SPRING IMPACT'S FIVE STAGES OF SCALE
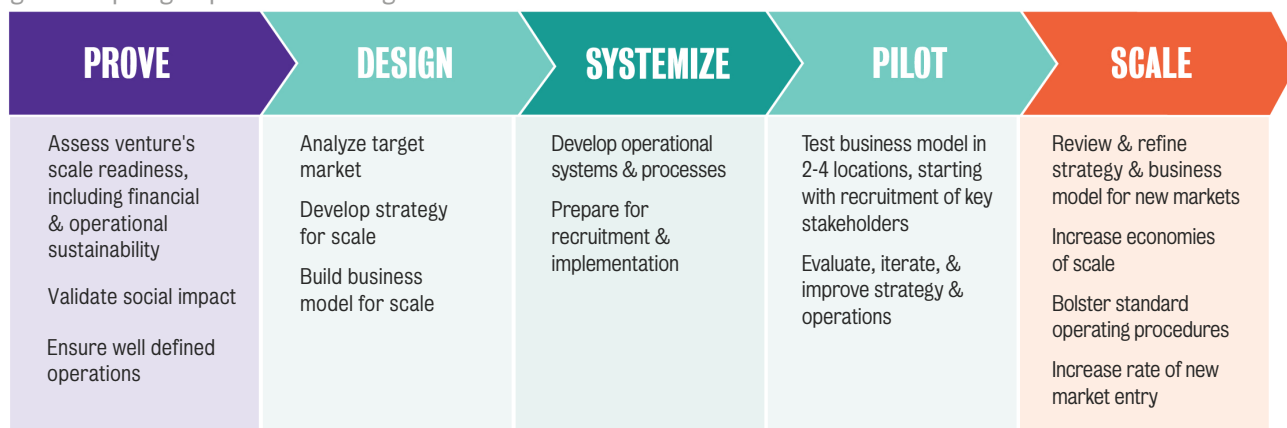
SPRING
IMPACT

Spring Impact uses a five-stage approach to scale and social replication, outlined below. Since every project Spring Impact works on is at a different level of development, the approach Spring Impact takes is adapted to meet the social venture's specific needs.

Figure 1: Spring Impact's Five Stages of Scale

PROVE	DESIGN	SYSTEMIZE	PILOT	SCALE
Assess venture's scale readiness, including financial & operational sustainability Validate social impact Ensure well defined operations	Analyze target market Develop strategy for scale Build business model for scale	Develop operational systems & processes Prepare for recruitment & implementation	Test business model in 2-4 locations, starting with recruitment of key stakeholders Evaluate, iterate, & improve strategy & operations	Review & refine strategy & business model for new markets Increase economies of scale Bolster standard operating procedures Increase rate of new market entry

In the first stage, Prove, scale-readiness is assessed in detail. In Design, social enterprises develop their strategic goals for scale, as well as their business model to enter new markets. The third stage, Systemize, consists of codifying the operations of the model and any supporting systems. In Pilot, the fourth stage, the focus is on testing and improving the strategy and business model. The final stage, Scale, focuses on increasing the rate of scale: bolstering economies of scale, standardizing operations further, and quicker iterations on the business model.

Below is more detail on the elements of each stage.

Prove Stage elements

The following table represents recommended areas of focus when assessing a social venture's readiness for scale. Traditionally, these comprise Spring Impact's Replication Readiness test, or other similar due diligence or targeted assessment, which helps inform if the social venture is ready to scale, and highlight what may be involved when scaling.

Table 1: Prove Stage elements

ELEMENTS	HIGH-LEVEL DESCRIPTION
1. Clear Business Strategy	Clarity on the social venture's business strategy and overall aims of the social venture.
2. Product/Service Market Validation	Evidence on the viability of the social venture's product and service, and evidence on the existence of a current market need and pool of customers being served.
3. Sustainable Model Validation	Assessing whether the social venture's model is sustainable, and has demonstrated the potential for the product or service to be scaled.

4. Assessment of Operations	Taking inventory of existing social venture internal functions, organizational principles, and systems.
5. Viability in Other Contexts	Assessing whether the social venture's product or service is able to work in another location with different conditions without significant barriers.
6. Internal Buy-In	Everyone from staff to board members to external stakeholders are in support of scale.
7. External Brand Value	Verifying if the social venture's brand is understood and valued by various audiences (customers, investors, partners, etc.).
8. Supply of Partners	Evidence on a supply of interested parties that are willing and qualified to work with the social venture to scale the product or service.

Design Stage elements

The following table represents the elements of each stage that Spring Impact works through to develop a replication model with its partners. This includes the initial market research needed to contextualize why and where the social venture's plans to scale, and a detailed understanding of what and how the product or service will be scaled to new locations. Spring Impact sees all of these elements as essential components of a social venture's robust business model and strategy for scale.

Table 2: Design Stage elements

ELEMENTS	HIGH-LEVEL DESCRIPTION
1. Scale Strategy	The scale strategy includes, but is not limited to developing, or refining, the: • Problem analysis: Describes the issue that the organization seeks to address, and explains how the issue manifests itself, as well as the root causes • Vision: What the problem looks like when it is fixed, or when the size of the social need is being successfully addressed • Mission: Summarizes the social problem and what an organization does to work towards its vision • Impact Goal: Specifies the change that the organization seeks to achieve, the target population, where the population is, what success looks like, and the timeframe in which this change is meant to occur • Theory of Change • Target Market & Context • Social and business objectives for scale • End Game: best guess as to how an organization's operations will need to change in the long term (25 years or more) to achieve its vision

2. Understanding the Market & Context	Market research to bolster the social venture's scale strategy and market entry conditions, including but not limited to: • Customer landscape segmentation and concentration analysis • Competitor landscape analysis • Partner landscape analysis • Political, Economic, Social, Technological, Legal, Environmental (PESTLE) analysis • Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis
3. Core	Everything a social venture and its suppliers, implementer partners, and other partners must do at a local level to achieve the desired level of social impact.
4. Quality Control	The processes and systems an organization will develop and manage to ensure partner compliance to quality standards.
5. Roles and Responsibilities	What a social venture, implementers—partners that deliver the product or service on behalf of the social venture—and other local suppliers and vendors will be responsible for, and how each relationship(s) will be structured.
6. Implementer Profile	The experience, skills, and qualifications a potential implementer must have.
7. Potential Implementers	The existing organizations or individuals who may be interested and/or able to take on the product or service.
8. Replication Offer	What value add a social venture provides its implementers—partners that deliver the product or service on behalf of the social venture.
9. Initial Package	The materials and support a social venture provides implementers at startup.
10. Ongoing Support	The package of support and materials a social venture provides to implementers on an ongoing basis.
11. Monitoring and Evaluation at Scale	What considerations a social venture must have for collecting and analyzing business data at large.
12. Exclusivity Requirements	What exclusivity rights, if any, implementers will receive for a set region or consumer base.
13. Legal Considerations	The legal implications of a potential business model.
14. Financial Model	How finances will flow between the social venture and larger network.
15. Branding	Deciding on a branding strategy and what rights, if any, implementers will have in using this brand.
16. Governance	The framework for decision-making at scale.

Systemize Stage elements

While the documentation developed during the Systemize Stage hinges on the specific replication model a social venture undertakes, it often includes the following elements.

Table 3: Systemize Stage elements

ELEMENTS	HIGH-LEVEL DESCRIPTION
1. Operational Documentation	The operations manual is often the most important document for an implementer to deliver the intervention or program effectively. It should document all information required for the day-to-day operations. It must be a comprehensive document that is regularly updated. This document provides some guarantee that the quality of the program will be retained at scale.
2. Scale Recruitment Plan	The recruitment plan outlines the activities and processes required to recruit implementers, if any.
3. Recruitment Collateral	The requisite information to support recruitment will depend on the replication model and recruitment strategy and process defined by the organization. However, typically communication materials share more information about the program/intervention, value proposition, and set expectations about the high-level roles and responsibilities from the perspective of a prospective implementer. For example, this can include a prospectus.
4. Evaluation Materials	The social venture may need to develop supporting materials to standardize the assessment of a potential implementer. This can potentially include the following types of materials: a business plan the potential implementer must complete to explain how they will implement the model, an evaluation framework, etc.
5. Legal Agreement	It is important for the social venture to develop a legal agreement if it is undertaking a formal relationship with implementers.
6. Training Plan	The training plan outlines the training topics, objectives, materials, and time required from the social venture and implementers to operationalize the core of the model. This may include in-person as well as remote ongoing training.
7. Pilot Implementation Plan	The detailed implementation plan includes where, when, and how social venture will roll out pilots in the subsequent Pilot Stage. The pilot implementation plan provides the roadmap to test out the chosen business model in 2-4 new geographies. The plan will detail the key milestones the social venture will need to reach for the replication process to be a success, and the key activities that will drive the organization to accomplish these.
8. Progress Plan	The progress plan provides the main activities for local suppliers and implementer partners to successfully deliver the product or service, as well as key performance indicators of success by which to measure their progress.

ELEMENTS	HIGH-LEVEL DESCRIPTION
9. Monitoring & Evaluation Framework	The framework and plan to consider the effectiveness of the different elements of the business model for scale and to ensure that the social venture's product or service works in new contexts, and that feedback is formally captured and improvements acted upon.
10. Communications Plan	Plan to ensure that formal communications are set up within the scaled social venture network. These would include but are not limited to: channels, frequency, stakeholders, objectives, etc.

Pilot Stage elements

In the Pilot Stage, Spring Impact works with partners to prepare for and execute a small number of pilots to test the replication model and system in order to learn what works well and what needs further improving. The table below provides a high-level description of the elements Spring Impact and partner organizations work on through in the Pilot Stage.

Table 4: Pilot Stage elements

ELEMENTS	HIGH-LEVEL DESCRIPTION
1. Roll Out of the Pilot Implementation Plan	The support with implementing the business model for scale in the new pilot locations, including assessment against the key milestones and activities determined by the Pilot Implementation Plan, and course-correction where needed.
2. Tracking Progress Through the Progress Plan	Assistance with monitoring and reiterating on individual progress plans for local suppliers and implementer partners during the pilots.
3. Feedback Loops Through Monitoring & Evaluation Framework	Instilling feedback loops and communications channels while collecting data in pilot locations using the Monitoring & Evaluation Framework. Furthermore, using the data collected from these mechanisms to refine the business model.
4. Updated Strategy and Model	As the pilots progress, key learnings and data collected through feedback loops will help refine the Strategy and Model built in the Design stage.
5. Pilot Expansion	The process and plan to determine when, where and how new implementation sites will be executed, having learned and improved the initial replication model and system based on the first pilot(s).
6. Updated Systemize Documentation	As the pilots progress, key learnings and data collected through feedback loops inform updates to the documentation and materials produced in the Systemize stage.
7. Revisit and Refine Financial Model	It is worth revisiting the financial model to ensure costs and revenue estimates are accurate.

Scale Stage elements

During this stage, the organizational changes needed within the social venture and other considerations important to achieve scale come into view. Tools used in earlier stages such as SWOT and PESTLE analyses can be helpful in staying on top of changing market conditions, while the ongoing feedback loop systems and processes implemented in the Pilot Stage will help to refine the social venture based on greater amounts of data. Scaling up is an ongoing process, with some of the ongoing considerations and activities described in the table below.

Table 5: Scale Stage elements

ELEMENTS	HIGH-LEVEL DESCRIPTION
1. Scale Ladder	An exercise that looks towards the three-year projections of the social venture and how it plans to get there. Typically, a Ladder Diagram includes a target goal, delineates critical factors that may change, and details realistic milestones for these factors over the next few years. Lastly this exercise may result in a detailed and costed implementation plan, assigning responsibility for achieving each change.
2. Success Factors for Scale	Determining what aspects will need to be in place for further scale to be considered successful. The following three elements are examples of potential Success Factors for Scale.
a. Revisit Financial Model	It is worth revisiting the financial model as much of the same information in this tool from the Design Stage will be important to financing additional scale beyond the pilots.
b. Bolster the Brand and External Communications	Reassessment of the social venture's reputation and public perception is an important part of ensuring longevity during scale up. This may include creating a communications department where before one did not exist, or building or supplementing new public relation or communications skills.
c. Managing organizational Change	Consider how best to manage the changes to your business that come with growth, including changes to culture and values, and hiring new staff.