Social Entrepreneurship and Systems Collaboration: Building Communities of Commitment to Address Complexity

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Abstract

Social entrepreneurship has grown into a major global force, yet much of the field still rewards the "hero" founder and the standalone solution. This orientation is poorly matched to the complex, interdependent challenges embedded in the Sustainable Development Goals (SDGs)—where social entrepreneurs often aim to make an impact and progress depends less on any single intervention and more on coordinated action by multiple stakeholders across policy, markets, services, and community infrastructure. This research examined how social entrepreneurs understand their role in the broader system, what prevents meaningful collaboration with other systems actors, and what kinds of partnership structures could enable collective progress.

Today, social entrepreneurs do not view themselves as systems actors but as individuals entities solving discrete problems. The research demonstrates that social entrepreneurs could better engage with the broader ecosystem of players if they recognized that their work is part of a broader set of solutions and leverage complementary services to collectively solve complex problems. The worldviews of other systems actors—such as policymakers, corporations, and nonprofits—demonstrate a benefit from exchanging ideas and recognizing that although worldviews differ, there are opportunities to achieve outsized outcomes by collaborating among the different actors. Though highly sensitive, participants demonstrate a strong willingness to coordinate toward systemic change, recognizing their limitations.

Drawing on interviews with intermediaries and systems practitioners and a multi-month systems prototype in the refugee economic recovery space, the research found that the primary barriers to collaboration were structural rather than motivational. Participants consistently described misaligned incentives (especially at operational and middle-management levels), low trust driven by unfamiliar cultures and language, and funding narratives that privileged attribution and competition over shared outcomes. Yet, when provided with a purposeful container, facilitation, and resourcing explicitly designed for coordination, organizations demonstrated strong willingness to collaborate and an increase in their ability to connect point solutions into more coherent pathways for users, in fact tying together the impact value chain.

The research proposes a shift from celebrating the social entrepreneur as a solitary problem-solver to supporting "systems entrepreneurs"—actors who intentionally design relationships, align incentives, and anticipate second-order consequences. For funders and ecosystem actors , the implication is clear: scaling solutions to complex problems requires financing and governance models that fund coordination, reward complementary roles, and treat collaboration itself as a testable—and measurable—innovation.

This work is for the refugee women–led organizations I had the privilege to work alongside.

Much of what they do happens without recognition, in conditions shaped by profound loss, displacement, and the long aftermath of emergency. Yet it is through their daily labor, its patient, insistent, often unseen labor, that new futures are assembled. Not in splashy projects, but in the steady design of making life feel possible again.

Acknowledgements
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Chapter 1: Introduction

A growing number of entrepreneurs are compelled to address problems that are increasingly complex in nature—problems that address one or more of the SDGs. Some entrepreneurs work directly toward goals such as affordable and clean energy, poverty elimination, and sustainable cities, while others focus on blended challenges such as the intersection of poverty and access to clean energy. When entrepreneurs direct their attention toward goals that are more systemic in nature, they work on problems that involve a wider group of actors and a broader set of implications where the emergence of possible solutions becomes critical.

Social entrepreneurship has evolved into a substantial industry totaling $2 trillion in value, with over 10 million companies globally describing themselves as social enterprises. Their capital sources have expanded from traditional philanthropy to include impact investing and private capital (WEF). Most social entrepreneurs work toward solutions that address one or more of the U.N. Sustainable Development Goals (SDGs). Unfortunately, many of these organizations operate in silos despite pursuing common objectives. Given the complexity inherent in addressing the SDGs, social entrepreneurs and their stakeholders like grant organizations, investors, and corporations motivated by similar missions, social entrepreneurs often find themselves stuck in a stage of testing and unable to scale. Ironically, large scale customers are in need of this innovation at scale and investors are looking for scalable or scaled social innovation projects. Funding abounds in early stage grant and innovation programs, but what lacks is a solid base of funding for rigorous effectiveness in scaling challenges.

My hypothesis is that social entrepreneurs require a more effective collaboration process to form impactful working groups, benefit from shared knowledge, broaden their understanding of the systems in which they operate, and leverage proven models to scale up and implement impactful solutions in order for their innovations to scale. Social entrepreneurs can take a systemic lens in their effort to make change happen, and investors as their partners can incentivize this collaboration through innovative funding structures. In essence, I propose that social enterprises and their funders working on similar or complementary themes should build "communities of commitment," as described by Peter Senge—relationships among diverse actors based on respect, mutuality, genuine care for the future, and a willingness to put individual significance at risk. However, building such "communities of commitment" (Senge) faces several challenges, which Senge summarizes as fragmentation, reactiveness, and destructive competition.

The following pages present an investigation into a collaborative working group methodology. I propose a research project to explore how collaboration occurs between social entrepreneurs and systems actors who share their mission, as well as the challenges that prevent such collaboration from succeeding. Specifically, I will explore methods for social entrepreneurs and mission-aligned

stakeholders to better incentivize collaboration and create shared outcomes while pursuing their individual organizational goals.

Social entrepreneurs commonly use shared processes within their individual companies; for example, most leverage startup and design techniques to test their theories of social change. By virtue of organizations using similar methodologies it allows for a baseline of data collection that could support knowledge creation more easily. Take for example, user interviews; many groups interview the same populations and ask the same basic questions - by sharing this base knowledge time would be saved by both the community and their entrepreneurs. Through an adaptation of established processes, such as the lean startup methodology and human-centered design processes, and reimagining how they can be used to address systemic issues collectively, social entrepreneurs could be better equipped to tackle complexity and ultimately succeed in achieving the intended impact of their collective solutions.

The lean startup methods adopted by many entrepreneurs follow an approach to problem-solving that mirrors the sense-analyze-respond process, which reflects the build-test-learn loops that Eric Ries codified and popularized (Ries, 2011). In complex environments, there is no single clear answer; rather, entrepreneurs must "investigate several options—many of which may be excellent" (Snowden, 2015). Complexity is best described "as a rainforest rather than a Ferrari," where variables and elements of the problem context are in constant flux—similar to a rainforest where multiple dynamic systems emerge based on external factors such as seasonal changes.

As more public and community institutions engage the entrepreneurial community in addressing complex issues, and as investors are increasingly required to address social and environmental returns, entrepreneurs are more motivated and expected to tackle higher levels of complexity than ever before. The existing toolkits available for understanding complex problems are mostly narrow in scope and do not accommodate key aspects of the collaboration required to engage with systemic complexities. The Systemic Design Toolkit (Systemic Design Toolkit) applies a rich list of frameworks for systemic analysis. The framework supports designers and policy makers to probe systemic understanding. However, applied systemic design research is an emerging field whose application depends on funds, nonprofits, and government entities being willing to prototype and test solutions in systems-based laboratories that are active and need to be observed in real time. My hypothesis is that this kind of research requires innovative forms of financing that support different groups in collaborating rather than competing to understand and address the complexity within the SDGs. Though funders do tend to fund convenings and conferences, sometimes even collaborative research on topics, the need to fund partnerships in a meaningful and measurable way is gravely lacking. A new model of invention in the investing space is worth exploring. Though complex to test, this research aims to test the partnership models amongst innovators and their collaborators and ways in which innovative finance can support higher impact against large development goals.

What is missing from current discourse is an understanding of what prevents social entrepreneurs from collaborating in ways that enable them and their donors to better understand problems and therefore make better investments in solutions to complex challenges. Today's discourse discusses the challenges that groups face but is not specific only to entrepreneurs. Social entrepreneurs require collaboration with local community groups, businesses both large and small and government at different levels to reach the all pursued scale. Luckily, those who are already using knowledge-probe-and-response processes share a common methodology for seeking understanding and milestones that can be mapped. The challenge with different ways of working is that high level goals and on the ground impact may not always match in terms of measurement and timeline. Somewhere between the on-the-ground legitimacy of programs, and the desire to create impact at scale many efforts get lost and fail.

This research will explore the existing challenges that prevent social entrepreneurs from collaborating with each other and the broader system. Regardless of the specific role of entrepreneurs in the broader system, they can play a role in "scouting" opportunities and barriers to systems change that can be connected to broader systems levers such as policy and structural changes. To further understand systems dynamics one can observe in a lab format the social entrepreneurs and others trying to work together on a systems challenge. The field research prototyped a systems-based innovation model. The example is a case of systems collaboration toward collective action, in the refugee space. The conclusion will suggest how social entrepreneurs can transition to systems entrepreneurs and develop more impactful solutions in collaboration with other systems actors, and will discuss further research for funding organizations to alter their incentives and improve that transition.

Chapter 2: Context

Collaboration Models

Subject matter experts across disciplines of economics, development, and design understand that problems of the magnitude proposed in the SDGs cannot be tackled by any single person or entity and therefore require collective effort. Collective Impact was introduced in 2011 to address challenges in collaboration and cross-sector coordination toward a common goal. Collective Impact is defined by five conditions: backbone support, common agenda, mutually reinforcing activities, shared measurement systems, and continuous communication (Stachowski, 2018). Peter Senge argues that collaboration is a natural extension of human behavior (Senge, 2011). In 2014, Said Hassan proposed what he calls a "social lab," where the lab reflects the system in which the group operates and "the ideas and initiatives developing in social labs, released as prototypes, aspire to be systemic in nature" (Hassan, 2014).

Different labs that bring together governments, corporations, and NGOs have been formed over the years to tackle problems in areas such as food systems. However, innovation labs often exclude early-stage social entrepreneurs, who are close to areas of problems not yet well understood or addressed. When addressing complex issues in innovative ways, the knowledge needed is "practical know-how shared by those deeply engaged in the change process itself," representing a significant missed opportunity in not engaging social entrepreneurs in the collective effort required to tackle systemic challenges (Senge, 2011). When collectives are formed, action becomes difficult to achieve due to several factors at play. Peter Senge, in his work on "communities of commitment action," describes three challenges for collaboration in addressing complexity: fragmentation, reactiveness, and destructive competition. Together, these dynamics explain why groups with shared intentions and aligned missions often struggle to translate collaboration into sustained action and systemic impact at scale.

Fragmentation refers to the tendency for actors within a system to operate in isolated silos, each focusing on a narrow part of the problem rather than the system as a whole. In fragmented systems, organizations optimize for their own goals, metrics, and mandates, often losing sight of how their actions interact with or depend on others. This leads to partial solutions that may be effective locally but fail to address root causes or to generate system-wide change. Fragmentation is reinforced by sectoral boundaries (e.g., government, nonprofit, private sector), professional languages, funding structures, and accountability mechanisms that reward individual performance over collective outcomes. As a result, knowledge becomes dispersed and difficult to integrate, and opportunities for leverage across the system are missed.

Reactiveness describes a pattern in which individuals and organizations respond to immediate pressures, crises, or external demands rather than acting from a shared long-term purpose. In reactive systems, attention is driven by short-term incentives such as funding cycles, political timelines, reporting requirements, or public scrutiny. This orientation makes it difficult to pause, reflect, and learn, even though reflection is essential for navigating complexity. Reactiveness often manifests as a rush to implement solutions before the problem is fully understood, or as constant pivoting in response to shifting signals. Over time, this erodes trust, weakens strategic coherence, and prevents groups from developing the shared understanding needed to coordinate effectively.

Destructive competition occurs when actors pursuing similar or complementary goals view one another as rivals rather than potential collaborators. Unlike healthy competition, which can drive innovation and improvement, destructive competition undermines collective capacity by incentivizing secrecy, duplication, and zero-sum thinking. In the context of social entrepreneurship and development, destructive competition is frequently driven by funding and recognition structures that reward uniqueness, attribution, and scale at the organizational level. Organizations may withhold knowledge, exaggerate differences, or avoid collaboration out of fear of losing resources, legitimacy, or

control. This dynamic not only weakens trust but also prevents the system from learning collectively and assembling integrated solutions that reflect the interdependent nature of complex challenges.

Taken together, fragmentation, reactiveness, and destructive competition create conditions in which collaboration is fragile and difficult to sustain. Senge argues that overcoming these dynamics requires the intentional cultivation of "communities of commitment"—groups bound not merely by shared interests, but by shared purpose, mutual accountability, and a willingness to place collective success above individual significance. Addressing complexity, therefore, is not only a technical or organizational challenge, but a relational one that demands new ways of working, learning, and valuing collaboration itself.

Traditional organizational charts often assume that work flows vertically, from leadership down through hierarchical ranks. However, research on how work is actually accomplished demonstrates that it more often occurs through horizontal social systems that span formal organizational boundaries rather than through formal reporting structures (Sandow, *The Systems Thinker*). This model therefore is focused on cultivating cross-organizational relationships, shared accountability, and coordination across roles and institutions, rather than reinforcing hierarchical control.

Social Entrepreneurial Methods

Social entrepreneurship emerged from a desire to create social good while adopting sustainable business models. Authors such as C.K. Prahalad in his book "The Fortune at the Bottom of the Pyramid" and entrepreneurs like Muhammad Yunus inspired a generation of entrepreneurs who sought to solve global development issues through innovative business models rather than nonprofit programs. In this context, social entrepreneurs sought funding from grants, venture capital firms, private angel investors, and bank loans. Investment flow into social enterprise has grown from $715 billion to $1.57 trillion over the past five years (GIIN).

Due to the nature of funding and other pressures, social entrepreneurs are incentivized through competition to work in a focused manner, often in silos, separated from their peers who address similar issues. Advanced social entrepreneurs have moved away from waterfall-style projects where outcomes are defined and never changed, and now engage in rigorous build-test-learn loops to better understand problems and test solutions (Chang, 2019). They leverage tools and techniques in experimental design and prototyping to gather rich data from the people they serve and have extensive understanding of what works and what doesn't within their specific segment of the problem (Constable, 2018). Startup build processes often used in software development like build-test-learn and using short measured work sprints with clear goals, known as agile methodology, have proven wide adoption as development goals benefit from digital solutions; agile methodology in particular adopted in technology builds has extended to other operational processes for development programs. This narrow view of

understanding is rich in learning and keeps social entrepreneurs focused, de-risks their businesses, and allows them to access venture capital funding to sustain their operations.

Entrepreneurship can be a challenging and somewhat isolating experience. When tackling complexity in issues such as poverty, the lean startup method pushes social entrepreneurs to find solutions that are quickly identified, tested, and implemented. The approach of "fail fast and fail often" in complex environments involving vulnerable populations is contentious. Particularly in early stages, many entrepreneurs repeat mistakes that others have made before them, creating distrust in communities and missteps with community partner organizations. Funders themselves are often removed from the realities that customers experience and therefore do not often understand the positive and sometimes negative implications that solutions have on communities. Venture-backed startups are encouraged to "move fast and break things"; while this approach offers benefits in deploying solutions quickly, it does not account for the required pacing and ethical considerations necessary for sustainable solutions in complex environments.

Funders seek narrow and specific solutions that do not account for underlying systems challenges that need to be solved, which perpetuates the proliferation of narrow and ineffective solutions. For example, "it is easier to fund solar lanterns, clean cookstoves, or maternity kits than the distribution networks to enable such items to reach customers regularly. It's easier to fund targeted mobile apps than the shared technology platforms and infrastructure behind them. And it's easier to fund drugs and education for tuberculosis, HIV, and malaria than strengthening the underlying health systems that provide primary care" (Chang, 2019). The result of this approach is a system that "rather than building shared resources that can be leveraged for multiple purposes, often sees duplicative efforts and bespoke solutions" (Chang, 2019).

This system of individual entrepreneurs tunneling into problems denies us the opportunity to leverage entrepreneurial learnings for larger systemic challenges and issues. "Action and reflection are necessary for good decision-making, yet in today's 'just do it' culture, time for learning is rarely practiced or valued" (Senge, 2014). Mariana Mazucatto in her book ‘Mission Economy’ discusses that market led capitalism has been stuck insofar as it is simply unable to address complex problems like inequality and the climate crisis (Mazucatto, 2021). Mazucatto focuses her research on the role of government in driving mission based innovation. A strong argument, but where does that leave social entrepreneurs who aren’t inside of governments? How do they access collaborative efforts? Leaving social entrepreneurs to be primed by a venture capital version of development finance, what is the result? What is missing from the social entrepreneurship method and financing are opportunities for social entrepreneurs to reflect collectively, distinguishing between reflective and generative dialogue (Wadell, 2005). Reflective dialogue, according to Waddell, encourages new forms of conversation based on a shift in focus from past/factual (what happened) and competing positions, toward exploring how things might be and how each is coming into the conversation. A reflective dialogue begins to open up new meaning rather than just debating. (Wadell, 2005) A generative dialogue as “ a conversation that

brings forth creative energy and collective intelligence out of a personal sense of connection to the whole." For entrepreneurs to approach *each other* not to debate the better solution, or resolve to "safe but shallow" levels of understanding but to push to see how each other's work can bring forth the creative energy needed to address such issues.

In practice, social entrepreneurs are brought together but not in ways that design for creative energy to be applied. They are brought into well funded fellowships, portfolios, and accelerators without any meaningful shared purpose or common goals. These groups consist of individuals with their own missions, often working on adjacent issue areas, but there is no discussion of a shared goal for the collective. Often these entrepreneurs are able to commiserate with one another about the challenges of founding a social business and make introductions for each other, but ultimately they compete for the same pool of funding and are therefore disincentivized from collaborating in any meaningful way. The opportunity for collective action toward a shared mission, or generative dialogue is missed.

Design thinking and lean thinking techniques have been adopted by social entrepreneurs worldwide to accelerate the time needed to put solutions in the hands of those who need them, but systems thinking has not been meaningfully adopted by entrepreneurs. There is no established process and no definition of what success looks like or how to practice systems entrepreneurship effectively. Startup processes, while providing a jump start, have inherent challenges. When examining social impact, one must consider the effect of the program or solution not on a small number of people but on a large collective and over a longer time period. With startups, however, one starts small, focused, and tailored, which challenges the funding approach to be taken.

Ann Mei Chang mentions "systems entrepreneurs who are taking on the challenge of shifting social systems, building coalitions, and influencing policy" (Chang, 2019). What is missing from her observation is an understanding of the challenges that systems entrepreneurs face, or even a definition of how they differ from social entrepreneurs. Moreover, systems entrepreneurship is an ill-defined space and is often conflated with cross-sector collaboration. Systems work involves relationships between groups and can certainly occur entirely within the same sector (Gharajedaghi, 2011). Systems work often starts with how do these things relate to each other, how do we relate to each other? How do we influence each other, how do our goals compete or support each other? What boundary makes sense to draw around the system we're trying to impact? (Meadows, 1979)

What might be missing is a collaboration process to form meaningful working groups, absorb knowledge, create systems understanding, and then leverage that understanding to develop better solutions. Because social entrepreneurs have an established process of experimentation, they have already been working in a decentralized laboratory setting without realizing it. Startup experimentation techniques can act as probes into complex issues, illuminating problems and solutions for complex

problem spaces such as poverty. Exploring how we share that information, and seek to fund those efforts is the central goal of the research.

In this major research project, I will explore the issues that prevent social entrepreneurs from collaborating with one another in systems settings. I will address the challenges that make collaborative "communities of commitment" so difficult to achieve and provide solutions and insights for tackling those challenges. My hypothesis is that entrepreneurs will ultimately collaborate with greater impact when funders request collaboration as part of their funding requirements and there is a method of collaboration that is adopted by the stakeholders with a shared mission. Furthermore, a reflective and generative learning approach across social impact organizations could help uncover some of the root cause issues and, therefore, root cause solutions to the most challenging issues of our time. Therefore, the research's aim is to verify whether hypotheses of the role of social entrepreneurs in systems change are accurate or require further differentiated explanation.

Chapter 3: Methodology

The research will need to employ various research methods to effectively address the question:

How might social entrepreneurs better coordinate their efforts amongst other stakeholders in tackling similar development goals, to strengthen the possibility of long term impact?

To answer this broader research question, several secondary questions need to be addressed within the research:

1. How do people systemically collaborate to tackle complex problems today?
2. What barriers do social entrepreneurs (and other stakeholders) face in collaborating?
3. What partnership models are created when social entrepreneurs collaborate?
4. How can investors and grant-making organizations better support the effort to develop systems understanding through social entrepreneurship?

To answer the research question, the researcher will examine what barriers prevent social entrepreneurs from transitioning to systems entrepreneurship as part of a broader collaborative collective. Though rare, several cases and examples were uncovered where successful collaboration took place among social entrepreneurs. After analyzing patterns between those cases as well as some of the structural barriers in how social entrepreneurs are incentivized to act as individuals rather than as part of a collective, a new process was developed and tested as a prototype with an innovation group examining systemic change in the refugee space.

We will use various types of research methods, including literature reviews, interviews with social entrepreneurs and intermediaries seeking systemic change, and implement a systems prototype in a

field study setting. The systems prototype will mimic systems dynamics amongst actors in order to observe the collaboration strengths and weaknesses in a real setting.

The research will explore what intermediaries focused on systems change are doing and where they are stuck. Based on the insights from the research a prototype will be proposed and live tested by participants to observe how a systemic approach to social entrepreneurship works; what are the benefits and the drawbacks; what solutions are currently being proposed by social entrepreneurs; and how those solutions came about in terms of their inception as well as how they have evolved given the realities of field testing results. Social entrepreneurs will also be able to provide information on what data they wish they could have gathered but have faced challenges in obtaining. Through the research, social entrepreneurs can share how they have collaborated with other stakeholders to share information and gather knowledge on systemic change levers that can work.

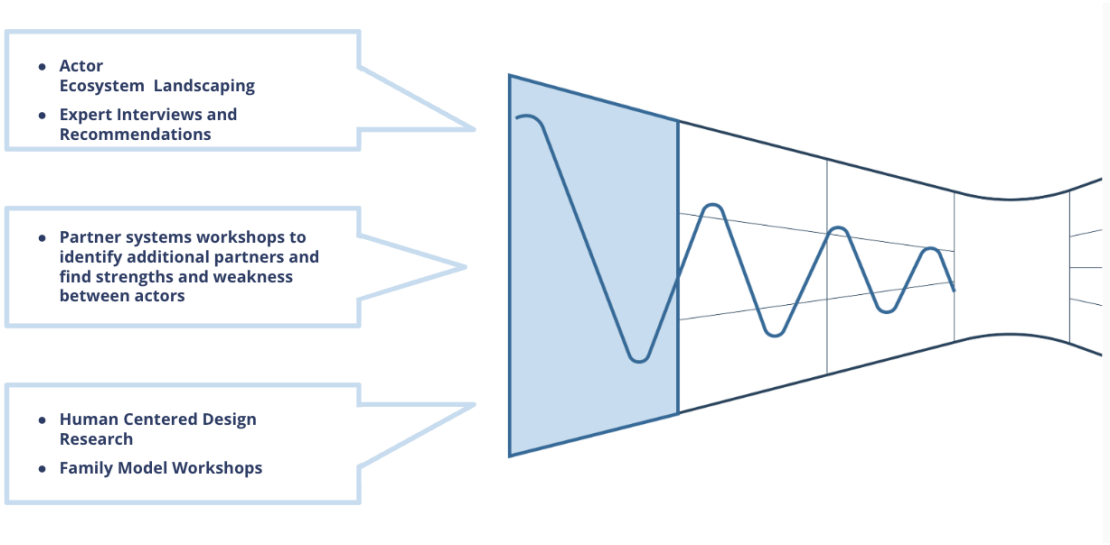
For a deeper understanding of collaboration across social entrepreneurs, the researcher will conduct a series of interviews that seek to understand existing collaboration practices among social entrepreneurs. The interviews will help uncover what systems collaboration has worked successfully or unsuccessfully. The research will look for patterns around the collaborative processes applied, as well as gaps in the applied collaborative processes. As systems entrepreneurship is an emergent field, there may be challenges in finding examples of collaboration. Through sourced networks of funders and intermediaries in various regions there may be less systems-definitive approaches and more of a "lab" or "portfolio" approach that can be explored as a proxy for systems collaboration. The insights on the success of the methodology is explored further in the next section: *Findings*.

The field research took place across multiple phases and sought to bring to life the systems dynamics of social entrepreneurs attempting to seek systemic change with stakeholders that have a mutual mission. Each phase of the living prototype will test various assumptions on where opportunities for improving systemic change could take place through collaboration. Rather than treating the research as a linear or extractive process, this approach embeds learning directly into cycles of collaboration, testing, and refinement. Each phase of the research is intentionally designed to surface how incentives, resources, and relationships interact across stakeholders, revealing where collaboration either accelerates or constrains systemic impact.

Intermediaries and funders will be selected based on their interest and focus on large complex problems that a social entrepreneur might address. The funders and intermediaries have broader interests in solving these issues at scale and seek ways to collaborate across the sector through various means such as global conferences, fellowships, and leadership programs. The funders and intermediaries themselves may have experience building social enterprises, but will be interviewed based on their experience as coordinators across the sector to achieve systemic change. The social entrepreneurs will be found based on their focus on the shared mission of economic recovery particularly in migrant programs and their track record of work along with a clear plan for how they will collaborate with others to ensure their

focus on collaboration. The partners will be selected based on which social entrepreneurs they have worked with or attempted to work with in the past to achieve their mission. It is planned to map the network of stakeholders working on a shared mission and to identify who could potentially participate in the research.

Figure 1 - Participant Identification Framework



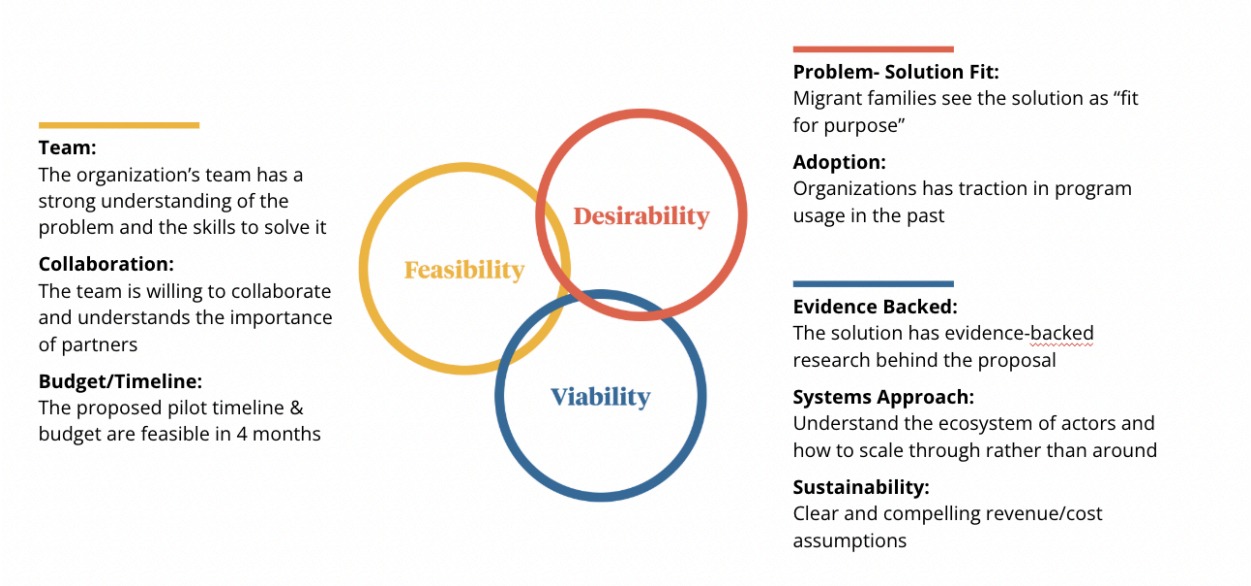
In total eight individuals representing intermediary organizations participated in the interviews and seventy people participated as part of the prototype. Interviewees are systems actors that work across different levels of the system (Figure 1) to bring collaboration to the forefront for a greater impact. Research participants for the prototype are selected using a three-lens framework (Figure 2) focused on feasibility, desirability, and viability to ensure that participating organizations are well positioned to contribute to meaningful prototyping and systems learning. This research was funded personally by the researcher as part of a larger project that was funded by a family foundation. This ensured that selected participants had the operational support and budget required for field experimentation.

From a *feasibility* perspective, organizations will be assessed based on the strength of their teams, their demonstrated understanding of the problem space, their willingness and capacity to collaborate with partners, and their ability to execute within the proposed four-month prototype timeline and budget.

From a *desirability* standpoint, organizations will be evaluated on evidence of strong problem–solution fit, particularly through demonstrated relevance and value for migrant families, as well as prior adoption or traction in similar programs. This ensures that proposed solutions addressed real user needs and had a credible pathway to community uptake.

Finally, the *viability* criteria examined whether solutions are evidence-backed, grounded in an attempt to achieve systems impact through approach to scale, and supported by clear sustainability assumptions around revenue and cost structures. Together, these criteria ensure that participants are not only mission-aligned and capable of execution, but also positioned to generate scalable, systems-level impact through the prototype process.

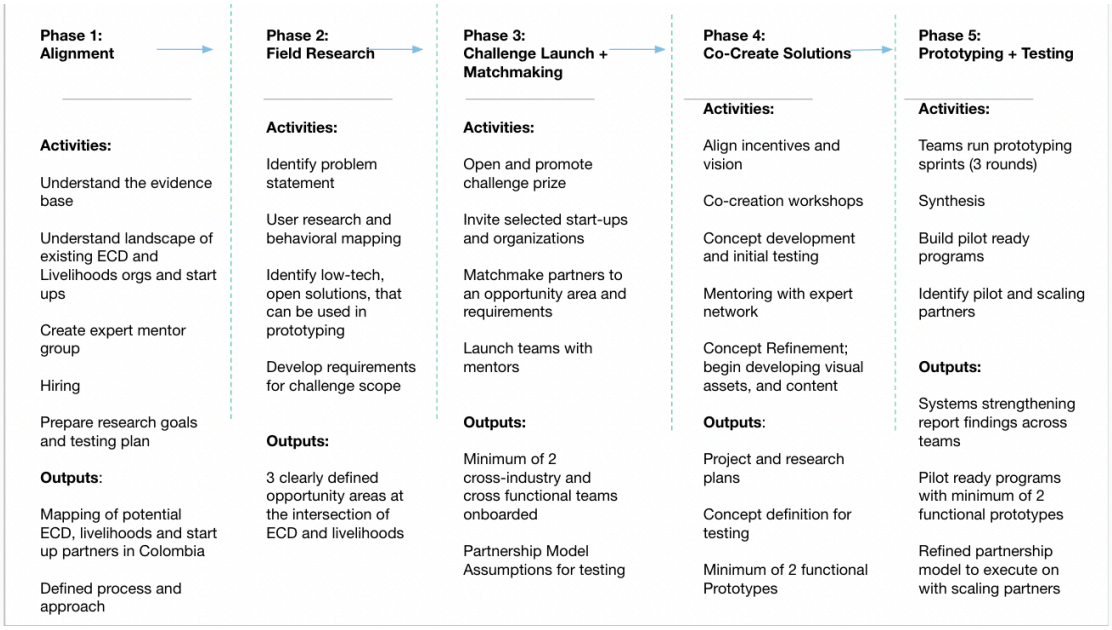
Figure 2 - Partner Selection Criteria



The chosen methods account for multiple views and perspectives on addressing collaboration for systemic change, focused on the economic recovery of migrant populations. Rather than examining individual businesses and their impact, the researcher will examine the relationships between participants in the system and how those relationships help or hinder collaboration in an attempt to witness if outsized impact is possible through improved collaboration. The outside-in analysis approach examines social entrepreneurial solutions from a portfolio perspective, which is rarely conducted since solutions in the sector are often viewed in silos.

Building from the assumption of Peter Senge that communities of action are limited by fragmentation, reactiveness, and destructive competition the prototype is designed to invert these limitations by implementing a facilitated alignment across actors, intentional planning with a longer term view and shared value creation through cooperative partnerships with upside for all parties involved

Figure 3 - Prototype Implementation Work Plan



Across the phases, the field research in the prototype moves from alignment and problem framing into co-creation and real-world testing. Early phases focus on building a shared evidence base, mapping the system of actors, and identifying opportunity areas within the refugee economic recovery space. . This foundational work ensures that later experimentation is grounded in lived context, user behavior, and institutional realities. As the process advances, selected social entrepreneurs and partners are matched according to the selection criteria above (Figure 2) to clearly defined opportunity areas and supported through technical expertise, co-creation workshops, and structured testing sprints. The testing sprints follow the same structure of lean testing loops so that each group has opportunities to move together through the process.

Each phase of the prototype intentionally tests specific assumptions about how collaboration can strengthen systems—such as how incentives can be aligned across sectors, and how trust and shared language develop between nontraditional partners. Through iterative prototyping, teams generate functional concepts, refine partnership models, and build pilot-ready programs that are informed by continuous feedback from users and stakeholders. The researcher will act as a facilitator, taking a zoomed out view of the process as a whole system observing the dynamics of the shared mission stakeholders.

Ultimately, the prototype serves both as an intervention and a learning platform. It aims to produce tangible outputs—such as tested prototypes, pilot programs, and scaling partnerships—but also deeper systems insights into what enables or inhibits collective action for systemic change. The focus of this research paper is the latter, the collective approach to addressing systemic issues. By embedding

experimentation directly within a bounded system of actors, the research captures how social entrepreneurs navigate constraints, leverage relationships, and adapt strategies in real time, with the potential to create actionable knowledge that can inform future policy, investment, and cross-sector collaboration.

Chapter 4: Initial Findings

What the Techniques Revealed

To revisit the research question: *How might social entrepreneurs better coordinate their efforts amongst other stakeholders in tackling similar development goals, to strengthen the possibility of long term impact?*

Interview Results

Across the interviews, there is strong alignment that the primary barriers to systemic collaboration are not a lack of goodwill or capability, but deeply embedded incentive structures. Social entrepreneurs, funders, government actors, and community organizations consistently describe themselves as motivated by impact, yet each operates within systems that quietly reward behaviors counterproductive to collaboration. Entrepreneurs spoke about the constant pressure of survival, fundraising, and growth, often describing a reflexive need to "keep the money flowing" even when it meant deprioritizing partnerships or learning. One interviewee captured this succinctly by saying that organizations ultimately "answer to the beast," referring to capital and reporting structures that dictate behavior regardless of stated values . Funders, meanwhile, emphasized risk management and clarity of attribution, while government actors described being locked into throughput metrics such as "bums in seats," even when those measures were misaligned with long-term outcomes . Several interviewees noted that while senior leaders often understand the need for systems change, it is at the middle-management layer—where performance indicators and career incentives are most rigid—that collaboration breaks down. As one systems practitioner observed, "The vision is there at the top, but the resistance lives in the middle."

A second area of convergence across interviews is the role of trust, which participants consistently framed as a structural rather than interpersonal issue. Distrust between sectors was described less as personal animosity and more as a consequence of unfamiliar cultures, languages, and implicit assumptions. Social entrepreneurs reported feeling that nonprofits and governments were "too slow" or "not built for innovation," while community organizations described startups as "parachuting in" without understanding lived realities. One community leader reflected that external actors often want to "engage the community on their terms," assuming their approach is the most progressive or leading-edge . Trust, interviewees emphasized, only began to form when people developed shared

language and shared meaning, often through long, facilitated processes. Experts described systems collaborations taking one to one-and-a-half years simply to establish trust and ways of working, with Adam Kahane's U-Process cited as an example of a methodology that intentionally slows groups down to build common understanding . Within the Connected Community Approach, this emphasis was even more explicit: "Those relationships are the system," one interviewee stated, arguing that changing how people relate to one another is itself the core work of systems change .

The interviews also reveal consistent tension arising from fundamentally different worldviews. Social entrepreneurs frequently described their work through a capitalist or market-based lens, framing business as the most viable pathway to solving the Sustainable Development Goals. One interviewee noted that social entrepreneurship is often treated as a "panacea," because it allows actors to retain a familiar economic worldview even when confronting structural inequities . In contrast, community-based practitioners emphasized dignity, relational accountability, and community-led value creation, while systems designers spoke in terms of fifty- to one-hundred-year horizons, power dynamics, and feedback loops. Investors framed challenges through portfolio logic, often describing the need to "pick a winning horse" to make the narrative legible to capital markets . Each group tended to see its own worldview as more pragmatic or realistic, leading to subtle vilification of others. As one interviewee put it, "We've created two camps—market-based and social—and they've spent years vilifying each other" .

Despite these shared dynamics, clear differences emerge between types of actors. Social entrepreneurs overwhelmingly described experimentation through lean, user-centered, and product-driven approaches. Speed was repeatedly emphasized, with several interviewees referencing the mantra "move fast and break things," even while acknowledging its risks in poverty contexts. One expert cautioned that *"when you break things in tech, you break software; when you break things in poverty, you break livelihoods"*. Entrepreneurs also spoke candidly about relying on short-term proxies such as user growth or pilot adoption, which one interviewee explicitly referred to as "vanity metrics," because rigorous impact measurement was too expensive or time-consuming at early stages . By contrast, system stewards—including community backbone organizations, systems labs, and facilitators—described experimentation primarily through process design, relationship-building, and governance innovation. These actors accepted slower timelines, with some noting that "if you're serious about systems change, nothing meaningful happens in under a year" . Success, for them, was measured not by outputs but by increased capacity, trust, and alignment across the system.

Geographic context further highlights important differences. Interviewees repeatedly pointed to examples from India, Kenya, and Southeast Asia where ecosystem-level approaches were more intentionally designed. In India, for instance, funders structured grants to require coordination across energy, agriculture, and livelihoods, effectively forcing social enterprises to work together. One interviewee described how rural electrification efforts shifted away from household solar products after systems mapping revealed that people spent little time at home; instead, excess power from telecom

towers was redirected to community kiosks supporting healthcare, agriculture, and small enterprises . In contrast, Canadian interviewees described a landscape characterized by fragmentation and protectionism. One participant reflected that organizations funded by the same foundations were "all repackaging the same ideas" but were "too immature and too protectionist to see the collective lift," leading collaborations to collapse .

The interviews strongly reinforce the literature around incentive alignment, particularly at the middle-management level. Corporate coalitions addressing sanitation, climate, or poverty were often initiated by interviewees who recognized the need for collective action. However, these efforts frequently stalled because middle managers could not justify time spent on collaboration that did not map to performance metrics or job security. As one interviewee explained,

"Sharing learnings across competitors feels wrong to people—it doesn't suit their mindset or their job description."

This suggests that systems collaboration fails not at the level of vision, but at the operational layer where incentives shape daily behavior.

The researcher observation of interviewees strongly supported that success is often defined through point solutions rather than shared missions. One interviewee described a collaboration around physical learning spaces where participants "talked about the stuff, not the values," resulting in parallel efforts rather than collective impact . In contrast, systems-oriented initiatives reframed success around bundled outcomes. One interviewee described an example of electrification in Myanmar where a telecom company, an energy provider, and a healthcare NGO collaborated based on their respective strengths to deliver solar powered electrification to rural Myanmar. All parties had their respective interest in the project, and each brought their own skills in operations, hardware and community access to deliver a systemic solution. The Myanmar electrification example illustrates how a systems lens shifted the goal from distributing products to strengthening community-level capabilities, leading to collaboration between the actors involved. As one interviewee noted:

"Design thinking would have led us to a better solar product; systems thinking led us to a different intervention altogether."

The tension between speed and care is one of the most emotionally charged themes across the interviews. Entrepreneurs described partnership-building as "ranking low on the priority list" because early-stage survival required focus and speed. One founder stated plainly, "We can't partner too early—it dilutes the value proposition" . Community practitioners, by contrast, emphasized that working in marginalized contexts demands slowness and attentiveness. Several interviewees spoke about emotional overwhelm, exhaustion, and the toll of constantly navigating multiple identities within complex systems. One systems designer described the work as "a deeply emotional, messy

middle," where people must continually break and reestablish alignment with themselves and others . The conflict, then, is not simply between fast and slow approaches, but between transactional time and relational time—each optimized for fundamentally different outcomes.

Destructive competition, particularly as shaped by funding narratives, emerged as another consistent barrier. Investors openly acknowledged that they are incentivized to back a single standout venture, because portfolios of collaborating enterprises are harder to explain to capital markets. "The messaging has to be clean," one interviewee noted, "and that usually means one company, one sector, one region". Entrepreneurs internalize this logic, competing for scarce resources and withholding learning even when collaboration would improve outcomes. At the same time, interviewees pointed to emerging alternatives such as pre-competitive research, shared procurement platforms, and stewardship models that separate profit from control. These approaches, however, remain exceptions rather than norms, and several participants emphasized that without changes to pitch expectations and funding structures, collaboration will continue to be penalized in practice.

Finally, the interviews strongly support the aforementioned hypotheses that while entrepreneurs are trained to prototype products, they are rarely equipped to prototype partnerships, governance, or incentives. Multiple interviewees noted that social entrepreneurs lack the language and tools to experiment with relationships and power-sharing. One participant stated bluntly,

"We teach people how to build companies, not how to work together."

In contrast, methodologies such as the U-Process, dialogic design, and connected community frameworks were described as ways of prototyping relationships themselves—creating temporary containers where new norms, roles, and decision-making structures can be tested. Yet these approaches remain peripheral to mainstream entrepreneurship education and funding ecosystems.

Taken together, the interviews reveal a consistent meta-pattern: social entrepreneurs are being asked to address systemic problems using tools designed for simple or complicated challenges. This mismatch results in an overemphasis on products, underinvestment in relationships, competition where cooperation is required, and widespread emotional exhaustion. At the same time, the research surfaces credible alternative models—community backbone organizations, trust-based philanthropy, pre-competitive collaboration, and stewardship governance—that demonstrate viable pathways toward systemic impact. The challenge is not a lack of examples, but a lack of incentive structures, funding mechanisms, and narratives that make these approaches legitimate, fundable, and scalable.

Chapter 5: Prototype Design & Results

The actors, working together included various systems actors each focusing on a complex problem surrounding the economic recovery of Venezuelan refugees in Colombia. In the prototype, each lab

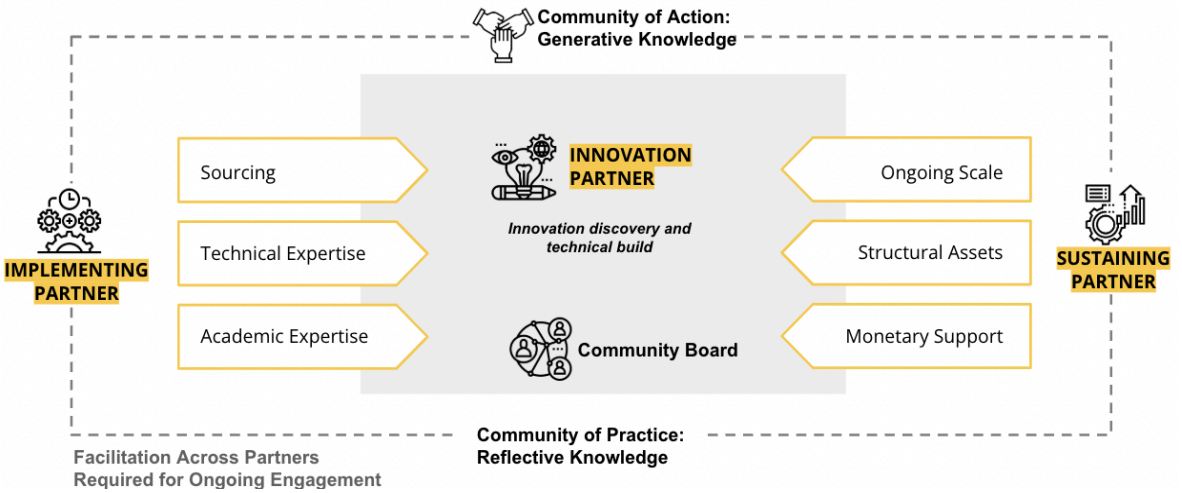
had a minimum of 3 organizations working together over several months to address the problem of refugee economic recovery. In total there were three labs distinguished by a specific area of economic recovery for refugees, one focused on remote work, one focused on host community engagement and the third focused on financial inclusion. The organizations ranged from small local not-for-profits to the country office of a large international NGO. Each lab was led by a social enterprise that was tackling a complex development problem. In total seventy people participated in the research. As part of the research each lab had a facilitator that helped coordinate the work across the different organizations as a neutral party. Overseeing the whole research experiment was the author of this report who observed the social dynamics of the work, what worked and what didn't work about the test.

The research demonstrated that social entrepreneurs additionally face the broad challenge of not having a partnership model available—a process for how to partner with other stakeholders from a systems perspective. As discussed, there are clear processes and methodologies for how entrepreneurs can test, build, and launch products and businesses as individuals, however there is no process for how to do so collectively.

From the interview insights a prototype was designed with the aim to test Senge's three challenges to "communities of action" and collaboration: fragmentation, reactiveness, and destructive competition. Additionally the prototype was designed to address the findings from the interviews, creating a process that the interviews revealed was missing, as well as align funding incentives through a generous contribution to the research where the testing of collaboration could occur.

The results of the interviews spurred a design of a new collaboration model which was designed to test how to align various incentives and have parties work together. The design is a structured collaboration model that brings together partners with complementary roles across implementation, innovation, learning, and scaling. Sustaining partners, including working groups and government ministries, were engaged throughout the pilot to remain informed of progress and key learnings. They participated in regular process readouts and reflection sessions, providing strategic guidance and contextual insights. This early and continuous engagement enabled sustaining partners (defined further below) to influence future scale-up and policy alignment once ideas were tested and validated.

Figure 4 - Partnership Types



The prototype revealed that partner roles within the design were not fully defined at the outset, but instead emerged through practice as participants engaged with the complexity of the challenges. The initial design assumed that social entrepreneurs would act as the innovation partner, and require a sustaining partner to scale toward. While partners initially entered the prototype under broad role assumptions, sustained observation across the labs clarified how different actors contributed in distinct yet interdependent ways to innovation, learning, and scale as displayed in Figure 4. Particularly the importance of the role of the implementation partner became apparent through observation of the system dynamics.

Innovation partners, primarily social enterprises, consistently assumed leadership in early-stage sensemaking and experimentation. These organizations moved quickly to understand the problem space, identify unmet needs, and test creative solutions through iterative cycles of learning. Their ability to generate rapid insights and prototypes enabled the labs to build a broad, early understanding of user challenges and identify high-leverage opportunities for intervention. However, the prototype demonstrated that while innovation partners excel at discovery and early validation, they are structurally limited in their ability to sustain and scale solutions independently. Their effectiveness depended heavily on collaboration with partners that could extend innovation beyond experimentation. They often lack trust with local communities and require a longer standing organization to work with them to even start the process of building due to the vulnerable and complex nature of the problems being addressed.

Implementation partners emerged as the most critical actors for grounding innovation in lived realities. Typically small NGOs or community-based organizations, these partners possessed deep trust within communities, long-standing relationships with target populations, and operational experience delivering services in complex contexts. Their proximity to users accelerated learning and ensured that

pilots were contextually relevant, ethically implemented, and responsive to real needs. Although implementation partners were not primary inventors of solutions, they played a decisive role in shaping, testing, and refining innovations. In many cases, they also acted as bridges to local private sector actors, enabling pathways for economic recovery that would not have been accessible to innovation partners alone. The research demonstrated that without implementation partners, human-centered design and agile testing would not have been feasible. These partners are often the most difficult to identify from an outside in perspective. They may not have a website or have won large grants in the past and so are only identifiable through engaging local communities.

Sustaining partners initially believed to be international in the form of large non-profit organizations could also be municipal or regional government entities. These actors brought credibility, institutional reach, and access to assets—such as research expertise, policy influence, and large-scale delivery platforms—that were essential for translating successful pilots into durable interventions. International organizations, in particular, sought this role in order to connect their internal expert resources to locally grounded innovation. While sustaining partners were generally not involved in day-to-day testing, their engagement proved critical for validating solutions in the eyes of funders and enabling pathways to scale. Notably, this partner category was the most difficult to engage collaboratively, as sustaining partners often defaulted to oversight and risk-management roles rather than shared experimentation—a challenge examined further in the findings.

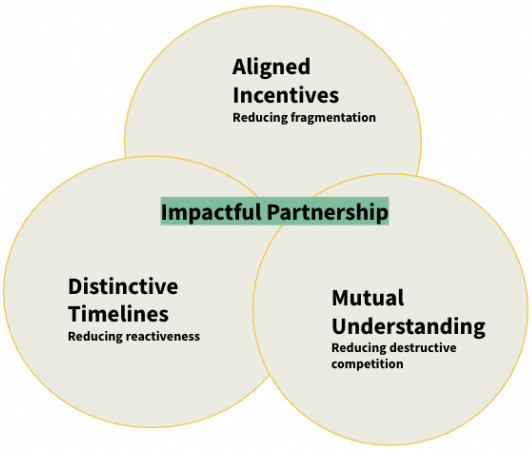
The role of funders, private sector actors, and multilateral institutions, though not explicit in the day to day work, play a catalytic role by signaling which solutions were viable candidates for broader adoption. Their early involvement created incentives for other partners to remain engaged beyond pilot stages and shaped how innovations were framed in terms of sustainability and investment readiness. The invisible hand of grant delivery helped align experimentation with longer-term pathways, ensuring that solutions were not only innovative but also institutionally adoptable.

Across all labs, the research revealed that no single partner type could address the complexity alone. Each actor operated with relative independence in their area of strength, yet outcomes depended on their ability to function as an interdependent cluster—moving collectively from early experimentation to long-term, large-scale impact. Innovation partners relied on implementation partners for trust and contextual intelligence; implementation partners depended on sustaining partners for legitimacy and scale; and sustaining partners benefited from innovation partners' ability to surface new approaches grounded in real-world testing.

The prototype thus demonstrated that effective "systems entrepreneurship" is less about assigning fixed roles and more about orchestrating complementary capabilities over time. Value was generated not through duplication or competition, but through intentional alignment of distinct contributions within a shared mission.

Beyond what actors were involved in the prototype, the prototype results surfaced how actors could work together better. Each group was designed to address the elements of Senge's research on what destroys communities of action. The research that ran designed the social enterprise to work with other stakeholders leveraging aligned incentives to reduce fragmentation, distinctive timelines to reduce reactivity and mutual understanding to reduce destructive competition. From these labs partnership engagement strategies were tested and formed as a Partnership Engagement Strategy (Figure 5).

Figure 5 - Partnership Engagement Strategy



Distinctive timelines across organizations require active collaboration facilitation to create momentum and shared accountability among actors. In cross-sector systems, organizations operate on different temporal logics: startups often prioritize speed and iteration, nonprofits emphasize program cycles and reporting periods, while institutions may be constrained by procurement, governance, or political calendars. Without facilitation, these misaligned timelines lead to stalled progress, disengagement, or burnout. By structuring collaboration around small, iterative projects with clearly defined deliverables, facilitators can create early wins that build trust and maintain focus. Short, bounded cycles of work enable ongoing communication to remain purposeful rather than diffuse, while preventing the fatigue that often accompanies long engagements without visible outcomes. In this way, temporal alignment is not achieved by forcing uniform timelines, but by designing rhythms of collaboration that allow diverse actors to contribute meaningfully within their respective constraints.

Aligned incentives are foundational to effective collaboration and are best developed through prototyping partnerships that allow actors to test and learn working models of collaboration in practice. Bringing partners together early in the process enables collective exploration of motivations, constraints, and definitions of success before patterns of misalignment become entrenched. Rather than assuming that incentives can be fully aligned at the outset, this model treats alignment as an emergent property of collaboration that evolves through a continuous iterative process. Perfect

alignment is neither realistic nor necessary; instead, collaboration depends on ensuring that each actor perceives a clear and individualized upside to participation. While "wins" may differ—ranging from funding opportunities and organizational learning to legitimacy or visibility—each partner must receive material value for the collaboration to remain of interest. Prototyping partnerships can therefore function as both learning environments and trust-building mechanisms, allowing incentive structures to be refined through shared experience rather than abstract negotiation or loose "we should work together" intentions.

Mutual understanding among partners is cultivated through the co-creation of a shared vision and the normalization of differing worldviews within the collaboration. Cross-sector partnerships bring together actors with distinct frameworks, professional languages, and assumptions about how change can and should occur. Rather than attempting to simplify these differences into artificial consensus, effective collaboration requires acknowledging and holding this plurality. Developing a common language and shared storytelling framework enables participants to articulate how their distinct contributions fit within a collective effort, without erasing difference. This approach recognizes that partnerships are inherently difficult and that total agreement is neither attainable nor desirable. What is essential, however, is open communication and a shared approach to the scope and purpose of the project. Resisting the urge to oversimplify complexity and instead sustain productive tension among perspectives leads to holding the tension that is critical to system-level functioning.

The result from the prototype is that this collaboration model allows for various stakeholders to adapt, learn, and remain resilient in the face of uncertainty. The research showed the critical role ways of working that allowed for collaboration to persist. Without intentional design of how people worked together there would not have been any opportunity to address complex systemic problems. The nurturing of these relationships from a neutral third party - the facilitation partner - is critical. The combination of both putting the right actors together *and* designing an effective container for collaboration was very clear through the research. Any one of these two components, though very helpful for engaging social entrepreneurs, often the innovation partners, to engage with other stakeholders will nudge collaboration. However it is the holistic nature of these principles that brings partners together to achieve shared outcomes.

A central component of the engagement model involved facilitation across partners. Participants were taken through a multi-day, facilitated workshop designed to surface organizational motivations, align incentives, and establish shared norms for collaboration. In addition to group sessions, partners engaged in bi-lateral meetings to identify their specific institutional incentives and growth objectives. Programming was then structured so that outputs from the research aligned not only with the collective mission but also with each organization's internal performance metrics and strategic priorities. By making incentives explicit and visible across partners, teams were better able to distribute work effectively, recognize complementary strengths, and avoid misaligned expectations. The goal of the prototyping phase was not solely to compensate partners for their labor, but to enable them to

demonstrate their capabilities and generate credible case studies that could support future funding and organizational growth.

The engagement model also accounted for the fact that organizations operate on distinct and often incompatible timelines. Early childhood development programs, livelihood initiatives, NGOs, startups, and large institutions each hold different expectations regarding program development, iteration cycles, and the measurement of success. Rather than imposing a single timeline, organizations were encouraged to adapt existing programs to incorporate an early childhood development component that had already been tested and validated by experienced partners in the field. The design, testing, iteration, and evaluation process was conducted and facilitated on a shared cadence. Each participating group was responsible for bi-weekly demonstrations in which work-in-progress was shared, critiqued, and discussed collectively. These sessions functioned not only as accountability mechanisms but also as learning spaces, enabling cross-team knowledge exchange and iterative improvement.

Developing mutual understanding among partners was another foundational element of the model. Each organization shared its core competencies, institutional background, and areas of expertise with the broader group. Through facilitated discussions, participants jointly articulated a shared mission, vision, and set of working norms, with the explicit aim of reducing organizational silos and fostering a "one team" mentality. Lab leads were selected for each initiative and formally acknowledged by all team members, reinforcing clarity around leadership and responsibility. Knowledge generated through the collaboration was openly shared across stakeholders via bi-weekly demonstrations and an open-source knowledge repository, allowing participants to learn from parallel efforts and emerging insights. Partners were encouraged to communicate openly and to engage in periodic retrospectives, in which teams reflected on collaboration dynamics, identified what was working well, surfaced challenges, and noted emerging risks that warranted ongoing attention.

Collaboration Tensions Observed During the Prototype

Fragmentation

Several challenges result in a fragmented approach to complex problem-solving among social entrepreneurs and reduce collaboration among systems actors. First, entrepreneurs create single-point solutions that tackle a specific part of the complex problems they seek to solve. The process that social entrepreneurs follow involves creating a small minimum viable product or service that can be easily tested and solves part of the problem. There is value in a lean approach as it provides a low-cost and fast way to test ideas for solving complex challenges. As a result of entrepreneurs being incentivized to "start small," their solutions tend to address a small piece of vastly complex problems and build point solutions to that part of the problem. For example, a social entrepreneur will create a suit that can protect healthcare workers from Ebola or improve the messaging experience between remote healthcare

workers and their supervisors. Entrepreneurs will work toward validating and building that solution without knowledge or expertise regarding the broader system within which that solution exists.

Building partnerships involve building a business case for incentive alignment. Business models in which every member of the group has a monetary incentive to work together must exist. Simply paying organizations to collaborate and have collaboration be a part of the deliverables that they will be paid for improves the collaboration outcomes. Middle managers and senior leaders have different incentives when participating in collaborative structures, they require monetary incentive as they have many competing projects for their time. Simple incentives improve the adoption of collaboration. For example, in the prototype we requested that groups selected for a grant would be more likely to win the grant if they brought collaborative partners to their proposal. From this approach one grantee brought six different local organizations to work with them. This small financial incentive drove a high degree of collaboration and made collaboration across the value chain of economic recovery more possible. Additionally that small financial incentive illuminated a way for actors to organize *themselves.* As a result of organizing themselves into groups there was a stronger and more secure incentive alignment across the groups. Interestingly, senior executives can see the benefit to collaboration due to their ability to see across projects; however, they lack the ability to effectively influence middle managers to implement.

Lack of Shared Language

A central barrier to effective cross-sector collaboration is the absence of a shared operational language, which undermines trust and coordination even among well-intentioned actors. As with any emerging relationship, partnerships between organizations require time to develop mutual understanding of institutional cultures, values, and expectations. When this interpretive work is insufficient, collaborators rely on implicit assumptions about roles and authority that often prove inaccurate. For example, in several partnerships described in the interviews, nonprofit institutions were treated as if they were the primary "clients" simply because they were recipients of funding, despite the fact that they functioned operationally as vendors embedded within a larger delivery system. This mischaracterization led to repeated confusion over decision-making authority, pilot readiness criteria, and ownership of outcomes. Rather than trust emerging through shared practice, coordination became dependent on contractual logic and formal reporting, constraining the partnership's ability to adapt to changing conditions.

Lack of Shared Worldviews

These challenges are further exacerbated by structural tensions between for-profit and nonprofit organizational worldviews. Actors enter collaborations with distinct assumptions about legitimacy, speed, and acceptable risk, shaped by their underlying incentive structures. Startup and social enterprise actors frequently framed scalability, efficiency, and revenue generation as markers of

seriousness and impact, often emphasizing technology-driven solutions. In contrast, nonprofit and institutional partners prioritized compliance, continuity, and alignment with donor or regulatory requirements. This divergence surfaced repeatedly in discussions about whether solutions required digital platforms at all, or whether existing analog systems were more appropriate given local constraints. In one case, startup participants questioned the perceived slowness of institutional partners, while nonprofit actors expressed concern that proposed business models underestimated operational realities such as documentation requirements, staffing limitations, or political oversight. These tensions were rarely articulated directly, allowing frustration to accumulate without resolution.

Underlying these structural differences is a deeper epistemic divide in which actors implicitly position their own worldview as more advanced than those of their collaborators. Social entrepreneurs often framed their approach through a market-based lens, asserting that capitalist mechanisms represent the most effective pathway to addressing the Sustainable Development Goals. Institutional and community-based actors, by contrast, emphasized public systems, regulatory legitimacy, and lived experience as prerequisites for durable impact. This dynamic was evident in debates over how success should be measured—whether through revenue growth and product adoption, or through employment placement, institutional uptake, and long-term community outcomes. Rather than recognizing these perspectives as complementary, participants frequently treated them as competing hierarchies of value, limiting opportunities for epistemic humility and mutual learning.

Outputs Over Outcomes

Another recurring challenge is the tendency to organize collaboration around discrete products or services rather than shared system-level missions. Convenings frequently centered on the production of tangible outputs—such as applications, pilots, or training programs—without sufficient attention to how these artifacts fit within a broader ecosystem. In several interviews, participants described pilot evaluations that focused narrowly on deliverables and timelines, while struggling to articulate how individual projects connected to existing institutions, policy pathways, or mechanisms for scale. This emphasis on producing "stuff" narrowed collective perspective and obscured interdependencies among actors. Without a shared narrative framework, participants optimized for their own outputs rather than for systemic coherence, reinforcing fragmentation rather than integration.

Political and institutional constraints further complicate collaboration, often operating as invisible but decisive forces. Legal processes, governance structures, and political instability can significantly delay implementation or restrict resource allocation, even in partnerships marked by strong relational commitment. One interview described how changes in municipal leadership and ongoing legal reviews stalled contracting processes for months, despite consensus among collaborators about project value. In the absence of shared visibility into these constraints, delays were frequently interpreted as a lack of motivation or competence rather than as structural limitations. This misattribution intensified

mistrust and diverted attention away from the institutional conditions shaping what collaboration could realistically achieve.

Reactiveness

Within the startup space, "speed" is paramount. "Move fast and break things" is a common mantra that entrepreneurs and investors use as a reminder that speed is more important than precision. While that speed has expedited innovation, it has also caused significant negative implications. When "breaking things" in poverty scenarios, this could mean inadvertently destroying someone's livelihood, further marginalizing vulnerable groups, or re-traumatizing displaced peoples. Given that working in complexity among marginalized groups makes taking time increasingly important, there is tension between social entrepreneurs who want to move quickly and system actors such as government and NGOs that work with longer time horizons.

Measuring the impact of solutions presented by social entrepreneurs also takes time, so often shorter-term "vanity" metrics such as "user growth" are used as proxies for impact, when measuring actual impact is a much more complex and time-intensive process. When collaborating across different actors in the system, due to differing worldviews, the complexity of problems at hand, and the number of stakeholders, collaborations can take significant time. Experts interviewed described the process of forming systems collaborations as taking one to one and a half years to build trust. Developing relationships between people, especially those who do not share similar approaches to problem-solving, is a time-consuming process. Adam Kahane's team at REOS Partners uses the U-Framework process to facilitate different parties in developing shared language, shared missions, and ultimately action plans to work together as groups. This process can take up to a year. There is tension between forming relationships and building and shipping products.

Social entrepreneurs focus their attention on users of their products and services and react to their needs and engagement. Taking a human-centered and user experience approach can solve for improving experience at an individual level but does not help address broader systemic challenges.

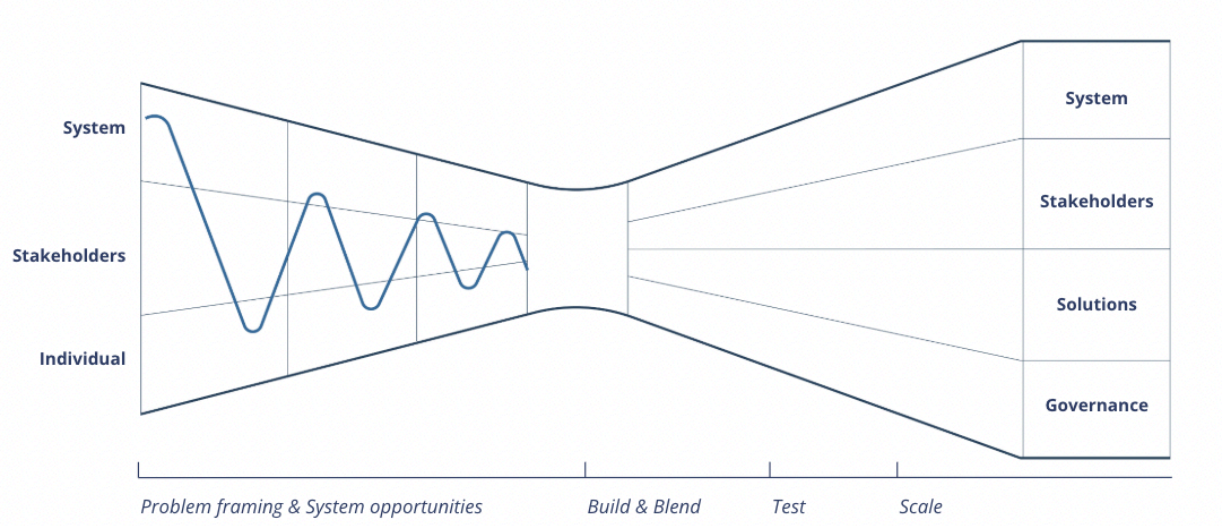
Taken together, these examples suggest that failures in collaboration are less the result of individual shortcomings than of unaddressed epistemic, institutional, and structural misalignments. When assumptions about roles, worldviews, and success metrics remain implicit, partnerships default to siloed action and mutual suspicion. Effective collaboration therefore requires deliberate mechanisms for surfacing assumptions, aligning narratives, and recognizing the partiality of any single perspective within complex systems. Without such efforts, even well-resourced and well-intentioned partnerships are likely to reproduce the very fragmentation they seek to overcome.

Chapter 6: An Emergent Model for Systems Entrepreneurship

Systems entrepreneurship departs from conventional entrepreneurial models by shifting the locus of innovation away from individual founders or products and toward the design and coordination of relationships across complex systems connecting each part of the impact value chain Rather than assuming that systemic change can be achieved through a single scalable solution, this model treats entrepreneurship as an integrative practice that aligns diverse actors including public, private and not for profit sectors, around shared system-level goals. In this framing, partnerships are not peripheral implementation mechanisms but the primary medium through which system change is explored, tested, and enacted in order to address complex problems that can be found in the Sustainable Development Goals and other similar frameworks.

At the foundation of this model is an explicit recognition that complex social challenges are produced and sustained by interactions among multiple actors operating at different levels of a system, including individuals, organizations, markets, and governance structures. Systems entrepreneurship therefore begins not with solution ideation, but with relational inquiry: understanding who the relevant actors are, how they currently interact, where power and influence reside, and how existing relationships enable or constrain change. This orientation aligns with systems approaches that emphasize problem framing, stakeholder mapping, and systems mapping as prerequisites for meaningful intervention. Understanding the impact value chain, who is a part of it, their role and value they create helps to weave together a picture of who is needed to address complex problems, before a solution is even developed.

Figure 6 - Systems Entrepreneurship Model



A defining feature of this model is relationship and partnership research as a formal phase of the entrepreneurial process. Beyond traditional market or user research, relationship research examines how organizations currently collaborate, where trust exists or is absent, how incentives are structured, and how decisions are made across institutional boundaries. This includes analyzing feedback loops, dependency relationships, and asymmetries of power among stakeholders. Importantly, the model recognizes that the convening organization—whether a lab, NGO, or funder—is itself an actor within the system and must interrogate its own role, authority, and incentives as part of the analysis. By surfacing these relational dynamics early, systems entrepreneurs are better positioned to design partnerships that are realistic, equitable, and capable of sustained collaboration.

Partnership design constitutes the next critical layer of the model. Rather than selecting partners solely on the basis of technical capacity or reputation, systems entrepreneurship emphasizes assembling a complementary group of actors whose capabilities span different parts of the system. This often requires bringing together organizations with distinct—and sometimes conflicting—worldviews, such as nonprofits, startups, government entities, and community-based organizations. Partnership design in this context is an intentional process that involves clarifying roles, aligning incentives, establishing governance structures, and creating shared norms for decision-making and accountability. Contracting is treated not merely as a legal formality but as a design instrument that encodes expectations, risk-sharing arrangements, and learning objectives for the collaboration

Within this model, prototyping partnerships serve as the primary experimental unit of systems entrepreneurship. Rather than prototyping isolated products or services, partners collectively prototype new ways of working together within the system. These partnerships are structured as time-bound experiments in collaboration, during which teams test assumptions about coordination, information sharing, implementation capacity, and impact pathways. The prototyping phase typically involves facilitated teaming and norm-setting, iterative testing cycles, and regular demonstrations in which partners share progress, failures, and insights with one another. This process allows the system itself—rather than a single solution—to be tested and refined.

Crucially, the testing phase is designed to generate value for partners beyond immediate project outputs. By participating in structured prototyping partnerships, organizations have the opportunity to demonstrate their capabilities, develop shared case studies, and build relational capital that can support future funding and scaling efforts. In this sense, prototyping partnerships function as both learning mechanisms and credibility-building devices within the broader ecosystem. The emphasis on portfolios of partnerships, rather than single bets, further reflects the model's recognition that early-stage systems innovation is inherently uncertain and benefits from parallel experimentation

As partnerships mature, insights from testing inform decisions about scaling, institutionalization, or integration into existing governance structures. Importantly, scale in this model is not assumed to mean replication of a single solution. Instead, scaling may involve strengthening coordination among

actors, embedding new practices within institutions, or supporting multiple complementary solutions across different parts of the system. Partnerships that do not progress toward scale still contribute valuable learning about system constraints, relational dynamics, and conditions for success.

In sum, a systems entrepreneurship model reframes entrepreneurship as a relational and institutional practice rather than a purely market-driven one. By foregrounding partnership research, intentional partnership design, and prototyping partnerships as core entrepreneurial activities, the model provides a structured approach for navigating complexity, aligning diverse actors, and generating durable system-level change. Rather than asking how a single venture can scale, systems entrepreneurship asks how relationships across a system can be reconfigured to produce new possibilities for collective action.

Chapter 7: Conclusion

Social entrepreneurship has traditionally framed impact as the result of individual agency—where standout founders and discrete solutions are celebrated as the primary engines of social change. However, the global development context is increasingly turbulent and indicates that individual efforts alone are insufficient to address systemic problems effectively. Recent shifts in international development funding have exacerbated this reality. The closure and dismantling of the United States Agency for International Development (USAID) has disrupted humanitarian, health, and development programming worldwide, highlighting how fragile and fragmented the current ecosystem can be when major actors retreat or collapse. Experts note that the USAID shutdown has triggered large-scale service disruptions, undermined global food security and health systems, and forced development actors to seek new funding and partnership models to enable continuity of impact. (TechnoServe)

This report contributes a set of practical frameworks and insights that are especially relevant against this backdrop of crisis and uncertainty:

1) Transformation of the venture-backed model for social enterprises
Whereas current funding models often reinforce siloed competition for scarce capital, the research highlights the value of incentivizing complementary roles among organizations working toward shared outcomes. Collaborative funding structures can distribute risk, enable shared learning, and reduce duplication—critical advantages in times of declining public development assistance.

2) An organizational model for partnership across systems actors
The partnership architecture tested in this research—distinguishing sustaining partners, implementation partners, innovation partners, and scaling partners—offers a practical template for

coordinated action. By articulating clear roles, shared responsibilities, and mutual value propositions, this model helps overcome the ambiguity that frequently derails cross-sector efforts.

3) Introduction of a new "network weaver" role
A central finding of the prototype was the importance of facilitation and connective infrastructure. The network weaver emerged as a role that enables trust-building, shared language development, and momentum across participants—functions that traditional funders and operational partners rarely finance explicitly.

4) Recognition that systems entrepreneurship requires strategic relationships rather than individual heroic efforts

This research frames systems entrepreneurship as a set of practices and incentives that foreground collaboration, shared governance, and interdependence reframing the singular impact of a social entrepreneur. Such practices become increasingly necessary as traditional development institutions falter and risks to systems coherence grow.

The current crisis in global development funding—including the dramatic contraction of Western foreign aid and the effective upheaval of longstanding institutions like USAID—is not an isolated policy debate but a structural shock to the field. Western governments have made significant cuts to their official development assistance, prompting fears that the traditional model of foreign aid is entering a period of retreat. (FIIA) The consequences are far-reaching: without coordinated solution pathways and resilient ecosystem-level structures, progress toward foundational goals such as health, education, and economic opportunity may stall or reverse.

The scale of the disruption is such that even well-established health and humanitarian programs are interrupted or at risk without alternative mechanisms to sustain them. Reuters reporting on the aid freeze found life-saving services stopped, programs downsized, and local partners left with limited capacity to operate in the absence of major donors. (Reuters) These developments underscore how deeply interconnected the field of development is, and how vulnerable it can be when strategic relationships and systems support are neglected. Moreover, research projections related to diminished funding scenarios suggest that millions of preventable deaths could occur by 2030 if funding trajectories are not stabilized or replaced with innovative collaborative approaches. (EATG)

In a period where development models are being rethought—whether by necessity or design—social entrepreneurs and their ecosystems need to evolve in ways that reflect systemic realities:

1. Fund collaboration as infrastructure, not as peripheral activity. Coordination, facilitation, shared learning platforms, and cross-entity governance should be supported as core investments rather than afterthoughts. Beyond a convening or a

conference, ongoing funding into systemic labs is needed to translate siloed knowledge into systemic solutions that can actually scale.

2. Design incentives that reward complementarity over competition. In crisis contexts, the survival and scaling of impact depend on shared pathways of progress rather than isolated wins.

3. Institutionalize facilitator and alignment roles, such as network weavers. These are essential for trust-building, conflict navigation, and shared meaning-making across actors.

4. Measure collective outcomes alongside organizational performance. Shared metrics create accountability to ecosystems rather than to singular organizations—a shift toward collective impact.

Chapter 8: Future Research & Closing

Future research could extend this proposed systems entrepreneurship model by asking how coordinated, relationship-centered interventions translate into measurable improvements in people's lived outcomes across the full impact value chain—beyond proxy indicators toward changes in income security, access to services, dignity, and long-term resilience. Key questions remain around what kinds of metrics and evaluation frameworks could credibly capture system-level change, and how attribution could be understood when outcomes emerge from interdependent actors rather than single organizations.

Further future research could examine the tension between local specificity and global scale: how might interventions remain deeply grounded in local contexts while still enabling transnational learning, replication of principles, and adaptive scaling? What design and governance mechanisms could allow locally led solutions to travel without erasing context, power, or community ownership?

On the financing side, future research could explore which funding models are capable of sustaining systems entrepreneurship over longer time horizons, including blended approaches that combine impact investing, venture philanthropy, and mission-oriented public capital. Open questions include how governance structures found in ESG investing could evolve to reward collective outcomes, shared infrastructure, and coordination work rather than isolated firm performance, and how ownership and stewardship models could protect public value while engaging private capital.

Finally, this research could invite deeper exploration of inclusive and participatory design as a core business and investment practice. What might it mean for communities to act not only as users or beneficiaries, but as co-designers and co-governors of systems change? How might design-led methods reshape decision-making in both enterprises and capital allocation, aligning innovation, equity, and long-term societal missions?

The global development sector is at an inflection point. Traditional institutions are contracting, and funding mechanisms are under strain. In this environment, the transition from isolated social entrepreneurship to intentional systems entrepreneurship is not just academically compelling—it is pragmatically necessary. Building "communities of commitment" and models that foreground collaboration positions actors to sustain impact despite volatility, fragmentation, and funding uncertainties. In doing so, the field can respond more resiliently to crises and create durable progress against complex social challenges.

Chapter 9: References and Glossary

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Glossary

Communities of Commitment: Relationships among diverse actors based on respect, mutuality, genuine caring for the future, and willingness to put individual significance at risk (Senge).

Impact Value Chain: The impact value chain refers to the sequence of interdependent actors, activities, and relationships through which social, economic, or environmental value is created, delivered, and sustained across a system.

Social Entrepreneurship: The practice of using business principles and innovative approaches to address social and environmental challenges while maintaining financial sustainability.

Systems Entrepreneurship: An approach to entrepreneurship that recognizes interconnectedness of social problems and emphasizes collaboration with other system actors to create collective solutions.

Network Weaver: An individual or role responsible for facilitating connections, maintaining momentum, and coordinating activities across collaborative networks of organizations.

Chapter 9: Appendices

Collaboration for Systemic Change

[Systems Expert] Interview Guide

1 INTRODUCTION TO INTERVIEW (5 m)

- Introduce team and define roles
- Explain purpose of discussion BRIEFLY.
    - *"Thank you for your time for this interview session today. We are from OCAD and want to spend 50 [minutes] talking to you about systems change and social entrepreneurship in relationship to your expertise in tackling these kinds of challenges throughout your career. The goal is to identify areas that we can improve to ultimately increase the outcomes of social entrepreneurial pursuits. You are the expert here, and we look to you for guidance. Please be as candid as possible, and there are no right or wrong answers."*
- Ask for honesty
    - We want to assure you that everything will be kept confidential and we only use the audio for research purposes. If at any point in time you would like us to stop recording, please let us know and we will do so.
- Ask participants to sign the consent form before the interview, if they haven't done so already.
- Explain recorders
    - Interview recordings are for our internal reporting and note-taking purposes only.
- Inform participant length of interview
- Does the interviewee have any questions?

2 BACKGROUND & CONTEXT (10 m)

Goal: *Understand their background and the role they play in the social entrepreneur space.*
What is your current role, and what are your responsibilities in that context?

Tell me about your background with respect to systems work and social entrepreneurship?

3 CURRENT STATE (15 m)

1. What is the role of systems thinking(if any) in solving complex social problems at your organization**?**
    a. How have you approached using systems thinking in the past?
    b. Who are the typical participants engaging in systemic challenges?
    c. How has the approach to addressing systemic challenges evolved over time at your organization?
2. When did social entrepreneurship begin to overlap with systemic change work?
    a. How did social entrepreneurs engage?
    b. Who brought them into the conversation?
3. What role does collaboration play in solving systems problems?
    a. What kinds of collaboration tools does your organization use?
    b. What works well?
    c. How have those collaboration processes evolved over time?

5 CO DESIGN + FUTURE (5 m)

Ideas

- I want you to imagine that you have full license to change anything and everything you want about collaboration amongst social entrepreneurs to solve systems challenges: What are you imagining and why?
- What innovations in collaboration methods are you excited about?

6 WRAP UP (5 m)

Discussion topics	1. We talked about a lot of things today, are there things on your mind that we may have skipped, that you think are important?

Prototype Participant Organizations

Ruta N
Fundefir
International Rescue Committee
SAOS Online
GrupoNex
Fundacion Genval
Programa Valentina
Laitjaus
Comuna Project
Cedecur
Fundatransvida
Teate
Alianzas Solidarias