DInEs of social enterprises (e.g. social enterprise and design support bodies) to understand potential strategies, and it is necessary to suggest

essential roles for and relationships between strategic stakeholders and other stakeholders to enable the establishment of strategies.

#### **6.2.1.2 Organisation-led design support strategies**

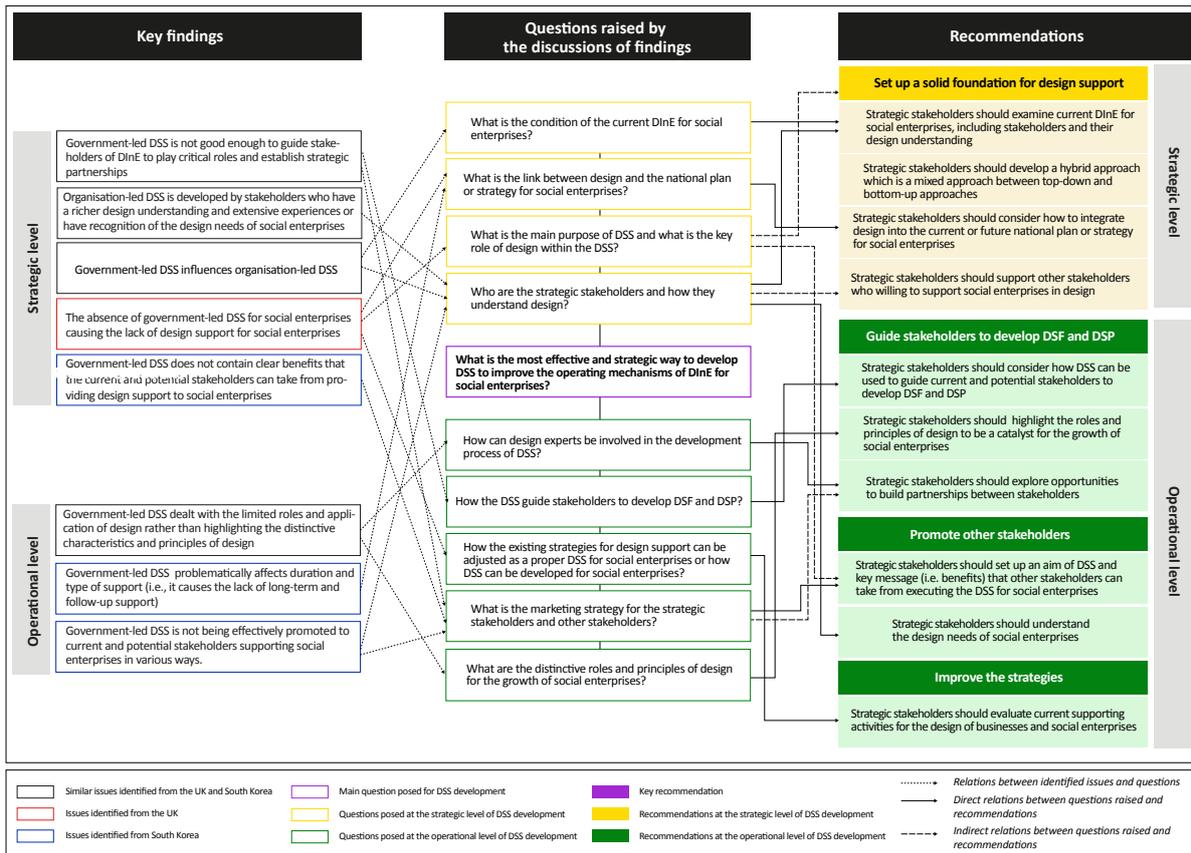
Organisation-led DSSs for social enterprises observed were primarily driven by social enterprise support bodies and design support institutions, who demonstrated varying degrees of understanding of design and support for design within social enterprises. Various DSPs in the UK and South Korea have been organised and delivered by stakeholders with a richer design understanding and more extensive experiences or recognition of the design needs of social enterprises. These stakeholders particularly understand the importance of providing design support to social enterprises and formulating concrete plans for integrating design into their support systems and programmes. Although some have limited design understanding and competence, they tend to establish collaborative partnerships with design support institutions (e.g. design centres, agencies or universities) to gain further insight into design and seek opportunities to develop current or potential DSPs for social enterprises. Organisation-led DSSs influence expansion and strengthen stakeholder networks because design support practices are developed and operated around relevant stakeholders who cultivate and provide real-world support. In turn, this facilitates the participation of various stakeholders and the formulation of strategic relationships between stakeholders.

However, organisation-led DSSs demonstrate weaknesses in terms of systematising the DInE's operating mechanism. For example, these types of strategies are developed by stakeholders with rich design understanding or competence but minimal institutional foundation. This means that stakeholders who develop DSSs may have difficulty maximising the impact of their DSS in terms of developing systematic DInE operational mechanisms, often because organisation-led DSSs lack the capacity to promote government intervention in support of design for social enterprises. Moreover, organisation-led DSS has minimal impact on overcoming the critical difficulties associated with providing design support to secure continuous funding and attract collaborators and other resources. According to UK-SEI 7 (a programme organiser for UK-DSP 3 in Scotland), design is considered a different channel of

support for social enterprise growth depending on how support bodies understand design and the availability of design-based government support for social enterprises.

These facts not only indicate the importance of increasing the design awareness of stakeholders (especially social enterprise support bodies) but also highlight the government-relevant support for adopting design in support of social enterprises. This makes it vital to develop government support for stakeholders who are open to supporting social enterprises in terms of design by improving their design awareness and utilisation.

Ultimately, the key observations of UK and South Korean DSSs for social enterprises raise numerous questions requiring attention at the strategic or operational level of DSS development. At the strategic level, it is imperative to establish solid foundations for DSS, which would require (i) understanding of the current conditions of the DInEs of social enterprises, (ii) identification of the relationship between design and the existing national plan or strategy for social enterprises, (iii) establishment of DSS fundamentals, including emphasising design, and (iv) identification of strategic stakeholders and raising their design awareness. Concerns at the operational level regard (i) ways of encouraging the involvement of various stakeholders (especially design experts) in DSS development and (ii) considerations of the role of design in the growth of social enterprises. Figure 6.3 represents the links between these key findings and recommendations for DSS development. A larger version is included in the appendix J.



**Figure 6.3 Links between the key findings and recommendations for DSS development**

## 6.2.2 Design support funding

The previous chapters observations of design in the social enterprise ecosystem context confirm that certain key stakeholders allocate financial resources to supporting design in social enterprises. The following key features define DSF:

- DSF is mainly used to develop a DSP, meaning that it acts as a catalyst for the rapid and smooth development of the DSP.
- DSF is provided by the DSS stakeholders responsible for developing and implementing DSS, strongly correlating this funding with the DSS, or DSF is established by stakeholders (e.g. governments, public bodies, NGOs, businesses or universities) and provided to third parties for the development of DSPs, indicating a weak correlation between DSS and DSF.

Currently, DSF is insufficient to effectively accommodate social enterprises in the DInE. For instance, many stakeholders involved in DSPs identified securing funds for programme development and operation as a critical barrier, and various social enterprises emphasised the costs associated with design application and improvement as a significant burden, also noting the insufficiency of current funding contributions to social enterprise design, which encompasses design application and improvement and design expert employment). The following sections examine the DSF as among the critical components of the DInEs of social enterprises, considering both its characteristics (i.e. its influence on social enterprise design and social enterprise operation within the DInE) and the current and potential issues requiring attention.

### 6.2.2.1 Design support funding for the development of design support programmes

Design support funding enables stakeholders to participate in the development and provision of DSPs, with this financial resource frequently developed by the government and rarely by NGOs. The research observed similar governmental involvement in the development of most UK and South Korean DSPs: except for UK-DSP 4 (university-funded) and SK-DPS 12 (funded by business), all of the DSPs considered were organised and operated using financial resources provided by central or regional government departments or public bodies (see Table 6.1). This indicates that current DInEs and their stakeholders depend heavily on public sector interventions for DSF, not seeking financial resources from diverse channels across the public and private sectors. Notably, public DSF means that most funding is short-term or one-off, precluding systematic, strategic and efficient allocation. This impacts the scale and duration of DSPs, complicating the development of sequential, periodic and long-term DSPs.

**Table 6.1 Classification of design support funding provider**

	UK-DSP 1	UK-DSP 2	UK-DSP 3	UK-DSP 4	UK-DSP 5	SK-DSP 1	SK-DSP 2	SK-DSP 3	SK-DSP 4	SK-DSP 5	SK-DSP 6	SK-DSP 7	SK-DSP 8	SK-DSP 9	SK-DSP 10	SK-DSP 11	SK-DSP 12	SK-DSP 13	SK-DSP 14
<b>Government department</b>						✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓
<b>Regional/local governments</b>			✓							✓	✓								

Public bodies	✓	✓	✓	✓	
University			✓		
Business					✓

### 6.2.2.2 Approaches to design support funding

Investigating DSF in the UK and South Korea revealed the different approaches of the two countries. The UK features two types of procedures for developing DSF. First, stakeholders receive a budget from the government or public bodies to support the growth of social enterprises, which they use to support design within social enterprises. Second, stakeholders ask other institutes to provide financial resources specifically targeted at supporting design in social enterprises. Figure 6.4 illustrates these two approaches. These approaches have several strengths. Because DSF is initiated primarily by social enterprise support organisations, which recognise the need for design support for social enterprises, the support bodies influence other DInE stakeholders. For instance, to obtain DSF, support bodies have to appeal to other stakeholders to provide financial resources for DSPs by promoting the urgency of developing design support for social enterprises. This process enables stakeholders to improve understanding of design support and understand its importance and impact on the growth of social enterprises.

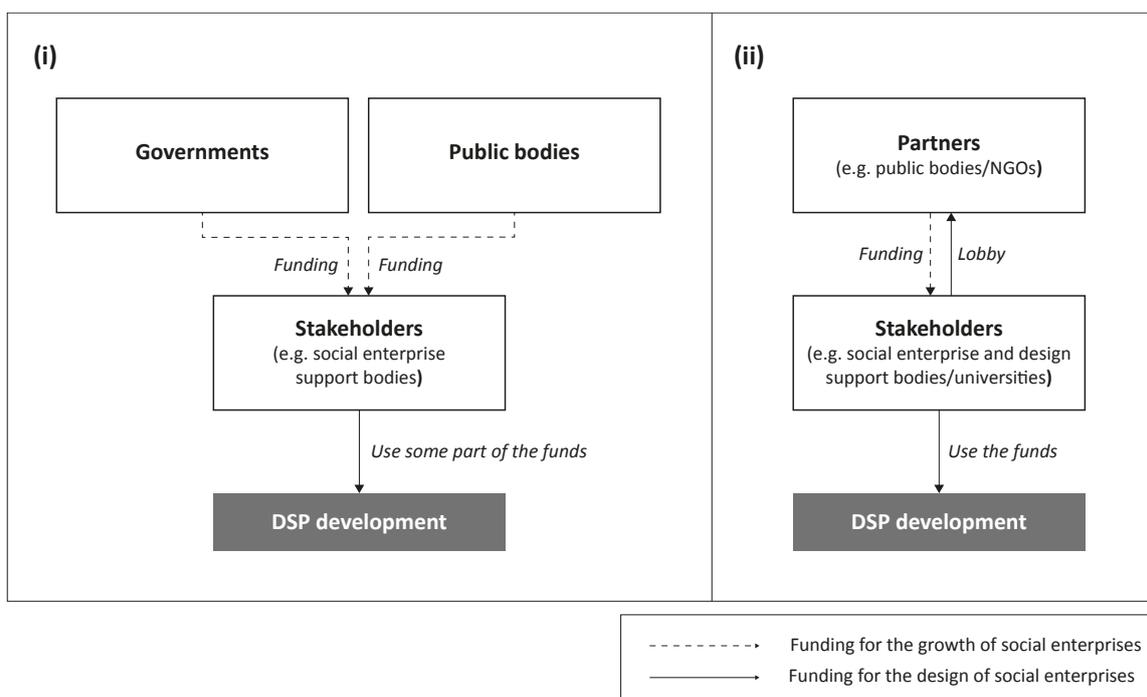
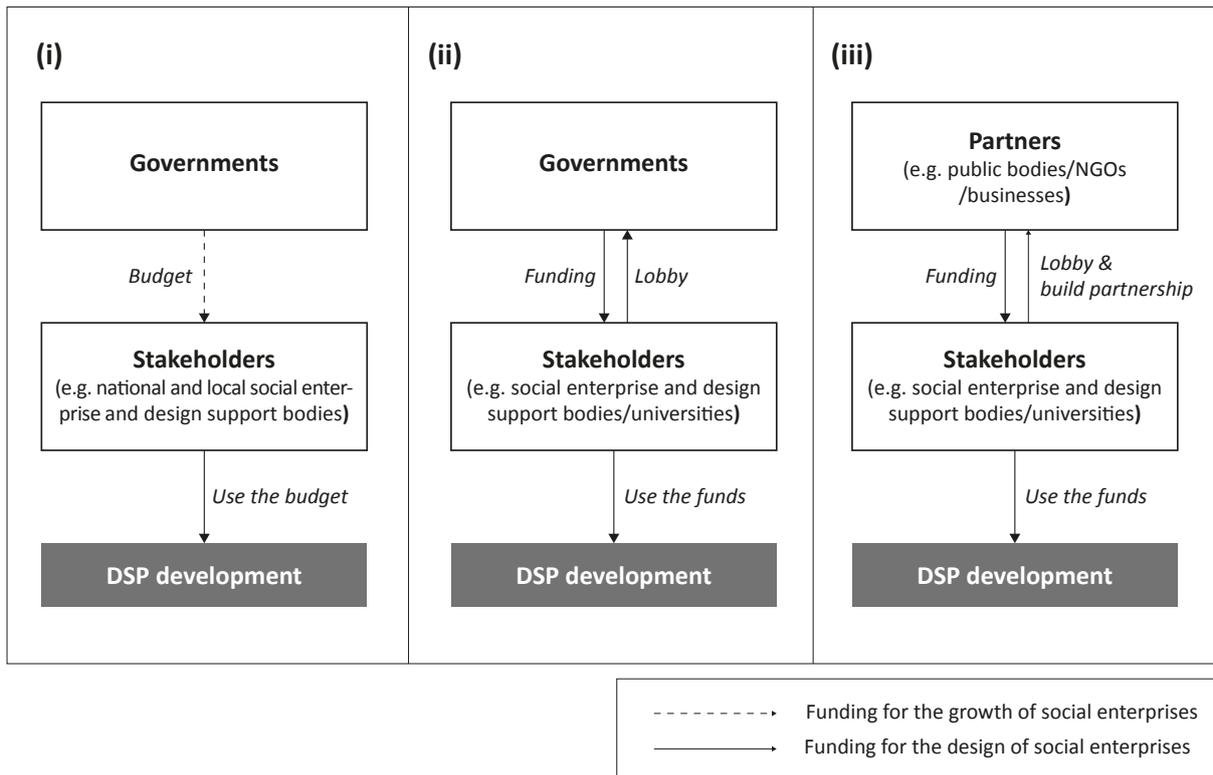


Figure 6.4 Approaches to design support funding in the UK

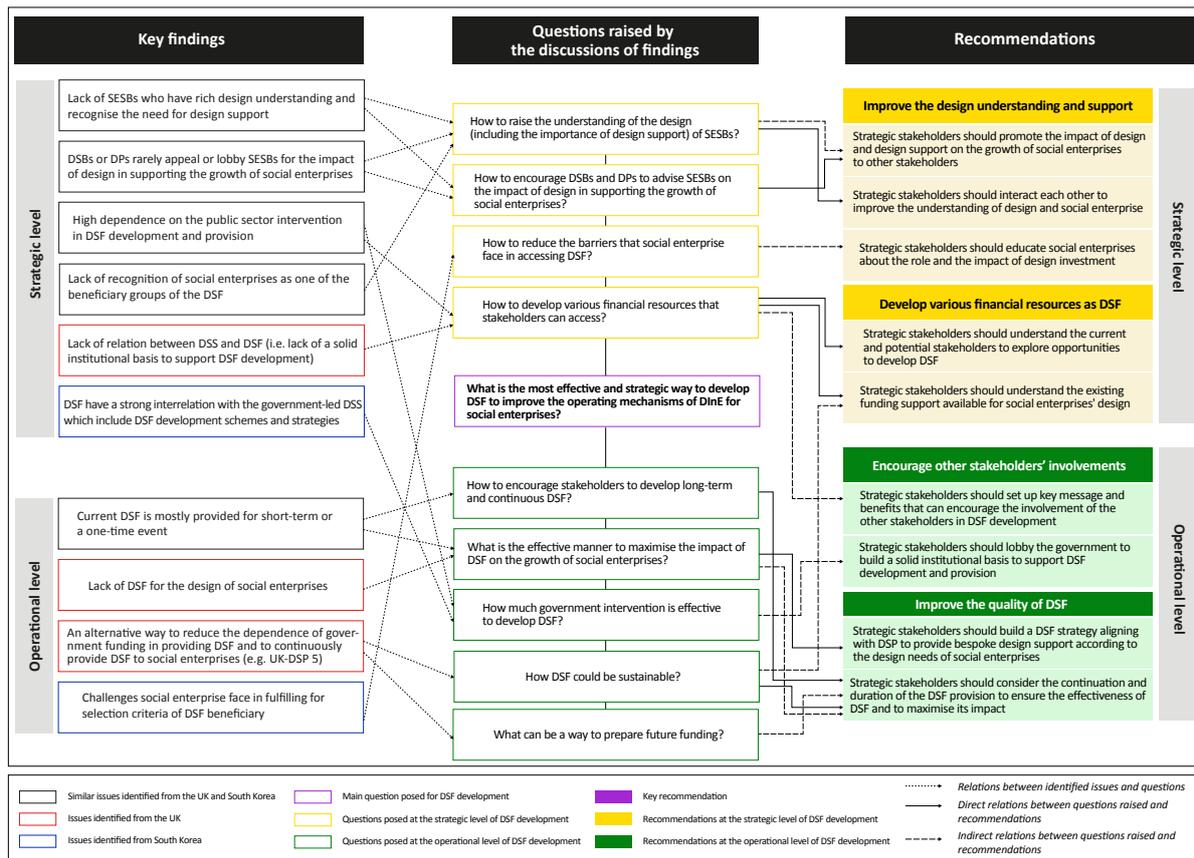
This indicates that it is vital for social enterprise support bodies to be proactive in obtaining DSF, a crucial part of the DInEs of social enterprises because their impact is not limited to the development of DSPs but also influences the understanding of design among stakeholders, especially governments and public bodies, which are rarely part of the DInEs to which social enterprises belong. However, the impact of social enterprise support bodies insufficiently contributes to the development of systematic and strategic DSF for DSP development. Compared to the number of social enterprise support bodies in the UK, very few institutions have rich design understanding or recognise the need for design support. Compounding the problem, design support bodies and practitioners rarely appeal or lobby social enterprise support bodies to promote the impact of design on the growth of social enterprises, raising concerns about (i) increasing awareness of design understanding and the need for design support among social enterprise support bodies and (ii) encouraging design support bodies and practitioners to advise social enterprise support bodies on the impact of design on the growth of social enterprises.

Meanwhile, the research identified three approaches to DSF in South Korea (see Figure 6.5): (i) stakeholders, especially government-affiliated institutes (such as national and local social enterprise and design support bodies), receive a budget for developing a DSP from the government according to the government-led DSI; (ii) stakeholders who recognise the necessity of design support for social enterprises lobby to receive financial support for DSP development from the government by promoting the importance of design support; and (iii) stakeholders attain funding from collaborators in the development of a DSP. Among the distinctive characteristics of South Korean DSF approaches is that governments are directly involved in providing DSF for DSPs. For instance, most South Korean DSF is drawn from government budgets, and DSF is intertwined with government-led DSS, meaning South Korean stakeholders can easily access the funding to establish DSPs due to the institutional approach to DSF. This represents one of the strengths of South Korean DInEs.



**Figure 6.5 Approaches to design support funding in South Korea**

However, the downsides to the direct involvement of government in DSF can result in critical barriers to a functional DIInE. Because most DSF derives from government budgets, it is usually only allocated for a short period (e.g. less than one year) and is frequently a one-off event. Furthermore, social enterprise support bodies have missed opportunities to improve understanding of design and the impact of design support because they do not need to be actively involved in obtaining DSF. These issues raise concern about (i) how much government involvement in DSF is effective and (ii) how to provide long-term and continuous DSF for DSPs. Figure 6.6 represents links between these key findings for South Korea and the UK and recommendations for improved DSF. The appendix K includes a larger version.



**Figure 6.6 Links between the key findings and recommendations for improved DSF**

### 6.2.3 Design support programmes

By examining design utilisation among key stakeholders in social enterprise ecosystems (e.g. governments, intermediaries and social enterprises), this research recognised the value of various practical implementation actions capable of supporting design for social enterprises. These DSPs can be characterised as follows:

- DSPs provide various design support contents at different levels (from operational to strategic), depending on the design understanding and competence of key stakeholders involved in the programme's organisation.
- DSPs develop through the combination of DSS and DSF, thus representing substantial governmental and organisational intervention in support of design for social enterprises.

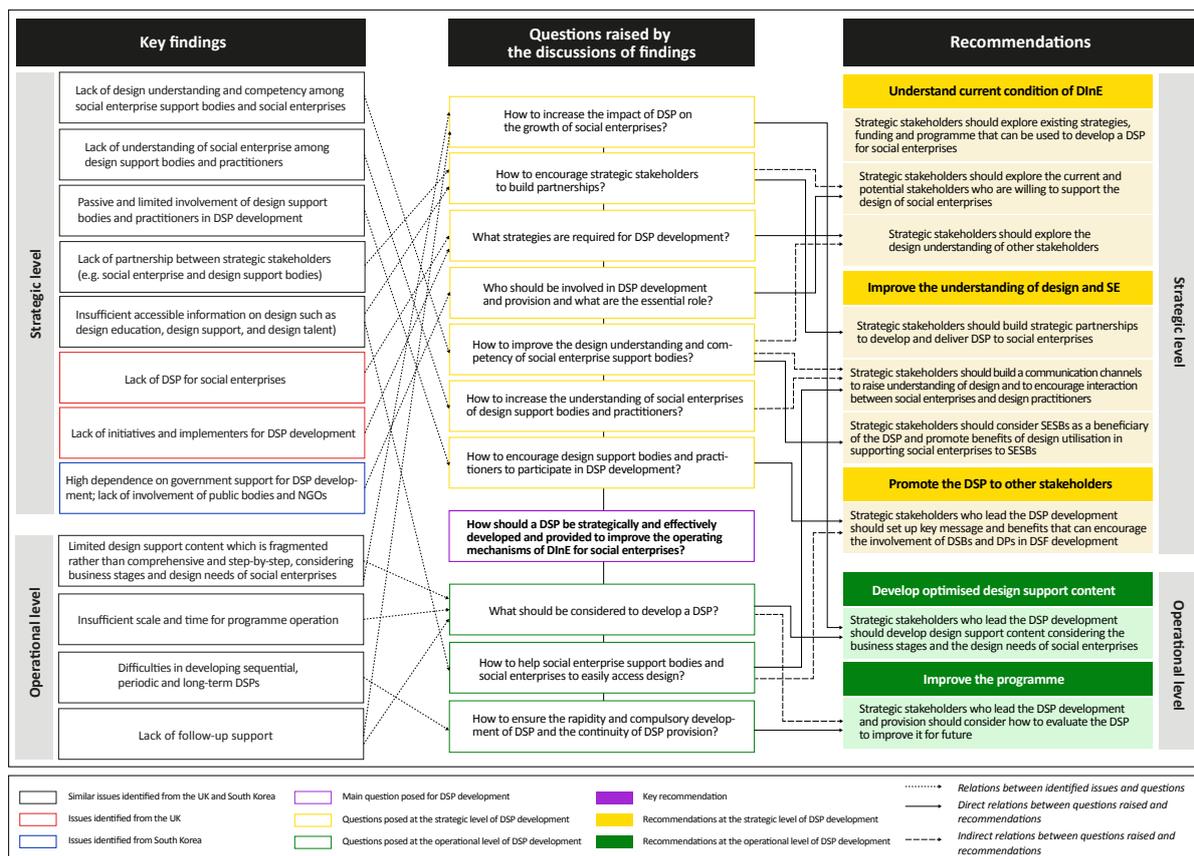
The previous chapter (especially sections 5.2.2.2 and 5.3.2.2) detailed the operations of twenty DSPs in the UK (n=6) and South Korea (n=14), considering design support contents, programme delivery modes, stakeholders involved and the relationships between stakeholders. This revealed that the different approaches of UK DSPs and South Korean DSPs are influenced by the DSP stakeholders that lead the programmes and the relationships between DSP organisers and providers. In particular, strong links were observed between the strengths and weaknesses of the current DSPs and the nature of the programme's development (see section 5.4.2).

Meanwhile, observing the DSPs from the supply side (i.e. intermediaries; see sections 5.2.2.2.5 and 5.3.2.2.5) and the demand side (i.e. social enterprises; see sections 5.2.3.3 and 5.3.3.4) in terms of the different approaches to DSP development in the two countries confirmed that despite the different approaches, both DSP developers and providers articulated similar barriers. For example, UK and South Korea stakeholders similarly emphasised three critical issues: (i) the lack of design understanding among social enterprise support bodies undermining design utilisation within social enterprises; (ii) the lack of interaction between design and social enterprise support bodies promoting a lack of understanding of social enterprises among design support bodies; and (iii) an absence of business competence and maturity within social enterprises. Regarding the latter, various stakeholders noted a critical challenge obtaining commitment from social enterprises to follow DSPs because most social enterprises are extremely small and lack the necessary time and human resources.

Meanwhile, DSP users (i.e. social enterprises) expressed similar opinions regarding the critical barriers undermining the impact of existing DSPs. At the operational level, UK and South Korean social enterprises recognised the lack of design support for social enterprises, especially in terms of funding. Social enterprises in South Korea emphasised the poor quality of design support contents, such as minimal considerations of the business stages of social enterprise, a lack of connection between support contents, the short-term provision of support and the lack of follow-up support. At the strategic level, social enterprises in the two countries emphasised that most social enterprise support bodies have limited resources, knowledge and design competence. This issue has been linked to the limited understanding

of design among social enterprise support bodies and the minimal understanding of social enterprises among design support bodies and practitioners. These observations provide clear explanation for the lack of DSPs for social enterprises.

Comparing and synthesising this feedback on extant DSPs reflects the most critical issues for improving DSPs: (i) intermediary organisations lack design understanding and competence, and (ii) there is a lack of understanding of social enterprises among design support bodies and practitioners. These issues represent the challenges to the development of more effective and appropriate DSPs for social enterprises at the strategic and operational levels, with Figure 6.7 indicating the links between discussions of the key findings and recommendations for the development of DSPs. The appendix L includes a larger version of this image.



**Figure 6.7** Links between the key findings and recommendations for the development of DSP

#### **6.2.4 DInE stakeholders relevant to social enterprises**

Chapter 5 identified various key stakeholders currently involved in social enterprise ecosystems in the UK and South Korea. In their principal roles, these stakeholders impact the operation and development of various ecosystem components, including (i) policy and legal structure, (ii) finance and investment, (iii) business development support, (iv) collaboration and networking and (v) research.

Meanwhile, the DInEs of social enterprises are also cultivated by various stakeholders, who develop DSS, provide DSF and establish DSPs to support the design of social enterprises. This renders such stakeholders an essential component of the composition of the DInEs of social enterprises. Furthermore, DInE stakeholders influence existing and potential stakeholders by establishing relationships or contracts that expand their design support networks, significantly improving the DInE's operating mechanisms. This means that identifying stakeholders who directly or indirectly support the design of social enterprises represents a critical challenge for addressing the configuration and mechanisms of the DInEs of social enterprises.

This study consequently identified nine types of key stakeholders involved in DSS, DSF and DSPs: (i) governments, (ii) public bodies, (iii) non-governmental organisations (NGOs), (iv) social enterprise support bodies, (v) design support bodies, (vi) design practitioners, (vii) universities, (viii) businesses, and (ix) social enterprises. Stakeholders are primarily organisations or individuals who can engage with the development of design support or who benefit from design support for social enterprises. Identifying stakeholders enabled comprehension of 'how' the stakeholders support the design of social enterprises and 'what' types of relationships they establish and 'who' they establish those relationships with. This categorisation also impacted the capture of key features of stakeholders' roles, which are crucial for social enterprises because they allow comparison of the diverse roles of key stakeholders in the UK and South Korea. The following subsections detail the key stakeholders.

#### **6.2.4.1 Central, regional and local governments and government agencies**

For social enterprises, the primary role of the government is to advocate for the sector, create an environment for revitalisation and eliminate the types of market failures that can hinder the growth of social enterprises (European Commission, 2015; Lee and Hwang, 2013). In this context, governments develop national or regional initiatives for the growth of social enterprises, including building support systems, creating policies and practical action plans and extending various types of financial support to maximise the influence of social enterprises on economic and social value creation (Bozhikin, Macke and Costa, 2019; European Commission, 2016b; Hazenberg, et al., 2016b; Jung, Jang and Seo, 2015).

This research confirmed that governments contribute to fostering DInEs beneficial to social enterprises by developing DSS at the policy level and providing funding to other stakeholders to develop DSPs. The South Korean government exemplifies substantial government intervention in the cultivation of DInEs beneficial to social enterprises. For example, its Ministry of Trade, Industry and Energy plays a significant role in establishing DSS to establish and strengthen the design innovation capabilities of social enterprises through design. Moreover, this ministry provides funding to the KIDP and social enterprise support bodies for the execution of regional and substantial DSPs for social enterprises (KIDP, 2019; MOTIE, 2020). Meanwhile, the Ministry of Employment and Labour (MOEL), considered a significant driver of social enterprise growth in South Korea, influences other stakeholders to consider design a support area for the growth of social enterprises (MOEL, 2017). For example, the ministry requested that KoSEA develop a DSP response to the national social enterprise support plan. Additionally, certain regional and local governments have been indirectly involved in design support for social enterprises by providing DSF for the implementation of local DSPs and encouraging regional social enterprises and design support bodies – which operated under a government budget – to establish strategic partnerships with design universities located in their communities to develop DSPs for local social enterprises.

These observations demonstrate how governments can support design for social enterprises and in which ways they can improve DInEs, along with indicating the advantages and disadvantages of this government involvement. For instance, governments can contribute

fundamentals (i.e. DSSs and DSF) at the policy level (as part of national or regional social enterprise support strategies or action plans) and use those fundamentals to instigate relevant stakeholders to participate in the cultivation of a relevant DInE. Governments enable the expeditious development of DSPs for social enterprises by providing clear guidance to relevant stakeholders on the role of design for the growth of social enterprises and by providing the necessary resources, which can include financial resources, facilities or fostering connections between potential collaborators. However, these relevant stakeholders mainly include public bodies, which are government-affiliated institutions, limiting participation of stakeholders across the public and private sectors. Additionally, governments typically have limited understanding of design, resulting in limited design support contents within DSPs and limited direct funding for DSPs, leading to substantial stakeholder dependence on government support.

#### **6.2.4.2 Public bodies**

Public bodies are institutions or organisations that operate (at least partially) with public funding to provide public or government services but do not constitute a ministerial department. Because social enterprises are characterised by charitableness and business discipline (DTI, 2002; Ridley-Duff and Bull, 2016), public bodies are often identified among the key players that support the growth of social enterprises by providing financial support. This research's findings indicate that UK public institutions perform various roles, including organising DSPs, in addition to offering financial support for the growth of social enterprises. This fact relates to how public bodies recognise social enterprises. In the UK, social enterprises are primarily considered an alternative model and a means of providing and improving public services. Accordingly, recognition can be considered to drive the participation of public institutions in either or both the organisation and/or financial support of DSPs in the UK. In contrast, in South Korea, the lack of independent involvement and support for the growth of social enterprises is apparent in the development and provision of DSPs, with the involvement of public institutions mostly controlled by governments. This could represent either or both cultural and systematic differences between the UK and South Korea in terms of support for social enterprises.

### **6.2.4.3 Non-governmental organisations**

In addition to encouraging the establishment of networks of social enterprise support bodies in different nations, NGOs create community as a means for various nations, sectors and organisations to share experiences, knowledge and insights in support of the social enterprise sector's growth. However, although several NGOs were revealed to be involved as DSP providers in the UK, NGOs generally perform an extremely limited role in cultivating DInEs.

### **6.2.4.4 Social enterprise support bodies**

Social enterprise support bodies support the growth of social enterprises by extending various forms of support, including idea development, business model development, networking development and funding support. These organisations are classified differently in the UK and South Korea. In the UK, social enterprise support bodies correspond to one of four categories: (i) membership bodies (including local network bodies) that operate using a combination of membership fees, traditional trading and governmental funding; (ii) educational support bodies that deliver various forms of support to incubate social enterprises; (iii) organisations operating with a business model based on generating profit by offering support services to social enterprises; and (iv) organisations that operate using funding from public bodies. Most UK social enterprise bodies represent social enterprises in communications with the government, the public sector and the market, as well as in planning and leading various campaigns and programmes for social enterprises to sustain the growth of social enterprises. Social enterprise support bodies also constitute a network linking other support organisations and social enterprises, enabling them to share knowledge, experiences and recourses.

Support bodies also conduct surveys with social enterprises to examine and evaluate the overall state of the national or local social enterprise sector, including articulating key challenges related to the growth of social enterprises. However, most such organisations have a limited understanding of design, generally recognising design as limited to aesthetics and form-giving. This means that design has yet to be embraced by the incubators of social enterprise support bodies, leading them to lack support for design utilisation. Given these circumstances, several support bodies with experience in design education or a relationship with design practitioners have expressed interest in using design for organisational

development and integrating it into their support programmes, indicating the potential for improving the DInE to better accommodate social enterprises.

Meanwhile, social enterprise support bodies in South Korea pertain to one of three categories: (i) organisations operated under a government budget; (ii) organisations that receive funding from private companies; and (iii) organisations operating as businesses to generate profits to provide support services to social enterprises. Three subcategories exist within the first category: (i) the national social enterprise support body KoSEA, which is under the command of the MOEL, (ii) regional integrated support centres that have contracts with KoSEA, and (iii) regional or local support centres operated by the regional or the local government itself. Support bodies belonging to the final subcategory are more embedded at the local level due to relying on budgets, plans and the cooperation of local governments, which are established by ordinances supporting local socio-economic development.

Some support bodies that significantly push DInEs to accommodate social enterprises operate on the basis of increasing recognition of design support for social enterprises by investigating and heeding the design needs of social enterprises. Among the main characteristics of these support bodies is their substantial reliance on DSF from regional or local governments to implement DSPs. Notably, support bodies do sometimes operate their DSPs by ensuring the receipt of DSF from the central government by conducting government business with some relevance for their social enterprise support plan. These support centres actively cultivate relationships with local universities, local design support bodies and design agencies to deliver DSPs. This puts them in direct involvement with the development of DInEs to benefit social enterprises, one of the features of the key stakeholders of South Korean DSPs. However, the relationship between social enterprise support bodies and design support institutions frequently results in one-off or short-term activities which impact DSPs at the operational level rather than providing a strategic and long-term boost. Meanwhile, the third category of support organisations in South Korea – support bodies established as commercial companies that rely on the market trading mechanism generate profit, precluding the need for a government budget or funding – typically demonstrate a mature understanding and use of design, acknowledging design as a vital element of social enterprises. Such organisations actively organise and provide design support to social enterprises through DSPs, as well as

maintaining a partnership with the KoSEA to extend various forms of support to social enterprises.

#### **6.2.4.5 Design support bodies**

Design support bodies include governmental and non-governmental institutions and organisations that promote or support design through campaigns, programmes, training or financial support. The types of design support bodies operating in the UK and South Korea differ. Design Council, an NGO, is the only design support body recognised among UK DInEs accommodating social enterprises. It occasionally collaborates with the government by suggesting and demonstrating the use and impact of design for national planning to boost economic growth or address social issues. In terms of DSPs for social enterprises, design support bodies develop these not through government direction but according to their goal of reinforcing design's impact on the creation of economic and social value. Furthermore, design support bodies provide DSPs for social enterprises through partnerships with public bodies and design practitioners.

In the case of South Korea, design support bodies are considered governmental institutions that are operated using funding from a government department. Such organisations, or design centres, operate at both the national and the regional or local levels. The national design centre, KIDP, was established to strengthen the competitiveness of both the nation and the industry by promoting national design research and development and supporting projects promoting design. Meanwhile, regional design centres were mostly established by regional or local governments to perform various support projects to foster regionally specialised design industries and design capacity, which primarily contribute to community development. The budget for regional or local design centres is provided by the regional or the local government. In terms of the DInEs of social enterprises, design centres generally lead DSP implementation, including developing overall design support plans including design support content, ensuring a budget for the programme, attracting other stakeholders and encouraging the participation of local design agencies in DSPs to deliver design support to social enterprises. Significantly, the role of design support bodies in the DInEs of both countries focuses on developing and operating DSPs, with substantial design support typically

provided by design practitioners recruited by design support bodies. This indicates that design support bodies act as a bridge between social enterprises and design practitioners, revitalising design utilisation in social enterprises.

#### **6.2.4.6 Design practitioners**

Design practitioners describe market-oriented design companies and designers. These are normally recruited as DSP providers by leading DSPs organisations, such as design support bodies and social enterprise support bodies where the design expertise matches the design needs of the social enterprises involved. However, the plans of DSPs generally allow design practitioners only a limited role in providing design support.

#### **6.2.4.7 Universities**

University demographics include both design professionals and students. Design for solving social problems represents an area of active research for design academics. Consequently, certain universities actively participate in DSPs to provide students with practical design work experience and increase student awareness of social enterprises solving societal problems. Furthermore, this involvement represents an opportunity for educational institutions to contribute to the resolution of community problems. In this context, the role of design academics is to deliver DSPs to social enterprises. In the South Korean context, design academics participate in DSPs on a pro bono basis, with the programmes usually operated via support from either the central or local government. Meanwhile, the design students who participate in the programme sometimes receive a small subsidy for their design work. Thus, universities primarily use their knowledge resources to contribute to DSPs by providing design support rather than helping to develop DSPs.

#### **6.2.4.8 Businesses**

The private sector contributes to the growth of social enterprises in two main ways. First, they develop and operate business support programmes for social enterprises as a matter of course. Second, they provide financial support as stakeholders in business support programmes for social enterprises. In the latter case, their involvement is considered part of

their corporate social responsibility activities. The UK and South Korean private sectors differ in their support of social enterprises. Businesses in the UK tend to support social enterprises by participating in campaigns aimed at increasing the consumption of the products or services of these enterprises. However, such businesses rarely engage in design support for social enterprises. Although South Korean businesses also support social enterprises by purchasing their products or services, they also tend to provide financial support for DSPs.

#### **6.2.4.9 Social enterprises**

Design-innovation ecosystems support social enterprise design and increase the impact of design on the growth of social enterprises, increasing their market competitiveness and innovation level. This means that social enterprises constitute both the main beneficiaries and key drivers of their DInE and perform a broad range of roles. Nonetheless, the role of social enterprises is currently more often weighted towards benefitting from the design support developed by other stakeholders rather than influencing the development of design support. This means that although UK and South Korean DInEs feature design support for social enterprises, there is a lack of practical consideration of design needs and awareness of social enterprises. For instance, social enterprises in both the UK and South Korea were observed to encounter similar difficulties utilising design, such as complications securing design development costs, improving design knowledge and accessing information about design experts or agencies related to their design needs.

Meanwhile, to explore and fulfil the design needs of social enterprises in the two countries, it is also critical to understand the differences in business stages and design competences of social enterprises. Such knowledge provides opportunities to explore various design needs and develop design support capable of improving each country's DInE. The business stages of social enterprises can be broadly divided into four phases: (i) pre-start-up, (ii) start-up, (iii) growth and (iv) maturity. Within existing DInEs, social enterprises can be categorised into one of five types according to their experience of DSPs and awareness and utilisation of design: (i) social enterprises with a rich understanding and advanced utilisation of design but with no history of participation in DSPs; (ii) social enterprises that have improved design understanding and utilisation via DSPs; (iii) social enterprises that seek follow-up design

support following participation in a DSP; (iv) social enterprises without DSP experience but pursuing DSPs appropriate to their design needs; and (v) social enterprises with a highly limited understanding and utilisation of design and insufficient interest in participating in a DSP.

### **6.3 The Current DInE of Social Enterprises in the UK and South Korea**

This section maps and compares the DInEs of social enterprises in the UK and South Korea by synthesising the discussions of the key components of the DInEs of the social enterprises. This comparison is based on the four components of DInEs (i.e. DSSs, DSF, DSPs and key stakeholders) and includes the developmental and operational approaches of each component, including consideration of the main strategic stakeholders responsible for developing each component (including stakeholder relationships). Discussion of the key features of each approach to cultivating a DInE beneficial for social enterprises enables the extraction of key considerations regarding optimising DInEs for social enterprises.

#### **6.3.1 The UK's design-innovation ecosystem**

Among the key characteristics of the UK DInE of social enterprises is that, despite the lack of strong and direct government support or intervention in design support for social enterprises, diverse institutions, including public bodies, social enterprise support bodies, design support bodies, design practitioners, universities and NGOs have been identified critically driving the ecosystem, especially in the form of DSP organisers. This finding indicates that this ecosystem is powered by intermediary organisations that recognise the importance and necessity of design support for the growth of social enterprises. Although those intermediary organisations demonstrate limited understanding or utilisation of design, they actively seek new methods or approaches to supporting the design of social enterprises by establishing partnerships and collaborations with other institutions. This allows intermediary organisations to expand and strengthen their stakeholder networks, with the operating objectives of the UK DInE primarily focused on improving design understanding among social enterprises and other participants. Accordingly, they use design to identify and solve current

challenges facing social enterprises and other actors, an approach that explains the workshop format typical of UK DSP delivery, which also allows these various entities to interact and share knowledge, experience and insights; this represents the most significant influence of the UK DInE on social enterprises.

However, without institutional groundwork (i.e. government support for or intervention in DSS, DSF and DSPs), the development of concrete initiatives and practices to provide design support for social enterprises sometimes lacks momentum. This indicates the need to encourage government support for and involvement in the DInE of social enterprises, in the form of, for example, government-led DSS. The UK DInE has limited DSF, and existing DSF is primarily funded by public institutions. This leads to several issues for DSPs for social enterprises, most significantly that they tend to be one-off programmes without follow-up support. Additionally, design support in the UK DInE does not entirely reflect the design needs of social enterprises, and design support bodies and practitioners have limited impact on the DInE. Moreover, the absence of design understanding and competence among intermediary organisations means that social enterprises have difficulty accessing relevant information concerning design support. Although participants reported evaluating several design support practices for social enterprises, these evaluations did not substantially improve design support practices. Accordingly, existing DSSs, DSF and DSPs demonstrate minimal correlation with the actual functioning of the DInE. Table 6.2 summarises the current UK DInE of social enterprises.

**Table 6.2 Key features of the DInE in the UK**

DInE mechanism approach		DInE mechanism approach
<b>Design support strategy (DSS)</b>	<b>Main approach to DSS development</b>	Organisation-led
	<b>Main player</b>	Multiple intermediary organisations with richer design understanding and more extensive experiences or that recognise the design needs of social enterprises
	<b>Organiser</b>	
<b>Design support funding (DSF)</b>	<b>Provider</b>	
	<b>Main approach to DSF development</b>	Intermediary organisations use government funding or request help from their partners
	<b>Main player</b>	Multiple intermediary organisations
	<b>Organiser</b>	Social enterprise support organisations that recognise the need for design support for social enterprises

	<b>Provider</b>	Government, public bodies and NGOs
<b>Design support programme (DSP)</b>	<b>Main player</b>	Multiple intermediary organisations
	<b>Organiser</b>	Multiple stakeholders, including public bodies, social enterprise and design support bodies, design practitioners and universities
	<b>Provider</b>	Design practitioners, universities and NGOs
	<b>Financial supporters</b>	Public bodies, governments and universities
	<b>Main support content</b>	Designing process and design strategy
	<b>Main delivery mode</b>	Workshops
	<b>Stakeholder relationship type</b>	Partnership or collaboration
<b>Strengths</b>		<ul style="list-style-type: none"> <li>• Various involvements from multiple stakeholders</li> <li>• Capacity to expand and strengthen stakeholder networks</li> <li>• Active in the formation of partnerships or collaboration to support design</li> <li>• Opportunities to improve understanding of design to encourage the growth of social enterprises</li> <li>• Design support focused on sharing design knowledge, experience and insights among DSP participants (i.e. long-term support)</li> </ul>
<b>Weaknesses</b>		<ul style="list-style-type: none"> <li>• A lack of design support practices (including limited design support contents)</li> <li>• Minimal institutional groundwork for design support</li> <li>• Limited DSF for DSP development</li> <li>• Limited roles of design support bodies and practitioners</li> <li>• A lack of reflection on the design needs of social enterprises</li> <li>• One-off design support</li> <li>• A lack of follow-up support</li> <li>• A lack of evaluation leading to improvements to current DSPs</li> <li>• A lack of correlation between DSSs, DSF and DSPs</li> </ul>

### 6.3.2 DInE in South Korea

Given South Korea's DInE has been developed via institutional groundwork, the ecosystem is fundamentally driven by government, including ministries, regional and local governments and government-affiliated bodies. In addition to developing the country's social enterprise sector, the South Korean government has developed various initiatives to improve and

strengthen design awareness and utilisation within social enterprises. This support mainly includes strategies and funding, which encourage intermediaries to develop design support practices for social enterprises. Thanks to government support, many DSPs have been conducted to aid South Korea's social enterprises, with the various robust government interventions strengthening the South Korean DInE, especially by strongly linking DSSs, DSF and DSPs. Intermediaries can use government support to promptly develop DSPs to deliver regularly across the national and local levels, and government interventions often encourage cooperation between government agencies (e.g. between KoSEA and KIDP or between social enterprise support bodies and design support bodies). However, direct government support means most intermediaries involved in South Korea's DInE have missed opportunities to develop more varied design support contents or foster relationships with other institutions. This is often a product of tending following government direction to design support for social enterprises without developing DSS at the organisational level or exploring stakeholder networks. Moreover, DSPs have often been organised according to government-led DSS, which complicates meeting the design needs and enhancing the design awareness of social enterprises due to the limited support content. Furthermore, additional support is often not provided due to the government's financial support and programme regulations. Design support for South Korean social enterprises focuses on hands-on support addressing practical design issues such as improving the visual aspect of products or brands or supporting design development costs. Support is usually a product of employment relationships between DSP organisers and providers (e.g. designers or design agencies), with funding support contributing to design costs. This substantially encourages interaction between design practitioners and social enterprises, and financial support for design in social enterprises helps social enterprises recognise design as a necessary service for business growth. Nonetheless, in some cases, design costs are considered superfluous rather than an essential investment. Additionally, evaluations of DSSs, DSF and DSPs are rare. Table 6.3 summarises the current South Korean DInE of social enterprises.

**Table 6.3 Key features of the DIInE in South Korea**

<b>DIInE mechanism approach</b>		Top-down (led by government and government organisations)
<b>Design support strategy (DSS)</b>	<b>Main approach to DSS development</b>	Government-led
	<b>Main player</b>	Government (i.e. government departments and regional and local governments)
	<b>Organiser</b>	
	<b>Provider</b>	
<b>Design support funding (DSF)</b>	<b>Main approach to DSF development</b>	Governments provide funding to stakeholders willing to develop design support for social enterprises
	<b>Main player</b>	Governments
	<b>Organiser</b>	Government departments and regional and local governments
	<b>Provider</b>	Government departments and regional and local governments
<b>Design support programme (DSP)</b>	<b>Main player</b>	Governments and their affiliated organisations
	<b>Organiser</b>	Social enterprise support bodies and design support bodies
	<b>Provider</b>	Design practitioners and universities
	<b>Financial supporters</b>	Government departments and regional and local governments
	<b>Main support content</b>	Designing and design for systematic change and culture
	<b>Main delivery mode</b>	Hands-on, funding and matching
	<b>Stakeholder relationship type</b>	Employment
<b>Strengths</b>		<ul style="list-style-type: none"> <li>• Solid and varied institutional foundations (i.e. government-led DSS and DSF) to develop design support practices</li> <li>• Interaction between social enterprises and design practitioners</li> <li>• Accessibility and repeatability of DSPs across regional and national levels</li> <li>• Strong links between DSSs, DSF and DSPs</li> </ul>
<b>Weaknesses</b>		<ul style="list-style-type: none"> <li>• High dependence on government support and interventions</li> <li>• A lack of participation from other stakeholders</li> <li>• Limited roles for design support bodies and practitioners</li> <li>• Limited design support content and short-term support</li> <li>• Interventions often do not reflect the design needs of social enterprises</li> <li>• One-off design support</li> <li>• A lack of follow-up support</li> <li>• A lack of evaluation leading to improvements to current DSPs</li> </ul>

### 6.3.3 Comparing the DInEs of the UK and South Korea

Sections 6.3.1 and 6.3.2 detailed the current DInEs of social enterprises in the UK and South Korea by extracting the key components of design support for social enterprises and identifying the different extant mechanisms, consequently observing similarities and differences in terms of implementing design support for social enterprises and identifying existing and potential issues which require attention to improve implementation. Such improvements would require developing a systematic approach to enhancing the awareness and use of design by social enterprises and the stakeholders in the relevant DInE. Table 6.4 compares the key features of the DInEs of the UK and South Korea.

**Table 6.4 Comparison of the DInEs of the UK and South Korea**

	UK	South Korea
<b>Principal approach of DInE</b>	Bottom-up (led by intermediary organisation)	Top-down (led by government)
<b>Key driver of DInE</b>	Various stakeholders	Government
<b>Principal type of DSS</b>	Organisation-led	Government-led
<b>Principal type of DSF</b>	Government funding	Government funding
<b>Key approach of DSP</b>	Long-term support	Short-term support
<b>Main objective of design support</b>	Sharing design knowledge, experience and insights	Addressing practical design issues
<b>Principal type of DSP</b>	Workshop	Hands-on, funding and matching
<b>Principal type of key stakeholder relationship</b>	Partnership/collaboration	Employment
<b>Similarities and common problems with the DInE's current operating mechanisms</b>	<ul style="list-style-type: none"> <li>• Limitation in the current DSSs</li> <li>• Limited design support content</li> <li>• A lack of design awareness among social enterprise support bodies</li> <li>• Passive and limited involvement of design support bodies and practitioners</li> <li>• Insufficient time to conduct DSPs</li> <li>• A lack of follow-up support</li> <li>• Difficulties securing DSF for DSP development</li> <li>• A lack of understanding of the design needs of social enterprises</li> <li>• A lack of evaluation leading to improvements to current DSPs</li> </ul>	

<b>Differences in current operating mechanisms of DInE</b>	<ul style="list-style-type: none"> <li>• A lack of DSS and implementers for DSP development</li> <li>• Insufficient participation of design agencies in DSPs</li> </ul>	<ul style="list-style-type: none"> <li>• Substantial dependence on government support and interventions</li> <li>• A lack of involvement of other institutions (e.g. public bodies and NGOs)</li> <li>• Short-term support</li> </ul>
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The DInEs in the UK and South Korea exhibit significant differences in terms of their principal approach. In the UK DInE, various stakeholders may be involved as the principal driver, organising DSPs by developing DSS at the organisational level according to their design understanding and competence. This means that the UK DInE features a bottom-up structure. In contrast, the South Korean DInE can be considered top-down. The government develops DSSs as part of its comprehensive support plan for social enterprises, acting as the primary driver of DInEs and directing relevant institutions or agencies to implement its strategies. These different DInE characteristics influence the different approaches to DSPs for social enterprises. In the UK, DSPs tend to offer long-term support, facilitating the development of design awareness and the use of design approaches to identify and solve the problems that social enterprises face. Similarly, this support encourages social enterprises and other stakeholders to share their design knowledge, experience and insights. For this reason, such programmes are generally organised and operated in a workshop format, with relevant stakeholders establishing temporary collaborative relationships (i.e. partnerships) to fulfil this objective. In contrast, South Korean DSPs provide short-term support to address the practical design problems that social enterprises face via financial resources or the engagement of design agencies or experts. This means that stakeholders in these programmes generally develop employment relationships. This difference apparently results from there being different types of key stakeholders active in DSPs.

However, despite the different approaches observed, similar issues were identified. First, current DSSs are neither systematic nor strategic, often developed by governments or organisations with limited design understanding or competence. This means that current DSSs have little impact on the implementation of design support. For instance, by not considering the essential roles and relationships between key stakeholders, they encourage passive and limited involvement from stakeholders in the design field and missed

opportunities to improve overall design understanding among key stakeholders. Meanwhile, most DSPs rely on government funding, which complicates securing DSF. This relates to stakeholders' lack of understanding of their roles and relationships, which suggests that strategic partnerships should be cultivated between key stakeholders such as programme organisers, programme deliverers and financial applicants, enabling each key stakeholder's role to be optimised according to the needs of the DSPs.

Second, design support bodies and practitioners (including design agencies, designers and universities) are generally limited to acting as DSP providers. However, this research has confirmed that several DSPs led by design support institutes have demonstrated the capacity to support social enterprise design. In this context, design support bodies and universities with various resources for supporting the design of social enterprises can represent strategic stakeholders within the DInE.

Finally, DSPs do not always reflect the design needs of social enterprises, their primary beneficiaries, instead delivering limited design support content incapable of fully meeting the design needs of social enterprises, a product of a tendency for DSPs to be provider-centric rather than user-centric. Furthermore, given the absence of practical evaluations of current DSPs in both the UK and South Korea, it is apparent that although approaches exist to support social enterprise design, efforts to improve these approaches are lacking. This suggests that social enterprises currently act solely as beneficiaries of design support, which relates to several issues that require attention in order to improve the DInE and indicates the imperative to consider ways that social enterprises can independently influence the development for design support in ways that reinforce design use and awareness.

### 6.3.4 Key considerations for the development of DInEs

The findings regarding the current DInEs of social enterprises in the UK and South Korea, including principal development approaches and operating mechanisms guide this research’s understanding of the critical barriers hindering strategic design support for social enterprises and the significant drivers of social enterprise DInEs. These barriers range from simple to complex, from fulfilling the design needs of social enterprises to encouraging the establishment of strategic relationships between stakeholders within DInEs. Ultimately, these issues indicate that the fundamental problem with the existing DInEs is that design support for social enterprises is not developed systematically and instead is fragmentary and sporadic. This suggests limited correlation between DSSs, DSF and DSPs, an observation that guides this section’s extraction of key considerations for addressing the problems and improving the current DInEs. Specifically, this required addressing (i) what should be improved (issues), (ii) who can improve it (stakeholders) and (iii) how it can be improved (suggestions). Table 6.5 demonstrates how relevant parties can respond to these concerns to improve existing DInEs at both the (i) strategic and (ii) operational levels.

**Table 6.5 Key considerations for DInE development**

<b>Considerations</b>	
<b>Strategic level</b>	<ul style="list-style-type: none"> <li>• Develop step-by-step changes</li> <li>• Establish the goals (i.e. critical objectives) for the ecosystem’s three components (i.e. DSS, DSF and DSPs) and for relationships between these components</li> <li>• Develop essential roles for key stakeholders (including ideal relationships)</li> </ul>
<b>Operational level</b>	<ul style="list-style-type: none"> <li>• Develop a structured process for the development of the three components</li> <li>• Develop design support content according to the business stages of social enterprises</li> </ul>

At the strategic level, the findings indicate that it is necessary to consider developing DInEs in stages. To optimise systematic DInEs that support effective and strategic design support for social enterprises, it is vital to build a solid foundation and balanced environment to counter the current fragmented nature of these ecosystems. This requires understanding the different parts of the DInE and conducting important actions in a step-by-step manner.

Moreover, it is imperative to establish key objectives and clear relationships between the three components (i.e. DSS, DSF and DSP). Existing DInEs comprise a mixture of design support practices, which have not been intentionally developed. For this reason, the development goals of the different components are unclearly defined, and there are weak relationships between the different components, which prevents systematically configuring and operating the DInE. Additionally, the roles of various stakeholders (including their relationships) should guide stakeholders to understand their potentials in the context of the DInE. Although nine types of stakeholders involved in the current DInEs in the UK and South Korea have been identified, the role of some stakeholders is limited to organising or providing DSS, DSF or DSPs, meaning that some strategic stakeholders have missed opportunities to become involved in improving design support practices in more varied ways.

At the operational level, it is first necessary to structure component development processes. Among the criticisms of current DSS, DSF and DSPs is the concern that stakeholders have not strategically considered the development of design support practices, missing opportunities to improve these practices by observing and evaluating previous and current activities. These missed opportunities include expanding and strengthening stakeholder networks. Additionally, because practices are executed via the involvement of different stakeholders, most stakeholders demonstrate minimal recognition of their existing and potential partners (including resources). For this reason, it is necessary to help stakeholders understand and evaluate existing resources and partners in an accessible and useable manner.

Second, design support should follow the business stages of social enterprises. This is built the observation that most social enterprises considered in this study emphasised how the poor quality of design support content results in design support efforts having minimal impact on the growth of social enterprises. In both the UK and South Korea, social enterprises highlighted the need for design that could differentially influence different business stages, indicating the need to expand and subdivide the roles of design in DInEs and maximise the impact of design on the growth of social enterprises.

## 6.4 Chapter Summary

This chapter has described understanding the DInEs of social enterprises by investigating the four essential components: DSSs, DSF, DSPs and stakeholders. These components manifest in slightly different ways in the UK and South Korea, leading to the identification of different operating mechanisms in the DInEs of the two countries. For instance, the UK DInE features a bottom-up approach, led by various intermediary organisations, while the South Korean DInE features a top-down approach built on government support and government interventions. Despite the consequent differences in operating mechanisms, the DInEs of the UK and South Korea exhibit certain similarities and differences in terms of the critical barriers that hinder practical and strategic design support for social enterprises.

This chapter's discussion of these key findings provides comprehensive insights that have enabled the development of a framework for improving and optimising DInEs for social enterprises. The next chapter details the resulting recommendations for a DInE development framework and associated implementation guidelines. The chapter also discusses evaluations of the framework and its implementation provided by experts in design and social enterprise, leading to this research's final DInE development framework and implementation guidelines.

# Chapter 7. Recommendations

## 7.1 Introduction

The previous three chapters reviewed and compared the role of design in social enterprise development and the current design support practices and approaches used by social enterprise ecosystems in the UK and South Korea. Based on the discussion, this research constructed a theoretical overview of design-innovation ecosystem (DInE) for social enterprises by revealing the four critical components that comprised of a DInE, including the different development approaches of the components and two different operating mechanisms among DInEs (e.g. UK: bottom-up; South Korea: top-down). Furthermore, several critical barriers that hinder developing a systematic DInE for social enterprises were similarly exposed at the strategic and operational levels based upon the different operating mechanisms of the UK and South Korean DInEs. Based on comparative discussions of the key findings, this chapter outlines recommendation in the form of a DInE development framework. The framework suggests optimised structure and implementations that main strategic stakeholders (e.g. social enterprise and design support bodies and universities) can apply to improve the current DInE and design support practices for social enterprises. This framework would also be useful for potential stakeholders who are willing to support the design of social enterprises.

The framework evaluation was conducted in two phases and applied different methods: (i) workshops and (ii) interviews with design and social enterprise experts, current and potential stakeholders of the DInE. In the first phase, workshops were conducted with experts from the design and social enterprise sectors in the UK and South Korea, respectively. The workshops aimed to gather practical insights and design improvements by comparing and synthesising views on the framework from experts. Information gathered from the workshops was used to enhance the framework. Subsequently, interviews with current and potential DInE stakeholders in the UK and South Korea were conducted in the second evaluation phase. The

interviews used an in-depth semi-structured approach to intensively identify the framework's acceptability, potential usefulness, comprehensiveness, feasibility and usability. Information collected from the interviews was used to adjust and finalise the DInE framework and confirm its implementation (detailed descriptions of this evolutionary process were discussed in Chapter 3). Figure 7.1 depicts the Chapter 7 outline.

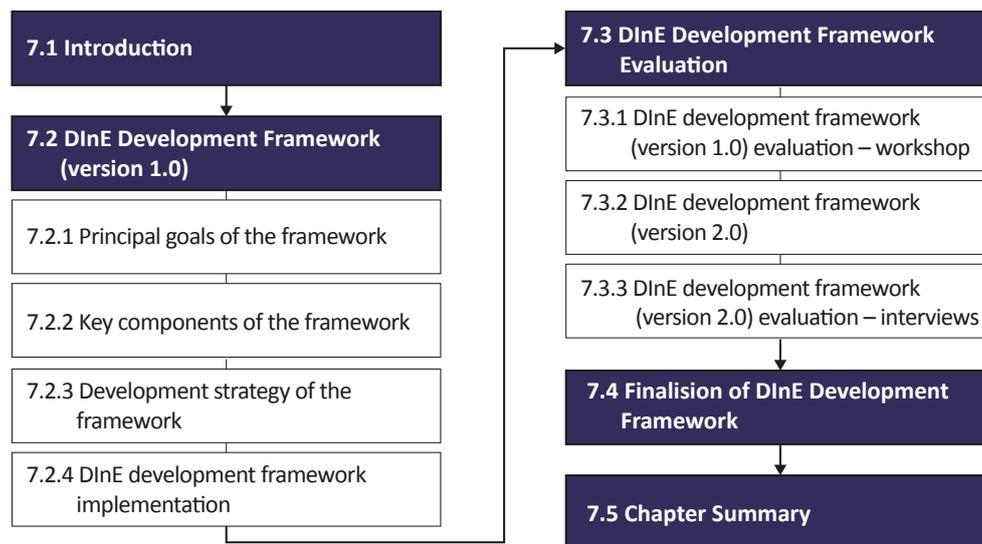
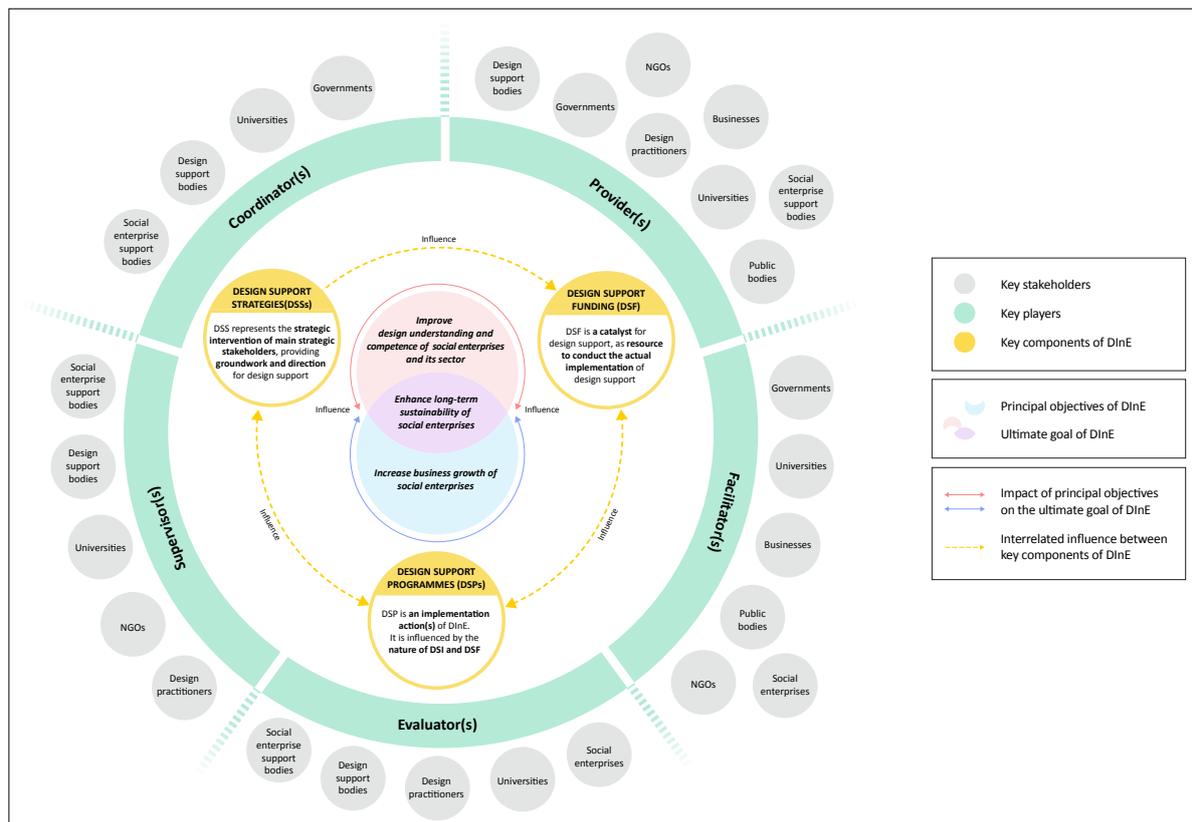


Figure 7.1 Chapter map

## 7.2 DInE Development Framework (version 1.0)

The DInE development framework (version 1.0) is intended to assist strategic stakeholders (e.g. social enterprise and design support bodies and universities) in developing a systematic and practical DInE that enables and strengthens the design support of social enterprises, and maximising the design impact for the growth of social enterprises. A DInE consists of four elements (i.e. DSSs, DSF, DSPs and key stakeholders). Three of these elements (DSSs, DSF and DSPs) are interrelated and influence the different levels of design support for social enterprises from the groundwork(s) to implementation action(s). The DInE development framework (version 1.0) has been designed to enhance the long-term sustainability of social enterprises by developing and providing systematised and optimised design support. To achieve the objective, the framework guides stakeholders to achieve step-by-step changes for design support system development by considering the different influences of the

components on this process. In addition, the framework contains comprehensive suggestions concerning (i) the essential roles and relationships of key stakeholders and (ii) the development structure and process established by the DInE development strategy. Figure 7.2 illustrates the overview of the DInE development framework (version 1.0) (Appendix M shows an enlarged image of the Figure 7.2).

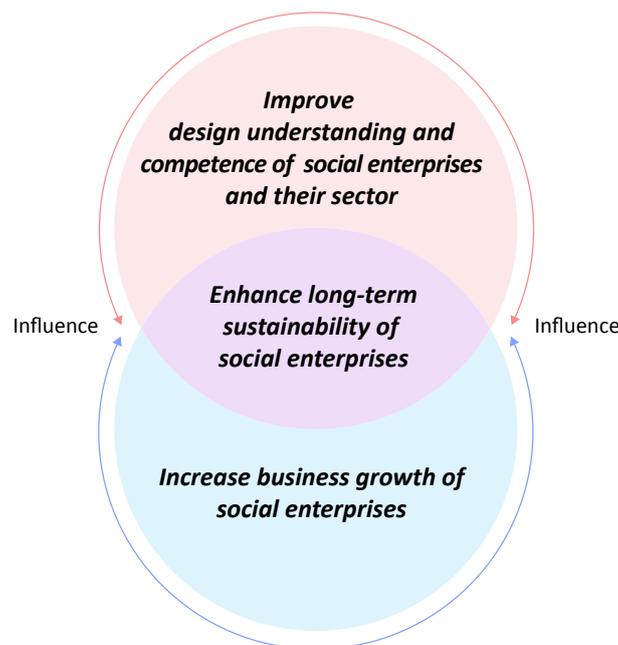


**Figure 7.2 Overview of the DInE development framework (version 1.0)**

### 7.2.1 Principal goals of the framework

This research identified that despite various interventions, activities, and resources provided by different stakeholders (e.g. governments, social enterprise support bodies, design support bodies and universities) to support the design of social enterprises, an understanding of their design utilisation remains limited. As a result, many social enterprises do not fully understand how it can be used and when to apply design to their products and services or organisational development. Moreover, many social enterprises have noted that they cannot afford to invest time and financial resources in design because the size of the business, including human

resources, is not big enough. These difficulties indicate that currently available DInEs have a limited ability to activate and strengthen the design competency of social enterprises. Such limitations stem from the poor groundwork of minimal enablers and multiple constraints of design support for social enterprises, including the ambiguous and fragmented purpose of the design support practices. Therefore, the DInE development framework was designed to enhance the long-term sustainability of social enterprises by developing and providing them with systematised and optimised design support, which is the ultimate goal of a DInE (see Figure 7.3). Two essential objectives were defined to achieve the main goal: (i) improve design understanding, the competence of social enterprises and their sector and (ii) increase the business growth of social enterprises. These objectives address the challenges most social enterprises face, which are caused by their lack of internal capability (regarding business and the design aspect) and limited external support (regarding design support).

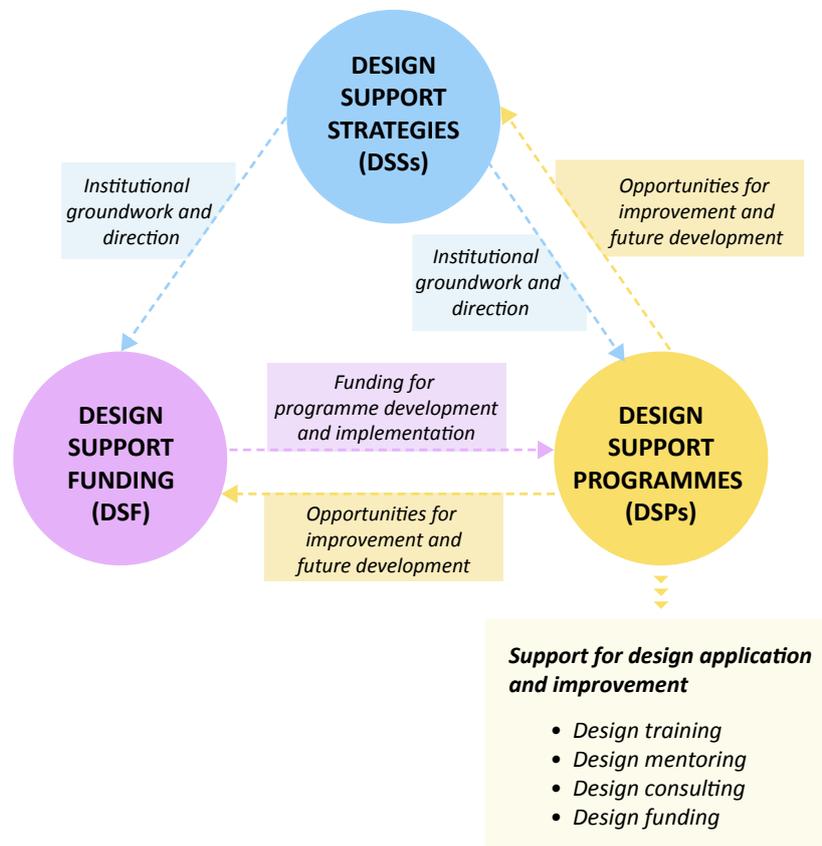


**Figure 7.3 Relations between principal objectives of the framework**

### **7.2.2 Key components of the framework**

The framework guides users and explains how a DInE can be comprised and operated, addressing the four key components: DSS, DSF, DSP and stakeholders. These four components were revealed by a study of the current design support practices in the case study countries and are distinguished according to their applicability to the DInE configuration and operation:

groundwork (DSS), catalyst (DSF), implementation (DSP) and players (stakeholders). Three of the four elements (DSS, DSF and DSP) are interrelated (see Figure 7.4) and are the responsibility of different main strategic stakeholders.



**Figure 7.4 Relations between three of the four central components of DInE**

### **Design support strategy (DSS)**

DSS encompasses the strategic interventions developed by main strategic stakeholders (e.g. governments, universities, social enterprise and design support bodies) to support the design of social enterprises. It influences other components (DSF and DSP) by providing the principal groundwork (including strategies, action plans and direction) for stakeholders interested in developing design support for social enterprises.

### **Design support funding (DSF)**

DSF is a catalyst for supporting the design of social enterprises by developing DSPs and assisting social enterprises' design application and programme development. It is often

created alongside or as an aspect of the full DSS. Moreover, the type of financial resources used impacts critical features of the DSP, such as scale, continuity, and repeatability.

### **Design support programme (DSP)**

DSP is an implementation action(s) that creates a DInE to support the design of social enterprises. It delivers substantive design support to social enterprises to improve their business growth and strengthen their design competency. The support type includes four elements: design training, mentoring, consulting and funding, which are prioritised according to the critical objectives of the support. The features of a DSS and DSF influence DSP development and provision. In turn, a DSP affects subsequent DSI and DSF development.

### **Stakeholders**

DInE development and operation requires the diverse involvement of different stakeholders; each play various roles to support the design of social enterprises effectively and strategically. According to the key responsibilities of the stakeholders during DInE development and operation, they can take different roles that can be categorised into five groups:

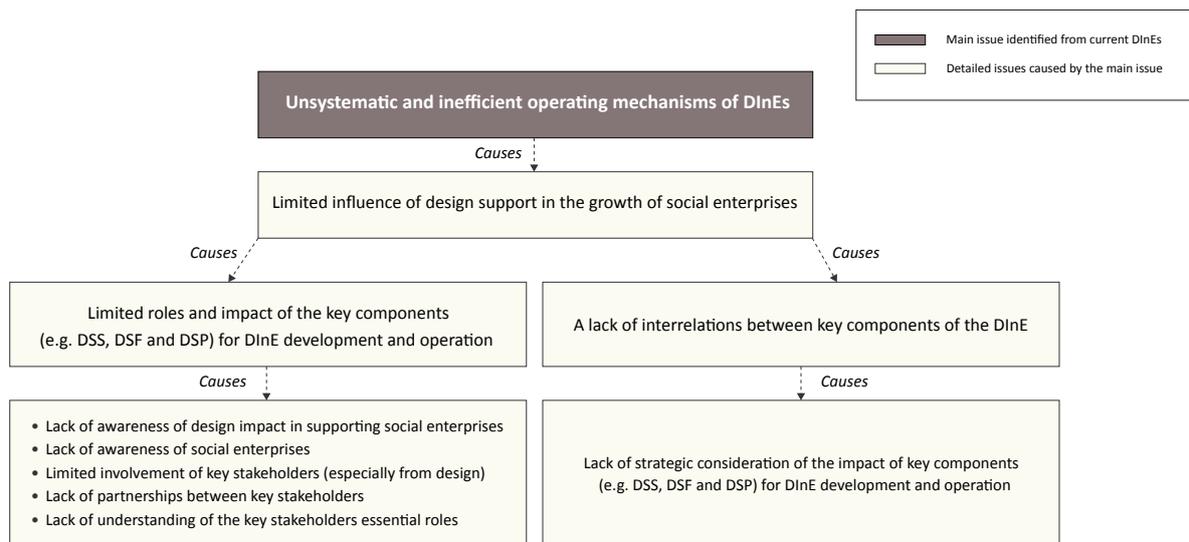
- Coordinator(s) play various roles in developing, managing and evaluating the components,
- Provider(s) deliver substantial design support to social enterprises,
- Facilitator(s) assist and advise the coordinator(s), and provider(s),
- Supervisor(s) monitor the operation of the components and
- Evaluator(s) review the impact of the key components applied to support the design of social enterprises, including primary stakeholders' roles.

Coordinator(s) and provider(s) are considered the main strategic stakeholders among all stakeholders.

### **7.2.3 Development strategy of the framework**

The development strategy for the DInE development framework outlines a structured and step-by-step series of recommendations to develop an overall DInE that optimises design

support for social enterprises. As the previous chapter indicated, it was designed according to the understanding of the importance of development a DInE in stages (see section 6.3.4). Thus, systemic changes to a DInE are accomplished by achieving five key objectives that address the identified critical issues that hinder strategic and practical design support for social enterprises (see Figure 7.5).

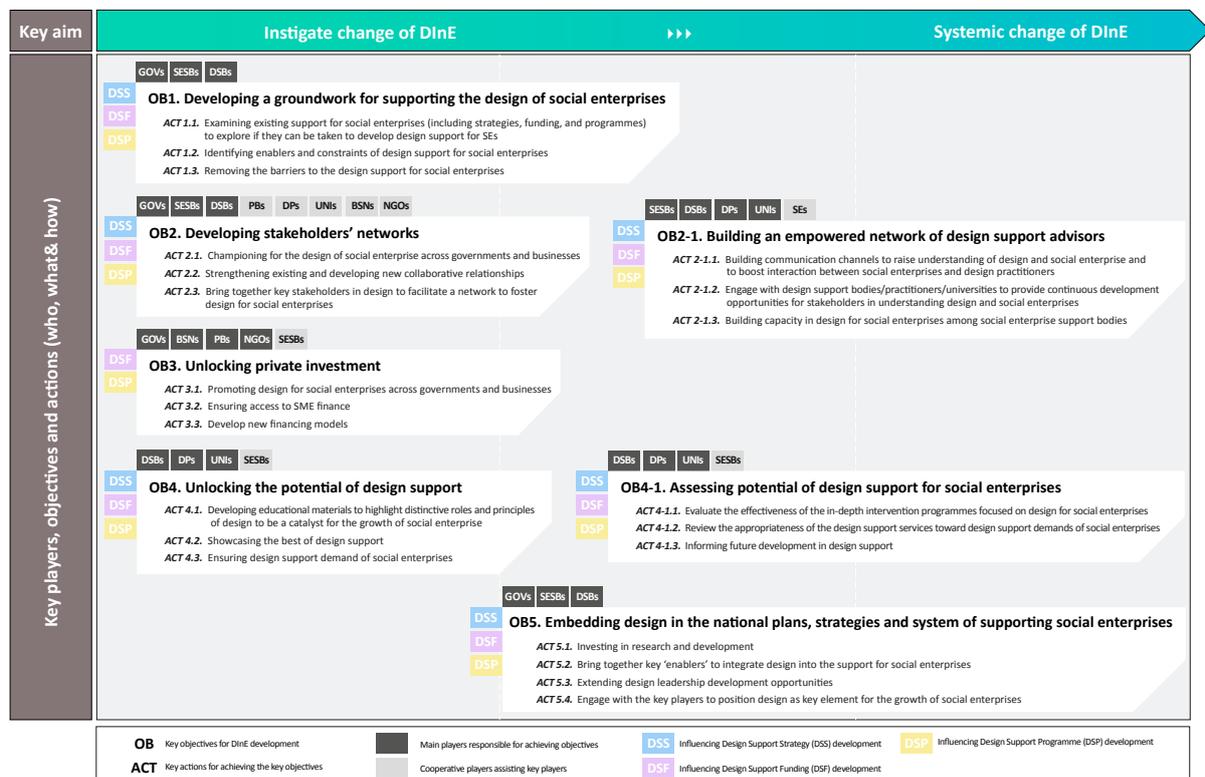


**Figure 7.5 Problems identified in a review of current DInEs**

Each objective contains critical actions, including identifying the key players responsible for its achievement. The objectives also indicate their contribution to DInE development by showing the relevant key components they impact. Figure 7.6 depicts the details of the development strategy of the framework (Appendix Q shows an enlarged image of Figure 7.6).

The key findings discussed in the previous chapter prove that current DInEs are based on unsystematic and inefficient operating mechanisms, including weak groundwork composed of minimal enablers and multiple constraints that social enterprise design support. This issue is also related to the lack of interrelations between crucial components of the DInE. Therefore, to develop an optimised DInE for social enterprises, the first objective of the development strategy is to develop solid groundwork that supports the design of social enterprises (OB1). To build the substantial groundwork, strategic stakeholders (e.g. governments, design and social enterprise support bodies) should take the following three actions: (i) examine existing

support for social enterprises (including strategies, funding and programmes) to explore if they can be taken to develop design support for social enterprises, (ii) identify enablers and constraints of design support for social enterprises, and (iii) remove the barriers to design support for social enterprises.



**Figure 7.6 Development strategy of the DiNE development framework**

The second objective concerns the stakeholder network and comprises two phases: instigating changes in a DiNE and implementing systemic changes. It addresses limited stakeholder roles and networks in the current DiNEs. Because of this issue, many stakeholders are unable to develop the potential to support the design of social enterprises and expand their network. Firstly, to instigate changes in a DiNE, strategic stakeholders (e.g. governments, design and social enterprise support bodies) should develop stakeholders' networks (OB2). This objective involves three actions: (i) the stakeholders should consider how to champion the design of a social enterprise across public and private sectors, (ii) they should strengthen existing and develop new collaborative relationships, and (iii) they should bring together other relevant parties to facilitate a network that fosters design for social enterprises. Public

bodies, design practitioners, universities, businesses, NGOs can be invited as partners to assist the main strategic stakeholders.

Secondly, for the systemic change of a DInE, the primary stakeholders (e.g. social enterprise support bodies, design support bodies, design practitioners and universities) should build an empowered network of design support advisers (OB2-1). The empowered network can be built by taking the three actions: (i) build communication channels to increase the knowledge of design in relation to social enterprises and boost the interaction between social enterprises and design practitioners, (ii) engage with design support bodies, practitioners and universities to provide continuous development opportunities for stakeholders in understanding design and social enterprises, and (iii) build capacity among social enterprise support bodies. Social enterprise support bodies, design support bodies, design practitioners and universities are considered the key players responsible for achieving the objective, and social enterprises can be involved as partners to assist the key players.

Current design support developed for DInEs has had minimal influence on the growth of social enterprises because it dealt with limited aspects of design and was created based on only a minimal understanding of social enterprises' design needs. Moreover, design support bodies and practitioners have played passive and limited roles in developing the design support, which has caused fragmentary and temporary approaches that led to missed opportunities in improving design awareness among other stakeholders. Accordingly, the third objective was designed in two phases to address the substantial barriers identified in the existing design support practices (especially programmes) delivered to social enterprises: (OB3) unlocking the potential of design support and (OB3-1) assessing the potential of design support for social enterprises. OB3 aims to instigate changes in a DInE by improving the understanding of design among stakeholders, particularly those with minimal knowledge of its importance (e.g. governments, social enterprise support bodies and social enterprises). To address this objective, design support bodies, design practitioners and universities should perform the following three actions: (i) develop educational materials to highlight the distinctive roles and principles of design that catalyse the growth of social enterprises, (ii) showcase the best of design support and (iii) meet the design support demand of social enterprises. After performing the three actions, the key players (e.g. design support bodies, design practitioners

and universities) can take additional actions: (i) evaluate the effectiveness of the in-depth intervention programmes focused on design for social enterprises, (ii) review the appropriateness of the design support services and (iii) inform future development in design support. These three actions are designed to assist the achievement of OB3-1 by evaluating the potential of design support for social enterprises concerning the systemic change of DInE.

The fourth objective is to secure private investment, which addresses a significant barrier identified among the current DInEs: heavy dependence on government funding and difficulty in securing financial resources (DSF). To improve the sustainability of design support (i.e. DInE operations), it is vital to secure financial resources from different channels and develop an appropriate method to maintain the continuity of funding. Thus, governments, businesses, public bodies and NGOs, which were identified as financial supporters of current DInEs should consider the following three actions: (i) promote the design of social enterprises across governments and businesses, (ii) ensure access to SME financing and (iii) develop new financing models. Social enterprise support bodies should be cooperative players that assist financial supporters in performing actions effectively.

The last objective (OB5) initiates systemic change within a DInE by embedding design in the national plans, strategies and support mechanisms of social enterprises. Currently, DInEs have been designed by a few stakeholders with minimal design understanding and competencies; thus, most design support has limited connections to available support strategies, plans, and systems for social enterprises, and design support is often fragmented and insufficient to support the growth of social enterprises decently. Therefore, the framework suggests the following four actions to governments, social enterprises and design support bodies to develop an optimised and advanced DInE for social enterprises: (i) invest in research and development, (ii) bring together key 'enablers' to integrate design into the support for social enterprises, (iii) extend design leadership development opportunities and (iv) engage with key players to position design as a central element for the growth of social enterprises.

## **7.2.4 DInE development framework implementation**

The implementation process includes various recommendations to develop the key components of a DInE (e.g. DSS, DSF and DSP), targeting key stakeholders and addressing the essential roles and relationships for component development in creating an optimised structure. The recommendations were designed to address who (stakeholders), what (which components) and how (way of developing the components) questions to solve critical issues identified by current DInEs in the UK and South Korea regarding potential barriers that may hinder the adequate performance of each component in the operating mechanism. For the DInE development framework implementation, the essential roles of key stakeholders are proposed for each component based on their relevance, including the diverse expertise, knowledge and resources each stakeholder possesses. In particular, the development structure and implementation provide the respective blueprint of developing key components to develop a DInE strategically and effectively. The blueprint contains details of key components' development based on the development strategy of a DInE.

The development process consists of four stages: (i) planning, (ii) development, (iii) delivery and (iv) review. Relevant stakeholders should achieve incremental objectives during the strategic development of the components, defining their essential roles and establishing checklists that indicate they are fulfilling their roles effectively. Moreover, as part of the development structure and process, an optimised relationship between main strategic stakeholders is proposed. The proposed relationship among main strategic stakeholders was developed by comparing the substantial relationships discovered in the UK and South Korea.

### **7.2.4.1 Design support strategy (DSS) development**

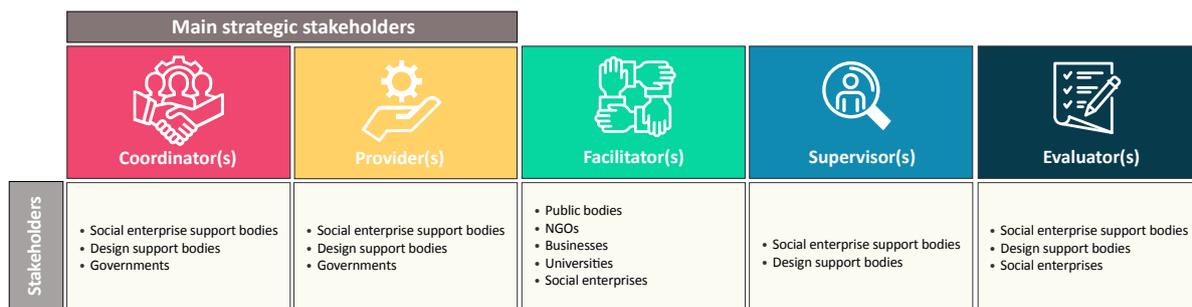
Design support strategy (DSS) represents a strategic intervention by stakeholders (e.g. governments, universities, social enterprise and design support bodies) to support the design of social enterprises. At the same time, it indicates how the stakeholders understand and use design for this purpose. Moreover, a given DSS influences other components of the DInE (such as DSF and the DSP) by providing an institutional and environmental context for relevant

stakeholders at the national or organisational levels. This key feature of the DSS guides who should take the initiative its development.

### **Key stakeholders and essential roles**

Social enterprise support bodies, design support bodies and governments are considered the main strategic stakeholders who play roles as coordinator(s) and provider(s) for the DSS development. The stakeholders are responsible for developing, delivering, managing and evaluating the DSS to support social enterprises' design. They should emphasise the importance of design support for the growth of social enterprises; thus, they must use their knowledge, expertise and resources to develop a DSS for supporting social enterprises and developing a DInE. Stakeholders should also consider the impact of their DSS on DSF and DSP development. As a facilitator(s) with subsidiary roles such as advising the coordinator(s) and provider(s) in facilitating the development and provision of the DSS, public bodies, NGOs, businesses, universities and social enterprises can be involved. They can establish a collaborative relationship with coordinator(s) and provider(s) to play their roles effectively.

Social enterprise support bodies and design support bodies should play a supervisory role in executing the DSS. Because they are substantial players who develop design support practices based on the DSS, they can monitor its provision and operation. For adequate supervision, the stakeholders should mainly focus on ensuring that the DSS has been developed and operated to maximise its impact on supporting the design of social enterprises. Social enterprise support bodies and design support bodies should evaluate how the DSS affects DSF and DSP development and correlate key components (DSS, DSF and DSP). They should also identify key drivers of and barriers to the DSS for its future improvement and examine how the DSS influences the development of the DInE. Social enterprises can also play a role as evaluators in how the DSS influences the quality of DSF and the DSP, which directly support the design of social enterprises. Figure 7.7 shows the key stakeholders according to their essential roles.



**Figure 7.7 Key stakeholders and essential roles for DSS development**

### DSS development structure and process

After the stakeholders understand their essential or potential roles, they can develop the DSS by following the suggested process (see Figure 7.8). The development structure and process assist stakeholders throughout the overall journey (e.g. what, who and how) in developing and operating a DSS, which comprises of four phases: planning, development, delivery and review. Each stage contains specific objectives. For example, during the planning phase (first stage) that outlines the DSS, players (mainly coordinators and facilitators, and partially providers) should (i) address their understanding of the current DInE for social enterprises, (ii) examine this understanding and (iii) set up the base of the DSS. The second phase (development) implements the strategy, where coordinator, provider and facilitator must address two goals: (i) arrange the essential roles of stakeholders and (ii) develop design support strategies. In the third phase (delivery) the roles of stakeholders are mainly focused on promoting and managing the DSS. Firstly, coordinators, providers and facilitators are required to (i) promote the strategies to relevant stakeholders, then (ii) coordinators, providers and supervisors must deliver the strategy. During the review phase, stakeholders, including coordinators, providers, supervisors and evaluators, should (i) evaluate the DSS and (ii) extract improvements for the future.

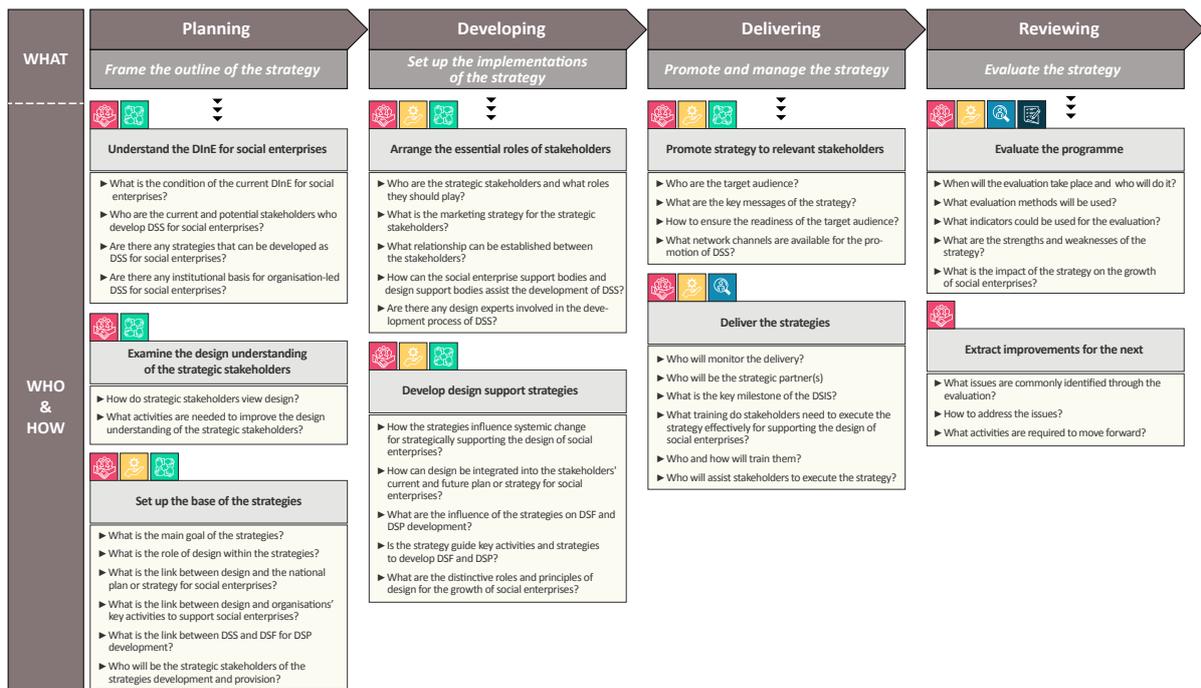
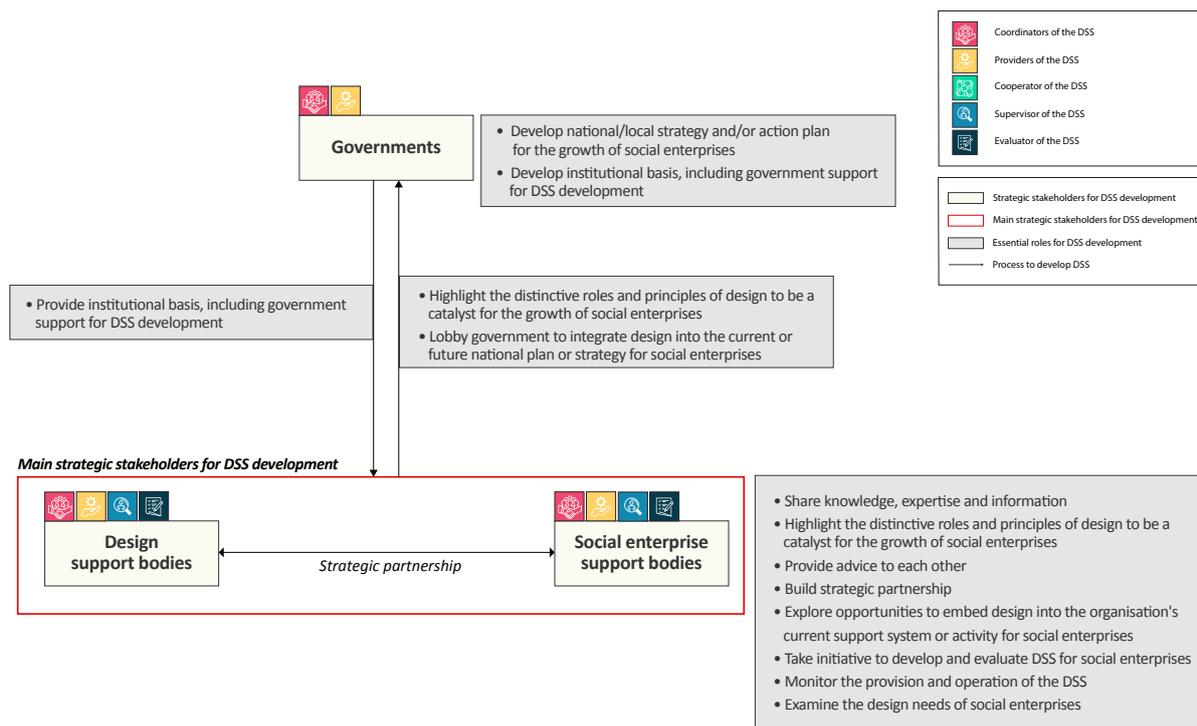


Figure 7.8 DSS development structure and process

### Stakeholder relationships for DSS development

The framework recommends the following stakeholder relationships, which has been designed to address one of the objectives of the development phase of the DSS development structure and process (arranging the essential roles of stakeholders). The stakeholder relationship was developed as a hybrid approach to maximise strengths and counter the weakness of the different approaches of DSS development identified in the UK (bottom-up) and South Korea (top-down). The stakeholder relationship emphasises the vital roles strategic stakeholders (especially social enterprise support bodies and design support bodies) should play. Figure 7.9 illustrates the recommended stakeholder relationship for DSS development.



**Figure 7.9 Recommended stakeholder relationships for DSS development**

### 7.2.4.2 Design support funding (DSF) development

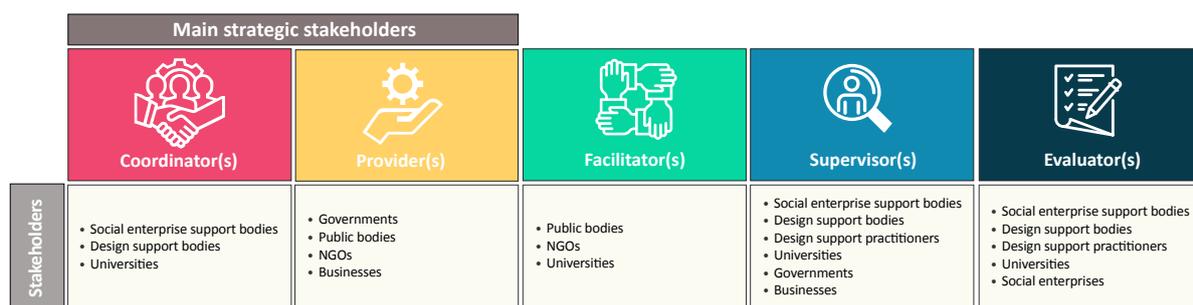
Design support funding (DSF) facilitates design support for social enterprises by providing financial resources that can be used by relevant stakeholders (such as social enterprise support bodies, design support bodies and universities) to develop substantial design support for social enterprises (i.e. DSPs). It often accompanies DSS creation. The type of financial resources used in DSF affects critical features of the DSP, such as scale, continuity and repeatability.

#### Key stakeholders and essential roles

The key consideration for developing DSF is securing financial resources from different providers; thus, diverse bodies across public and private sectors are the main strategic stakeholders (see Figure 7.10). Social enterprise support bodies, design support bodies and universities can lead the development of DSF. However, they should have a rich understanding of DSSs for social enterprise and be able to clarify to providers what funding support for the design of social enterprises is important. They can build strategic partnerships or contracts with providers and facilitators according to the type of DSF and the financial

resources used. Based on the critical consideration of DSF development, which addresses a substantial barrier to existing DSF (e.g. heavy reliance on government funding), various stakeholders, including governments, public bodies, NGOs and businesses, are regarded as providers who provide funding for design support to coordinators. They can use their knowledge, expertise and resources to financially support DInE development and operation. Additionally, they can establish a strategic or collaborative relationship with DSF coordinator(s) to develop DSF effectively.

To perform these roles successfully, stakeholders should develop an understanding of the existing DSSs. Public bodies, NGOs and universities must facilitate the development of DSF to balance financial resources between public and private interventions. Stakeholders, such as social enterprise support bodies, design support bodies, design practitioners, universities, governments and businesses, can monitor the provision and operation of the DSF and the key roles of main strategic stakeholders (coordinators and providers). Their role is required to examine whether DSF is appropriately used and identify issues that hinder the adequate provision and operation of DSF in developing a DSP or supporting the design of social enterprises. Social enterprise support bodies, design support bodies, design practitioners, universities and social enterprises may all serve as evaluators that investigate the actual impact of the DSF on the operations of the DInE. For the evaluation, they should examine whether the DSF has achieved its primary goals and objectives, including growth.



**Figure 7.10 Key stakeholders and essential roles for DSF development**

## DSF development structure and process

Similar to the DSS development (section 7.3.4.1), the essential roles of key stakeholders are deployed according to the different objectives of the four phases of the DSF development process (see Figure 7.11). During the planning phase, which aims to establish a foundation for DSF, coordinators and facilitators are required to (i) understand available DSF for DSP development and (ii) examine the design understanding of strategic stakeholders. Coordinators, providers and facilitators should then (iii) establish the DSF for DSP development. During the development phase, key players (coordinators, providers, facilitators and supervisors) should set up the implementation of the funding by addressing (i) how to arrange the essential roles of stakeholders and (ii) the development of financial resources targeted for DSF to promote DSP development. Third, in the delivery phase, coordinators and facilitators are required to (i) promote funding to relevant stakeholders and coordinators, and (ii) providers and supervisors must deliver the funding. Finally, in the review phase, which evaluates the funding process, key players (coordinators, providers, supervisors and evaluators) should (i) evaluate the funding by answering the suggested checklist and (ii) extract improvements for the future.

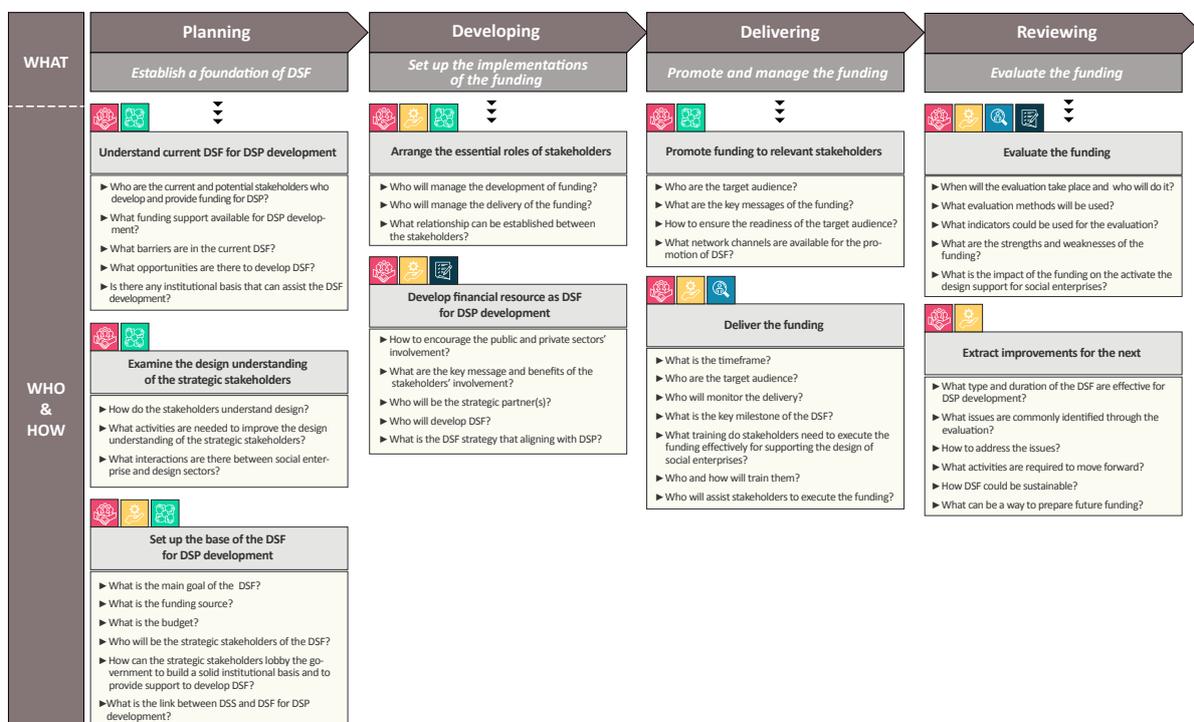


Figure 7.11 DSF development structure and process

## Stakeholder relationships for DSF development

An optimised stakeholder relationship for DSF development is suggested to help achieve one of the objectives of the development phase in the DSF development process (e.g. establishing the essential roles of stakeholders). The stakeholder relationship was developed to guide the main strategic stakeholders in obtaining DSF towards diverse channels they should contact. Furthermore, the stakeholder relationship informs the vital roles of main strategic stakeholders in DSF development (e.g. social enterprise support bodies, design support bodies and universities) and for DSF provision (e.g. governments, businesses, public bodies, and NGOs). It also illustrates the mechanism through which this takes place (see Figure 7.12).

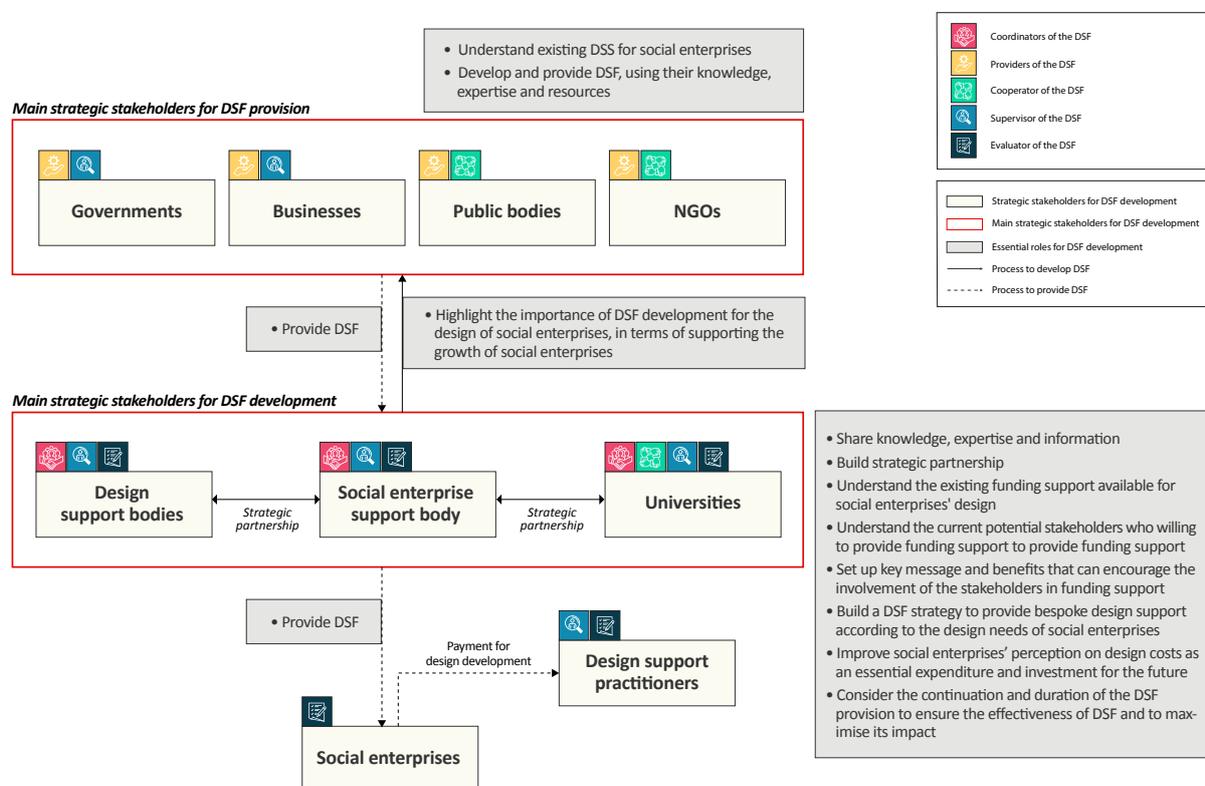


Figure 7.12 Recommended stakeholder relationship for DSF development

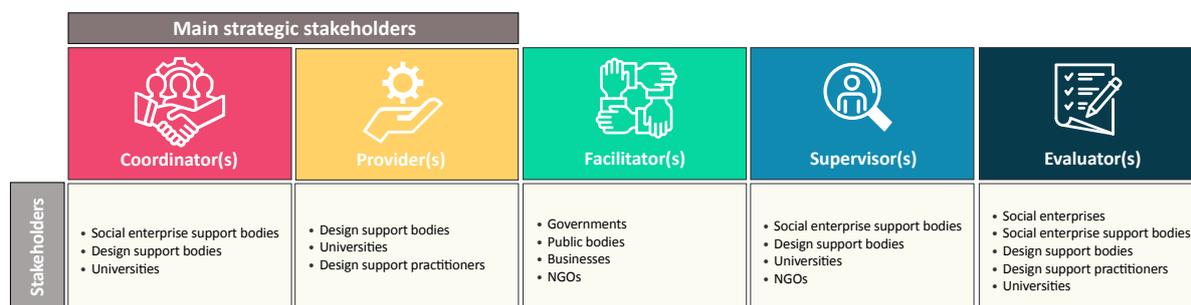
### 7.2.4.3 Design support programme (DSP) development

A DSP is comprised of the steps to establish a DIInE that supports the design of social enterprises. It delivers design support (such as design training, mentoring, consulting and funding) to assist the growth of social enterprises by strengthening their design competency.

DSP is influenced by the nature of the DSS and DSF, and the outcome of a DSP affects future DSS and DSF development.

### Key stakeholders and essential roles

Considering the characteristics of a DSP, the diverse and direct involvement of social enterprise support bodies, design support bodies and universities is necessary for developing a DSP effectively and strategically. Figure 7.13 shows the essential roles of key stakeholders in DSP development.



**Figure 7.13 Key stakeholders and their essential roles in DSP development**

Stakeholders with a rich understanding of social enterprise and design, such as social enterprise support bodies, design support bodies and universities, are considered coordinators who have responsibilities across developing, delivering, managing and evaluating the DSP to support and improve the design of social enterprises. Therefore, they should have a rich understanding of the current DSSs and DSF available for social enterprises. One of their primary roles is to improve the understanding of social enterprise and design among other stakeholders to encourage their involvement in DInE development and operation. Design support bodies, design practitioners and universities who have in-depth knowledge, practical expertise and diverse resources can concrete design support (such as design training, mentoring, counselling and funding) to social enterprises. They can partner with coordinators or be employed directly by coordinators to deliver the DSP to social enterprises, but they should be involved in developing design support content and methods for improving the effectiveness of the DSP.

Moreover, they should develop a proper understanding of social enterprises and governments, public bodies, businesses and NGOs could assist coordinators and providers. As supervisors, social enterprise support bodies, design support bodies, universities and NGOs can monitor the operation of the DSP to examine whether participating social enterprises are properly receiving design support and address any difficulties they face. Among them, NGOs can oversee a programme objectively. To evaluate the DSP, the involvement of social enterprises that primarily benefit from the programme is recommended, and others such as coordinators and providers of the DSP (social enterprise support bodies, design support bodies, design practitioners and universities) should examine its impact of supporting the growth of social enterprises. The stakeholders should also identify key drivers and barriers to the DSP to improve future programmes.

### **DSP development structure and process**

The key players can play their essential roles according to the objectives of the four phases of the DSP development structure and process (see Figure 7.14). Firstly, during the planning phase, coordinators and evaluators (i) investigate the design needs of social enterprises; coordinators (ii) examine the design understanding of the strategic stakeholders; coordinators and facilitators (iii) secure the government commitment to supporting the design of social enterprises; and coordinators, providers and facilitators (iv) establish the foundation of the programme. Secondly, to implement the DSP, coordinators, providers and facilitators (i) arrange the essential roles of stakeholders; coordinators, providers and evaluators (ii) create design support content based on the design needs of social enterprises; and coordinators, providers and evaluators (iii) develop design support methods based on their design support competencies. Thirdly, during the delivery phase, which aims to promote and manage the DSP, coordinators, providers and facilitators (i) promote the DSP to relevant stakeholders; coordinators (ii) recruit design practitioners; coordinators and providers (iii) recruit social enterprises; and coordinators, providers and supervisors (iv) deliver the DSP. Lastly, during the review phase, coordinators, providers, supervisors and evaluators (i) evaluate the DSP by addressing the suggested checklists; and coordinators (ii) extract improvements for the future.

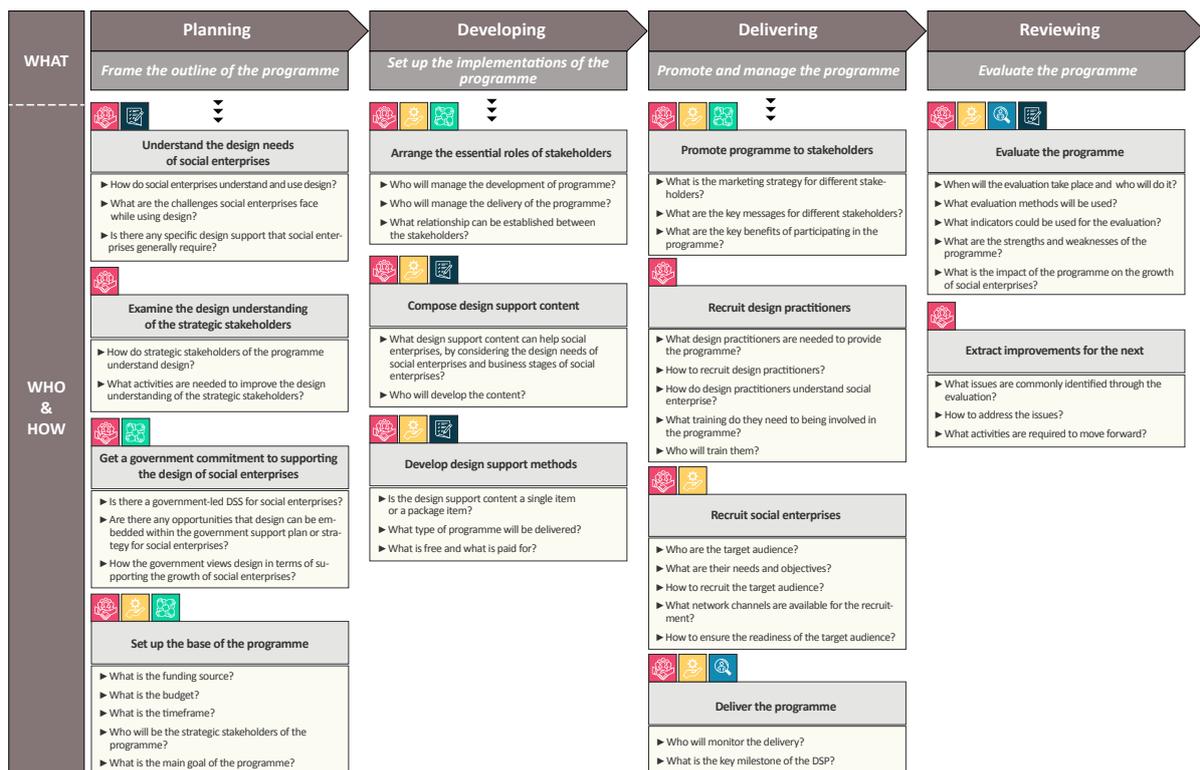
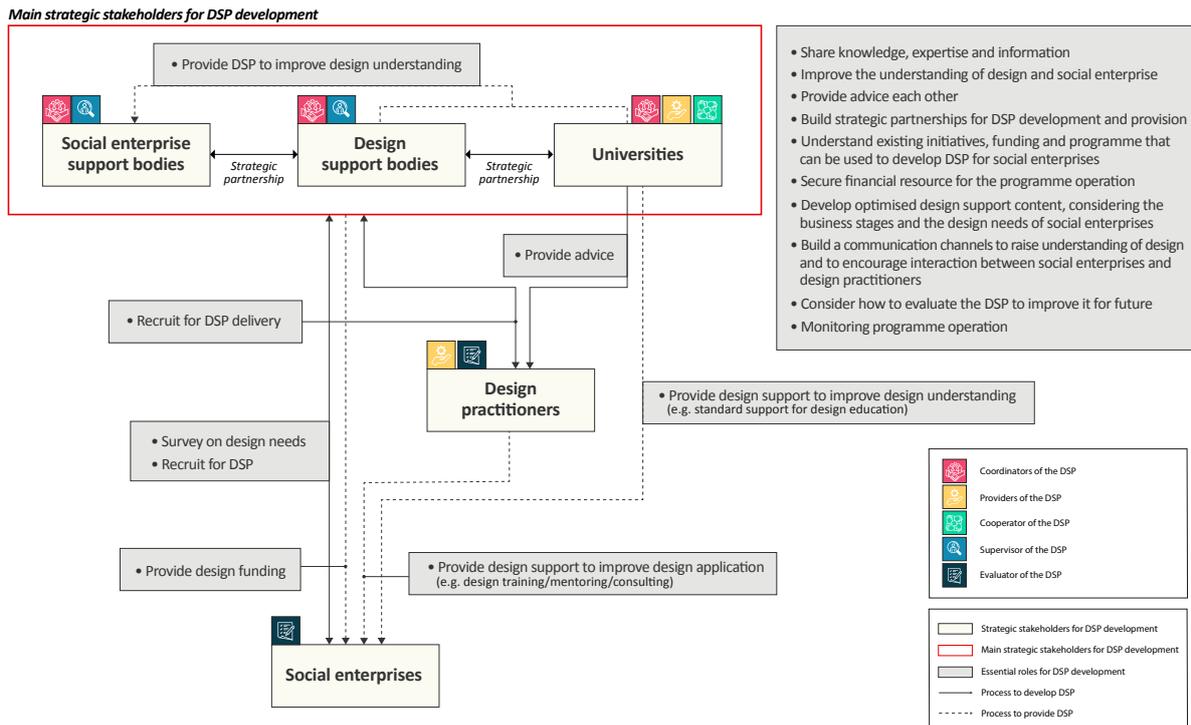


Figure 7.14 DSP development structure and process

### Stakeholder relationships for DSP development

An optimised stakeholder relationship for DSP development has been proposed to help address the essential roles of stakeholders, which is one of the goals of the development phase of the DSF. The proposed stakeholder relationship was designed to address the issue of the limited understanding of social enterprise and design among stakeholders by utilising in-depth knowledge and diverse resources from social enterprise support bodies, design support bodies and universities. Moreover, securing various channels that provide different types of design support according to the design needs of social enterprises was also targeted. Figure 7.15 illustrates the overview of stakeholder relationships for developing and delivering more effective and strategic DSPs to social enterprises.



**Figure 7.15 Recommended stakeholder relationships for DSP development**

### Essential design support content

This research identified critical issues related to DSP at the operational level, which mainly concerned design support content. The most critical issue was (i) limited design support content due to minimal considerations of the business stages and design needs of social enterprises and (ii) the lack of connections between design support content and design funding. Although the DSP development structure and process guide stakeholders when composing content and developing methods, it can remain a challenge to stakeholders hoping to develop a DSP based on their minimal design understanding and competency. Therefore, it was necessary to develop a generalised indication that helps stakeholders to understand (i) how design can help achieve critical objectives at each business stages, (ii) what design support content should be provided given the key objectives and (iii) what methods can be employed to provide design support. Figure 7.16 shows the essential content for design support, which was identified by extracting and synthesising key elements, using literature reviews and case studies of existing DSPs for social enterprises (including SMEs) (Braga, 2019; Cawood, Lewis and Raulik, 2004; Gaynor, Swiateka and Whicher, 2018; Gulari, 2014; Gulari,

Melioranski and Fremantle, 2017; Innovate UK, 2020; Lawlor et al., 2015; Pham, 2019; Raulik, Larsen and Cawood, 2006; Swiatek and Whicher, 2016).

Business stages	INCUBATING		ACCELERATING	
	Pre-start up	Start-up	Growth	Mature
Key objectives of the stage	Explore idea	<ul style="list-style-type: none"> <li>• Launching a new product/service</li> <li>• Launching a brand</li> <li>• Establish R&amp;D strategy</li> <li>• Business model establishment</li> </ul>	<ul style="list-style-type: none"> <li>• Secure competitiveness</li> <li>• Increasing market share</li> <li>• Realise the market opportunity</li> <li>• Improve R&amp;D strategy</li> </ul>	Strengthen the business and competitiveness
How design can help	<ul style="list-style-type: none"> <li>• Explore complex problems to set up social/environmental mission</li> <li>• Concept ideation</li> <li>• Ideation of business development</li> </ul>	<ul style="list-style-type: none"> <li>• Identify business opportunities</li> <li>• Concept development</li> <li>• Develop product/services/brands</li> <li>• Understand market/users</li> <li>• Develop business model</li> <li>• Develop customer communication</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluate existing business</li> <li>• Explore new business opportunities</li> <li>• Increase profits</li> <li>• Secure market competitiveness</li> <li>• Improve products/services/brands</li> <li>• Develop new products/services/brands</li> <li>• Improve customer communication</li> <li>• Improve business model</li> <li>• Internalise innovation capabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a new organisational culture and system</li> <li>• Top-level management support</li> </ul>
What design support content can be provided	<ul style="list-style-type: none"> <li>• Standard support for design education (e.g. online materials)</li> <li>• Directory of design agencies and practitioners who interested in working with social enterprises</li> </ul>			
	Design training + funding	Design training + mentoring + consulting + funding	Design mentoring + consulting + funding	Design consulting + funding
	<ul style="list-style-type: none"> <li>• Design thinking</li> <li>• Market research</li> <li>• Grant for design (i.e. prototype, evaluate market opportunities or user research)</li> </ul>	<ul style="list-style-type: none"> <li>• Design thinking</li> <li>• Market/user research</li> <li>• Design brief</li> <li>• Service design</li> <li>• Product /service development</li> <li>• Prototyping/testing</li> <li>• UX design</li> <li>• Graphic design (including BI/CI)</li> <li>• Branding</li> <li>• Marketing strategy</li> <li>• Business area &amp; model development</li> <li>• Design intellectual property</li> <li>• Grant for design application</li> </ul>	<ul style="list-style-type: none"> <li>• Design thinking</li> <li>• Market/user research</li> <li>• Existing and new product/service development</li> <li>• Prototyping/testing</li> <li>• UX design</li> <li>• Branding strategy for brand extension</li> <li>• Marketing strategy</li> <li>• Business strategy improvement</li> <li>• New business area &amp; model development</li> <li>• Design intellectual property</li> <li>• Grant for design application and development</li> </ul>	<ul style="list-style-type: none"> <li>• Design consultancy</li> <li>• Voucher for design utilisation</li> </ul>
Design support methods	<ul style="list-style-type: none"> <li>Mode 1: Direct provision of design consultancy to individual social enterprises</li> <li>Mode 2: Subsidising investment in design in individual social enterprises</li> <li>Mode 3: Individual counselling and advisory services</li> <li>Mode 4: Workshops or seminars providing design advice</li> <li>Mode 5: Recognition of design achievements through awards of certification</li> </ul>			<ul style="list-style-type: none"> <li>• Package VS single</li> <li>• One-time VS series</li> </ul>

Figure 7.16 Essential design support content

### Design funding development structure and process

One of the design support methods is providing funding to social enterprises to reimburse design expenses for its application and improvement. Social enterprises can build contracts with design agencies or hire designers after obtaining funding; thus, the funding covers design service fees and workforce payments. Design funding is vital to encourage social enterprises and design practitioners to participate in DSPs. In particular, design practitioners can identify their potential customers (social enterprises) and market (social enterprise sector) to expand their businesses through participating in DSPs. To maximise the impact of funding in activating and strengthening the design of social enterprises, fundraising should be conducted alongside and have strong interrelations with the DSP. Therefore, the design funding development structure and its process will underline the importance of providing design funding for social

enterprises to the relevant stakeholders (such as DSP coordinators and providers) and help them develop appropriate funding mechanisms. Coordinators, providers and facilitators of DSP development can use the suggested structure and process to address the third objective of the planning stage of the DSP development: establish the foundation of the programme (see Figure 7.17).

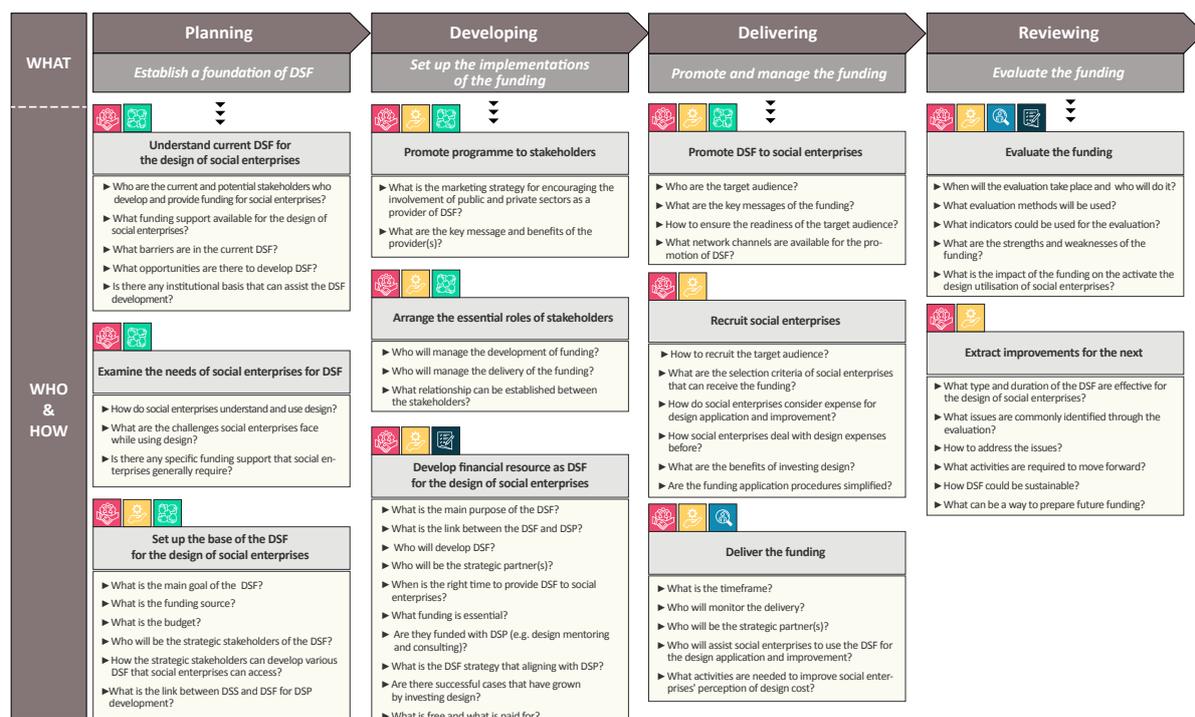


Figure 7.17 Design funding development structure and process

### 7.3 DInE Development Framework Evaluation

The evaluation of the DInE development framework consisted of three phases: (i) first evaluation (workshop), (ii) second evaluation (interview), (iii) finalising the framework. The evaluations were conducted with design and social enterprise experts in the UK and South Korea. Throughout the evaluations, this research extracted key considerations and converted them into improvements to enhance the quality of the DInE development framework. Details of each phase of the evaluation are presented in the following sub-sections.

### **7.3.1 DInE development framework (version 1.0) evaluation – workshop**

The initial DInE development framework, including its implementation process (version 1.0), was tested through two workshops (first-round of evaluation) in the UK and South Korea that collected qualitative feedback from prospective users who have experience in supporting and are willing continue to engage in the design of social enterprises. They included five experts in the social enterprise sector, including academics, directors of social enterprise support bodies and a founder of a social enterprise (UK: n=3 and South Korea: n=2), and three design experts, including a director, project coordinator and a researcher (UK: n=2 and South Korea: n=1) (see section 3.3.6). The main issues addressed in the evaluation workshops were (i) acceptability, (ii) potential usefulness, (iii) comprehensiveness, (iv) feasibility of the framework and implementation and (v) usability. Each workshop was comprised of three sessions: (i) introduction, (ii) exploration and (iii) evaluation. First, in the introductory session, the researcher explained the DInE framework, including the research background and the key findings used to develop the framework. During the introductory session, participants were free to ask question. Then, in the exploratory session, experts were asked to add post-it notes to the prepared evaluation canvas (see Appendix N) using an online platform (MURAL). The evaluation canvas was designed to assist prospective users in examining their roles in supporting social enterprises and consider future roles and interventions to develop design support according to the framework (see Figures 7.18 and 7.19). Moreover, the post-its activity was conducted through web-based interaction, allowing participants to share their insights and opinions. Lastly, at the end of the workshop (evaluation session), the experts and researcher had a constructive and insightful discussion to evaluate the framework's acceptability, potential usefulness, comprehensiveness, and usability.



Figure 7.18 DInE development framework evaluation canvas with opinions from UK experts

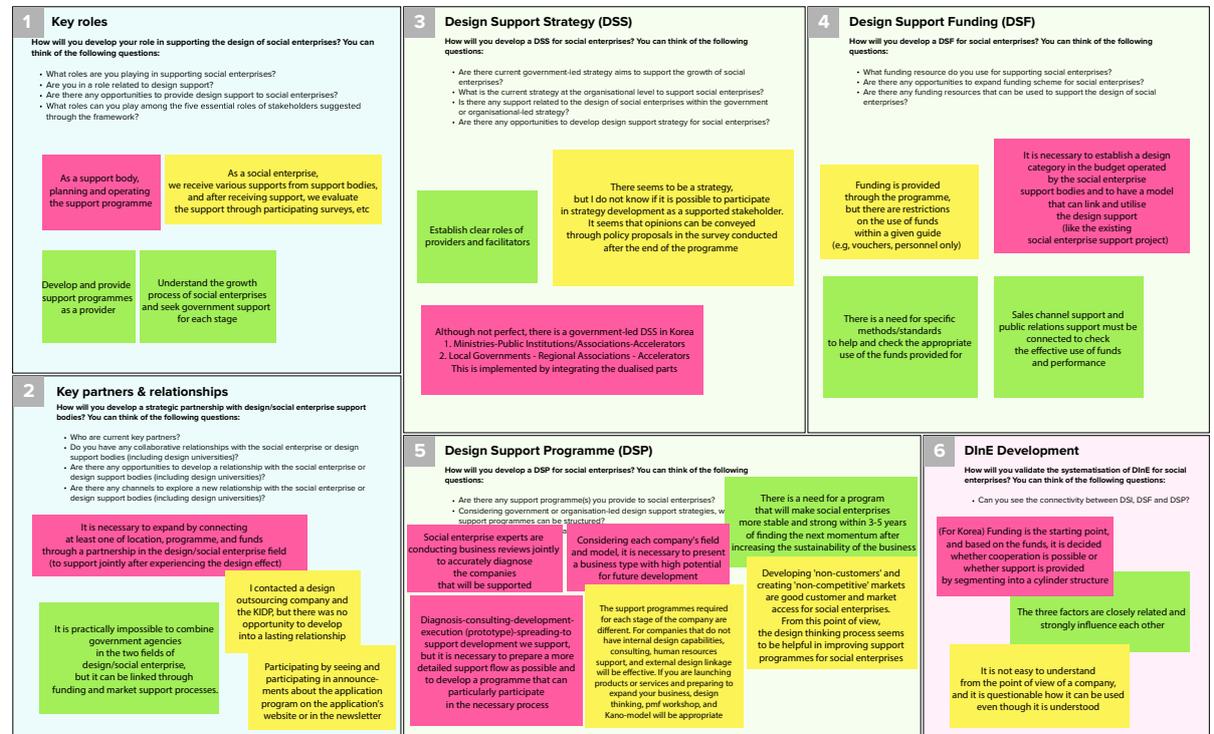


Figure 7.19 DInE development framework evaluation canvas with opinions from experts in South Korea

During the discussion, design and social enterprise experts in the UK and Korea provided various insights on the positive aspects (i.e. strengths) and opportunities for improvement (i.e. weaknesses) of the framework in constructing a more optimised DInE for social enterprises. In terms of the positive aspects of the framework, experts agreed strongly on its acceptability, potential usefulness and comprehensiveness, noting that it covers the wide range of stakeholder groups and activities required for a holistic approach to design support (UK-EWs 1, 2, 3, 4, 5 and SK-EWs 1, 2, 3). The social enterprise sector needs a structured approach for programme design and to plan for the future (US-EW 4). The development strategy of the framework was well-received by the experts who believed it to be beneficial for understanding the overall structure (UK-EWs 1, 2 and SE-EWs 1, 2, 3) and guiding the key aim and direction of the framework to address the critical issues that hinder effective and strategic design support for social enterprises (UK-EWs 4 and 5). The suggested generic implementation process to develop the DInE key components (DSS, DSF and DSP) was also evaluated. Experts discussed how the framework could be used in a real-life setting. UK-EWs 1, 2 and 3 noted that the framework implementation provides a clear overview of the relevant stakeholders and how they are linked, including the relationships and resources that flow among them. Understanding this flow of resources and the relationships (and hierarchies) among stakeholders is vital to understanding any ecosystem and effect change. Moreover, the framework provides an opportunity to rethink the effectiveness and role of design in a social enterprise, setting standards for the planning and development of support projects and establishing budget proposals (SK-EWs 1 and 3).

Experts also indicated some opportunities for improvements by pointing out some weaknesses within the framework. The UK experts strongly emphasised that different understandings of design and social enterprise among the stakeholders can be a significant barrier in adopting the framework due to linguistic differences (UK-EWs 1, 2, 3, 4 and 5). In this regard, it is vital to ensure that stakeholder use the “same language” to understand each other (UK-EWs 1, 2 and 4). Another concern raised by the experts was related to the financial aspect (DSF) of the framework. They noted the importance of knowing what funding is available for design support and the ability to network between these sources and social enterprises (UK-EWs 1, 3 and 4). Experts also identified an opportunity to embrace the evaluation canvas as part of the framework. They noted that the canvas addressed supporting

social enterprises by engaging with different key players and activities; thus, it helped them dive into the features and benefits of the framework (UK-EWs 1, 2, 3 and 4). Similar to the opinions gathered from the UK experts, experts in South Korea also identified the confusion regarding key terminology (e.g. design, including design funding; SK-EWs, 1, 2 and 3). Though the experts noted that the framework comprehensively shows various stakeholders and supporting entities, they argued that it could be challenging to discern which stakeholders perform each role and articulate their interconnections (SK-EWs 1 and 3).

### 7.3.2 DInE development framework (version 2.0)

The initial DInE development framework (version 1.0) was revised according to the five improvements extracted by comparing and synthesising the critical opinions provided by the design and social enterprise experts. The revised DInE development framework (version 2.0). Experts in both countries highlighted the confusion regarding the terminologies used in the framework (UK-EWs 1, 2, 3, 4, 5 and SK-EWs 1, 2, 3). The principal terms causing confusion among prospective users were ‘design’ and ‘social enterprise’. In order to guide the users more effectively by minimising confusion about the language used in the framework, it was necessary to provide clear definitions of the key terms. Therefore, the framework (version 2.0) provides working definitions for three key central concepts used in the framework – social enterprise, design and design-innovation ecosystem:

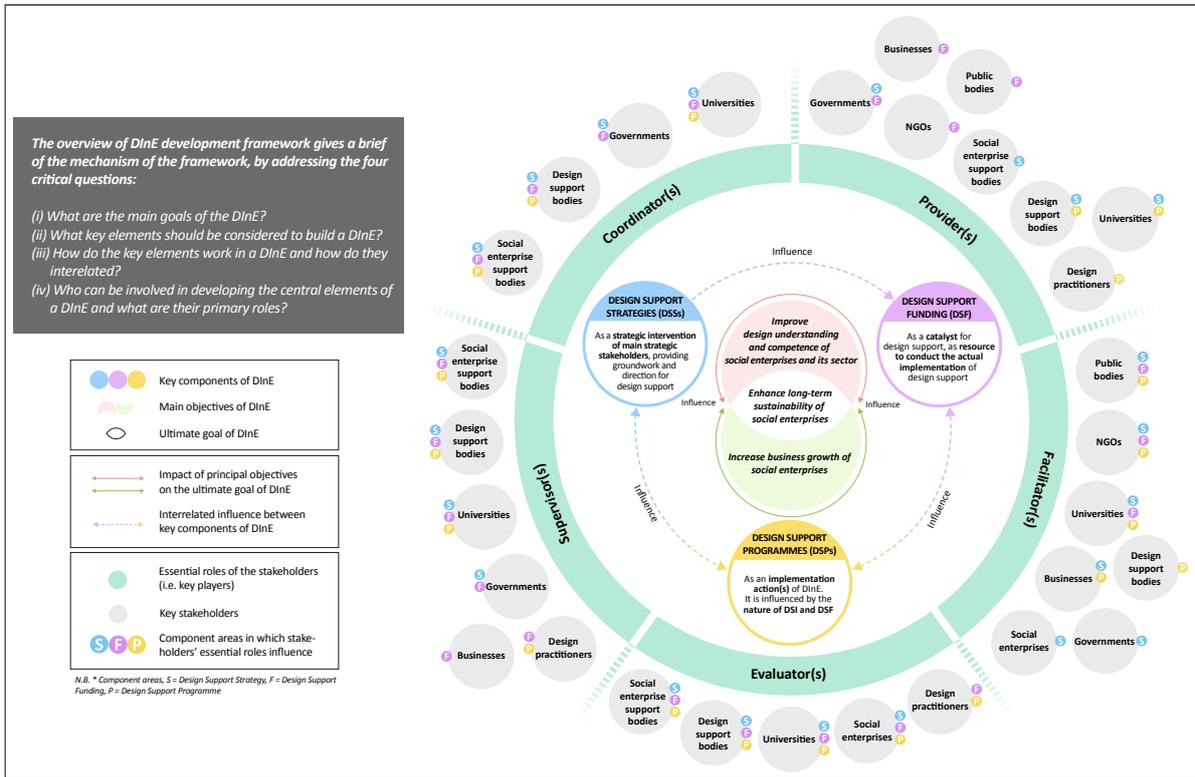
- **Social enterprise:** an organisation that address social (and environmental) problems through economic activities.
- **Design:** a practical tool, strategic approach and creative process to achieve the aims of organisations based on a comprehensive understanding of design disciplines, including designing, designing process and design strategy.
- **Design-innovation ecosystem (DInE):** a combination of internal and external contributors, including key stakeholders, relationships and implementations of design support for social enterprises.

Some opinions provided by the UK and South Korean experts related to the roles of key players. Although the overview of the framework briefly defined for users the five key

stakeholder roles (e.g. coordinator, provider, facilitator, supervisor and evaluator), it was not easy to understand. For example, some stakeholders were categorised as the provider(s) within the DInE, but it was not clear who could provide which components (UK-EWs 1, 3, 4 and SK-EWs 1, 3). In the details, there was a lack of distinctions clarifying which stakeholders would perform each role, and it was difficult to clarify their relationship. Therefore, the framework (version 2.0) provides a straightforward and precise description of the involvement of key players to define for prospective users the five critical roles of stakeholders regarding the three components. For example, users can find concise suggestions regarding how stakeholders can be involved in the development of each. Moreover, the overview contains instructions that briefly guide users through the framework by addressing four critical questions:

- What are the main goals of the DInE?
- What key elements should be considered to build a DInE?
- How do the key elements work in a DInE, and how do they interrelate?
- Who can be involved in developing the central elements of a DInE and what are their primary roles?

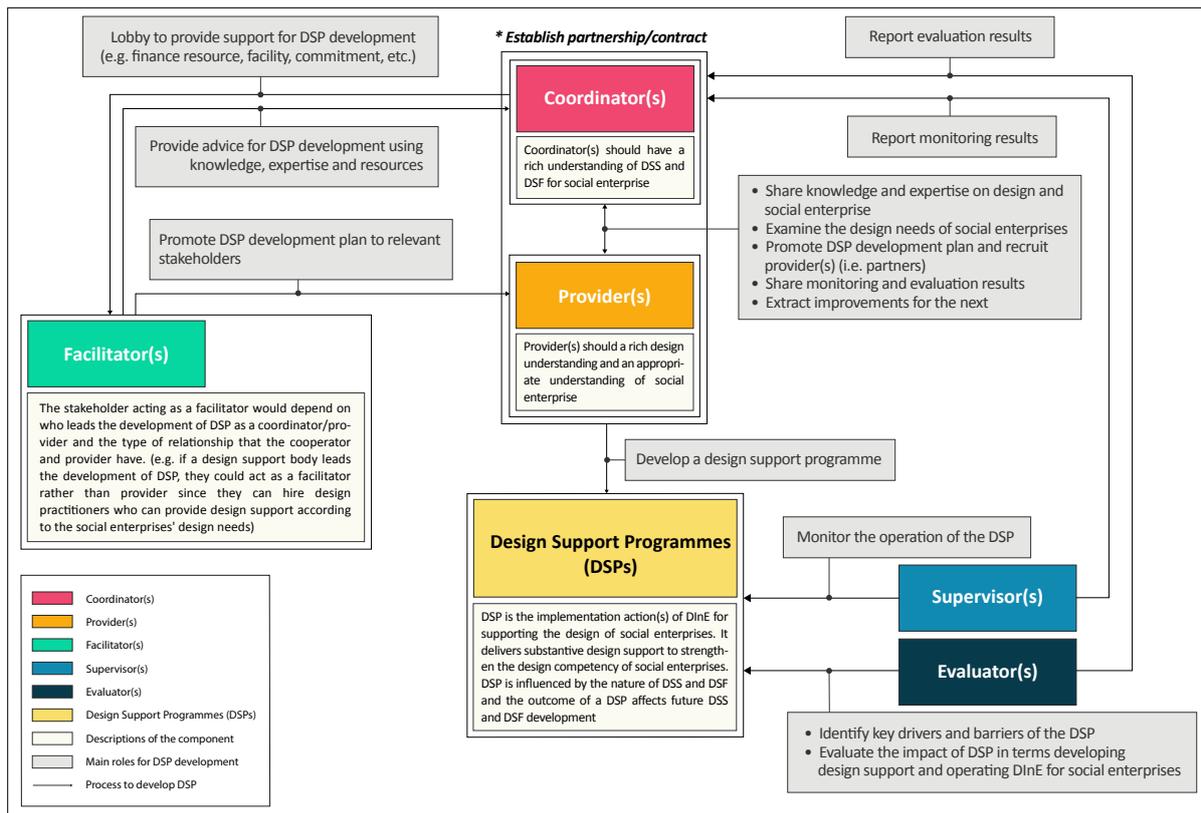
Figure 7.20 reflects the improvements made to the framework and details the involvement of key players (Appendix P shows an enlarged image of the Figure 7.20).



**Figure 7.20 Overview of the DInE development framework (version 2.0)**

Moreover, the framework describes how the key players should work together and support each other to develop the three components. Figure 7.21 shows an example of a description, which should be designed to minimise the difficulties in discerning which stakeholders perform each role and assist the understanding of the component development; thus, some critical roles areas of the key players are also included.

Experts emphasised the potential of universities in supporting the design of social enterprises at the strategic and operational levels. Universities can play various roles, such as connecting with policymakers, practitioners, local governments and investors on the front-line to tap into their broad range of knowledge, expertise, and resources (UK-EWs 1, 3, 4 and SK-EW 3). Therefore, based on the understanding of the potentially central role of universities, the framework (version 2.0) considers them one of the main strategic stakeholders in operating the DInE, endowing them with responsibilities to develop DSS, DSF and DSP.



**Figure 7.21 Description of working together between key players for DSP development**

Lastly, the potential usefulness of the evaluation canvas as part of the framework was confirmed by some experts. According to their opinions, the canvas could assist framework users with identifying diagnoses and specifying the future direction of their support (UK-EWs 1, 2, 3, 4 and SK-EWs 1, 3). In this regard, experts suggested improving the evaluation canvas by turning it into a checklist to ensure that prospective users could leverage the framework to effectively develop DInE components and stakeholder roles (including relationships). As a result, the checklist was created for the framework (see Figure 7.22), comprising various questions according to the four themes: DSS/DSF/DSP and DInE development. Each theme consists of three subjects, including essential questions that were designed to validate the efficiency and practicality of the framework by verifying whether users were able to develop the DInE components effectively and strategically (DSS, DSF and DSP) and assign critical roles (including establishing relationships with key partners) for DInE development.

<p><b>1 Design Support Strategy (DSS)</b></p> <p>How would you develop a DSS for social enterprises?</p> <p>You can consider the following questions:</p> <ul style="list-style-type: none"> <li>• Are there any government-led DSS to support the growth of social enterprises?</li> <li>• What is the current strategy of your organisation to support social enterprises?</li> <li>• Is there any support related to the design of social enterprises within the government or organisational-led DSS?</li> <li>• Are there any opportunities to develop a DSS for social enterprises?</li> <li>• How does the DSS treat design in terms of supporting the growth of social enterprises?</li> </ul>	<p><b>2 Design Support Funding (DSF)</b></p> <p>How would you develop a DSF for social enterprises?</p> <p>You can consider the following questions:</p> <ul style="list-style-type: none"> <li>• What funding resource do you use for supporting social enterprises?</li> <li>• Are there any opportunities to expand funding schemes for social enterprises?</li> <li>• Are there any funding resources that can be used to support the design of social enterprises?</li> </ul>	<p><b>3 Design Support Programme (DSP)</b></p> <p>How would you develop a DSP for social enterprises?</p> <p>You can consider the following questions:</p> <ul style="list-style-type: none"> <li>• Are there any support programme(s) you provide to social enterprises?</li> <li>• Considering government or organisation-led DSS, what DSP can be structured?</li> <li>• What design support is required for the business growth of social enterprises?</li> </ul>
<p><b>1-1 Key roles for DSS development</b></p> <p>What roles would you develop for DSS development?</p> <p>You can consider the following questions:</p> <ul style="list-style-type: none"> <li>• Are you play any roles in developing support strategies for social enterprises?</li> <li>• Are you play any roles related to design support or are there any opportunities to provide design support to social enterprises?</li> <li>• To develop DSS, what roles can you play among the five essential roles of stakeholders suggested through the framework?</li> <li>• Is there connectivity between the suggested essential roles and the roles you are currently playing?</li> </ul>	<p><b>2-1 Key roles for DSF development</b></p> <p>What roles would you develop for DSF development?</p> <p>You can consider the following questions:</p> <ul style="list-style-type: none"> <li>• Are you play any roles in developing support funding for social enterprises?</li> <li>• Are you play any roles related to design support or are there any opportunities to provide design support to social enterprises?</li> <li>• To what extent do you understand the current DSS for social enterprises?</li> <li>• To develop DSF, what roles can you play among the five essential roles of stakeholders suggested through the framework?</li> <li>• Is there connectivity between the suggested essential roles and the roles you are playing?</li> </ul>	<p><b>3-1 Key roles for DSP development</b></p> <p>What roles would you develop for DSP development?</p> <p>You can consider the following questions:</p> <ul style="list-style-type: none"> <li>• Are you play any roles in developing support programmes for social enterprises?</li> <li>• Are you play any roles related to design support or are there any opportunities to provide design support to social enterprises?</li> <li>• To what extent do you understand the current DSS and DSF for social enterprises?</li> <li>• To develop DSP, what roles can you play among the five essential roles of stakeholders suggested through the framework?</li> <li>• Is there connectivity between the suggested essential roles and the roles you are playing?</li> </ul>
<p><b>1-2 Key partners &amp; relationships for DSS development</b></p> <p>How would you develop a strategic partnership with other key stakeholders?</p> <p>You can consider the following questions:</p> <ul style="list-style-type: none"> <li>• Who are the current key partners to develop DSS for social enterprises?</li> <li>• Do you have any collaborative relationships with the strategic stakeholders of DiNE to develop DSS?</li> <li>• Are there any opportunities to develop relationships with the strategic stakeholders of DiNE to develop DSS?</li> <li>• Are there any channels to explore a new relationship with the strategic stakeholders of DiNE to develop DSS?</li> </ul>	<p><b>2-2 Key partners &amp; relationships for DSF development</b></p> <p>How would you develop a strategic partnership with other key stakeholders to ensure continuous DSF provision?</p> <p>You can consider the following questions:</p> <ul style="list-style-type: none"> <li>• What is the main channel to take financial resources for supporting social enterprises?</li> <li>• Are there any channels to explore new and various financial resources to develop DSF?</li> <li>• Are there any opportunities to develop strategic relationships with businesses (or investors) for DSF development, in order to minimise the dependence on government funding?</li> </ul>	<p><b>3-3 Key partners &amp; relationships for DSP development</b></p> <p>How would you develop a strategic partnership with other key stakeholders to develop and provide DSP?</p> <p>You can consider the following questions:</p> <ul style="list-style-type: none"> <li>• Who are the current key partners to develop DSP for social enterprises?</li> <li>• Do you have any collaborative relationships with the strategic stakeholders of DiNE to develop DSP?</li> <li>• Are there any opportunities to develop a relationship with the strategic stakeholders of DiNE to develop DSP?</li> <li>• Are there any channels to explore a new relationship with the strategic stakeholders of DiNE to develop DSP?</li> </ul>
<p><b>4 DiNE Development</b></p> <p>How would you validate the systematisation of DiNE for social enterprises?</p> <p>You can consider the following questions:</p> <ul style="list-style-type: none"> <li>• Have each component (DSS, DSF, DSP) been developed appropriately for social enterprises?</li> <li>• Have each component (DSS, DSF, and DSP) been developed taking into account the influences between them?</li> <li>• Were you able to properly establish the roles required for the development and operation of each component (DSS, DSF, DSP)?</li> <li>• Were you able to properly understand the key partners needed and establish strategic partnerships with the key partners for the development and operation of each component (DSS, DSF and DSP)?</li> <li>• Can you see the connectivity between DSS, DSF and DSP to compose DiNE for social enterprises?</li> </ul>		

\*Strategic stakeholders of DiNE: social enterprise support bodies, design support bodies and universities

**Figure 7.22 Checklist for the framework utilisation**

### 7.3.3 DiNE development framework (version 2.0) evaluation – interviews

The revised DiNE development framework (version 2.0) was evaluated in interviews with design and social enterprise experts in the UK and South Korea. The purpose of the interviews was similar to the first evaluation, which was to confirm the acceptability, potential usefulness, feasibility, comprehensiveness, and usability of the framework. However, interviews focused more on elaborating the contents of the DiNE development framework to enhance comprehensiveness and usability. Therefore, the researcher organised three different groups of evaluation interviews according to respondents' experiences of design support and involvement of this research (e.g. degree of experience developing DiNE development frameworks). Interviewee group one was comprised of design and social enterprise experts (UK-EIs 2, 3, 4 and SK-EI 4) with experience developing and delivering design support to social enterprises. Participants took part in earlier in-depth interviews, and they were chosen to provide critical and in-depth opinions to improve the framework based on their practical experiences. The second interviewee group included participants who

contributed to the earlier evaluation workshops, allowing them to articulate their opinions more effectively to improve the framework (UK-EIs 1, 6, 7 and SK-EI 3). Through the workshop, they developed an understanding of the DInE development framework, and they employed this experience to share their insights into how to improve it. Therefore, they could intensively and critically evaluate the revised framework by examining whether their previous comments were fully integrated into the new design. The third interviewee group comprised experts in the design and social enterprise sectors who had not been involved previously but were interested in exploring the DInE development framework (UK-EI 5 and SK-EI 1, 2). As prospective users, they could evaluate the framework from different angles. Among all interviewees, two experts (UK-EIs 1 and 5) were explicitly invited because they were professionals with in-depth knowledge of the 'ecosystem' concept in the design and social enterprise sectors; thus, they could evaluate the framework from both practical and theoretical views.

The framework was sent prior to the interview; thus, most interviewees could allocate time to review it in detail. Although some interviewees argued that it was time-consuming to develop an understanding of the framework due to its complexity (Interviewees UK-EIs 5, 7, 8 and SK-EIs 1, 4), the interpretation also revealed the comprehensiveness of the framework (Interviewees UK-EIs 1, 3, 4, 6 and SK-EI 3). Most experts from the design and social enterprise group agreed most strongly on the framework's potential usefulness, describing it as a practical approach that facilitates the exploration of 'enablers' (Interviewees UK-EIs 1, 5, 8 and SK-EIs 1, 4) and describing various considerations with rationales to support the design of social enterprises in a systemic mean (UK-EIs 3, 6 and SK-EIs 3). In particular, interviewees highlighted the usefulness of the checklist in terms of thinking about the bigger picture (UK-EIs 2, 3, 5, 6 and SK-EI 1) and practically guiding users through the component development process (UK-EIs 1 and 7). Some noted that the checklist could also be used to evaluate existing practices to support social enterprises and their design (UK-EIs 2, 4, 8 and SK-EIs 3, 4). Interviewees also mentioned that the framework included details of the individual roles and responsibilities of the stakeholders and specified how they fit into the DInE (UK-EIs 1, 3, 6, 7, 8 and SK-EIs 2, 4). However, UK-EI 8 questioned whether feasibility could vary among prospective users depending on their understanding of the framework. In sum, the DInE

development framework was well-received for its acceptability, potential usefulness, feasibility and comprehensiveness (see Table 7.1).

**Table 7.1 Evaluation of the DInE development framework**

	Design experts	Social enterprise experts	Total number in agreement (n=12)
<b>Acceptable</b>	UK-EI 5, 6, (7*)	UK-EI 1, 3, (2*, 4*)	7 (11)*
	SK-EI 2, 3, 4	SK-EI (1*)	
<b>Potentially useful</b>	UK-EI 5, 6, 8, (7*)	UK-EI 1, 2, 3, 4,	11 (12)*
	SK-EI 2, 3, 4	SK-EI 1	
<b>Feasibility</b>	UK-EI 5, 6, 7, (8*)	UK-EI 1, 2, 3, 4	10 (11)*
	SK-EI 2, 3, 4		
<b>Comprehensive</b>	UK-EI 6, (5*, 7*, 8*)	UK-EI 1, 2, 3, 4	7 (10)*
	SK-EI 3, 4		
<b>Usability</b>	UK-EI 5, 6, (7*, 8*)	UK-EI 1, 3, (2*, 4*)	6 (11)*
	SK-EI 3, 4	SK-EI (1*),	

*\*Note: Interviewees partially agreed that the framework is acceptable, useful, comprehensive and easy to use and understand*

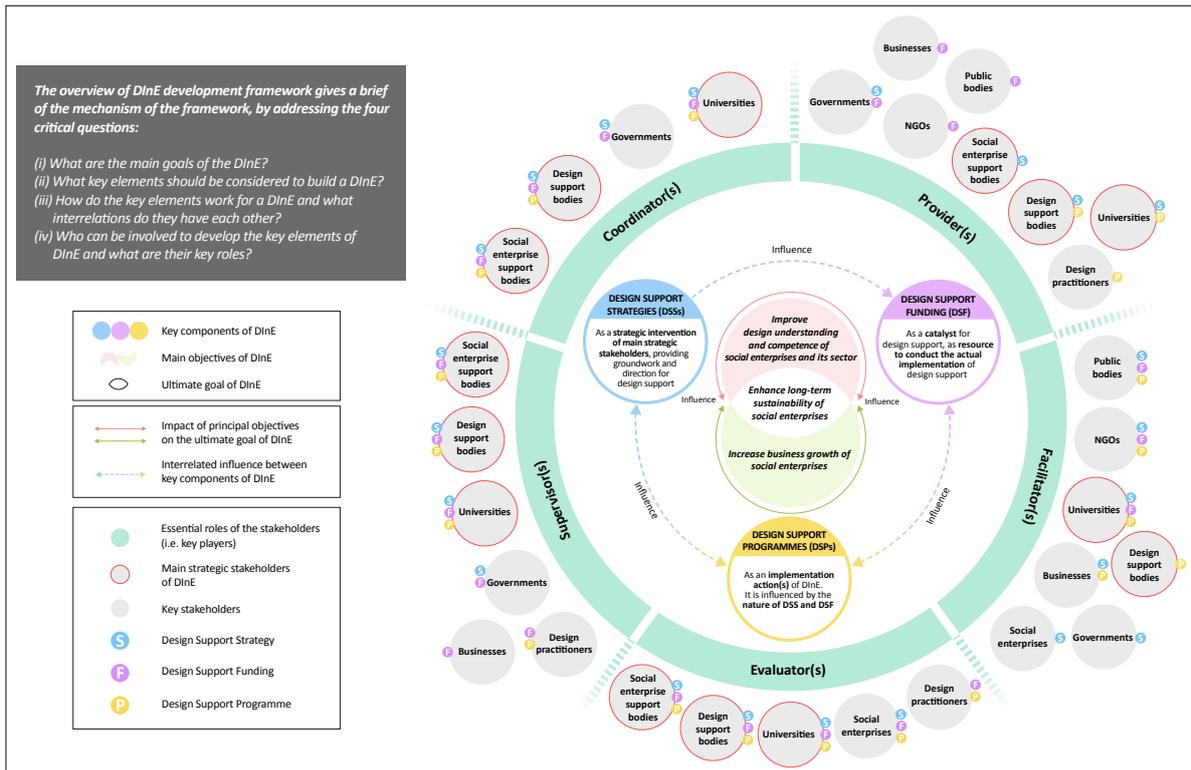
Some experts (UK-EIs 6, 8 and SK-EIs 1, 4) recommended providing more detailed and step-by-step or categorised questions in the checklist to minimise the complexity and enhance the acceptability and usefulness of the framework. For instance, UK-EIs 6 and 8 questioned its primary purpose and asked what steps would follow the review of the checklist results. Related to reducing the complexity of the framework and increasing its feasibility and usability, other interviewees suggested developing scenarios to demonstrate the overall journey of utilising the framework (UK-EIs 2, 7 and SK-EIs 1, 4), including clarifying the main user of the framework (UK-EI 8 and SK-EI 1). UK-EI 8 and SK-EI 1 also questioned whether a main user of the framework has been established. Although they could anticipate potential users, they suggested clarifying the identity of primary users within the framework.

## 7.4 Finalisation of the DInE Development Framework

Experts from the design and social enterprise sectors provided suggestions to improve the framework. These recommendations were then combined to enhance its acceptability, potential usefulness and ease of use. The content of the framework was not changed, as the majority of experts agreed on its comprehensiveness and feasibility. Some suggestions to create the final DInE development framework (see Appendix S) are as follows:

- Clarify the primary user of the framework (UK-EI 8 and SK-EI 1)
- Provide detailed guidance on checklists for component development (UK-EIs 6, 8 and SK-EIs 1,4)
- Explain the whole journey of using the framework (UK-EIs 2, 7 and SK-EIs 1, 4)

The comments about identifying the primary users of the framework were reflected by adding a visual indication of the primary users within the framework overview. The stakeholders who are considered the main users of the framework (stakeholders who should take the initiative to develop the DInE, e.g. social enterprise support bodies, design support bodies and universities) are identified as distinct from others by the use of a red colour line. The index indicates each item within the framework; thus, users can easily obtain a visual overview. Figure 7.23 shows the finalised overview of the framework.



**Figure 7.23 Final version of DInE development framework overview**

The experts' recommendations were reflected by developing two types of checklists: (i) one focuses on the framework implementation, and (ii) the second set of detailed checklists concentrates on the development of each component. The checklist that covers the framework implementation guides users through the most crucial items that should be addressed to improve DInE, according to the three components: DSS, DSF and DSP. By checking each item in the checklist, users can evaluate their understanding of DInE, their capabilities and resources to improve DInE, and their relationships with other stakeholders. Moreover, the checklist contains explicit directions to direct users towards the information most useful for them. For example, according to the users' answers to certain items, the checklist provides specific pages in the framework booklet that would help them. Figure 7.24 shows the checklist for DInE development

CHECKLIST	YES	NO	Directions for framework utilisation
Understanding of DInE for social enterprises			if users have a limited understanding of it, referring to the pages 3, 4 and 5
Understanding of essential roles (e.g. five key roles) in DInE			if users have a limited understanding of it, referring to the pages 14-15, 22-23, 30-31
Organisation-led DSS			if users do not have DSS, referring to the page 16
Financial resources for supporting the design of social enterprises			if users do not have or have limited financial resources, referring to the page 24
Relationships with stakeholders who can provide funding for DSF development			if users have a lack of relationships, referring to the pages 24 and 27
Understanding of design needs of social enterprises			if users have a limited understanding of it, conducting survey
Financial resources (DSP and DP) for DSP development and operation			if users do not have or have limited financial resources, referring to the pages 24 and 37
Design support experience			if users do not have or have limited experience, referring to the pages 31-32, 36
Relationship with stakeholders who can deliver DSP to social enterprises			if users have a lack of relationships, referring to the pages 31 and 35

Checklist for DSS development
  Checklist for DSF development
  Checklist for DSP development

**Figure 7.24 Checklist for DInE development**

The detailed checklists are provided to assist the component development (DSS, DSF and DSP). The structure of the detailed checklists is similar to the checklist for framework implementation, which addresses three subjects: understanding of DInE, competence and resources, and partners. However, the detailed checklist focuses more on the assessing the groundwork for component development. Some items were considered according to the feature of each component. Moreover, the checklist provides descriptions of each item to help users understand their importance and influence on developing the components and operating a DInE. Figure 7.25 shows the example of detailed checklist.

1		2		3	
Groundwork		Competence & resources		Partners	
1	Understanding of social enterprise	Y	The understanding of social enterprise and their design needs is vital to set up the bases of DSP, including determining design support content; thus, users can conduct a questionnaire survey with social enterprises to explore what design needs they have.	N	
	Understanding of design needs of social enterprises	Y		N	
2	Design knowledge and expertise	Y	Design is crucial in operating the DInE; thus, if the users have minimal knowledge and expertise on the design it is better to work with design practitioners (including support bodies, agencies and universities). If users have in-depth knowledge and various expertise on the design, they should consider how design can support the growth of social enterprises.	N	
	Experience of design support	Y		N	
	Financial resource to support the design of social enterprises	Y		N	Users should consider what design funding can be provided to social enterprises alongside DSP. Design funding can be used as design expenses for design application and improvement, including workforce hiring design practitioners.
3	Relationships with the main strategic stakeholders for DSF provision (e.g. governments, businesses, public bodies and NGOs)	Y	Relationships with the main strategic stakeholders for DSF provision influence the scale, continuity and repeatability of DSP.	N	
	Relationships with the main strategic stakeholders for DSP provision (e.g. design support bodies, universities and design practitioners)	Y		N	To improve the effectiveness of DSP, it is important to build strategic partnerships with the main strategic stakeholders for DSP provision.
	Network channels with design practitioners and social enterprises	Y		N	Network channels with design practitioners and social enterprises can be used by the main strategic stakeholders for DSP development to promote the DSP and encourage participation.

**Figure 7.25 Checklist for DSP development**

## 7.5 Chapter summary

The prior synthesis and discussion of the research findings led to recommendations for changes to the DInE development framework, including its implementations, to activate and strengthen the design of social enterprises and effectively and strategically enhance their long-term sustainability. The framework was evaluated in two phases by prospective users, experts in design and social enterprise, and two different methods were employed: workshops and interviews. Some improvements identified during the evaluation process were incorporated to increase the acceptability, potential usefulness, comprehensiveness, feasibility, and usability of the framework.

The next chapter discusses the main findings of the study in comparison to the research aim, questions and objectives. The limitations of the study will also be discussed, and the thesis will conclude with recommendations for future research.

# Chapter 8. Conclusions

## 8.1 Introduction

This final chapter concludes the research journey. It revisits the research questions and objectives, reiterates the research findings and discusses the study’s main contributions and its limitations. It also includes recommendations enabling future research to overcome the limitations and expand on the knowledge produced by this thesis. Figure 8.1 provides an overview of this chapter.

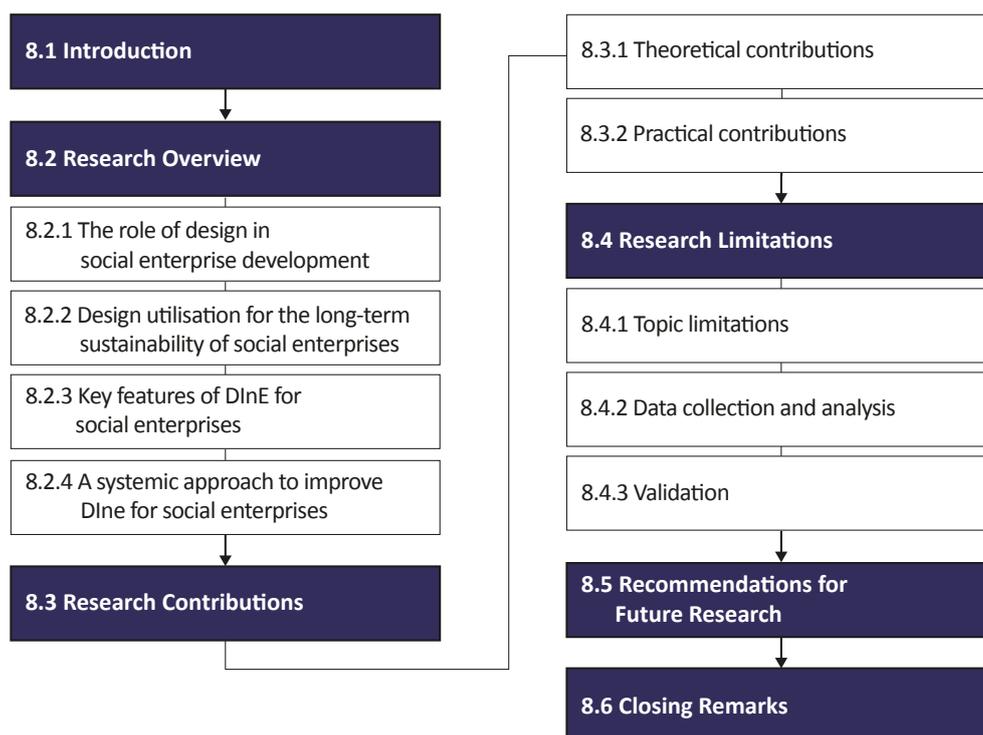


Figure 8.1 Chapter map

## 8.2 Research Overview

This research aimed to develop a strategic framework for fostering DInE in the social enterprise context to activate and strengthen social enterprise design and enhance economic sustainability and competitiveness. The initial inquiry produced three main questions, which subsequently guided the literature review:

- (RQ1) What roles does design currently play in social enterprise development?
- (RQ2) How can design be strategically utilised to enhance the competitiveness and economic prosperity of social enterprises?
- (RQ3) How can a design-innovation ecosystem be strengthened to better enable the strategic use of design in the growth of social enterprises?

The following sub-sections illustrate how the research questions have been answered.

### 8.2.1 The role of design in social enterprise development (answering the RQ 1)

The literature review indicated the limited rather than comprehensive utilisation of design principles in the development of social enterprises. Existing design studies considering the role of design in the development of social enterprises have focused on applying the design thinking approach to the social enterprise process, such as by reconsidering social enterprises' role and activities using a human-centred approach to innovation (Chou, 2018; DesignThinkers UK Limited, 2017; Douglas, Rogers and Lorenzetto, 2014; Krishna and Kummitha, 2018; Pérez et al., 2019; Selloni and Corubolo, 2017a). The results from the UK and South Korea case studies, including exploratory interviews with key stakeholders within the social enterprise ecosystem (conducted to meet OB3), also demonstrate the limited role of design plays in social enterprise development, indicating piecemeal design utilisation, as in the context of DSESPs and DSPs.

For example, DSESPs generally develop social enterprise ecosystems and amplify stakeholder capacity rather than directly contributing to the development of social enterprises. In UK-DSESPs, design's role is to contribute to the development of the social enterprise ecosystem

by increasing financing and investment in social enterprises and enhancing their capacity to support stakeholders. Meanwhile, SK-DSESPs utilise service design to revitalise the network connecting stakeholders in local social enterprise ecosystems and contribute to revitalising the social economy, generating income and jobs. Some South Korean stakeholders have recognised design as an area where social enterprises need support, leading them to develop DSPs to enhance market competitiveness by improving social enterprise design utilisation. In this context, design's roles in social enterprise development can be categorised as both: (i) an approach that improves the social enterprise ecosystems and (ii) a tool that increases the competitiveness of social enterprises.

According to the research findings, the contributions of design to the current social enterprise ecosystem only partially aid the development of social enterprises, rather than doing so comprehensively or intensively. The critical barriers fragmenting design's impact on social enterprises mainly arise from the minimal design understanding of intermediary organisations and the design sector's insufficient interventions in support of the development of social enterprises. Although the research identified diverse stakeholders involved in supporting the development of social enterprises, very few of these stakeholders recognise the impact of design, that is, how design can benefit social enterprise development. Moreover, design sector stakeholders – such as design support bodies, agencies and universities – tend to be reactive rather than proactive in supporting social enterprises because they often struggle to capture the key characteristics of social enterprises. Therefore, design has not been considered integral to the social enterprise ecosystem, limiting its influence.

### **8.2.2 Design utilisation for the long-term sustainability of social enterprises (answering the RQ 2)**

Despite the minimal role of design in social enterprise development, this research identified certain design utilisations from governments and intermediaries that support the growth of social enterprises. These approaches use design strategically to enhance social enterprises' competitiveness and economic prosperity by increasing long-term sustainability. In this context, it was also essential to understand how social enterprises use design and what design

needs they have. The following sub-sections address the key surrounding how key stakeholders in social enterprise ecosystems (mainly governments, intermediaries and social enterprises) perceive and utilise design.

#### **8.2.2.1 Design utilisation in government support for social enterprises**

This research identified different degrees of design utilisation by governments in support of social enterprises in the UK and South Korea. The design utilisations from governments influence strategies supporting social enterprises. For example, the UK governments considered (England, Wales and Scotland) use design minimally in support of social enterprises, mostly to improve digital technology infrastructure within social enterprises and the social enterprise sector. Meanwhile, the South Korean government considers design to be necessary for the development of social enterprises, recognising its impact on competitiveness and introducing strategies for supporting social enterprises. However, these design utilisations mainly focus on improving the products and services of social enterprises are limited to enhancing styling, function or form. These observations of the different design utilisations by the two governments produced critical insights regarding how governments can use design in social enterprise development: (i) design can be included in the government strategies and action plans aimed at supporting social enterprises, (ii) governments can act as facilitators and fund the development of design support for social enterprises, and (iii) governments can encourage interaction between the design and social enterprise sectors, improving the social enterprise ecosystem.

#### **8.2.2.2 Design utilisation in intermediary organisation support for social enterprises**

This research identified two types of intermediary organisation design utilisation in the UK and South Korea: DSESPs and DSPs. The DSESP approach adopts design as a strategic approach to nurture social enterprise, enhancing the ability of key stakeholders to influence an ecosystem's evolution and indirectly affecting the growth of social enterprises. In contrast, the DSP approach considers a broad spectrum of design disciplines, enabling such programmes to provide design support in service of improving both the business (i.e. products and services) and organisational cultures of social enterprises, thereby increasing

their competitiveness and sustainability and directly impacting the economic growth of social enterprises. Given the considerable capacity of DSPs to enhance the long-term sustainability of social enterprises, this research focused on exploring the operating mechanisms of DSPs (including types of support contents, key stakeholders involved, types of key stakeholder relationships), choosing a total of 20 DSPs from the UK (n=6) and South Korea (n=14) that could meet the selection criteria required of in-depth case studies. By analysing these 20 DSPs, this research understood the commonalities and distinguishing characteristics of the UK- and SK-DSPs. Notable, DSPs in the UK and South Korea demonstrated similar but distinct weaknesses, which were correlated with the critical challenges intermediaries face in terms of using design to support social enterprises.

Notably, DSPs in neither country have been strategically developed, instead of providing piecemeal rather than comprehensive step-by-step support. This is primarily due to (i) a lack of design understanding among most of the social enterprise support bodies participating in the programmes and (ii) limited and passive participation of design support practitioners (including support bodies, institutions and universities) in DSP development. Meanwhile, different approaches to DSP development (including critical drivers of DSP development, major types of supporting content, DSP delivery methods and types of stakeholder relationships) appear to influence different weaknesses. Accordingly, this study recognised that the weaknesses of DSPs in the UK and South Korea could be understood by analysing the DSP development methods in each country. For example, in the context of the SK-DSP, government support (e.g. social enterprise support strategies, action plans and funding) influences social enterprise DSP development. This finding might explain the weaknesses of the UK-DSP (e.g. lack of DSPs designed for social enterprises and lack of correlation between DSPs and national/local social enterprise support strategies or action plans). Furthermore, the multi-stakeholder-led nature of the UK-DSP was observed to significantly impact the facilitation of interactions between social enterprises and the design sector, providing valuable opportunities for stakeholders to understand design and expand the stakeholder network. Within this context, the DSP workshop model was considered an effective means of strategically providing design support. However, it should be noted that design support should exist from the operational to the strategic level (i.e. solutions to practical design

problems facing social enterprises and application of design principles to business and organisational culture).

### **8.2.2.3 Design utilisation and design needs in social enterprises**

This research has recognised that social enterprises in the UK and South Korea understand design and the impact and benefits of design on business slightly differently. For example, where UK social enterprises see design as a strategy influencing business operations and development, South Korean social enterprises see design as a process that contributes to the development of existing or new products and services. However, despite these different understandings, social enterprises confront similar difficulties in terms of utilising design: because most social enterprises are micro- or small-scale enterprises, they cannot afford to invest multiple resources (e.g. time, finances and labour) in design and have difficulty finding appropriate design practitioners who fully understand the 'social enterprise' or communicating with design practitioners due to their lack of design understanding and competency. Furthermore, this research recognised that although most social enterprises are aware of the importance of design, they do not fully understand how it can be used or when it should be applied to their products or services or organisational development. In this regard, social enterprises in the UK and South Korea similarly highlighted the importance of design support considering the business stages.

These research findings guide critical considerations of the difficulties social enterprises confront and improve design utilisation by fulfilling design needs. These considerations focus on improving the strategic and operational aspects of design support for social enterprises. At the operational level, it is imperative to improve the design understanding and competence of social enterprises, demanding the development of design support contents that relate to the business stages and design needs of social enterprises by considering the specific characteristics of social enterprises (such as the tendency to operate at a micro or small-scale). At the strategic level, the findings indicate the necessity of (i) addressing structural issues of composition and provision of DSPs, (ii) suggesting critical roles of stakeholders, such as social enterprise support bodies, design support bodies and social enterprises, (iii) providing a strategic approach that allows for comprehensive collaboration

between key stakeholders leading to advanced design support in efficient and effective ways (e.g. partnerships between universities and social enterprise support bodies and design support bodies), and (iv) securing various financial resources to support the design utilisation of social enterprises.

### **8.2.3 Key features of DInE for social enterprises (answering the RQ 3)**

By examining the design utilisations of the key stakeholders of social enterprise ecosystems in the UK and South Korea – mainly governments, intermediaries and social enterprises – this research identified the various elements of the application design for the growth of social enterprises (e.g. strategy, funding and programmes), the features of which can contribute to the DInEs of social enterprises. The following paragraphs detail these key features.

Strategy (i.e. design support strategy [DSS]) represents strategic design interventions by governments and organisations aimed at supporting social enterprises and encouraging support bodies or other stakeholders to play an essential role and develop practical support programmes that utilise design. The concept also indicates how the governments and organisations understand and use design to support social enterprises, ultimately providing the foundations for the operating mechanism of DInE. The research identified different approaches to developing DSS adopted by the UK (organisation-led) and South Korea (government-led). An essential impact of the government-led DSS is the perception of relevant stakeholders, especially social enterprise support bodies and design support institutes, a product of indicating the need for design support for social enterprises. Moreover, government-led DSS is built on solid government initiatives aimed at quickly securing financial resources and strategic partners. However, because the role of design in government-led DSS derives mainly from the government's limited understanding of design, it has difficulty addressing the practical design needs of social enterprises and broadening the understanding of design within social enterprise support bodies. Additionally, the current government-led DSS (in South Korea) tends to have a limited impact, benefitting only stakeholders that are closely linked to the government. Meanwhile, an organisation-led DSS can facilitate the engagement of multiple stakeholders and the formation of strategic relationships between those stakeholders during the strategy's development while focusing on the stakeholder

providing and development input and real-world support. However, such strategies can be challenging to develop and implement because only certain stakeholders – namely, those with deep design understanding or competence – can develop DSS with minimal institutional support.

Funding (i.e. design support funding [DSF]) acts as a catalyst for substantial design utilisation within the DInE. As such, it is mainly used to support social enterprises in developing actual implementations in the design context. Although governments or intermediaries provide funding in both the UK and South Korea context, the two context represent different approaches, each featuring strengths and weaknesses. In the UK, DSF is initiated primarily by social enterprise support bodies, which recognise the need to support social enterprises. Stakeholders raising DSF must appeal to other stakeholders (e.g. governments and public institutions) to obtain the necessary financial resources. In the process, stakeholders have the opportunity to better understand design support and understand the importance and impact of design support in supporting the growth of social enterprises. However, compared to the total number of social enterprise support bodies in the UK, few institutes deeply understand design or recognise the need for design support. Moreover, design support institutes seldom appeal to or lobby social enterprise support bodies regarding the impact of design on the growth of social enterprises. In contrast, one of the unique characteristics of South Korea's DSF approach is that governments (i.e. central and local) are directly involved (i.e. most DSF is provided by government budgets). This means that South Korean stakeholders can easily access financial resources due to the institutional approach to DSF. However, because most DSF in South Korea is established by government budgets, funding only covers a short period (e.g. less than a year) and tends to be a one-time event. Moreover, it can result in missed opportunities for social enterprise support bodies to improve their understanding of design and the impact of design support.

Programmes (i.e. design support programme [DSP]) represent an implementation action that encourages and strengthens the design utilisation of social enterprises and the social enterprise sector by providing various design support contents that exist between the operational stage and the strategic stage of the business operations of social enterprises. The research observed the identified DSPs from the perspectives of suppliers (intermediaries) and

consumers (social enterprises). Although DSPs in the UK and South Korea have generally been developed according to different approaches, similar barriers exist between DSP developers, suppliers and consumers in the two countries. For example, three critical issues facing DSP suppliers in both the UK and Korea are: (i) minimal understanding of design among social enterprise support organisations, (ii) a lack of interaction between design and social enterprise support bodies that are associated with a lack of understanding of social enterprises among design support bodies, and (iii) social enterprises lacking business capacity and business maturity. Meanwhile, social enterprises (i.e. DSP consumers) similarly identify critical barriers that minimise the impact of DSPs (i) at the operational level, where there is a lack of design support for social enterprises (South Korean social enterprises especially emphasised the deterioration of the quality of design support contents, including minimal consideration of social enterprise business stages, the limited correlation between support contents, and short-term support or a lack of follow-up support), and (ii) at the strategic level, where social enterprises in both countries emphasised limited resources, knowledge and design capabilities of most social enterprise support bodies.

The study's findings enable an understanding of how DInEs have been developed and operated in the two countries by mapping the current social enterprise composition of DInEs in the UK and South Korea, fulfilling OB5 (see Table 8.1). Consequently, the research recognised that the UK DInE is structured and operates in a bottom-up manner, in which various stakeholders take initiatives, whereas the South Korean DInE is based on a top-down approach, wherein the government mainly leads. Nevertheless, despite the different approaches to DInE development observed in the UK and South Korea, similar issues were identified in terms of how the DInE impacted social enterprises, including the lack of interrelation between the DInE's key elements.

#### **8.2.4 A systemic approach to improve DInE for social enterprises**

This research has proposed and evaluated a systemic approach (DInE development framework) to optimising and improving the current DInE for social enterprises, by comparing the findings for the UK and South Korea (see Chapter 7) to answer RQ3. This framework guides stakeholders in making step-by-step changes to develop design support systems by

considering the various influences of the components responsible for systematising design support for social enterprises. Moreover, it features comprehensive suggestions related to (i) the essential roles and relationships of the key stakeholders and (ii) the development structure and process (depending on the DInE development strategy).

Evaluations using two different approaches (workshop and interview) to receiving input from design and social enterprise experts in the UK and South Korea enabled this research to identify positive aspects of the framework (i.e. strengths) and opportunities for improving it (i.e. weaknesses) of optimise the DInE for social enterprises. In terms of strengths, the experts strongly agreed with the framework's acceptability, usefulness and comprehensiveness. Moreover, the experts were able to demonstrate how the framework could be used in real-world settings by following its implementation. Experts identified weaknesses in the framework that indicated room for improvement. For example, several UK experts highlighted how different understandings of design and social enterprise among stakeholders could constitute a major barrier to adopting the framework. Some experts recommended providing more detailed, step-by-step or categorised questions, potentially utilising checklists, to minimise the framework's complexity and improve its acceptability and usefulness. In terms of reducing the complexity of the framework and enhancing its feasibility and usability, other interviewees suggested developing scenarios illustrating the overall journey engendered by the framework. Finally, although potential users could be anticipated, the framework could benefit from clarifying key user. The improvements identified by this evaluation process have the potential to increase the framework's acceptability, potential usefulness, comprehensiveness, feasibility and usability, with these findings achieving OB6 and OB7 (see Table 8.1).

### **8.3 Research Contributions**

This research has developed a systemic approach to support the design for social enterprises by generating comprehensive knowledge for this purpose. It makes both theoretical and practical contributions to the understanding of design for social enterprises. The

contributions to knowledge are as follows, with and the specific details of these research contributions discussed in sub-sections:

- a. The identification of the specific benefits of design for social enterprises: In terms of its theoretical contribution, this research indicates how design can support the growth of social enterprises at both the operational and the systematic level.
- b. A process for understanding design-innovation ecosystem: In terms of its theoretical contribution, this research helps academics who are interested in ecosystem theory to understand the operating mechanism of the ecosystem, including its structural units; thus, this knowledge can potentially be used in a broader context beyond the social enterprise and design sectors.
- c. A tool for policymakers: In terms of its practical contribution, this research provides a better understanding of applicable support practices, especially how design can be adopted within social enterprise support strategies and action plans. Thus, policymakers can develop design applications from systemic perspectives.
- d. A tool for social enterprises: In terms of its practical contribution, this research presents a substantial design spectrum, indicating essential design support content for each business stage of social enterprises. This can help social enterprises to improve their understanding and application of design.

### **8.3.1 Theoretical contributions**

Several previous studies have demonstrated the various impacts of design on social enterprise operation, mostly in terms of improving the social enterprise process (Design Council, 2020B; DesignThinkers UK Limited, 2017; Selloni and Corubolo, 2017b) or contributing to social innovation (Manzini, 2015; Pérez et al., 2019; Selloni and Corubolo, 2017a). However, in this context, design is often narrowly defined, such as discipline (e.g. graphic design or and product design) or in terms of design thinking. Thus, there remains insufficient evidence for social enterprises use design to improve their competitiveness and economic sustainability or how this design is supported (Pérez, Hands and McKeever, 2017; Pérez et al., 2019). Accordingly, this research contributes to theoretical knowledge by developing a systematic approach to design targeted at social enterprises in the form of the

proposed DInE development framework. The research outcomes include both structural units (DSS, DSF, DSP and role of stakeholders) and development methods (DInE operating mechanisms) and contributes to the foundations for theoretical underpinnings for design support research, especially by developing an appropriate system for this support (i.e. DInE).

### **8.3.2 Practical contributions**

The research's DInE development framework provides optimised strategic and practical design support targeted at social enterprises. Thus, the study contributes to a better understanding of applicable support practices (across groundwork, catalyst and actions) that can improve the impact of design on the growth of social enterprises, enabling relevant stakeholders to recognise design support from systemic perspectives rather than being limited to the operational level. Stakeholders can, accordingly, comprehend the roadmap of how and what they do, an outcome with potential benefits for policymakers, social enterprises and design support practitioners wanting to consider strategic design support for social enterprises. The framework includes a series of implementation steps to explicitly guide prospective users (especially social enterprise and design support practitioners and universities) on the essential roles of stakeholders and development structure and process. Moreover, the framework includes a design spectrum indicating essential design support content for each business stage, content that can be employed either when relevant stakeholders plan to develop design support for social enterprises or when social enterprises seek design services from design consultancies. The research recommendations also include a checklist to broadly guide framework utilisation and a checklist to specifically evaluate current design support practices provided by stakeholders, potentially enhancing usability and amplifying the research's practices contributions. Design and social enterprise experts (academics and practitioners) acknowledged these contributions, recognising the framework's practical benefits during the evaluation phase.

## **8.4 Research Limitations**

This research's results should be interpreted in light of certain limitations in terms of (i) topic, (ii) data collection and analysis and (iii) validation of the recommendations.

### **8.4.1 Topic limitations**

This research represents an 'exploratory study' aimed at understanding current configurations of DInEs in the social enterprise context and developing a systematic approach to improving DInEs. However, because DInEs do not exist in concrete terms, instead of representing a theoretical construction describing the environment surrounding design support for social enterprises. This means that the research topic emphasised identifying key elements comprising the DInE and critical considerations for improving the ecosystem. Another limitation concerned the focus on case studies from only two countries. Although the case studies from the UK and South Korea enabled the research to understand different approaches to providing design support to social enterprises, offering critical insight into the different policies of different countries, this required adopting the working definitions of social enterprise used by the two countries to reduce debate regarding the concept of 'social enterprise', ignoring the possibility of the category of social enterprise varying, leading some countries to include enterprises with more similarity to commercial businesses.

### **8.4.2 Data collection and analysis**

The research's data collection methods also represent limitations. This research used triangulation to derive rich data by combining quantitative and qualitative methods. The questionnaire surveys administered to social enterprises to understand their perspective on design and their experience with design support produced limited results because the survey only South Korean social enterprises provided a sufficient response rate. This meant relying on in-depth interviews with social enterprises (UK: n=12 and South Korea: n=10) to explore design awareness and utilisation and identify design needs to develop advanced design support for social enterprises. Although conducting in-depth interviews with social enterprises was more effective for obtaining practical insights than the questionnaire survey, the small number of responses may not adequately represent the design needs of social enterprises. Furthermore, although attaining insights from design and social enterprise experts concerning research outcomes was essential for improving the framework's usability, few evaluative interviews were conducted with South Korean experts (n=4) compared with UK experts (n=12) due to logistics and time constraints.

### **8.4.3 Validation**

Despite various efforts to increase the validity of the research outcome via data and method triangulation methods and qualitative evaluations, some validity concerns remain due to the challenges associated with practical implementation. Although a booklet designed to explain the framework, including the aforementioned checklist, provided prospective users with an overview of the DInE – including its operating mechanism and development structure and process – to facilitate design support implementations, time constraints prevented developing further developments aimed at improving understanding of the DInE at the operational level.

## **8.5 Recommendations for future research**

This study's approach and findings constitute a foundation for future research aimed at developing strategic systems and implementations to provide design support to social enterprises, which can be built upon by mitigating the limitations discussed. Specifically, the research findings indicate the need for further research in several areas:

1. This research has identified the critical elements for developing a DInE and provided a series of recommendations for optimising and improving design support for social enterprises. Therefore, this work serves as a basis for research addressing issues of design support across operational and structural dimensions. However, given it was not possible to observe the framework's tangible impact on advanced design support, including DInEs, further research could investigate how the framework is implemented and observe its practical impacts.
2. The research could be replicated in different countries featuring flourishing social enterprises to investigate whether the framework is generally applicable. Specifically, action research could be undertaken, whereby the framework is implemented in different practical settings by governments, social enterprise support bodies, design support bodies and universities, to identify further issues and possible solutions, thereby enhancing this research's validity.

3. Like general enterprises, social enterprises are distributed across various industries. This demands rigorous research into the design needs of social enterprises to elaborate design support content according to sector, size and level of design understanding.

## **8.6 Closing Remarks**

This research has developed a systemic approach to providing design support to social enterprises that considers the strategic and operational dimensions of developing and implementing design support. The research has (i) investigated the roles of design in social enterprise development, (ii) explored and analysed UK and South Korean design support practices (strategies, funding and programmes) targeted at social enterprises, (iii) compared the different approaches to developing design support practices in these two countries, including the drivers for and barriers to developing and implementing design support practices, and (iv) proposed and evaluated a framework detailing a systemic approach to improving design support.

This framework was developed based on data collected from academics and practitioners operating in the design and social enterprise domains, especially those involved in supporting social enterprises. This study's outcomes contribute new knowledge to theoretical and practical understandings of how DInEs enable the activation and strengthening of design, benefit design support for social enterprises and increase competitiveness and economic growth, providing a comprehensive blueprint for stakeholders interested in providing systematic design support targeted at social enterprises.

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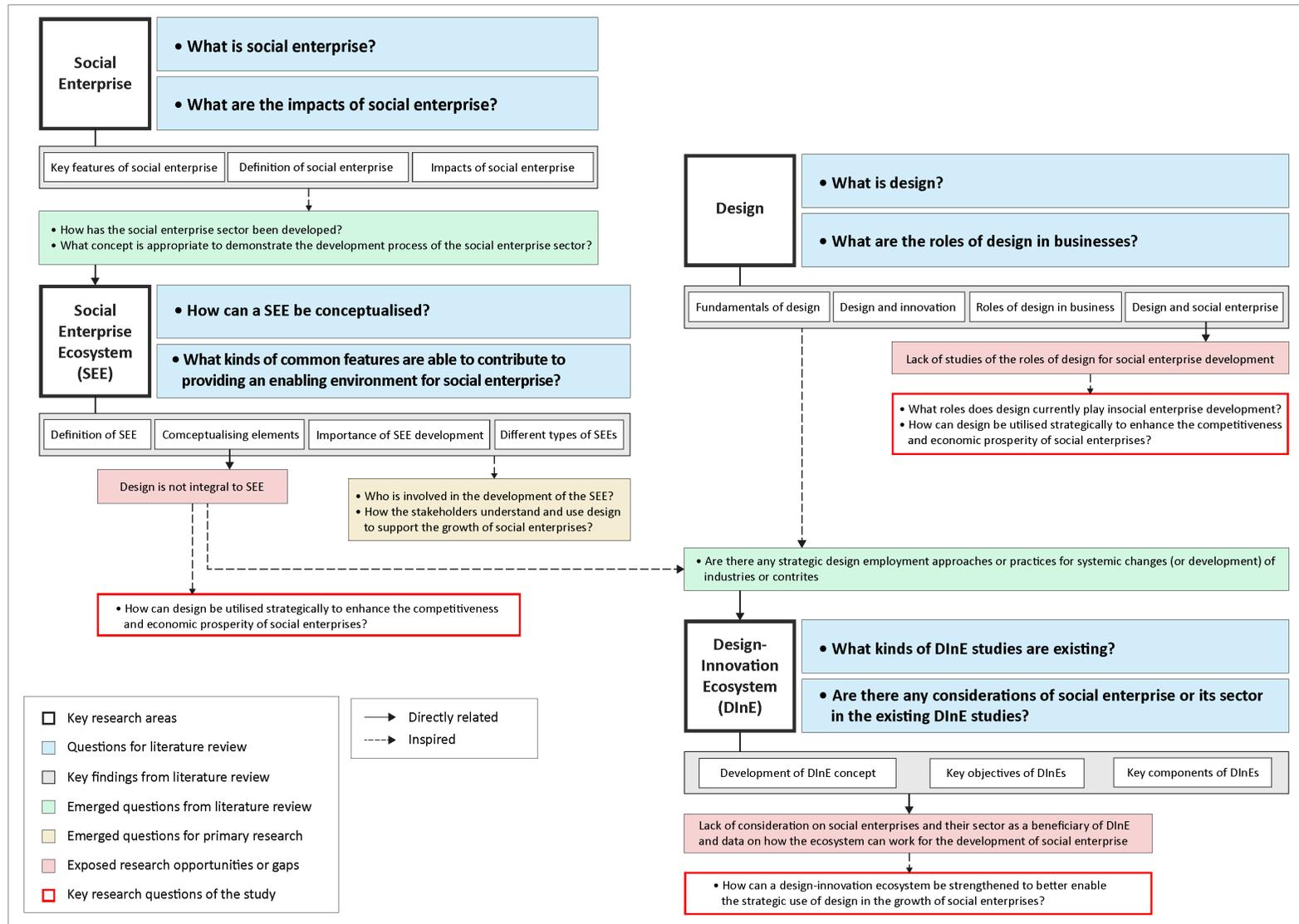
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# APPENDICES

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## APPENDIX A: Map of literature review



## **APPENDIX B: Questions for exploratory interviews with experts in the design and social enterprise sectors**

### **General information**

Please briefly give information about your organisation and your role in the organisation

### **Part One. The role of organisation**

Q1: What kinds of roles does your organisation play for social enterprises?

Q1.1: How significant do you think your organisation's roles are for social enterprises to grow economically?

Q2: Does your organisation have any specific activities or programmes that aim to help the economic sustainability of social enterprises?

Q2.1: If so, how the activities or programmes help the economic sustainability of social enterprises?

Q2.2: What future roles/activities/programmes do you think should be involved in your organisation for ensuring economic sustainability of social enterprises?

### **Part Two. The role of organisation and design**

Q3: What do you think of design?

Q4: Do you see any links between your organisation's roles and design?

Q4.1: If so, how does your organisation use the design?

Q4.2: Does your organisation have any problems to use design?

Q4.2.1: If so, what is the biggest challenge to use design in your organisation?

Q4.3: What are the benefits of using design to play the organisation's roles for social enterprises?

### **Part Three. Social enterprise ecosystem and your organisation**

Q5: How do you describe the social enterprise ecosystem?

Q5.1: As a stakeholder involved within the social enterprise ecosystem, how do you view current social enterprise ecosystem?

Q5.1.1: What is the strength and weakness of current social enterprise ecosystem?

Q5.1.2: What is the biggest challenge in social enterprise ecosystem?

Q5.1.3: What are the issues or dangers that interrupt the development of social enterprise ecosystem?

Q6: What is the main role of your organisation in the social enterprise ecosystem?

Q6.1: How influence your organisation's role in establishing and developing social enterprise ecosystem?

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Q6.1.1: Where does your organisation positioned in current social enterprise ecosystem?

Q6.2: Do you think that stakeholders in the social enterprise ecosystem are enough aware of the potential role or impact of your organisation's role in developing the ecosystem?

Q6.3: In your opinion, who/what organisation is the best driver for establishing and maintaining social enterprise ecosystem?

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#### **Part Four. Social enterprise ecosystem and design**

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Q7: Do you see any links between design and social enterprise ecosystem?

Q7.1: If so, where design positioned in social enterprise ecosystem?

Q7.1.1: What is the main purpose of using design in social enterprise context?

Q7.1.2: What is the biggest benefit of using design in social enterprise context?

Q7.1.3: What is the biggest challenge of using design in social enterprise context?

Q7.2: How do you see the current use of design in social enterprise ecosystem?

Q7.3: What is the biggest challenge in using design to development of social enterprise ecosystem?

Q8: How can design influence the current state of social enterprise ecosystem to be beneficial to the economic development of social enterprises?

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## APPENDIX C: Questions for questionnaire survey with social enterprises

This research is a PhD student's project on the Design research course at Brunel University London to understand current configuration and condition of the social enterprise ecosystem and role of design within the ecosystem and its enterprises. This survey aims to examine the state of using design in social enterprises. It will be used to help understand the use of design by social enterprises and the social enterprise ecosystem in a comprehensive way.

This survey will be strictly confidential, and your personal detail **WILL NOT** be used in any reports or discussions. The result will be used for academic purposes only. If you have any questions regarding this survey, please do not hesitate to contact me.

Thank you in advance for your co-operation.

Email: [Hyejin.Kwon@brunel.ac.uk](mailto:Hyejin.Kwon@brunel.ac.uk)

Hyejin Kwon  
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College of Engineering, Design and Physical Sciences  
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### Definition of design for this research

Design in this research encompasses the broader implications that are currently being used, because of the increased of recognition of the various design roles and influence for businesses and societies. Therefore, in this research, the definition of design is:

***a creative process and its outcome which enable to achieve the aims of organisations through understanding comprehensive design spectrum including;***

- ***designing*** (action to create tangible outcome - i.g. the output of design such as products, graphics)
- ***design strategy*** (management of the design process)
- ***corporate-level design thinking*** (the philosophy and method of design applied to business management),
- ***design-led systemic change*** (development of design system - e.g. design solutions are able to drive systemic change of a particular ecosystem through the collaboration with different groups).

We would like to enhance understanding further by conducting an informal semi-structured interview. It would be an excellent opportunity for us to obtain valuable insight from you face to face. However, if are uncomfortable for us to contact you in this matter, please tick the box.

## General information about respondent

- Company name:
- Job title & role:
- Experience in company (or Social enterprise sector):
- Respondent's name and E-mail address (Optional):

## 1. Social enterprise: About company itself

### 1.1 How long has the company been in business?

- Less than 1 year
- 1-3 years
- 4-5 years
- 6-10 years
- 11-20 years
- 21 or more years

### 1.2 How many people are working in your company?

- Micro (1-9 people)
- Small (10-49 people)
- Medium (50-249 people)
- Large (250+ people)

### 1.3 What industry area is your company in?

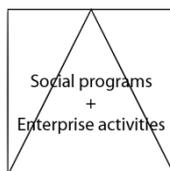
- Manufacturing
- Re-Cycling
- Retail
- Education
- Care
- Transport
- Food & Drink
- Creative industries
- Business services
- Other(s), please specify: ( \_\_\_\_\_ )

### 1.4 What is the mission of the company?

### 1.5 What is your organisation's operational model?

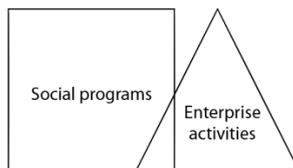
- Mission centric

[The business activities are central to the organisation's mission]



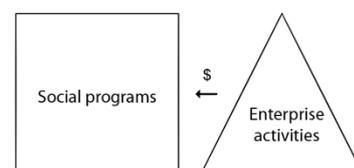
- Mission related

[The business activities are connected to the organisation's mission]



- Unrelated to mission

[The business activities are not required to advance the organisation's mission other than by generating income for its social programmes or overhead]



## 2. Design: State of using design by social enterprises

### 2.1 Does your company use design?

- Yes
- No

#### 2.1.1 If your company **USE** design, which types of design does your company use? (Choose more than one, if applicable)

- Design or styling of products and services
- Graphic and Visual design
- Packaging design
- Visual Identity design
- Communication design
- Service design
- UX design
- Existing product/service development
- New product/service development
- Other(s), please specify: ( \_\_\_\_\_ )
- Prototyping/model making
- Development of business strategy
- Development of new business area and model
- Development of online platform (apps, websites)
- Market/User research
- Facilitation of development processes
- Marketing/Branding/PR
- All aspects of business
- Managing company

#### 2.1.2 If your company **USE** design, where do you contact to conduct design works for your company? (Choose more than one, if applicable)

- Employee designer(s)
- General manager(s)
- External design consultancy
- Social enterprise support organisation(s)
- Other(s), please specify: ( \_\_\_\_\_ )
- Internal design department
- Founder or CEO
- Business consultancy
- Local council(s)

#### 2.1.3 If your company **USE** design, what is the impact of using design on your company? (Choose more than one, if applicable)

- Increasing profitable growth
- Ensuring competitiveness in the market
- Improvement of internal culture
- Effectiveness of working process
- Making innovative product and service
- Other(s), please specify: ( \_\_\_\_\_ )

#### 2.1.4 If your company **USE** design, what is the biggest challenge when your company use design? (Choose more than one, if applicable)

- Lack of design knowledge
- Lack of awareness of design influence
- Lack of supportive organisations to encourage use of design
- Cost for using design
- Recruitment of design experts and connection with design consultancies
- Other(s), please specify: ( \_\_\_\_\_ )

**2.1.5 If your company DOES NOT USE design, what is the reason? (Choose more than one, if applicable)**

- Design not related to the company
- Design doesn't help companies economically
- Cannot see the value of design
- Cannot afford to buy external design services from designers or design agencies
- No expectation of proper return of it
- Past experience did not meet expectations
- Do not know a design agency that can solve a specific problem
- Other(s), please specify: ( \_\_\_\_\_ )

**2.2 How important is design in your company?**

- Not at all
- Neutral
- Little important
- Some important
- Very important

**2.3 Which of the following statements best describes the use of design by your company?**

- Non-Design: Design is not applied systematically
- Design as Form-Giving: Design is used as a finish form-giving or styling in new products/services
- Design as Process: Design is an integrated element in development process
- Design as Strategy: Design is a key strategic element in business model

**2-1. Design: Experiences of design support**

**2.3 Have you received or requested design support?**

- Yes
- No

**2.3.1 If YES, where do you contact to receive design support? (Choose more than one, if applicable)**

- Local authorities
- Business support agencies
- External innovation agencies
- Universities
- External business support programme(s)
- Other(s), please specify: ( \_\_\_\_\_ )
- Social enterprise support organisation(s)
- External design agencies
- Research institution(s)
- External design support programme(s)

**2.3.2 If YES, what were the main areas of design support? (Choose more than one, if applicable)**

- |   |   |
|---|---|
| <input type="checkbox"/> Design or styling of products and services | <input type="checkbox"/> Prototyping/model making                   |
| <input type="checkbox"/> Graphic and Visual design                  | <input type="checkbox"/> Development of business strategy           |
| <input type="checkbox"/> Packaging design                           | <input type="checkbox"/> Development of new business area and model |
| <input type="checkbox"/> Visual Identity design                     | <input type="checkbox"/> Development of online platform             |
| <input type="checkbox"/> Communication design                       | <input type="checkbox"/> Market/User research                       |
| <input type="checkbox"/> Service design                             | <input type="checkbox"/> Facilitation of development processes      |
| <input type="checkbox"/> UX design                                  | <input type="checkbox"/> Marketing/Branding/PR                      |
| <input type="checkbox"/> Existing product/service development       | <input type="checkbox"/> All aspects of business                    |
| <input type="checkbox"/> New product/service development            | <input type="checkbox"/> Managing company                           |
| <input type="checkbox"/> Other(s), please specify: ( _____ )        |   |

**2.3.3 If YES, what has been the biggest change since the company has used design and has been received the design support? (Choose more than one, if applicable)**

- |   |  |
|---|--|
| <input type="checkbox"/> Increase in sales                        | <input type="checkbox"/> Enlargement of profit       |
| <input type="checkbox"/> Create more social impact                | <input type="checkbox"/> Improving brand value       |
| <input type="checkbox"/> Cost reduction                           | <input type="checkbox"/> Ensure more competitiveness |
| <input type="checkbox"/> Build partnership(s) or collaboration(s) | <input type="checkbox"/> Increase in employment      |
| <input type="checkbox"/> Other(s), please specify: ( _____ )      |  |

**2.3.4 If YES, were you satisfied with the design support your company received?**

- Yes  
 No

**2.3.5 If you UNSATISFIED with the design support your company received, what is the main reason for being unsatisfied with them and what can be improved?**

**2.4 If there are organisations or activities/programmes to support use of design at company level, would you be interested in contacting and participating with them?**

- Yes  
 No

**2.4.1 If YES, what kind of programmes or activities of supporting use of design does your company need?**

## 2-2. Design: Perception of using design

### 2.5 How would you describe spending on design for your company?

- Extra cost
- Future investment
- Necessity
- Other(s), please specify: ( \_\_\_\_\_ )

### 2.6 To what degree do you think that design impacts your company's economic bottom line?

- Don't know
- Not at all
- Limited impact
- Some impact
- High impact
- Very high impact

### 2.7 Do you expect design will be a more important competitive parameter of your company over the next five years?

- Don't know
- No
- Neither more or less
- Yes

### 2.8 Which of the following is necessary to encourage and develop the use of design in social enterprises?? (Choose more than one, if applicable)

- Raising design awareness of social enterprises and intermediary organisations
- Improving current social enterprise ecosystem structure
- Providing design education and support programmes by intermediary organisations
- Encouraging active involvement of design agencies or design-related institutions
- Other(s), please specify: ( \_\_\_\_\_ )

## 3. Innovation

### 3.1 What type of innovation is involved in your company? (Choose more than one, if applicable)

- Don't know
- Not at all
- Product(s)
- Service(s)
- Process
- Other(s), please specify: ( \_\_\_\_\_ )

### 3.2 How important is innovation in your company?

- Not at all

- Neutral
- Little important
- Some important
- Very important

**3.3 What is the most important contributor for the innovation in your company?**

- Research
- Technology
- Design
- Other(s), please specify: ( \_\_\_\_\_ )

**3.4 Have you ever sought any support to improve the innovation in your company?**

- Yes
- No

**3.4.1 If YES, where did you get the support? (Choose more than one, if applicable)**

- Local authorities
- Business support agencies
- External design agencies
- Research institution(s)
- External innovation support programme(s)
- Intermediary organisation(s)
- Consultant agencies
- External innovation agencies
- Universities
- Other(s), please specify: ( \_\_\_\_\_ )

**3.4.2 If YES, were you satisfied with the innovation support your company received?**

- Yes
- No

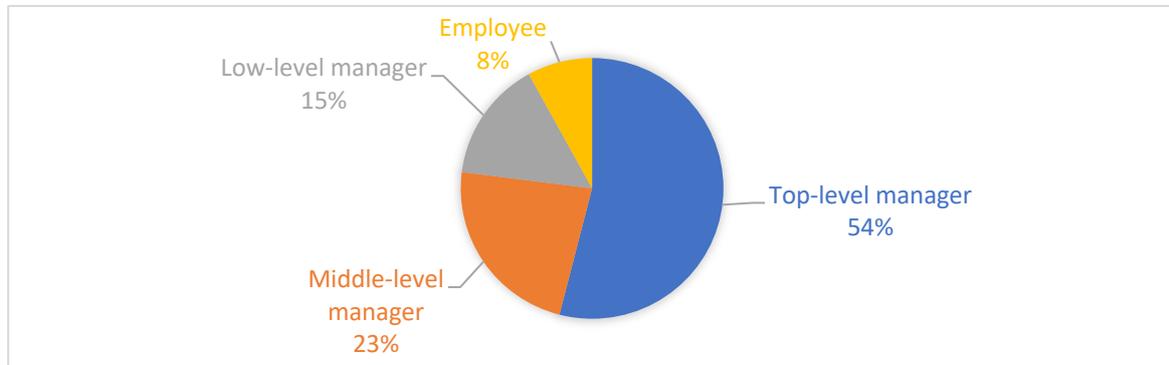
**3.4.3 If you UNSATISFIED with the innovation support your company received, what is the main reason for being unsatisfied with them and what can be improved?**

**3.5 How do you think of the relationship between design and innovation?**

**Thank you very much for taking the time to complete the questionnaire.**

## APPENDIX D: Results of questionnaire survey

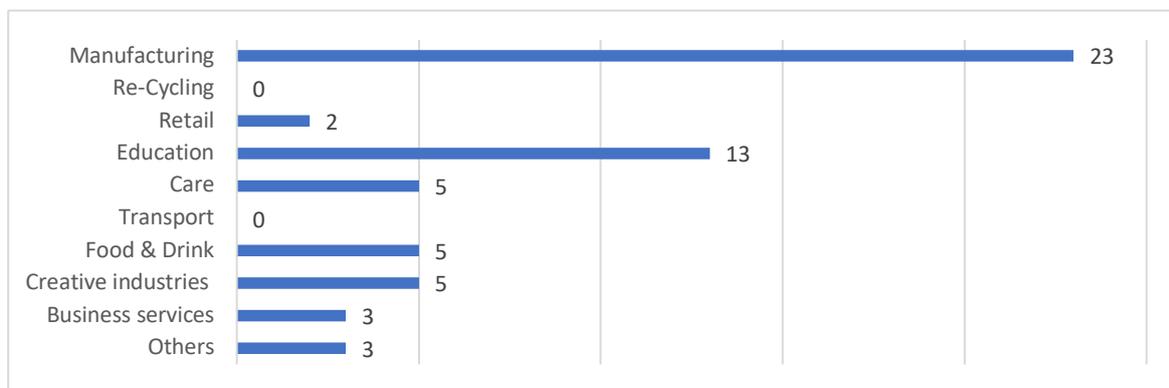
### Part One. General information of the respondents



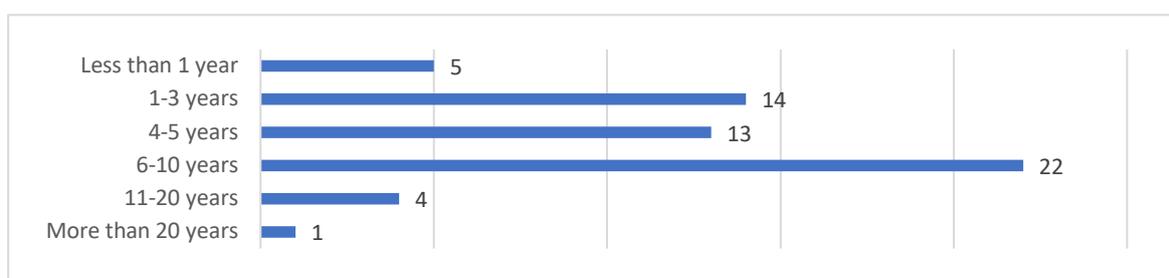
Type of the respondents (N=100)



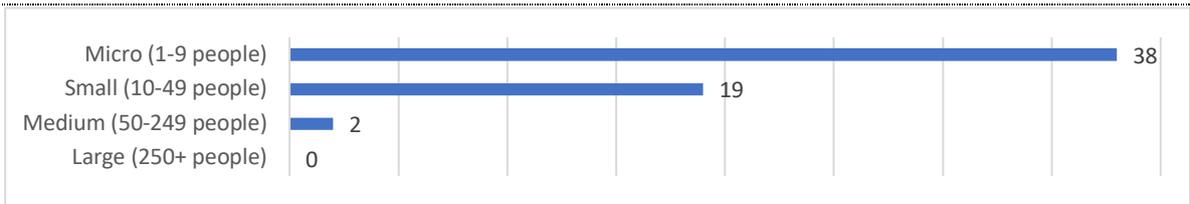
Operational models of the businesses (N=100)



Principal trading activity of respondents (N=59)



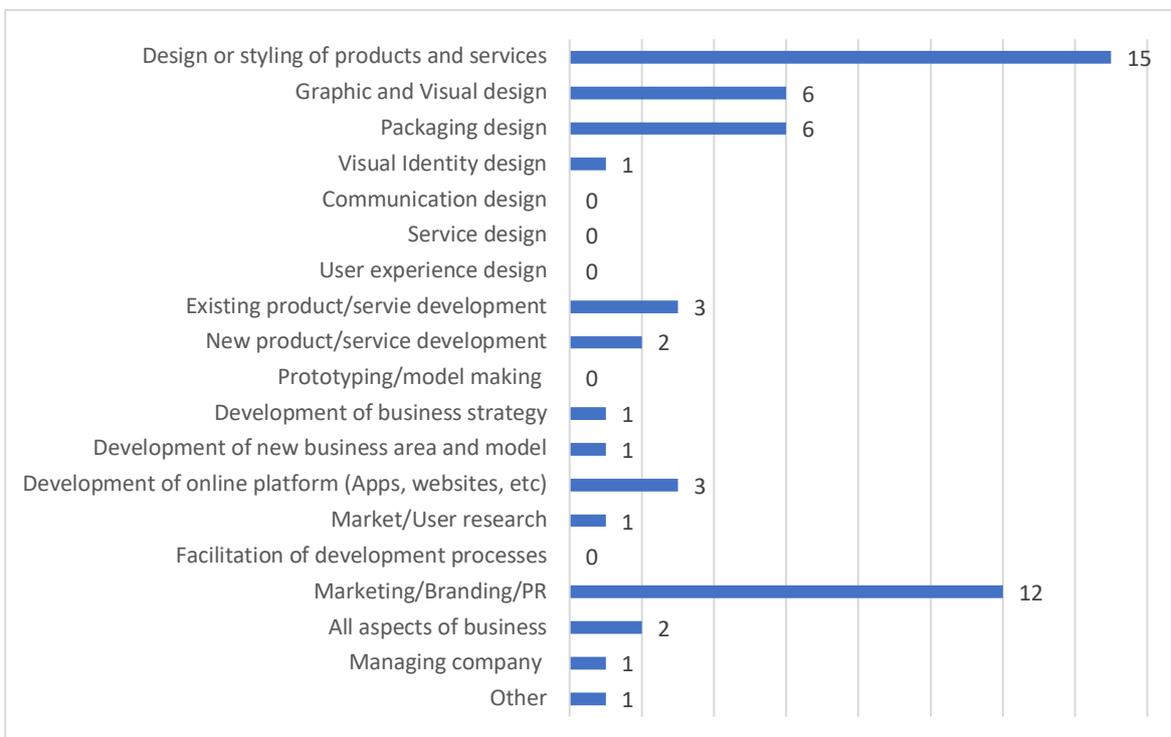
The length of business operation (N=59)



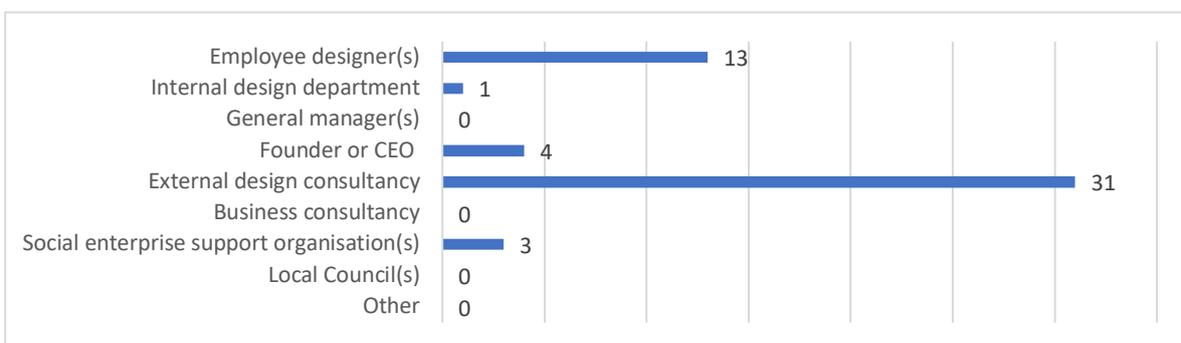
The number of employees in the company (N=59)

## Part Two. Design in social enterprises

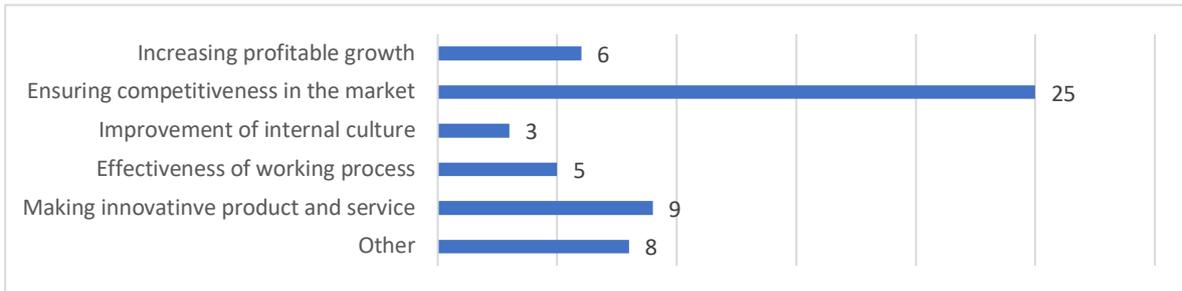
### Section one. The state of using design in social enterprises



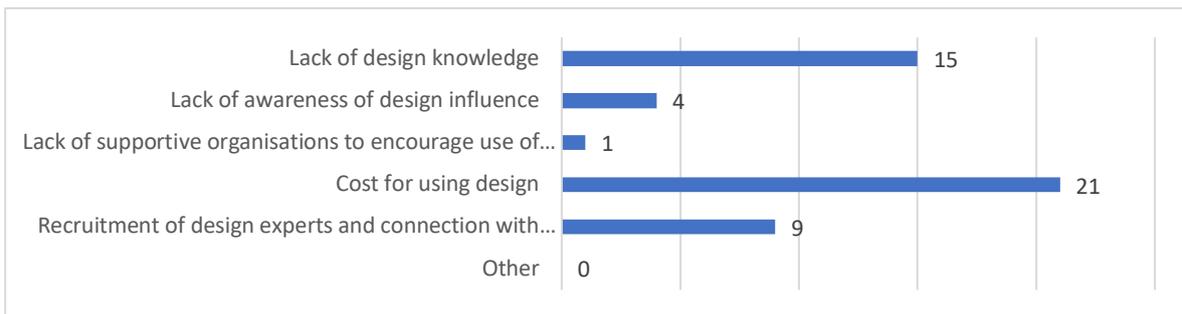
Type of design being used by respondents (N=55; multiple answers applicable)



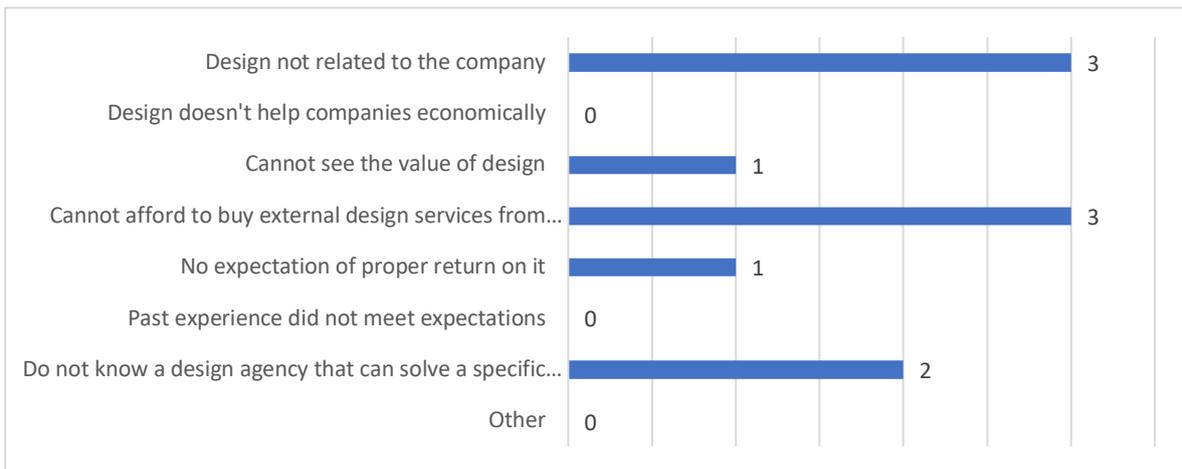
The contacts performing design works (N=52; multiple answers applicable)



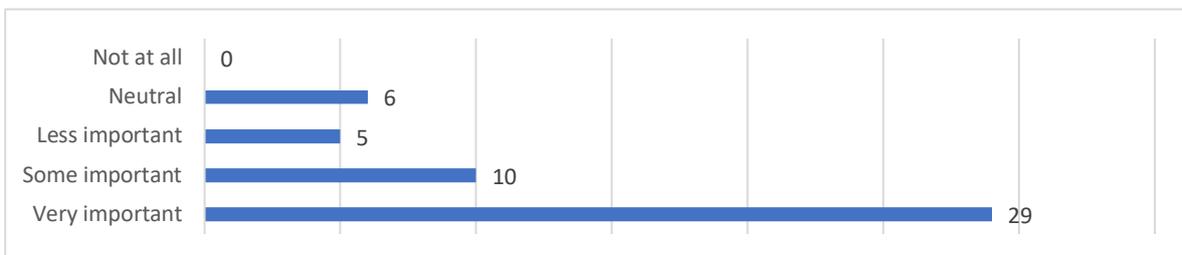
Design influences on the company (N=56; multiple answers applicable)



Barriers of using design on the company (N=50; multiple answers applicable)

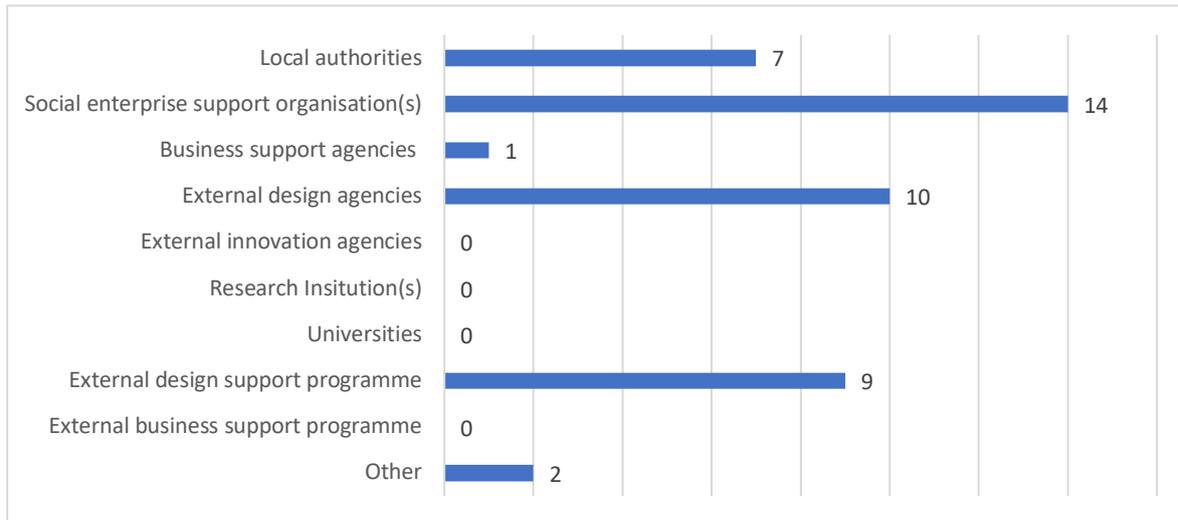


The reason for not using design in the company (N=10)

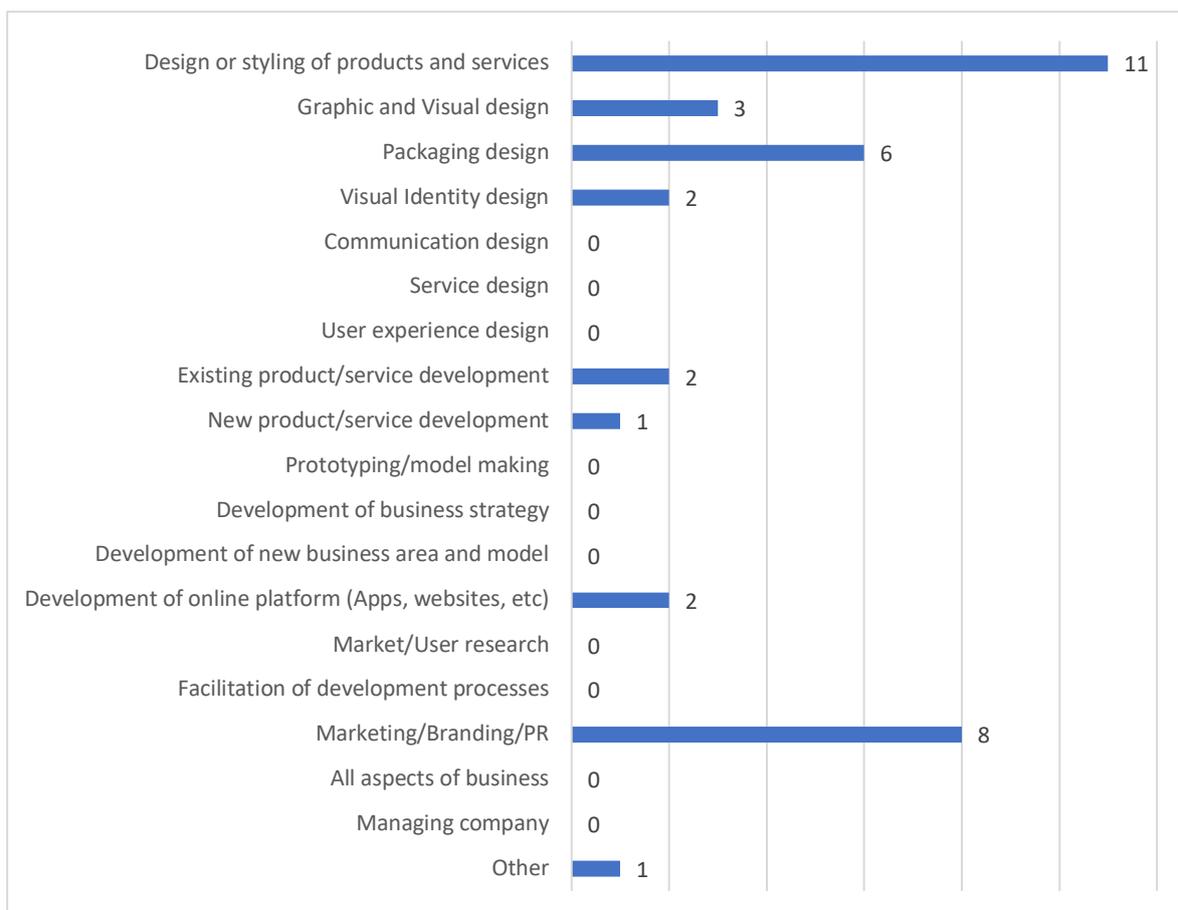


The importance of design in the company (N=50)

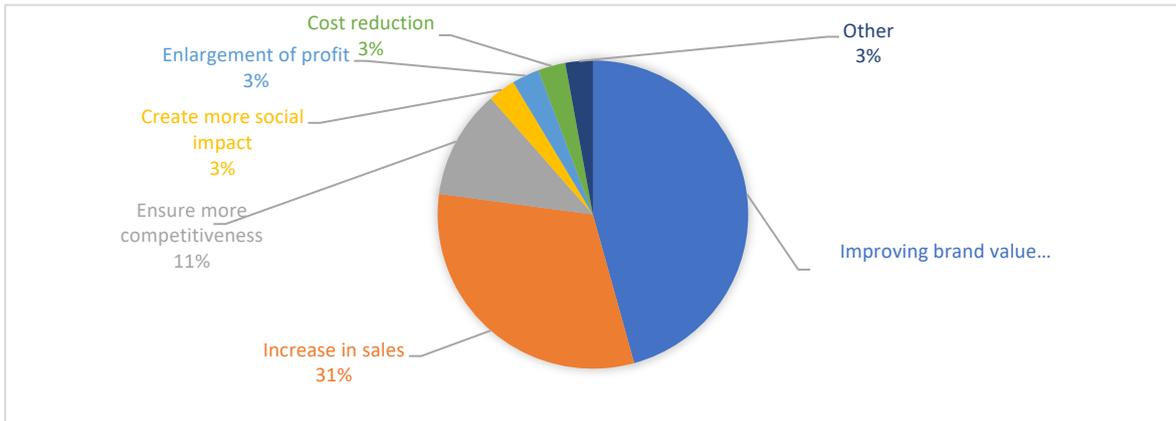
## Section two. Experience of design support programme



Design support supplier(s) (N=43; multiple answers applicable)



Main area of design support received (N=36, multiple answers applicable)



Changes after receiving design support (N=35)

### Section three. Perception of using design



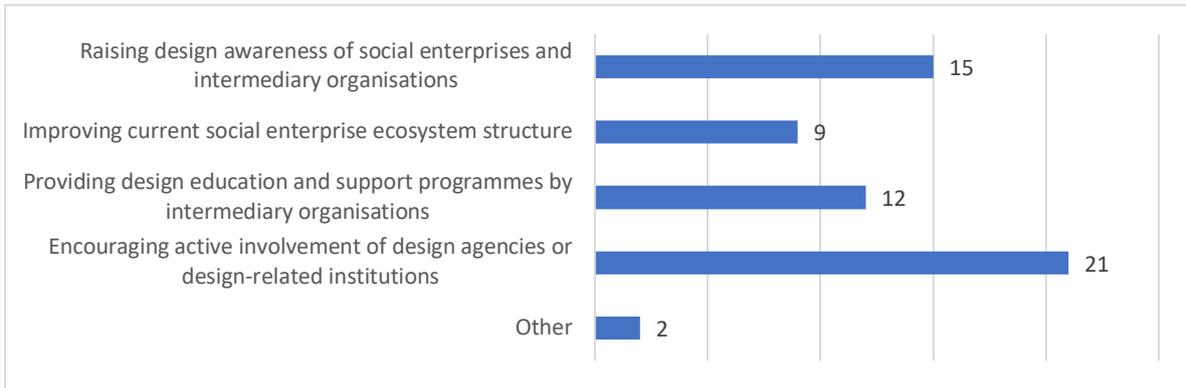
Description of spending on design (N=59)



Design impacts on economic bottom line of the company (N=59)



Respondents' expectation on design as competitive parameter (N=59)

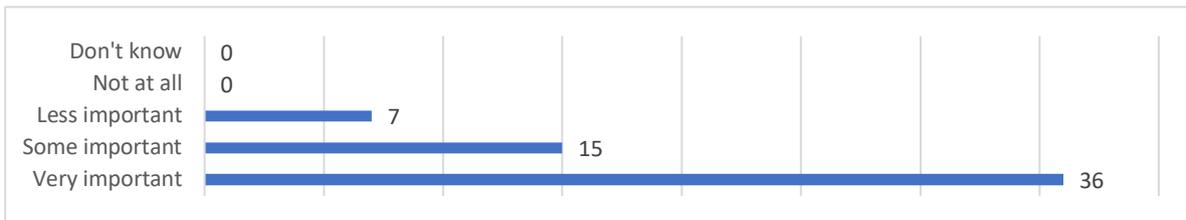


Necessities for the use of design improvement in social enterprises (N=59)

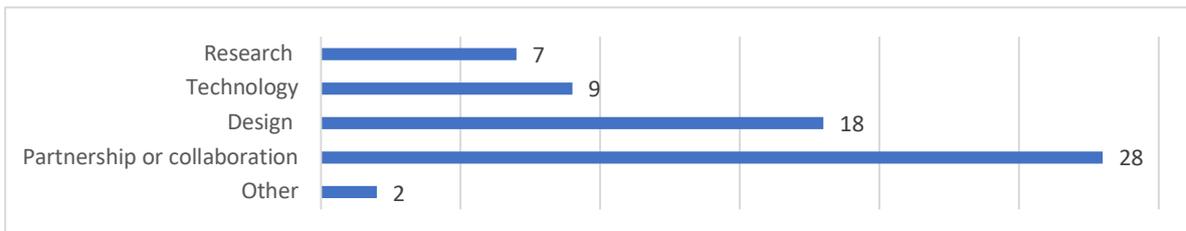
### Part three. innovation in social enterprises



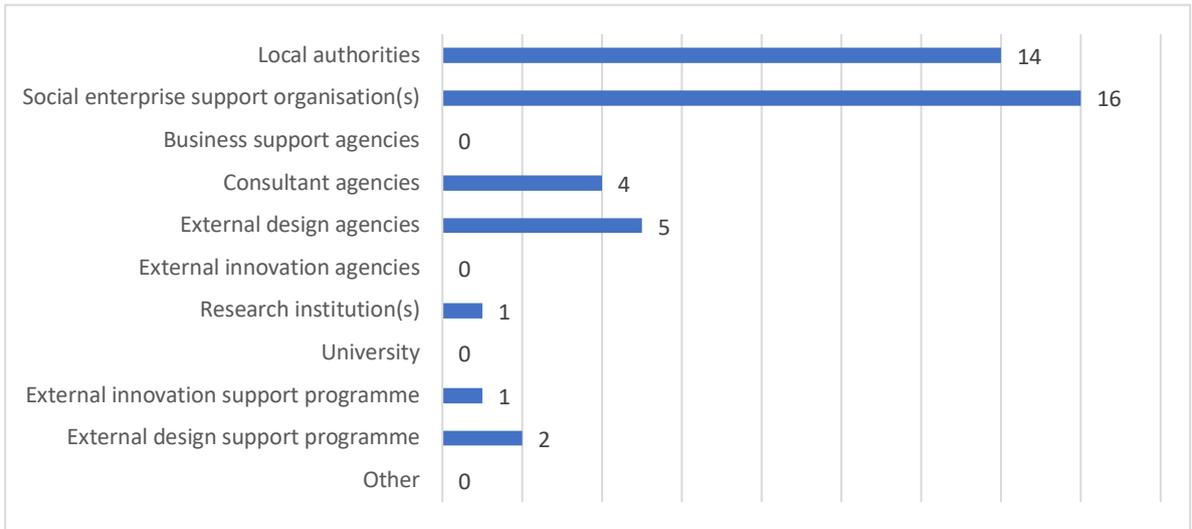
The type of innovation in the company (N=59)



The importance of innovation in the company



The most important contributor for innovation in company



Innovation support organisation (N=43)

## APPENDIX E: Questions for in-depth interviews with social enterprises

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### General information

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Please briefly give information about your company and yourself (including name, job title, and role in the company)

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### Part One. Information about company

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- Q1: How long has the company been in business?
- Q1.1: How many people are working in your company?
  - Q1.2: What industry area is your company in?
  - Q1.3: What is the mission of the company?
- 

### Part Two. Design awareness and utilisation of the company

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- Q2: What are the functions of design in your company?
- Q2.1: Where do you contact to conduct design works for your company?
  - Q2.2: What is the impact of using design on your company?
  - Q2.3: How important is design in your company?
  - Q2.4: How would you describe spending on design for your company?
  - Q2.5: What is the biggest challenge when your company use design?
  - Q2.6: What is your (instinctive) definition of 'design'?
- 

### Part Three. Experiences of design support

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- Q3: Have you received or requested design support?
- Q3.1: Where do you contact to receive design support?
  - Q3.2: What kind of design support have you received?
  - Q3.3: What has been the biggest change since the company has been received the design support?
  - Q3.4: What was the biggest challenge when you received the design support?
  - Q3.5: If your company is looking for additional design support, what kind of support do you need?
- 

### Part Four. Improvement for design support

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- Q4: How do you think of the current design support system or approach for social enterprises?
- Q4.1: What are the key barriers and drivers in improving design of social enterprises?
  - Q4.2: To effectively and systematically support design of social enterprises, what should be developed or encouraged?
  - Q4.3: Are there any specific considerations to support design of social enterprises?
-

## **APPENDIX F: Questions for in-depth interviews with experts in the design and social enterprise sector**

Questions for certain stakeholders who involved in DSPs or DSPs

Questions for stakeholders who have not involved any DSPs or DSPs

## Questions for certain stakeholders who involved in DSPs or DSPs

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### General information

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Please briefly give information about your organisation and your role in the organisation

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### Part one. The role of organisation

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Q1: In general, what kind of role does your organisation play?

Q2: What relations does your organisation have with the social enterprise sector?

Q2-1: How does your organisation work specifically for social enterprises?

Q2-2: What is the biggest challenge to play your organisation's role for social enterprises?

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### Part two. About design support programme for social enterprises

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Q3: What exactly does the programme aim for?

Q3-1: What is the programme's main motive for deciding to provide design support specifically for social enterprises?

Q3-2: What type of design support does the programme provide for social enterprises?

Q4: What was the biggest challenge in running the programme?

Q4-1: How does the programme differ from other design support programmes in terms of incubating and/or accelerating social enterprises?

Q4-2: What benefits do social enterprises take from the programme?

Q4-3: How were the reviews or evaluations about the programme by social enterprises?

Q4-4: Are there any impacts that your organisation got from the programme?

Q4-5: How can this kind of design support programme be helpful in balancing financial sustainability with the social purpose of social enterprises?

Q5: How do you view the overall state of understanding of design by social enterprises (compared to SMEs)?

Q5-1: What is the biggest difference in design support for social enterprises and SMEs?

Q5-2: Are there any different needs of design support between SMEs and social enterprises?

Q6: Has your organisation considered the programme as a series of design support programmes for social enterprises?

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### **Part three. Design support and social enterprise ecosystem development**

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Q7: How would you describe the current social enterprise ecosystem?

Q7-1: From a key stakeholder perspective, what is the main function of social enterprise ecosystem?

Q7-2: What do you think is the necessary to develop the social enterprise ecosystem?

Q7-3: What do you think is the impact of design support programme in terms of social enterprise ecosystem development?

Q8: How do you view the national or local design support scheme for social enterprise sector development?

Q8-1: In order to provide appropriate and effective design support scheme for social enterprises, have you ever considered to have more partnership or collaboration with other social enterprise support organisations and design agencies in other regions?

Q8-2: Does the programme scheme have any relations with national or local social enterprise strategies and action plans?

Q9: What do you think are the most important factors to be considered in creating a design innovation ecosystem for the social enterprise sector development?

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## Questions for stakeholders who have not involved any DSPs or DSPs

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### Part one. Current design understanding and utilisation of social enterprises

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Q1: How do you view current design understanding and utilisation of social enterprises?

Q1-1: In your opinion, what is the biggest issues in the current design of social enterprises?

Q1-2: In your opinion, what is the biggest challenge that social enterprise face when they use design?

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### Part two. Current design support (from the organisation)

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Q2: In your opinion, what is the main reason for not providing design support for social enterprises?

Q2-1: Have you experienced any design support request by social enterprises?

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### Part three. Current design support (from support system of the country)

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Q3: Do you know anything about design support provided to social enterprises through other support bodies?

Q3-1: How do you view the current national or local social enterprise support scheme in terms of supporting the design of social enterprises?

Q3-2: In your opinion what are the most important factors that should be considered in improving design support system for social enterprises?

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### Part four. Future design support

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Q4: What type of design support do you consider providing to social enterprises?

Q4-1: how do you plan to provide design support, by the organisation itself or by the partnership with design institute (including design centre, agencies, experts and universities)?

Q4-2: If there is a framework to assist support bodies to develop design support programme or scheme, what kind of things should be considered for building the framework?

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## **APPENDIX G: Results of in-depth interviews with experts in the design and social enterprise sectors**

Thematic analysis of data collected from design and social enterprise experts

Thematic analysis of data collected from social enterprises

## Thematic analysis of data collected from design and social enterprise experts

### Issues on the current design of social enterprises

		Preliminary coding		Final codes
		Design support organisers	Design support providers	
UK	Business competence		Lack of financial resource	<b>Lack of business competence of social enterprises</b>
			A tendency that SEs not urgent in launching new products/service	
			Lack of time, idea, skills and tools	
	Lack of design understanding and utilisation		Lack of understanding of branding	<b>Lack of design understanding</b>
South Korea	Lack of market competitiveness		Lack of market or user research	<b>Lack of understanding of market and end-users (customers)</b>
			Being attractive to potential customers	
	Lack of financial resource		Cannot afford to invest in new product research and development	<b>Lack of business competence of social enterprises</b>
	Lack of business competence		Lack of design development cost	
	Lack of design competence		Lack of awareness that design belongs to high-value-added research and development	
	Lack of consideration on the design influence		Limited understanding of design	<b>Lack of design understanding</b>
	Lack of understanding about design utilisation		Lack of design experience and marketing awareness	
		A narrow perspective of design		
Design is later order		The importance of design is not prominent		
		Lack of awareness toward the importance of branding		
		Passive attitude toward design use		
		Lack of design competence		

## Considerations for improving the design of social enterprises

		Preliminary coding		Final codes	
		Design support organisers	Design support providers		
UK	Design should help the business growth and sustainability of SEs	N/A		Role of design in terms of business growth of SEs	
	Design should help SEs' become more enterprising and develop income streams				
	Design can be used for examining what SEs do and how they can do better				
	Increase the understanding of design methodology and tools			Active support and involvement of design support bodies	Role of intermediary organisations
	SEs are not articulating the design value			The understanding of design differs between people in SEs	Improving the understanding of design
Design is still not familiar to SEs	Design is later thing				
Different understanding of design between SEs			Improving business competence		
South Korea	N/A	Securing financial resource			
	N/A	To be able to see the customers' point of view		Role of design in terms of improving the business competence (including the understanding of market and/or customers)	
		To reach customers more attractively			
		Increase marketability			
		Education for developing products/services that can lead the sales value of SEs			
		Employ in-house designers to obtain brand competitiveness			
		Make long-term strategy that can look the flow of the whole ecosystem			
		Micro-sized of business			
	Design should reflect the identify of social enterprises	Design should be used to develop products/services that solve social missions		Role of design in terms of considering characteristics of SEs	
		Design should be used to develop products/services by reflecting SEs' value			
Designers should often communicate with SEs about their missions					
Design should include SEs' value and philosophy	Design competitiveness should be internalised in the SEs				
	Minimise design development cost by reducing the designing process				
Increase the understanding of SEs (general public and design sector)	N/A		Improving the understanding of social enterprises		

## Challenges in providing design support to social enterprises

Preliminary coding		Final codes
Design support organisers	Design support providers	
Although SEs understand design, the application of it is matter	How to design DSPs – identify challenges SEs face and what they expect from the support	<b>Lack of design utilisation due to insufficient understanding (matter at intermediaries)</b>
Intermediary organisations are fairly elementary for design	SE support bodies see design as competitive threat that they don't know	
How intermediaries can use the expertise of design field to influence business planning of SEs	Most support agencies are very conventional	
Convincing people that design would be helpful		
Lack of design support bodies where directly connected to SEs	To understand what SEs are	<b>Lack of awareness of SEs among design support bodies (lack of interaction between design and SE support bodies)</b>
	Lack of design awareness among SEs and SE support bodies	
Getting people to commit to come along and stick with the support programmes	Time and commitment for support programmes Lack of time and human resource for the programmes	<b>Business competence of SEs</b>
Most social enterprises are not well-organised	Social enterprises are generally not organised properly	<b>Business competence of SEs</b>
Micro-sized of business	Micro-sized of business	
Lack of market understanding		
N/A	Lack of design understanding Lack of understanding about DSPs Lack of in-house designers	<b>Lack of design understanding and competence of SEs</b>
Lack of competence for supporting various aspect (small-sized of SE support bodies)	Limitation in securing collaborative agencies for design support	<b>Challenges in developing design support</b>
Difficulties in collecting information and material for providing support		
Difficulties in securing design support providers		
Lack of design understanding and education		
Conflicts on design improvements between SEs and design experts	Lack of the awareness of SE among designers Designers often get lost in balancing social and economic value creation	<b>Challenges in delivering design support</b>
Limited capability of the students for design development/ improvement	Differences in competency between design consultants	

## Considerations for improving current design support for social enterprises

Preliminary coding		Final codes
Design support organisers	Design support providers	
Work with other organisations to find out a growth strategy	Make a link between different approaches and people can work together	<b>Collaboration (Interaction between SE and design sectors)</b>
Connect people who provide training or have expertise in design to SE sector		
Ask design expert groups to set specific programmes for SEs	How to help intermediaries to find fund for delivering design support	
Explore opportunities to build partnership with other organisations where can introduce design		
Have continuing dialogue with people who provide design support to see further improvements and opportunities	How to build working partnership	
Develop infrastructure with other organisations interested in pursuing design		
Develop a consortium	How to get agencies aware of the benefit of design and accept they could offer support	
Let people allow to use the resource of the different programmes		
Share the framework widely through SE networks		
Provide good practices demonstrating how design has helped SEs		
How to build community where people can share idea and learn from each other		
Share expertise and try to find a solution together		Let intermediaries understand that they can form and test of new idea to help SEs with different scheme
Allow typical business support agencies and networks to use design approaches		
Deliver clear understanding or the value of design and benefits of design for developing business of SEs	Acceptance of benefits from design	
Develop intermediaries' abilities to have the resource for design support		
Let intermediaries understand how they can act as catalyst and facilitator for training and different input for SEs	Audit design support by the participants	<b>Role of social enterprises</b>
Find ways that can introduce or integrate design into SE support bodies' programmes		
Explain to SEs and others how design could effectively work for them	Access to further training and follow up support	<b>Design support content</b>
Understand and share the benefits of design utilisation		
N/A		
Focus more on business support aspect; how to make sustainability of SEs		

UK

	Focus more on 'enterprising' element Training and funding for design		
	Design is fairly new at SE sector; mindset and training need	Design support can offer new connection and cooperation	
	Practical support rather than theoretical	Design support should be more about giving people an attitude and perspective	
	Design support should not be fragmented	Design support should be developed from a service design point of view	<b>Structure of design support</b>
	DSPs should influence other support bodies	Design support should be linked to the other support for practical application	
	How to build partnership between SE and design support bodies		
	How to integrate design thinking approach on the support system/programme	Design support should be long- term	<b>Expanding roles of intermediary organisations related to design support</b>
	Sharing design support experience and data between stakeholders	Improve mindset for the needs of design thinking	
	Follow-up support for applying design improvements	Flexible adoption mode at employing in-house designers	
	Securing financial support for design support	Make an agreement on the design support results	
	Build a relationship with institutions where have a rich design infrastructure	Encouraging more involvement of design practitioners	
	Lack of case studies of design support practices	Different types of design education; (1) general, (2) importance of design thinking	
	Share information related to design support practices with others	Design support according to SEs' business stages	
	Increase intermediaries' recognition; they should have competence of design	Create design market for SEs	
	Increase awareness of governmental design support initiatives among SE support bodies	Educate SEs to communicate with designers	
	Improve accessibility toward design practitioners for SEs	Demonstrate actual value of using design principle in shaping new service or business model of SEs	
	Design should be used for securing market competitiveness of SEs	Design should be used to develop business model of SEs Design for business growth	<b>Expanding roles of design</b>
	Design should influence the internal culture and operational structure of SEs	Consider how design can help SEs' growth externally and internally	
	Design should be used for visualisation of SEs' value	Branding should reflect the value of SEs Design for enhancing economic value of SEs	
	Design should help the improvement of product/service of SEs according to customer needs or market trend	How SEs' can use design consistently	

South Korea

## Thematic analysis of data collected from social enterprises

### The state of design utilisation of social enterprises

	Preliminary Coding	Final Codes
UK	Design for story explanation of the company (or brand)	Design strategy
	Promote new products	
	Attracts supporters to buy products	
	Promote company by posting on social media	
	Marketing/Branding/PR	
	Build business platform	
	Build business model and for business operation (by using design thinking approach)	
	Design thinking tools for new idea development	
	Positioning in marketplace	
	Develop business planning	Designing
	Aesthetic feel of brand	
	Design for visualisation of company	
	Design for brand identity (e.g., logo and colours)	
	Design in terms of physical appearance and the way of work that people know what SEs are doing	
	Develop website to interact and communicate with customers	
	Graphic and visual design in terms of communication to customers	
	Designing new products	
	Product design	
For brand (e.g., logo, website, photography and packaging)	Designing process	
Interaction with customers, develop user-experience and experience		
Engaging with customers		
Research on competitive design, ask people what kind of design they like	Designing process	
New product/service development (N=4)		
Existing product/service improvement (N=2)		
Market/user research (N=2)		
Service design (N=2)		
UX design (N=2)		
Design thinking approach (including co-design) (N=2)		
Prototyping & model development (N=1)		
Design for product styling (N=5)		Designing
Graphic design (including visual identity and packaging) (N=4)		
Online platform development (N=2)	Design strategy	
Marketing/branding/PR (N=2)		
New business area & model development (N=2)		
All aspect of business (N=2)		
Business strategy development (N=1)		

## Challenges in using design of social enterprises

	Preliminary Coding	Final Codes
UK	Some social enterprises recognise that design is very important and is essential, but they are not investing enough time for it due to the lack of time and resources	<b>Limited time and resources for design utilisation</b>
	Social enterprises may spend less than 2% of their profits for design	
	Some social enterprises have no plan to have design support (or contract) because they often cannot effort for it and have limited budget	
	Financial resource limitation: some opportunities were there to get financial support for the company, but the amount of the budget is not big enough	
	If they have more money, they will spend it for contacting external designers, but it is very expensive	
	Identify the correct freelancers/agency that understand social enterprises and target audience	<b>Find appropriate design experts for SEs</b>
	find appropriate designers who have rich understanding of design and the characteristic of company	
	To find appropriate way to apply design in communication with customers	
	Design is quite personalised one, it depends on what experience and knowledge we have	
	miss-matched between artistic work from the employees (i.e., students) and social enterprises need which much more commercial	
	Lack of design experience	<b>Lack of design experience</b>
	To make sure whether they use branding in correct way	
	Understand different users	
	Design is too trendy, so it is often out of touch to their target audience	
	Maintain design works	
Keep tone and voice of design	<b>Difficulties in communication between design practitioners and SEs</b>	
Designers bring different views to the process of design, even if with the same brief, you see what designers return to you. It is very different		
Being clear with designers (what they want, what they want to deliver their customer)		
How to communicate with designers in terms of delivering what they want to do	<b>Lack of design understanding and competence</b>	
Because of the lack of design understanding (knowledge & experience) they couldn't use design in strategic way		
Limited perception on design that is limited skills and resources		
Find a clear basis for hiring in-house designers (Understand the limitation of the designers' job)		
Design is quite new area for them, so it is quite difficult to access and understand		
Lack of design understanding and skills		
Design application (e.g., applying improved design into products/services)		
Lack of design knowledge and competence		
Limited design competence		
Design expense (N=4)	<b>Expense for design</b>	
Difficulty to access institute where encourage the use of design and provide design support for social enterprises	<b>Limited design support</b>	
Limited design support for social enterprises		
Difficulties in communication between designers and non-designers	<b>Communication issue</b>	

## Issues in current design support from social enterprises' perspectives

	Preliminary Coding	Final Codes
South Korea	Limited time and financial resource	<b>Limitations of the support</b>
	Limited funding support for design application and improvements	
	Limited time of DSP	
	Limited support content	
	Lack of understanding what support we should provide to designers when we ask them to conduct design work	<b>Lack of design understanding and experience</b>
	Limited understanding of designer's job (i.e., what they can do exactly for the company)	
	Difficulty in communicating designers due to the lack of design knowledge	
	Find appropriate designer who match with our business	<b>Find appropriate design practitioners</b>
	Different concept of design between the programme and designers	<b>Different design understanding between DSP organiser and provider</b>

## Key barriers of the current design support for social enterprises

	Preliminary Coding	Final Codes
UK	There is some design support for social enterprises but lack of design support in the UK in general	<b>Lack of (or limited) design support for SEs</b>
	Lack support for design in general	
	There are some classes for learning design stuff, but it is not specifically for social enterprises and it often run as short class (i.e., one-day class which spend 2-3 hours)	
	Limited time for working with design agency or practitioner	
	There is a small grant that social enterprise can access in terms of developing design and brand (start-up funding from UnLtd)	
	There are three big support bodies in the UK (e.g., UnLtd, SEUK, SEE) but they're not really focus on design. Funding from them is quite flexible to being used	
	Lack of design support for social enterprises (i.e., rarely see and difficult to access)	
	Lack of funding for design, including prototyping (it is hard to expect and meet consumers demand)	<b>Lack (or limited) funding for design</b>
	The main thing is the funding for design, which is unlocked, challenge for social enterprises to jump to next stage of business	
	Lack of government funding for design improvement	
	Most funding limited by projects	
	Difficult to access (lack of information)	<b>Lack of information</b>
	Intermediary (i.e., SEUK) has online-forum with other SEs to introduce their members what they can do to help SEs. The help mostly about human resource, legal issues, etc. So, if the forum talk about design, would be useful (due to lack of information)	
	Lack of objective information	
	They ever think about design, I would guess that they don't come from the environment where have to deal with design and brand	<b>Lack of design understanding</b>
	People who came from the third sector haven't had think about design and brand	
	Lack of understanding what a social enterprise is; still confusion between charity and social enterprise	
	It's not easy to find agencies or freelancers who really understand the goal and the vision of a social enterprise	<b>Barriers for SEs</b>
Social enterprises often put their story first and people (customer) late		
Intermediary organisations they may not have recourse, knowledge and capacity for design and brand	<b>Lack of competence of intermediaries</b>	
UK has good structure and initiatives for supporting social enterprises but when it goes through practical aspect, it is not work properly – out of touch	<b>Issues of infrastructure</b>	

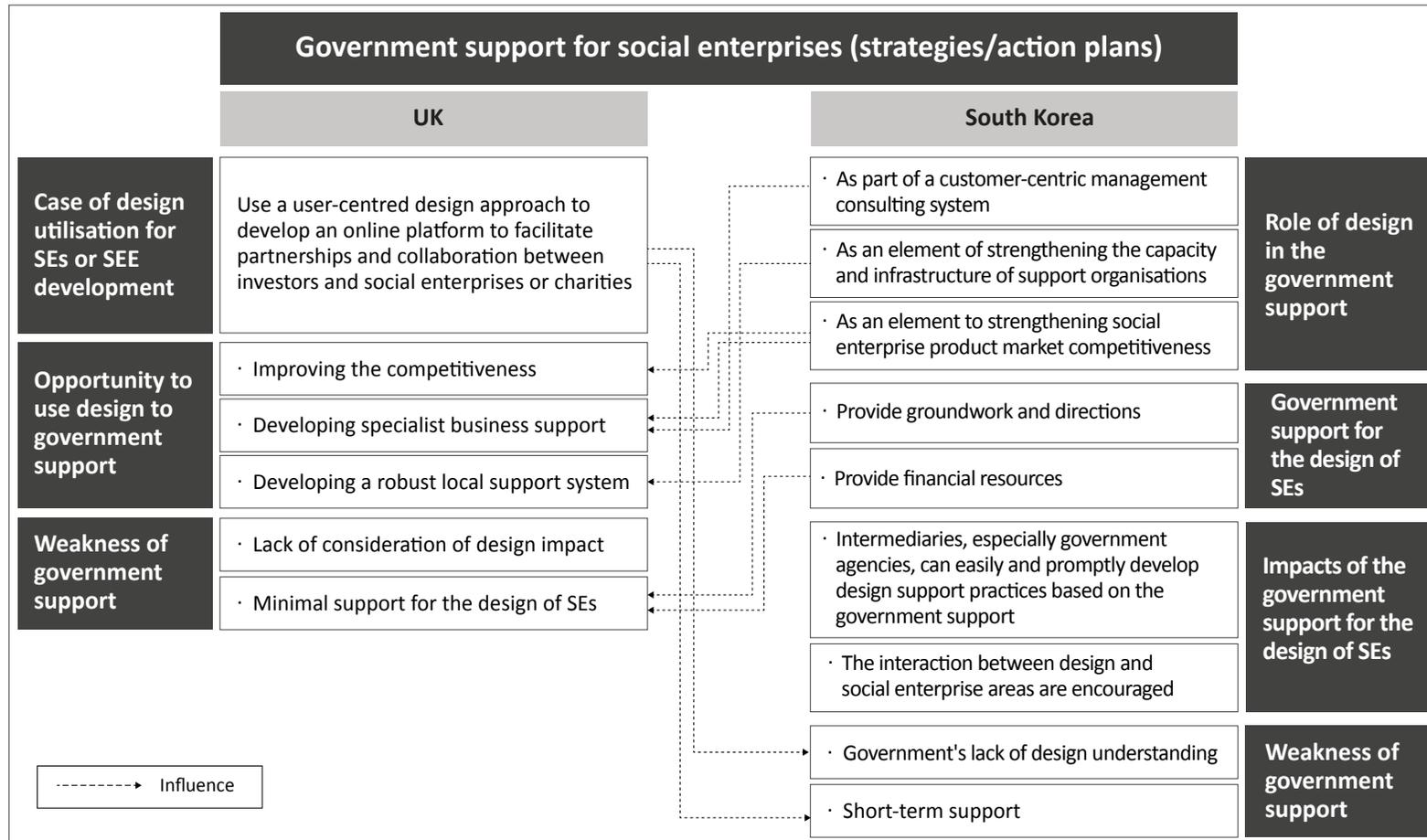
<b>South Korea</b>	Lack of consideration of the business stage of social enterprises, when intermediary organisations provide design support	<b>Lack of consideration of the business stage of SEs</b>
	Big differences between learning design from class and utilisation in the field (so, practical support is needed that can be applied and influence actual situation of business)	
	Some design support do not link to the business development of social enterprises; most social enterprises face difficulty in strengthening their business competence	
	Lack of consideration of design support according to the type of business and stage of the business	
	Lack of follow-up support (N=3)	<b>Lack of follow-up support</b>
	Lack of support for design improvement/application	
	Lack of funding support for design application	<b>Limited support time and funding</b>
	Lack of support for design improvement application	
	Limited period of the support	
	Limited time and financial resource	
	Fragmentary, which do not have linkage	<b>Lack of interrelation between support content</b>
	Fragmented; limited support content (design cannot be single element that influence business)	
	Lack of various type of design support	
	Difficult to access design practitioners	<b>Lack of accessibility about design</b>
	Limited information about design support	
	Limited opportunity to participate in design support	
	Lack of design understanding in general	<b>Issues related to the design for social enterprises</b>
	Lack of design education for social enterprises	
Lack of competence of design in intermediary organisations (i.e., they don't have enough resources)	<b>Issues related to intermediary organisations</b>	
Limited involvement of intermediary organisations (in terms of managing and supervising the design support)		

## Key considerations for developing the current design support for social enterprises

	Preliminary Coding	Final Codes
UK	Highlighting the importance of design, how design can help and the benefits of having brand	<b>Highlight the impact and benefits of design (i.e., education)</b>
	Present how design can help social enterprises to achieve their mission	
	SEs normally do not have enough budget so they cannot look for some investment for their business. So, it might be important that design experts let them understand how design is useful for their business growth	
	Basic classes on design, such as how to use design tools (e.g., Abode programmes) and providing resources on website development and advising how to manage the material for social media	
	Make social enterprises think different like how design link to the growth of the company, education to be done with those support bodies to see why design is important	
	Simply and clearly deliver why SEs need to use design	
	Let social enterprises know where they need to start to use design	
	Guide SEs about the price for design and what design can help for SE	
	Different design support according to the level of organisation (i.e., Business stages)	<b>Different design support according to the business stages of social enterprises</b>
	Design thinking education for start-up social enterprises	
	Design support for early stage of social enterprises	
	Financial support should be considered for early stage of social enterprises	
	Design should be tailored for the business of the social enterprises	
	Design support according to the business stage of social enterprises	
	Design should help to build business model	<b>Ease to access and use for design (e.g., increase the openness and accessibility toward design)</b>
	Design cost should be reasonable	
	Developing online database (about design agencies who willing to work with social enterprises, including Pro Bono and how to use design) for social enterprises	
	It is important to think of how to match design agencies or practitioners with social enterprises	
	How to share and inform the information that helps to develop business strategy of social enterprises (accessibility)	
	Develop a portal for designers and freelancers that are specifically interested in helping social enterprises and are highly specialised	
Easy to access and use the design and support for it	<b>Improve the understanding of the characteristics of SE</b>	
Social enterprises might want to highlight more their impact/mission		
Supporting to increase social impact and competing with normal businesses		
Some specific support may be considered in terms of what social enterprises exactly need		
How designers can communicate the mission of social enterprises to the target market (i.e., understanding of social enterprises and its missions)	<b>Partnerships</b>	
Partnerships with universities and social enterprises (at the local level)		
South Korea	Demonstrate how design can help to secure sustainability of social enterprises	<b>Improve the understanding of design (e.g., highlight design impact and benefits for SEs)</b>
	Improve the design understanding among social enterprises and intermediary organisations	
	Improve design education strategically (i.e., understand comprehensive design impact and roles in business)	
	Improve design awareness among social enterprise and intermediary organisations	
	Secure and enhance the usefulness of design improvements which developed by participating DSPs	

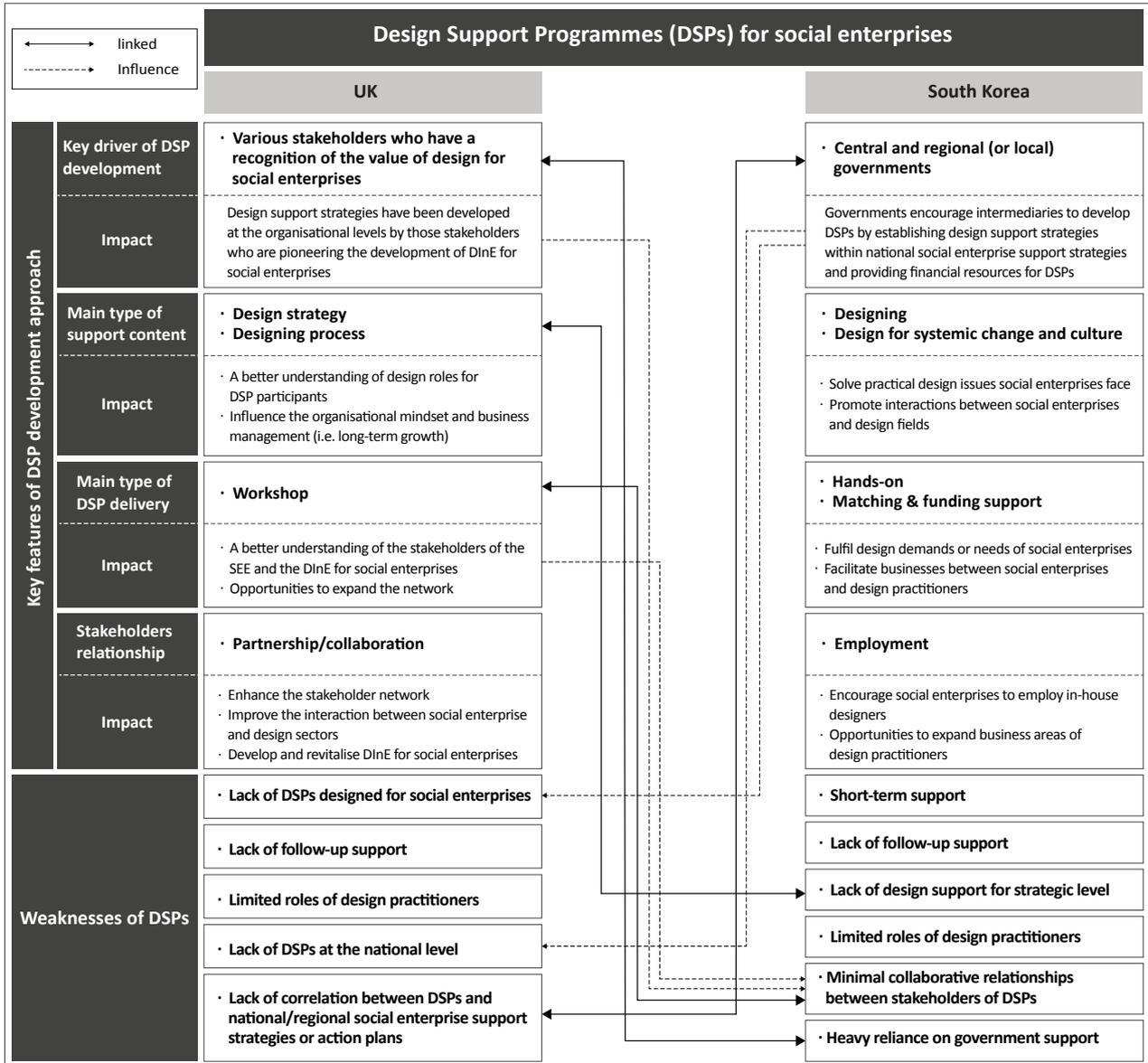
Providing design education	
Practical and validated promotion that present what value design can create	
Increasing design understanding among social enterprises, especially intermediary organisations	
Changing the think toward on design; let social enterprises understand various area they can apply design	
Should improve the understanding of business stage (for design utilisation)	
Design support that can be used to address the internal issues of social enterprises	
How design can be used to reflect social mission of social enterprises into product or service	
Using design to communicate with customers	
Consider design support content according to the business size and stage of social enterprises	<b>Provide design support for business of SEs</b>
Design support should be provided to social enterprises where generate their most profit from market rather than commitment with central or local governments (Segmenting business model of social enterprises among B to G or B to B or B to C)	
Improving general quality of products/services of social enterprises; improving they impact of design among social enterprises and intermediary organisations	
Social enterprises should have a bit aggressive attitude to secure profit avenue (from the market)	
funding for design application and utilisation (N=2)	
Providing design consulting programme that can support design strategy development	
Design support should be linked	<b>Improve design support content</b>
Step-by-Step support is needed	
Practical support to understand and use design thinking	
Secure cost-effectiveness of design support (if social enterprises need to pay)	
Follow-up support for design application using improvements which developed by the support that SEs participated (N=3)	<b>Follow-up support</b>
Easy to access design practitioners (experts)	<b>Enhance accessibility and openness of design (and its support)</b>
Improve the network for design support and utilisation	
Secure openness of information about design support	
Considering different competence and experience of design between social enterprises	<b>Expanding role of intermediaries</b>
Critically supervising and managing the support	
Improve the overall structure of supporting social enterprises in design (N=2)	<b>Improve design support system</b>
Improve the understanding of consumer (to consider how the consumer see social enterprises)	<b>Expanding role of design for social enterprises</b>

## APPENDIX H: Summary of the findings from government support in the UK and South Korea

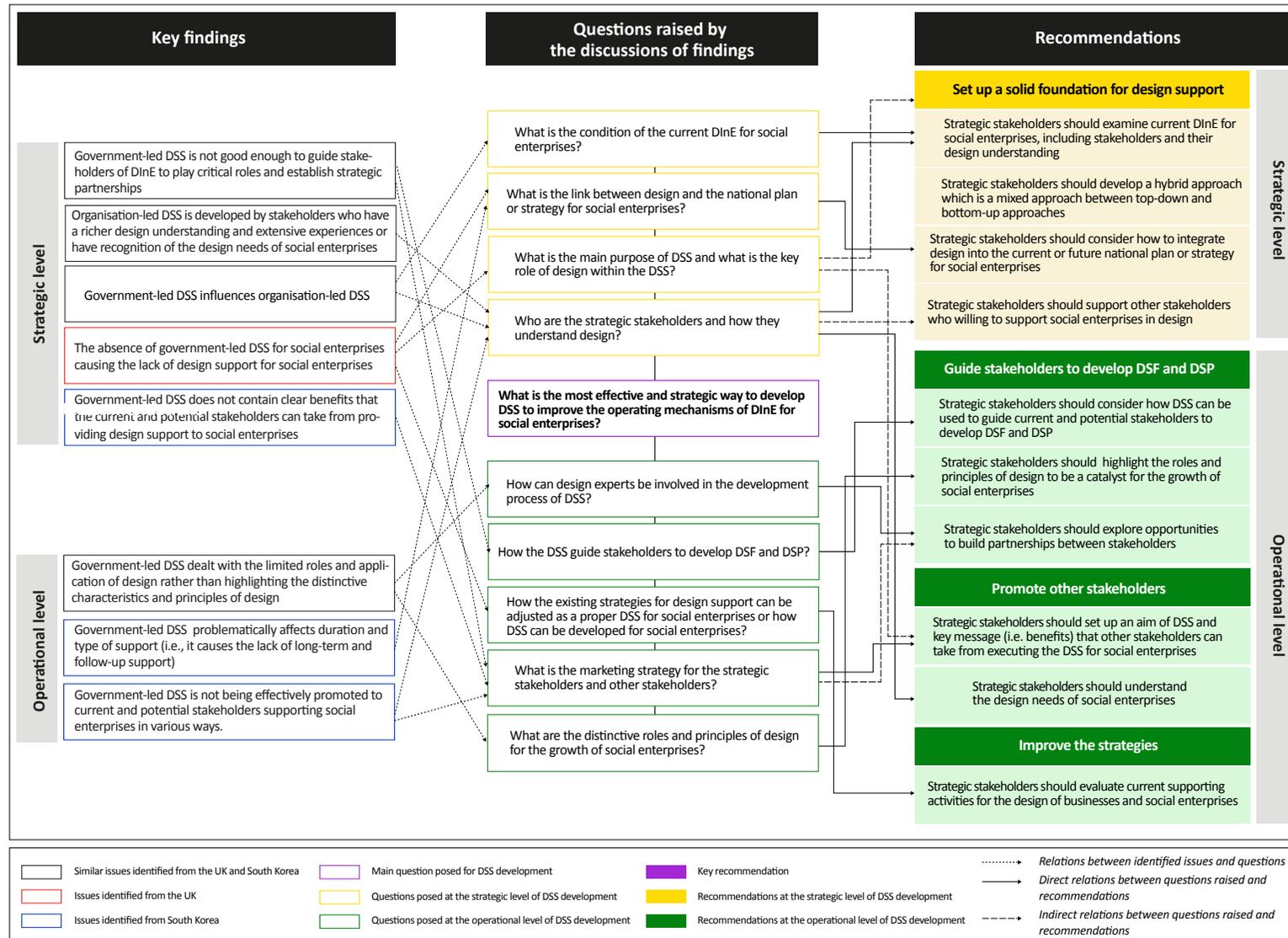


- Government support influences the development of design support at the strategic level.
- Design can be included within the government strategy or an action plan for supporting social enterprises
- Government can play as a facilitator and/or funder to develop design support for social enterprises.
- Government can encourage the interaction between design and social enterprise sectors, in terms of improving the social enterprise ecosystem
- According to the design understanding of government, the design support contents vary

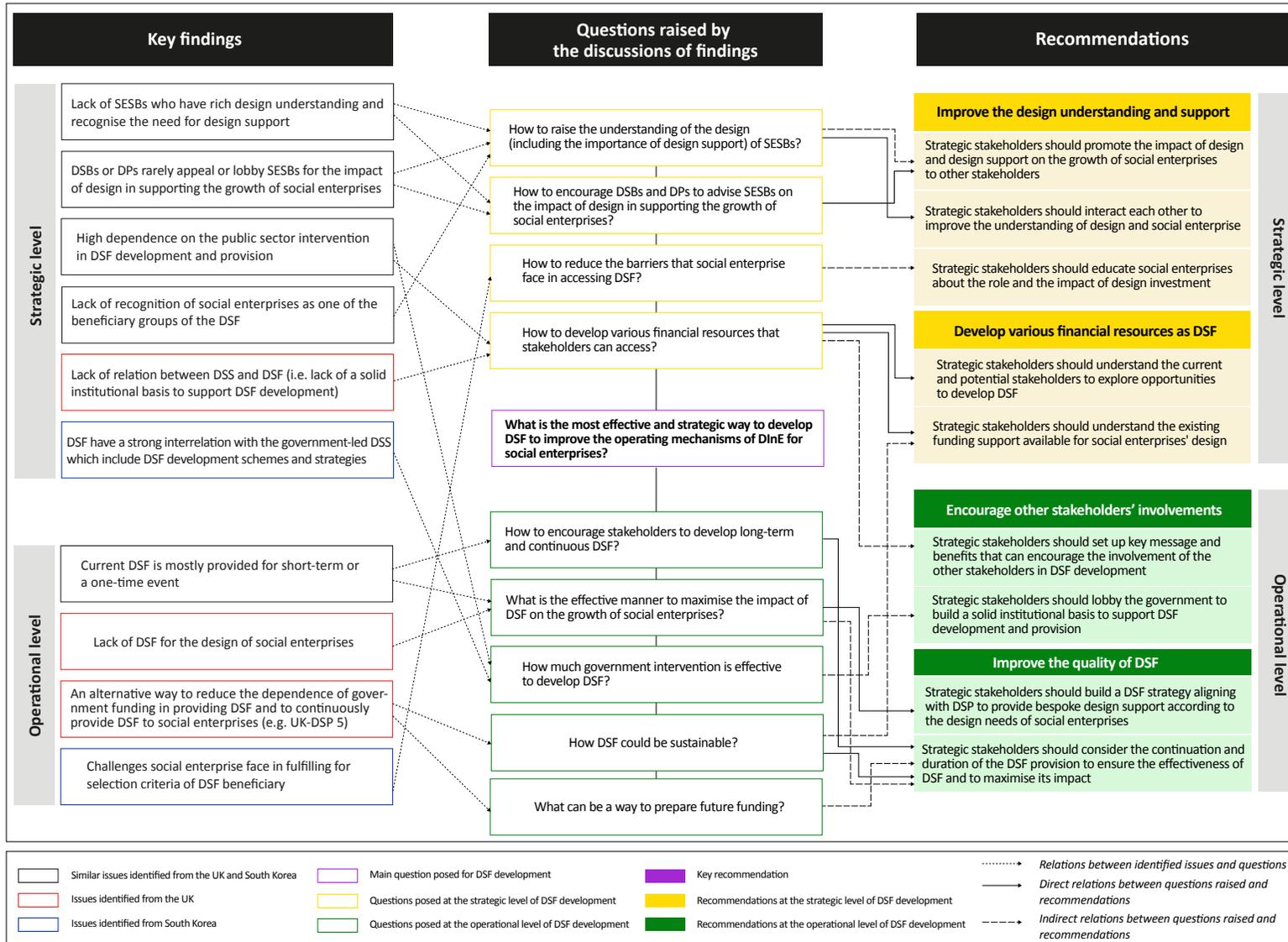
# APPENDIX I: Links between the key features of approaches to DSP development in the UK and South Korea and weaknesses of each country's DSPs



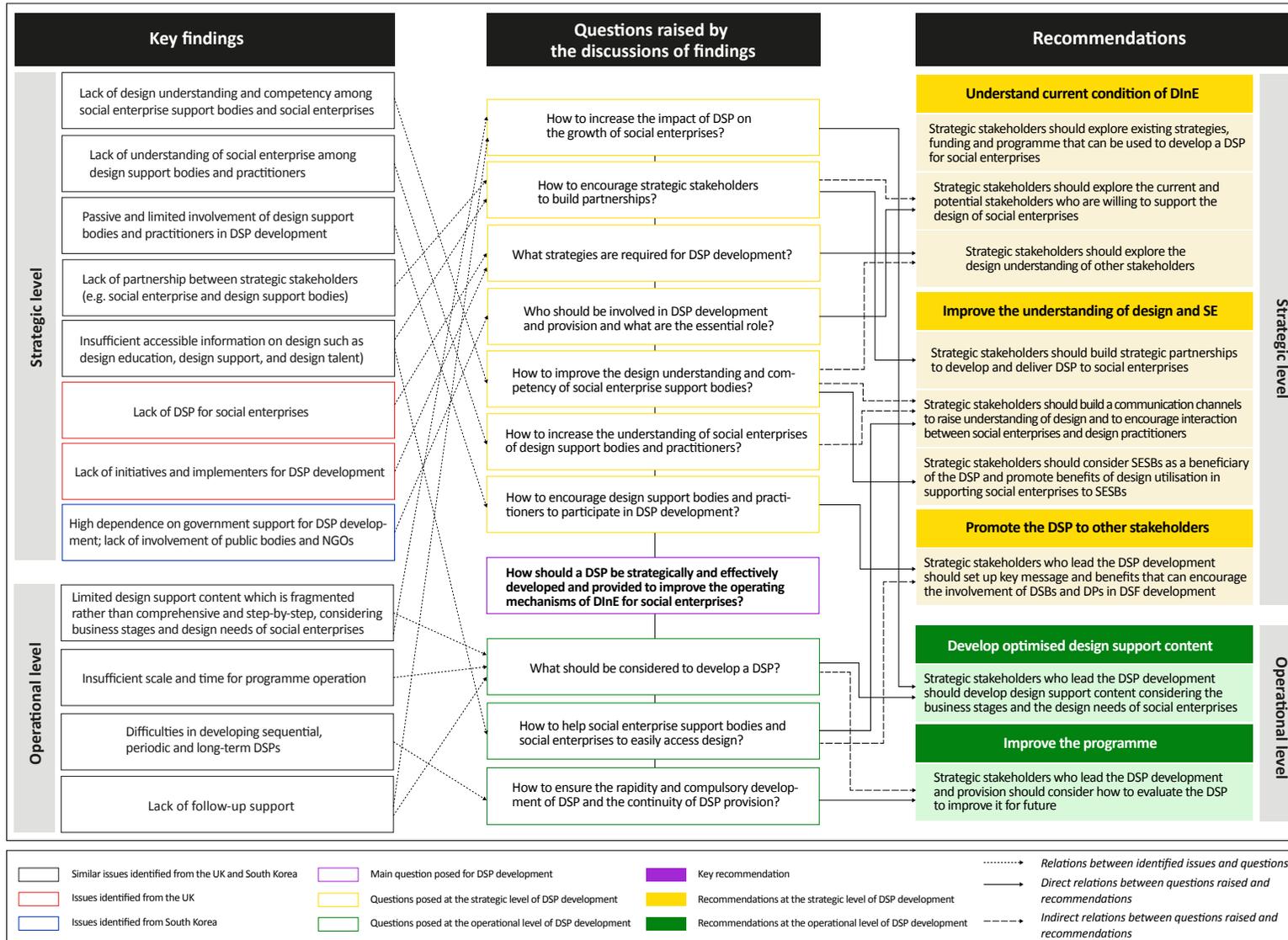
## APPENDIX J: Links between the discussion of the key findings and recommendations for DSS development



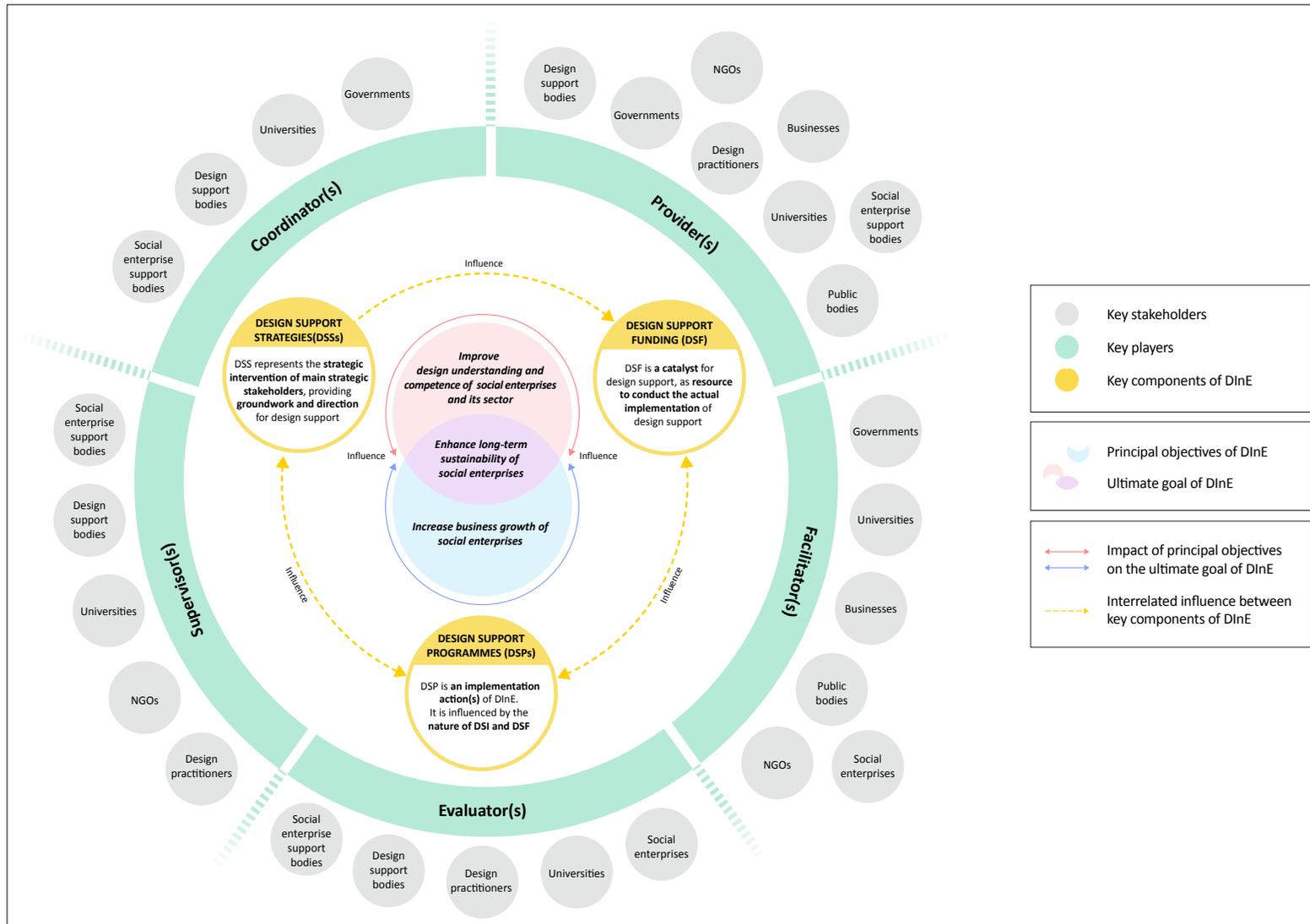
## APPENDIX K: Links between the discussion of the key findings and recommendations for DSF development



# APPENDIX L: Links between the discussion of the key findings and recommendations for DSP development



## APPENDIX M: Overview of the DInE development framework (version 1.0)



## APPENDIX N: DiNE development framework evaluation canvas

<p><b>1 Key roles</b></p> <p>How will you develop your role in supporting the design of social enterprises? You can think of the following questions:</p> <ul style="list-style-type: none"> <li>• What roles are you playing in supporting social enterprises?</li> <li>• Are you in a role related to design support?</li> <li>• Are there any opportunities to provide design support to social enterprises?</li> <li>• What roles can you play among the five essential roles of stakeholders suggested through the framework?</li> </ul>	<p><b>3 Design Support Strategy (DSS)</b></p> <p>How will you develop a DSS for social enterprises? You can think of the following questions:</p> <ul style="list-style-type: none"> <li>• Are there current government-led strategies aim to support the growth of social enterprises?</li> <li>• What is the current strategy at the organisational level to support social enterprises?</li> <li>• Is there any support related to the design of social enterprises within the government or organisational-led strategies?</li> <li>• Are there any opportunities to develop design support strategy for social enterprises?</li> </ul>	<p><b>4 Design Support Funding (DSF)</b></p> <p>How will you develop a DSF for social enterprises? You can think of the following questions:</p> <ul style="list-style-type: none"> <li>• What funding resource do you use for supporting social enterprises?</li> <li>• Are there any opportunities to expand funding scheme for social enterprises?</li> <li>• Are there any funding resources that can be used to support the design of social enterprises?</li> </ul>
<p><b>2 Key partners &amp; relationships</b></p> <p>How will you develop a strategic partnership with design/social enterprise support bodies? You can think of the following questions:</p> <ul style="list-style-type: none"> <li>• Who are current key partners?</li> <li>• Do you have any collaborative relationships with the social enterprise or design support bodies (including design universities)?</li> <li>• Are there any opportunities to develop a relationship with the social enterprise or design support bodies (including design universities)?</li> <li>• Are there any channels to explore a new relationship with the social enterprise or design support bodies (including design universities)?</li> </ul>	<p><b>5 Design Support Programme (DSP)</b></p> <p>How will you develop a DSP for social enterprises? You can think of the following questions:</p> <ul style="list-style-type: none"> <li>• Are there any support programme(s) you provide to social enterprises?</li> <li>• Considering government or organisation-led design support strategies, what design support programmes can be structured?</li> <li>• What design support do social enterprises need to grow their business?</li> </ul>	<p><b>6 DiNE Development</b></p> <p>How will you validate the systematisation of DiNE for social enterprises? You can think of the following questions:</p> <ul style="list-style-type: none"> <li>• Can you see the connectivity between DSS, DSF and DSP?</li> </ul>

## APPENDIX O: Questionnaire for evaluation workshops with experts in the design and social enterprise sectors

The purpose of the workshop is **to evaluate the Design-Innovation Ecosystem (DInE) Development Framework and its proposed implementation process**, which was developed through the research. The research aims to develop a strategic framework for a DInE development for social enterprises to enhance their competitiveness and economic sustainability. In this study, **DInE pertains to a theoretical construct that describes the environment that activates and supports the design of social enterprises** to strengthen the role and influence of design in relation to social enterprise growth. A DInE is a combination of internal and external contributors, including key stakeholders, relationships and implementations in design support for social enterprises. The **purpose of the DInE Development Framework is to lead step-by-step changes to develop systematic and effective DInE** that enables to activate and strengthen the design support of social enterprises and maximise the impact of design support for the growth of social enterprises. It is designed to be used as a guide to understand and further improve the stakeholders' roles and relationships to develop effective and strategic design support for social enterprises, including design support development strategy, structure and process.

(N.B. The questions are designed to evaluate the DInE Development Framework by identifying its Acceptability, Potential Usefulness, Comprehensiveness, and Ease of use/understanding. If these are not discussed in the following questions, ask these questions directly).

### General information about the participant

- Participant name:
- Organisation, job title and role:
- Experience in the social enterprise/design sector:
- Experience in design support for social enterprises:

### Part 1. DInE Development Framework Overview

Q1. Could you comment on the initial feel of the framework?

Please tick the relevant boxes according to the following scale: 1=VERY POOR; 2=POOR; 3=SUFFICIENT; 4=GOOD; 5=VERY GOOD/EXCELLENT.

**Q2. To what extent can you understand the relations between key components of the framework?**

1	2	3	4	5

**Q3. To what extent do the main content of the framework help you to understand the operating aim and mechanisms of the framework?**

1	2	3	4	5

## Part 2. DInE Development Framework Details\_ Development strategy

**Q4. Do you think that the development strategy of the framework clearly guides the key aim and objectives for solving the important issues that hinder effective and strategic design support for social enterprises?**

--

**Q5. Do you think the DInE development strategy effectively guides you step-by-step through the actions needed to improve DInE?**

--

Please tick the relevant boxes according to the following scale: 1=VERY POOR; 2=POOR; 3=SUFFICIENT; 4=GOOD; 5=VERY GOOD/EXCELLENT.

**Q6. To what extent do the DInE development strategy help you understand the aim and direction of the framework?**

1	2	3	4	5

### Part 3. DInE Development Framework Details\_ DSS Development

---

**Q7. Do you think key stakeholders' essential roles and relationship are appropriately suggested to strategically develop DSS?**

**Q8. Do you think the DSS development structure and process clearly demonstrate how DSS can be developed with a systematic approach?**

**Q9. Do you think the contents for DSS development are easy to understand (as a professional support practitioner for design and social enterprise)?**

**Q10. Is there anything you would add or delete from the suggested contents for DSS development?**

### Part 4. DInE Development Framework Details\_ DSF Development

---

**Q11. Do you think key stakeholders' essential roles and relationship are appropriately suggested to strategically develop DSF?**

**Q12. Do you think the DSF development structure and process clearly demonstrate how DSF can be developed with a systematic approach?**

**Q13. Do you think the contents for DSF development are easy to understand (as a professional support practitioner for design and social enterprise)?**

**Q14. Is there anything you would add or delete from the suggested contents for DSF development?**

#### **Part 5. DIInE Development Framework Details\_ DSP Development**

---

**Q15. Do you think key stakeholders' essential roles and relationship are appropriately suggested to strategically develop DSP?**

**Q16. Do you think the DSP development structure and process clearly demonstrate how DSF can be developed with a systematic approach?**

**Q17. Do you think the indications for the essential design support content guide you to develop effective design support content for social enterprise growth and are easy to understand?**

**Q18. Do you think the contents for DSP development are easy to understand (as a professional support practitioner for design and social enterprise)?**

**Q19. Is there anything you would add or delete from the suggested contents for DSP development?**

## **Part 6. DInE Development Framework Implementations**

---

**Q20. Do you think the DInE development framework is useful to develop systemised and optimised design support for social enterprises?**

**Q20A. If so, how?**

**Q20b. If not, how would you improve the framework to make it more useful in developing systemised and optimised design support for social enterprises?**

**Q21. Do you think the DInE development framework is useful to help current and potential stakeholders who willing to support social enterprise to develop effective and strategic design support?**

**Q21A. If so, how?**

**Q21b. If not, how would you improve the framework to make it more useful in helping the stakeholders to develop effective and strategic design support?**

**Q22. Is the DInE Development Framework practical in a real-world situation? Please share any occasion(s) where the framework might have been useful in your practice.**

## Part 7. Overview of the DInE Development Framework

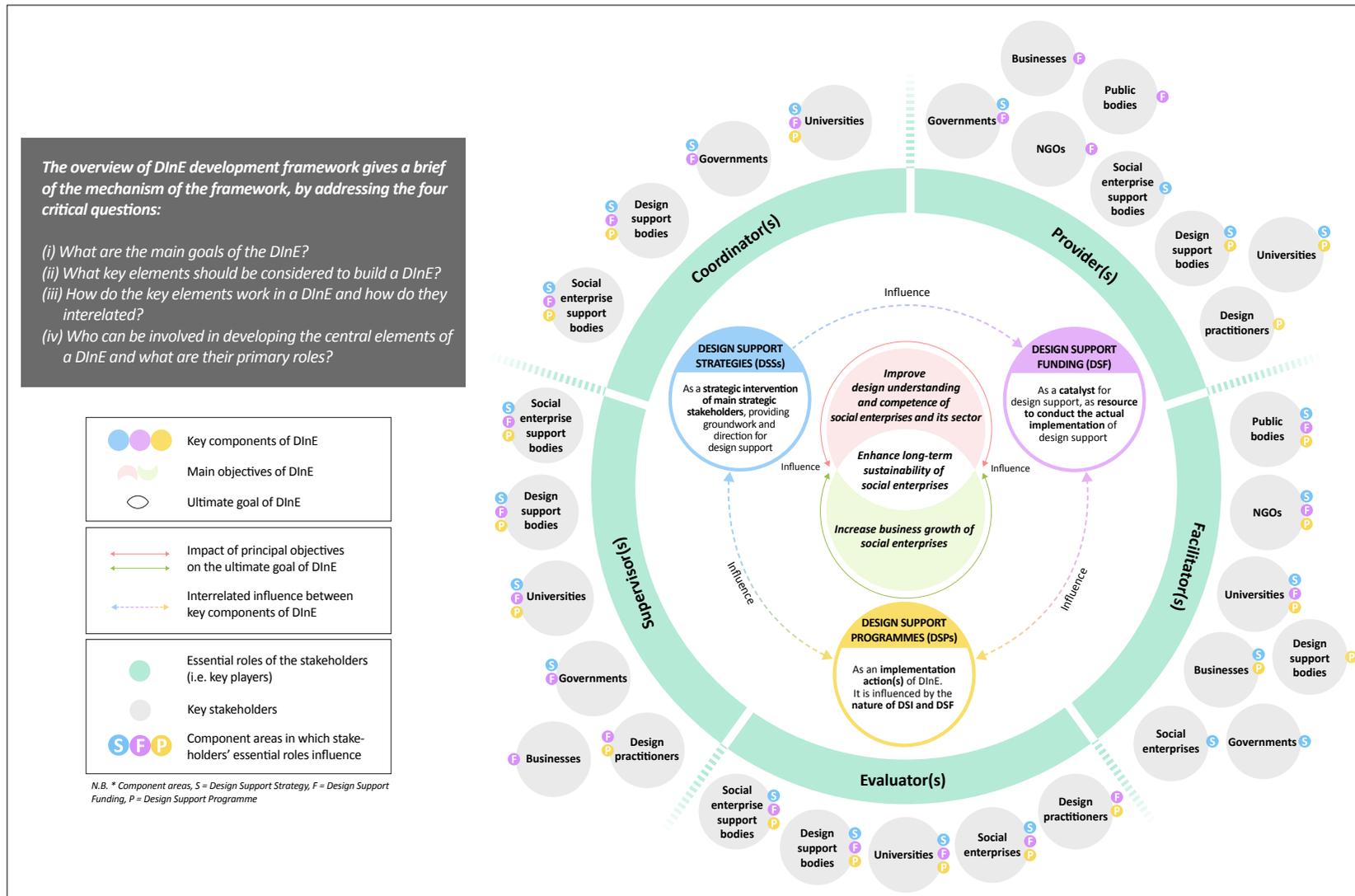
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**Q23. Do you think current and potential stakeholder who willing to support social enterprises would be willing to adopt the DInE development framework to develop design support for social enterprises?**

**Q23A. If so, how?**

**Q23b. If not, what improvements could be made to ensure easier adoption by the stakeholders?**

## APPENDIX P: Overview of the DInE development framework (version 2.0)



## **APPENDIX Q: Questions for evaluation interviews with experts in the design and social enterprise sectors**

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### **General information**

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Please briefly give information about your company and yourself (including name, job title, and role in the company), including experience in design support for social enterprises

---

### **Part One. DInE Development Framework Overview**

---

Q1: Could you comment on the initial feel of the framework?

Q2: Do you agree with the contents and the relationships between the elements of the framework?

---

### **Part Two. DInE Development Framework Details\_ Development strategy**

---

Q3: Do you think the development strategy of the framework comprehensively address the critical issues that hinder effective and strategic design support for social enterprises?

Q4: Is the development strategy agreeable? And is it easy to understand?

Q5. Is there anything you would add or delete from the development strategy?

---

### **Part Three. DInE Development Framework Details**

---

Q6: Do you think the DInE development framework is useful to help current and potential stakeholders (who are willing to support social enterprises) to develop systemised and optimised design support for social enterprises?

Q6.1: If so how?

Q6.2: If not, how would you improve the framework to make it more useful in developing systemised and optimised design support for social enterprises?

Q7. Do you think the audit question is useful for validating that the end-users of the framework have effectively used the framework to develop design support for social enterprises?

Q7.1: If so how?

Q7.2: If not, what more audit questions would you like to add to verify the effectiveness of the framework?

Q8: Is the DInE Development Framework practical in a real-world situation? Please share any occasion(s) where the framework might have been useful in your practice.

---

---

#### **Part Four. DInE Development Framework Details**

---

Q9: Do you think current and potential stakeholder who willing to support social enterprises would be willing to adopt the DInE development framework to develop design support for social enterprises?

Q9.1: If so how?

Q9.2: If not, what improvements could be made to ensure easier adoption by the stakeholders?

Q10. Would you like to introduce the framework to other stakeholders?

---

## APPENDIX R: BREO Acceptance Letter

 College of Engineering, Design and Physical Sciences Research Ethics Committee  
Brunel University London  
Kingston Lane  
Uxbridge  
UB8 3PH  
United Kingdom  
www.brunel.ac.uk

11 July 2017

**LETTER OF APPROVAL**

Applicant: Miss Hyejin Kwon  
Project Title: A strategic design-drive framework to support policy makers to improve social enterprise ecosystem  
Reference: 6495-LR-Jul/2017- 7762-2

Dear Miss Hyejin Kwon

The Research Ethics Committee has considered the above application recently submitted by you.

The Chair, acting under delegated authority has agreed that there is no objection on ethical grounds to the proposed study. Approval is given on the understanding that the conditions of approval set out below are followed:

- The agreed protocol must be followed. Any changes to the protocol will require prior approval from the Committee by way of an application for an amendment.

Please note that:

- Research Participant Information Sheets and (where relevant) flyers, posters, and consent forms should include a clear statement that research ethics approval has been obtained from the relevant Research Ethics Committee.
- The Research Participant Information Sheets should include a clear statement that queries should be directed, in the first instance, to the Supervisor (where relevant), or the researcher. Complaints, on the other hand, should be directed, in the first instance, to the Chair of the relevant Research Ethics Committee.
- Approval to proceed with the study is granted subject to receipt by the Committee of satisfactory responses to any conditions that may appear above, in addition to any subsequent changes to the protocol.
- The Research Ethics Committee reserves the right to sample and review documentation, including raw data, relevant to the study.
- You may not undertake any research activity if you are not a registered student of Brunel University or if you cease to become registered, including abeyance or temporary withdrawal. As a deregistered student you would not be insured to undertake research activity. Research activity includes the recruitment of participants, undertaking consent procedures and collection of data. Breach of this requirement constitutes research misconduct and is a disciplinary offence.

  
Professor Hua Zhao  
Chair  
College of Engineering, Design and Physical Sciences Research Ethics Committee  
Brunel University London

Page 1 of 1

 College of Engineering, Design and Physical Sciences Research Ethics Committee  
Brunel University London  
Kingston Lane  
Uxbridge  
UB8 3PH  
United Kingdom  
www.brunel.ac.uk

12 March 2018

**LETTER OF APPROVAL**

Applicant: Ms Hyejin Kwon  
Project Title: A survey on social enterprise, ecosystem and use of design  
Reference: 11190-LR-Mar/2018- 12144-1

Dear Ms Hyejin Kwon

The Research Ethics Committee has considered the above application recently submitted by you.

The Chair, acting under delegated authority has agreed that there is no objection on ethical grounds to the proposed study. Approval is given on the understanding that the conditions of approval set out below are followed:

- The agreed protocol must be followed. Any changes to the protocol will require prior approval from the Committee by way of an application for an amendment.

Please note that:

- Research Participant Information Sheets and (where relevant) flyers, posters, and consent forms should include a clear statement that research ethics approval has been obtained from the relevant Research Ethics Committee.
- The Research Participant Information Sheets should include a clear statement that queries should be directed, in the first instance, to the Supervisor (where relevant), or the researcher. Complaints, on the other hand, should be directed, in the first instance, to the Chair of the relevant Research Ethics Committee.
- Approval to proceed with the study is granted subject to receipt by the Committee of satisfactory responses to any conditions that may appear above, in addition to any subsequent changes to the protocol.
- The Research Ethics Committee reserves the right to sample and review documentation, including raw data, relevant to the study.
- You may not undertake any research activity if you are not a registered student of Brunel University or if you cease to become registered, including abeyance or temporary withdrawal. As a deregistered student you would not be insured to undertake research activity. Research activity includes the recruitment of participants, undertaking consent procedures and collection of data. Breach of this requirement constitutes research misconduct and is a disciplinary offence.

  
Professor Hua Zhao  
Chair  
College of Engineering, Design and Physical Sciences Research Ethics Committee  
Brunel University London

Page 1 of 1

**APPENDIX S: DInE development framework booklet (Final version)**

**Design-Innovation Ecosystem Development Framework**

# List of Terms

## **Social Enterprise:**

By comparing existing definitions of social enterprise and the core features of social enterprise, this framework defines a social enterprise as an organisation that aims to address social and/or environmental missions through economic activity.

## **Design:**

Design in this framework encompasses the broader implications, focusing on the recognition of the various roles and impact of design in the business area, this framework defines design as a practical tool, strategic approach or creative process that enables an organisation to achieve its aims on the basis of understanding comprehensive design areas, including design, design processes and design strategy.

## **Design-Innovation Ecosystem (DInE):**

A design-innovation ecosystem is a theoretical construct that describes the environment that activates and supports the design of social enterprises to strengthen the design's role in and influence on the growth of social enterprises. A design-innovation ecosystem combines internal and external factors, including key stakeholders, relationships and implementations, to support the design of social enterprises..

**Part 1. Overview of the Design-Innovation Ecosystem Development Framework**

- 1.1 Introduction to Design–Innovation Ecosystem Development Framework..... p.2
- 1.2 Overview of Design-Innovation Ecosystem Development Framework..... p.3
- 1.3 Key components of the DInE Development Framework..... p.4
- 1.4 Principal goals of the DInE Development Framework..... p.5
- 1.5 Main content of the framework..... p.6
- 1.6 Checklist for DInE development..... p.7

**Part 2. Development Strategy for Design-Innovation Ecosystem Development Framework**

- 2.1 Issues Identified from current DInEs ..... p.8
- 2.2 Structured recommendations for DInE development ..... p.10

**Part 3. Design-Innovation Ecosystem Development Framework Implementations**

- 3.1 Design Support Strategy (DSS) Development ..... p.12
- 3.2 Design Support Funding (DSF) Development ..... p.20
- 3.3 Design Support Programme (DSP) Development ..... p.28

# Part 1

## Overview of the Design-Innovation Ecosystem Development Framework

This part provides an overview of the design-innovation ecosystem (DInE) development framework. It describes the key components of the DInE development framework, its goals, and the main contents developed to achieve those goals. Moreover, the checklist provides specific pages in the framework booklet.

1.1 Introduction to Design--Innovation Ecosystem Development Framework.....	p.2
1.2 Overview of Design-Innovation Ecosystem Development Framework.....	p.3
1.3 Key components of the DInE Development Framework.....	p.4
1.4 Principal goals of the DInE Development Framework.....	p.5
1.5 Main content of the framework.....	p.6
1.6 Checklist for DInE development.....	p.7

## 1.1 Introduction to Design-Innovation Ecosystem Development Framework

The purpose of the Design-innovation Ecosystem Development Framework is **to assist strategic stakeholders (e.g. social enterprise and design support bodies and universities) in developing a systematic and practical DInE that enables and strengthens the design support of social enterprises, and maximising the design impact for the growth of social enterprises.** A DInE consists of four elements (i.e. DSSs, DSF, DSPs and key stakeholders). Three of these elements (DSSs, DSF and DSPs) are interrelated and influence the different levels of design support for social enterprises from the groundwork(s) to implementation action(s).

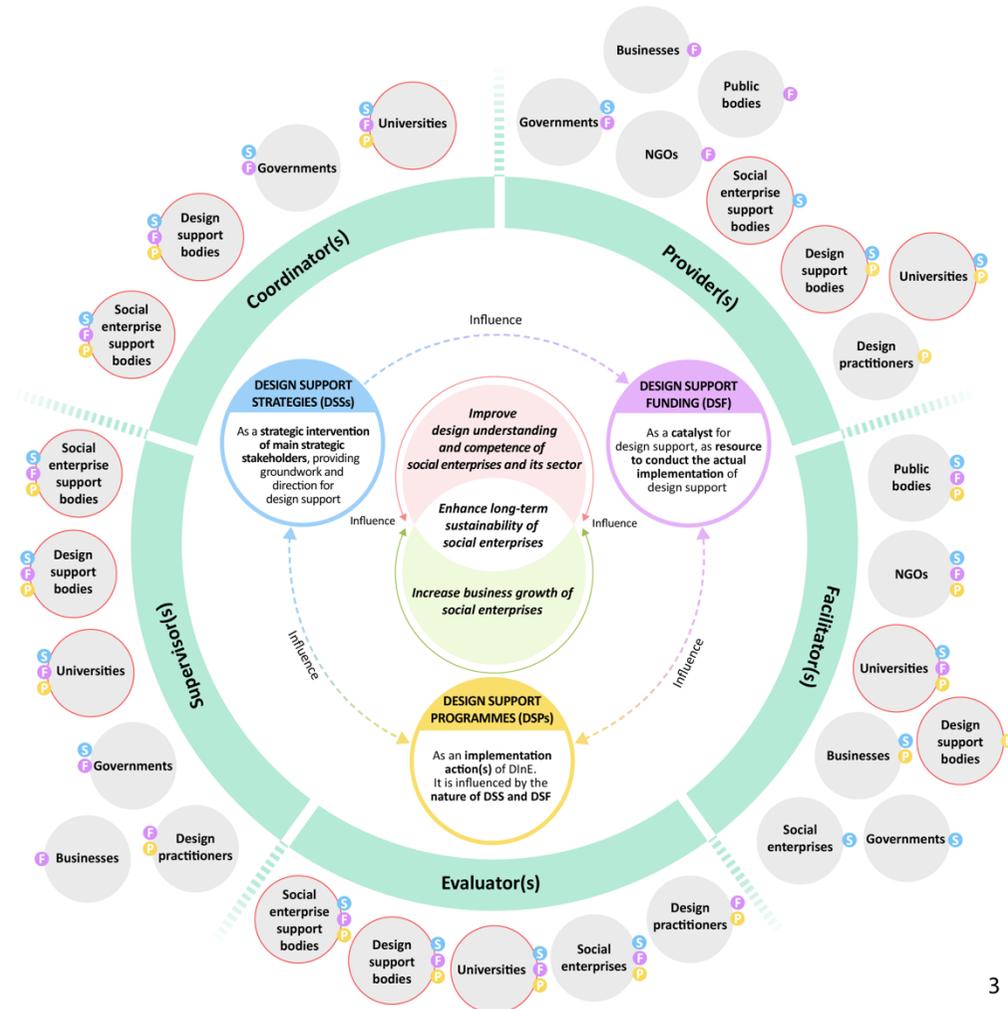
The DInE development framework has been designed **to enhance the long-term sustainability of social enterprises** by developing and providing systematised and optimised design support. To achieve the objective, the framework **guides stakeholders to achieve step-by-step changes for design support system development** by considering the different influences of the components on this process. In addition, the framework contains comprehensive suggestions concerning **(i) the essential roles and relationships of key stakeholders** and **(ii) the development structure and process established by the DInE development strategy.**

The framework will help policymakers, social enterprise and design support practitioners and design academics interested in supporting the design and growth of social enterprises **to improve their roles and relationships with existing and potential partners and develop an optimised and strategic design support for social enterprises.**

## 1.2 Overview of Design-Innovation Ecosystem Development Framework

The overview of DInE development framework gives a brief of the mechanism of the framework, by addressing the four critical questions:

- (i) What are the main goals of the DInE?
- (ii) What key elements should be considered to build a DInE?
- (iii) How do the key elements work for a DInE and what interrelations do they have each other?
- (iv) Who can be involved to develop the key elements of DInE and what are their key roles?



## 1.3 Key components of the DInE Development Framework

### Design Support Strategy(ies)

DSS encompasses the **strategic interventions developed by main strategic stakeholders** (e.g. governments, universities, social enterprise and design support bodies) to support the design of social enterprises. It influences other components (DSF and DSP) by providing the principal groundwork (including strategies, action plans and direction) for stakeholders interested in developing design support for social enterprises.

### Design Support Funding

As a **catalyst for supporting the design of social enterprises** by developing DSPs and assisting social enterprises' design application and programme development. It is often created alongside or as an aspect of the full DSS. Moreover, the type of financial resources used impacts critical features of the DSP, such as scale, continuity, and repeatability.

### Design Support Programme(s)

As an **implementation action(s)** that creates a DInE to support the design of social enterprises. It delivers substantive design support to social enterprises to improve their business growth and strengthen their design competency. The support type includes four elements: design training, mentoring, consulting and funding, which are prioritised according to the critical objectives of the support. The features of a DSS and DSF influence DSP development and provision. In turn, a DSP affects subsequent DSI and DSF development.

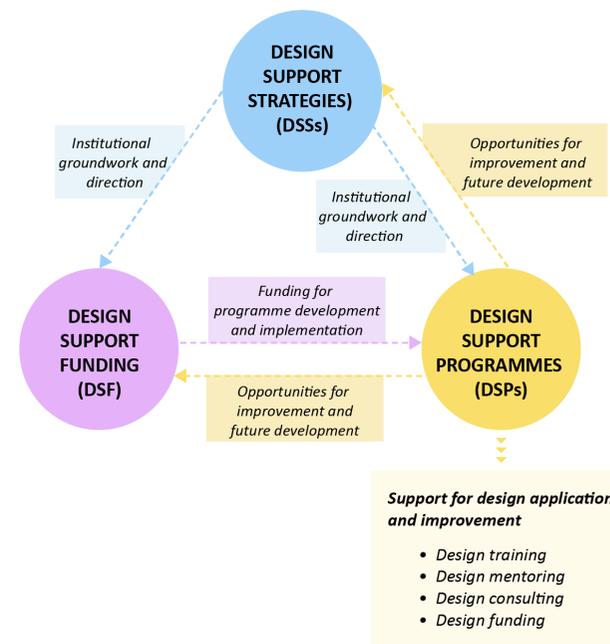


Figure 1 Relations between three key components of DInE

## 1.4 Principal goals of the DInE Development Framework

This research identified that despite various interventions, activities, and resources provided by different stakeholders (e.g. governments, social enterprise support bodies, design support bodies and universities) to support the design of social enterprises, an understanding of their design utilisation remains limited. As a result, many social enterprises do not fully understand how it can be used and when to apply design to their products and services or organisational development. Moreover, many social enterprises have noted that they cannot afford to invest time and financial resources in design because the size of the business, including human resources, is not big enough.

Therefore, the DInE development framework is designed to enhance the long-term sustainability of social enterprises by developing and providing them with systematised and optimised design support, which is the ultimate goal of a DInE. Two essential objectives were defined to achieve the main goal: (i) improve design understanding, the competence of social enterprises and their sector and (ii) increase the business growth of social enterprises. These objectives address the challenges most social enterprises face, which are caused by their lack of internal capability (regarding business and the design aspect) and limited external support (regarding design support).

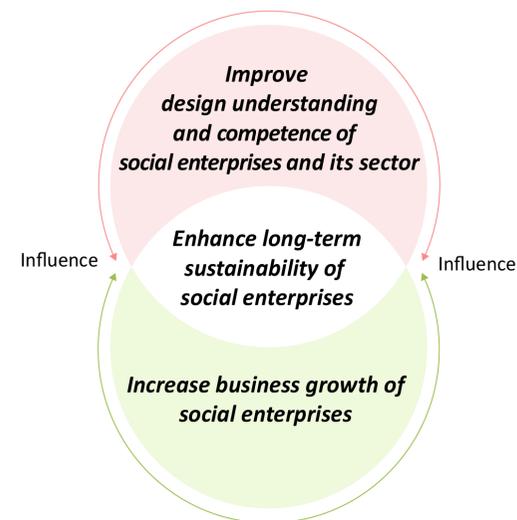
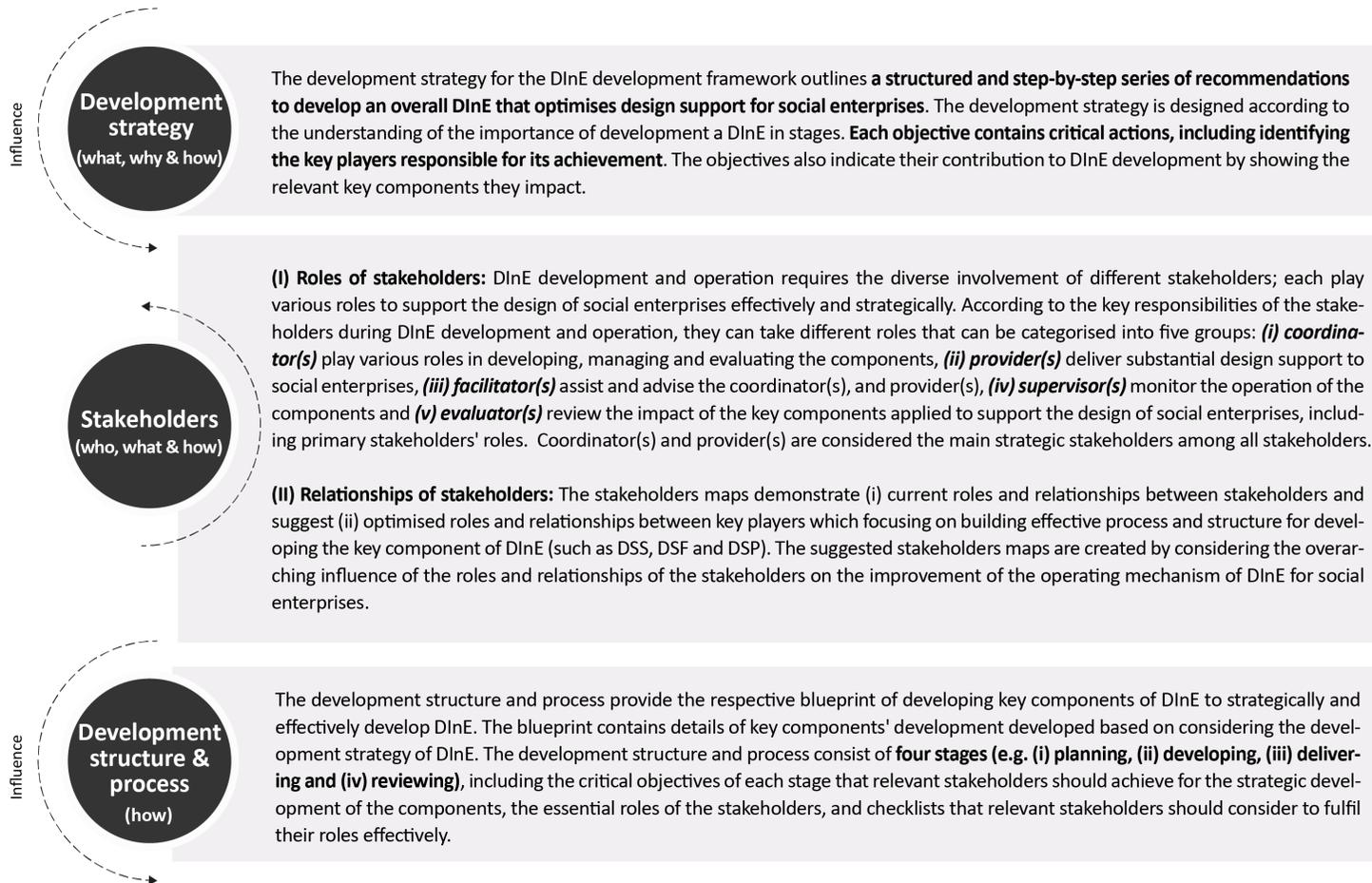


Figure 2 Relations between principal objectives of the DInE development framework

## 1.5 Main content of the framework



## 1.6 Checklist for DInE development

CHECKLIST	YES	NO	Directions for framework utilisation
Understanding of DInE for social enterprises			if users have a limited understanding of it, referring to the pages 3, 4 and 5
Understanding of essential roles (e.g. five key roles) in DInE			if users have a limited understanding of it, referring to the pages 14-15, 22-23, 30-31
Organisation-led DSS			if users do not have DSS, referring to the page 16
Financial resources for supporting the design of social enterprises			if users do not have or have limited financial resources, referring to the page 24
Relationships with stakeholders who can provide funding for DSF development			if users have a lack of relationships, referring to the pages 24 and 27
Understanding of design needs of social enterprises			if users have a limited understanding of it, conducting survey
Financial resources (DSP and DP) for DSP development and operation			if users do not have or have limited financial resources, referring to the pages 24 and 37
Design support experience			if users do not have or have limited experience, referring to the pages 31-32, 36
Relationship with stakeholders who can deliver DSP to social enterprises			if users have a lack of relationships, referring to the pages 31 and 35



Checklist for DSS development



Checklist for DSF development



Checklist for DSP development

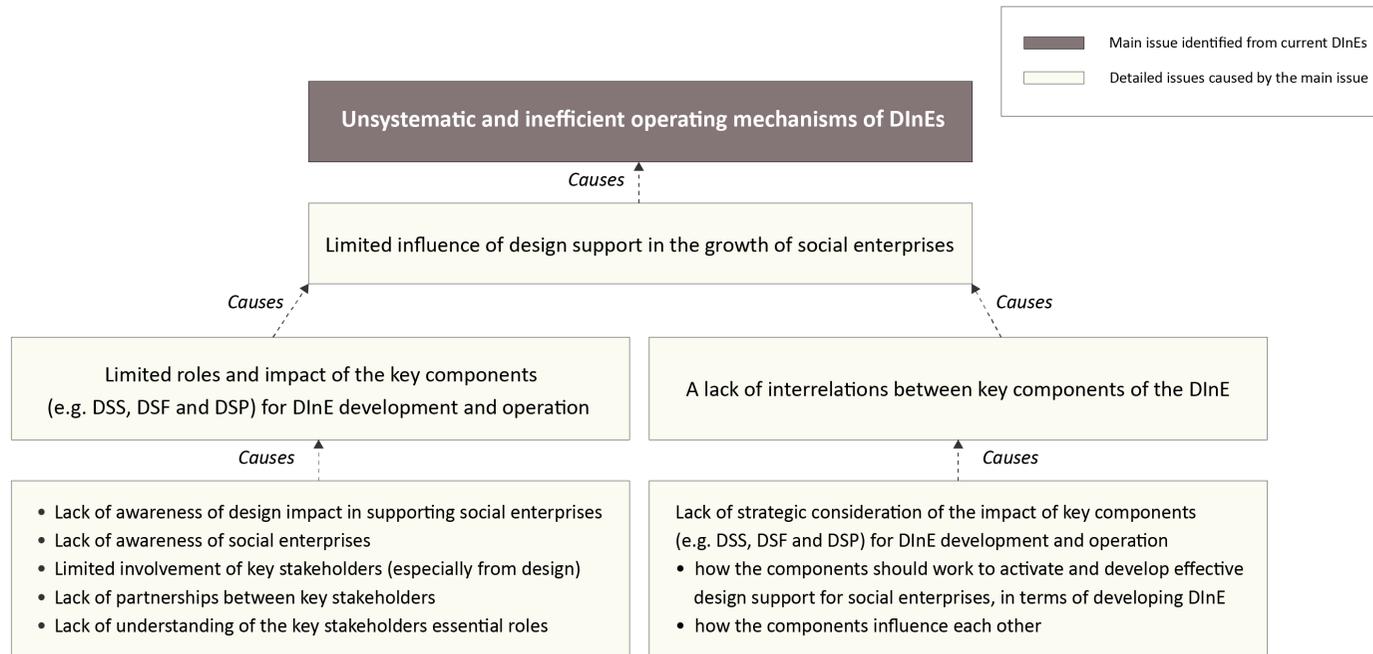
## **Part 2**

### **Development Strategy for Design-Innovation Ecosystem Development Framework**

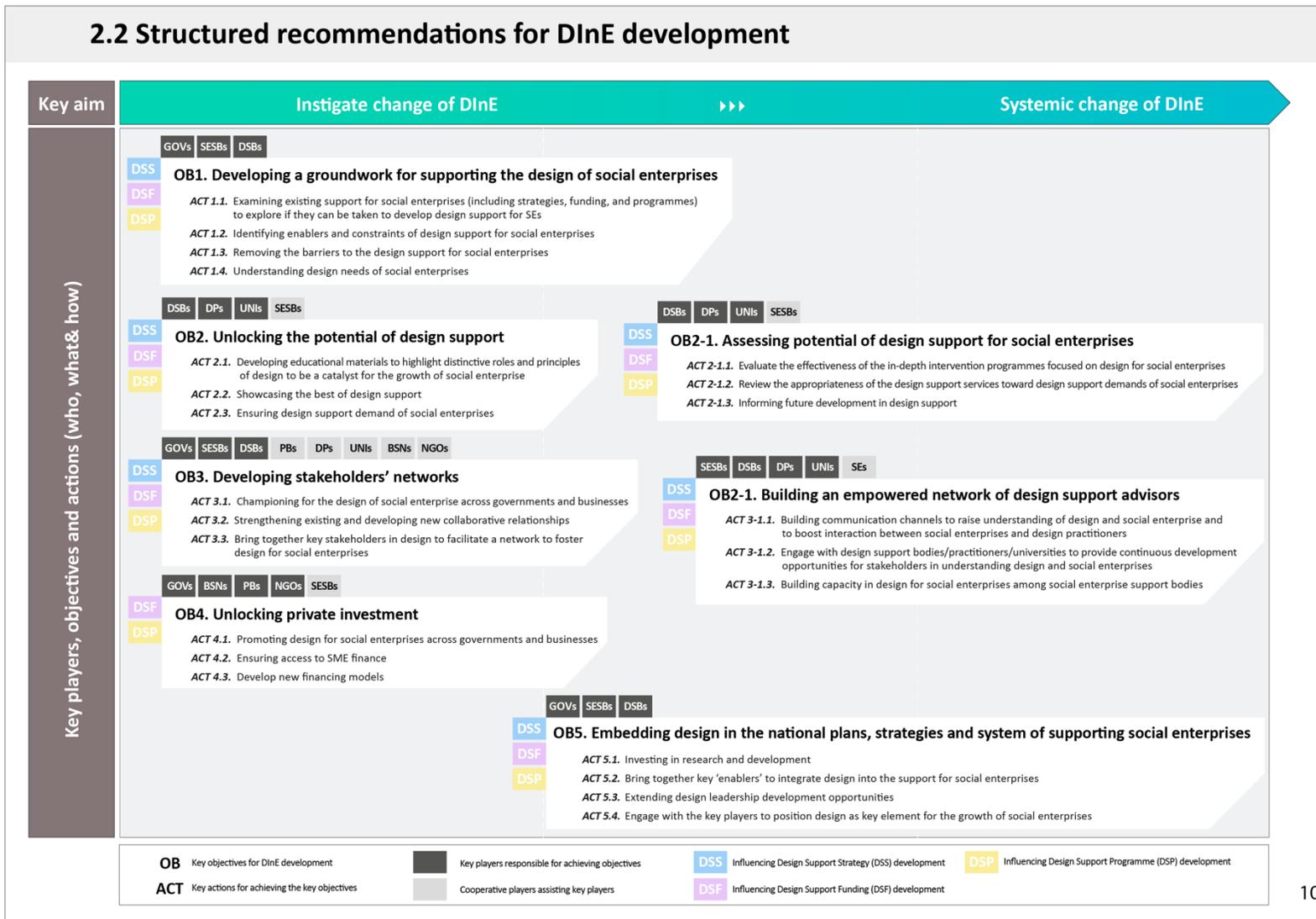
This part describes the design-innovation ecosystem (DInE) development framework development strategy. It exposes key issues found in the current design innovation ecosystem and describes the actionable plans needed to address those issues, with key objectives (including five main objectives and two following objectives) and phases (from instigating change of DInE to systematic change).

2.1 Issues Identified from current DInEs.....	p.9
2.2 Structured recommendations for DInE development .....	p.10

## 2.1 Issues Identified from current DInEs



## 2.2 Structured recommendations for DInE development



# Part 3

## Design-Innovation Ecosystem Development Framework Implementation

This part presents the design-innovation ecosystem (DInE) development framework implementation process. The implementation process includes various recommendations to develop the key components of a DInE (e.g. DSS, DSF and DSP), targeting key stakeholders and addressing the essential roles and relationships for component development in creating an optimised structure.

- 3.1 Design Support Strategy (DSS) Development ..... p.12
  - 3.1.1 Checklist for DSS development ..... p.13
  - 3.1.2 Key stakeholders and essential roles for DSS Development ..... p.14
  - 3.1.3 How key players work together to develop DSS ..... p.15
  - 3.1.4 DSS development structure and process..... p.16
  - 3.1.5 Current stakeholders' map for DSS development in the UK ..... p.17
  - 3.1.6 Current stakeholders' map for DSS development in South Korea ..... p.18
  - 3.1.7 Recommended new stakeholders' map for DSS development ..... p.19
- 3.2 Design Support Funding (DSF) Development ..... p.20
  - 3.2.1 Checklist for DSF development ..... p.21
  - 3.2.2 Key stakeholders and essential roles for DSF Development ..... p.22
  - 3.2.3 How key players work together to develop DSF ..... p.23
  - 3.2.4 DSF development structure and process ..... p.24
  - 3.2.5 Current stakeholders' map for DSF development in the UK ..... p.25
  - 3.2.6 Current stakeholders' map for DSF development in South Korea ..... p.26
  - 3.2.7 Recommended new stakeholders' map for DSF development ..... p.27
- 3.3 Design Support Programme (DSP) Development ..... p.28
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### 3.1 Design Support Strategy (DSS) Development

Design support strategy (DSS) represents a strategic intervention by stakeholders (e.g. governments, universities, social enterprise and design support bodies) to support the design of social enterprises. At the same time, it indicates how the stakeholders understand and use design for this purpose. Moreover, a given DSS influences other components of the DInE (such as DSF and the DSP) by providing an institutional and environmental context for relevant stakeholders at the national or organisational levels. This key feature of the DSS guides who should take the initiative its development.

A detailed checklist focuses more on assessing the groundwork for DSS development (see page 13); the checklist provides overall descriptions of the developing process of DSS to help users understand their importance and influence on developing DSS. In order to develop optimised DSS for social enterprises, the essential roles of stakeholders, cooperative manner between stakeholders and DSS development structure and process are suggested (see pages 14-16). The DSS development structure and process provide structural and strategic support to stakeholders who want to develop DSS, demonstrating what (critical objectives according to the development phases), who (key players who should play to achieve the objectives) and how (considerations and checklists that examine the achievements of the key objectives). In addition, to support understanding of the different approaches (including strengths and weaknesses) of DSS development and delivery in the UK and South Korea, the current stakeholders map for DSS development in both countries are presented, respectively (see pages 17-18). Based on the relevant stakeholders map, a new stakeholders map is developed for the DSS development so that stakeholders can effectively perform their important roles (see page 19).

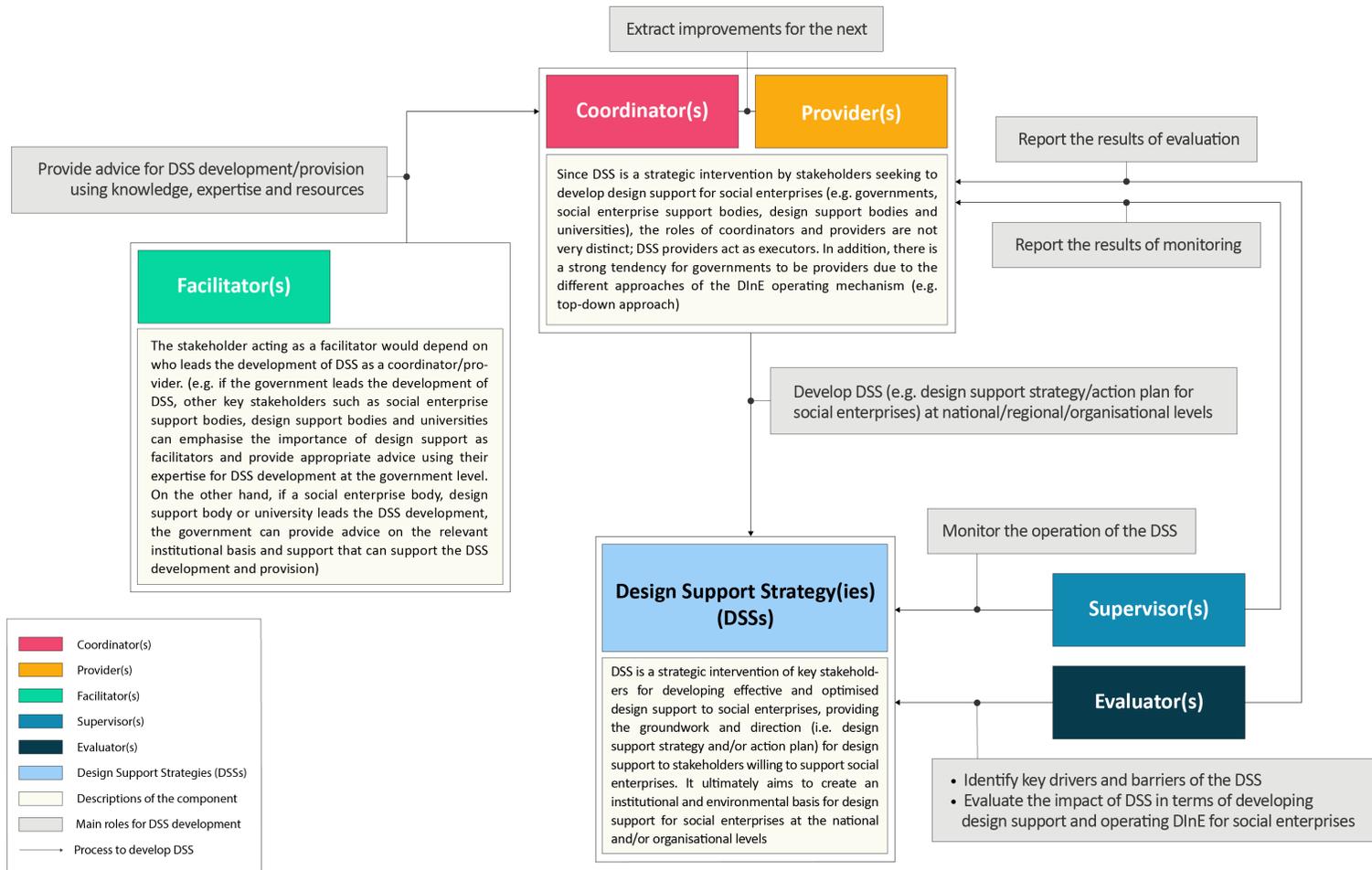
### 3.1.1 Checklist for DSS development

		1	2	3		
		Groundwork	Competence & resources	Partners		
1	Understanding of government support (strategies/action plans) for social enterprises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Users who are willing to develop DSS should have an understanding of the current government support for social enterprises. Because government support often includes the potential supporting areas that social enterprises are needed. Moreover, if users have an understanding of government-led DSS, they can follow the DSS to develop organisation-led DSS based on their support competencies.	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	Understanding of government-led DSS for social enterprises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Social enterprise support strategy/action plan at the organisational level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Users who have their own support strategy/action plan for social enterprises can explore opportunities that design can be adopted within the strategy/action plan. For the exploration, users should understand the current design needs of social enterprises. Because the design needs can guide how design should be treated within their strategy/action plan.		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Understanding of design needs of social enterprises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2	Design knowledge and expertise	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Design is crucial in operating the DInE; thus, if users have minimal knowledge and expertise on the design it is better to work with design practitioners (including support bodies, agencies and universities). If users have in-depth knowledge and various expertise on the design to explore what role of design can be adopted within government or organisation support for social enterprises in order to develop DSS.	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	Experience of design support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3	Relationships with design support institutes (including support bodies, agencies and universities)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If users have minimal understanding and competency of design, they should explore opportunities to build relationships with design practitioners (e.g. design support bodies, agencies and universities) to utilise their knowledge and expertise for DSS development.	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	Relationships with social enterprise support institutes (including support bodies and universities)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Relationships with the main strategic stakeholders for DSF provision (e.g. governments, businesses, public bodies and NGOs)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If users have limited financial resources to support the design of social enterprises, they should explore who can be financial partners and opportunities to develop relationships (or contract) with them.		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

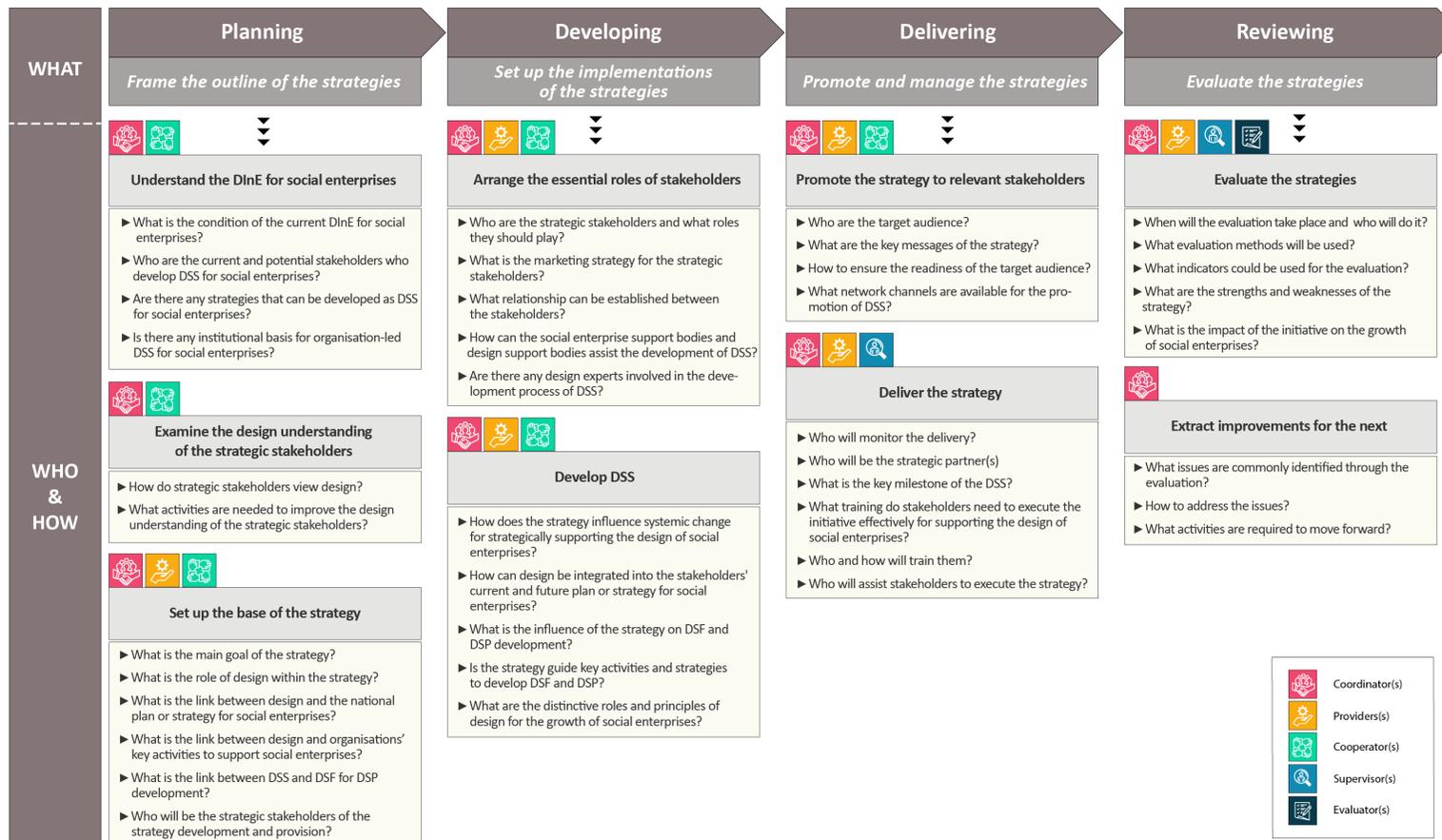
### 3.1.2 Key stakeholders and essential roles for DSS Development

		Main strategic stakeholders				
		 Coordinator(s)	 Provider(s)	 Facilitator(s)	 Supervisor(s)	 Evaluator(s)
Stakeholders		<ul style="list-style-type: none"> <li>• Social enterprise support bodies</li> <li>• Design support bodies</li> <li>• Governments</li> <li>• Universities</li> </ul>	<ul style="list-style-type: none"> <li>• Social enterprise support bodies</li> <li>• Design support bodies</li> <li>• Governments</li> <li>• Universities</li> </ul>	<ul style="list-style-type: none"> <li>• Governments</li> <li>• Public bodies</li> <li>• NGOs</li> <li>• Businesses</li> <li>• Universities</li> <li>• Social enterprises</li> </ul>	<ul style="list-style-type: none"> <li>• Social enterprise support bodies</li> <li>• Design support bodies</li> <li>• Universities</li> </ul>	<ul style="list-style-type: none"> <li>• Social enterprise support bodies</li> <li>• Design support bodies</li> <li>• Universities</li> <li>• Social enterprises</li> </ul>
Key role(s)		<ul style="list-style-type: none"> <li>• Stakeholder(s) who has responsibilities across developing, delivering, managing and evaluating the DSS for supporting the design of social enterprises.</li> <li>• They should play emphasising the importance of design support for the growth of social enterprises.</li> <li>• They use their knowledge, expertise and resources to develop DSS for supporting social enterprises and develop DInE.</li> <li>• They should consider the impact of DSS for DSF and DSP development.</li> <li>• They can or can be influenced by the facilitators.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder(s) who plays subsidiary roles such as advising the coordinator(s) and provider(s) for facilitating the development and provision of the DSS.</li> <li>• They often establish a collaborative relationship with coordinator(s) and provider(s) to effectively play their roles</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder(s) who has a responsibility to monitor the provision and operation of the DSS.</li> <li>• They particularly focus on making sure that DSS is developed and operated with rationales in order to maximise its impact on supporting the design of social enterprises.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder(s) who responsible for developing DSF and DSPs and evaluating the impact of DSSs in terms of DInE operations.</li> <li>• They should evaluate how DSS affects DSF and DSP development and the correlation between key components (DSS, DSF and DSP).</li> <li>• They should identify key drivers and barriers of the DSS to improve future DSI.</li> <li>• They should also examine how the DSS influences the development of DInE.</li> </ul>	

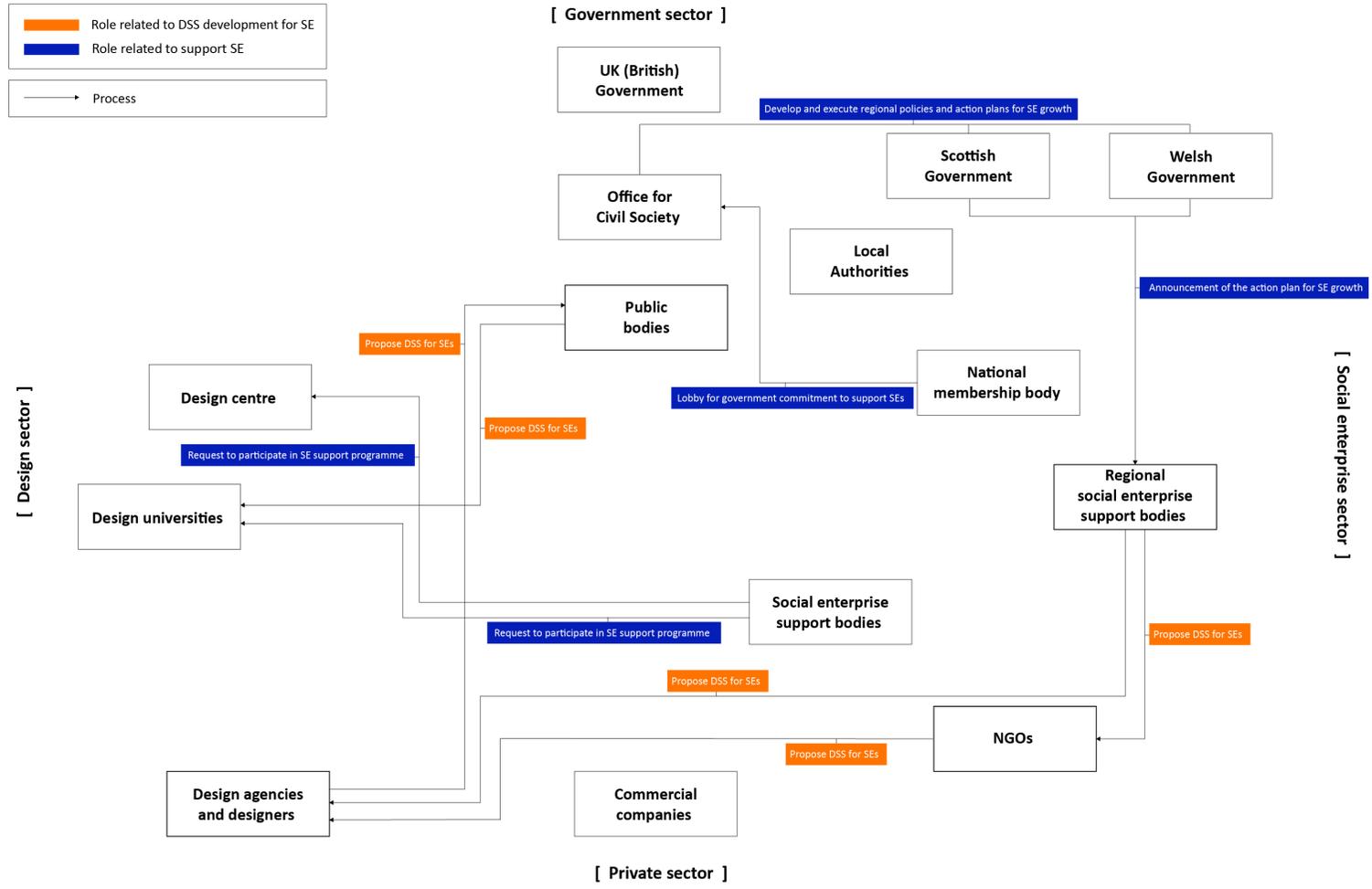
### 3.1.3 How key players work together to develop DSS



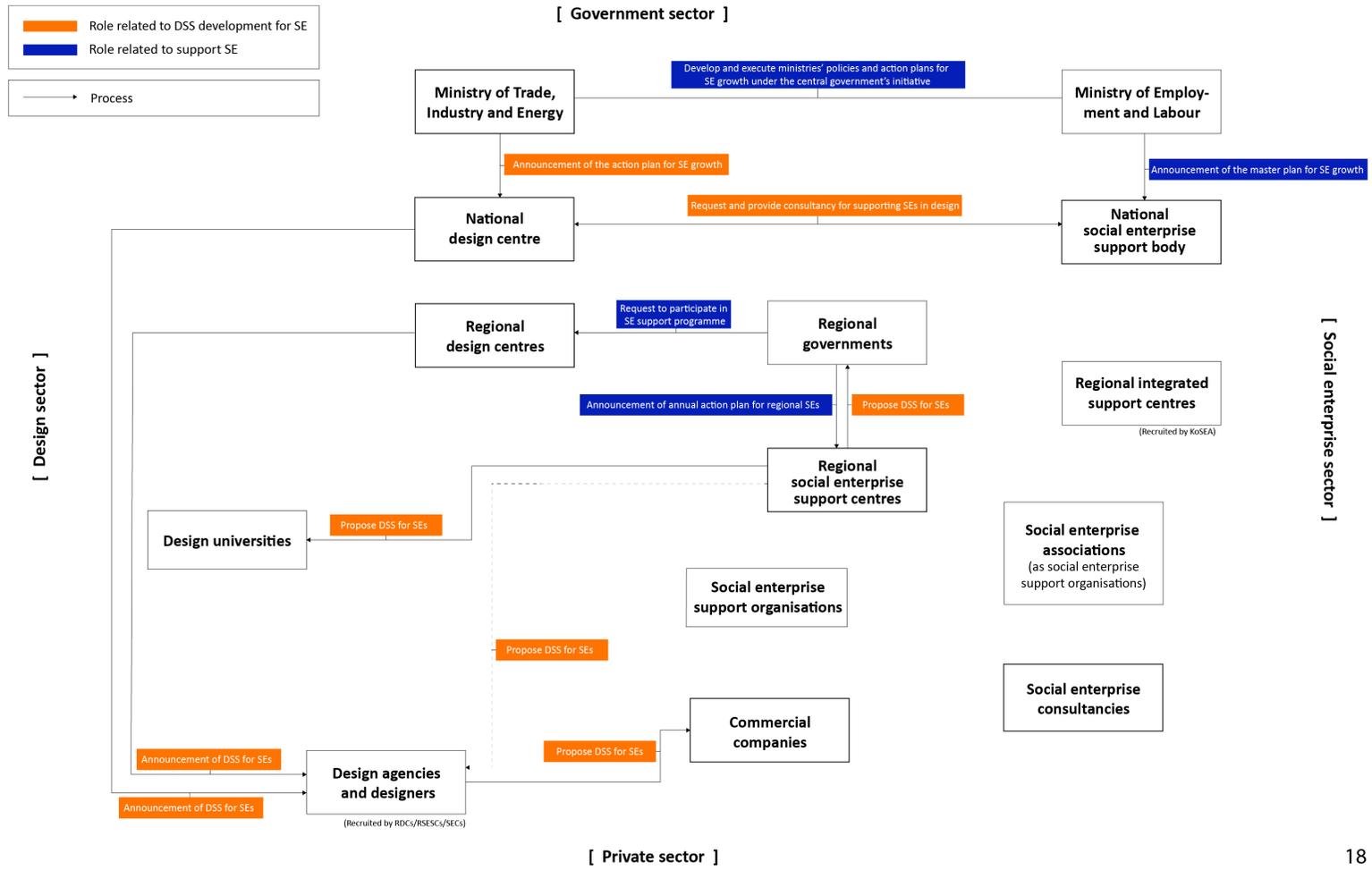
### 3.1.4 DSS development structure and process



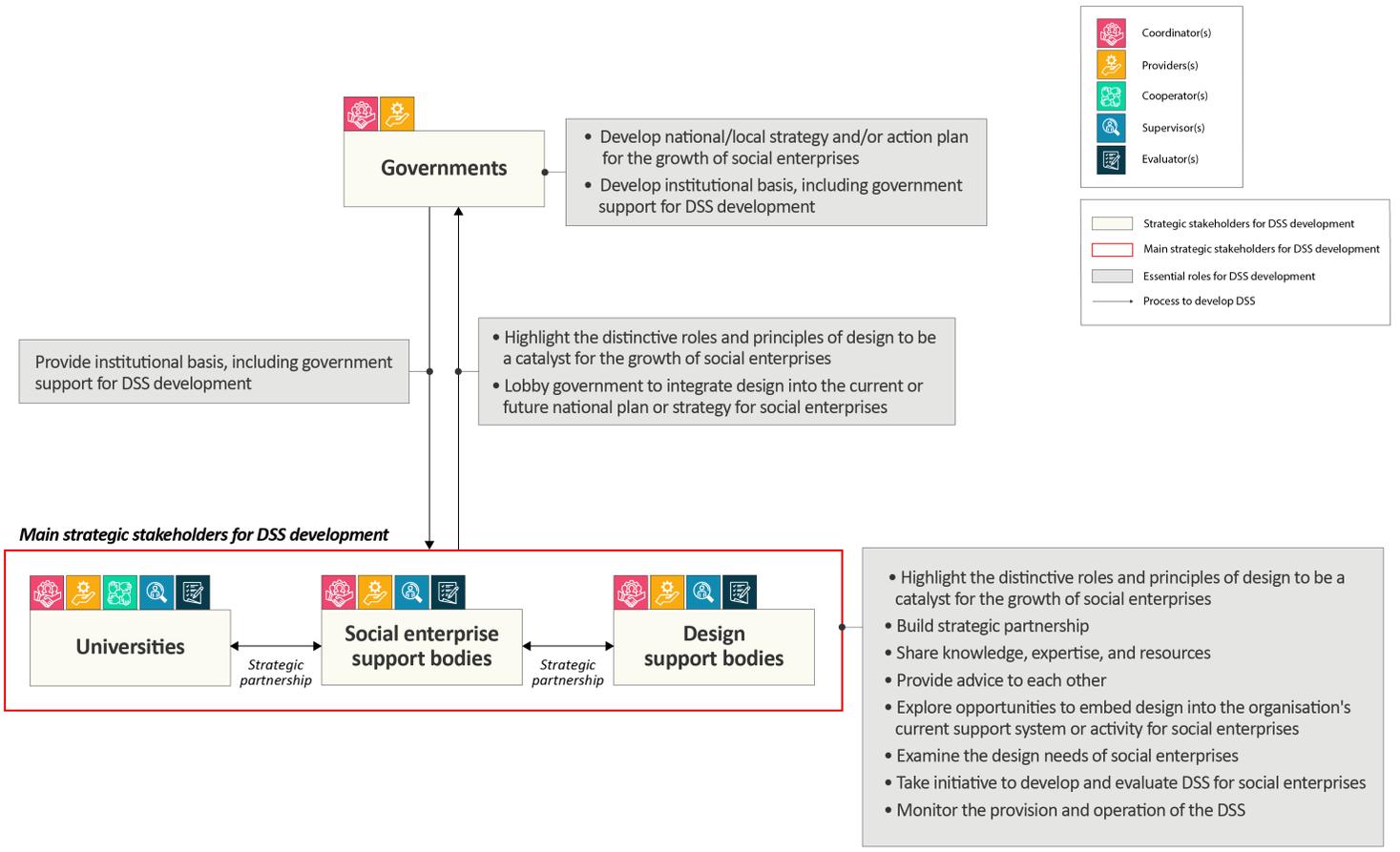
### 3.1.5 Current stakeholders map for DSS development in the UK



### 3.1.6 Current stakeholders map for DSS development in South Korea



### 3.1.7 Recommended new stakeholders map for DSS development



## 3.2 Design Support Funding (DSF) Development

Design support funding (DSF) facilitates design support for social enterprises by providing financial resources that can be used by relevant stakeholders (such as social enterprise support bodies, design support bodies and universities) to develop substantial design support for social enterprises (i.e. DSPs). It often accompanies DSS creation. The type of financial resources used in DSF affects critical features of the DSP, such as scale, continuity and repeatability.

A detailed checklist focuses more on assessing the groundwork for DSF development (see page 21); the checklist provides overall descriptions of the developing process of DSF to help users understand their importance and influence on developing DSF. In order to develop optimised DSF for design support targeting social enterprises, the essential roles of stakeholders, cooperative manner between stakeholders and DSF development structure and process are suggested (see pages 22-24). The DSF development structure and process provide structural and strategic support to stakeholders who want to develop DSF, demonstrating what (critical objectives according to the development phases), who (key players who should play to achieve the objectives) and how (considerations and checklists that examine the achievements of the key objectives). In addition, to support understanding of the different approaches (including strengths and weaknesses) of DSF development and delivery in the UK and South Korea, the current stakeholders map for DSF development in both countries are presented, respectively (see pages 25-26). Based on the relevant stakeholders map, a new stakeholders map is developed for the DSF development so that stakeholders can effectively perform their important roles (see page 27).

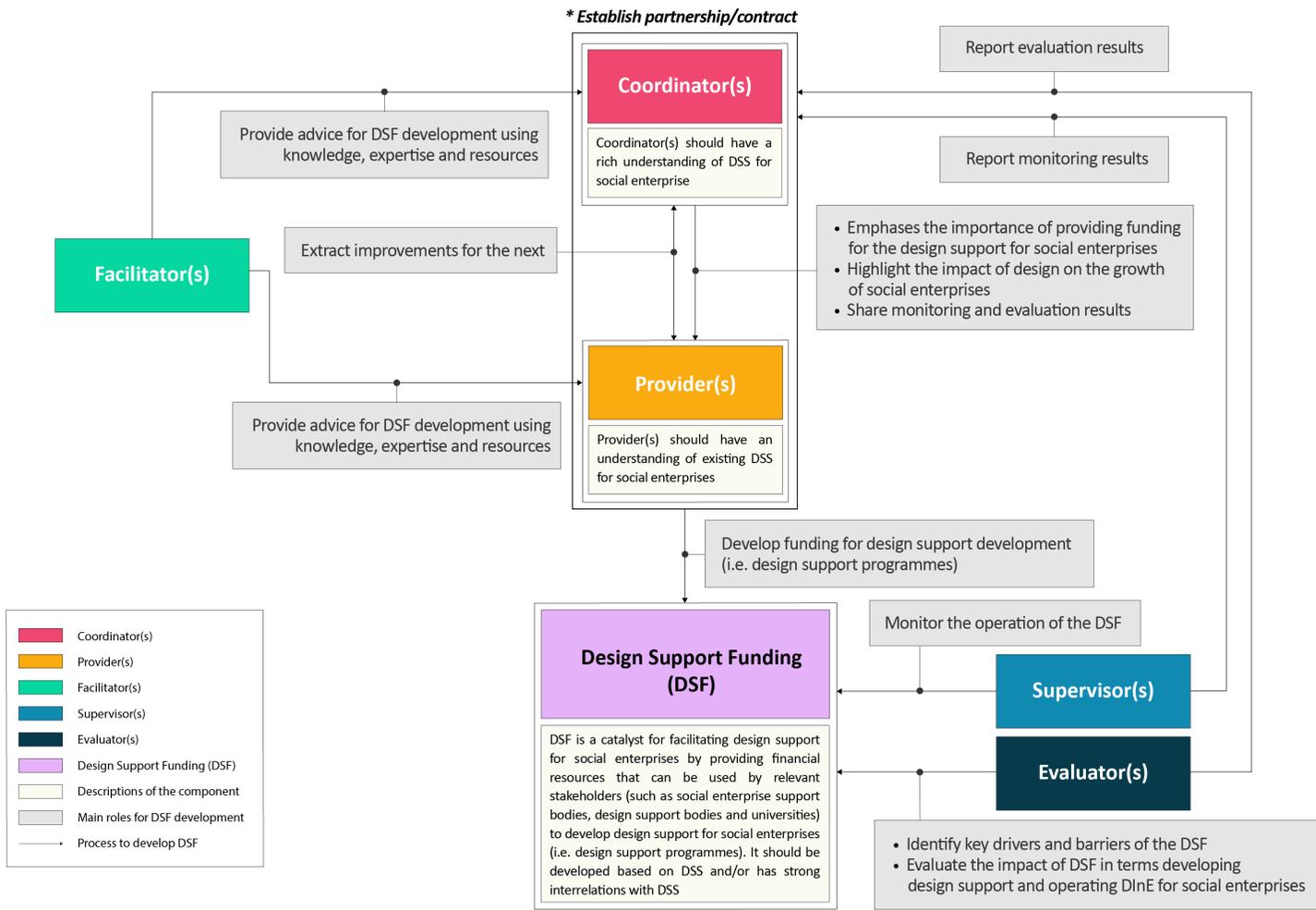
### 3.2.1 Checklist for DSF development

1 Groundwork			2 Competence & resources			3 Partners		
1	Understanding of government or organisation-led DSS for social enterprises	Y	If users have limited understanding of DSS, they can focus of developing DSS. Based on the understanding of the DSS, users can allocate the financial resources by setting up the base of DSF.					
		N						
	Financial resources to support social enterprises	Y	If users have enough financial resources to support social enterprises, they should plan how to allocate the funding to support the design of social enterprises. If users have limited funds, they should explore financial partners to secure various resources.					
		N						
2	Design knowledge and expertise	Y	Design is crucial in operating the DInE; thus, if the users have minimal knowledge and expertise on the design it is better to work with design practitioners (including support bodies, agencies and universities). If the user has in-depth knowledge and various expertise in design, the funds required for DSP operation can be allocated more precisely.					
		N						
	Experience of design support	Y						
		N						
3	Relationships with the main strategic stakeholders for DSF provision (e.g. governments, businesses, public bodies and NGOs)	Y	Relationships with the main strategic stakeholders for DSF provision influence the scale, continuity and repeatability of DSF.					
		N						
	Relationships with the main strategic stakeholders of DInE (e.g. design support bodies, social enterprise support bodies and universities)	Y	To improve the effectiveness of DSF, it is important to build relationships with the main strategic stakeholders of DInE.					
		N						

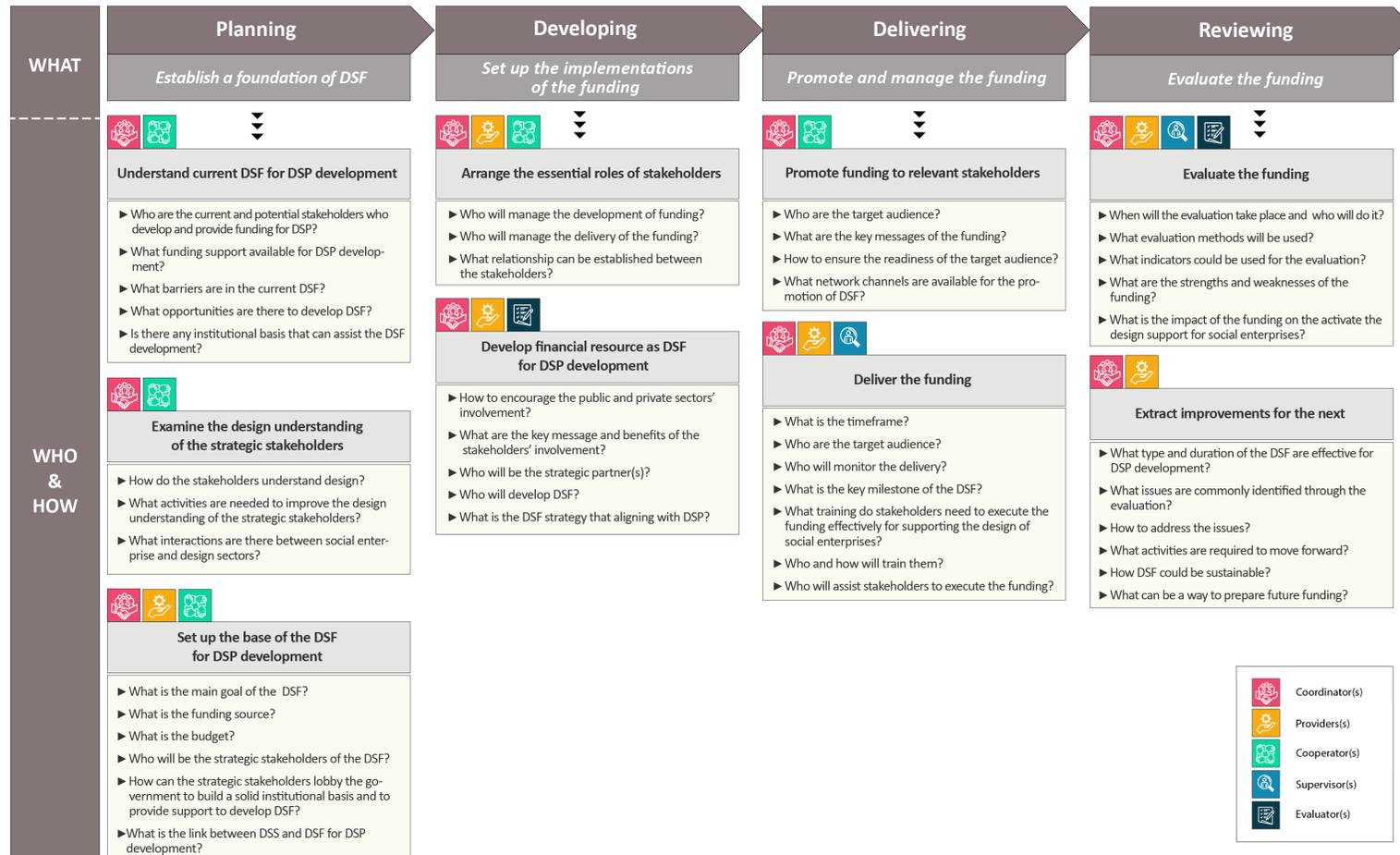
### 3.2.2 Key stakeholders and essential roles for DSF Development

		Main strategic stakeholders				
		 Coordinator(s)	 Provider(s)	 Facilitator(s)	 Supervisor(s)	 Evaluator(s)
Stakeholders		<ul style="list-style-type: none"> <li>• Social enterprise support bodies</li> <li>• Design support bodies</li> <li>• Universities</li> </ul>	<ul style="list-style-type: none"> <li>• Governments</li> <li>• Public bodies</li> <li>• NGOs</li> <li>• Businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Public bodies</li> <li>• NGOs</li> <li>• Universities</li> </ul>	<ul style="list-style-type: none"> <li>• Social enterprise support bodies</li> <li>• Design support bodies</li> <li>• Design practitioners</li> <li>• Universities</li> <li>• Governments</li> <li>• Businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Social enterprise support bodies</li> <li>• Design support bodies</li> <li>• Design practitioners</li> <li>• Universities</li> <li>• Social enterprises</li> </ul>
Key role(s)		<ul style="list-style-type: none"> <li>• Stakeholders who lead DSF development are responsible for developing, providing, managing and evaluating funds to support the design of social enterprises.</li> <li>• They should have a rich understanding of DSS for social enterprises.</li> <li>• They should play emphasising the importance of funding support for the design of social enterprises.</li> <li>• They build strategic partnership or contract with each other or other stakeholders, especially providers and facilitators.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder(s) who plays a role in providing actual funding support to coordinator(s) and/or social enterprises.</li> <li>• They should have an understanding of existing DSS for social enterprises.</li> <li>• They can use their knowledge, expertise and resources to provide funding support for DiNE operation.</li> <li>• They can establish a strategic or collaborative relationship with DSF coordinator(s) to effectively develop DSF.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder(s) who plays subsidiary roles such as advising the coordinator(s) and provider(s) for facilitating the development and provision of the DSF.</li> <li>• They often establish a collaborative relationship with coordinator(s) and provider(s) to effectively play their roles</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder(s) who has a responsibility to monitor the provision and operation of the DSF and the key roles of the stakeholders.</li> <li>• They particularly focus on making sure that DSF is used properly and identify issues of the DSF, in terms of developing DSP and supporting the design of social enterprises.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder(s) who evaluates the impact of the DSF in terms of developing DSP and supporting the design of social enterprises.</li> <li>• They should evaluate whether the DSF clearly achieves its main purpose and objectives.</li> <li>• They should also examine how the DSF influences the growth of social enterprises.</li> <li>• They should identify key drivers and barriers of the DSF to improve future DSF.</li> </ul>

### 3.2.3 How key players work together to develop DSF

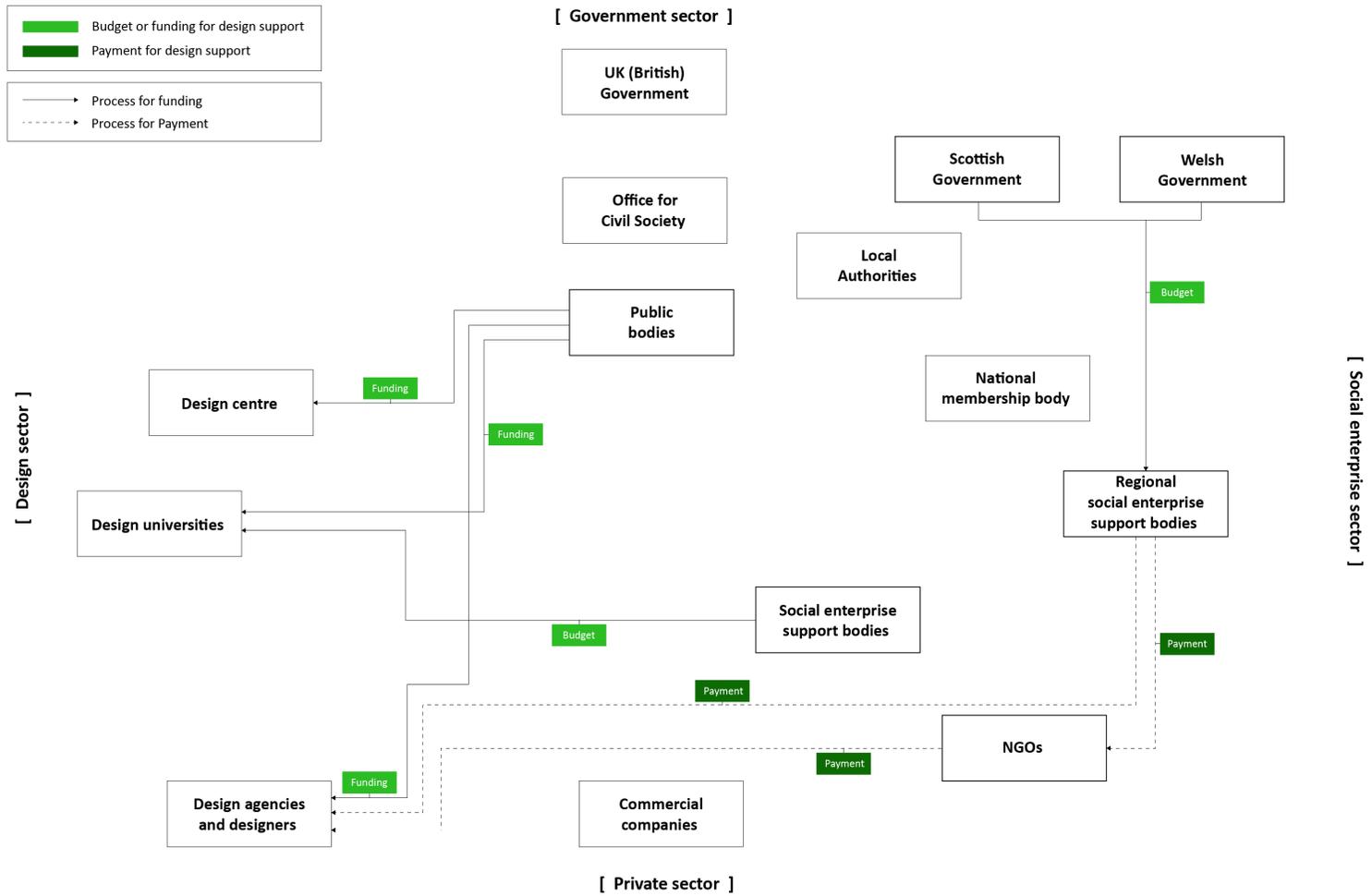


### 3.2.4 DSF development structure and process

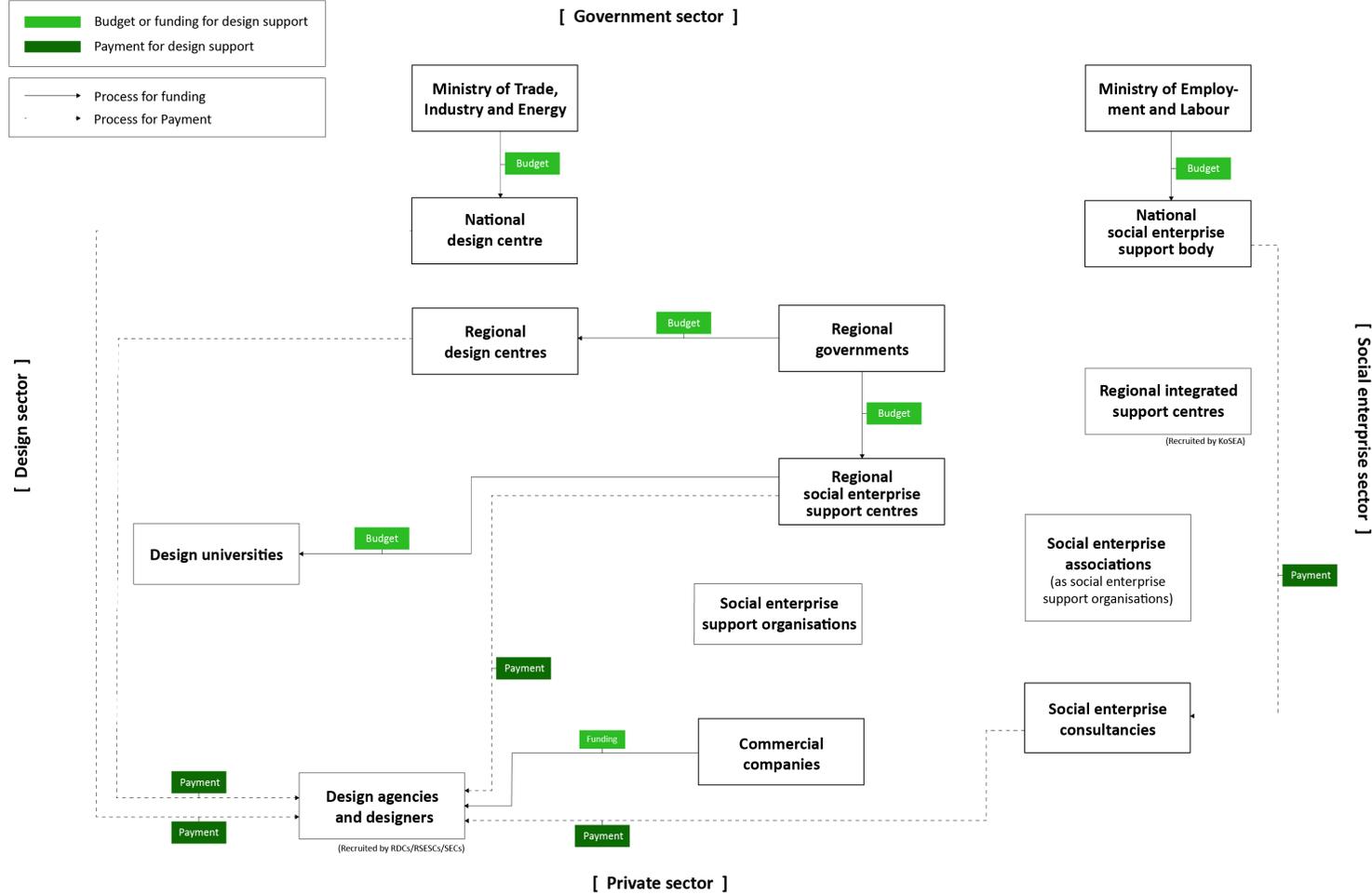
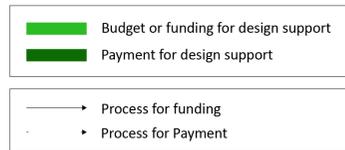


- Coordinator(s)
- Providers(s)
- Cooperator(s)
- Supervisor(s)
- Evaluator(s)

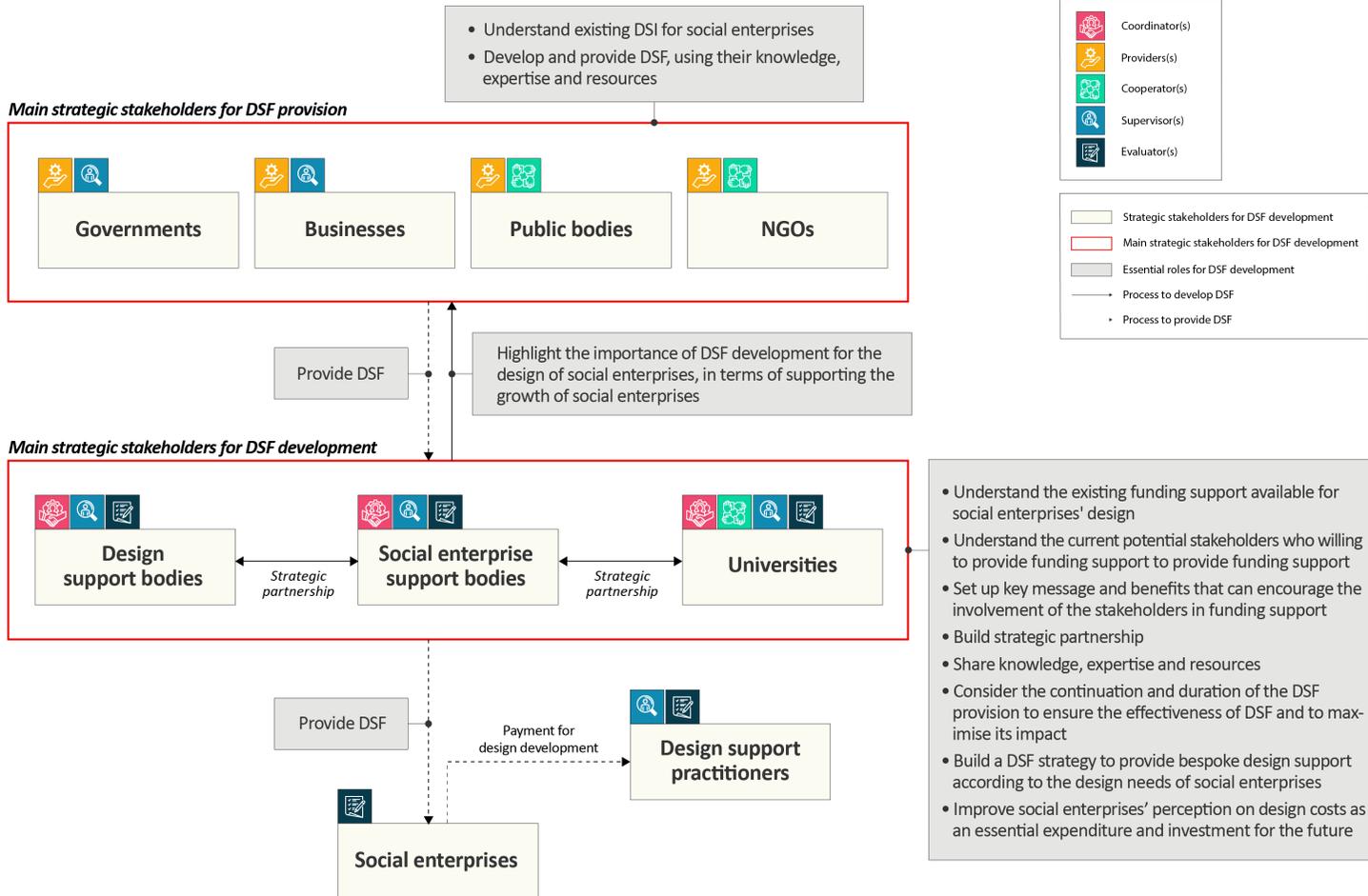
### 3.2.5 Current stakeholders map for DSF development in the UK



### 3.2.6 Current stakeholders map for DSF development in South Korea



### 3.2.7 Recommended new stakeholders map for DSF development



### 3.3 Design Support Programme (DSP) Development

A DSP is comprised of the steps to establish a DiNE that supports the design of social enterprises. It delivers design support (such as design training, mentoring, consulting and funding) to assist the growth of social enterprises by strengthening their design competency. DSP is influenced by the nature of the DSS and DSF, and the outcome of a DSP affects future DSS and DSF development.

A detailed checklist focuses more on assessing the groundwork for DSF development (see page 29); the checklist provides overall descriptions of the developing process of DSP to help users understand their importance and influence on developing DSP. In order to develop optimised DSP targeting social enterprises, the essential roles of stakeholders, cooperative manner between stakeholders and DSP development structure and process are suggested (see pages 30-32). The DSP development structure and process provide structural and strategic support to stakeholders who want to develop DSP, demonstrating what (critical objectives according to the development phases), who (key players who should play to achieve the objectives) and how (considerations and checklists that examine the achievements of the key objectives). In addition, to support understanding of the different approaches (including strengths and weaknesses) of DSF development and delivery in the UK and South Korea, the current stakeholders map for DSP development in both countries are presented, respectively (see pages 33-34). Based on the relevant stakeholders map, a new stakeholders map is developed for the DSP development so that stakeholders can effectively perform their important roles (see page 35). Comprehensive indications of the essential design support content are provided on page 36 to help stakeholders to understand the type of design support needed depending on the business stages of social enterprises. Additionally, as part of the DSP's design support content, design funding development structure and process are suggested (see page 37).

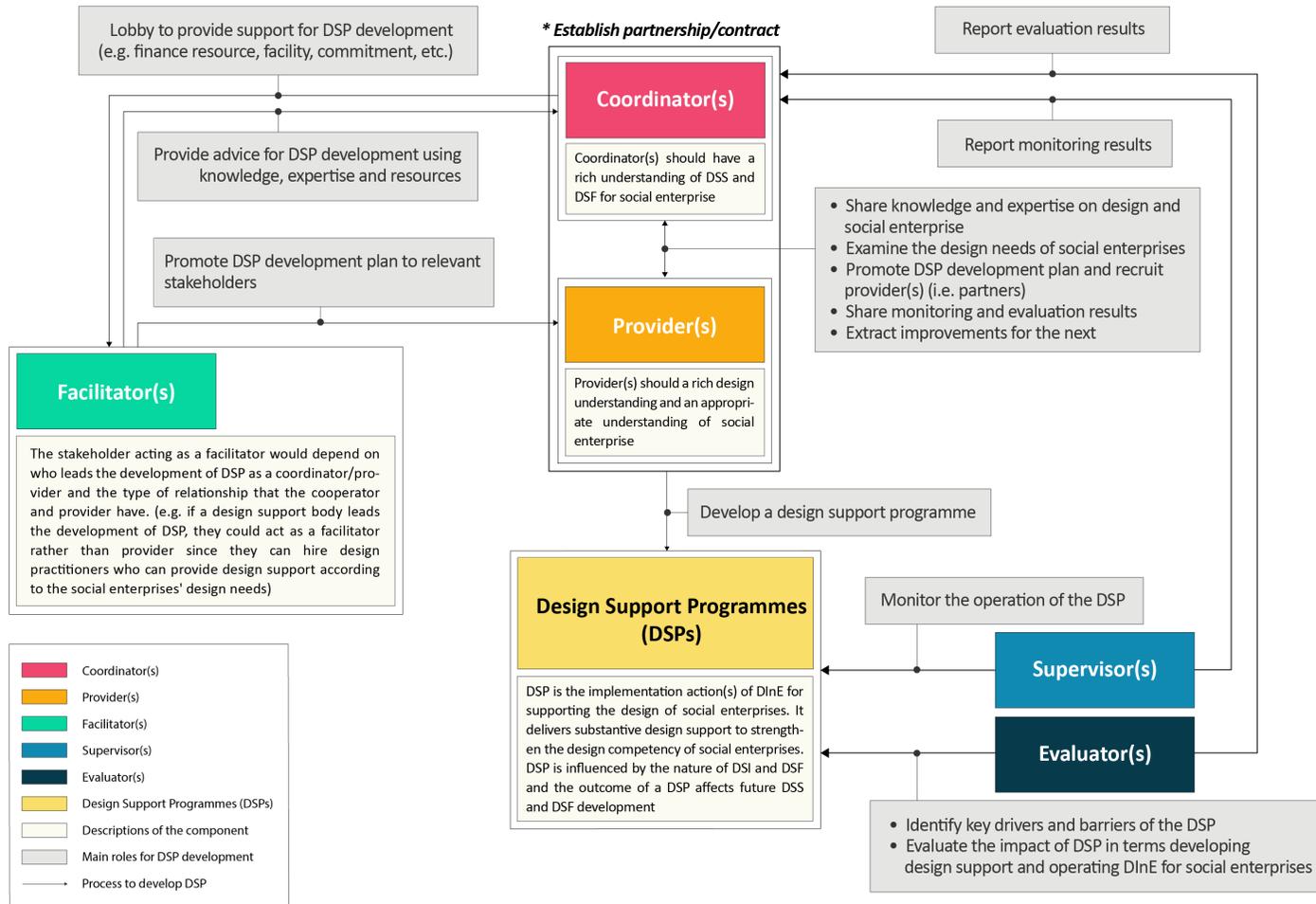
### 3.3.1 Checklist for DSP development

	1 Groundwork	2 Competence & resources	3 Partners	
1	Understanding of social enterprise	<input type="checkbox"/>	<input type="checkbox"/>	The understanding of social enterprise and their design needs is vital to set up the bases of DSP, including determining design support content; thus, users can conduct a questionnaire survey with social enterprises to explore what design needs they have.
		<input type="checkbox"/>	<input type="checkbox"/>	
	Understanding of design needs of social enterprises	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	
2	Design knowledge and expertise	<input type="checkbox"/>	<input type="checkbox"/>	Design is crucial in operating the DInE; thus, if the users have minimal knowledge and expertise on the design it is better to work with design practitioners (including support bodies, agencies and universities). If users have in-depth knowledge and various expertise on the design, they should consider how design can support the growth of social enterprises.
		<input type="checkbox"/>	<input type="checkbox"/>	
	Experience of design support	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	
	Financial resource to support the design of social enterprises	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	
3	Relationships with the main strategic stakeholders for DSF provision (e.g. governments, businesses, public bodies and NGOs)	<input type="checkbox"/>	<input type="checkbox"/>	Relationships with the main strategic stakeholders for DSF provision influence the scale, continuity and repeatability of DSP.
		<input type="checkbox"/>	<input type="checkbox"/>	
	Relationships with the main strategic stakeholders for DSP provision (e.g. design support bodies, universities and design practitioners)	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	
	Network channels with design practitioners and social enterprises	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	

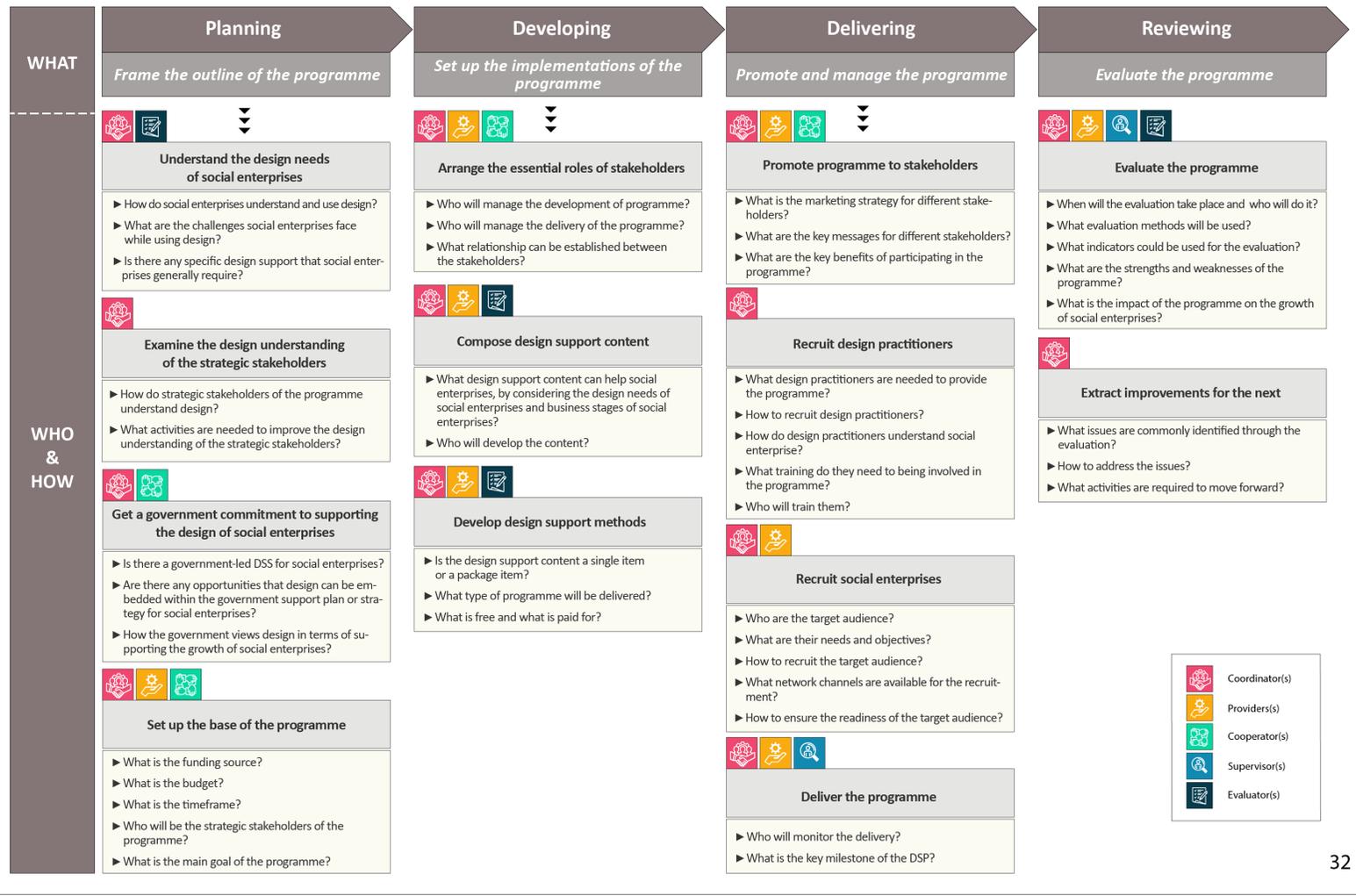
### 3.3.2 Key stakeholders and essential roles for DSP Development

		Main strategic stakeholders				
		 Coordinator(s)	 Provider(s)	 Facilitator(s)	 Supervisor(s)	 Evaluator(s)
Stakeholders		<ul style="list-style-type: none"> <li>• Social enterprise support bodies</li> <li>• Design support bodies</li> <li>• Universities</li> </ul>	<ul style="list-style-type: none"> <li>• Design support bodies</li> <li>• Universities</li> <li>• Design practitioners</li> </ul>	<ul style="list-style-type: none"> <li>• Governments</li> <li>• Public bodies</li> <li>• Businesses</li> <li>• NGOs</li> <li>• Design support bodies</li> <li>• Universities</li> </ul>	<ul style="list-style-type: none"> <li>• Social enterprise support bodies</li> <li>• Design support bodies</li> <li>• Universities</li> <li>• NGOs</li> </ul>	<ul style="list-style-type: none"> <li>• Social enterprises</li> <li>• Social enterprise support bodies</li> <li>• Design support bodies</li> <li>• Design practitioners</li> <li>• Universities</li> </ul>
Key role(s)		<ul style="list-style-type: none"> <li>• Stakeholder(s) who has responsibilities across developing, delivering, managing and evaluating the programme to support and improve the design of social enterprises.</li> <li>• They should play a role in improving understanding of design and social enterprise of other stakeholders.</li> <li>• They should have a rich understanding of DSS and DSF for social enterprises.</li> <li>• They can build strategic partnership or contract with each other or other stakeholders, especially providers and facilitators.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder(s) who plays a role in providing actual design support such as design training, mentoring, counselling and funding to social enterprises.</li> <li>• They use their knowledge, expertise and resources to support the design application and improvement of social enterprises.</li> <li>• They should have a rich design understanding and an appropriate understanding of social enterprise.</li> <li>• They can be a partner of the DSP coordinator(s) or be employed for delivery of the DSP to social enterprises by the coordinator(s).</li> <li>• They should be involved in the development process of design support content and method for effectively developing a DSP.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder(s) who plays subsidiary roles such as advising the coordinator(s) and provider(s) for facilitating the development and provision of the DSP.</li> <li>• They often establish a collaborative relationship with coordinator(s) and provider(s) to effectively play their roles</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder(s) who has a responsibility to monitor the operation of the programme and the key roles of the stakeholders.</li> <li>• They particularly focus on making sure that the social enterprises participating in the programme are properly receiving design support and that there are no difficulties in participating in the programme.</li> <li>• NGOs can participate to objectively oversee the programme.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder(s) who evaluates the impact of the programme in terms of supporting and improving the design of social enterprises.</li> <li>• They should evaluate whether the programme clearly achieves its main purpose and objectives.</li> <li>• They should also examine how the programme influences the growth of social enterprises.</li> <li>• They should identify key drivers and barriers of the programme to improve future programme.</li> </ul>

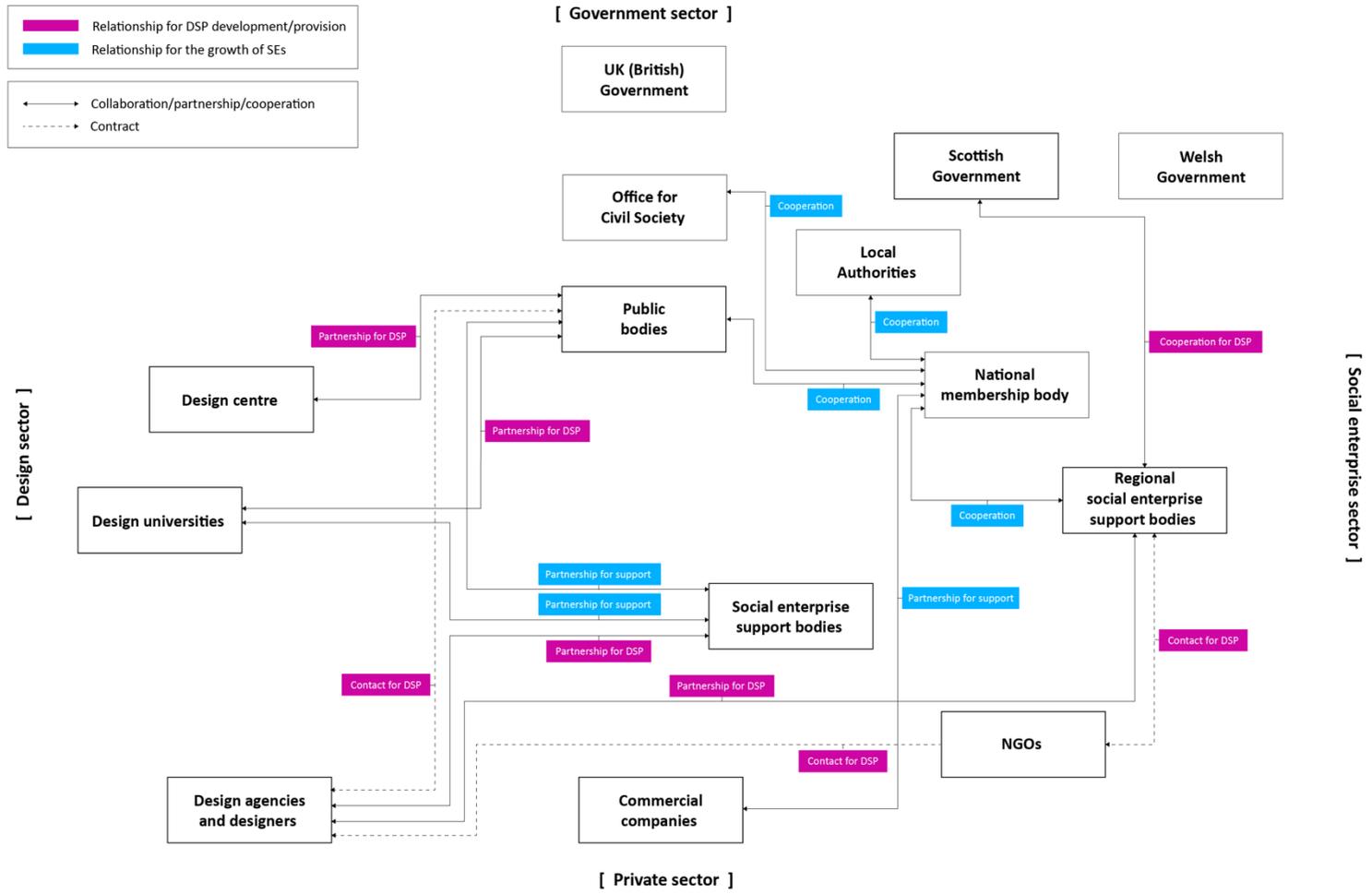
### 3.3.3 How key players work together to develop DSP



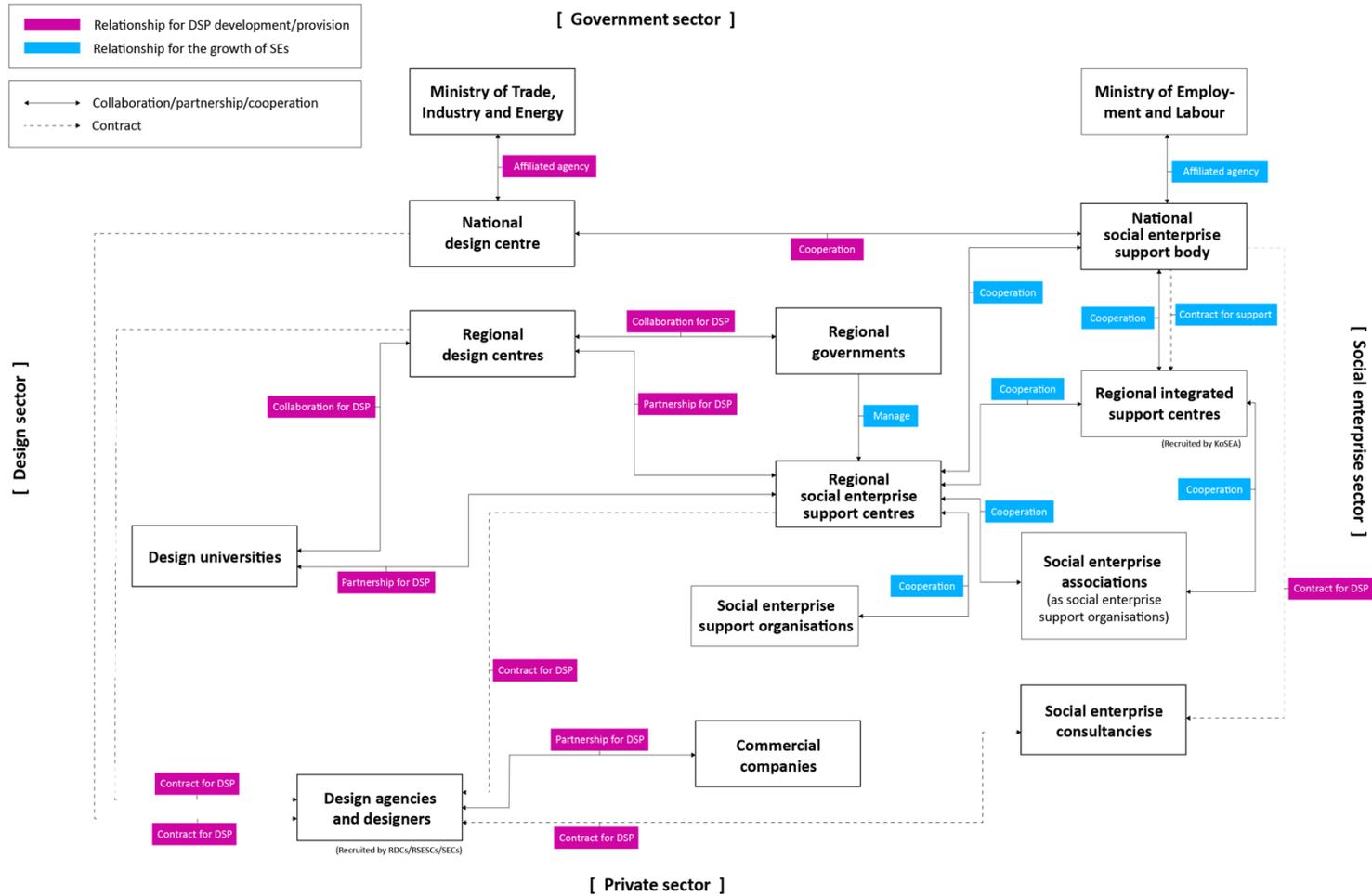
### 3.3.4 DSP development structure and process



### 3.3.5 Current stakeholders map for DSP development in the UK

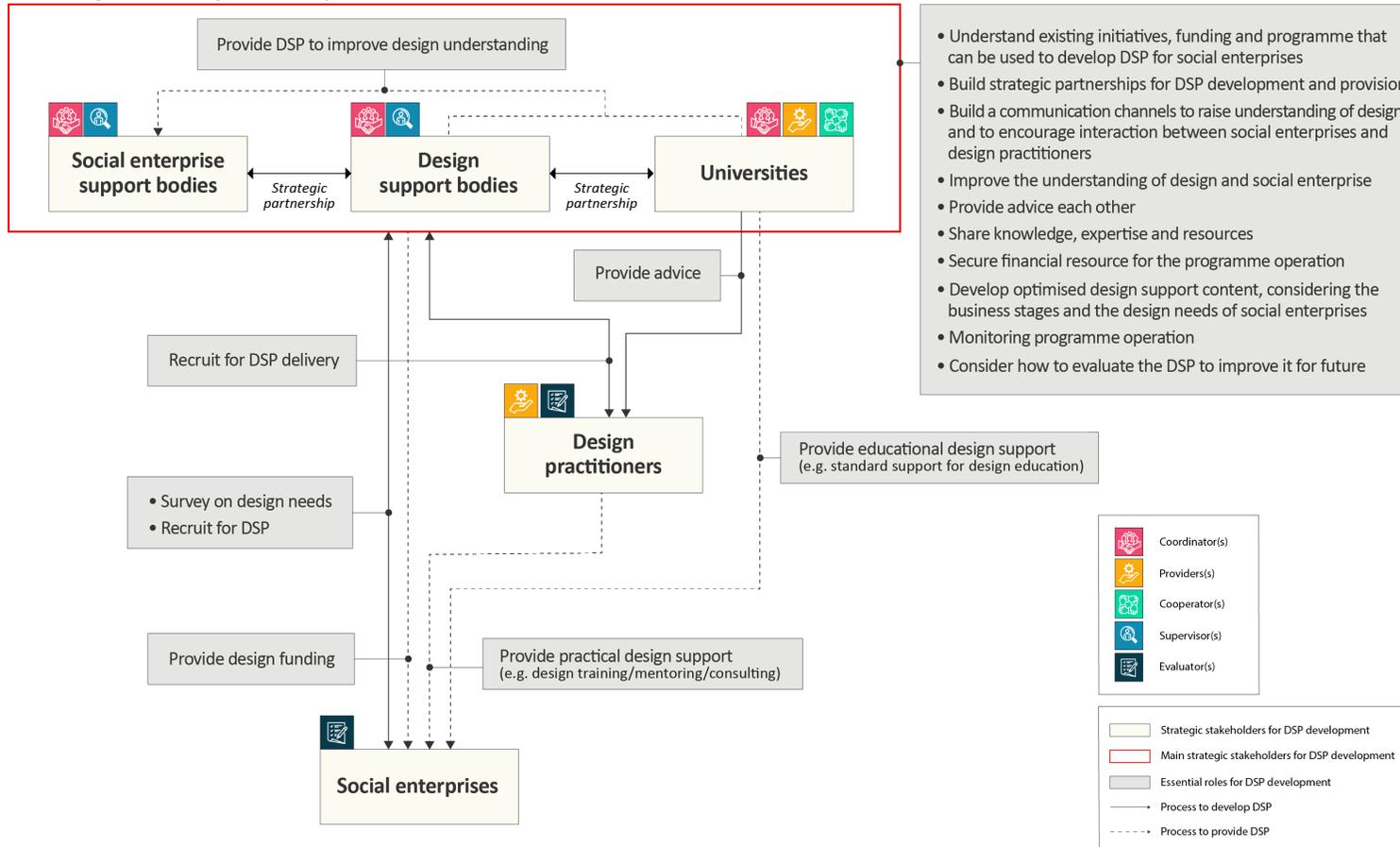


### 3.3.6 Current stakeholders map for DSP development in South Korea



### 3.3.7 Recommended new stakeholders map for DSP development

#### Main strategic stakeholders for DSP development



### 3.3.8 Indications for the essential design support content

Business stages	INCUBATING		ACCELERATING	
	Pre-start up	Start-up	Growth	Mature
Key objectives of the stage	<ul style="list-style-type: none"> <li>Explore idea</li> <li>Diagnose the current status of the company from the perspective of the consumer</li> </ul>	<ul style="list-style-type: none"> <li>Launching a new product/service</li> <li>Launching a brand</li> <li>Establish R&amp;D strategy</li> <li>Business model establishment</li> </ul>	<ul style="list-style-type: none"> <li>Secure competitiveness</li> <li>Increasing market share</li> <li>Realise the market opportunity</li> <li>Improve R&amp;D strategy</li> </ul>	<p>Strengthen the business and competitiveness</p>
How design can help	<ul style="list-style-type: none"> <li>Explore complex problems to set up social/environmental mission</li> <li>Concept ideation</li> <li>Ideation of business development</li> </ul>	<ul style="list-style-type: none"> <li>Identify business opportunities</li> <li>Concept development</li> <li>Develop product/services/brands</li> <li>Understand market/users</li> <li>Develop business model</li> <li>Develop customer communication</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate existing business</li> <li>Explore new business opportunities</li> <li>Increase profits</li> <li>Secure market competitiveness</li> <li>Improve products/services/brands</li> <li>Develop new products/services/brands</li> <li>Improve customer communication</li> <li>Improve business model</li> <li>Internalise innovation capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Develop a new organisational culture and system</li> <li>Top-level management support</li> </ul>
What design support content can be provided	<ul style="list-style-type: none"> <li>Standard support for design education (including online materials)</li> <li>Directory of design agencies and practitioners who interested in working with social enterprises</li> </ul>			
	<p><b>Design training + funding</b></p> <ul style="list-style-type: none"> <li>Design thinking</li> <li>Market research</li> <li>Grant for design (i.e. prototype, evaluate market opportunities or user research)</li> </ul>	<p><b>Design training + mentoring + consulting + funding</b></p> <ul style="list-style-type: none"> <li>Design thinking</li> <li>Market/user research</li> <li>Design brief</li> <li>Service design</li> <li>Product /service development</li> <li>Prototyping/testing</li> <li>UX design</li> <li>Graphic design (including BI/CI)</li> <li>Branding</li> <li>Marketing strategy</li> <li>Business area &amp; model development</li> <li>Design intellectual property</li> <li>Grant for design application</li> </ul>	<p><b>Design mentoring + consulting + funding</b></p> <ul style="list-style-type: none"> <li>Design thinking</li> <li>Market/user research</li> <li>Existing and new product/service development</li> <li>Prototyping/testing</li> <li>UX design</li> <li>Branding strategy for brand extension</li> <li>Marketing strategy</li> <li>Business strategy improvement</li> <li>New business area &amp; model development</li> <li>Design intellectual property</li> <li>Grant for design application and development</li> </ul>	<p><b>Design consulting + funding</b></p> <ul style="list-style-type: none"> <li>Design consultancy</li> <li>Voucher for design utilisation</li> </ul>
Design support methods	<ul style="list-style-type: none"> <li>Mode 1: Direct provision of design consultancy to individual social enterprises</li> <li>Mode 2: Subsidising investment in design in individual social enterprises</li> <li>Mode 3: Individual counselling and advisory services</li> <li>Mode 4: Workshops or seminars providing design advice</li> <li>Mode 5: Recognition of design achievements through awards of certification</li> </ul>		<ul style="list-style-type: none"> <li>Package VS single</li> <li>One-time VS series</li> </ul>	

### 3.3.9 Design Funding (DF) development structure and process

