

Regional Action Plan

Steinbeis-Europa-Zentrum

Part I – General information

Project: SOCIAL SEEDS

Partner organisation: Steinbeis-Europa-Zentrum

Other partner organisations involved (if relevant): n.a.

Country: Germany

NUTS2 region: DE11, DE12, DE13, DE14 (The whole state of Baden-Württemberg)

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Part II – Policy context

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

Name of the policy instrument addressed: Contact point for Research and Innovation Programmes - Supporting innovation and growth potential of SMEs active in the field of social innovation and new technologies

1. National Framework conditions

1.1 National stakeholder landscape

On a national level, the Federal Ministry of Economic Affairs and Energy and the Federal Ministry of Labour and Social Affairs are the most important ministries for social enterprises (SE) development.

The term social enterprise or social economy is not legally defined in Germany, and social enterprises belong to a number of separate groups with different legal and institutional frameworks, history, approaches and communities. More than 150 years ago, first organisations were established to foster social welfare, health care, elderly care, education for less advantaged groups and others and are part of the German welfare system. These organisations are (still) referred to as „Sozialwirtschaft“ (literally translated social economy) and include organisations which deliver social services as described in the German Social Law. They usually generate income from public funds (social security, health insurance,...). These organisations active in the social economy are usually referred to as „Sozialunternehmen“. In addition to such social enterprises which generate income from public sources, Germany has seen a rising number of social enterprises which conduct private economic activity/earn a market-based income (in contrast to non-economically oriented NGOs or civil society organisations) aiming to support social or community-oriented activities based on the observation of societal, ecological etc challenges to be countered. Their economic activity/income is utilised to achieve their social objective(s).

1.2 What are the national support structures for SE's?

In the last few years, an increasing founding activity and start-up development with regard to SE can be observed in Germany – which goes beyond classical social services and is mainly innovation-driven. This is also reflected in increased (public) awareness and support for SE in Germany, most likely as part of a generally increased emphasis on innovation-intensive start-up activities for economic development in general, and coupled with an increased awareness of societal and ecological challenges society is facing and which can only be countered by non-traditional means of economic, societal and political activity. In general, innovation funding activities in Germany embrace a comprehensive approach to innovation, including not only technical but also non-technical, services, social and societal innovation, as e.g. reflected in the German High-Tech Strategy. Thus, social innovation is included in all „mainstream“ innovation funding activities even if it is not mentioned explicitly. Still, SE only play a minor role in these activities yet and do not receive the same attention as technology-oriented start-ups. Nevertheless, a number of targeted information as well as financing/funding activities/support were established during the past years. Some of the most relevant ones are described below.

The German Federal Ministry of Economic Affairs and Energy (BMWi) channels and supports start-ups and enterprise development on a large scale. They provide EXIST founding grants as well as other general start-up support. In addition, social entrepreneurs are targeted by the ministry's activities. The Ministry also commissions studies and issues publications to support social entrepreneurship, e.g. the brochures „GründerZeiten 27 – Soziales Unternehmertum“ and „Praxisleitfaden Soziales Unternehmertum“ (based on the study „Herausforderungen bei der Gründung und Skalierung von Sozialunternehmen“ (2015)).

The German Federal Ministry of Labour and Social Affairs (BMAS) supports SE in the framework of ESF funding which target work integration of disadvantaged groups such as long-term unemployed and migrants.

There are special provisions regarding the employment of staff with disabilities. Quotas exist which enterprises have to fulfil, according to their size. If enterprises do not meet this quota

they have to be pay fines, which are then used to subsidise the wages of enterprises which have more staff with disabilities than their respective quota¹.

SE in Germany are also supported by impact financing organisations. The most important ones are FASE, BonVenture and Ananda Impact Ventures. In addition the Kreditanstalt für Wiederaufbau is a state-owned bank, which supports SMEs with loans.

2. Regional Framework conditions

2.1 What are the main stakeholders for SE development; what are their policies? Are they involved in the development of the Regional Action Plans?

Main regional stakeholders for the development of SE are the following:

- Ministry of Economic Affairs, Labour and Housing Baden-Württemberg
- Social Entrepreneurship Baden-Württemberg
- Social Impact Lab
- Wizemann Space
- Centre for Social Investment and Innovation (CSI) at Heidelberg University

The Ministry of Economic Affairs, Labour and Housing Baden-Württemberg is responsible for the economic policy of the state and for supporting the economy, including SMEs. Social Entrepreneurship Baden-Württemberg is an association connecting and representing social entrepreneurs in the state. Wizemann Space Flexible is a working space which hosts and supports social entrepreneurs, and also hosts events for SE, sometimes in cooperation with Social Entrepreneurship Baden-Württemberg. The Social Impact Lab is a regional office of the Social Impact gGmbH and supports social entrepreneurs with coaching and consultations about starting and developing a business. The Centre for Social Investment and Innovation (CSI) at Heidelberg University has worked on the topics of social innovation and SE for many years and has excellent networks regarding SE in the state, the whole of Germany and worldwide.

2.2 What are the regional support structures for SE's?

As mentioned above, the term social enterprise or social economy is not legally defined in Germany.

In Baden-Württemberg, the Ministry for Economic Affairs, Labour and Housing comprehensively supports start-ups, including social entrepreneurs, e.g. by the campaign „Start-up BW“. Start-up BW combines several established as well as new approaches into one concept to offer targeted and tailor-made support to start-ups by both financial and non-financial means. Thus, the concept offers broad support including

- Support of cooperation activities and pilot projects
- Subsidized loans (Förderdarlehen), guarantees (Bürgschaften), equity stakes/participation (Beteiligungen)
- Innovation vouchers (innovation consulting and support)
- Elevator pitches
- Innovation consulting and support in seven regional incubators and accelerators which are spread over the region. This is early phase support including prototyping,

¹ Schwerbehinderten-Ausgleichsabgabeverordnung (SchwbAV), Sozialgesetzbuch Neuntes Buch § 154 Pflicht der Arbeitgeber zur Beschäftigung schwerbehinderter Menschen

market studies, business plan development, early phase funding. These accelerators are supported by regional funding and ESF/EFRE funding (€ 5 Mio in 2017)

- Internationalisation support by joint participation in fairs, events, start-up festivals and study visits.

Social Entrepreneurship Baden-Württemberg, the Social Impact Lab and the Wizemann Space are the regional stakeholders which specifically support SE. They do so in different aspects, providing coaching, consultations and co-working space.

2.3 SWOT Analysis of framework conditions

The table below displays the SWOT analysis of the framework conditions for SE in Baden-Württemberg. The strengths and weaknesses relate to the “internal” analysis, which in this case covers the characteristics of the SE in the region themselves. The “external” analysis relates to the conditions which the SE are subject to, and what opportunities and problems arise there.

	Helpful	Harmful
Internal	<p>What are the main strengths?</p> <p>SE are focussed on good business models. Therefore, there are several SE which have grown to a substantial size, and they serve as good examples.</p>	<p>What are the main weaknesses?</p> <p>One recurring theme we found when interviewing good practice SE in the region was that they found it difficult to have an overview of all relevant funding opportunities. One reason for this situation is that especially small social enterprises often do not have enough capacity to gather all the information necessary and to apply for funding, in addition to running their business. In addition, there are little funding opportunities available specifically for SE. Furthermore, current tools for innovation management are often focussed on conventional innovations, and do not take into account the characteristics of social innovations, which social enterprises often focus on. As social enterprises often combine social as well as economic activities and different fields, an important success factor is finding the right partners in these different fields. However, social and economic stakeholders are not always well connected, and finding these partners is often not a structured process, but takes lots of resources and/or happens by chance. In summary, social enterprises need support regarding information about funding opportunities and for finding suitable partners in different fields, and in regards to specific tools for innovation management.</p>

<p>External</p>	<p>What are the main opportunities?</p> <p>The region has a comparatively high GDP, and there is high investment in innovation, research and development. There are funding opportunities available, and a lot of emphasis is put on supporting start-ups and SMEs.</p>	<p>What are the main problems/threats?</p> <p>The funding is very fragmented, and there is little funding for SE specifically. SE often have only conventional tools for innovation management available, which may not always be the best fit.</p>
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2.4 Development Scenario – description by each actions

2.4.1 Context of the intervention – applicable to all actions

To maintain Baden-Württemberg’s structural strength and high innovativeness the Steinbeis-Europa-Zentrum (SEZ) aims to:

- Strengthen the capacity of enterprises and organisations to meet future challenges, including innovation management
- Link enterprises, research institutions and universities with innovative partners all over Europe
- Initiate and accompany European cooperations on research innovation and technology
- Benefit from European funding

All of this the SEZ does with a specific focus on SMEs. To achieve this, the SEZ is the Contact Point for Small and Medium-sized Enterprises in Baden-Württemberg for the Commissioner for Europe of Baden-Württemberg's Minister of Economic Affairs, Labour and Housing. Many services are offered thus for the regional SMEs. Among the most important services are consultancy & assistance regarding innovation management and European funding and research programmes, technology cooperation, participation at and organisation of brokerage events, company missions and information days as well as trainings. The Steinbeis-Europa-Zentrum together with its Steinbeis S2i GmbH, provides the services mentioned. Furthermore, the SEZ is in permanent contact with the Ministry through frequent meetings and services provided for it.

In light of the main problems described earlier, the services provided to all SMEs are also very interesting for SE, for example the innovation management consultations. However, there are very few SE who have taken up these services so far. The goal of this action plan is therefore to strengthen bring services to SE in order to increase their competitiveness.

2.4.2 Action 1 - Stakeholder activation and network building

Addressed issues

The first action targets stakeholder activation and network building. The SEZ has been providing services for SMEs in the region, including consultations on innovation management, for several decades. However, the focus has been on “conventional” SMEs so

far, both in terms of clients as well as events attended to promote these services. In consequence, the SEZ is not as well connected to regional SE and the network they have as it could be. The Social Seeds project has brought us together with project partners from across Europe. We realised that the project partners have very good links to SE and their networks in their countries. Upon reflecting the SEZ's position, we realised that the SEZ needs to strengthen exactly those links, and we consulted with the project partner on how they established their links. A specific example of this was the two-day project event in Maribor in March 2018, which consisted of a regional forum and the conference 'Boosting the Social Economy in South East Europe.' We saw how strong the SE community was represented at this event, and how well our Slovenian partner Regional Development Agency of Gorenjska is connected to this community and their network. In addition, we were impressed by the campaign "buy social" to strengthen the profile of SE. This helped us to develop strategies how to reach SE and how to include the SEZ in the regional network. These strategies target SE themselves as well as stakeholders which are well connected to many SE and can therefore take on a multiplier role. To be able to identify such stakeholders, it is important to learn in-depth about the local ecosystem for SE.

Envisioned outcome

The measurable outcomes of this action will be:

- A total of at least three meetings with three relevant stakeholder organisations
 - Content of the meetings: introducing the SEZ to the stakeholders, discussing this regional action plan, agreeing on next steps to take for further cooperation
- Two events in the region visited and represented SEZ there
 - These are events targeted to SE

In more general terms, the outcome of this action is for the SEZ to become part of the regional network of SE, and help to build it further. The SEZ should be where SE know they can come for assistance. SE should contact the SEZ with their needs and that trust the staff to help them to find solutions. The SEZ should be known for supporting SE, and supporting them well. The ultimate outcome is to strengthen SE to exploit their full potential and their competitiveness, as the SEZ has long experience in strengthening SMEs competitiveness.

Implementation plan

We have designed several interventions to reach the envisioned outcome. First we will connect with important stakeholders in the region which support SE in different ways – the ones mentioned earlier. In this way, we can learn about the existing ecosystem and create a network. This is helpful to see where our services can fit into the existing support landscape for SE. These stakeholders will then serve as multipliers to spread the message about the services provided by the SEZ. We will also target the SE directly, and take part in specialised events which are addressed to them.

The timeframe for this implementation is from June 2019 until March 2021, and the SEZ holds the responsibility for

- nominating dedicated staff to carry out these activities,
- scheduling and conducting meetings with stakeholders and
- signing up for and representing at events for social enterprises.

The stakeholders involved hold the responsibility for

- attending and actively participating in the meetings and
- spreading information about the SEZ to SE within their network.

Involved stakeholders

The stakeholders involved in this action are the SE themselves and the stakeholders which have excellent contacts to SE in the region.

2.4.3 Action 2 – Strengthening support for SE provided by SEZ

Addressed issues

In synergy with the first action on gaining contacts outside of the SEZ and motivating SE to come to the SEZ for assistance, this action focusses on strengthening the SEZ from within for the benefit of SE. This was inspired by the social economy support centres, which the Social Seeds project partner RARR in Poland is running. RARR has dedicated staff which is running these centres and supporting SE. Within SEZ, there are many different projects on social innovation and social enterprises, and there is also support to all SMEs given. The SEZ is very active in providing consultations to SMEs to strengthen their competitiveness, e.g. regarding innovation management. To support SE even better, this action should strengthen the connection between the expertise on SE on the one hand, and support for SMEs on the other hand. Innovation management is an especially interesting topic in this respect, as conventional tools for innovation management may not always be best suited to support the development of social innovations – which many social enterprises develop. Therefore, a dedicated member of staff will work together with colleagues to adapt these tools for social innovations. In this way, social enterprises can profit from a tailored approach to support their innovation management.

Envisioned outcome

The measurable outcomes of this action will be:

- “SE connector” – selecting a member of staff at SEZ who will take on this role
 - This member of staff will be someone who has an extensive knowledge of SE to be able to fulfil this role well
 - This role will be communicated in internal staff meetings, for all to be aware of this additional role the member of staff is taking on
 - The “SE connector” will serve the internal contact for all colleagues
- Assistance to SE improved with the support of this “SE connector”
 - The “SE connector” will work on adapting the tools for innovation management, and if necessary assist the colleagues who directly provide support to SE

The focus is for the SEZ to give SE assistance so they can focus on their core business instead. The ultimate outcome is to strengthen SE to exploit their full potential and to improve their competitiveness.

Implementation plan

In order to do this, we propose to dedicate a member of staff as the “SE connector”, who can transfer expertise and consult whether there need to be changes to the support with tools for innovation management for social innovation for SE in comparison to “conventional” SMEs. If necessary, this “connector” can then consult with the colleagues who take on this support for SE, who have been mostly working with “conventional” SMEs so far.

The timeframe for this implementation is from June 2019 until March 2021 and the SEZ holds the responsibility for

- choosing a member of staff for this “connector” role and
- promoting this role within the organisation.

The stakeholders involved hold the responsibility for

- partaking actively in the services offered.

To support SE to access our services, we first need SE to know about this possibility. As detailed in the description of action 1, so far the focus has been on providing this service to “conventional” SMEs. With the steps taken in action 1, SE will know about these services, and we will have good contacts to organisations who represent SE in the region. The “SE connector” will then adapt tools for innovation management to suit social innovation and SE, and if necessary to support colleagues used to provide services to conventional SMEs.

Involved stakeholders

The stakeholders involved will be SE who will profit from the tools for innovation management of social innovation specifically targeted to them. The stakeholder organisations we have activated through the action 1 will help our efforts to identify SE.

2.4.6 Intervention logic – applicable to all actions

Main objectives and results:

- Address social needs (better) through strengthening SE
- Improve the competitiveness of SE by providing them with tailored assistance

Specific objectives (max. 3):

- Stakeholder activation and network building
 - Inspired by the strong connection of Social Seeds project partner in their regional SE networks, e.g. by the Regional Development Agency of Gorenjska as evidenced in the two-day project event in Maribor in March 2018
- Strengthening support for SE provided by SEZ
 - Inspired by social economy support centres, which the Social Seeds project partner RARR in Poland is running

Project outputs (work plan)

- Become part of and strengthen the network of SE in the region
- Provide SE with adapted tools for innovation management of social innovations

2.5 Monitoring and indicators

Our indicator is the number of SE we will reach with these actions, and the target number is 20 SE. As the SEZ will support the actions itself, we are able to use our own in-house monitoring to assess the reach of our actions.

2.6 Risk assessment

Three most significant risks are the following ones:

- Local stakeholders are not interested in taking part in the actions
 - Classification: Low/medium
 - Mitigation: Held successful meetings already with two of three stakeholder organisations
- Not enough suitable SE found
 - Classification: Low/medium
 - Mitigation: Establish contacts with local stakeholders who know many SE

As the managing director of the Steinbeis-Europa-Zentrum, I endorse this regional action plan, which was developed in the frame of the Social Seeds project.

Title	Managing director of the Steinbeis-Europa-Zentrum
Name	Dr.-Ing. Petra Püchner
Date	20.08.2019
Signature	