The role of the intermediary in social enterprise sustainability: an international comparative study

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Abstract

Purpose - By comparing recent international research with prior findings this paper examines the role that specialist intermediaries play in the development of sustainable social enterprises.

Methodology - Utilising a mixed methods approach incorporating surveys and semi-structured interviews the study involved a sample of 93 social enterprise leaders from Scotland and Australia enabling comparative analysis.

Findings - The research suggests that contemporary social enterprise leaders view intermediaries as an important factor in the success of their organisations. They further see these entities as not only playing a key financing role but moreover offering a broad range of assistance including networking, business advisory and development support. However, considerable international variation in the prevalence and nature of intermediary support was reported by the participants.

Practical implications - The paper identifies that specialist sectorial intermediaries provide policy – makers with the opportunity to build socio-economic value for the community. However government must ensure that intermediaries provide an integrated and holistic suite of support tailored to the needs and stage of development of the social enterprise if their impact is to be optimised. Although a supportive environment for social enterprise development, including a framework of specialist intermediary organisations, appears to be somewhat developed in Scotland, the research indicates that Australian policy-makers are yet to introduce such initiatives. This indicates considerable potential to build the sector in Australia.

Keywords: social enterprise; intermediaries; sustainability; government.

JEL Classifications: M31
PsycINFO Classifications: 3940
FoR Codes: 1504; 1505
ERA Journal ID #40840
Introduction

As hybrid organisations that operate for a social purpose utilising traditional business practices (Dees, 1998; Doherty et al., 2014) social enterprise is increasingly viewed as an alternative model for service delivery by policy-makers (Blundel & Lyon, 2015; Defourny & Nyssens, 2010). The UK Government’s consistent development of the sector over recent years reflects this (Blundel & Lyon, 2015; Mawson, 2010; Teasdale, 2012). Similarly in its recent “Review of Australia’s Welfare System” the Australian government identifies the valuable role that social enterprise can play in enhancing capacity and innovation in the sector (Department of Social Services, 2015). The report goes so far as to state that “Australia would benefit from a long term strategy to support social enterprise development” with the recommendation that a strategy should seek to not only “increase supply of investment to enterprises”...but also importantly “improve the enabling environment for social enterprises” (Department of Social Services, 173-4).

However policy makers have increasingly looked to reduce governmental funding of the sector (Blundel & Lyons, 2015; Defourny & Nyssens, 2010; Peattie & Morley, 2008). This is problematic for most social enterprises as they often need to be multi resource organisations (Doherty et al. 2009; Ridley-Duff & Bull, 2011) looking to attract resources from a range of sources including but not limited to earned income and extending to philanthropic donation, government grants and inputs from the social entrepreneurs themselves (Hynes 2009). Meaning that social ventures must increasingly seek organisational longevity by considering business models that move beyond grant income, turning to commercial activity to sustain themselves (Chell, 2007; Mair & Marti, 2006; Jenner, 2016).

Yet these enterprises often lack commercial and managerial capabilities (Doherty et al. 2014; Peattie & Morley, 2008; Sunley & Pinch, 2012) with this important area remaining under researched despite such capabilities being recognised as playing a key role in social enterprise success (Hynes, 2009; Peattie & Morley, 2008; Sharir et al. 2009). Including the critical area of marketing (Powell & Osborne, 2015; Sunley & Pinch, 2012). A challenge made more difficult for social ventures given their dual social and economic goals (Doherty et al. 2014; Florin & Schmidt, 2011). Hence, the importance of training and the development of management capabilities for social enterprise has been widely promoted (Doherty et al, 2014; Hines, 2005; Lyon & Fernandez, 2012).

Thus the facilitation of business support for social enterprise is an important area of governmental focus (Lyon & Ramsden, 2006; Villeneuve, 2011; Shanmugalingam et al. 2011). Moreover such support needs to be specifically tailored to the needs of social enterprise and delivered by specialist intermediaries (Burkett, 2013; Hines, 2005; Hynes, 2009). However despite widespread international recognition of the potential that intermediaries offer (Burkett, 2013; Kneidling & Tracey, 2008; Lyons et al. 2007) to date in Australia “the role of intermediaries ...has not been well understood” (Burkett, 2013, 7). Scotland on the other hand, drawing upon a rich history of social and community enterprise, possesses arguably the most supportive environment for social enterprise with an infrastructure of support based on “a highly developed array of support organisations to encourage the growth of social enterprises” (Roy et al 2015, 788).

Given this backdrop and the apparent potential role intermediaries can play in supporting the development of social enterprises this paper examines and compares the nature of intermediary support for the sector in Australia and Scotland. To do so the paper considers prior research relating to social enterprise sustainability before examining the literature on the role of intermediaries and government in this process. Then, having detailed the research methodology, recent comparative research findings are outlined and
discussed. Finally conclusions are drawn out with implications of the study being identified before future research opportunities are highlighted.

**Social enterprise sustainability**

Commercial sustainability is necessary for social enterprises to deliver ongoing social impact (Chell, 2007; Dees, 1998; Weerawardena et al. 2010). As such a variety of important factors have been identified that support the sustainability of these ventures. The importance of securing resources is a fundamental challenge for social enterprises to operate and compete in the marketplace (Doherty et al., 2014; Diochon & Anderson, 2009; Sharir et al. 2009) with a mixture of human, financial, physical and network resources a prerequisite for success. (Haugh, 2009).

Resourcing is thus a core issue in terms of social enterprise development (Hynes, 2009) with access to finance considered to be a central challenge in the growth of these ventures (Burkett, 2013; Sunley & Pinch, 2012). However scholars further highlight a range of other key factors critical to the sustainability of social ventures. Operational excellence for example is viewed as a trait of successful social enterprises (Coburn & Rijsdijk, 2010) and organisational legitimacy, with its potential to provide access to resources and competitive advantage is considered of saliency (Dacin et al. 2010; Dart, 2004; Townsend & Hart, 2008). Furthermore a commercial orientation (Dees, 1998; Chell, 2007) including a focus upon growth (Hynes 2009; Jenner 2016) as well as collaborative networks (Di Domenico et al. 2010; Meyskens et al. 2010; Seelos et al. 2011) are also recognised as important factors.

Collectively, collaborative networks, legitimacy as well as organisational capabilities and resourcing were framed as the key drivers of social venture survivability by Sharir and Lerner (2006; 2009). Recent research supports these findings, further identifying that a commercially focused growth orientation is regarded as the key factor in achieving social enterprise sustainability by the leaders of these ventures (Jenner, 2016). Findings that align with Coburn and Rijsdijk’s view that “concepts of scale and growth” (2010, 3) are important to social enterprise leaders. However, as hybrid organisations (Doherty et al. 2014; Florin & Schmidt, 2011) with competing commercial and social logics (Cornforth et al. 2014; Eikenbury & Kluver, 2004; Dey & Steyaert, 2010) the need for a broader conceptualisation of social enterprise growth has been mooted (Blundel & Lyon, 2015).

Nevertheless, social enterprise sustainability has been generally considered to be an economic issue (Chell, 2007; Hynes, 2009; Jenner, 2016; Weerawardeena et al. 2010). Yet these enterprises often lack commercial and managerial capabilities (Doherty et al. 2014; Peattie & Morley, 2008; Sunley & Pinch, 2012) including important marketing (Powell & Osborne 2015), planning (Bull & Compton, 2006) and networking skills (Jenner & Oprescu, forthcoming). Therefore scholars have emphasised the need for these ventures to develop management skills via targeted training (Doherty et al. 2014; Hines 2005; Lyon and Fernandez 2012). In fact the provision of business support to the sector is seen as an important aspect of governmental focus (Lyon & Ramsden, 2006; Villeneuve 2011) best delivered by specialist organisations (Burkett, 2013; Shanmugalingam et al. 2011).

**Social enterprise Intermediaries**

As specialist organisations “bringing about social change ... by filling the gaps in finance and business support” (Affleck & Mellor, 2006, 304) intermediaries are increasingly viewed as being important to social enterprise sustainability (Burkett, 2013; Shanmugalingam et al. 2011). Thus as an established feature of social enterprise development (Cooch & Kramer, 2007; Kneidling & Tracey, 2008; Mendell & Nogales, 2009) they are widely viewed as having the potential to play a significant role in supporting and
building the field (Burkett, 2013; Chertok et al., 2008; Lyons et al., 2007; Mendell & Nogales, 2009; Sunley & Pinch, 2012). Hence intermediaries are recognised not only in delivering the sector with important funding support but also advisory, networking, business development and training assistance (Hines 2005; Lyon & Ramsden 2006; Peattie & Morley, 2008; Shanmugalingam et al. 2011). This is important as social enterprises are often not investment ready and need the support of intermediaries particularly in areas such as strategy and resourcing (Sunley & Pinch, 2012).

Hence intermediaries need to be “transformational” rather than purely transactional in their relationship with the sector fulfilling a range of interrelated functions such as capability development, innovation, advocacy, research and sectoral capacity building (Burkett 2013; Shanmugalingam et al., 2011). Thus intermediaries are seen to offer the potential of “shaping the markets for social ventures” and thus their capacity to support the networking activities of social enterprises, particularly with public policy makers is critical (Shanmugalingam et al., 2011, 5).

Moreover there is a growing recognition that intermediary support should be apparent not only at the emergence but throughout the entire lifecycle of social enterprise development with their role needing to adapt and vary through the various stages of organisational growth. Therefore intermediaries need to be aligned to both preparing nascent social ventures for “investment readiness” as well as subsequently supporting them to grow by “building the viability and sustainability of social enterprises” (Burkett, 2013, 49). This requires a significant shift of perspective for intermediaries, moving beyond a traditional focus upon grant and gift allocation to a more holistic development model (Burkett, 2013).

However, an important pre-condition for successful intermediary engagement is the existence of “trustful relationships ... between social enterprises and support agencies” (Seanor & Meaton, 2008, 30). Governments must therefore ensure that intermediaries provide “the right support at the right times” (Coburn & Rijsdijk, 2010, 5) and it is important in an emerging field such as social enterprise that appropriate standards of “accountability, competition and transparency” are identified and established for intermediaries (Shanmugalingam et al., 2011, 19).

Hence for intermediaries to play a transformational role in the sector requires a social policy and institutional framework that underpins these initiatives (Mendell & Nogales, 2009). This can enable these entities to become part of a multi-stakeholder engagement model to facilitate the development of sustainable social enterprise activity (Mendell & Nogales, 2009; Meyskens et al. 2010).

However despite widespread international recognition of the capacity for intermediaries to help develop the field (Burkett, 2013; Kneidling & Tracey, 2008; Lyons et al. 2007) Australia possesses “a less well developed intermediary sector than there is in places like the UK and USA” (Burkett, 2013, 7). Conversely the UK is viewed as having a relatively developed intermediary framework in place with “over 100 organisations that fit our broad definition of an SVI in the UK” (Shanmugalingam et al. 2011, 19). Leading the Australian Productivity Commission to go so far as to state that “in contrast to the experience in several other countries ... intermediaries are relatively under developed” in Australia and that “the experience in the UK points to the important role that government can play in building the supply of intermediary organisations” (2010, 234).
Social enterprise and government

Given a growing recognition of their positive socio-economic impact (Galera & Borzaga, 2009; Peattie & Morley, 2008; Peredo & Chrisman, 2006) social enterprise has increasingly attracted the attention of governments (Barraket et al. 2010; Teasdale, 2012). with policy makers often looking to social enterprise as an alternative service delivery model (Blundel & Lyons, 2015; Defourny & Nyssens, 2010).

The UK Governments consistent development of the sector over the last decade or so bears witness to this (Blundel & Lyon, 2015; Mawson, 2010).

Thus public policy is viewed of significance to social enterprise development (Blundel & Lyon, 2015; Coburn & Rijsdijk, 2010; Scott & Teasdale, 2012) particularly given the challenges of funding social ventures (Burkett, 2013; Mendall & Nogales, 2009) as many are reliant upon public markets, often operating in areas of marked social exclusion and market failure (Diochon & Anderson, 2009; Galera & Borzaga, 2009). These ventures are therefore “highly susceptible to Government influence” (Coburn & Rijsdijk, 2010, 5), often requiring funding from “a supportive political environment to counterbalance a lack of market opportunities” (Scott & Teasdale, 2012, 152). However research indicates that social ventures face significant barriers in accessing finance to develop and grow (Burkett 2013; Sunley & Pinch 2012).

Nonetheless the UK is perceived as having a policy environment that has created a nurturing environment for social enterprise in recent times (Nicholls, 2010) being seen “as a global leader in the emerging field of social enterprise” and “over the past 15 years, at least 350 million pounds of public money has gone into funds for social entrepreneurship, charity capacity building and other support for social ventures” (Shanmugalingam et al. 2011, 4). In fact the UK social enterprise “model” has been influential in many international jurisdictions including Australia (Roy et al. 2015).

Furthermore, within the UK, Scotland has evolved a framework of institutional support for social enterprise involving a “developed and complex array of support organisations” drawing upon the “significant and explicit commitment of support from Government” (Roy et al. 2015, 795). This has resulted in “a sustainable eco-system of support for social enterprises attracting attention from around the world” (Roy et al. 2015, 787).

There are signs however that governments in Australia are developing an awareness of the potential of social enterprise (Barraket et al. 2010). For example the recent introduction in of the Social Enterprise Development and Investment fund in 2011 seeking to support social enterprise development beyond their early stages (Burkett, 2013; McNeil & Kernot, 2011) and the development of financial instruments such as Social Impact Bonds designed to fund innovative service delivery models for the community (Department of Social Services, 2015).

However an “unintended consequence” of such support may be that government “fosters dependency” amongst social ventures, potentially constraining entrepreneurial activity (Diochon & Anderson, 2009, 23). For grant funding alone does not lead to sustainable social ventures (Sunley & Pinch, 2012). Hence research also consistently identifies the provision of business support for social enterprise as an important governmental responsibility (Hynes, 2009; Lyon & Ramsden, 2006; Burkett, 2013). Such critical support needing to be specifically tailored to the social enterprise context (Hynes, 2009; Lyon & Ramsden, 2006) and delivered by specialist providers such as intermediaries that “exhibit knowledge of the sector and empathy with its aims” (Hines, 2005, 28).
A number of specific public policy issues and opportunities relating to social enterprise development is featured in the literature. For example, the potential for government to raise the awareness of social enterprise and its impact in the community (Barraket & Weissman, 2009; Lyon et al. 2005; Peattie & Morley, 2008; Smallbone et al. 2001). Social procurement is also seen as a key policy opportunity for social enterprise development (Doherty et al. 2009; Lyon et al. 2005; Peattie & Morley, 2008; Villeneuve, 2011) with the “continuing success of social enterprises” most notably influenced by “public policy and spending” (Coburn & Rijsdijk, 2010, 1). The introduction of Community Benefit Clauses into Scottish local authority planning decision-making processes is a progressive example here (Roy et al. 2015). However despite those in the public sector often supporting the aims of social enterprise there is often a lack of confidence in their ability to reliably deliver services (Peattie & Morley, 2008). Hence there is a need to “develop stronger cross sector relationships, build trust and address barriers to collaboration” to more fully connect socially focused organisations to government procurement processes (Stewart, 2012, 27).

Research method

Incorporating a mixed methods approach (Creswell & Plano, 2007) the research involved a sample of 93 social enterprise leaders including 50 Australian and 43 Scottish participants. The use of surveys and face-to-face interviews enabled the complementary collection of qualitative and quantitative data resulting in a breadth and depth of analysis and subsequently a better understanding of the research issues (Creswell & Plano, 2007).

The participants were deliberately sourced using the purposive sampling variant known as stratified sampling (Creswell & Plano, 2007) from a cross-section of social enterprise organisational types (Teasdale, 2012). However, identifying large numbers of social enterprises presents considerable challenges (Barraket et al. 2010; Lyon et al. 2010) therefore the additional sampling method of “snowballing” (Yin, 2011) was required to source additional participants.

To capture the qualitative data capture semi-structured interviews were used, providing the interviewer with greater control over the process (Creswell & Plano, 2007). Questions were based upon central themes developed from the literature (Miles & Huberman, 1994; Yin, 2011) ensuring targeted analysis of the key issues without overloading the research with superfluous information (Miles & Huberman, 1994; Yin, 2011). The interview data was then coded according to key themes in three stages. Firstly, Descriptive coding categorised the data before Pattern coding then reorganised the information into clusters that attributed better meaning to the grouped data (Saldana, 2010). Finally Magnitude coding detailed the frequency of codes, allowing the researcher to better detect and confirm emergent patterns and themes in the information (Saldana, 2010). This final step is particularly useful in mixed methods designs as it delivers increased consistently across the accumulated data allowing the qualitative findings to be more easily compared with the projects quantitative results (Saldana, 2010).

To capture the quantitative results a survey instrument was specifically developed for the study. A pre-validated instrument from the associated field of small business research (Brunetto & Farr-Wharton, 2007) was amalgamated with key themes identified from the literature (Yin, 2011). The collated quantitative data was analysed with the aim to benchmark mean-score data and enable assessment of the sustainability aspirations associated with the participants.

However statistical analysis to test the consistency of the data using Cronbach’s Alpha revealed identified an unacceptable level of reliability, indicative of an inadequately sized sample to produce a statistically valid regression model (Hair et al. 2009). Therefore the
study's quantitative results were secured by applying a range of descriptive statistics using the SPSS software package. This enabled the study's qualitative and descriptive statistical information to be combined and compared leading to the important insights that define the contribution of the research.

### Research findings

**Intermediary support**

That intermediaries are of importance to social enterprise sustainability (Burkett 2013) is supported by this research. Taken overall, high levels of support from intermediary organisations were reported by the respondents with 77.4% of participants reporting such. Interestingly, as the following table shows, the results also indicate a strong correlation between the receipt of intermediary support and Government assistance as reported by the participants;

<table>
<thead>
<tr>
<th></th>
<th>% that received intermediary Support</th>
<th>% that received Government support</th>
</tr>
</thead>
<tbody>
<tr>
<td>All N=93</td>
<td>77.4%</td>
<td>76.3%</td>
</tr>
<tr>
<td>Australia N=53</td>
<td>67.9%</td>
<td>69.8%</td>
</tr>
<tr>
<td>Scotland N=40</td>
<td>90%</td>
<td>85%</td>
</tr>
</tbody>
</table>

However notably these results further demonstrate the Australians identify receiving considerably less support from intermediaries than their Scottish counterparts. In fact 32% of the Australians reported having never received any support from intermediaries of any kind whereas an overwhelming 90% of the Scots confirmed receiving some form of intermediary assistance with a similar result reported in relation to the receipt of government assistance by the respondents.

Further insight into the role of intermediaries in the social enterprise sector was obtained from the following open-ended question: “What form(s) of support has your enterprise received from intermediaries?”

The following table is a summary of the generic categories of support reported as being received by the respondents;

<table>
<thead>
<tr>
<th></th>
<th>Australia N=53</th>
<th>Scotland N=40</th>
<th>Total N=93</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial resourcing/funding</td>
<td>20 (38%)</td>
<td>15 (37.5%)</td>
<td>35 (37.5%)</td>
</tr>
<tr>
<td>Advisory/consulting/Mentoring</td>
<td>20 (38%)</td>
<td>30 (75%)</td>
<td>50 (54%)</td>
</tr>
<tr>
<td>Networking/Business development</td>
<td>9 (17%)</td>
<td>14 (35%)</td>
<td>23 (25%)</td>
</tr>
<tr>
<td>Training</td>
<td>4 (7.5%)</td>
<td>3 (7.5%)</td>
<td>7 (7.5%)</td>
</tr>
<tr>
<td>None or very minimal</td>
<td>17 (32%)</td>
<td>4 (10%)</td>
<td>21 (22.5%)</td>
</tr>
</tbody>
</table>
The table reveals that although the participants from both countries reported similar levels of support in terms of funding and resourcing assistance the Scottish participants identified considerably higher levels of assistance from intermediaries in other important areas such as advice, networking and business development support than their Australian counterparts.

Additionally, the final fourteen surveyed participants were also asked an ancillary question to determine not just whether they had received support from intermediaries but more importantly how important they perceived this support to be. There was total agreement across this group that intermediaries are of importance to the field of social enterprise with 85% viewing them as fairly to extremely important to their organisation.

The study’s qualitative data corroborated the survey results indicating that social enterprise intermediaries play an important role in the development of sustainable social enterprises. Significantly the discussion relating to intermediaries came predominantly from the Australian respondents. However, of note, the participants from both groups emphasised that this support needs to be targeted and well managed so as to deliver optimum benefit. The following statements are illustrative of the perspectives of the social enterprise leaders towards intermediaries and their role in social enterprise development.

“Intermediaries play an important role beyond simply funding ... in planning and refining opportunities” suggested an experienced Australian social enterprise CEO.

“Intermediaries can help give credibility and access to networks” stated an Australian social entrepreneur who reported having received considerable support from intermediaries.

Another Australian social entrepreneur with experience of working with intermediary organisations described the need for:

“...an integrated holistic model of support”, further stating that “Government should not get hands on ...” but support the sector “via intermediaries”.  

Finally a prominent Australian social entrepreneur felt that intermediaries can play an important role in building the sector by extending the reach of government funding support to a wider number of ventures declaring that they;

“...should make social enterprise more effective...by spreading the funding deeper not just too a few big foundations”.

The Scottish respondents on the other hand made less mention of intermediaries in the interviews. When discussed, intermediary activity was largely taken for granted and viewed as beneficial to the sector. Well illustrated as follows;

“Government has created a great support infrastructure in Scotland” stated a high profile Scottish social enterprise CEO.

However, as the following observations show, the Scottish participants see the role and impact of these players as needing to be carefully targeted, monitored and evaluated by policy makers to ensure that the optimum aggregate benefit accrues to the community. As one successful Scottish social enterprise leader warned, intermediaries can:

“...create collaborative hubs that are simply self-supporting and fragile”

Whilst another Scottish social entrepreneur observed that:

“Too many intermediaries are feeding on the public purse ... it is just self-perpetuating”
In summary, the results suggest that social enterprises view intermediaries as an important provider of assistance to their organisations playing a role in their development. However Australian social enterprises report significantly lower levels of support from these entities.

Government relations

Public policy is widely recognised as playing a significant role in social enterprise development (Blundel & Lyon, 2015; Coburn & Rijsdijk, 2010). The relationship of social enterprise with government was another common topic discussed by the social enterprise leaders in this study. The following table summarises participant responses to the question; “How could government further assist your enterprise?”

Table 3:
Forms of governmental assistance

<table>
<thead>
<tr>
<th>Forms of government assistance</th>
<th>Australia N=48</th>
<th>Scotland N=40</th>
<th>Total N=88</th>
</tr>
</thead>
<tbody>
<tr>
<td>More direct support/funding/resources</td>
<td>32 (67%)</td>
<td>23 (57.5%)</td>
<td>55 (62.5%)</td>
</tr>
<tr>
<td>Policy initiatives (tax/structure/less bureaucracy)</td>
<td>22 (46%)</td>
<td>8 (20%)</td>
<td>30 (34%)</td>
</tr>
<tr>
<td>Procurement/collaboration/capacity</td>
<td>11 (23%)</td>
<td>11 (27.5%)</td>
<td>22 (25%)</td>
</tr>
<tr>
<td>Grow awareness of the sector</td>
<td>8 (17%)</td>
<td>6 (15%)</td>
<td>14 (16%)</td>
</tr>
<tr>
<td>Already good</td>
<td>0 (0%)</td>
<td>6 (15%)</td>
<td>6 (7%)</td>
</tr>
</tbody>
</table>

These results suggest that both country groups similarly viewed the most important role of government for social enterprise is direct support in the form of additional funding and resources. The groups also gave a similar weighting to the importance of increased government procurement initiatives and collaborative activity as well as a need for government to help grow awareness of the sector overall. However the data indicated that government relations were a more significant issue for the Australian respondents than their Scottish counterparts. For example considerably more Australian participants singled out the need for policy initiatives in areas such as social enterprise legal structure and the reduction of bureaucracy. Furthermore, significantly 15% of Scottish respondents reported that government was actually doing a good job whereas not a single Australian participant presented a positive view. This is illustrated as follows;

“More government support for social businesses” is required stated an Australian social entrepreneur.

Similarly “...government is key ... and should play a much bigger role” stated the head of a large Australian NFP group.

Conversely the Scottish respondents revealed a very different perspective, indicating an apparently more positive and developed relationship between the social enterprise domain and government in Scotland as identified earlier and further illustrated by the following quote:

“...we receive a lot of support from the Scottish Government” declared a Scottish social entrepreneur.
However social enterprise leaders from both countries identified government procurement as a core issue for social enterprise development. It was a common theme in data supporting a general view that collaboration with government through procurement initiatives offered significant potential for social enterprise development as the following comments demonstrate:

“Develop more social procurement strategies” declared a leading Australian CEO. Similarly a Scottish social entrepreneur stated “...we need to get government procurement happening ...” however to do so the sector needs to “... educate the public sector procurers about social enterprise”.

Thus overall the results suggest that social enterprise leaders view Governmental relations as an important factor in terms of social enterprise sustainability. However the data further reveals that the Australian participants reported less governmental support than their Scottish counterparts.

Discussion

As policy makers increasingly seek to incorporate the social enterprise model into community service delivery (Blundel & Lyon, 2015; Defourny & Nyssens, 2010) it would follow that they are keen to influence the development and sustainability of these organisations. However with their competing social and economic logics (Cornforth et al 2014; Eikenbury & Kluver, 2004) the economic viability of social ventures can be challenging (Chell, 2007; Dees, 1998). A particular issue for these ventures is access to resources (Diochon & Anderson, 2009; Sharir et al 2009). Moreover they often lack key managerial skills and commercial capabilities (Doherty et al 2014) such as important marketing expertise (Powell & Osborne, 2015) and strategic networking capabilities (Jenner & Oprescu, 2016).

Specialist intermediaries that can deliver not only important funding support but also advisory, networking, business development and training assistance (Hines, 2005; Lyon & Ramsden, 2006; Shanmugalingam et al. 2011) can therefore play a significant role in social enterprise development (Burkett, 2013; Sunley & Pinch, 2012). Similarly governments are highly influential in the success of social ventures (Blundel & Lyon, 2015; Hines, 2005; Scott & Teasdale, 2012) particularly as policy has a major influence upon intermediary support to the sector (Australian Productivity Commission, 2010; Coburn & Rijsdijk, 2010; Mendell & Nogales, 2009).

The results of this study are therefore supportive of prior research. For the findings confirm that contemporary social enterprise leaders from Australia and Scotland report that specialist intermediaries play an important role in the sustainability of their ventures (Burkett, 2013; Hines, 2005; Peattie & Morley, 2008). Furthermore both sets of international participants nominated very similar generic categories of intermediary assistance namely:

- Financial/ funding support
- Advisory/ consultancy assistance
- Networking / business development support and,
- Training/ business skills assistance

These categories are both consistent with previous studies (Hines, 2005; Lyon & Ramsden, 2006; Shanmugalingam et al. 2011) and align with the growing recognition that intermediaries must provide holistic rather than purely transactional support to social enterprises (Burkett, 2013; Sunley & Pinch, 2012).
However significantly the results reveal substantial cross-country variation in terms of both intermediary and governmental relations with social enterprise. For the Scottish social ventures report considerably higher levels of both public and intermediary support than their Australian counterparts. Although 90% of the Scottish respondents reported having "received support from intermediaries" only 68% of their Australian counterparts indicated such. Thus approximately a third of all the Australian participants described receiving none or minimal intermediary support whereas only 10% of the Scottish group reported this lack of assistance. This represents a considerable difference between the two international cohorts.

Furthermore, deeper analysis of the comparative data reveals notable cross-country variation in the application of the range of support services delivered by intermediaries. The findings detail that Australian social enterprises not only receiving less support from intermediaries but also that the assistance received is limited primarily to funding-related activities. Conversely the Scottish participants, whilst similarly reporting the receipt of assistance in terms of financing, further identified receiving a more holistic and integrated range of support. The Scottish respondents reported receiving far greater levels of support in areas such as coaching and consulting as well as networking and business development support than their Australian counterparts. For example, 35% of the Scottish participants reported receiving networking or business development support from intermediaries whereas only 17% of the Australian cohort indicated such. This represents a considerable difference between the two international cohorts.

Moreover, interestingly given the desire by governments to increase the use of the social enterprise model to deliver community services (Blundel & Lyon, 2015) and despite public policy being viewed as significant to social enterprise development (Coburn & Rijsdijk, 2010; Scott & Teasdale, 2012) the findings also demonstrate considerable cross-country variation in overall governmental engagement with social enterprise. For although a positive relationship with government was an important issue across the majority of respondents, the data clearly identifies that Scottish social enterprises perceive themselves as receiving far more public support than their Australian counterparts. This is evidenced in the quantitative data wherein 85% of respondents in Scotland as opposed to only 70% in Australia answered positively when asked whether they experienced “government support”. Furthermore, whereas 65% of the Scottish social enterprises confirmed that they had received “public donation” only 24% of the Australian respondents reported receiving such support. This is supported by 15% of Scottish respondents reporting that government was actually doing a good job whereas no Australian participant presented such a view. This is perhaps further reflected in the fact that considerably more Australian participants singled out the need for policy initiatives to assist the sector. However both country groups identified the important role that government can play in raising the awareness of social enterprise as well as specifying government procurement as a core issue for social enterprise development.

The results therefore support the notion that the delivery of integrated, specialised intermediary assistance is an important factor in the development of sustainable social enterprises (Burkett, 2013; Shannugalalingam et al. 2011). However it requires an aligned social policy framework to underpin these initiatives (Burkett, 2013; Mendell & Nogales, 2009). The apparent relative lack of both public and intermediary support reported by the Australian respondents in this study is therefore of importance suggesting, in line with previous findings, that the role of intermediaries is not well understood by Australian policy makers (Burkett, 2013).
As such the research has important implications for policy-makers given the aforementioned growing appetite to unlock the potential community benefits that social enterprise offers. However to do so intermediaries must be encouraged to take on a holistic role and not remain transactionally based around funding initiatives (Burkett, 2013). In this way the focus must be around developing social enterprises through all stages of the organisational life-cycle not predominantly focused on start-ups. This will include varied strategies that are adaptable to meet the different funding and capabilities required by enterprises in different stages of their life-cycle (Burkett, 2013). Thus intermediaries must provide the right support at the right time and not a one size fits all approach.

An important element in developing social enterprise sustainability is the fostering of multi-stakeholder collaborative partnerships (Doherty et al. 2014; Sharir et al. 2009). Intermediaries can foster such activity by facilitating symbiotic community relationships between social enterprises and key stakeholders such as investors, corporations and government (Meyskens et al. 2010). Cultivating relations with public policy makers is a particularly critical role here (Seanor & Meaton, 2008). Governments must therefore ensure that intermediaries provide not only the right support but ensure that appropriate standards are established for intermediaries (Shanmugalingam et al. 2011). Hence policy makers must be mindful that initiatives are applied not only with defined goals and that are adequately resourced but also well controlled to ensure sectorial growth and increased community benefit is achieved. There are dangers if not well monitored that inefficiencies and grant farming practices may eventuate resulting in a lack of trust in the sector.

Practitioners for their part need to recognise the sustainability needs of their organisation and invest in seeking out and developing relationships with specialist intermediaries that offer holistic tailored assistance. Thus funding assistance needs to be attached to a range of ongoing integrated support activities including managerial skills and strategic network development, specifically aligned to the development of sustainability for the venture. The relationship needs to be more of a partnership that is focused on long term goals and outcomes rather than a short term funding mechanism.

The results of this research therefore suggest the following theoretical model of the role of intermediaries in social enterprise development. The model draws upon and amplifies prior research that recognises a holistic, integrated role for these important entities (Burkett, 2013; Mendell & Nogales, 2009; Shanmugalingam et al. 2011). It further emphasises the potential of intermediaries as facilitators of collaborative partnerships to meet market opportunities as well as providing a critical information and communication channel for the sector, advocating, monitoring and reporting the impact of the field to key stakeholders and the community at large and thus facilitating a sustainable high impact social enterprise sector.
Figure 1: Theoretical model of the role of specialist social enterprise intermediaries

(Adapted from Burkett, 2013; Mendell & Nogales, 2009; Shanmugalingam et al. 2011).
Conclusions, Limitations and Future Research

Social enterprises deliver socio-economic benefit to the community and governments are increasingly interested in the potential to use the social enterprise model for the delivery of important community services. Hence there is a logic for government to provide a supportive environment that enables the development and growth of sustainable social enterprises. However the field often lacks key commercial capabilities. The opportunity to promote specialist sectorial intermediaries targeted at developing the sector is therefore manifest. Although a supportive environment including a framework of specialist intermediary organisations appears to be somewhat developed in Scotland it seems that Australian policy-makers are yet to introduce such initiatives, offering significant potential to build the sector in Australia.

The results therefore offer considerable potential for further enquiry. Future research may usefully seek a better understanding of the nature of social enterprise / intermediary relationships. What are the key factors and barriers to successful relations? How can trust be developed? What strategies best suit different life-cycle stages of social enterprise development? Does the age of the enterprise or its market place impact the level of support available? How does organisational legal structure influence intermediary relations? And importantly how can the impact of intermediaries be measured given the socio-economic goals of the sector?

References


